



CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

20 25

Consolidated and Separate Financial Statements

For the year ended 31 March 2025

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STATEMENT OF RESPONSIBILITY BY THE BOARD OF DIRECTORS

for the year ended 31 March 2025

Directors' responsibilities in relation to the consolidated and separate financial statements

The Company's directors are responsible for the preparation and fair presentation of the consolidated financial statements and the separate financial statements of The Royal Eswatini Sugar Corporation Limited ("RES"), comprising the statements of financial position at 31 March 2025, the statements of profit or loss and other comprehensive income, the statements of changes in equity, the statements of cash flows for the year then ended, and the notes to the financial statements, which include a summary of material accounting policies, and the directors' report in accordance with IFRS® Accounting Standards and in the manner required by the Companies Act of Eswatini.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the ability of the Company and its subsidiaries to continue as going concerns and have no reason to believe that the businesses will not be going concerns in the year ahead.

The auditor is responsible for reporting on whether the consolidated financial statements and separate financial statements are fairly presented in accordance with IFRS Accounting Standards, and in the manner required by the Companies Act of Eswatini.

Approval of consolidated financial statements and Company financial statements

The consolidated financial statements and separate financial statements of The Royal Eswatini Sugar Corporation Limited, set out on pages 6 to 58, were approved by the board of directors on 24 June 2025 and are signed on their behalf by:


A T Dlamini
(Chairman)
N M Jackson
(Director)

INDEPENDENT AUDITORS' REPORT

To the shareholders of The Royal Eswatini Sugar Corporation Limited

Opinion

We have audited the consolidated and separate financial statements of The Royal Eswatini Sugar Corporation Limited and its subsidiaries (the group and company), set out on pages 6 to 58 which comprise the statements of financial position as at 31 March 2025, and the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, and the notes to the financial statements, including a summary of material accounting policies and the directors' report.

In our opinion the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of The Royal Eswatini Sugar Corporation Limited as at 31 March 2025, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS® Accounting Standards, and in the manner required by the Companies Act of Eswatini.

Basis for opinion

We conducted our audit in accordance with International Standards of Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated and separate financial statements* section of our report. We are independent of the group and company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to the audit of financial statements in Eswatini and have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of the most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Assessment of goodwill for impairment.

Refer to note 4 - Use of estimates, Significant accounting policies in notes 7.1 and 7.5 and Goodwill in note 11 to the financial statements.

This key audit matter is applicable to both the consolidated and separate financial statements.

The key audit matter	How the matter was addressed in our audit
Goodwill of E286 481 000 in the consolidated and separate financial statements, is required to be assessed for impairment on an annual basis. The impairment assessment, made by the directors, in respect of the goodwill allocated to the Mhlume Sugar division (the cash generating unit, "CGU") involves key assumptions in relation to forecasting future cash flows and is sensitive to growth rates embedded in the business plan and the discount rate applied to the future cash flows. Due to the significant judgement and estimation uncertainty in respect of determining the recoverable amount of the CGU the assessment of goodwill for impairment was considered a key audit matter in our audit of the consolidated and separate financial statements.	Our audit work included the following procedures: We assessed the assumptions used by the directors in the goodwill impairment assessment specifically in respect of the cash flow forecasts, discount rates and growth rates applied by performing the following: • We tested the design and operating effectiveness of management review of the goodwill impairment calculation. • We assessed the reasonableness of the discount rate applied in the discounting of future cash flows by comparing the rates used to those rates applicable to the R186, South African 10-year bond and R209 South African risk-free bond rates used as proxies and adjusted for country and industry specific risk factors. • We evaluated the cash flow forecasts by analysing projected income and expenditure streams in line with the company's projected production. • We assessed future projected production for reasonableness in relation to current production and management's future plans. • We compared capital expenditure projections to existing plans to acquire assets necessary to ensure the company meets production targets. • We assessed the reasonableness of future growth rates by: » Comparing forecast sugar prices to current prices and to the expected prices from global and regional markets. » Comparing the inflation adjustments on expenses to current and projected inflation rates. • We performed an independent sensitivity analysis by changing the key assumptions applied to assess the impact on the value in use of the CGU including changes in projections that might be brought about by the conflicts in Ukraine and Gaza • We assessed the appropriateness of the disclosures made in the consolidated and separate financial statements against requirements of <i>IAS36 Impairment of Assets</i>.

Valuation of biological asset: Growing cane

Refer to note 4 - Use of estimates, Significant accounting policies in note 7.7 and Biological assets in note 15 to the financial statements.

This key audit matter is applicable to both the consolidated and separate financial statements.

The key audit matter	How the matter was addressed in our audit
Growing cane of E1 010 519 000 in the consolidated and separate financial statements, is classified as a biological asset in terms of IAS 41, Agriculture and is carried at fair value less costs to sell. The fair value of the growing cane is determined using valuation techniques which include significant unobservable inputs (level 3). Our audit work focused on the valuation of growing cane given the level of judgement and estimation involved in determining the fair value. The fair values are derived from the following significant unobservable inputs: forecast yields per hectare of cane, forecast sucrose percentage in cane, forecast sucrose prices and exchange rates (indirectly) Accordingly, due to the significant judgement involved in determining the fair value of the growing cane the valuation of the biological asset was considered a key audit matter in our audit of the consolidated and separate financial statements.	Our audit work included the following procedures: • We tested the design and implementation as well as the operating effectiveness of management's review over the fair value calculation of the growing cane. • We assessed management's historic estimation accuracy in the determination of the fair value of growing cane by comparing the data that was used in the previous financial period against current year results, particularly with regards to the yields per hectare of cane, sucrose percentage in cane, harvest age and sucrose prices actually paid by the Eswatini Sugar Association (ESA) which were based on sugar prices achieved in destination markets and exchange rate fluctuations. • We assessed the reasonableness of assumptions applied in the determination of the current year's fair value of growing cane by comparing the data that was used in the calculation as follows: » Selling price of sucrose was agreed to the estimate obtained from the ESA. The selling price was assessed for reasonableness taking into account our knowledge of the Eswatini sugar industry, world, regional and local sugar prices and global exchange rate trends that may be brought about by the conflicts in Ukraine and Gaza. » Yields per hectare of cane, sucrose content in cane, harvest age of cane were compared to historical information. • We physically inspected a sample of cane fields to assess the quality of the crops to support the inputs used in the fair value determination of the growing cane. The quality of the crops were corroborated by discussions held with the ESA and the company's agronomists. • We assessed the appropriateness of the disclosures made in the financial statements against the requirements of IAS41 Agriculture.

Other information

The directors are responsible for the other information. The other information comprises the Statement of responsibility by the Board of Directors, which we obtained prior to the date of this report, and the Integrated Report, which is expected to be made available to us after that date. Other information does not include the consolidated and separate financial statements and our auditors' report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based on the work we performed on the other information obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS® Accounting Standards and in the manner required by the Companies Act of Eswatini, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group's and the company's ability to continue as going concerns, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and / or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud and error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and the company's ability to continue as going concerns. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the group and / or the company to cease to continue as going concerns.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where appropriate, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



SNG Grant Thornton Chartered Accountants (Eswatini)

per RE Webb

Chartered Accountant (Eswatini)

Registered Auditor

Umkhiwa House

Lot 195 Kal Grant Street

Mbabane

Eswatini

26 June 2025

The Directors have pleasure in presenting their report together with the financial statements for the year ended 31 March 2025.

General review of operations

The Group's principal activities are the growing and milling of sugar cane, the manufacture of sugar, and the manufacture of ethanol from molasses. The results of operations are fully disclosed in the attached financial statements.

The total comprehensive income attributable to the Owners of the Company amounted to E414.3 million. This is 35% lower than the results achieved in 2023/24. The reduced profit is attributable to marginal growth in revenue against higher production costs. In addition, the fair value of standing cane decreased by E17.2 million against an increase of E282.7 million in the prior year which was influenced by uncut fields which were carried over and harvested in the current year and higher sugar prices used in the valuation. The prices used in the current year valuation were 0.1% lower than those of prior year due to unfavourable market factors while the volume was lower due to cane being harvested at normal optimal age.

On 01 April 2024 Mhlume Sugar Company Limited transferred its assets and liabilities to The Royal Eswatini Sugar Corporation Limited as a going concern. This initiative is aimed at reducing administrative burden and to drive efficiencies through the consolidation of operational activities. Following the transfer of the assets and liabilities, there was no further income in the books of Mhlume Sugar Company Limited as all transactions occur in the books of The Royal Eswatini Sugar Corporation Limited.

From a group perspective, the transfer of the assets and liabilities did not change the net asset value of the consolidated assets and liabilities and future results, earnings per share, dividends and accounting ratios will not be impacted solely as a consequence of the transfer of assets and liabilities, however normal trading conditions would result in all metrics fluctuating from year to year dependent on underlying financial and climatic conditions.

Dividends

The following dividends have been declared (refer note 19.3):

- A first interim dividend for the year ended 31 March 2025 of 129.2 cents (2024 – 82.7 cents) per share which was paid in October 2024;
- A final dividend for the year ended 31 March 2025 of 135.8 cents (2024 – 146.6 cents) per share which was paid in June 2025.

DIRECTORS' REPORT

for the year ended 31 March 2025

Board structure

The Board comprises of one executive and ten non-executive directors.

Directorate

The directors of the Company during the year were:

Directors

A T Dlamini	(Chairman)
N M Jackson	(Managing Director)
HRH Princess Lomajuba	
R Field	
J N Gule	
O Madein	
Z R Magagula	
B Mkhaliphi	
Chief Z N Ndlangamandla	
M S M Shongwe	
A Westermeyer	

Alternates

M Ndlela	(to J N Gule)
A Ngcobo	(to A T Dlamini)
F Ogundairo	(to O Madein)

Secretary and registered office

Secretary

L S Masango

Registered Office

Simunye Sugar Estate
P O Box 1
Simunye

Auditors

SNG Grant Thornton Chartered Accountants (Eswatini)
Umkhiwa House
Lot 195, Kal Grant Street
Mbabane

Bankers

Standard Bank Eswatini Limited
Nedbank Eswatini Limited
First National Bank of Eswatini Limited

Transfer secretaries

SNG Grant Thornton (Advisory) (Eswatini) (Proprietary) Limited
P O Box 331
Mbabane
H100

Management structure

Managing Director

N M Jackson*

Commercial

M I Maziya*	General Manager Commercial
S Kunene	Materials and Warehouse Manager
S Saxena	Head of Distillery
J Shiba	Procurement Manager
Z Zulu	Logistics and Marketing Manager

Agriculture

I B Oosthuizen*	General Manager – Agriculture
M Gama	Agricultural Manager – Production
B Sibandze	Agricultural Manager – Services
B Shongwe	Agricultural Manager – Water Resources
N Mkhonta	Outgrowers Development Manager
S Dlamini	Citrus Development Manager

Manufacturing

J Tfwala*	General Manager – Manufacturing
Vacant	Head of Factory – Engineering
Vacant	Head of Factory – Production

Engineering Services and Projects

O Marais	Engineering Services and Projects Manager
I Sutherland	Manager Engineering Support
B Tfwala	Energy Manager

Finance

D V Dhlwayo *	General Manager – Finance
M Zwane	Financial Manager – Business Planning & Reporting
T Sifundza	Financial Manager – Financial Management

Special Projects

P Myeni*	General Manager – Special Projects
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Human Capital

B Masuku*	Group Human Capital Manager
B A Maziya	Head: Human Resources Operations
M Gamedze	Head: Learning and Talent
Dr R Shoshore	Head: Medical and Wellness Services
T Mkoko	Employee Relations Manager
M Masuku	Remuneration & Human Capital Systems Manager

Governance, Risk and Compliance

L S Masango	Head: Governance, Risk and Compliance
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Information Technology

M Malinga	Group IT Manager
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Office of Strategy Management

P M Dlamini	Head of Strategy and Risk
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Public Affairs

I Fakudze	Group Public Affairs Manager
Vacant	Property Services Manager
M Dlamini	Livestock and Game

*Members of the Executive Committee (Exco)

STATEMENTS OF FINANCIAL POSITION

as at 31 march 2025

	Note	Group 2025 E'000	Group 2024 E'000	Company 2025 E'000	Company 2024 E'000
Assets					
Property, plant and equipment	10	2 870 295	2 718 123	2 867 699	1 399 919
Goodwill	11	286 481	286 481	286 481	-
Intangible assets	12	48 146	39 696	48 146	38 076
Investments in subsidiaries	13	-	-	1 510	666 474
Equity accounted investees	14	256 007	238 536	80 971	80 971
Deferred tax assets	32.4	1	1	-	-
<i>Total non-current assets</i>		3 460 930	3 282 837	3 284 807	2 185 440
Inventories	16	257 239	217 761	257 239	123 153
Biological asset - growing cane	15.2	1 010 519	1 027 738	1 010 519	562 135
Biological asset - livestock	15.3	17 505	17 078	17 505	-
Trade and other receivables	17	622 889	459 572	622 603	291 941
Derivative assets	23	-	2 426	-	636
Taxation prepaid	37.2	287	67	-	-
Cash and cash equivalents	18	420 602	272 014	420 602	246 986
<i>Total current assets</i>		2 329 041	1 996 656	2 328 468	1 224 851
Total assets		5 789 971	5 279 493	5 613 275	3 410 291
Equity					
Share capital	19.1	128 639	128 639	128 639	128 639
Share premium	19.1	632 379	632 379	632 379	632 379
Preference share redemption reserve	19.2	78 104	78 104	78 104	78 104
Retained earnings		2 420 134	2 261 106	2 218 982	1 474 850
<i>Total equity</i>		3 259 256	3 100 228	3 058 104	2 313 972
Liabilities					
Deferred tax liabilities	32.4	719 101	654 615	719 082	363 981
Loans and borrowings	21	649 420	536 106	649 420	90 210
Employee benefits	22	110 249	102 440	110 249	71 971
<i>Total non-current liabilities</i>		1 478 770	1 293 161	1 478 751	526 162
Trade and other payables	24	543 650	437 330	568 125	307 353
Short term employee benefits	25	108 940	138 478	108 940	79 516
Bank overdraft	18	47 205	11 281	47 205	977
Current portion of loans and borrowings	21	201 622	148 635	201 622	31 931
Current tax liabilities	37.2	19 692	9 139	19 692	9 139
Dividends payable	37.3	130 836	141 241	130 836	141 241
<i>Total current liabilities</i>		1 051 945	886 104	1 076 420	570 157
Total liabilities		2 530 715	2 179 265	2 555 171	1 096 319
Total equity and liabilities		5 789 971	5 279 493	5 613 275	3 410 291

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2025

	Note	Group 2025 E'000	Group 2024 E'000	Company 2025 E'000	Company 2024 E'000
Revenue	27	4 963 924	4 749 409	4 963 924	2 782 451
Cost of sales		(3 897 812)	(3 778 978)	(3 897 812)	(2 140 760)
Change in fair value of biological assets	15	(16 792)	280 265	(16 792)	116 410
Gross profit		1 049 320	1 250 696	1 049 320	758 101
Other income	28	121 967	90 074	157 983	154 796
Distribution expenses		(12 991)	(10 547)	(12 991)	(10 547)
Administration expenses		(636 660)	(590 366)	(636 441)	(346 482)
Impairment loss on trade receivables		(1 344)	(1 080)	(1 344)	(338)
Impairment of investment in subsidiary		-	-	(5 000)	-
Common control business combination transaction	8	-	-	595 184	-
Operating profit	29	520 292	738 777	1 146 711	555 530
Finance income		56 261	51 711	56 261	38 999
Finance costs		(63 155)	(62 455)	(65 541)	(18 766)
Net finance (costs)/ income	31	(6 894)	(10 744)	(9 280)	20 233
Share of profit of equity accounted associate companies (net of income tax)	14	39 832	48 050	-	-
Profit before taxation		553 230	776 083	1 137 431	575 763
Income tax expense	32.1	(130 115)	(137 613)	(129 212)	(93 312)
Profit attributable to owners of the Company		423 115	638 470	1 008 219	482 451
Other comprehensive income (OCI)					
<i>Items that will not be reclassified to profit or loss</i>					
Remeasurements of defined benefit liabilities	22	(11 692)	4 595	(11 692)	3 410
Related deferred tax	32.2	2 923	(1 264)	2 923	(938)
Other comprehensive income, net of tax		(8 769)	3 331	(8 769)	2 472
Total comprehensive income for the year attributable to owners of the Company		414 346	641 801	999 450	484 923
Basic and diluted earnings per share (cents)	33	439.2	662.7	1 046.5	500.7

Dividend per share is disclosed in note 19.3

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 March 2025

	Share Capital E'000	Share Premium E'000	Preference Share Redemption Reserve E'000	Retained Earnings E'000	Total E'000
2025 Group					
Balance at 1 April 2024	128 639	632 379	78 104	2 261 106	3 100 228
Profit	-	-	-	423 115	423 115
Other comprehensive loss	-	-	-	(8 769)	(8 769)
Total comprehensive income for the year	-	-	-	414 346	414 346
Transactions with owners recorded directly in equity - Dividends (note 19.3)	-	-	-	(255 318)	(255 318)
Balance at 31 March 2025	128 639	632 379	78 104	2 420 134	3 259 256
2024 Group					
Balance at 1 April 2023	128 639	632 379	78 104	1 890 231	2 729 353
Profit	-	-	-	638 470	638 470
Other comprehensive income	-	-	-	3 331	3 331
Total comprehensive income for the year	-	-	-	641 801	641 801
Transactions with owners recorded directly in equity - Dividends (note 19.3)	-	-	-	(270 926)	(270 926)
Balance at 31 March 2024	128 639	632 379	78 104	2 261 106	3 100 228
2025 Company					
Balance at 1 April 2024	128 639	632 379	78 104	1 474 850	2 313 972
Profit	-	-	-	1 008 219	1 008 219
Other comprehensive loss	-	-	-	(8 769)	(8 769)
Total comprehensive income for the year	-	-	-	999 450	999 450
Transactions with owners recorded directly in equity - Dividends (note 19.3)	-	-	-	(255 318)	(255 318)
Balance at 31 March 2025	128 639	632 379	78 104	2 218 982	3 058 104
2024 Company					
Balance at 1 April 2023	128 639	632 379	78 104	1 260 853	2 099 975
Profit	-	-	-	482 451	482 451
Other comprehensive income	-	-	-	2 472	2 472
Total comprehensive income for the year	-	-	-	484 923	484 923
Transactions with owners recorded directly in equity - Dividends (note 19.3)	-	-	-	(270 926)	(270 926)
Balance at 31 March 2024	128 639	632 379	78 104	1 474 850	2 313 972

STATEMENTS OF CASH FLOWS

for the year ended 31 March 2025

	Note	Group 2025 E'000	Group 2024 E'000	Company 2025 E'000	Company 2024 E'000
Cash flows from operating activities					
Cash generated from operations	37.1	706 590	778 589	707 850	580 689
Interest paid	31	(60 729)	(59 715)	(63 115)	(18 048)
Taxation paid	37.2	(52 374)	(61 410)	(51 253)	(60 514)
<i>Net cash generated by operating activities</i>		<i>593 487</i>	<i>657 464</i>	<i>593 482</i>	<i>502 127</i>
Cash flows from investing activities					
Finance income	31	56 261	51 711	56 261	38 999
Dividends received		22 361	27 508	37 090	118 315
Proceeds from sale of property, plant and equipment		1 476	342	1 476	275
Acquisition of property, plant and equipment	10	(421 085)	(354 617)	(421 085)	(165 261)
Acquisition of intangible assets	12	(29 907)	(13 282)	(29 907)	(13 107)
Acquisition of associate	14	-	(13 158)	-	(13 158)
<i>Net cash utilised in investing activities</i>		<i>(370 894)</i>	<i>(301 496)</i>	<i>(356 165)</i>	<i>(33 937)</i>
Cash flows from financing activities					
Proceeds from loans and borrowings	21.1	306 203	194 897	306 203	-
Repayment of borrowings	21.1	(147 077)	(111 675)	(147 077)	(30 443)
Repayment of lease liability	21.1	(2 398)	(1 537)	(2 398)	(1 474)
Dividends paid	37.3	(265 723)	(129 685)	(265 723)	(129 685)
<i>Net cash utilised in financing activities</i>		<i>(108 995)</i>	<i>(48 000)</i>	<i>(108 995)</i>	<i>(161 602)</i>
Net increase in cash and cash equivalents		113 598	307 968	128 322	306 588
Cash and cash equivalents at beginning of year	18	260 733	(50 961)	246 009	(64 305)
Effect of exchange rate fluctuations on cash held		(934)	3 726	(934)	3 726
Cash and cash equivalents at year end	18	373 397	260 733	373 397	246 009

1. Reporting entity

The Royal Eswatini Sugar Corporation Limited is a company domiciled in Eswatini. The address of the Company's registered office is Simunye Sugar Estate. The consolidated financial statements as at and for the year ended 31 March 2025 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group companies") and the Group's interest in associates and joint ventures. The Group is primarily involved in the growing and milling of sugar cane, the manufacture of sugar and the manufacture of ethanol from molasses.

Where reference is made to "the Group" in the accounting policies, it should be interpreted as referring to the Company, where the context requires, unless otherwise noted.

2. Basis of accounting

The consolidated and separate financial statements have been prepared in accordance with IFRS® Accounting Standards and in the manner required by the Companies Act of Eswatini.

The consolidated and separate financial statements were authorised for issue by the Board of Directors on 24 June 2025.

3. Functional and presentation currency

The consolidated and separate financial statements are presented in Eswatini Emalangeni, which is the functional currency of the parent and subsidiaries. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

4. Use of estimates

In preparing these consolidated and separate financial statements, management has made estimates and assumptions that affect the application of the Group and Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the year ending 31 March 2025 is included in the following notes:

- Note 11 – goodwill impairment test: key assumptions underlying recoverable amounts.
- Note 15 – biological assets: determining the fair value of biological assets on the basis of significant unobservable inputs.
- Note 22 – measurement of defined benefit obligations: key actuarial assumptions.
- Note 38.3 – measurement of ECL allowance for trade receivables and contract assets: key assumptions in determining the weighted-average loss rate.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the General Manager – Finance.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS Accounting Standards, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 11 – measurement of the recoverable amounts of cash-generating units containing goodwill;
- Note 15 – biological assets; and
- Note 38.2 – financial instruments.

5. Changes in significant accounting policies

New accounting pronouncements which have become effective from 1 April 2024 do not have a significant impact on the Group and Company's financial results or financial position. These include:

- IAS 1 (amendment) Classification of liabilities as current or non-current.
- IFRS 16 (amendment) Lease liability in a Sale and Leaseback.
- IAS 7 (amendment) and IFRS 7 (amendment) Supplier Finance Arrangements.

6. New standards and interpretation not yet adopted

At the date of authorisation of the consolidated and separate financial statements of The Royal Eswatini Sugar Corporation Limited for the year ended 31 March 2025, the following Standards and Interpretations were in issue but not yet effective:

Effective for the financial year commencing 1 April 2025

- IAS 21 (amendment) Lack of Exchangeability.

Effective for the financial year commencing 1 April 2026

- IFRS 9 and IFRS 7 (amendments) Amendments to Classification and Measurement of Financial Instruments.
- IFRS 9 and IFRS 7 (amendments) Contracts Referencing Nature-dependent Electricity.
- IFRS 1; IFRS 7; IFRS 9; IFRS 10 and IAS 7 (amendments) Annual Improvements to IFRS Accounting Standards.

Effective for the financial year commencing 1 April 2027

- IFRS 18 Presentation and Disclosure in Financial Statements.
- IFRS 19 Subsidiaries without Public Accountability: Disclosures.

Effective at the option of the Company (effective date has been deferred indefinitely)

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment to IFRS 10 and IAS 28)

Issued by the International Sustainability Standards Board not yet mandated in Eswatini

- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information.
- IFRS S2 Climate-related Disclosures.

All Standards and Interpretations will be adopted at their effective date (except for those Standards and Interpretations that are not applicable to the entity).

IAS 21 (amendment) Lack of Exchangeability; IFRS 9 and IFRS 7 (amendments) Contracts Referencing Nature-dependent Electricity; IFRS 9 and IFRS 7 (amendments) Classification and Measurement of Financial Instruments; IFRS 10 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture are not applicable to the business of the entity and will therefore have no impact on future financial statements. The directors are of the opinion that the impact of the application of the remaining Standards and Interpretations will be as follows:

IFRS 18 Presentation and Disclosure in Financial Statements

Responding to investor calls for more relevant information, IFRS 18 *Presentation and Disclosure in Financial Statements* will enable companies to tell their story better through their financial statements. Investors will also benefit from greater transparency of presentation in the income and cash flow statements, and more disaggregated information.

The changes are not expected to change the net profit of the company. What will change is how they present their results on the face of the income statement and disclose information in the notes to the financial statements. This includes disclosures of certain management performance measures (MPM's).

All companies are required to report the newly defined "operating profit", an important measure for investors' understanding of a company's operating results. In the calculation of operating profit investing and financing activities are specifically excluded.

The adoption of the new standards will result in additional sub-total disclosures in the Statement of profit or loss and other comprehensive income. It is not expected to have any impact on the actual amounts reported.

IFRS 19 Subsidiaries without Public Accountability - Disclosures

Subsidiaries of companies using IFRS Accounting Standards can substantially reduce their disclosures and focus on users' needs following the release of IFRS 19.

A subsidiary that does not have public accountability and has a parent that produces consolidated financial statements under IFRS Accounting Standards, is permitted to apply IFRS 19. IFRS 19 offers eligible subsidiaries a practical way of addressing the problems of over-disclosure while reducing the reporting costs, removing the need to either provide disclosures beyond users' needs or to maintain two separate sets of accounting records.

Adoption of the standard would not impact the recognition and measurement of amounts reported in the financial statements, merely the disclosures contained within the financial statements would be reduced.

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information.

IFRS S2 Climate-related Disclosures.

The two IFRS sustainability disclosures standards on sustainability-related financial information (IFRS1) and climate-related disclosures (IFRS2) were issued by the International Sustainability Standards Board. These standards were not yet mandated in Eswatini and are not yet effective.

7. Accounting Policies

The Group has consistently applied the accounting policies set out to all periods presented in these consolidated financial statements, except as detailed in note 5.

7.1 Basis of consolidation

Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Acquisitions on or after 1 April 2010

For acquisitions on or after 1 April 2010, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Acquisitions between 1 April 2004 and 31 March 2010

For acquisitions between 1 April 2004 and 31 March 2010, goodwill represents the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

In respect of acquisitions prior to this date, goodwill is included on the basis of its carrying amount, which represents cost less accumulated amortisation up to 31 March 2004.

Business combinations with entities under common control

The Group has elected to apply the predecessor value method accounting policy for common control business combinations. In applying this method, The Royal Eswatini Sugar Corporation Limited, the acquiring company also adopts a 'controlling party perspective' that is the Group. The assets and liabilities of the acquired entity are therefore transferred into The Royal Eswatini Sugar Corporation Limited separate financial statements using carrying values in the consolidated financial statements before the merger. This requires recognition of the remaining goodwill on the original acquisition of the acquired entity by the Group.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Investments in subsidiaries are accounted for at cost in Company's separate financial statements.

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and joint ventures.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint venture are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

Investments in equity-accounted investees are measured at cost less impairment in the Company's separate financial statements.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

7. Accounting policies (continued)

7.2 Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group companies at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency differences are recognised in profit or loss.

7.3 Financial instruments

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment:

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest:

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

7. Accounting policies (continued)

7.3 Financial instruments (continued)

Classification and subsequent measurement (continued)

Financial assets – Subsequent measurement and gains and losses:

Financial assets at amortised cost

These include trade and related party receivables.

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

See derivative financial instruments below for financial assets designated as hedging instruments.

Financial liabilities – Classification, subsequent measurement and gains and losses:

Financial liabilities comprise loans and borrowings, bank overdrafts, trade and other payables, related party payables and forward exchange contracts.

Financial liabilities are classified as measured at amortised cost.

Other financial liabilities, which comprise loans and borrowings, bank overdrafts, trade and other payables and related party balances, are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

The Group classifies non-derivative financial liabilities into the other financial liabilities category.

See derivative financial instruments below for financial liabilities designated as hedging instruments.

Non-derivative financial liabilities – Classification, subsequent measurement and gains and losses:

Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Derivative financial instruments

The group holds derivative instruments to hedge its foreign currency and interest rate risk exposures.

Derivatives are initially measured at fair value. Subsequently to initial recognition, derivatives are measured at fair value, and any changes therein are recognised in the profit and loss.

The Group designated certain derivatives as hedging instruments to hedge variability of cash flows associated from changes in exchange rates and interest rates on its borrowings.

Hedge accounting is not applied as all the requirements required in the standard are not met. Rather the instrument and the derivative are accounted for as two separate instruments and fair values are calculated accordingly.

7. Accounting policies (continued)

7.4 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured initially at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses. Items of property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

All acquisitions of property, plant and equipment are initially recognised at cost under Capital Work in Progress ("CWIP"). When the item of property, plant and equipment is completed and brought into productive use it is then reclassified to the appropriate category.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

• Freehold buildings	50 years
• Improvements to leasehold property	50 years
• Bearer Plants - Cane roots	5 - 10 years
• Bearer Plants - Citrus Trees	25 years
• Plant and machinery	5 – 20 years
• Irrigation equipment	10 – 20 years
• Furniture and fittings	4 – 10 years
• Vehicles	4 – 10 years
• Computer equipment	4 – 10 years

Depreciation methods, useful lives and residual values are re-assessed annually at the reporting date and are adjusted where appropriate.

Impairment

The Group conducts impairment tests for its assets on an annual basis to determine if the carrying amounts of the assets are not significantly higher than their recoverable amounts. Items of property, plant and equipment which are obsolete or no longer perform to their optimum level are considered impaired. The impairment losses are recognised on the excess between carrying amounts and recoverable amounts of the assets. Where the recoverable amount cannot be readily determined, the impairment losses are recognised to the extent of the carrying amounts of the identified assets.

Derecognition

The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the item.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit loss when the item is derecognised.

7.5 Goodwill

Initial measurement

The initial measurement of goodwill is detailed under 'Business Combinations' refer to note 7.1.

Subsequent measurement

Goodwill is measured at cost less any accumulated impairment losses. Testing for impairment is done annually and whenever there is an indication of impairment.

7.6 Intangible assets

Favourable lease contracts

Favourable lease contracts are those assets identified through business combinations where land is leased at a nominal rental. The contract is measured at cost less accumulated amortisation and accumulated impairment losses, the cost being the fair value of the off market element of the asset at the date of acquisition. The contract is depreciated over the expected lease period as follows:

- Contract 1: 45 years

Computer Software

Acquired software is measured initially at cost, which includes capitalised borrowing costs, less amortisation and any accumulated impairment losses. Software is subsequently measured at cost less accumulated amortisation and impairment losses. Software is amortised over a period of 3 – 10 years.

7. Accounting policies (continued)

7.6 Intangible assets

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation of intangible assets

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

Favourable lease contracts are amortised over the remaining period of the lease.

Amortisation methods, useful lives and residual values are re-assessed annually at the reporting date and are adjusted where appropriate.

Impairment

The Group conducts impairment tests for its intangible assets on an annual basis to determine if the carrying amounts of the assets are not significantly higher than their recoverable amounts. Any impairment losses are recognised on the excess between carrying amounts and recoverable amounts of the assets. Where the recoverable amount cannot be readily determined, the impairment losses are recognised to the extent of the carrying amounts of the identified assets.

7.7 Biological assets

Biological assets are measured at fair value less costs to sell, with any change therein recognised in profit or loss in the period that they arise. Costs to sell include all costs that would be necessary to sell the assets, including the transportation costs of moving sugar cane from fields to the mills.

7.8 Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is determined on the following bases:

- Raw materials, consumable stores and spares – weighted average cost;
- Finished goods and by products – weighted average cost, including a proportion of production overheads based on normal operating capacity; and
- Consumables stores and spares – weighted average cost.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The amount of any write-down or loss of inventories is recognised as an expense in cost of sales in the period in which the write-down or loss occurs.

7.9 Impairment

Financial instruments

Financial assets

The Group recognises loss allowances for ECLs on financial assets measured at amortised cost.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, such as general macro economic conditions and specific industry circumstances are used to flex the Group's historical loss rates.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 60 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 120 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

7. Accounting policies (continued)

7.9 Impairment (continued)

Financial instruments (continued)

Financial assets (continued)

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 120 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery.

The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Non-derivative financial assets

Objective evidence that financial assets are impaired include:

- default or delinquency by a debtor;
- restructuring of an amount due to the Group on terms that the Group would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security; or
- observable data indicating that there is measurable decrease in expected cash flows from a group of financial assets.

Financial assets measured at amortised cost

The Group considered evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that had been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group used historical information on the timing of recoveries and the amount of loss incurred, and made an adjustment if current economic and credit conditions were such that the actual losses were likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Group considered that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreased and the decrease could be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

7. Accounting policies (continued)

7.9 Impairment (continued)

Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than biological assets, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

7.10 Share capital

Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.

7.11 Employee benefits

Defined benefit obligation - Retirement pay

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The retirement pay obligation is calculated every three years by a qualified actuary using the projected unit credit method. Independent actuaries perform a roll forward of the valuation annually for the years during the tri-annual full valuation. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. Any remeasurement recognised in OCI cannot be subsequently reclassified to profit or loss, but can only be reclassified to another component of equity. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

Other long-term employee benefits – long service awards and long term incentive

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. Certain benefits are not discounted where the effect of discounting is not material. All other benefits are discounted to determine their present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

7.12 Revenue from contracts with customers

Information about the Group's accounting policies relating to contracts with customers is provided in Note 27.

7. Accounting policies (continued)

7.13 Dividend and rental income

Dividend income and rental income from surplus housing is recognised in profit or loss under other income on the date that the Group's right to receive payment is established. Rental contracts are generally renewed annually.

Dividends received are treated as an investing activity in the statement of cash flows.

7.14 Leases

The Group has applied IFRS 16 to all leases meeting the recognition criteria of IFRS 16. Leases which do not meet the recognition criteria of IFRS 16 have continued to be expensed in the statement of profit or loss as payments fall due.

Determining whether an arrangement contains a lease:

The Group assesses whether a contract is or contains a lease at inception of the contract. A lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified asset for a period of time in exchange for consideration.

Initial measurement of lease asset

At lease commencement date, the Group recognises a right-of-use asset and a lease liability in its consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, and any lease payments made in advance of the lease commencement date.

The Group depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

Lease liability

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the Group's incremental borrowing rate because the lease contracts are negotiated with third parties and it is not possible to determine the interest rate that is implicit in the lease. The incremental borrowing rate is the estimated rate that the Group would have to pay to borrow the same amount over a similar term, with similar security to obtain an asset of equivalent value.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent Measurement

Subsequent to initial measurement, the liability will be reduced by lease payments that are allocated between repayments of principal and finance costs. The finance cost is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. The lease liability is reassessed when there is a change in the lease payments. The revised lease payments are discounted using the Group's incremental borrowing rate at the date of reassessment when the rate implicit in the lease cannot be readily determined. The amount of the remeasurement of the lease liability is reflected as an adjustment to the carrying amount of the right-of-use asset.

The exception being when the carrying amount of the right-of-use asset has been reduced to zero then any excess is recognised in profit or loss.

Payments under leases can also change when there is either a change in the amounts expected to be paid under residual value guarantees or when future payments change through an index or a rate used to determine those payments, including changes in market rental rates following a market rent review. The lease liability is remeasured only when the adjustment to lease payments takes effect and the revised contractual payments for the remainder of the lease term are discounted using an unchanged discount rate. Except where the change in lease payments results from a change in floating interest rates, in which case the discount rate is amended to reflect the change in interest rates, both of which were not part of the original terms and conditions of the lease.

In these situations, the Group does not account for the changes as though there is a new lease. Instead, the revised contractual payments are discounted using a revised discount rate at the date that the lease is effectively modified. For the reasons explained above, the discount rate used is the Group's incremental borrowing rate determined at the modification date, as the rate implicit in the lease is not readily determinable.

The remeasurement of the lease liability is dealt with by a reduction in the carrying amount of the right-of-use asset to reflect the full or partial termination of the lease for lease modifications that reduce the scope of the lease. Any gain or loss relating to the partial or full termination of the lease is recognised in profit or loss. The right-of-use asset is adjusted for all other lease modifications.

Short term leases

The Group has elected to account for short-term leases using the practical expedients allowed under IFRS 16. These leases relate to items of residential property leased for a period of 12 months and leases that are considered to be low value. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

7.15 Finance income and finance costs

Finance income comprises interest income on funds invested and interest income on accounts receivable. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise the interest expense on borrowings and unwinding of the discount on provisions.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

7. Accounting policies (continued)

7.16 Income tax

The income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates, and joint arrangements to the extent that the group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

7.17 Measurement of Fair Values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e., the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

8. Transfer of subsidiary assets and liabilities to the company

On 01 April 2024, the Group transferred the Mhlume Sugar Company Limited assets and liabilities to The Royal Eswatini Sugar Corporation Limited as a going concern, without prejudice to any of the entities. This initiative aims at reducing administrative burden such as the number of tax filings under all tax statutes, and drive efficiencies from the consolidation of activities such as procurement through one entity and fewer bank accounts, to mention a few.

From a group perspective, on 1 April 2024 there was no change to the net asset value of the consolidated assets and liabilities and future results, earnings per share, dividends and accounting ratios would not be impacted solely as a consequence of the transfer of assets and liabilities, however normal trading conditions would result in all metrics fluctuating from year to year dependent on underlying financial and climatic conditions.

The value of assets and liabilities that were transferred from Mhlume Sugar Company Limited to the Royal Eswatini Sugar Corporation Limited as at 01 April 2024 are as follows:

	Disposal Subsidiary E'000	Acquisition Company E'000	Net Group E'000
ASSETS			
Property, plant and equipment	(1 315 608)	1 315 608	-
Goodwill	-	286 481	-
Intangible assets	(1 620)	1 620	-
Inventories	(94 608)	94 608	-
Biological assets – growing cane	(465 603)	465 603	-
Biological assets – livestock	(17 078)	17 078	-
Trade and other receivables	(191 786)	191 786	-
Cash and cash equivalents	(25 027)	25 027	-
Derivative asset	(1 790)	1 790	-
Total assets	(2 113 120)	2 399 601	-
LIABILITIES			
Deferred taxation liabilities	290 619	(290 619)	-
Interest bearing loans	445 896	(445 896)	-
Employee benefit liability	30 469	(30 469)	-
Trade and other payables	176 776	(176 776)	-
Short term employee benefits	58 962	(58 962)	-
Current portion of interest-bearing loans	116 704	(116 704)	-
Bank overdraft	10 304	(10 304)	-
Total liabilities	1 129 730	(1 129 730)	-

The effect of the common control transaction in The Royal Eswatini Sugar Company Limited Company is summarised as follows:

	Net Group E'000
Net Asset value distributed as dividend in specie excluding net cash balances	968 667
Less cost of investment in Mhlume Sugar Company net of goodwill	(373 483)
Common control business combination transaction recognised in profit or loss	595 184

The transfer of the Mhlume Sugar Company Limited assets and liabilities resulted in the Company recognising Goodwill amounting to E286 481 000 arising from the original purchase of Mhlume Sugar Company Limited in 2001. The Goodwill of E286 481 000 was previously recognised in the Group Consolidated Financial Statements as detailed in note 11. The goodwill continues to be subjected to annual impairment testing on the same basis as it was done when it was recognised in the Group.

At Group level, the cumulative depreciation on the upliftment of assets to fair value, on day one of the original investment by The Royal Eswatini Sugar Corporation Limited in Mhlume Sugar Company Limited (E322,927,000), as well as goodwill amortised up to 31 March 2004 (E50 556 000), was reversed in the statement of profit and loss and other comprehensive income. The Company also recorded a charge for the same values to its statement of profit and loss and other comprehensive income, effectively offsetting the entries in the consolidated statement of profit and loss and other comprehensive income.

The subsidiary, Mhlume Sugar Company Limited declared a dividend in specie totalling E983 395 000 to its holding company, The Royal Eswatini Sugar Corporation Limited received the dividend and uplifted the individual assets and liabilities plus goodwill as disclosed above. The investment in subsidiary was impaired to E Nil consequent to the upliftment of the individual assets and liabilities.

Thereafter, there is no further income in the books of Mhlume Sugar Company as all transactions are now occurring in the books of The Royal Eswatini Sugar Corporation Limited with effect from 01 April 2024.

9. Operating segments

The Group is organised into three reportable segments as described below. These are managed separately because they require different technologies and marketing strategies. For each of the strategic business units, the Chief Operating Decision Maker reviews internal management reports on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

Cane growing	Includes the growing of sugar cane on an area of approximately 23 141 hectares. All cane is harvested and delivered to the two sugar mills in the Group.
Sugar manufacturing	Includes the crushing of sugar cane by the two mills in the Group to produce either Raw Sugar, Very High Polarity ("VHP") Sugar or Refined Sugar. All sugar produced by the mills is sold to the Eswatini Sugar Association.
Ethanol production	Includes the manufacture of ethanol from molasses which is a by-product of the sugar manufacturing process. The ethanol is sold to the African, European and regional markets.

Other operations include citrus growing, livestock rearing, and eco-tourism activities. None of these segments meet any of the quantitative thresholds for determining reportable segments in 2024 or 2025.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment operating profit before corporate costs and income tax, as included in the internal management reports that are reviewed by the Chief Operating Decision Maker. Segment profit is used to measure performance as management believes that such information is most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment results are based on the Group's accounting policies.

Details of segment assets and liabilities are not regularly provided to the Chief Operating Decision Maker and are thus not disclosed as part of the segment report.

NOTES TO THE FINANCIAL STATEMENTS - continued

for the year ended 31 March 2025

9. Operating segments (continued)

9.1 Information about reportable segments

	Cane Growing		Sugar manufacturing and marketing		Ethanol production and marketing		Elimination		Consolidated	
	2025 E'000	2024 E'000	2025 E'000	2024 E'000	2025 E'000	2024 E'000	2025 E'000	2024 E'000	2025 E'000	2024 E'000
External revenue	5 952	9 346	4 511 984	4 224 615	414 267	487 494	-	-	4 932 203	4 721 455
Inter segment revenue	1 782 689	1 439 438	-	-	-	-	(1 782 689)	(1 439 438)	-	-
Total revenue	1 788 641	1 448 784	4 511 984	4 224 615	414 267	487 494	(1 782 689)	(1 439 438)	4 932 203	4 721 455
External revenue of all other operations not meeting segment criteria									31 721	27 954
Total consolidated revenue									4 963 924	4 749 409
Reportable segment operating profit before corporate costs and income tax	285 350	551 543	707 616	602 900	85 483	104 341	-	-	1 078 949	1 258 784
Results of other operations not meeting segment criteria									(22 679)	(20 611)
Unallocated other income									101 394	88 424
Unallocated corporate costs									(637 638)	(588 048)
Unallocated net finance income (note 31)									(6 628)	(10 516)
Share of profit of equity accounted associate companies									39 832	48 050
Consolidated profit before tax									553 230	776 083
	Unallocated									
Segment capital expenditure	283 175	139 186	84 864	184 201	18 111	9 722	64 842	34 790	450 992	367 899
Depreciation and impairment	154 785	142 123	74 994	75 870	21 527	21 702	26 768	27 209	278 074	266 904
Amortisation and impairment of intangible assets	47	47	91	36	-	-	21 319	23 242	21 457	23 325
(Decrease)/increase in fair value of biological assets	(17 219)	282 709	-	-	-	-	427	(2 444)	(16 792)	280 265
Net foreign exchange (loss)/gain	-	-	(64)	10	-	-	3 363	5 411	3 299	5 421

9.2 Geographical information

	Eswatini		Other		Consolidated	
	2025 E'000	2024 E'000	2025 E'000	2024 E'000	2025 E'000	2024 E'000
External revenue	4 554 667	4 266 315	409 257	483 094	4 963 924	4 749 409
Non-current assets	3 458 274	3 280 181	2 656	2 656	3 460 930	3 282 837
Capital expenditure	450 992	367 899	-	-	450 992	367 899

Inter-segment sales between Eswatini and South Africa were E nil (2024 – E nil).

Sugar is sold to the Eswatini Sugar Association and to regional markets through the joint venture described in note 14. Distillery sales are made to the European and African markets. For geographic analysis of Group revenue, refer to Note 27.2. Manufacturing facilities are located in Eswatini.

10. Property, plant and equipment

See accounting policies in note 7.4.

Group

Cost

	Land and buildings E'000	Plant and machinery E'000	Irrigation equipment E'000	Vehicles, computer equipment, furniture and fittings E'000	Bearer plants E'000	Capital work-in progress ("CWIP") E'000	Total E'000
Balance at 1 April 2023	923 663	2 409 465	907 740	611 111	537 660	219 306	5 608 945
Right of Use of Asset (note 40.1)	209	-	-	1 287	-	-	1 496
Additions	-	-	-	-	-	354 617	354 617
Transfers from CWIP	51 759	132 318	87 231	45 691	58 107	(375 106)	-
Disposals	(684)	(105 159)	-	(8 635)	-	-	(114 478)
Balance at 31 March 2024	974 947	2 436 624	994 971	649 454	595 767	198 817	5 850 580
Balance at 1 April 2024	974 947	2 436 624	994 971	649 454	595 767	198 817	5 850 580
Right of Use of Asset (note 40.1)	-	-	-	9 572	-	-	9 572
Additions	-	-	-	-	-	421 085	421 085
Transfers from CWIP	61 947	154 311	68 383	58 082	53 007	(395 730)	-
Disposals	(70 823)	(115 936)	(36 173)	(10 811)	-	-	(233 743)
Balance at 31 March 2025	966 071	2 474 999	1 027 181	706 297	648 774	224 172	6 047 494
Accumulated depreciation and impairment losses							
Balance at 1 April 2023	(408 720)	(1 334 954)	(487 237)	(443 001)	(306 067)	-	(2 979 979)
Depreciation for the year	(23 529)	(106 873)	(55 842)	(30 020)	(50 640)	-	(266 904)
Disposals	684	105 159	-	8 583	-	-	114 426
Balance at 31 March 2024	(431 565)	(1 336 668)	(543 079)	(464 438)	(356 707)	-	(3 132 457)
Balance at 1 April 2024	(431 565)	(1 336 668)	(543 079)	(464 438)	(356 707)	-	(3 132 457)
Reclassification	-	12 186	1 996	(14 182)	-	-	-
Depreciation for the year	(25 809)	(93 809)	(59 555)	(46 510)	(52 391)	-	(278 074)
Disposals	70 823	115 936	36 173	10 400	-	-	233 332
Balance at 31 March 2025	(386 551)	(1 302 355)	(564 465)	(514 730)	(409 098)	-	(3 177 199)
Carrying value at 31 March 2023	514 943	1 074 511	420 503	168 110	231 593	219 306	2 628 966
Carrying value at 31 March 2024	543 382	1 099 956	451 892	185 016	239 060	198 817	2 718 123
Carrying value at 31 March 2025	579 520	1 172 644	462 716	191 567	239 676	224 172	2 870 295

Property, plant and equipment includes right-of-use assets of E4 087 109 related to leased properties that do not meet the definition of investment property, and E8 574 442 in respect of other computer equipment.

NOTES TO THE FINANCIAL STATEMENTS - continued

for the year ended 31 March 2025

10. Property, plant and equipment (continued)

See accounting policies in note 7.4.

Company

Cost

	Land and buildings E'000	Plant and machinery E'000	Irrigation equipment E'000	Vehicles, computer equipment, furniture and fittings E'000	Bearer plants E'000	Capital work-in progress ("CWIP") E'000	Total E'000
Balance at 1 April 2023	535 008	1 276 632	536 797	342 146	285 212	75 890	3 051 685
Right of Use of Asset (note 40.1)	-	-	-	1 287	-	-	1 287
Additions	-	-	-	-	-	165 261	165 261
Transfers from CWIP	12 575	58 126	31 331	18 315	30 678	(151 025)	-
Disposals	(80)	(63 486)	-	(6 113)	-	-	(69 679)
Balance at 31 March 2024	547 503	1 271 272	568 128	355 635	315 890	90 126	3 148 554
Balance at 1 April 2024	547 503	1 271 272	568 128	355 635	315 890	90 126	3 148 554
Transfer from subsidiary (note 8)	353 091	1 048 265	390 669	296 998	279 877	108 691	2 477 591
Right of Use Asset (note 40.1)	-	-	-	9 572	-	-	9 572
Additions	-	-	-	-	-	421 085	421 085
Transfers from CWIP	61 947	154 311	68 383	58 082	53 007	(395 730)	-
Disposals	(2 493)	-	-	(14 395)	-	-	(16 888)
Balance at 31 March 2025	960 048	2 473 848	1 027 180	705 892	648 774	224 172	6 039 914

Accumulated depreciation and impairment losses

Balance at 1 April 2023	(249 623)	(671 976)	(342 089)	(238 223)	(176 616)	-	(1 678 527)
Depreciation for the year	(12 192)	(51 900)	(26 261)	(26 040)	(23 361)	-	(139 754)
Disposals	80	63 486	-	6 080	-	-	69 646
Balance at 31 March 2024	(261 735)	(660 390)	(368 350)	(258 183)	(199 977)	-	(1 748 635)
Balance at 1 April 2024	(261 735)	(660 390)	(368 350)	(258 183)	(199 977)	-	(1 748 635)
Transfer from subsidiary (note 8)	(98 072)	(547 005)	(136 559)	(223 617)	(156 730)	-	(1 161 983)
Depreciation for the year	(25 809)	(93 809)	(59 555)	(46 510)	(52 391)	-	(278 074)
Disposals	2 493	-	-	13 984	-	-	16 477
Balance at 31 March 2025	(383 123)	(1 301 204)	(564 464)	(514 326)	(409 098)	-	(3 172 215)
Carrying value at 31 March 2023	285 385	604 656	194 708	103 923	108 596	75 890	1 373 158
Carrying value at 31 March 2024	285 768	610 882	199 778	97 452	115 913	90 126	1 399 919
Carrying value at 31 March 2025	576 925	1 172 644	462 716	191 566	239 676	224 172	2 867 699

Property, plant and equipment includes right-of-use assets of E4 087 109 related to leased properties that do not meet the definition of investment property, and E8 574 442 in respect of other computer equipment.

At a Group and Company level, capital work in progress represents on-going projects in respect of the integrated growth plan, upgrading both Sugar Mills and the Distillery plant. Also included are fields currently being replanted.

Freehold land and buildings

Included in land and buildings are freehold land and buildings comprising:

Company

Portion 2 of farm No. 175, situated in the district of Lubombo, Eswatini, measuring 236 hectares.

Portions 28 and 30 of farm No. 860 situated in the district of Lubombo, Eswatini, measuring 804 hectares and 47 hectares respectively.

At year end the carrying value of freehold land and buildings was E271 393 928 (2024 – E285 385 434).

Subsidiaries

Erf 65 Umbogintwini (Southgate) registration division ET situated in the South Local Council Area province of Kwazulu Natal in extent of 5 705 square metres. At year end the carrying value of freehold land and buildings was E2 595 768 (2024 – E2 595 768).

10. Property, plant and equipment (continued)

Leasehold buildings

Certain buildings included under land and buildings and cane roots under bearer plants are on the following leased land:

Company - RES division

Land leased from Tibiyo TakaNgwane for a period of 25 years with a lease that was originally renewed on 1 January 2003:

- Ngomane Estate: Farm No. 1044, situated in the district of Siteki, Eswatini, measuring 11 633 hectares; and Portion of the remainder of Farm 78, situated in the district of Siteki, Eswatini, measuring 450 hectares.
- Portion of the remainder of portion B of Farm No. 704 and a portion of the remainder of Farm No. 704, situated in the district of Siteki, Kingdom of Eswatini, measuring 3 808 hectares.
- Mlawula Estate: Farm No. 1244, situated in the district of Siteki, Eswatini, measuring 5 570 hectares.

A new lease agreement has been signed with Tibiyo TakaNgwane for a period of 25 years with an option for a further renewal for another 25 years. The new lease is currently in the process of being registered and the commencement date shall be the date of registration with the Registrar of deeds for Eswatini.

Portions of Farm number 94 situated in the district of Lubombo, Eswatini, measuring 2 258 hectares are leased from Tibiyo TakaNgwane for a period of 19.5 years with an option to renew the lease for a further 22.25 years when the lease lapses on 31 December 2031.

Company – Mhlume division

Portions 1, 23, and 27 of farm number 860 and a certain portion 4 of farm number 94 situated in the district of Siteki, Eswatini, measuring 6 540 hectares are leased from Tibiyo TakaNgwane for a period of 25 years following renewal of the initial 25-year lease which lapsed on 08 September 2008.

Assets pledged as security

All moveable and immoveable assets with the exception of leased assets are pledged as security for loans. (Refer note 21.2).

11. Goodwill

See accounting policies in notes 7.1 and 7.5.

With effect from 1 May 2001 the Company acquired 100% of the issued share capital of Mhlume Sugar Company Limited for a consideration of E660 739 000 (Refer to note 13 for information on Mhlume Sugar Company Limited's operations). Additional expenditure relating directly to the due diligence process amounting to E4 225 000 was capitalised. After revaluation of property, plant, equipment, and growing cane the resultant goodwill amounted to E337 037 000. Goodwill is being subjected to annual impairment tests.

	Group 2025 E'000	Group 2024 E'000	Company 2025 E'000	Company 2024 E'000
Goodwill				
Arising from holding company investment in Mhlume division (2024: subsidiary)	286 481	286 481	286 481	-

Impairment testing for goodwill

For purposes of impairment testing goodwill is allocated to the Mhlume Sugar division which represents the lowest level Cash Generating Unit ("CGU") within the Group at which goodwill is monitored for internal management purposes.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the sugar industry and have been based on historical data from both external and internal sources.

- Cash flows were projected based on actual results and the twenty-year long range business plan with a terminal growth rate of 5.5% (2024: 5.5%) thereafter.
- A pre-tax discount rate of 13.34% (2024:13.17%) was used. This is based on the Group's weighted average cost of capital which is based on a typical sugar market debt leveraging of 43% (2024: 43%) at a pre-tax market interest rate of 10.5% (2024: 11.25%). A range of rates was used based on the South African R186 and R209 risk free bond rates as proxies and these were adjusted for country specific risks.
- Budgeted EBITDA was estimated taking into account past experience, adjusted for planned efficiency improvements, price changes as informed by long term market research, and currency forecasts.
- Cashflows are projected over a period of twenty years as the Group has a business plan covering this period. This business plan is based on current lease commitments and group strategic plans for the future.

The recoverable amount of the cash-generating unit which is based on its value in use as determined by management, was calculated at E2.6 billion. This amount exceeds the carrying value of the CGU of E1.6 billion.

The fair value measurement was categorised as a Level 3 fair value based on the inputs in the valuation model used, which has been detailed above.

In order for the carrying amount to equal the recoverable amount the pre-tax discount rate would need to be 17.36% (2024: 18.41%).

NOTES TO THE FINANCIAL STATEMENTS - continued

for the year ended 31 March 2025

12. Intangible assets

See accounting policies in note 7.6

2024 Group

Gross carrying amount

	Acquired software E'000	Favourable lease contracts E'000	Total E'000
Balance at 1 April 2023	234 143	2 120	236 263
Additions	13 282	-	13 282
Disposals	(27 984)	-	(27 984)
Balance at 31 March 2024	219 441	2 120	221 561

Accumulated amortisation and impairment

Balance at 1 April 2023	(185 877)	(647)	(186 524)
Amortisation for the year	(23 278)	(47)	(23 325)
Impairment reversal	27 984	-	27 984
Balance at 31 March 2024	(181 171)	(694)	(181 865)

Carrying value at 31 March 2024

38 270	1 426	39 696
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2025 Group

Gross carrying amount

Balance at 1 April 2024	219 441	2 120	221 561
Additions	29 907	-	29 907
Disposals	(146 407)	-	(146 407)
Balance at 31 March 2025	102 941	2 120	105 061

Accumulated amortisation and impairment

Balance at 1 April 2024	(181 171)	(694)	(181 865)
Amortisation for the year	(21 410)	(47)	(21 457)
Disposals	146 407	-	146 407
Balance at 31 March 2025	(56 174)	(741)	(56 915)

Carrying value at 31 March 2025

46 767	1 379	48 146
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Intangible assets includes computer software. During the year, the Group implemented SAP S4HANA ERP system and disposed the old SAP ERP system with an original cost of E146 million which was fully depreciated during the year.

NOTES TO THE FINANCIAL STATEMENTS - *continued*

for the year ended 31 March 2025

12. Intangible assets *(continued)*

See accounting policies in note 7.6

2024 Company

Gross carrying amount

	Acquired software E'000	Favourable lease contracts E'000	Total E'000
Balance at 1 April 2023	218 429	2 120	220 549
Additions	13 107	-	13 107
Disposals	(16 637)	-	(16 637)
Balance at 31 March 2024	214 899	2 120	217 019

Accumulated amortisation and impairment

Balance at 1 April 2023	(171 922)	(647)	(172 569)
Amortisation for the year	(22 964)	(47)	(23 011)
Impairment reversal	16 637	-	16 637
Balance at 31 March 2024	(178 249)	(694)	(178 943)

Carrying value at 31 March 2024

36 650	1 426	38 076
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2024 Company

Gross carrying amount

Balance at 1 April 2024	214 899	2 120	217 019
Additions	29 907	-	29 907
Transfers from subsidiary (note 8)	1 620	-	1 620
Disposals	(143 485)	-	(143 485)
Balance at 31 March 2025	102 941	2 120	105 061

Accumulated amortisation and impairment

Balance at 1 April 2024	(178 249)	(694)	(178 943)
Amortisation for the year	(21 410)	(47)	(21 457)
Disposals	143 485	-	143 485
Balance at 31 March 2025	(56 174)	(741)	(56 915)

Carrying value at 31 March 2025

46 767	1 379	48 146
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Group 2025 E'000	Group 2024 E'000	Company 2025 E'000	Company 2024 E'000
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13. Investments in subsidiaries

See accounting policies in note 7.1.

Mhlume Sugar Company Limited ("MSCo") (100% held)

5 000 006 ordinary shares of E1 each	-	-	5 000	664 964
Impairment	-	-	(5 000)	-

Royal Swazi Distillers (Proprietary) Limited ("RSD") (100% held)

70 ordinary and 30 preference shares of R1 each	-	-	1 510	1 510
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Swazican Citrus (Proprietary) Limited (100% held)

100 ordinary shares of E1 each	-	-	-	-
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Total investments

-	-	1 510	666 474
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Mhlume Sugar Company Limited is a company incorporated and domiciled in Eswatini involved in the growing, milling and refining of sugar. The assets and liabilities of Mhlume Sugar Company Limited were merged into the Company, eliminating the investment in Mhlume Sugar Company Limited from 01 April 2024. The company was dormant at year end.

Royal Swazi Distillers (Proprietary) Limited is a property-owning company incorporated and domiciled in the Republic of South Africa.

Swazican Citrus (Proprietary) Limited is a dormant entity incorporated and domiciled in Eswatini that holds a long-term lease over land where citrus and sugar growing activities are undertaken by the Company. The leases and management of the company has been ceded to the Company and are operated as part of the cane growing division

NOTES TO THE FINANCIAL STATEMENTS - continued

for the year ended 31 March 2025

14. Equity accounted investees

See accounting policies in note 7.1.

The Group has the following equity accounted investments:

Joint ventures

- Mananga Sugar Packers (Proprietary) Limited is a joint venture in which the Group has joint control and a 50% ownership interest. Mananga Sugar Packers (Proprietary) Limited, is a company registered and domiciled in Eswatini, whose principal business activity is the purchase of sugar from the Eswatini Sugar Association for packaging and then on selling under the "First" and other brands in Eswatini and the Republic of South Africa (RSA), as well as packing various retail chain stores inhouse brands.

Associates

- 25% equity interest in Simunye Plaza (Proprietary) Limited whose principal business activity is the leasing out of commercial property located in the Lowveld area of Eswatini. The Company owns 100 shares of E1 each at a cost of E100.
- 25% interest in Quality Sugars (Proprietary) Limited whose principal business activity is the marketing of sugar under resellers agreements entered into between Mananga Sugar Packers (Proprietary) Limited, RCL Foods Sugar and Milling (Proprietary) Limited, which are related parties of the Group, and the Company. Pursuant to the agreements mentioned, 25% of the ordinary shares of Quality Sugars (Proprietary) Limited were transferred at no cost to the Company on 1 April 2012. Quality Sugars (Proprietary) Limited is registered and domiciled in the Republic of South Africa.
- 35% equity interest in Enviro Applied Products (Proprietary) Limited whose principal business activity is the processing and selling of liquid fertiliser and is located the Lowveld area of Eswatini. The Company owns the 35% interest with effect from 01 March 2023.

The following information is presented at Group level only as the investments at Company financial statement level, is carried at cost which is less than E1 000 for each of the associate companies.

	2025 Mananga Sugar Packers E'000	2024 Mananga Sugar Packers E'000	2025 Enviro Applied Products E'000	2024 Enviro Applied Products E'000	2025 Simunye Plaza E'000	2024 Simunye Plaza E'000	2025 Quality Sugars E'000	2024 Quality Sugars E'000	2025 Total E'000	2024 Total E'000
Group										
The carrying amount of the investments are analysed below:										
Shares at cost	52 500	52 500	28 471	28 471	-	-	-	-	80 971	80 971
Share of associate company reserves	161 663	144 971	(4 279)	(5 418)	6 416	6 677	11 236	11 335	175 036	157 565
	214 163	197 471	24 192	23 053	6 416	6 677	11 236	11 335	256 007	238 536
Summary of unaudited financial information for equity accounted investees is as follows:										
Property, plant and equipment	47 445	40 841	66 048	59 485	12 755	13 326	17 097	36 339	143 345	149 991
Goodwill	18 139	18 139	-	-	-	-	3 905	4 007	22 044	22 146
Current assets	584 859	425 534	42 115	39 790	14 496	15 348	850 703	910 242	1 492 173	1 390 914
Deferred tax (liabilities) / assets	(4 320)	(12 138)	(246)	340	(105)	(17)	787	1 271	(3 884)	(10 544)
Employee benefit liability	-	-	-	(6 780)	(243)	(248)	-	(1 070)	(243)	(8 098)
Long Term Liability	-	-	(14 851)	(16 017)	-	-	(18 676)	(36 785)	(33 527)	(52 802)
Current liabilities	(217 797)	(77 434)	(23 946)	(10 953)	(1 239)	(1 699)	(808 872)	(868 663)	(1 051 854)	(958 749)
Net assets	428 326	394 942	69 120	65 865	25 664	26 710	44 944	45 341	568 054	532 858
Group's share of associate's net assets	214 163	197 471	24 192	23 053	6 416	6 677	11 236	11 335	256 007	238 536
Revenue	1 433 018	1 428 854	269 889	378 768	6 677	11 586	225 922	212 726	1 935 506	2 031 934
Profit	57 595	65 706	23 254	33 230	2 980	4 996	8 604	9 268	92 433	113 200
Group share of profit for the year	28 797	32 854	8 139	11 630	745	1 249	2 151	2 317	39 832	48 050
Reconciliation of carrying amounts										
Opening Balance at 1 April	197 471	180 618	23 053	14 923	6 677	6 185	11 335	11 018	238 536	212 744
Acquisition cost	-	-	-	-	-	-	-	-	-	-
Group share of profit for the year	28 797	32 854	8 139	11 630	745	1 249	2 151	2 317	39 832	48 050
Dividends received	(12 105)	(16 001)	(7 000)	(3 500)	(1 006)	(757)	(2 250)	(2 000)	(22 361)	(22 258)
Closing balance at 31 March	214 163	197 471	24 192	23 053	6 416	6 677	11 236	11 335	256 007	238 536

15. Biological assets

See accounting policies in note 7.7

15.1 Description of principal activities

Cane growing

The Company is engaged in the planting, management and harvesting of sugar cane and the manufacture of sugar in mills owned by the Company.

The Company grows cane on approximately 23 110 (2024 – 22 855) hectares of land leased from Tibiyo TakaNgwane (refer note 10). The Company manages a further 796 (2024 – 796) hectares on behalf of Tibiyo Taka Ngwane and 31 (2024: 31) hectares on freehold land.

Fields are managed on a sustainable basis which comprise an average 108 month rotation. All growing cane is harvested in the following financial year.

Livestock rearing

The group runs a livestock business through the Mhlume division, which involves farming of livestock and sale of meat products in the local and regional markets. At 31 March 2025, the livestock business held 2 221 (2024 – 2 435) head of cattle.

	Group 2025 E'000	Group 2024 E'000	Company 2025 E'000	Company 2024 E'000
15.2 Reconciliation of carrying amounts of growing cane				
Carrying amount at 1 April	1 027 738	745 029	562 135	445 725
Transfer from subsidiary (note 8)	-	-	465 603	-
Harvested during the year	(1 027 738)	(686 025)	(1 027 738)	(428 054)
Gain arising from changes in fair values less estimated costs to sell attributable to physical changes	1 012 131	774 011	1 012 131	438 754
(Loss)/gain arising from changes in fair values less estimated costs to sell attributable to price changes	(1 612)	194 723	(1 612)	105 710
Balance at 31 March	1 010 519	1 027 738	1 010 519	562 135
15.3 Reconciliation of carrying amounts of livestock				
Balance at 1 April	17 078	19 522	-	-
Transfer from subsidiary (note 8)	-	-	17 078	-
Purchases – normal business	9 150	5 422	9 150	-
Net increase due to births, deaths and fair value adjustment	7 744	6 031	7 744	-
Decrease due to sales	(16 467)	(13 897)	(16 467)	-
Balance at 31 March	17 505	17 078	17 505	-

15.4 Risk management strategy related to agricultural activities

The Group is exposed to the following risks relating to its agricultural activities.

Regulatory and environmental risks

The Company is subject to laws and regulations in countries in which it operates. The Company has established environmental policies and procedures aimed at compliance with local environmental and other laws.

Pricing and Currency risks

The Company is exposed to financial risks arising from changes in sugar prices and the exchange rate between the Euro, the United States Dollar and the Lilangeni. These risks, however, occur at industry level as all sugar produced by the sugar mills is sold to the Eswatini Sugar Association which is then responsible for onward sale to local and foreign customers. The Eswatini Sugar Association does enter into derivative contracts to manage the risk of fluctuations in exchange rates.

Climate and other risks

The Company's sugar cane plantations are exposed to the risk of damage from climatic changes, disease, and other natural forces. The Company has extensive processes in place aimed at monitoring and mitigating those risks, including water management strategies, use of best practice farming techniques and regular pest and disease surveys.

15.5 Biological assets pledged as security

Growing cane is pledged as security over borrowings (note 21.2).

NOTES TO THE FINANCIAL STATEMENTS - continued

for the year ended 31 March 2025

15. Biological assets (continued)

15.6 Measurement of fair value

The fair value measurements for Growing cane and livestock have been categorised as level 3 fair values based on the inputs to valuation model used. (see note below).

Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for level 3 fair values.

	Group			Company		
	Growing cane E'000	Livestock E'000	Total E'000	Growing cane E'000	Livestock E'000	Total E'000
Carrying amount at 1 April 2024	1 027 738	17 078	1 044 816	562 135	-	562 135
Transfer from subsidiary (note 8)	-	-	-	465 603	17 078	482 681
Purchases	-	9 150	9 150	-	9 150	9 150
Sales	-	(16 467)	(16 467)	-	(16 467)	(16 467)
Gain included in profit or loss						
- Change in fair value (unrealised)	(17 219)	-	(17 219)	(17 219)	-	(17 219)
- Net increase due to births, deaths and fair value adjustment	-	7 744	7 744	-	7 744	7 744
Carrying amount at 31 March 2025	1 010 519	17 505	1 028 024	1 010 519	17 505	1 028 024

The following table shows the valuation techniques used in measuring fair values, as well as the significant unobservable inputs used.

Type	Valuation Technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurements
Growing cane	The estimated sucrose content valued at the estimated sucrose price for the following season, less the estimated costs for harvesting and transport charged to the mill.	- Estimates of yields per hectare of cane (90tc/h to 115tc/h). In a drought year this range of estimates can be significantly affected. - Estimated contents of sucrose in cane (13% to 14.5%). - Harvest age (8 to 12 months). - Future sugar prices in destination markets (-10% to +10%). - Exchange rate fluctuations (-10% to +10%).	The estimated fair value would increase/ (decrease) if: - Exchange rates are (firmer)/ weaker; - Crop was harvested (younger)/ older; - Yields improve/ (reduce); - Market prices improve/ (reduce); or - Sucrose content increases/ (decreases)
Livestock	The market price of livestock of similar age, breed and genetic make-up.	- Premiums on the classification of livestock. - Premiums for quality depending on the physical attributes of the livestock.	The estimated fair value would increase/ (decrease) if: - More or (less) livestock were classified as breeders; - Livestock prices increased or (decreased); or - Weight and quantity premiums increase or (decrease).

16. Inventories

See accounting policies in note 7.8

	Group 2025 E'000	Group 2024 E'000	Company 2025 E'000	Company 2024 E'000
Consumable stores and spares	197 631	211 882	197 631	118 393
Finished goods and by products	59 608	5 879	59 608	4 760
	257 239	217 761	257 239	123 153
Write down of obsolete consumable stores and spares to net realisable value included in profit or loss	19 253	18 123	19 253	9 139
Inventories recognised as an expense during the year included in cost of sales amounted to	2 211 295	1 811 109	2 211 295	1 047 677

The full value of the carrying amounts of inventories as at reporting date are pledged as security over borrowings (note 21.2).

	Group 2025 E'000	Group 2024 E'000	Company 2025 E'000	Company 2024 E'000
17. Trade and other receivables				
<i>See accounting policies in note 7.3</i>				
Trade receivables	483 823	341 751	483 642	194 289
Related party receivables (note 39.1)	10 955	5 601	10 955	1 213
Prepayments	111 973	101 613	111 936	96 107
Other receivables	19 662	12 901	19 594	1 187
Less: impairment (note 38.3)	(3 524)	(2 294)	(3 524)	(855)
	622 889	459 572	622 603	291 941

The full value of the carrying amounts of receivables as at reporting date are pledged as security over borrowings (note 21.2).

Information about the Group's exposure to credit and market risks, and impairment losses for trade receivables is included in Note 38.3.

18. Cash and cash equivalents

See accounting policies in note 7.3

Bank balances	46 027	71 899	46 027	69 873
Cash on hand	163	165	163	50
Call deposit	374 412	199 950	374 412	177 063
	420 602	272 014	420 602	246 986
Bank overdraft	(47 205)	(11 281)	(47 205)	(977)
Per statement of cash flows	373 397	260 733	373 397	246 009

Bank overdrafts are payable on demand and used for cash management purposes. Accordingly, bank overdrafts are classified as cash and cash equivalents for purposes of the statement of cash flows

No impairment has been raised against cash and cash equivalents since cash and cash equivalents comprise moneys deposited with reputable financial institutions

19. Share capital and premium

19.1 Share capital and premium

Authorised				
140 100 000 "A" Ordinary shares of E1 each	140 100	140 100	140 100	140 100
8 073 160 "B" Ordinary shares of E5 each	40 366	40 366	40 366	40 366
	180 466	180 466	180 466	180 466
Issued and fully paid				
88 273 160 "A" Ordinary shares of E1 each	88 273	88 273	88 273	88 273
8 073 160 "B" Ordinary shares of E5 each	40 366	40 366	40 366	40 366
	128 639	128 639	128 639	128 639
Share premium	632 379	632 379	632 379	632 379
	761 018	761 018	761 018	761 018

The "A" and "B" ordinary shares rank pari passu in all respects. The directors of the Company are authorised to issue un-issued shares.

The holders of ordinary shares are entitled to receive ordinary dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

19.2 Preference share redemption reserve	78 104	78 104	78 104	78 104
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An amount equivalent to the redemption value of the previous "A" and "B" non-cumulative redeemable preference shares was transferred to the Preference Share Redemption Reserve at each redemption.

NOTES TO THE FINANCIAL STATEMENTS - continued

for the year ended 31 March 2025

	Group 2025 E'000	Group 2024 E'000	Company 2025 E'000	Company 2024 E'000
19. Share capital and premium (continued)				
19.3 Dividends				
Final dividend for the year ended 31 March 2023 of 51.9 cents per "A" and "B" ordinary shares.	-	50 004	-	50 004
1 st Interim dividend for the year ended 31 March 2025 of 129.2 cents (2024 – 82.7 cents) per "A" and "B" ordinary shares.	124 479	79 678	124 479	79 678
Final dividend for the year ended 31 March 2025 of 135.8 cents (2024 – 146.6 cents) per "A" and "B" ordinary shares.	130 839	141 244	130 839	141 244
	255 318	270 926	255 318	270 926

Dividends will have the following tax consequences:

- Local residents with-holding tax amounting to 10% of dividend declared, if shareholder is an individual.
- Non resident with-holding tax amounting to 12.5% if shareholder is a company holding less than 25%.
- Non resident with-holding tax amounting to 10% if shareholder is a company holding more than 25%.
- Non resident with-holding tax amounting to 15% if shareholder is an individual.

20. Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of ordinary shares, share premium, preference share redemption reserve and retained earnings. The Board of Directors monitors return on shareholders' equity and the level of dividends to ordinary shareholders.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, represented by shareholders' equity. The Group's target is to achieve a return on shareholders' equity of 15 percent, calculated as total comprehensive income for the year attributed to owners of the Company divided by shareholders' equity. For the current year, the return on shareholders' equity achieved was 12.7% (2024 – 20.7%). The Board of Directors implement long term strategies to ensure that the Group target is achieved over the longer term. Management and staff performance bonuses are linked to the achievement of targets.

There were no changes in the Group's approach to capital management during the year.

The amounts managed as capital by the Group for the reporting period under review are summarised as follows:

	Group 2025 E'000	Group 2024 E'000	Company 2025 E'000	Company 2024 E'000
Total equity	3 259 256	3 100 228	3 058 104	2 313 972
Capital	3 259 256	3 100 228	3 058 104	2 313 972
Total equity	3 259 256	3 100 228	3 058 104	2 313 972
Loans and borrowings*	884 364	689 313	884 364	119 592
Lease liabilities	13 883	6 709	13 883	3 526
Overall financing	4 157 503	3 796 250	3 956 351	2 437 090
Capital-to-overall financing ratio	78%	82%	77%	95%

The Group monitors capital on the basis of the carrying amount of equity as presented in the consolidated financial statements. The Group has maintained good capital ratios.

*Loans and borrowings were calculated as total loan liabilities plus overdraft less leases.

	Group 2025 E'000	Group 2024 E'000	Company 2025 E'000	Company 2024 E'000
21. Loans and borrowings				
1. Standard Bank Eswatini Limited	19 375	38 750	19 375	-
2. Nedbank Eswatini Limited	28 572	57 143	28 572	25 144
3. First National Bank of Eswatini Limited	7 000	14 000	7 000	-
4. Aluwani Fund Managers	71 486	89 357	71 486	-
5. Nedbank Eswatini Limited	38 571	48 214	38 571	48 214
6. Standard Bank Eswatini Limited	37 028	45 257	37 028	45 257
7. First National Bank of Eswatini Limited	310 127	366 514	310 127	-
8. First National Bank of Eswatini Limited	175 000	18 797	175 000	-
9. Nedbank Eswatini Limited	150 000	-	150 000	-
10. Leases	13 883	6 709	13 883	3 526
	851 042	684 741	851 042	122 141
Deduct: current portion included in current liabilities	(201 622)	(148 635)	(201 622)	(31 931)
Total non-current loans and borrowings	649 420	536 106	649 420	90 210

1. Standard Bank Eswatini Limited - The loan is repayable in 16 half-yearly instalments that commenced on 30 September 2018. The loan bears interest at the Eswatini prime rate, currently 10.50%, less 1% (2024: 11.00%, less 1%).

2. Nedbank Eswatini Limited - The loan is repayable in 14 half-yearly instalments that commenced on 30 September 2019. The loan bears interest at the Eswatini prime rate, currently 10.50% less 1% (2024: 11.00%, less 1%).

3. First National Bank of Eswatini Limited - The loan is repayable in 10 half-yearly instalments, commencing on 30 September 2021. The loan bears interest at the Eswatini prime rate, currently 10.50%, less 1% (2024: 11.00%, less 1%).

4. Aluwani Fund Managers - The loan is repayable in 14 half-yearly instalments, commencing on 30 September 2022. The loan bears interest at the Eswatini prime rate, currently 10.50%, less 1.5% (2024: 11.00%, less 1.5%).

5. Nedbank Eswatini Limited - The loan is repayable in 14 half-yearly instalments, commencing on 30 September 2022. The loan bears interest at the Eswatini prime rate, currently 10.50%, less 1% (2024: 11.00%, less 1%).

6. Standard Bank Eswatini Limited - The loan is repayable in 14 half-yearly instalments that commenced on 30 September 2024. The loan bears interest at the Eswatini prime rate, currently 10.50% (2024: 11.00%).

7. First National Bank of Eswatini Limited - The loan is repayable in 14 half-yearly instalments, commencing on 30 September 2024. The loan bears interest at the Eswatini prime rate, currently 10.50%, less 1.25% (2024: 11.00%, less 1.25%).

8. First National Bank of Eswatini Limited - The loan is repayable in 14 half-yearly instalments, commencing on 30 September 2025. The loan bears interest at the Eswatini prime rate, currently 10.50%, less 0.25%.

9. Nedbank Eswatini Limited - The loan is repayable in 14 half-yearly instalments, commencing on 30 September 2025. The loan bears interest at the Eswatini prime rate, currently 10.50%, less 0.25%.

10. Leases - Leases relate to land, buildings and computer equipment that are accounted for under IFRS16.

NOTES TO THE FINANCIAL STATEMENTS - continued

for the year ended 31 March 2025

	Other loans and borrowings		Leases	
	2025 E'000	2024 E'000	2025 E'000	2024 E'000
21. Loans and borrowings (continued)				
21.1 Reconciliation of movements of liabilities to cash flows arising from financing activities				
Group				
Balance at 1 April	678 033	594 811	6 709	6 750
Non-cash Additions	-	-	9 572	1 496
- <i>Changes from financing cash flows</i>				
Proceeds from loans and borrowings	306 203	194 897	-	-
Repayment of borrowings	(147 077)	(111 675)	(2 398)	(1 537)
Total changes from financing cash flows	159 126	83 222	(2 398)	(1 537)
- <i>Other changes</i>				
Interest expense	62 223	59 811	829	1 147
Interest paid	(62 223)	(59 811)	(829)	(1 147)
Total liability-related other changes	-	-	-	-
Balance at 31 March	837 159	678 033	13 883	6 709
Company				
Balance at 1 April	118 615	149 058	3 526	3 712
Non-cash Additions	-	-	9 572	1 288
Transfers from subsidiary (note 8)	559 418	-	3 182	-
- <i>Changes from financing cash flows</i>				
Proceeds from loans and borrowings	306 203	-	-	-
Repayment of borrowings	(147 077)	(30 443)	(2 398)	(1 474)
Total changes from financing cash flows	718 544	(30 443)	(2 398)	(1 474)
- <i>Other changes</i>				
Interest expense	64 712	16 553	829	952
Interest paid	(64 712)	(16 553)	(829)	(952)
Total liability-related other changes	-	-	-	-
Balance at 31 March	837 159	118 615	13 883	3 526

21.2 Loans and Overdraft securities

The loans and overdraft facilities of the Company and its subsidiary, Mhlume Sugar Company Limited are secured by:

- Deed of hypothecation for E165 million in favour of Standard Bank Eswatini Limited;
- Deed of hypothecation for E448.1 million in favour of Nedbank Eswatini Limited;
- Deed of hypothecation for E597.5 million in favour of First National Bank of Eswatini Limited;
- Deed of hypothecation for E125.2 million in favour of Aluwani Fund Managers;
- Unlimited cross guarantees between the Company and Mhlume Sugar Company Limited;
- Security sharing agreement covering co-funding of Integrated Growth Programme and ranking pari passu between lenders.
- All the above deeds of hypothecation are over all moveable and incorporeal assets of the Group.

	Group 2025 E'000	Group 2024 E'000	Company 2025 E'000	Company 2024 E'000
22. Employee benefit liabilities				
<i>See accounting policies in note 7.11</i>				
Retirement pay	77 114	66 317	77 114	49 254
Long service awards	14 080	11 669	14 080	8 778
Actuarially valued employee benefit liabilities	91 194	77 986	91 194	58 032
Long term incentive scheme	41 861	41 459	41 861	23 632
Total employee benefit liabilities	133 055	119 445	133 055	81 664
Deduct: current portion included in current liabilities (note 25)	(22 806)	(17 005)	(22 806)	(9 693)
	110 249	102 440	110 249	71 971

Retirement pay

The Group has arrangements which exist in respect of certain employees by which eligible employees receive benefits based on the length of permanent service. These benefits are unfunded and are only payable to eligible employees on retirement. The liability is based on an actuarial valuation performed at year end. These are in addition to defined contribution funds as detailed in note 34.

Long service awards

The long service awards amount is based on an actuarial valuation. The amounts are unfunded and are payable on the anniversary date of employees achieving ten, twenty, thirty or forty years continuous service.

Long term incentive scheme

The long term incentive scheme amounts are based on scheme rules as approved by the remuneration committee and is payable over three years on condition that certain targets are achieved. The amounts are not discounted.

An actuarial valuation of the retirement pay and long service awards was performed as at 31 March 2025. The actuarially valued liabilities are accordingly reported as follows at 31 March 2025:

	2025			2024		
	Retirement pay E'000	Long service awards E'000	Total E'000	Retirement pay E'000	Long service awards E'000	Total E'000
Group						
Retirement pay and long service award obligations						
The amount recognised in the statement of financial position is determined as follows:						
Present value of obligation	77 114	14 080	91 194	66 317	11 669	77 986
Unrecognised actuarial gain	-	-	-	-	-	-
Liability recorded in statement of financial position	77 114	14 080	91 194	66 317	11 669	77 986
Movement in present value of the obligation:						
Opening liability	66 317	11 669	77 986	68 355	12 015	80 370
<i>Included in profit or loss:</i>						
- Current service cost	3 220	1 120	4 340	3 146	1 088	4 234
- Interest cost	7 459	1 414	8 873	7 232	1 293	8 525
- Actuarial loss/(gain) recognised	-	1 284	1 284	-	(695)	(695)
	76 996	15 487	92 483	78 733	13 701	92 434
<i>Included in OCI:</i>						
- Actuarial loss/(gain) recognised	11 692	-	11 692	(4 595)	-	(4 595)
<i>Other:</i>						
- Benefits paid	(11 574)	(1 407)	(12 981)	(7 821)	(2 032)	(9 853)
Closing liability	77 114	14 080	91 194	66 317	11 669	77 986

NOTES TO THE FINANCIAL STATEMENTS - *continued*

for the year ended 31 March 2025

	Retirement pay E'000	2025 Long service awards E'000	Total E'000	Retirement pay E'000	2024 Long service awards E'000	Total E'000
22. Employee benefit liabilities <i>(continued)</i>						
<i>Company</i>						
Retirement pay and long service awards obligations						
The amount recognised in the statement of financial position is determined as follows:						
Present value of obligation	77 114	14 080	91 194	49 254	8 778	58 032
Unrecognised actuarial gain	-	-	-	-	-	-
Liability recorded in statement of financial position	77 114	14 080	91 194	49 254	8 778	58 032
Movement in present value of the obligation:						
Opening liability	49 254	8 778	58 032	50 553	8 954	59 507
Transfers from subsidiary (note 8)	17 063	2 891	19 954	-	-	-
<i>Included in profit or loss:</i>						
- Current service cost	3 220	1 120	4 340	2 418	795	3 213
- Interest cost	7 459	1 414	8 873	5 364	967	6 331
- Actuarial loss/(gain) recognised	-	1 284	1 284	-	(514)	(514)
	76 996	15 487	92 483	58 335	10 202	68 537
<i>Included in OCI:</i>						
- Actuarial loss/(gain) recognised	11 692	-	11 692	(3 410)	-	(3 410)
<i>Other:</i>						
- Benefits paid	(11 574)	(1 407)	(12 981)	(5 671)	(1 424)	(7 095)
Closing liability	77 114	14 080	91 194	49 254	8 778	58 032
		Group 2025	Group 2024	Company 2025	Company 2024	
The principal actuarial assumptions used were as follows:						
Discount rates		9.90%	11.70%	9.90%	11.70%	
Future salary increases		5.50%	5.50%	5.50%	5.50%	

The gain on the defined benefit obligation is mostly a result of the change in economic assumptions. The demographic factors have remained relatively constant. These defined benefit plans expose the Group to actuarial risks, such as interest rate risk and inflation risk.

22. Employee benefit liabilities (continued)

22.1 Effect of changes in significant actuarial assumptions

The following table summarises the effect of significant changes in the key actuarial assumptions on the retirement pay and long service awards.

	2025 1% Increase E'000	2025 1% Decrease E'000	2024 1% Increase E'000	2024 1% Decrease E'000
Group				
Discount Rate				
Retirement plan	(4 890)	5 482	(4 111)	4 595
Long Service Award	(771)	855	(536)	807
Salary Increase				
Retirement plan	5 623	(5 087)	5 493	(4 954)
Long Service Award	821	(752)	909	(636)
Company				
Discount Rate				
Retirement plan	(4 890)	5 482	(3 047)	3 410
Long Service Award	(771)	855	(466)	514
Salary Increase				
Retirement plan	5 623	(5 087)	4 073	(3 669)
Long Service Award	821	(752)	(70)	293

The present value of the defined benefit obligation has been calculated with the same method as the retirement pay and long service awards recognised in the consolidated statement of financial position. The sensitivity analyses are based on a change in one assumption while not changing any other assumptions. This analysis may not be representative of the actual change in the obligation as it is unlikely that the change in assumption would occur in isolation of another as some of the assumptions may be correlated.

23. Derivative (assets)/liabilities

See accounting policies in note 7.3

The Group's derivative financial instruments are in respect of an interest rate hedge measured at fair value as summarised below.

	Group 2025 E'000	Group 2024 E'000	Company 2025 E'000	Company 2024 E'000
Interest rate hedge (asset)/ liability				
Opening balance 1 April	(2 426)	(5 166)	(636)	(1 355)
Additions – initially recognised loss	-	-	-	-
Payments - cashflows	-	-	-	-
Changes in fair value gain recognised in statement of profit or loss	2 426	2 740	636	719
Closing balance at 31 March	-	(2 426)	-	(636)
Current portion of interest rate hedge	-	2 426	-	636
Long term portion of interest rate hedge	-	-	-	-

An interest rate hedge was entered into covering the period from 11 June 2021 to 31 March 2025. The instrument covers the Standard Bank loan (note 21, item 1) and the Nedbank loan (note 21, item 2) at a fixed rate of 7.86%. At the time the interest rate hedging instrument was recognised, the loans were bearing interest at Eswatini Prime 10.5% less 1% (2024: 11% less 1%).

The hedge effectiveness is determined at inception of the hedge relationship and every reporting period end through assessment of the hedged items and hedging instruments to determine whether there is still an economic relationship between the two. The hedged items are denominated in Eswatini Emalangeni and the hedging instruments are denominated in South African Rand, which is currently at par with the Eswatini Emalangeni, hence, the ratio is one on one, until such time as the Eswatini Emalangeni is delinked from the South African Rand. All derivative financial instruments are initially measured at fair value and reported subsequently at fair value in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS - *continued*

for the year ended 31 March 2025

	Group 2025 E'000	Group 2024 E'000	Company 2025 E'000	Company 2024 E'000
24. Trade and other payables				
<i>See accounting policies in note 7.3</i>				
Trade payables	495 929	397 163	494 916	239 543
Contract liabilities ethanol	3 316	8 774	3 316	8 774
Related party payables (note 39.1)	38 367	16 943	63 855	51 131
Retentions	23	5 573	23	1 943
Tenant deposits	4 535	4 239	4 535	1 776
Other payables	1 480	4 638	1 480	4 186
	543 650	437 330	568 125	307 353

The Group and Company's contract liabilities relate to advance considerations received from customers for the purchase of ethanol, for which revenue is recognised at a point in time. Once the performance obligations are satisfied, upon delivery of ethanol to the customers, this would be recognised as revenue.

25. Short term employee benefits

See accounting policies in note 7.11

Employee bonuses	45 537	87 303	45 537	50 154
Leave pay accrual	37 337	30 986	37 337	17 662
Employee accruals	3 260	3 184	3 260	2 007
	86 134	121 473	86 134	69 823
Current portion of long-term employee benefits (note 22)	22 806	17 005	22 806	9 693
	108 940	138 478	108 940	79 516

26. Bank overdraft

Bank overdraft facilities of the Company amounting to E65 million are in place. The overdraft facilities are covered by securities held by the banks as detailed in note 21.

27. Revenue

27.1 Revenue streams

The Group generates external revenue primarily from the sale of sugar to one customer, the Eswatini Sugar Association and the sale of various grades of ethanol to a limited number of customers locally and internationally. Sucrose deliveries by farms under a particular entity in the Group to a sugar mill in another entity in the Group result in intersegment sucrose sales. Other sources of revenue include seed cane sales, harvesting services, citrus sales, butchery sales and ecotourism revenue.

27.2 Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by stream, and within each stream geographical market if appropriate, or else by subset of each stream. The segment to which each revenue stream is attached to is also indicated.

	Group 2025 E'000	Group 2024 E'000	Company 2025 E'000	Company 2024 E'000
Sucrose and sugar sales - Eswatini				
Inter group sucrose sales for the year	-	-	-	83 029
Final sucrose price adjustment for the previous year based on final sugar price	-	-	-	1 590
Sale of sugar for the year	4 495 458	4 154 705	4 495 458	2 176 922
Final sugar price adjustment for previous year from Eswatini Sugar Association	16 526	69 910	16 526	26 190
Total sugar sales – sugar segment	4 511 984	4 224 615	4 511 984	2 287 731
Ethanol sales				
Eswatini and South Africa	232 394	213 498	232 394	213 498
Rest of Africa	68 015	166 379	68 015	166 379
Europe	113 858	107 617	113 858	107 617
Total ethanol sales – ethanol segment	414 267	487 494	414 267	487 494
Other sales - Eswatini				
Seedcane and harvesting services – Cane segment	5 952	9 346	5 952	805
Citrus, beans and maze	11 349	7 101	11 349	6 421
Butchery, leisure and ecotourism	20 372	20 853	20 372	-
All other operations not meeting segment criteria	31 721	27 954	31 721	6 421
Total other sales	37 673	37 300	37 673	7 226
Revenue total	4 963 924	4 749 409	4 963 924	2 782 451

27.2 Disaggregation of revenue by geographic region

In the following table, revenue from contracts with customers is disaggregated by geographical market.

Revenue by geographic market

Eswatini	4 554 667	4 266 315	4 554 667	2 299 357
South Africa	227 384	209 098	227 384	209 098
Rest of Africa	68 015	166 379	68 015	166 379
Europe	113 858	107 617	113 858	107 617
Total Revenue	4 963 924	4 749 409	4 963 924	2 782 451

NOTES TO THE FINANCIAL STATEMENTS - *continued*

for the year ended 31 March 2025

27. Revenue *(continued)*

27.3 Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer. The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies. Due to the turnaround nature of the revenue transactions, the price as designated in the contract is used for each of the transactions shown in the table below.

Type of product/service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Sucrose sales	Customer, being the sugar mill receiving the cane, obtains control of sucrose when the sugar cane passes the incoming sugar cane weighbridge, is crushed and subjected to laboratory assessment. Quantities are aggregated weekly and invoiced as such. Sucrose sales occur during the sugar production period which normally runs from April to December each year. Invoices are settled immediately via intercompany transactions.	Revenue is recognised when weekly sucrose production, as determined by the laboratory, has been reconciled to cane tonnage that passed the cane weighbridge. There are generally no sucrose sales at year end.
Sugar	The sole customer, the Eswatini Sugar Association, obtains control of sugar when the sugar passes the sugar scale located at the end of the production line. Quantities are agreed with the customer on a weekly basis and are billed on a weekly basis. Sugar sales occur during the sugar production period which runs from April to December each year. Invoices are usually payable within 7 days. No discounts are offered.	Revenue is recognised when weekly sugar production that passed the scale has been agreed and reconciled with the customer. The transaction price includes a sugar price retention accrual which is finalised and settled in the following year, as a final price for the preceding year. There are generally no sugar sales at year end.
Ethanol	Customers obtain control of ethanol when the goods are delivered to the point where the risks and rewards associated with ownership are transferred. This may be on a FOB or CIF basis. Other sales are on an ex-works basis. Invoices are generated at that point in time. Invoices are usually prepaid save for select customers where payment is expected within 30 days. No discounts are provided. Customers may return goods that do not meet the required specification. Returned product is exchanged for new product. This is however an exceptionally rare occurrence in the Company due to stringent quality control systems.	Revenue is recognised when the goods are delivered to the point that the significant risk and rewards as determined by accepted contract law, pass to the customer. This may be on an ex-mill, FOB, or CIF basis. Any advance payments received from customers prior to delivery of goods are classified as contract liabilities and recognised under trade and other payables. Once the performance obligations are satisfied, these liabilities are recognised as revenue. For contracts that permit the customer to return the product, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Historically, the frequency of this has been low and the amounts involved have been immaterial, hence no refund liability nor a right to recover returned goods asset has been recognised.
Other sales	Customers obtain control of product at the point of sale, e.g. over the counter meat sales, or when the goods are delivered to and have been accepted at their premises as with Citrus sales. Harvesting and ecotourism revenue is recognised when the services are rendered and accepted by the customers. Harvesting services are rendered at customer premises while ecotourism services are consumed in the Company's facilities. Invoices are generated at that point in time. Apart from cash sales, invoices are usually payable within 30 days. No discounts are provided. No contracts permit the customer to return goods.	Revenue is recognised when the goods or services are delivered or provided and have been accepted by customers either at the point of sale or at their premises.

	Group 2025 E'000	Group 2024 E'000	Company 2025 E'000	Company 2024 E'000
28. Other income				
Dividends received	5	-	37 095	113 065
Rental income	40 850	37 875	39 776	17 754
Management fees	14 796	18 908	14 796	6 656
School fees	9 254	9 376	9 254	5 347
Consumable sales	15 246	10 962	15 246	5 032
Sugar tolling	9 839	-	9 839	-
Sugar stock recoveries	11 800	-	11 800	-
Scrap sales, canteen, clinic and sundry	20 177	12 953	20 177	6 942
	121 967	90 074	157 983	154 796
29. Operating profit				
The operating profit for the year is stated after charging/(crediting) the following:				
Auditors' remuneration				
- current year	646	1 127	646	642
- prior year	2 152	1 962	2 077	1 106
- other services	36	37	36	37
- disbursements	695	644	695	360
Amortisation of intangible assets (note 12)	21 457	23 325	21 457	23 011
Depreciation of property, plant and equipment (note 10)	278 074	266 904	278 074	139 754
Directors' emoluments				
- for services as directors	3 938	4 025	3 938	4 025
- expenses	453	490	453	490
Lease expense	5 423	7 806	5 423	7 356
Gain on disposal of property, plant and equipment	(1 065)	(290)	(1 065)	(241)
30. Employee benefit expenses				
Salaries, wages, and incentive scheme accruals	1 006 773	1 006 430	1 006 773	526 220
Contributions to defined contribution plans	41 817	39 368	41 817	20 381
Expense related to benefit contribution plan (note 22)	14 494	12 252	14 494	9 544
Increase in liability for leave pay	6 351	932	6 351	531
	1 069 435	1 058 982	1 069 435	556 676
31. Net finance (costs) income				
Interest income on cash and cash equivalents	52 962	46 329	52 962	34 028
Net foreign exchange gain	3 299	5 382	3 299	4 971
Finance income	56 261	51 711	56 261	38 999
Interest expense on financial liabilities measured at amortised cost	(59 900)	(58 568)	(62 286)	(17 096)
Interest on leases	(829)	(1 147)	(829)	(952)
Subtotal	(60 729)	(59 715)	(63 115)	(18 048)
Fair value changes (loss)/ gains	(2 426)	(2 740)	(2 426)	(718)
Finance costs	(63 155)	(62 455)	(65 541)	(18 766)
Net finance (costs)/income recognised in profit or loss	(6 894)	(10 744)	(9 280)	20 233
32. Income taxes				
32.1 Amounts recognised in profit or loss				
Current tax expense				
Eswatini current tax				
- current year	59 016	93 998	58 115	93 156
- prior year	3 691	-	3 691	-
	62 707	93 998	61 806	93 156
Deferred tax				
- origination and reversal of temporary differences	72 227	99 957	72 225	33 146
- tax rate change	-	(55 427)	-	(32 990)
- tax credit – Prior year	(4 819)	(915)	(4 819)	-
	67 408	43 615	67 406	156
Total tax expense	130 115	137 613	129 212	93 312

NOTES TO THE FINANCIAL STATEMENTS - continued

for the year ended 31 March 2025

32. Income taxes (continued)

32.1 Amounts recognised in profit or loss (continued)

Following the transfer of assets and liabilities from subsidiary to the Company, a tax loss of E163 343 939 was set off against current year taxable earnings.

The Income Tax Amendment Act gazetted on 29 March 2024 reduced the corporate tax rate from 27.5% to 25% from 01 July 2024. The deferred tax assets and liabilities as at 31 March 2024 were adjusted accordingly in the comparative year.

	Group 2025 E'000	Group 2024 E'000	Company 2025 E'000	Company 2024 E'000
32.2 Amounts recognised in OCI				
Deferred tax charge on measurement of defined benefit liability	(2 923)	1 264	(2 923)	938
32.3 Tax rate reconciliation				
	%	%	%	%
Tax using the domestic tax rate	25.0	27.5	25.0	27.5
Tax effect of:				
- Share of profit of equity-accounted investees reported net of tax	(0.8)	(0.9)	-	-
- Tax-exempt dividend income	(1.0)	(0.8)	(3.3)	(5.4)
- Non-deductible expense items	0.5	0.5	0.2	0.4
- Permanent difference on common control transaction	-	-	(10.4)	-
- Deferred Tax rate change on opening deferred tax balances	-	(7.2)	-	(5.7)
- Deferred Tax rate change on current year differences	-	(1.3)	-	(0.6)
- Prior year tax overprovision	0.7	-	0.3	-
- Prior year deferred tax liability under/(over)provision	(0.9)	(0.1)	(0.4)	-
Tax expense as a percentage of profit before income tax	23.5	17.7	11.4	16.2
32.4 Recognised deferred tax assets and liabilities	E'000	E'000	E'000	E'000
Deferred tax assets				
Tax losses	-	40 836	-	-
Property, plant and equipment	1	1	-	-
Inventories	4 813	4 531	4 813	2 285
Defined benefit obligations	22 799	17 302	22 799	12 313
Employee bonuses, employee leave and other provisions	31 183	42 131	31 183	25 057
Income in advance	829	2 193	829	2 193
Finance lease liability	3 471	1 677	3 471	882
Customer provisions and deposits	2 055	1 674	2 055	685
Other Provisions	687	687	687	246
Deferred tax assets before set off	65 838	111 032	65 837	43 661
Set off against deferred tax liabilities	(65 837)	(111 031)	(65 837)	(43 661)
Deferred tax asset after set off	1	1	-	-
Deferred tax liabilities				
Property, plant and equipment	489 982	405 195	489 982	206 662
Intangible assets	345	356	345	356
Biological assets	256 698	322 208	256 698	169 897
Lease receivable	19	15	-	-
Agricultural consumable stores	13 554	12 333	13 554	6 186
Foreign Exchange Cover Assets	-	85	-	85
Prepayments	24 921	24 756	24 921	23 757
Unrealised currency (losses)/gains	(581)	698	(581)	699
Deferred tax liabilities before set off	784 938	765 646	784 919	407 642
Deferred tax assets set off	(65 837)	(111 031)	(65 837)	(43 661)
Deferred tax liabilities after set off	719 101	654 615	719 082	363 981
Overall net deferred tax liabilities	719 100	654 614	719 082	363 981

	Group 2025 E'000	Group 2024 E'000	Company 2025 E'000	Company 2024 E'000
32. Income taxes (continued)				
32.4 Recognised deferred tax assets and liabilities (continued)				
Movement in net deferred tax liability				
Opening net deferred tax liability	654 614	609 735	363 981	362 887
Transfer from subsidiary (note 8)	-	-	290 619	-
Recognised in profit or loss (note 32.1)	67 408	43 615	67 406	156
Recognised in OCI (note 32.2)	(2 923)	1 264	(2 923)	938
Closing net deferred tax liability	719 100	654 614	719 082	363 981

33. Earnings per share

Group basic and diluted earnings per share is based on profit attributable to ordinary shareholders of E423 114 491 (2024: E638 469 036) and 96 346 320 (2024: 96 346 320) weighted ordinary shares in issue.

Company basic and diluted earnings per share is based on profit attributable to ordinary shareholders of E1 008 219 898 (2024: E482 450 321) and 96 346 320 (2024: 96 346 320) weighted ordinary shares in issue.

	Group 2025 E'000	Group 2024 E'000	Company 2025 E'000	Company 2024 E'000
Basic and diluted earnings per share (cents)	439.2	662.7	1 046.5	500.7

Due to the fact that there are no potential dilutive instruments, basic and diluted earnings per share are the same.

34. Retirement benefit information

The Group provides retirement benefits for most of its employees through defined contribution plans which are managed through various funds. All permanent employees are members of defined contribution pension or provident funds. The funds are funded by company and employee contributions. Company contributions are charged to profit or loss as they are due to be settled. (refer note 30).

	Group 2025 E'000	Group 2024 E'000	Company 2025 E'000	Company 2024 E'000
35. Capital commitments				
Approved by the directors:				
Contracted for	311 865	66 367	311 865	41 854
Not contracted for	245 833	580 762	245 833	262 333
	557 698	647 129	557 698	304 187

The capital expenditure to acquire property, plant and equipment will be funded by a combination of own generated funds and facilities negotiated with a number of banks and will be incurred in the subsequent financial year.

36. Contingent liabilities

As part of the banking facilities the Company and its subsidiary, Mhlume Sugar Company Limited are liable for the following guarantees

	Company 2025 E'000	Company 2024 E'000	Subsidiary 2025 E'000	Subsidiary 2024 E'000
Eswatini Government – Labour	135	60	-	75
Eswatini Government – General Bond	76	70	-	6
Eswatini Revenue Service – Customs and Excise	8 500	8 500	-	-
South African Revenue Service – VAT	550	550	-	-
Transnet	50	50	-	-

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36. Contingent liabilities (continued)

The Company is defending a number of actions brought by former employees mostly for alleged unfair dismissal claims, suppliers for contract disputes and the South Africa Revenue Services relating to customer customs disputes. Liability is not admitted and the Company will defend itself against the actions. Due to the nature of the claims a realistic estimate of the potential liability and legal costs is not practical. The directors are of the opinion that the total costs, if any, would not be material.

There are no other contingent liabilities in the associates and joint ventures that the Group has interests in.

Bank overdraft facilities are secured by cross guarantees for an unlimited amount between the Company, Mhlume Sugar Company Limited and Royal Swazi Distillers (Proprietary) Limited.

	Group 2025 E'000	Group 2024 E'000	Company 2025 E'000	Company 2024 E'000
37. Notes to the statement of cash flows				
37.1 Cash flows from operating activities				
Profit before taxation	553 230	776 083	1 137 431	575 763
<i>Adjusted for:</i>				
Depreciation	278 074	266 904	278 074	139 754
Amortisation of intangible assets	21 457	23 325	21 457	23 011
Decrease/(increase) in fair value of biological assets - growing cane	17 219	(282 709)	17 219	(116 410)
(Increase)/decrease in fair value of biological assets - livestock	(427)	2 444	(427)	-
(Decrease)/increase in non-current employee benefits	(3 883)	13 732	(3 883)	8 503
Profit on disposal of property, plant and equipment	(1 060)	(290)	(1 060)	(241)
Common control business combination transaction (note 8)	-	-	(595 184)	-
Impairment of subsidiary (note 8)	-	-	5 000	-
Dividend income	(5)	-	(37 095)	(113 065)
Finance income	(56 261)	(51 711)	(56 261)	(38 999)
Finance costs	63 155	62 455	65 541	18 766
Unrealised currency gains	934	(3 726)	934	(3 726)
Share of associated company net profit	(39 830)	(48 050)	-	-
Operating cash flows before movement in working capital	832 603	758 457	831 746	493 356
<i>Movement in working capital</i>				
(Increase)/decrease in inventory	(39 478)	(3 416)	(39 478)	951
Increase in trade and other receivables	(163 317)	(72 559)	(138 876)	(14 187)
Increase in trade and other payables	106 320	32 330	83 996	64 798
(Decrease)/increase in short term employee benefits	(29 538)	63 777	(29 538)	35 771
Cash generated from operations	706 590	778 589	707 850	580 689
37.1.1 (Increase)/decrease in inventory				
Movement per Statement of Financial Position	(39 478)	(3 416)	(134 086)	951
Transfer from subsidiary (note 8)	-	-	94 608	-
Net (increase)/decrease in inventory	(39 478)	(3 416)	(39 478)	951
37.1.2 Increase in trade and other receivables				
Movement per Statement of Financial Position	(163 317)	(67 309)	(330 662)	(14 187)
Transfer from subsidiary (note 8)	-	-	191 786	-
Accrued dividend income from associate	-	(5 250)	-	-
Net increase in trade and other receivables	(163 317)	(72 559)	(138 876)	(14 187)
37.1.3 Increase in trade and other payables				
Movement per Statement of Financial Position	106 320	19 172	260 772	51 640
Transfer from subsidiary (note 8)	-	-	(176 776)	-
Acquisition of associate accrual	-	13 158	-	13 158
Net increase in trade and other payables	106 320	32 330	83 996	64 798
37.1.4 (Decrease)/increase in short term employee benefits				
Movement per Statement of Financial Position	(29 538)	63 777	29 424	35 771
Transfer from subsidiary (note 8)	-	-	(58 962)	-
Net (decrease)/increase in short term employee benefits	(29 538)	63 777	(29 538)	35 771

	Group 2025 E'000	Group 2024 E'000	Company 2025 E'000	Company 2024 E'000
37. Notes to the statement of cash flows (continued)				
37.2 Taxation paid				
Balance owing/(prepaid) at 1 April	9 072	(23 516)	9 139	(23 503)
- Taxation prepaid	(67)	(24 154)	-	(23 503)
- Taxation due	9 139	638	9 139	-
Tax charge per statement of comprehensive income (note 32.1)	62 707	93 998	61 806	93 156
Balance (owing)/prepaid at 31 March	(19 405)	(9 072)	(19 692)	(9 139)
- Taxation prepaid	287	67	-	-
- Taxation due	(19 692)	(9 139)	(19 692)	(9 139)
Cash amount paid	52 374	61 410	51 253	60 514
37.3 Dividends paid				
Balance at 1 April	141 241	-	141 241	-
Declared during the year (note 19.3)	255 318	270 926	255 318	270 926
Balance at 31 March	(130 836)	(141 241)	(130 836)	(141 241)
Cash amount paid	265 723	129 685	265 723	129 685

38. Financial instruments – Fair values and risk management

38.1 Accounting classification and fair values

Fair values versus carrying amounts

The carrying amounts of current financial assets and liabilities are deemed to be a reasonable approximation of the fair values due to the short-term nature of the items.

38.2 Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used.

Financial instruments measured at fair value			
Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Forward exchange contracts	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.	Not applicable.	Not applicable.
Interest rate hedges	The fair value is determined by calculating the difference between the actual interest rate and the rate specified in the swap.	Not applicable.	Not applicable.
Other financial liabilities*	Discounted cash flows: The valuation model considers the present value of expected payments, discounted using a risk-adjusted discount rate.	Not applicable.	Not applicable.

* Other financial liabilities consist of secured and unsecured bank loans.

38. Financial instruments – fair values and risk management (continued)

38.3 Financial risk management

The Group has exposure to the following risks arising from its financial instruments:

- credit risk;
- liquidity risk; and
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors has established the Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Risk Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and deposits with banks and financial institutions.

Impairment losses on financial assets and contract assets recognised in profit or loss are analysed as follows.

	Group 2025 E'000	Group 2024 E'000	Company 2025 E'000	Company 2024 E'000
Balance at the beginning of the year	(2 294)	(1 681)	(855)	(694)
Transfer from subsidiary (note 8)	-	-	(1 439)	-
Impairment loss utilised	114	467	114	177
Impairment loss recognised during the year	(1 344)	(1 080)	(1 344)	(338)
Balance at the end of the year (note 17)	(3 524)	(2 294)	(3 524)	(855)

The impairment loss on cash and cash equivalents as at 31 March 2025 is E nil (2024: E nil) as the cash and cash equivalents have low credit risk based on the external ratings of the counterparties.

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Sugar produced by the Company's mills is sold to the Eswatini Sugar Association ("ESA"). This represents 91% of the Group's revenue (2024 - 89%). The regulations of the Sugar Industry in Eswatini are such that the mills are paid weekly for sugar produced.

Ethanol, which accounts for 9% of the Group's revenue (2024 - 10%) is sold to various customers. Credit limits, which are reviewed regularly, are in place and selected customers are required to obtain letters of credit as security. Some ethanol customers are on upfront payment terms.

The following disclosures present quantitative information on trade receivables and contract assets.

	Group 2025 E'000	Group 2024 E'000	Company 2025 E'000	Company 2024 E'000
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38. Financial instruments – fair values and risk management *(continued)*

38.3 Financial risk management *(continued)*

Credit risk *(continued)*

The exposure to credit risk for trade and other receivables at the reporting date by geographic region was:

Domestic	471 241	338 446	470 992	181 422
Europe	32 721	10 806	32 721	10 806
South Africa	6 954	8 707	6 954	3 606
	510 916	357 959	510 667	195 834

The exposure to credit risk for trade and other receivables at the reporting date by type of counterparty was:

Sugar debtors	336 920	239 574	336 920	128 507
Ethanol debtors	44 922	13 354	44 922	13 354
Value added tax	87 637	77 995	87 627	41 579
Rental, school, staff, clinic and other debtors	41 437	27 036	41 198	12 394
	510 916	357 959	510 667	195 834

The exposure to credit risk for trade and other receivables at the reporting date by customer type was:

Eswatini Sugar Association	326 082	233 973	326 082	127 294
Ethanol customers	44 922	13 354	44 922	13 354
Related parties	10 955	5 601	10 955	1 213
Value added tax	87 637	77 995	87 627	41 579
Sundry debtors (rentals, schools, clinics, staff)	41 320	27 036	41 081	12 394
	510 916	357 959	510 667	195 834

A summary of the Group's and Company's exposure to credit risk for trade and other receivables as follows.

	2025		2024	
	Low Risk E'000	High Risk E'000	Low Risk E'000	High Risk E'000
Group				
Core customers – sugar, ethanol and related parties	377 621	4 338	271 147	3 097
Non-core customers	123 451	9 030	83 295	2 714
	501 072	13 368	354 442	5 811
Loss allowance	(431)	(3 093)	(895)	(1 399)
	500 641	10 275	353 547	4 412
Company				
Core customers – sugar, ethanol and related parties	377 621	4 338	149 540	971
Non-core customers	123 202	9 030	44 222	1 956
	500 823	13 368	193 762	2 927
Loss allowance	(431)	(3 093)	(414)	(441)
	500 392	10 275	193 348	2 486

38. Financial instruments – fair values and risk management (continued)

38.3 Financial risk management (continued)

Expected credit loss assessment for high risk and low risk customers as at 1 April 2024 and 31 March 2025

The Company classifies exposure to a credit risk as being either low risk or high risk. 91% of group revenue is derived from the sale of sugar to one long standing customer where the terms are such that the Group is paid weekly for sugar produced. 9% of group revenue is derived from a number of select ethanol customers. The balance of revenue and other income is from incidental activities such as rentals of property, management fees, cost recoveries, all typical of a sugar operation based in a non-municipal location.

The credit risk from sugar customers, ethanol customers, related parties and outgrowers has been classified as low risk based on the securities that are in place against the debts. All other customers who do not have adequate security have been classified as high risk.

The Group adopted the simplified impairment model, which is applicable to trade receivables without a significant financing component. The loss allowance is measured at an amount equal to the lifetime expected credit losses, which represents the expected credit losses that will result from all possible default events over the expected life of the receivable. Lifetime expected credit loss is thus assumed to equate to the 12-month expected credit loss model.

The Group makes use of a provision matrix as a practical expedient for the determination of expected credit losses on trade receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

	Weighted average loss rate	Gross carrying amount E'000	Loss allowance E'000	Contains expected losses
2025 Group – Low risk				
Current (not past due)	0%	430 499	-	No
1-30 days past due	0%	29 489	-	No
31-60 days past due	0%	31 644	-	No
61-90 days past due	0%	818	-	No
More than 90 days past due	5.0%	8 622	431	Yes
Balance at 31 March		501 072	431	
2025 Group – High risk				
Current (not past due)	0%	7 131	-	No
1-30 days past due	11.1%	836	93	Yes
31-60 days past due	41.5%	241	100	Yes
61-90 days past due	22.4%	201	45	Yes
More than 90 days past due	57.6%	4 959	2 855	Yes
Balance at 31 March		13 368	3 093	
2024 Group – Low risk				
Current (not past due)	0%	344 823	-	No
1-30 days past due	0%	2 798	-	No
31-60 days past due	0%	789	-	No
61-90 days past due	0%	1 132	-	No
More than 90 days past due	18.2%	4 900	895	Yes
Balance at 31 March		354 442	895	
2024 Group – High risk				
Current (not past due)	2.4%	2 492	59	Yes
1-30 days past due	1.9%	1 672	32	Yes
31-60 days past due	3.4%	298	10	Yes
61-90 days past due	1.9%	52	1	Yes
More than 90 days past due	100%	1 297	1 297	Yes
Balance at 31 March		5 811	1 399	

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	Weighted average loss rate	Gross carrying amount E'000	Loss allowance E'000	Credit impaired
38. Financial instruments – fair values and risk management (continued)				
38.3 Financial risk management (continued)				
2025 Company – Low risk				
Current (not past due)	0%	430 250	-	No
1-30 days past due	0%	29 489	-	No
31-60 days past due	0%	31 644	-	No
61-90 days past due	0%	818	-	No
More than 90 days past due	5.0%	8 622	431	Yes
Balance at 31 March		500 823	431	
2025 Company – High risk				
Current (not past due)	0%	7 131	-	No
1-30 days past due	11.1%	836	93	Yes
31-60 days past due	41.5%	241	100	Yes
61-90 days past due	22.4%	201	45	Yes
More than 90 days past due	58.0%	4 959	2 855	Yes
Balance at 31 March		13 368	3 093	
2024 Company – Low risk				
Current (not past due)	0%	191 212	-	No
1-30 days past due	0%	523	-	No
31-60 days past due	0%	9	-	No
61-90 days past due	0%	293	-	No
More than 90 days past due	24.0%	1 725	414	Yes
Balance at 31 March		193 762	414	
2024 Company – High risk				
Current (not past due)	1.9%	1 253	23	Yes
1-30 days past due	1.3%	1 095	15	Yes
31-60 days past due	1.9%	128	3	Yes
61-90 days past due	1.5%	52	1	Yes
More than 90 days past due	100%	399	399	Yes
Balance at 31 March		2 927	441	

Cash and cash equivalents

The Company invests available cash and cash equivalents with reputable banks as well as retaining surplus cash from sugar proceeds with the Eswatini Sugar Association. Investment returns on such retentions are higher than those offered by commercial banks. Accordingly, the Company has no significant concentration of credit risk.

	Group 2025 E'000	Group 2024 E'000	Company 2025 E'000	Company 2024 E'000
Credit risk				
The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:				
Trade and other receivables	510 916	357 959	510 667	195 834
Cash and cash equivalents	420 602	272 014	420 602	246 986
	931 518	629 973	931 269	442 820

NOTES TO THE FINANCIAL STATEMENTS - continued

for the year ended 31 March 2025

38. Financial instruments – fair values and risk management (continued)

38.3 Financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The cane crushing season commences in April of each year and normally ends in December. During this period the Company's net cash position improves as the season progresses. The period between January and March is referred to as the "off-crop season". During this period, significant costs are incurred in the maintenance of the sugar mills and harvesting equipment, cane replanting activities and capital projects that could not be carried out during the crushing season. The Company's net cash position declines rapidly during this period. In order to ensure that there is sufficient cash on demand to meet operational expenses, including the servicing of financial obligations, various lines of credit are in place with reputable financial institutions. The levels of funding sourced are determined after a comprehensive budgeting process and after taking into account updated cash flow forecasts prepared by management.

At year end the Company had unutilised overdraft facilities of E18 million (2024 – E119 million) to cover the operations of the Company. Interest is payable at rates linked to the Eswatini prime rate (10.5% at year end) less 1% (2024 – 11% prime less 1%).

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include estimated interest payments and exclude the impact of netting agreements.

	Carrying amount E'000	Contractual cash flows E'000	Within 1 year E'000	2 to 5 Years E'000	More than 5 years E'000
2025 Group					
Non derivative financial liabilities					
Bank loans	(837 159)	(1 075 694)	(265 426)	(674 107)	(136 161)
Lease Liabilities	(13 883)	(18 402)	(3 951)	(10 132)	(4 319)
Trade and other payables	(543 650)	(543 650)	(543 650)	-	-
Bank overdraft	(47 205)	(47 205)	(47 205)	-	-
	(1 441 897)	(1 684 951)	(860 232)	(684 239)	(140 480)
2024 Group					
Non derivative financial liabilities					
Bank loans	(678 033)	(909 407)	(210 872)	(599 663)	(98 872)
Lease Liabilities	(6 709)	(10 083)	(2 021)	(3 473)	(4 589)
Trade and other payables	(437 330)	(437 330)	(437 330)	-	-
Bank overdraft	(11 281)	(11 281)	(11 281)	-	-
	(1 133 353)	(1 368 101)	(661 504)	(603 136)	(103 461)
2025 Company					
Non derivative financial liabilities					
Bank loans	(837 159)	(1 075 694)	(265 426)	(674 107)	(136 161)
Lease Liabilities	(13 883)	(18 402)	(3 951)	(10 132)	(4 319)
Trade and other payables	(568 125)	(568 125)	(568 125)	-	-
Bank overdraft	(47 205)	(47 205)	(47 205)	-	-
	(1 466 372)	(1 709 426)	(884 707)	(684 239)	(140 480)
2024 Company					
Non derivative financial liabilities					
Bank loans	(118 615)	(150 974)	(42 333)	(108 641)	-
Lease Liabilities	(3 526)	(4 144)	(1 751)	(2 393)	-
Trade and other payables	(307 353)	(307 353)	(307 353)	-	-
Bank overdraft	(977)	(977)	(977)	-	-
	(430 471)	(463 448)	(352 414)	(111 034)	-

38. Financial instruments – fair values and risk management (continued)

38.3 Financial risk management (continued)

Liquidity risk (continued)

As disclosed in note 21, the Company has secured bank loans that contain various loan covenants.

A future breach of these covenants may require the Group to repay the loan earlier than indicated in the above table. Under the agreement, the covenants are monitored on a regular basis by the treasury department and regularly reported to management to ensure compliance with the agreement. At the reporting date the covenant ratios were all well within the prescribed limits.

The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change. The future cash flows on derivative instruments may be different from the amount in the above table as interest rates and exchange rates or the relevant conditions underlying the contingency change. Except for these financial liabilities, it is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Market risk

Market risk is the risk that changes in market prices, such as commodity prices, foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company utilises derivatives and also incurs financial liabilities, in order to manage risks. All such transactions are carried out within the guidelines set by the Risk Management Committee.

Currency risk

The Company is exposed to currency risk directly and indirectly as follows:

- Indirectly, on sugar sales by the Eswatini Sugar Association ("ESA") to various export markets denominated in Euro, US dollars (USD) and Sterling (GBP);
- Directly, on ethanol sales to European and African markets denominated in Euro and US dollars; and
- Directly, on balances denominated in foreign currencies.

The Company has no direct influence on the risk arising from sugar sales by the ESA. The ESA does however have a foreign exchange risk committee tasked with monitoring currency risk and entering into hedge transactions to minimise risk and thus maximise the Industry's net revenue which ultimately determines the price that millers and growers receive for their sugar production.

Currency risk on ethanol sales is managed by way of monitoring daily spot rates and liquidating currency at favourable rates.

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to management is as follows:

	Group Foreign amount		Group Emalangeni		Company Foreign amount		Company Emalangeni	
	2025 '000	2024 '000	2025 '000	2024 '000	2025 '000	2024 '000	2025 '000	2024 '000
Euro cash in bank	272	1 272	5 372	26 044	272	1 272	5 372	26 044
US Dollar cash in bank	1 125	2 132	20 535	40 338	1 125	2 132	20 535	40 338
Euro trade receivable	1 693	621	33 477	12 669	1 693	621	33 477	12 669
US Dollar trade receivable	*_	20	*_	377	*_	20	*_	377
Pound Sterling trade payable	*_	*_	*_	2	*_	*_	*_	2

* The trade receivable when dominated in US Dollar is less than US \$1 000 and the trade payable when denominated in Pound Sterling is less than GBP 1 000.

The following exchange rates applied during the year for the Group and Company:

	Reporting date Bank buying rate		Reporting date Bank selling rate	
	2025	2024	2025	2024
USD 1	18.26	18.92	18.31	18.97
GBP 1	23.65	23.90	23.71	23.96
EURO 1	19.77	20.48	19.83	20.53

	Average rate	
	2025	2024
USD 1	18.24	18.73
GBP 1	23.25	23.14
EURO 1	19.35	20.36

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38. Financial instruments – fair values and risk management (continued)

38.3 Financial risk management (continued)

Currency risk (continued)

Exposure to currency risk (continued)

Sensitivity Analysis

A 10% strengthening of the Lilangeni against the following currencies at 31 March would have increased/(decreased) pre-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2025.

A 10% weakening of the Lilangeni against the above currencies at 31 March would have had the equal but opposite effect on the amounts shown below, on the basis that all other variables remain constant.

	Group 2025 E'000	Group 2024 E'000	Company 2025 E'000	Company 2024 E'000
USD	1 812	4 072	1 812	4 072
Euro	3 862	3 871	3 862	3 871
Pound	-	-	-	-
Total	5 674	7 943	5 674	7 943
Impact on equity	4 256	5 759	4 256	5 759

Interest rate risk

The Company monitors interest rate trends on an ongoing basis, to manage exposure to changes in interest rates Refer to note 7.3 and note 23 for further information on the Company's management of interest rate risk.

The interest rate profile of the Group's interest-bearing financial instruments as reported to management is as follows.

	Group 2025 E'000	Group 2024 E'000	Company 2025 E'000	Company 2024 E'000
Profile				
<i>Variable rate instruments</i>				
Financial assets – call deposits	374 412	199 950	374 412	177 063
Financial liabilities	(884 364)	(689 313)	(884 364)	(119 592)
	(509 952)	(489 363)	(509 952)	57 471

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss and equity by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2025.

	Group 100 bp increase E'000	Group 100 bp decrease E'000	Company 100 bp increase E'000	Company 100 bp decrease E'000
31 March 2025				
Net cash flow sensitivity of variable rate instruments	(24 452)	24 452	(24 452)	24 452
Impact on equity	(18 339)	18 339	(18 339)	18 339
31 March 2024				
Net cash flow sensitivity of variable rate instruments	(20 154)	20 154	(3 001)	3 001
Impact on equity	(14 611)	14 611	(2 176)	2 176

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39. Related parties

Significant related party relationships exist between the Company and:

- major shareholders, Tibiyo Taka Ngwane, Tsb Sugar International (Proprietary) Limited and organisations controlled by such shareholders;
- directors and members of the executive committee;
- joint ventures as stated in note 14; and
- subsidiary and associate companies as stated in notes 13 and 14 respectively.

The Company operates a division, Mhlume Water, which is responsible for the conveyance of water for irrigation purposes. The management of Mhlume Water was delegated to the Company on 1 May 2004.

Related party transactions comprise management and technical fees payable and receivable, interest paid, interest received, and share of profits or management fees received from sugar cane grown on behalf of related parties. Certain re-imbursing expenditure is recouped from related parties.

	Group 2025 E'000	Group 2024 E'000	Company 2025 E'000	Company 2024 E'000
39.1 Related party balances				
Amounts owing by related parties				
The following amounts are due from related parties at year end:				
Enviro Applied Products (Proprietary) Limited	3 010	56	3 010	56
Mananga Sugar Packers (Proprietary) Limited	2 295	1 993	2 295	283
Mananga Country Club	1 389	1 171	1 389	-
Mhlume Country Club	2 467	1 398	2 467	-
Simunye Country Club	1 479	949	1 479	840
Simunye Plaza	315	34	315	34
	10 955	5 601	10 955	1 213
Amounts owing to related parties				
Enviro Applied Products (Proprietary) Limited	9 666	109	9 666	109
Mhlume Sugar Company Limited	-	-	-	24 315
Mhlume Water	5 002	2 019	5 002	-
Royal Swazi Distillers (Proprietary) Limited	-	-	25 488	23 375
Tibiyo Taka Ngwane	23 484	14 113	23 484	2 630
Tsb Sugar International (Proprietary) Limited	215	702	215	702
	38 367	16 943	63 855	51 131
There are no provisions for debt impairment or bad debts written off relating to the above related party balances.				
39.2 Related party transactions				
Transactions include the following un-eliminated transactions:				
Stillage sold to Enviro Applied Products (Proprietary) Limited	4 336	3 554	4 336	3 554
Liquid fertiliser purchased from Enviro Applied Products (Proprietary) Limited	(123 551)	(129 117)	(123 551)	(71 530)
Water cost paid to Mhlume Water	(15 778)	(13 944)	(15 778)	(13 944)
Interest paid - Royal Swazi Distillers (Proprietary) Limited	(2 386)	(2 250)	(2 386)	(2 250)
Management, marketing and technical fees (paid)/received:				
- Tsb Sugar International (Proprietary) Limited	(2 874)	(2 722)	(2 874)	(2 722)
- Mhlume Water	3 789	3 574	3 789	-
- Mananga Sugar Packers (Proprietary) Limited	1 379	1 193	1 379	1 193
- Tibiyo Taka Ngwane	2 455	2 908	2 455	2 908
	4 749	4 953	4 749	1 379
Directors' emoluments are disclosed in note 29.				
39.3 Compensation for key management personnel				
Short term benefits	29 032	20 831	29 032	11 874
Other long-term employee benefits	16 137	15 186	16 137	8 656
	45 169	36 017	45 169	20 530

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39. Related parties (continued)

39.4 Related party contingent liabilities and commitments

There are no related party capital commitments.

There are no related party contingent liabilities or commitments.

39.5 Impairments

An impairment assessment has been made for related party balances and a credit loss rate of 0% was assigned to this category.

40. Leases

The Group as a Lessee

The Group leases land as detailed in note 40.1. Additionally, the Company also leases farms for cane growing purposes, residential and office property for certain employees working on the leased farms, and computer equipment.

The residential and office leases typically run for one year with an option to renew. The lease payments are reviewed annually with escalations either being fixed or linked to inflation. The lease for computer equipment runs for a period of four years.

The terms of the farm leases are usually negotiated to ensure the benefit of a full crop rotation. As a minimum, leases are no less than seven years.

Information about the leases for which the Company is a lessee is presented in the following section.

	Land and buildings E'000	Vehicles, computer equipment, furniture and fittings E'000	Total E'000
40.1 Leases (right-of use assets)			
Right-of-use assets related to leased property			
Group 2025			
Balance at 31 March 2024	4 717	777	5 494
Additions	-	9 572	9 572
Depreciation charge for the year	(630)	(1 774)	(2 404)
Balance at 31 March 2025	4 087	8 575	12 662
Group 2024			
Balance at 31 March 2023	5 320	583	5 903
Additions	209	1 287	1 496
Depreciation charge for the year	(812)	(1 093)	(1 905)
Balance at 31 March 2024	4 717	777	5 494
Company 2025			
Balance at 1 April 2024	1 945	777	2 722
Transfer from subsidiary (note 8)	2 772	-	2 772
Additions	-	9 572	9 572
Depreciation charge for the year	(630)	(1 774)	(2 404)
Balance at 31 March 2025	4 087	8 575	12 662
Company 2024			
Balance at 31 March 2023	2 440	583	3 023
Additions	-	1 287	1 287
Depreciation charge for the year	(495)	(1 093)	(1 588)
Balance at 31 March 2024	1 945	777	2 722

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for the year ended 31 March 2025

	Group 2025 E'000	Group 2024 E'000	Company 2025 E'000	Company 2024 E'000
40 Leases (continued)				
40.2 Leases amounts recognised in profit or loss				
Leases under IFRS 16				
Interest on lease liability	829	1 147	829	4953
Lease Expense				
Lease expense	1 568	1 904	1 568	1 589
Leases recognised in statement of cashflows				
Total cash outflow for leases	2 397	2 699	2 397	2 429

Extension Options

Some property leases contain extension options exercisable by the Company up to three months before the end of the current contract period. Where applicable, the Company seeks to include extension options in the new leases to provide for operational flexibility. The extension options held are exercisable by the Company. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

40.3 The Group as a Lessor

The Company leases out a number of properties which include, commercial and residential buildings. The Company has classified these leases as operating leases.

	Group 2025 E'000	Group 2024 E'000	Company 2025 E'000	Company 2024 E'000
40.4 Lease not classified under IFRS 16				
Future operating lease commitments in respect of an operating lease outstanding at year end were as follows:				
Payable within one year of reporting date	1 649	1 566	1 649	1 566
More than one year and less than five years from reporting date	7 440	7 086	7 440	7 086
Five years or more from reporting date	2 098	4 096	2 098	4 096
	11 187	12 748	11 187	12 748

Operating leases represents a leased farm for cane growing, whose rental amount is calculated at 12.5% of the gross agricultural turnover. Due to the variable nature of the rental payments of the contracts, the lease did not meet the recognition criteria under IFRS 16 and is treated as an operating lease.

41. Going Concern

There are no matters that have been identified that would affect the ability of the Company and Group from operating as a going concern.

42. Material Events After Year-End

There are no matters, which are material to the financial affairs of the Company and Group, that have occurred between the reporting date and the date of approval of the financial statements.

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