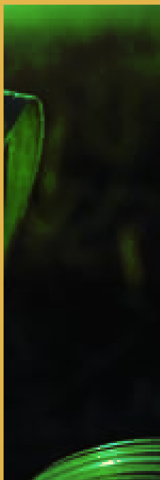
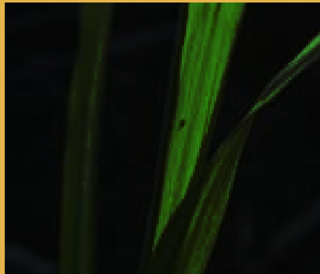
INTEGRATED REPORT





2015

THE ROYAL SWAZILAND SUGAR CORPORATION LIMITED

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INTRODUCTION

ABBREVIATIONS AND ACRONYMS

A number of acronyms are used for the names of industries, stakeholders and financial years. To assist readers they are defined below:

AMS	AIDS Management System
ART	Antiretroviral Therapy
BMS	Building Management System
CCTV	Closed Circuit Television
CMS	Concentrated Molasses Stillage
COD	Chemical Oxygen Demand
COMESA	Common Market for Eastern and Southern Africa
DIFR	Disabling Injury Frequency Rate calculated as the Number of disabling incidents x 200 000 / Total man-hours worked per month
EAC	East African Community
EMP	Environmental Management Plan
ETP	Effluent Treatment Plant
EU	European Union
EXCO	Executive Committee
FY2015	2015 and any other year mentioned shall refer to a financial year and not a calendar year
IP	Internet Protocol
IRR	Internal Rate of Return
ISO	International Organisation for Standardisation
IT	Information Technology
IYSIS	Inyoni Yami Swaziland Irrigation Scheme
LAA	Litres of Absolute Alcohol
LTA	Lost Time Available
LTM	Long Term Mean
MSCO	Mhlume (Swaziland) Sugar Company Limited
MSP	Mananga Sugar Packers (Pty) Ltd
NERCHA	National Emergency Response Council on HIV/AIDS
OEM	Original Equipment Manufacturer
OHSAS	Occupational Health and Safety Assessment Series
REACH	Registration, Evaluation and Authorisation of Chemicals
ROI	Return On Investment
ROSE	Return On Shareholders' Equity
RSSC	The Royal Swaziland Sugar Corporation Limited
SACU	Southern African Customs Union
SASRI	The South African Sugarcane Research Institute
SSA	Swaziland Sugar Association
UDL	Undetermined losses
VHP	Very High Polarisation
YTD	Year To Date

We have also used abbreviations for units as follows:

bn	billion
E	Emalangeni
ha	hectares
kl	kilolitres
kwh	kilowatt hour
m	millions
m^2/y	square metre per year
m^3	Cubic metres
mg/l	milligrams per litre
Ml	Mega litres
mm	millimetres
Mt	Million tonnes
MTTQ	Metric Tonne Tel Quel
MW	Megawatt
Pol	polarity
t	tonnes
tc/ha	tonnes cane per hectare
tc/hr	tonnes cane per hour
USD	United States Dollars

About this report

This is RSSC's fourth Integrated Report, and a departure from its three preceding reports, which followed Forums for the Future's Five Capitals Model. For this report, an issues-based approach has been adopted, which addresses impacts of a fluctuating sugar market, and demonstrates the measures that RSSC has put in place to confront the situation.

Forward-looking statements

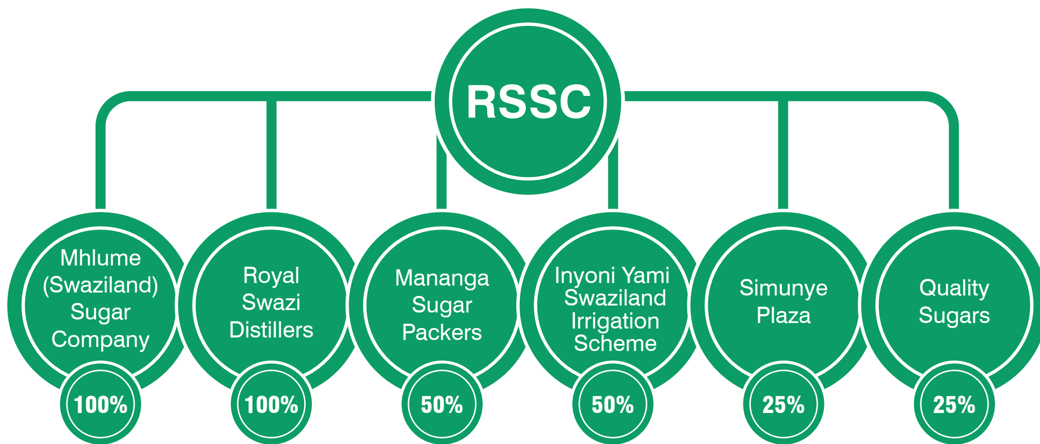
Given the issues-based nature of this report, it includes several forward-looking statements, which relate to, among other things, the plans, objectives, goals, strategies, future operations and performance of the Group. These statements are not guarantees of RSSC's future operating, financial or other results and involve certain risks, uncertainties and assumptions. Accordingly, actual results and outcomes may differ materially from those expressed or implied by such statements.

Directors' Statement of Responsibility

The Board of Directors acknowledges its responsibility to ensure the integrity of the integrated report and has applied its collective mind in the presentation and preparation of this report. In addition, the International Integrated Reporting Council's (IIRC) International Integrated Reporting Framework has been considered in compiling this report, and the Board believes it is a fair representation of the performance of the Group and its material matters. On the recommendation of the Audit and Risk Committees, the Board of Directors approved the 2015 integrated report.

The Group Financial Statements were audited by KPMG.

RSSC at a glance

Mission:	To be the leading producer and marketer of sugar and renewable energy
Values:	Integrity – we are fair, honest and open Delivery – we meet our targets and deadlines Respect – we respect, value and care for our people
Corporate objective:	To maintain the Return on Shareholders' Equity (ROSE) at a sustainable 20%
Structure:	
Factories:	Simunye Mill Mhlume Mill Mhlume Refinery Simunye Ethanol plant
Total area under cane:	32 978 ha
Total area harvested:	RSSC – 19 566 ha Outgrowers – 13 412 ha
Total cane crushed:	3 505 708 tonnes
Cane yields (RSSC):	108 tc/ha achieved last year
Sugar produced:	437 465 MTTQ
Employees RSSC:	1 810 permanent 2 295 seasonal
Outgrowers:	1 307
Families involved in sugar cane production:	2 443

Stakeholder engagement

Stakeholder	What matters most to them	How we engage
Shareholders, Investors and Financiers	• Financial profitability • Return on investment and ROSE • Foreign exchange for the country • Job creation • Skills retention and attraction • Industry review • Electricity costs and power generation	• Board meetings • Board Sub-Committee meetings • Quarterly briefings • Press statements • Integrated Report • Website
	• Country risk, macro-economic and social issues	• Integrated Report • Public Affairs • Website
Swaziland Electricity Company	• Electricity supply and demand	• Regular meetings • Lobbying
Employees	• Job security • Accessibility to Company performance information	• Monthly communication letter, quarterly briefing sessions, Integrated Report • Intranet for collective agreement and recognition agreement • HR Procedure Manual
	• Skills: career and development opportunities within RSSC	• Annual plan and quarterly skills plan • Intranet • Notice boards • Management briefs • Newsletter
	• Social services: schooling, housing, water, electricity, recreation, security, health and welfare facilities	• Daily incident reports and briefings • Employee-management consultative forums • Human Resources division • Public Affairs division • Monthly briefings to all employees • Quarterly meetings between MD and SAMASA and SAPWU
	• Wage competitiveness and benefits • Transparency on performance management processes	• Employee-Management consultative forum • Individual Employment Contracts • Monthly Briefings to all employees
	• Health and Safety	• Company policies and procedures • SHEQ meetings (feedback from internal audits) • Tripartite Forum
Graduates	• Career opportunities at RSSC • Internships • Apprenticeships • New areas of learning/skills available	• Visits to tertiary institutions in Southern Africa (Swaziland and South Africa • Career Expo • Website

Stakeholder engagement (continued)

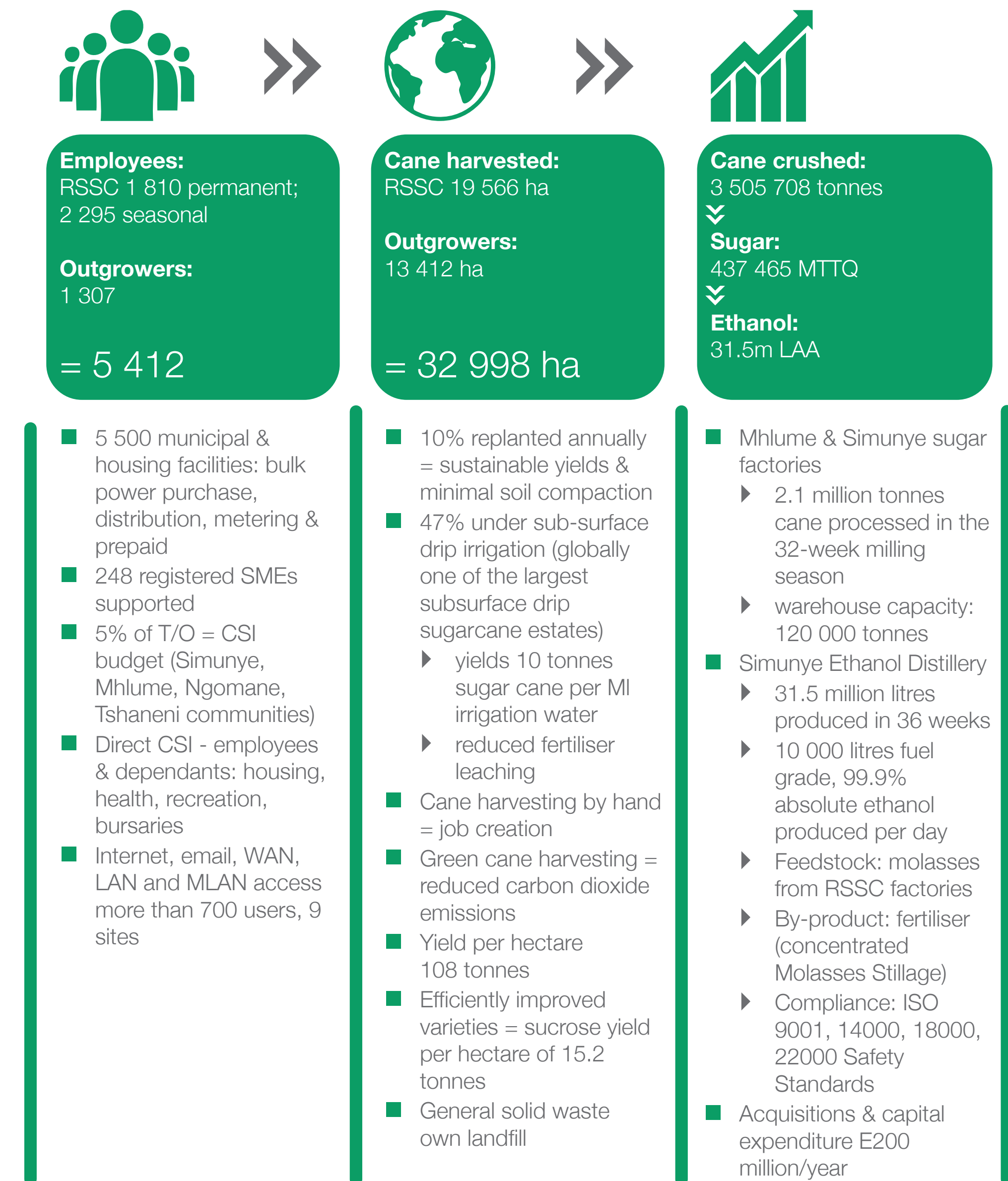
Stakeholder	What matters most to them	How we engage
Customers	• Quality • Food Safety (no foreign matter, contamination, colour, health risks, etc.)	• Quality certificates for each customer (moisture, turbidity, POL, etc.)
	• Management systems and standards of production (including Health and Safety) • Product traceability • Volume accounting, including security, risk, fraud and theft	• External audit reports (TUV, NQA) • Daily and monthly stock take reports • Monthly production reports
	• Logistics (dispatching sugar to customers) • Bagging, labelling, accuracy of information	• Warehouse management system (daily, weekly, monthly and season-to-date reports)
Consumers (end-users of sugar, ethanol, stillage)	• Quality • Food safety (no foreign matter, health risks, etc.) • Product traceability	• Batching system audit reports (external auditors hired by consumers)
	• Religious compliance (Kosher, Halaal) • Retail chains and beverage producers	• External audit reports • ISO certifications
Smallholder Outgrowers	• Mill availability • Analysis of cane, integrity of systems, consistency between the mills • Crushing schedule for season • Allocation of time slots for off-loading and turn-around times • Industry vision • Formalised communication channels	• SSA Council • Swaziland Sugar Millers Association • Mill group meetings • Cane Testing Committee • Cane Growers Association • Daily mill meetings • Extension Committee: Technical Assistance • Revolving Fund Meetings
Suppliers	• Terms of payment	• Contractual terms and tender documentation • Direct interface by buyers (one-on-one meetings)
	• Financial sustainability of RSSC • Strategic direction of RSSC	• Integrated Report
	• Tender Process: scoring mechanisms, transparency of the tender evaluation process	• Tender policy • Site meeting • Scoring criteria • Tender opening process • Tender evaluation and adjudication
	• VAT legislation in Swaziland	• Supplier forums, site visits, tender documentation
	• Harvesting schedules: delays due to interruptions to mill production, rainfall, etc. • Changes in cane varieties	• Morning meetings • Contract management meetings
Neighbours – Hlane Game Reserve, Lubombo Conservancy and Villages	• Impacts on biodiversity: fence maintenance, drainage, poaching, culling, general environmental issues	• Quarterly meeting with Hlane Game Reserve and Lubombo Conservancy
Water consumers	• Impacts on water releases from RSSC and water abstraction (quantity and quality)	• Monthly meetings with Mhlume Water consumers and Hlane community consumers, including allocations and projections for water abstractions

Material issues

The material issues in this report were identified by RSSC's stakeholders and management as having the potential to significantly affect the Group's ability to achieve its strategic objectives. In coming up with these issues, the Group engaged with a wide range of stakeholders and took global trends, the regulatory environment and key risks to the business into account.

Material issue	Implications	Response
Volatile sugar market	The dramatic drop in the sugar price and pending deregulation of the EU market translates into possible decreased revenue and having to compete in an unprotected market environment	RSSC has a strategy in place to expand its agricultural and mill operations to reduce production costs and find new markets for its products
Production capacity	An inability to expand production capacity translates into an inability to reduce the unit cost of production	The Company has a strategy in place to expand its production capacity at Mhlume Mill and its land under cane in order to reduce Cost per Unit (CPU)
Increased cost of inputs	The increased cost of inputs pushes the unit costs up, thereby reducing market competitiveness	Given the sugar price and market volatility, RSSC has introduced various cost optimisation measures across the business
Market and product diversification	Increased competition and an inability to source new markets would result in a loss of income and ROSE	A strategy to penetrate new markets is being investigated. This requires a new vision for the Swaziland sugar industry
Changing weather patterns	Unpredictable rainfall, drought and damaging storms have the potential to impact on future cane yields	RSSC has engaged experts on climate change to advise on strategies to deal with the impacts of climate change
Water and power dependency	Dependency on service providers and potential power shortages could impact on the productivity of the mills. Cane yields and the factories are affected if the water supply is insufficient	RSSC has assessed its water supplies and established that it has sufficient water to accommodate its expansion plans. The Company limits it's use of coal and wood chips by using bagasse to generate power in the mills
Talent retention and attraction	A scarcity of skills, particularly engineering skills, impacts on the efficiency and effectiveness of the production process	A Graduate Development Programme is in place, aimed at retaining and attracting talent

How we create value



Increasing efficiency in a tough market:
Social licence to operate

- Investment in strategy
- Expansion plan
- Salaries & labour
- Reduced unit cost of production
- SAP implementation

= Sustainability

Five-year review

Five Year Review	March 2011	March 2012	March 2013	March 2014	March 2015
Production					
Sugar (96° Pol) (tonnes)	414 010	455 470	458 134	433 255	471 208
Ethanol ('000 litres)	28 924	29 857	31 031	29 667	31 508
Financial results (E' millions)					
Revenue	1 553	1 989	2 542	2 729	2 636
Operating profit before interest and taxation	122	396	535	483	282
Profit before taxation	114	397	549	496	312
Total comprehensive income attributable to owners of the Company	79	278	414	372	234
Total assets	1 951	2 232	2 499	2 440	2 537
Shareholders' funds	1 177	1 256	1 422	1 574	1 677
Net borrowings	220	119	31	68	53
Cash generated from operations	256	414	632	606	482
Capital expenditure	152	176	248	221	207
Annual depreciation charge	122	124	129	128	134
Financial ratios					
Return on shareholders' equity (%)	6.7	22.1	29.1	23.6	14.0
Return on sales (%)	7.9	19.2	21.0	17.7	10.7
Interest cover (times)	9.0	37.0	44.5	59.4	35.4
Assets to revenue (%)	0.8	0.9	1.1	1.1	1.0
Return on assets managed (%)	6.6	18.7	22.9	20.7	12.6
Gearing (%)	15.7	8.6	2.1	4.1	3.0
Basic earnings per share (cents)	81.8	288.7	429.5	374.0	238.8
Dividends per share (cents)	25.0	206.7	257.3	228.4	135.45

Our strategic objectives

RSSC's medium-term corporate targets and objectives are:

Item	Targets/Objective	2014/15 Performance	Report Reference
Cane supply	Increase cane supply to more than 4.3 million tonnes	3 505 708 tonnes of cane was delivered this year	Page 30
Cane yields	Achieve and sustain yield of 115tc/ha	108tc/ha was achieved, compared to 103tc/ha in 2013/14. In 2012/13, 112tc/ha was achieved because of an older crop from an extended season	Page 44
	Increase outgrower yields to 106 tc/ha	Outgrower yields increased from 102.7tc/ha in 2013/14 to 104.6tc/ha in 2014/15	
Sugar production	Mill production to increase to 571 000 tonnes of sugar (96°Pol) per season	Mills produced 471 208 tonnes of sugar (96°Pol) this season	Page 31
Ethanol production	More than 40 million LAA (95% potable ENA)	A total of 31.4 million LAA were produced compared to a budget of 30.5 million LAA	Page 32
Sugar sales	A restructured industry in which RSSC has control over the marketing of its own sugar	A new vision for the industry is being investigated	Page 23
Investment return	A sustainable 20% ROSE	ROSE decreased from 23.6% in 2013/14 to 14% in 2014/15	Page 12
Human resources	Ensure critical skills are in place	Engineering skills have been sourced and four new engineers were appointed at RSSC in 2014/15	Page 38
Corporate brand	Be a recognised corporate citizen	Several initiatives are in place to improve positive impacts on our communities	Page 40

Chairman's report

I am pleased to announce that the Royal Swaziland Sugar Corporation posted good results, despite ongoing challenges in the EU marketplace, with income attributable to owners of the Group amounting to E234 million and a Return on Shareholders' Equity (ROSE) of 14%.

The notable challenges faced during the 2015 financial year include:

- A sharp decline in EU sugar prices, resulting from regulatory changes in the EU sugar regime due in 2017
- Competition in the SACU market from imported world market sugar from Brazil
- The impact of increased input costs on market competitiveness

Ahead of these and other challenges outlined in this Report, RSSC is pursuing a long-term strategy to gear itself optimally for future growth, while maintaining profitability in the medium term.

The proactive measures introduced this year by the Board and Management to maintain RSSC's productivity and competitiveness include:

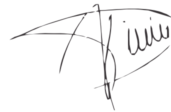
- Completion of the Integrated Growth Plan
- Introducing an Office of Strategy Management to streamline integrated growth and optimisation
- Implementation of SAP systems to improve operational efficiencies across the Group

While the global sugar market is expected to undergo considerable changes over the next three years, I am confident that RSSC's preparation for this change in step and focus is crafting a future-fit business, as detailed further in the Managing Director's Report.

On behalf of the Board, I wish to extend my appreciation to the Executive Committee and Management team for their dedication to moving the business forward. A warm thanks also to the Board, whose guidance and support are invaluable in steering this business in the right direction.

Finally, to each employee, contractor and stakeholder who forms part of RSSC's operations, a word of gratitude for your consistent efforts over this past year – your dedication and hard work are key to RSSC's continued success.

Chairman



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Managing Director's report

The dramatic drop in the sugar price in 2015 made for a challenging year for RSSC. In addition to a volatile market, the looming removal of EU quotas in 2017 have called for strategic and operational efforts that will adequately prepare the Company for the trading conditions ahead. Within this context we believe that two factors – the expansion of RSSC and the restructuring of the industry in Swaziland – are critical to our future success. This report takes a closer look at how we are addressing these issues and positioning ourselves to compete for sugar sales on a global platform.

Why did RSSC not anticipate the extent of the drop in the sugar price?

With the removal of quotas on the cards for 2017, we anticipated a steady decline of the sugar price leading up to 2017. What we experienced, however, was a dramatic drop in the price as a result of surplus stock, an uncertain global economy, weaker commodity prices, a stronger US Dollar and a weaker Brazilian Real. While we consulted with numerous industry experts internationally, no one was able to predict the extreme volatility of the commodity markets. We expect prices to remain low for the next couple of years. We anticipate it may take up to three years for the price to sort itself out, but don't expect it go too much lower than it currently is.

When the sugar price collapsed, there was an oversupply yet your response was to ramp up production. Why?

The next big thing on the horizon for the sugar industry is the removal of quotas in the EU in 2017 and a 'do nothing' approach for the business is not sustainable. Sugar companies globally are taking a knock with several of the larger players in the EU also making losses. My question is; 'how long can these companies afford to make losses by setting the prices so low?' We need to be ready when the price takes off so that we can respond quickly. The global supply/demand and surplus/deficit position over recent years is shown in Figure 1 on Page 20. While the market is characterised by cycles, the underlying growth in both production and consumption is evident.

If approved, we expect the expansion of Mhlume Mill and an additional 6 000 hectares under cane to be complete within two years – in time for the removal of quotas in 2017. This business is all about the unit costs and how close you are to the markets. The expansion will see us increase our sugar output and lower the unit costs of production. This will enhance our ability to compete for sugar sales in the EU, SACU and regional and world markets.

In addition, we need to ready ourselves and take advantage of other opportunities out there. Power supply is one of them. Our 30MW turbo alternator was installed in anticipation of Eskom increasing its pricing by 20% year on year. The country obtains 80% of its power from Eskom and is fairly vulnerable to load shedding. The RSSC approach up to now has been to secure our core business and the opportunity will present itself. There may, however, be opportunities in the future for RSSC to generate much larger quantities of power for export to the grid.

Presumably a new skills set is needed to compete in this evolving market. Historically, RSSC has experienced challenges in attracting and retaining scarce skills. How are you addressing this?

We have worked hard to attract the right skills to the business. In recent months, six high-calibre Swazi engineers have joined the business, attracted by the opportunity to lead a team and be part of our expansion programme – something which doesn't happen that often in the industry.

You have established the Office of Strategy Management to facilitate the expansion process. Can you elaborate on this?

The Integrated Growth Programme is a complex transformation programme, which requires a cultural and mind-set shift in RSSC. With this in mind, we set up an Office of Strategy Management (OSM), which is headed up by the GM Strategy Management. He has recruited a team of five people from within the business to drive the execution of the programme throughout the business.

The Office of Strategy Management will be responsible for translating RSSC's strategic plans and priorities into operational terms. The team will support operating units to ensure they have the tools required to sustain the corporate strategy. This office is also responsible for ensuring that strategy informs the work of key functional units such as HR and Finance to ensure seamless integration of strategy into operational planning and budgeting.

A deregulated market will need a more flexible approach to marketing than currently exists. Does the Swaziland sugar industry have a strategy for this?

We have been discussing the restructuring of the industry for several years. Our current agreement – whereby sugar is sold via the Swaziland Sugar Association – dates back to 1963 when the market was regulated and we had duty-free access to Europe. The world has moved on since then. We're talking globalisation, second generation alcohol and several other new developments. To take advantage of the future cost benefits emanating from

these, we need to restructure the industry. I believe our inability to make speedy decisions in this regard is one of our greatest challenges. Last year we entered into consultant-led discussions with the growers, but no agreement was reached. This year, we re-entered into negotiations to come up with a new vision for the industry. We are moving slowly in this regard, which brings risk to all players in the industry.

Given the state of flux the industry is in, your stakeholders must be concerned about the future of RSSC and the industry as a whole. What are you doing to address their concerns?

We take communication with our stakeholders seriously and this report highlights the ways in which we engage with our various stakeholder groups (Page 8-9). In addition to the regular roadshows I conduct with employees, I host groups of about 12 randomly selected employees at an MD's lunch every month. There is no set format for these lunches. We discuss a wide range of topics, which allows me to keep abreast of the issues experienced by people in different tiers of the organisation. During my last roadshow, I told employees about the price drop-off and the need to reduce our workforce and how we intended to do this without going through a debilitating retrenchment process.

Our workforce is mature and understands the issues we are dealing with. We make sure we are transparent and disseminate as much information as possible to keep all parties well informed. This has resulted in our relationship with the employee organisations improving over the past two years.

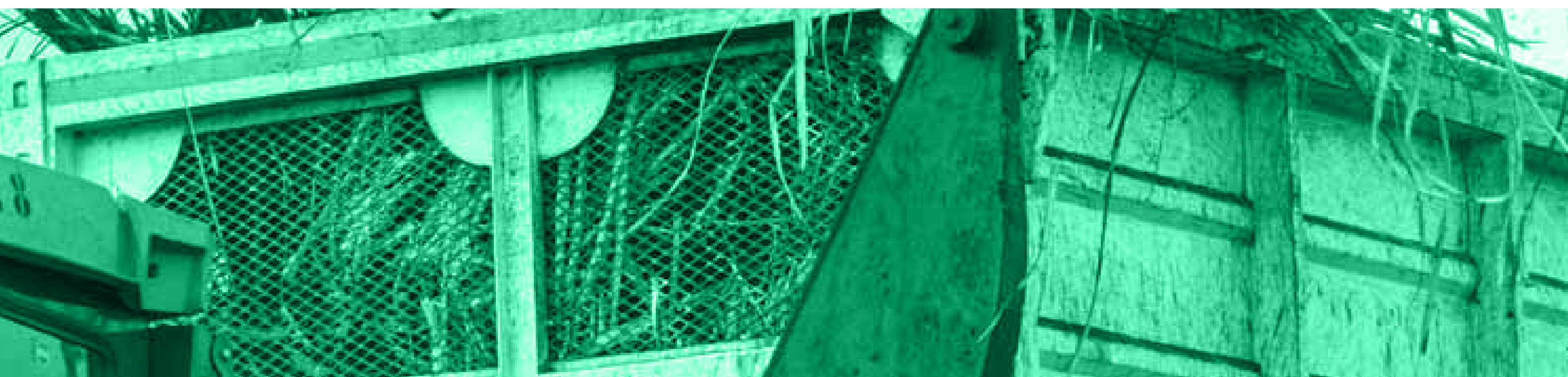
RSSC is in the process of implementing SAP. How will this enhance the business?

We replaced 52 disparate systems in the business with 23 SAP modules, which were implemented enterprise-wide. This was exactly the right time to make the change and it dovetails well with our optimisation plans. Obviously, when a change of this magnitude is made in the business, there are bound to be teething problems. Prior to implementation, we recorded 1,300 requirements in the business, but had to prioritise these and consequently only implemented 800 items. This resulted in a perception problem between what people thought they were getting and what they actually got. We realise this could have been avoided if we had communicated more effectively.

Final word

RSSC has been through some good times, but we are currently going through a tough period. While there may be troubled waters ahead, the long-term future for sugar and energy is a good one. The planned expansion of our business is aimed at setting us up to reduce our unit costs and allowing us to harness new opportunities in the future. My gratitude goes to the executive committee, management team and all RSSC employees for their ongoing dedication to the Company, especially under challenging circumstances. Furthermore, I would like to thank the Board members for their continued support and direction over the past year.

N M Jackson
(Director)



THE OUTLOOK FOR SUGAR

A snapshot of the sugar market

Year	Event
1975	Sugar Protocol instituted at Lomé Convention. It ensured non-reciprocal, preferential conditions regarding duty-free access to European markets for 20 countries, including Swaziland, from the Afro-Caribbean and Pacific (ACP) and Least Developed Countries (LDC) regions. In addition, quotas were set up to guarantee access to European markets for these 20 countries
2009	Sugar Protocol expired and six-year buffer programme instituted, which is due to expire in October 2015
2011/12	Rising EU prices due to supply shortages
2013	EU announces its intention to remove caps on EU sugar beet production by September 2017
2014	Start of commodity market volatility and downward trend of sugar price Stronger USD pushes price down even further
2014	Price of white sugar in EU drops from €700 per tonne to €450 per tonne
2015	Sugar price drops further still, to €430 per tonne
2015	Sugar protocol will be replaced with a non-reciprocal duty-free preferential trade system in October 2015, benefitting an additional 47 countries from the ACP and LDC regions. In addition, quotas will be abandoned, resulting in a quota-free system
2017	Cap to be removed on EU sugar beet production, with proposed subsidies to flow to local EU beet producers

Global sugar market

RSSC's price assumptions are largely underpinned by the outlook for the global market. While the market is characterised by cycles of global supply and demand, as well as surplus and deficit (see Figure 1), the production and consumption of sugar continues to grow.

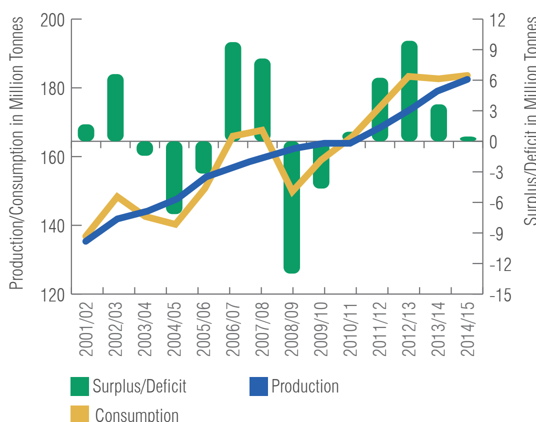


Figure 1. Global sugar production and consumption 2001 – 2014/15

Current Surplus 0.5mt

Current Production 182.9mt

Current Consumption Increased by 2% to 182.4mt

Global sugar consumption is increasing by 2% per year, which is equivalent to 35 million tonnes over the next decade. Much of this growth will be in Asia, with China, Indonesia and India showing significant increases. Africa, however, is expected to emerge as a major consumer with pockets of growth on the continent considerably above the global average as a result of population growth and increasing incomes.

Global sugar market (continued)

Over the past 10 years, the world has looked to Brazil to fill supply gaps in the market. However, as the world's largest sugar producer, Brazil has experienced the effects of market volatility and several mills have been closed in the past two years. In addition, investment slowdown in the Brazilian sugar industry, rising production costs and increased pressure to grow cane for ethanol has further weakened the Brazilian position to fill the supply gap. As a result, other players will need to step up to fill this gap. This will provide support for prices in the medium to long term, creating new supply opportunities and the need for additional capacity around the world. In this respect, there is a role for Swaziland to play, provided it can compete on costs.

However, as additional players have increased their market presence, particularly India, which has shown a 15% year-on-year production growth, the past four years have been characterised not by supply issues but by global production surpluses, driving prices down. In addition, the sluggish global economy, low oil and commodity prices and strong US dollar are further contributing to the downward trend in global sugar prices.

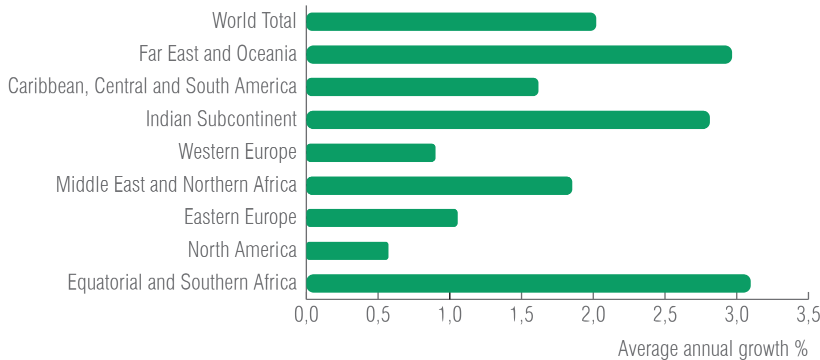


Figure 2. Annual growth rate in sugar consumption by region 2010 - 2020

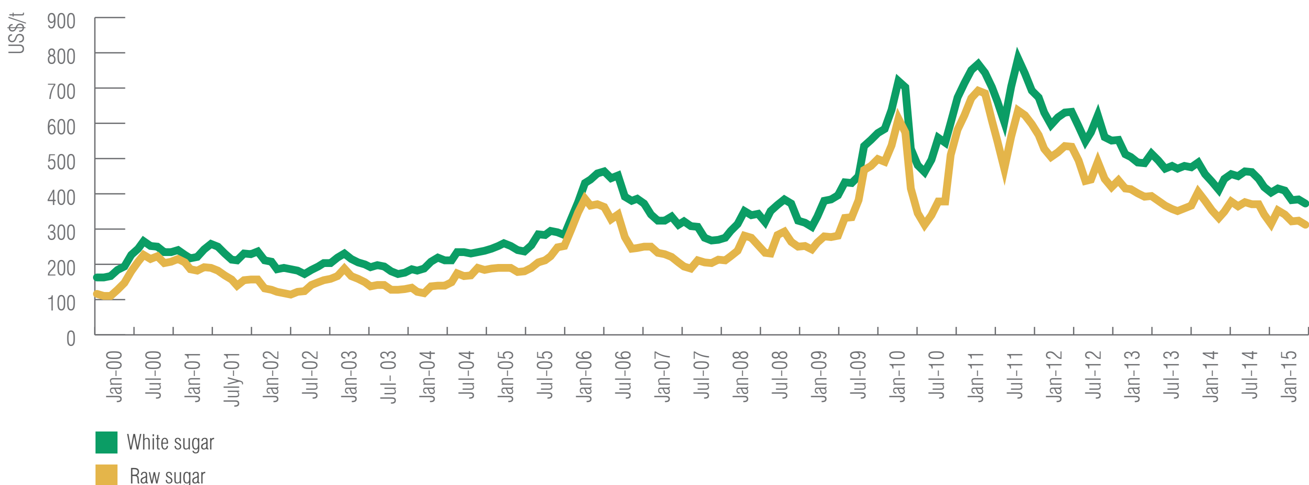


Figure 3. Historic world white and raw sugar prices – January 2000 to February 2015

Deregulation of EU market

In June 2013, the EU announced its intention to end the sugar production quota regime by September 2017. This will include the removal of sugar beet caps in the EU, accompanied by additional subsidies to European beet farmers.

Preferential prices and purchase quotas were set up in 1975 after the Lomé Convention, favouring 20 Least Developed Countries (LDC) and Afro-Caribbean and Pacific (ACP) countries, including Swaziland. However, a structured process of market liberalisation will see protective measures, including duty-free market access, extended to a total of 67 LDC and ACP countries, as well as the removal of purchase quotas from certain countries.

For suppliers, this means increased competition, with lower and more unstable prices than before. In addition, the EU is expected to require less and highly variable import volumes as a result of increased EU domestic beet sugar production.

Notably, there was a 23% global drop in sugar prices in 2014, from a peak of about €700 per tonne in 2012 to €450 per tonne in 2014. Forecasts suggest that the EU price is expected to decline by a further 9% leading up to 2017 as a result of the interplay of the factors described above. The EU price is then expected to grow in line with Eurozone inflation of about 1% annually from 2018 onwards.

In the current milieu, it is difficult to accurately predict how the market prospects for a traditional supplier such as Swaziland will develop, but key points under consideration include:

- EU consumption will be flat
- EU market dynamics are evolving rapidly
- There will be increased volatility in terms of both price and supply
- There will be new emphasis on supply and risk management
- New skill sets will be key to operating competitively in this increasingly volatile market
- Commercialising and sourcing sugar competitively will demand more creativity

Suppliers to the EU market will have to remain flexible in terms of identifying regional market opportunities to provide varying quantities and qualities of sugar in both brown and white forms.

Sugar in Africa

Africa is a sugar deficit continent, where consumption is greater than production. This scenario is expected to continue for several years to come.

Sugar consumption growth in Africa is one of the fastest worldwide, creating new supply prospects for the future. There will, however, be robust competition from both African and international suppliers, who have been similarly affected by poorer prospects in the EU market.

RSSC is actively exploring opportunities to leverage existing and new African markets via preferential trade terms among COMESA and SADC members.

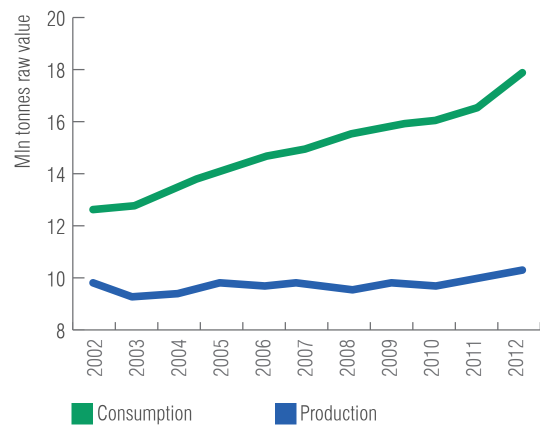


Figure 4. Africa recent sugar balance

RSSC's position in the market

Because sugar is a global commodity, RSSC has no control over its pricing. Sugar produced by the Company is placed on the Southern African Customs Union (SACU) and EU markets via the Swaziland Sugar Association (SSA), which aggregates the country's production and outsources the outbound logistics and marketing of Swazi-grown sugar.

EU market

Over the past 50 years, RSSC has operated in a regulated EU market, and the Company's emphasis was placed on logistics rather than marketing. As an ACP and LDC country, Swaziland has had duty-free and quota guaranteed access to European markets under the Economic Partnership Agreement scheme. The country's exports have amounted to about 350 000 tonnes per annum. Further market deregulation in 2017 will mean lower and more variable sugar prices than in the past. Future EU import volumes will be determined by several variables, such as increased beet production in the EU and global sugar supply.

SACU market

In the SACU market, Swaziland delivers around 330 000 tonnes per annum. The implementation of the Dollar-Based Reference Price mechanism has resulted in the institution of a variable tariff that protects the SACU market from low cost imports. The SACU sugar price is expected to grow in line with CPI inflation (about 5% per annum) for the foreseeable future and Swaziland sales into SACU are projected to grow at 3.25% in the short term and 2.5% thereafter.

RSSC's market response

With the downward trend in sugar prices, RSSC has implemented measures to explore a sustainable way forward for the Company. Part of this process involved enlisting the services of McKinsey & Company to establish a Strategic Business Plan and five-year strategic roadmap. The growth plan was approved in principle by the Board in March 2015. Management is now finalising the integrated growth plan to be presented to the Board. This plan is discussed in more detail in the Capital Efficiency and Cost Reduction section of the report.

New vision for the Swaziland sugar industry

The ongoing market fluctuation means the attraction and ranking of market outlets over time will be difficult to predict. For this reason a flexible marketing policy will be essential. RSSC believes restructuring of the Swaziland sugar industry would greatly facilitate such a flexible approach.

Following consultations between Millers and Growers in 2014, which reached an impasse, the industry has engaged consultants to develop a vision for the Swaziland sugar industry, which is once again considering restructuring for the benefit of both Millers and Growers.

Ethanol market

The global ethanol market is depressed as a result of weak corn, wheat and sugar prices. Prices are expected to remain subdued in 2015 on the back of low oil prices, but should recover in 2016 as maize and sugar prices rise and ethanol producers' margins improve.

EU market

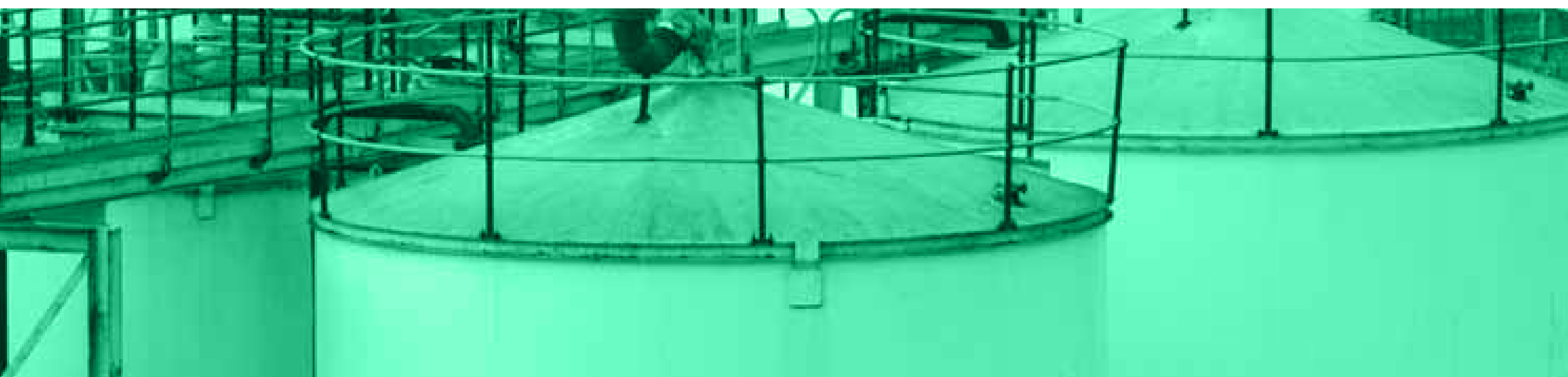
The volatile ethanol market requires a flexible strategy to effectively respond to erratic conditions. With the EU market trading below RSSC's break-even point, the Company plans to cap ethanol exports to Europe at 6.5 million litres between 2016 and 2018. However, ethanol prices are expected to rebound above RSSC's breakeven point after 2018/19, foreseeably increasing export sales to the EU market to 9.5 million litres, or 21% of total annual sales, by the end of 2019/20.

Regional market

Ethanol prices are currently higher in the regional market in comparison to the EU and SACU markets, and RSSC has increased its internal storage capacity to sell additional product to the SADC and EAC market during the off-crop season. The regional market is expected to account for 55% of total sales by 2019/20.

SACU market

Sales to the SACU market are expected to increase from 7.5 million litres in 2015/16 to 7.7 million litres by 2019/20. It is projected that the SACU market will account for 27% of total ethanol sales by 2019/20.



CAPITAL EFFICIENCIES AND COST REDUCTION

Investment in strategy

Prior to the drop in the sugar price, RSSC management had employed the services of McKinsey & Company to optimise its proposed Mhlume expansion project. During the Request for Proposal process, the decline in the EU sugar price prompted RSSC to shift focus and redirect McKinsey towards assessing the affordability of the project and mapping a value maximising path for the Company going forward.

The resultant high-level growth plan, incorporating proposed interventions that included agricultural expansion and factory debottlenecking via expansion and upgrades at Mhlume improved operational efficiencies across the business, including procurement spend and other cost optimisations.

Strategy implementation and tracking

A newly established Office of Strategy Management (OSM), headed up by the GM Strategy Management with a five-person team recruited from within RSSC, tracks the progress of Integrated Growth Strategy implementation. The OSM manages the nine cross-functional processes involved in executing the growth programme, namely:

- balanced scorecard management
- organisational alignment
- strategy reviews
- facilitation of the RSSC annual and ongoing strategy planning and review sessions
- strategy communication
- strategic initiative management
- planning and budgeting
- workforce alignment
- best practice sharing

Each intervention has a project management, governance and reporting structure with an OSM sponsor.

Due to the complexity and size of the agriculture and factory expansion elements, a comprehensive project management approach was adopted, using internal and external resources. Consequently, Stratex was enlisted in October 2014 to assist with the strategic execution of the growth plan from April 2015 onwards.

Figure 5. Key components – project management structure

Reducing the unit cost of production

A business-as-usual approach to the sugar price outlook would see RSSC's net profit after tax drop from E370 million in 2013/14 to an estimated E78-209 million in 2019/20. To ensure resilience under uncertain market conditions, the Company acknowledges its responsibility to adopt a more flexible approach to growing profits, reducing unit costs and maximising shareholder returns.

In 2014, RSSC developed a Strategic Business Plan to enhance productivity, lowering unit costs and increasing margins by taking into account the direct and indirect impacts of the fluctuating sugar market, low international prices, improved prospects in the SACU market, cost increases, skills shortages and the rising value of water as a global resource on the business.

The Company understands the need to respond effectively to these challenges and opportunities in order to remain competitive. Changes implemented aim to ensure that RSSC lives up to its mission statement of being 'a leading producer and marketer of sugar and renewable energy'.

The most critical components of RSSC's change strategy include:

- Fully utilise existing production capacity
- Improve efficiencies and competencies
- Cost-effective expansion of mill capacity to meet the projected increase in cane volumes
- Increased sugar and ethanol production
- Reduce unit costs
- Improve margins through more efficient buying and selling
- Grow the business by investment and acquisition as appropriate
- Improve returns to shareholders

RSSC Integrated Growth Strategy (IGS)

Agricultural growth

The growth component of the Strategic Business Plan, depends largely on RSSC's ability to increase its cane supply through yield improvement and expand the land under cane by an additional 6 107ha.

To achieve the above, RSSC needed to determine whether sufficient water resources were available for the irrigation of prospective cane areas. An environmental and engineering consulting company, Knight Piesold, was enlisted to carry out a hydrologic review in October 2013 when RSSC had initially begun to investigate expansion opportunities. The results of this review are discussed in more detail in the Harnessing Land and Water Resources section of this report.

Expansion area

The land identified for cane, with available water is 736ha of RSSC, 2 864ha of IYSIS and 2 507ha of Tibiyo/Outgrower, totalling 6 107ha. The majority of the land to be developed is at Ekuthuleni for RSSC and Homestead for IYSIS.

The Tibiyo/Outgrower land includes three areas which are being considered for EU funding at Nkalashane (370ha), Mbombowendlovu (530ha), Mnyangombili (400ha) and Hhohho (162ha). Tibiyo land has been identified at Malkerns (665ha) and Invermay (380ha).

The development of this land will be phased over five years from 2015/16 to 2019/20 with the majority taking place in the latter part of the period. The majority of the land will either be RSSC or Tibiyo land and will be managed by RSSC. In addition, much of the Outgrower land will be managed by RSSC.

Projected cane supply

The combined effect of this expansion, assuming cane yields across all areas of 108tc/ha, is that RSSC's cane supply will increase from 3 549 million tonnes in 2015/16 to 4 324 million tonnes in 2020/21, an addition of 775 000 tonnes (22%) as shown in Figure 6.

Tonnes cane	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Estate	805 345	818 740	910 298	1 013 046	1 113 955	1 156 443
Out-growers	928 069	1 051 367	1 081 003	1 096 116	1 096 116	1 096 116
Mhlume Total	**1 733 414**	**1 870 107**	**1 991 301**	**2 109 162**	**2 210 071**	**2 252 559**
Estate	1 292 715	1 314 870	1 367 545	1 372 622	1 372 622	1 372 623
Out-growers	523 294	523 667	544 189	617 741	617 741	699 109
Simunye Total	**1 816 009**	**1 838 537**	**1 911 734**	**1 990 363**	**1 990 363**	**2 071 732**
Grand Total	**3 549 423**	**3 708 644**	**3 903 035**	**4 099 525**	**4 200 434**	**4 324 291**

Figure 6. Projected cane supply (in tonnes) for new and existing lands

RSSC Integrated Growth Strategy (IGS) (continued)

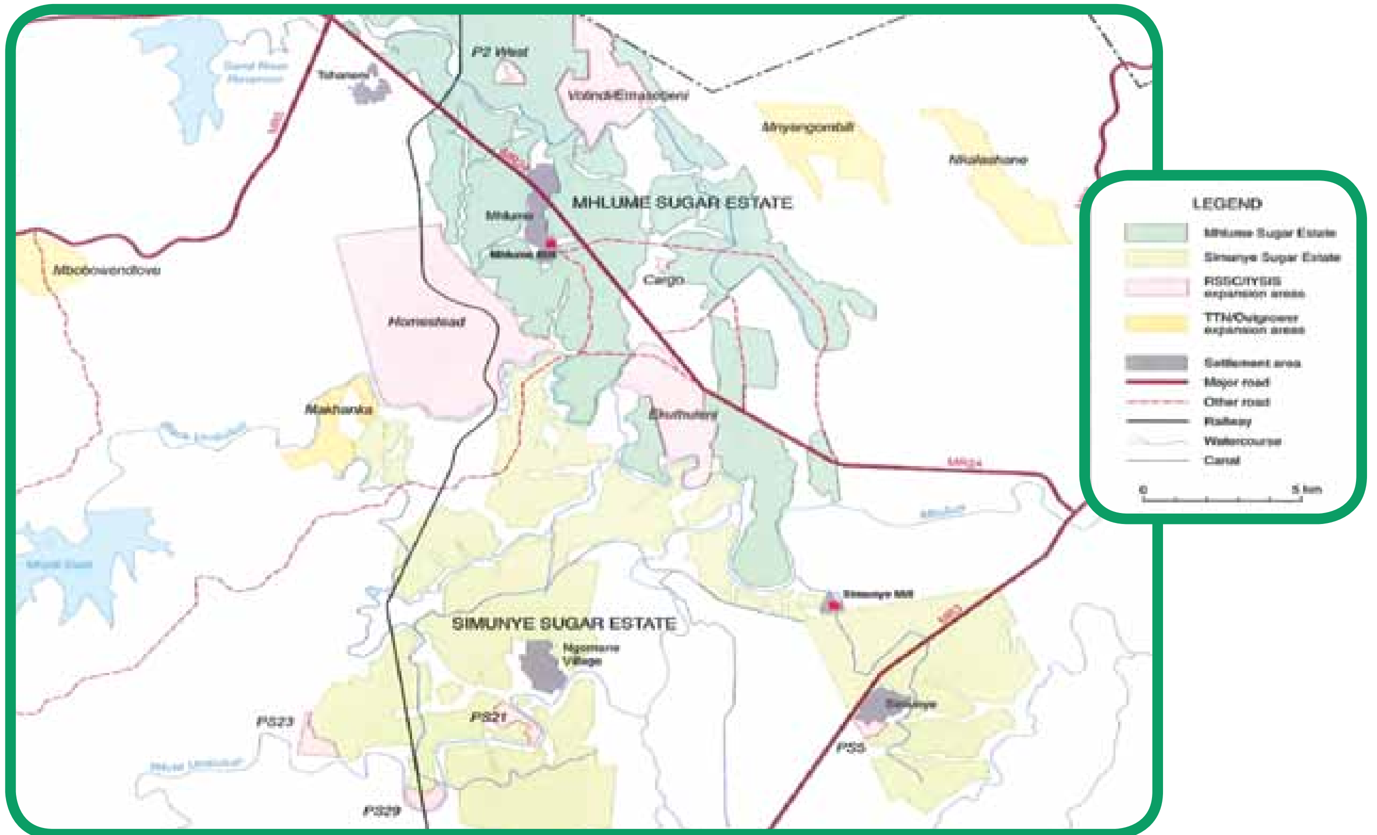


Figure 7. – Proposed new lands for cane expansion

Expansion of Mhlume Mill

The Mhlume Mill expansion and debottlenecking plan should improve RSSC's annual crush capacity and throughput from 471 208 tonnes in 2015/16 to 570 000 tonnes by 2019/20.

Over the past five years, implemented debottlenecking initiatives have already improved Mhlume's throughput to around 335 tonnes cane per hour (tc/hr), which translates into a total annual crush capacity of 1.6m tonnes of cane per annum in a 33-week season.

Several operational factors need to be addressed to boost the factory's throughput to 440 tc/hr by 2017, in line with the Strategic Business Plan. This is expected to increase sugar production from 471 208 tonnes in 2015/16 to 570 000 in 2019/20. Achieving this will require:

- Repair of gearboxes
- Conversion of the cane diffuser to a bagasse diffuser
- Replacement of the Stork evaporator line
- Reconfiguration of existing pans and the addition of new pans
- Procurement of two new vertical crystallisers
- Procurement of two new BMS centrifugal vessels
- Procurement of a new 35 tonne dryer

Operational improvements and cost reduction

Following the mapping of a value-maximising path by McKinsey, recommendations were made to improve efficiencies and reduce costs by embarking on operational improvements at both mills and in agriculture at a minimal capital cost, including:

- Building a fleet of MDS trailers, these are smaller and can access cane fields easier than their larger counterparts, this also makes harvesting during rain possible
- Increasing boiler efficiency
- Redirecting purer condensate back to boilers to negate the use of treated raw water and improving boiler reliability
- Using chemicals to improve the effectiveness of the cleaning process in the off-crop for boiler tubes and reducing planned maintenance downtime in season
- Enhancing back-end recovery efficiency
- Better monitoring and control of pH levels in the clear juice tank to prevent over-liming and reducing scale formation in evaporators and pans
- Modifying filters by introducing more effective screening and improving the filter vacuum to improve throughput
- Improving centrifugal maintenance practices in the off-season by outsourcing to OEMs
- Improving management integration in relation to logistics planning in order to reduce plant downtime caused by intermittent cane delivery
- Replacing centrifugal ploughs to improve recovery of sugar
- Replacing off-specification centrifugal discharge valves to improve recovery of sugar
- Improving general plant housekeeping to eliminate leaks (steam and juice)
- Implementing variable speed control on the first mill at Mhlume to optimise first mill extraction

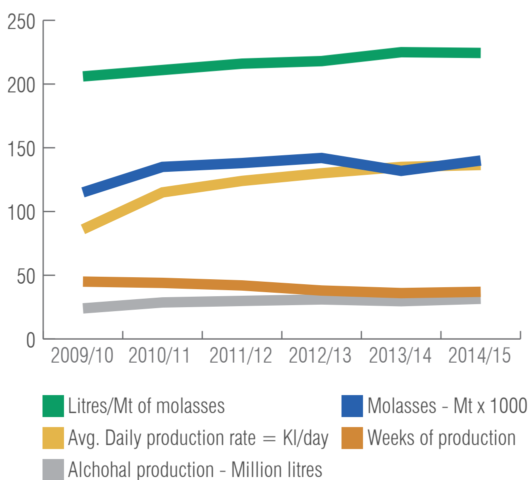


Figure 8. Distillery performance

Purchasing costs

In addition, RSSC will reduce purchasing costs through strategic sourcing, improved procurement practices in key categories (soil inputs, maintenance, repairables and operating spares, woodchips and coal, and property) and organisational restructuring.

McKinsey further assisted RSSC in 2014 with re-engineering the sourcing and procurement processes, which dovetailed with the implementation of SAP software systems and rendered the Company with a fully centralised procurement function.

The challenges that came with the transition process and changes to the way RSSC previously fulfilled purchase orders led to a temporary backlog. These issues are being ironed out and the new system continues to streamline and make the procure-to-pay process more transparent. Key to its success is the implementation of a thorough training programme, which commenced in 2015.

Optimising distillery efficiencies

Ethanol production improved from 24 to 31.5 million litres between 2009/10 and 2014/15, largely as a result of debottlenecking and by upskilling employees. Challenges over the past five-year period include increased competition from India and Pakistan, where production costs are lower and molasses is a free by-product of the sugar production process, whereas in Swaziland molasses belongs to the Swaziland Sugar Association, which on-sells it to the distillery.

To enable RSSC to supply the market throughout the year, and not merely during production, the Company increased its storage capacity by 30% in 2014. Looking ahead, the distillery plans to construct a drumming warehouse to increase this capacity even further, and is awaiting clearance from the Swaziland government, following the submission of an Environmental Management Plan (EMP).

SAP implementation

Following a two-phase tender process, RSSC invested about E125 million in replacing its 52 disparate operating systems and obsolete Baan Enterprise Resource Planning (ERP) system with a new SAP system. SAP managed the systems integration process, which reduced risk, improved business processes, and is expected to deliver a Return on Investment (ROI) of 15% over 10 years.

The project was run in two phases, the first being a blueprinting phase, which commenced in June 2013 and involved identifying a list of gaps. The second phase of the project, incorporating three release stages, kicked off in April 2014 and involved the implementation of 21 out of 23 SAP modules over a 28-week period. The system went live in October 2014. The remaining two modules were implemented in April 2015, and further adaptations to the system will take place once the current system has been fully embedded in the business.

A list of 128 items were raised by the business as "change requests", where solutions were either not accepted or requested to be changed, or were excluded from the scope. This list is in the process of being prioritised within available funds and the agreed items will be implemented as part of the third release phase.

Investment in IT

SAP and additional IT project implementation is conducted by 29 employees in four teams in infrastructure, application, business process and operations. For the SAP project, a team of external consultants was contracted to bridge the gap between the SAP team and the business, with 10 SAP team members on site to assist with embedment and the implementation of new requirements. Our IT team has benefitted from the transfer of skills resulting from this process.

About 19 additional IT projects were concluded in 2014, including:

- the introduction of a voiceover IP telephone system replacing a 20-year old switchboard
- replacement and expansion of the CCTV and access control systems, including biometric authorisations
- replacing more than 100km of network fibre optic cables
- installation of corporate wireless in Simunye and Mhlume
- upgrades to the generator in Mhlume's server room
- retirement of 17 applications to be replaced by SAP
- replacement and repair of 182 manholes on the fibre network tunnels throughout the estate

Information integrity

RSSC adheres to COBIT - the international IT governance framework, and ITIL - the international standard for IT service management.

Labour and remuneration

Labour is RSSC's single biggest cost, accounting for more than 30% of total costs. RSSC employs 1 810 permanent and 2 295 seasonal and casual employees with a total combined workforce of 4 105 people. This makes RSSC the biggest employer in Swaziland's private sector. Figure 9 shows an increase in the number of employees over the past four years, which has mainly been due to an increase in the number of seasonal employees deployed to harvest the additional areas that came under RSSC cane.

RSSC will continue to work towards achieving a representative workforce. Currently about 26% of the permanent workforce is female.

The contribution of labour to maximising operational efficiencies

RSSC believes its most important resource is its people and provides employees with the opportunity to contribute to the achievement of RSSC's vision and strategy. By fostering a high performance environment in all spheres of the business, we encourage employees to express their skills, knowledge and experience in order to achieve individual and business unit objectives. For example, RSSC provides live updates on "electronic boards" at the mills that give all employees accurate information pertaining to the amount of sugar cane being crushed per hour, which is benchmarked against performance targets. By including employees in critical information relating to the business's achievement of its targets, we foster a culture of drive and motivation in the workplace.

By encouraging all business units to actively engage with and implement the business's strategy, RSSC fosters a culture of cross-functional and cross-divisional network performance that has a domino effect on the overall achievement of strategic business objectives. RSSC remains committed to the business vision of being a leading producer and marketer of sugar and renewable energy, and constantly works towards fostering the values of integrity, delivery and respect in all business spheres.

To further improve operational efficiencies, RSSC needs to recruit additional engineers to work in the sugar factories, following the departure of engineers who had been sourced from India. Even with the recruitment drive that netted four local engineers, the factories are currently operating at 76% of the desired capacity for engineers, and RSSC aims to fill these positions through a number of targeted recruitment schemes, which are discussed in more detail in the Maintaining and Strengthening Relationships section of this report.

Right-sizing of the workforce and managing impacts

RSSC's commitment to maintaining integrity and respect in all that it does guides the Company's decision to disclose the planned reduction of its workforce by 20%, in line with the Company's strategy to remain competitive and sustainable in an uncertain market. To minimise the negative impacts of a reduction in staff numbers, which is expected to result in about 20% overall decrease in the size of the workforce over five years, RSSC commits to:

- Follow a process of natural attrition, whereby employees who voluntarily resign or retire will not be replaced, unless their skill is critical
- Encourage and incentivise early retirement
- Sensitively redeploy staff to areas where their skills are most needed to optimise performance
- Retrenchment in line with Swaziland legal standards, as a recourse for staff unwilling to be redeployed if their job becomes redundant
- Not use retrenchment as the first option

RSSC recognises the sensitivity with which this process needs to be managed, and understands that employees may be uncertain about their job security. The Company wishes to reinforce the important message that all staff will receive timeous and regular communication on this matter.

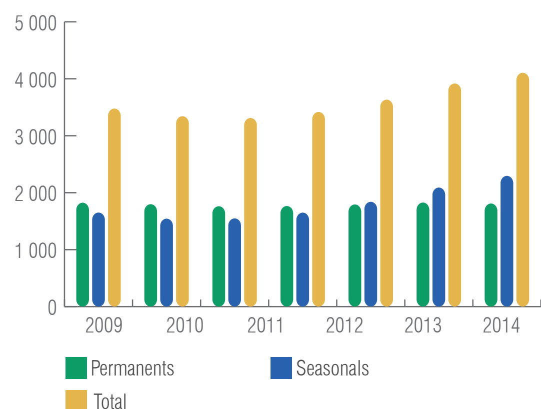
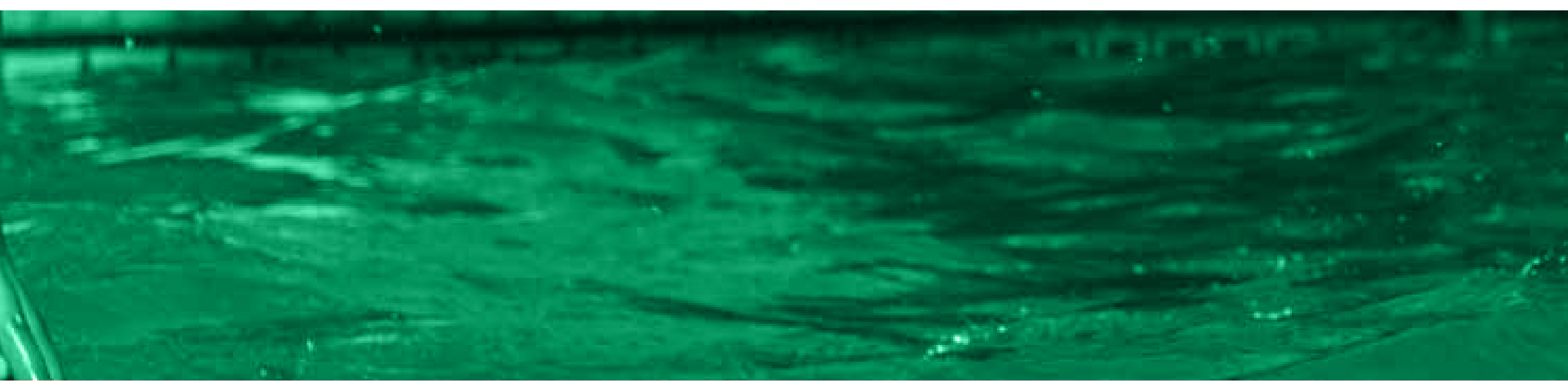
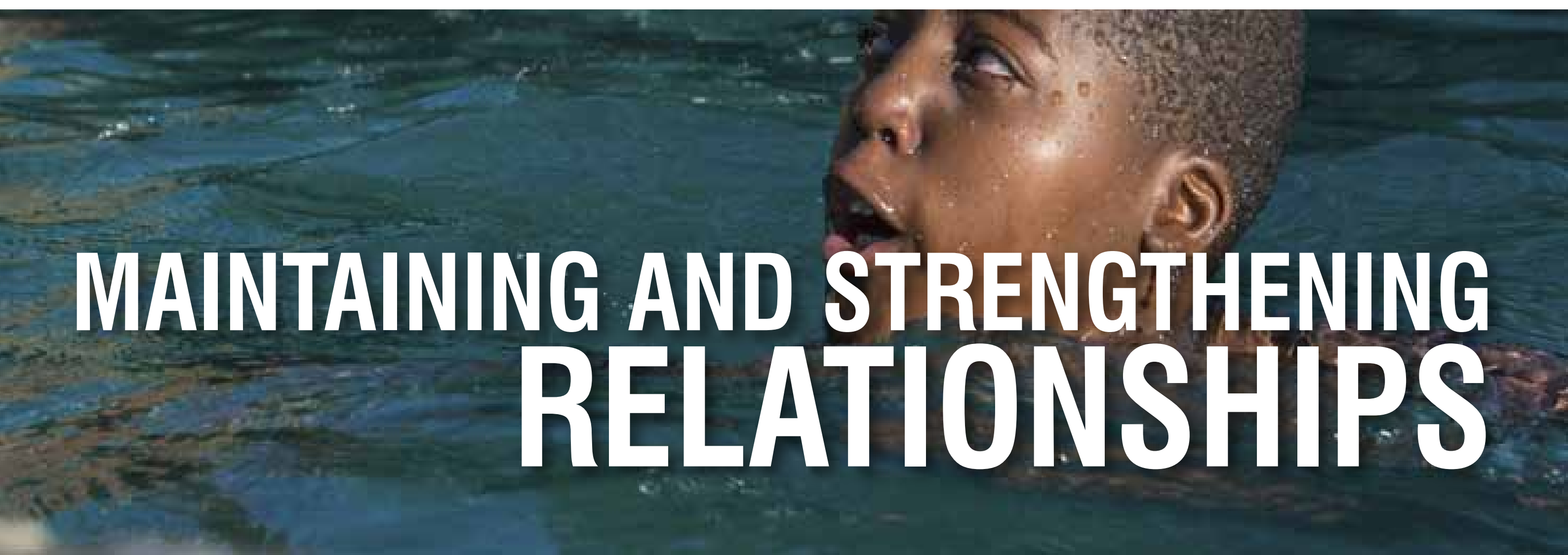


Figure 9. Average number of employees per year





MAINTAINING AND STRENGTHENING RELATIONSHIPS

An employer of choice

RSSC has a long history as an employer of choice in Swaziland, providing market-related remuneration packages and benefits. Regular market scanning and benchmarking is key to informed decision making and the positioning of RSSC to compete effectively in the skills market to attract and retain critical skills. Annual benchmark studies are performed by independent consultants to provide essential information in this regard.

Remuneration

RSSC's remuneration offering is adjusted annually for Cost of Living (COL). This is effected based on the negotiated settlement for represented employees (Swaziland Agricultural and Plantation Workers' Union (SAPWU) and Swaziland Manufacturing and Allied Staff Association, (SAMASA) and on a discretionary basis for senior management, using objective criteria. RSSC also awards performance-based pay increments in respect of those employees who have achieved the minimum ratings in their individual annual performance reviews. Highly competitive retirement benefits are offered to all employees.

Living conditions

Due to RSSC's remote location, employees receive a broad range of services to ensure a high standard of living across the board. This is core to the Company's retention strategy and also contributes towards its goal of ensuring high living standards for all our employees. RSSC provides all employees with housing, access to recreational and medical facilities, clubs and social centres and quality education. The Company believes in treating employees with respect and providing them and their dependents with the necessary elements needed to maintain a high standard of living. Employees in turn are loyal to RSSC and perform well in their jobs.

Employee relations

RSSC's commitment to being an employer of choice is evidenced by its staff turnover rate. The year-to-date staff turnover rate is 4.5% and is line with its long-term mean. However, the relatively high rate of exits in the middle-to-senior management category (YTD 9%) is a cause for concern, considering that this relates to the loss of leadership and critical engineering skills. Management will continue to pursue initiatives aimed at improved attraction and retention of critical skill sets.

RSSC prides itself on being among the major companies in Swaziland to have not experienced any industrial unrest in the past five years. It maintains open lines of communication with its employee representative organisations and ensures that its negotiation processes remain transparent.

Employee safety

The Company achieved a record disabling injury frequency rate (DIFR) of 0.32 in the last year. However, everyone at RSSC was deeply saddened by the death of Mrs Goodness Maziya in August 2014, who was employed as a seasonal Bag Loader at the bagging plant in the Mhlume factory. Such incidents are unacceptable and represent a serious setback in RSSC's drive to keep the workplace safe. Regular Occupational Health and Safety (OHS) training is ongoing, as is RSSC's drive to ensure employees are aware of and adhere to health and safety best practices.

An employer of choice (continued)

Communication channels

In times of uncertainty and the roll-out of a tailored strategic response, it is vital that the lines of communication remain open with all business stakeholders, most of all with employees. To this end, RSSC has adopted a number of initiatives aimed at ensuring effective consultation and communication with employees:

- In the development of RSSC's new strategy, employees from all divisions were consulted in developing a roadmap for improving the overall productivity of the business.
- RSSC made use of the world café-style conversational process to tap into the creative problem-solving potential of employees and to encourage business unit managers to consult with employees in their decision-making processes.
- The MD's roadshow events are held quarterly and all RSSC employees are invited and receive a direct update by the CEO, who also provides employees with the opportunity to ask questions and make other contributions.
- RSSC recently launched a new monthly initiative dubbed 'The MD's Lunch' where a random selection of 12 employees from all tiers of the organisation are invited to lunch with the MD and encouraged to offer their insights on their specific work areas, as well as the overall rollout of the strategy. The goal of these sessions is to create visibility in RSSC's leadership and to share ideas from a broad business perspective.

Employee training and development

RSSC recognises and respects that ongoing upskilling of employees is imperative to the continuous improvement of business performance. To this end, the Company's integrated talent management strategy aims to unlock the potential of RSSC's human capital, as follows:

- Performance managers identify individual employee development needs, whether hard skills related (e.g. technical) or soft skills related (e.g. managerial and leadership), with learning facilitated through dedicated Learning Consultants.

RSSC fosters excellence among its employees to ensure the retention of talented Swazi labour and is committed to providing the right skills at the right time to ensure all employees are afforded the opportunity to perform optimally. In the last financial year, the Company spent more than E3.5 million on the development of its workforce. Three programmes, in particular, develop a strong talent pipeline for the business:

- **Graduate Development Programme** – the prominent talent pipeline and main vehicle for meeting RSSC's strategic succession and operational requirements, whereby RSSC recruits high-calibre graduate students from tertiary institutions in and outside the country, using proven selection tools to ensure fit and potential for future roles.
- **Apprenticeship Scheme** – this strategic talent initiative provides RSSC with the technical skills (not generally available in the local market) required to meet operational needs. Many of the corporation's current supervisors in technical positions are products of this scheme, attesting to its efficacy (see Figure 10).
- **Internship Programme** – students get industrial exposure as they apply their theoretical knowledge while offering RSSC an opportunity to identify talent.

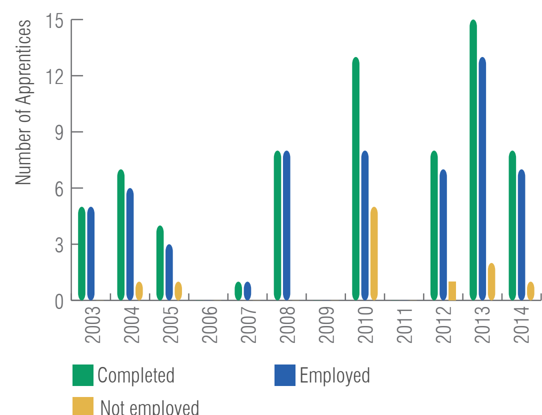


Figure 10. Apprentice Completion and Engagement Trend: 2003-2014

Integrated corporate health and wellness strategy

RSSC has always supported its employees' health and wellness through the provision of well-resourced clinics. The position of the clinics, Employee Assistance Programme (EAP) and Voluntary Counselling and Testing (VCT) facilities within the villages provides a one-stop, efficient service and reduces travelling time to public facilities, the nearest of which is 40km away.

Primary health care

Primary health care facilities are available for employees, their dependents and the surrounding community at a minimal and subsidised cost through three static and one-day clinics, which are conveniently placed close to the schools and workplace. These clinics provide access to doctors, nurses and auxiliary medical staff who are particularly skilled in emergency medicine, dispensing, TB and HIV/AIDS management. The clinics also provide access to limited radiology and laboratory services, as well as an ambulance service. RSSC spent approximately E25 million in 2014/15 on health and wellness (including Company contributions to employee medical aids).

Although the size of RSSC's workforce has increased, the Company recorded a reduction in the number of clinic visits (from 84 122 in 2012/13 and 78 895 in 2013/14 to 75 960 in 2014/15). This is mainly as a result of RSSC's ongoing and dedicated commitment to improved HIV management and the accompanying reduction in HIV-related complications. RSSC continues to partner with the Swaziland government in the fight against HIV/AIDS (e.g. both parties contribute to subsidising the distribution of free ART) and there is evidence to suggest the effectiveness of this partnership, with the workforce HIV rate declining from 37.2% in 2002 to 29.4% in 2012, and an inverse increase in the number of ART users. However, RSSC's greatest concern at the moment is the extremely high HIV prevalence rate amongst female seasonal employees of 57.6%.

TB awareness and prevention

Swaziland has the unenviable distinction of having one of the highest prevalences of TB in the world and 80% of patients are co-infected with HIV. In recognition of this, the National TB Control Programme has donated a range of equipment to the RSSC clinics to aid in the management of the disease. In 2014/15 there were 19 positive cases of TB diagnosed, a marked reduction from the 45 cases diagnosed in 2013/14. The Company believes this is a result of its continued commitment to increasing awareness on how to prevent the spread of bacteria.

Lifestyle disease prevention

RSSC recognises the need to prepare now for the future when the greatest burden of disease will increasingly be created by lifestyle diseases. As a result, the Health and Wellness Department recently adapted its strategy in line with the international standard SANS 16001:2003, replacing the previous AMS 16001:2003 standard, which was focused only on HIV. The new standard incorporates HIV and other conditions including TB and lifestyle diseases, such as obesity, diabetes, hypertension and stress and is focused not only on curative, but also preventative care. In line with this strategy, the Company kicked off its inaugural 'Biggest Loser' challenge in 2014, aimed at assisting employees in losing weight and living healthy lifestyles. The first external audit of RSSC's application of SANS 16001:2003 will be conducted in late 2015.

Occupational Health and Safety

RSSC's Occupational Health and Safety (OHS) centre continues to provide specialised services to employees through a series of pre-employment, routine and exit examinations that inform the recruitment, retention and general health risk mitigation strategy of the corporation. The recently introduced Health and Wellness Department is mainly aimed at encouraging employees and the community to take responsibility for their own health and wellness and to seek help at an early stage of their conditions. The centre provides a broad range of counselling services.

Holistic and sustainable community development

RSSC's operations stretch from Simunye to Sihhoye and encompass an area of about 21 000 hectares. There are 35 000 people living under RSSC's jurisdiction. Due to the magnitude and location of its operations, RSSC is inextricably linked to its community and almost all community members are linked to the business in some way.

Apart from the many lifestyle benefits provided to direct employees, RSSC also takes care to ensure it maintains favourable relations with community members. Its greatest contributions to the community include the provision of subsidised healthcare at the clinics and significant spending at the local schools. In addition, members of the local community have access to all recreational facilities, which include golf, gym, swimming, tennis, basketball, soccer and children's playgrounds. Shopping areas and municipal facilities, such as roads, water and effluent treatment, street lighting and additional security services, are also provided by RSSC to ensure it makes a positive and lasting contribution to the economic development of the area.

Maintaining a social licence to operate is core to the sustainability strategy of the business and RSSC is committed to both delivering impactful CSI projects and sustainable local socio-economic development. In 2014/15, RSSC spent a total of E13 650 874 on its social investment portfolio, with an additional E6 903 641 spent on Thembelisha School.

Integrated corporate health and wellness strategy (continued)

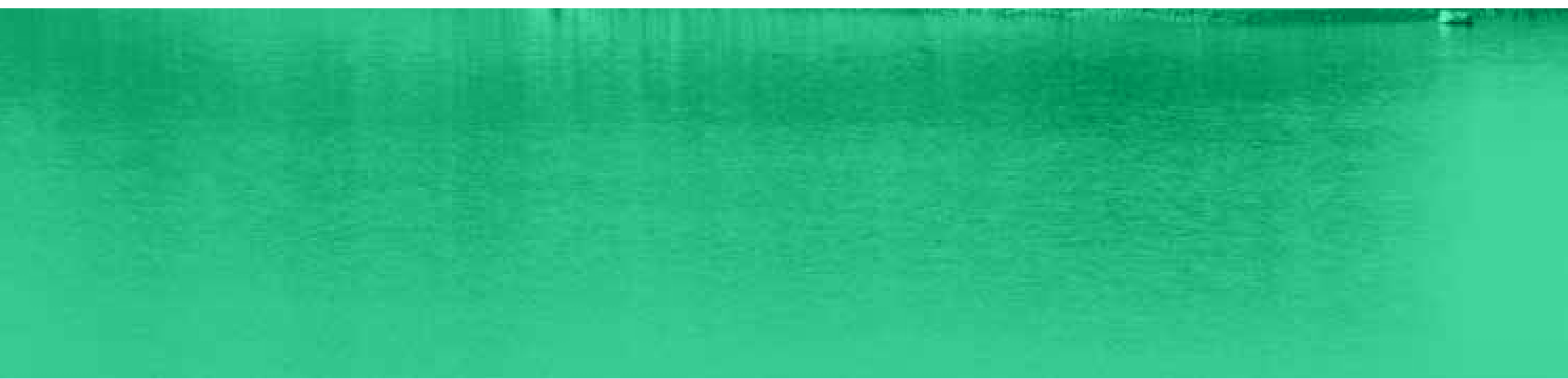
CSI projects in 2014/15 include:

- Financial assistance provided to seven local government schools
- Set-up and operation of childcare centres that operate 24 hours a day to accommodate shift workers. The centres are currently collectively accommodating about 200 babies and toddlers
- Providing vital assistance to the Vuvulane Orphanage
- Subsidising of the cost of using the clinic for community members not employed at RSSC
- Provision of financial support to the annual Marula Festival
- Support for a number of traditional community events, such as the Incwala ceremony and Reed dance
- Raising capital for some of the initiatives through the MD's Golf tournament
- Financial donations made to 10 locally operating non-governmental organisations (NGOs)

Communicating with the RSSC community

RSSC recognises that in the past, there have been some issues relating to the timeous dissemination of information to its communities. To ensure the sustainability of operations, it is vital that the Company communicates with all of those affected, directly or indirectly, by its operations.

Community members should rest assured that, although RSSC is currently undergoing a process of restructuring and adaptation to uncertain market conditions, it remains a going enterprise. As such, RSSC recognises that its operations do not occur in a vacuum and that it carries responsibility over the development of those who the Company depends on for survival. Community members will continue to have access to basic health services, quality education and other basic services and recreational facilities. While RSSC may restructure its social spend to ensure the alignment of social investments with strategic objectives, it will nonetheless continue to provide critical services, both to employees and communities, within the Company's means.



HARNESSING LAND AND WATER RESOURCES

RSSC is mindful of the effects of climate change on the business, mainly the general warming and drying of the area under cane in the long term. The higher temperatures and radiation may positively impact yields, provided there is adequate water for irrigation to compensate for the reduction in effective rainfall. However, the increase in extreme weather events, such as violent storms as experienced in November and December of the last two years, will have a negative effect on the crop.

RSSC crop performance

The 2014/15 harvesting season ended on 18 December 2014 with reasonably good outcomes in terms of cane production (2.12 million tonnes), even though Swaziland experienced 50% less rain than usual. A more mature crop was harvested relative to the previous year, resulting in a yield improvement from 102.5 to 108.1 tc/ha in 2014/15.

At the end of season, the total cane crushed and sucrose tonnes were 4.2% and 6.0% above the budgets respectively, due to higher cane yields. The high yields are attributed to good climatic conditions experienced during the season and the harvesting of relatively older cane. Tonnes of cane per hectare (tc/ha) were 3.5% above budget at 108.1 tc/ha against 104.5 tc/ha and Pol % cane was 1.8% above budget at 14.32 against 14.07. The tonnes sucrose per hectare was 15.5 (3.5%) above the budget of 14.7, mainly due to the higher yield. Figures 11, 12 and 13 below show the crop performance, as well as the 2015/16 budgets.

Preserving natural resources

RSSC is committed to preserving natural resources and reducing its environmental impact, even beyond its borders. The Company uses renewable energy wherever feasible and has introduced measures to control water usage and waste water management.

Energy usage

To limit the use of coal and woodchips at its Simunye and Mhlume mills, RSSC uses bagasse, a by-product of the sugar cane crushing process, to generate steam that runs the mill rolls used in the extraction process, and to operate its 30MW generator located at the Simunye mill.

Water conservation

As part of its strategy to conserve water from the Mbuluzi and Komati Rivers (Mnjoli and Maguga dams respectively), treated effluent water is used for irrigation and dust suppression.

RSSC is gradually converting its furrow and sprinkler irrigated fields to the more efficient drip irrigation system, which allows for precise application of fertiliser and minimises leaching and washing off into nearby rivers and streams.

Soil quality

To improve soil health and quality, concentrated molasses stillage from the distillery is applied to the crops as liquid fertiliser. This replaces granular fertilisers and ensures soil management is conducted in a manner that is friendly to the environment. Controlled trafficking is employed to minimise soil degradation.

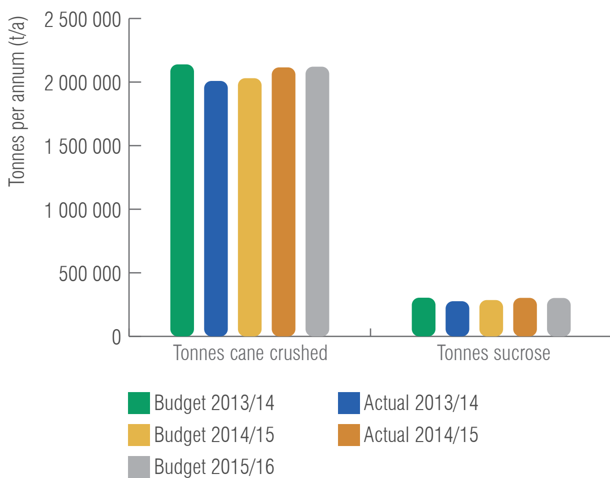


Figure 11. Cane Yields per annum

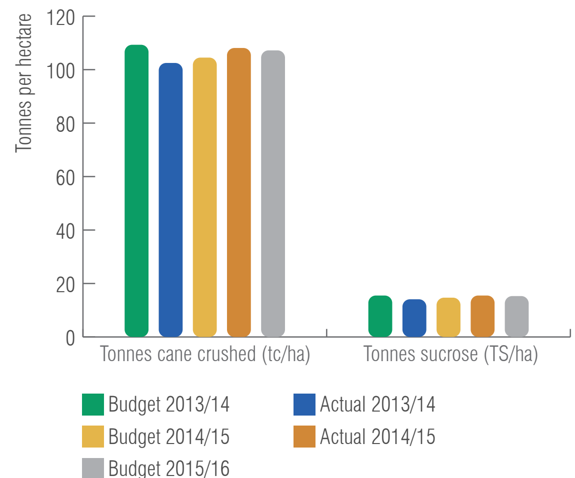


Figure 12. Tonnes cane and sucrose per hectare

CO^2 reduction

To reduce greenhouse gas emissions, RSSC recycles the carbon-dioxide (CO^2) produced from its ethanol production process. The carbon dioxide produced as a result of fermentation is stored and sold to the beverage industry. In addition, RSSC mills have CO^2 scrubbers placed at the top of each kiln to collect CO^2 and mitigate CO^2 emissions.

Biofuel production

The benefits of using renewable technology has inspired RSSC's expansion into biofuel production. The ethanol from the distillery is passed through an anhydrous plant that removes most of the remaining water to concentrate the ethanol to anhydrous ethanol. This product is then preserved in nitrogen and blended with petrol at various ratios to produce bio-fuel for use in motor vehicles.

Water resources for agricultural expansion

In considering the expansion of RSSC and Outgrower land under cane, the Company assesses whether there would be sufficient water to irrigate the prospective new cane areas.

Water for RSSC land

The Simunye Sugar Estate obtains irrigation water from the Mnjoli Dam. On the Mbuluzi River, RSSC is allocated surplus or flood flow, which is harvested and stored in the dam. The Mhlume Sugar Estate receives water from the Komati River, with an abstraction point downstream of the Maguga Reservoir.

A hydrology review of the Mbuluzi River carried out by Knight Piesold in October 2014, and recent water availability reports from the Komati Basin Water Authority, indicate that the total available water is about 312.05 million m^3/y. The annual requirement for existing land is about 261.6 million m^3/y, leaving a surplus of approximately 50.45 million m^3/y for expansion. This is sufficient for 4 982 ha of new sub-surface drip irrigation, with 4 195 ha on the Mnjoli system and 787 ha on the Mhlume system. Already, 108 ha at Ekuthuleni has been developed.

Water resources available for expansion	million m^3/y
Mnjoli System	931 910
Mhlume System	901 449
Total	**1 833 359**

Land swaps

The 108ha developed at Ekuthuleni is part of the land swap plan, which will free water from the Mnjoli and Mhlume systems. The water balance after the completion of the swap plan will be 13.27 million m^3/y in the Mnjoli system and 2.94 million m^3/y on the Mhlume system.

Water for outgrowers

Outgrower and Tibiyo lands that fall outside of the Mhlume and Mnjoli Water Systems will utilise their own allocations. All these farms, except for Nkalashane, have their water allocations confirmed.

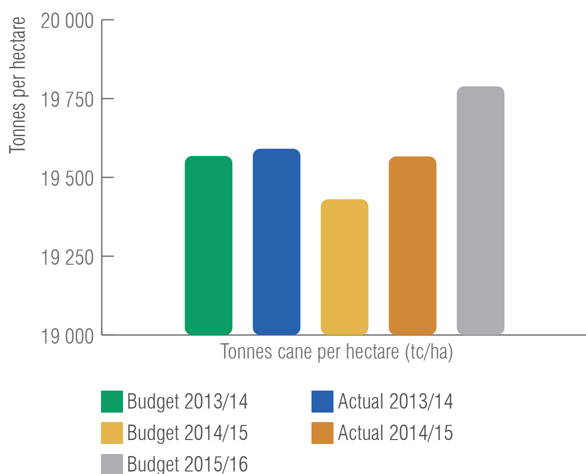
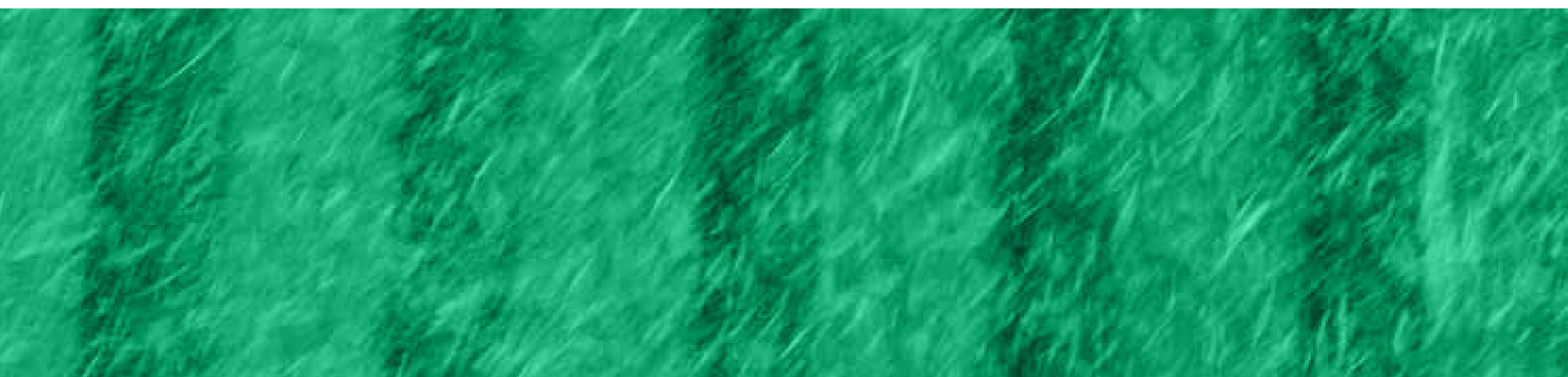
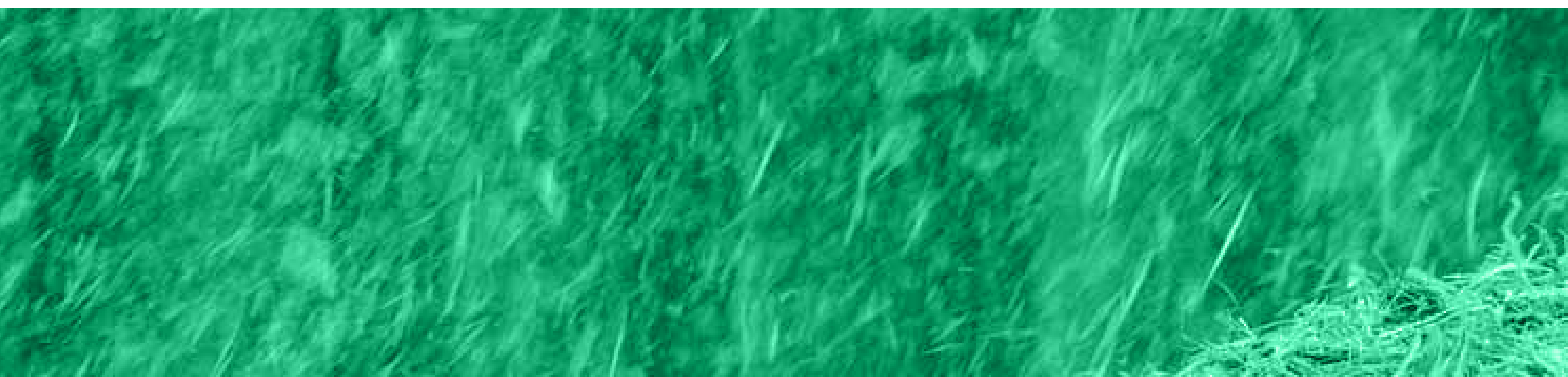


Figure 13. Tonnes cane harvested





CORPORATE GOVERNANCE

RSSC subscribes to the principles of fairness, transparency and accountability espoused in the King III report and its Board applies a stakeholder-inclusive approach in all decision making processes. The Group's governance structures and practices are reviewed and enhanced on an ongoing basis with a view to implement recommendations on good governance.

The Board of Directors

The RSSC Board has a unitary structure, comprising 12 non-executive Directors (including one elected exclusively by small shareholders) and one executive director. The Directors are not regarded as independent within the definition of King III, as they are all shareholder appointees.

The Directors bring a wide range of skills to the Board including international business exposure, senior executive experience, industry-related operational experience, understanding of the economics of the sector within which RSSC operates, ability to manage in the context of uncertainty, as well as experience and knowledge on government policy, strategic, financial, accounting, legal, risk management and banking matters. The Board considers that the current mix of knowledge, skills, attributes and experience of the Directors meets the requirements to lead the Company effectively, and is able to utilise expert advisors to assist it in carrying out its duties.

Board responsibilities

The Board functions in terms of a Board Charter, which records the Board's continued objective to provide ethical business leadership. It regulates and addresses inter alia, the role of the Board as the custodian of corporate governance, the fiduciary duties and responsibilities of the Board and individual directors towards the Company. Although there is no formal evaluation of the performance and effectiveness of the Board, its committees and individual directors, the Board is satisfied that during the year under review, it effectively carried out its responsibilities as described in the Board Charter.

The Board meets quarterly, and special meetings are convened from time to time when considered necessary. To facilitate a meaningful decision-making process, Board papers are circulated timely to the Directors to allow them sufficient time to properly scrutinise the content and raise appropriate issues. Members of the Executive Committee attend Board meetings to ensure comprehensive reporting to Directors. Through monthly reports and regular briefings by management on material issues, the Board is able to monitor inter alia operational and financial performance of the business, key risk matters and major Company initiatives.

The Directors are subject to retirement by rotation on a yearly basis in accordance with the Group's Articles of Association. In addition to Directors that retired by rotation at the 2014 AGM, Mr V Nxumalo retired from the Board. He was replaced by Ms B Mkhaliphi and this has enhanced the gender balance in the Board. Messrs IG van der Walt, M Khumalo, JN Gule and HRH Princess Phumelele are due to retire by rotation at the next Annual General Meeting to be held on 4 September 2015.

Chairman and Managing Director

The respective positions of Managing Director and Chairman are separate to ensure appropriate balance of power, such that no one individual has unfettered powers of decision making. Their clearly delineated roles and functions are set out in the Board Charter. Each has a specific and defined set of duties to prevent overlap of obligations and responsibilities and to eliminate any conflict of function.

Board sub-committees

In order to assist the Board in the performance of its various functions and discharging its responsibility for corporate governance, specific Board committees exist, to which some of the Board's responsibilities have been delegated. Each committee has a clear mandate and acts according to written terms of reference (TOR) approved by the Board. The Committees are constituted by appropriately skilled members and have access to specialist advice when necessary. Board Committee meetings are conducted in a structured manner that ensures that pertinent matters as contained in the TOR receive proper and timely attention. Board Committees report and make their recommendations to the Board, which is ultimately accountable and responsible for the performance and affairs of the Group.

Audit Committee

The Audit Committee's main role is to assist the Board in discharging its responsibilities regarding: risk management; internal controls; internal financial controls, interim and annual financial statements, accounting systems and information; the effectiveness of the finance function; accounting policies; combined assurance model; internal and external audit; information technology risk as it relates to financial reporting; protection of assets; integrated reporting and sustainability matters and compliance with laws, rules, codes of conduct and standards.

In line with good corporate governance practices, the Audit Committee is exclusively composed of four Non-Executive Directors. The members of this Committee during the year under review were Mr JM du Plessis (Chairman), Mr JN Gule, Mr IG van der Walt and Mr M Khumalo. Committee members have the requisite financial knowledge, commercial skills and experience to effectively contribute to committee deliberations.

The Committee meets four times per year. The Managing Director and senior managers who are responsible for the

financial reporting process attend the meetings by invitation. Attendance of the meetings is also open to the internal and external auditors. The Committee holds separate sessions with management, external auditor and internal auditor, to ensure that all pertinent matters have been identified and discussed without undue influence. In accordance with its terms of reference, for the 2014/15 year, the Audit Committee is satisfied that it has appropriately performed the duties and responsibilities assigned to it by the Board, and more specifically its oversight responsibilities in respect of:

- The integrity of the Group's Financial Statements
- The appointment, remuneration, qualification, independence and performance of the External Auditor and the integrity of the audit process as a whole
- The plans, performance and objectivity of the Internal Audit function and the integrity of the internal audit process as a whole
- The effectiveness of the systems of internal controls and risk management
- The Group's systems for compliance with applicable legal and regulatory requirements
- The assessment of the expertise, resources and experience of the finance function

Over and above its regular business for the year, the Committee spent a significant amount of time on the SAP implementation project, analyzing reports from: the project team on progress, KPMG SAP Specialist on data migration strategy and Internal Audit on the adequacy of controls in the pre-implementation, as well as the post-implementation of the SAP ERP system. The Committee also received reports on the tendering of the external audit contract and also continued to monitor accounting standards that would have an impact on the Group.

Risk Committee

The Risk Committee was established to assist the Board in carrying out its responsibilities relating to risk and to ensure that processes are in place to enable complete, timely, relevant and accurate risk identification and management of such risk. The Committee's terms of reference cover among other things, reviewing the Company's risk philosophy, strategy and policies, and ensuring compliance with such policies; reviewing the adequacy and overall effectiveness of the Company's risk management function, and ensuring an ongoing process for risk identification, mitigation and management and to oversee the implementation of the Corporation's risk management programme.

The Committee comprises four Non-Executive Directors, namely Mr M Khumalo (Chairman), Chief ZN Ndlangamandla, Mr ID van Niekerk and Mr MSM Shongwe and one executive director, being Mr NM Jackson. While the Board retains overall responsibility for risk, it has delegated to management the day to day responsibility for designing and executing the Board's risk strategy by means of risk management plans, systems and processes.

As recommended by King III, the Committee also satisfies itself that an effective IT internal control framework exists, that the IT strategy is integrated and aligned with the Group's strategy and business processes. IT risks are addressed appropriately in conjunction with the head of IT, who attends committee meetings by invitation and presents a comprehensive report on all IT and related risks to the Committee.

Committee on Non-Executive Director's remuneration

A Committee comprising the Chairman, Mr AT Dlamini (non-executive), the Managing Director Mr NM Jackson and the Company Secretary Ms LS Masango established in terms of the Articles of Association of the Company is in place and is responsible primarily for considering and determining on an annual basis, the remuneration of Non-Executive Directors and making recommendations thereon to the Board. The committee's recommendations, once adopted by the Board are submitted for approval by shareholders at the AGM.

In line with King III principles, the Directors receive a retainer and fees for attending Board and Committee meetings. The Chairman receives a fixed annual fee in respect of tasks performed on behalf of the Company in between meetings plus an attendance fee for Board or subcommittee attendances. A special rate is in place for Committee chairpersons in recognition of the additional duties they perform in their capacities as such.

The Committee held one meeting during the year under review, which was fully attended by all members.

Remuneration Committee

The Remuneration Committee is exclusively made up of three Non-Executive Directors in order to ensure sufficient impartiality. These are Mr AT Dlamini (Chairman), Mr JM du Plessis and Mr ZR Magagula. The Managing Director, together with the heads of the Finance and Human Resources Divisions attend meetings by invitation. To avoid conflicts of interest, they always recuse themselves from discussions where there is sufficient justification to exclude them, such as debates relating to their own remuneration.

Remuneration components are set at a competitive level to motivate key talent and to attract the services of high calibre employees, and independent external studies and comparisons are used to ensure that remuneration is market related.

The Committee met twice during the year. Key issues considered during the meetings include the approval of performance/ financial targets for the 2014/15 financial year, approval of short- and long-term incentives in respect of the 2013/14 financial year and continued monitoring/oversight of the development of the remuneration policy which is still under revision.

Attendance at Board and Board subcommittee meetings during the year ended 31 March 2015 is shown in the table below:

Board Member's Name	Nature of Meeting							
	Board		Audit		Risk		Remuneration	
	SM	AM	SM	AM	SM	AM	SM	AM
AT Dlamini[1]	4	4	-	-	-	-	2	2
Chief ZN Ndlangamandla	4	4	-	-	4	4	-	-
JM du Plessis[2]	4	4	4	2	-	-	2	2
IG van der Walt	4	3	4	4	-	-	-	-
HRH Princess Phumelele	4	3	-	-	-	-	-	-
JO Otunla	4	x	-	-	-	-	-	-
ZR Magagula	4	4	-	-	-	-	2	2
M Khumalo[3]	4	3	4	4	4	4	-	-
MSM Shongwe	4	4	-	-	4	4	-	-
JN Gule	4	4	4	4	-	-	-	-
ID van Niekerk	4	4	-	-	4	4	-	-
V Nxumalo[4]	2	x	2	1	-	-	-	-
NM Jackson[5]	4	4	-	-	4	4	-	-
OE Fagbemi[6]	-	2	-	-	-	-	-	-
B Mkhaliphi[7]	2	2	-	-	-	-	-	-

Legend

SM Number of scheduled meetings held during the period the Director was a member of the Board and/or subcommittee

AM Number of scheduled meetings attended by the Director during the period he/she was a member of the Board and/or subcommittee

- Not applicable to Director

x Not Attended

1 Board and Remuneration Committee Chairman

2 Audit Committee Chairman

3 Risk Committee Chairman

4 Retired and replaced by B Mkhaliphi

5 Managing Director

6 Alternate to JO Otunla, attended on behalf of substantive Director

7 Replaced V Nxumalo

Company Secretary

The Company Secretary plays a pivotal role in the Company's governance processes and is responsible for, among other things, the duties outlined in King III. The Company Secretary is not a Director of the Company and maintains an arm's-length relationship with the Board. All Directors, individually and collectively, have access to the advice and services of the Company Secretary. Appointment and removal of the Company Secretary are matters of the Board as a whole.

The Secretary, who also acts as Compliance Officer, ensures that all Board proceedings and meetings are conducted in full compliance with laid down procedures, applicable rules and regulations, relevant statutes and the requirements of the Swaziland Stock Exchange.

Compliance with laws, rules, codes and standards

The Group continued with measures to keep up to date with all proposed and promulgated legislation and to comply with all relevant laws, regulations and codes of business practice. During the year under review, management continued to work tirelessly on compliance with waste water standards under the Environmental Management Act, which remained a problem area to the Group.

Control environment

Internal controls

The Group maintains internal controls and systems designed to manage significant risks affecting the Group and the business environment in which it operates. The objective of the system is to provide reasonable assurance against material misstatement or loss.

The internal audit function monitors the system of internal control and reports its findings and recommendations to management and the Audit Committee. The purpose, authority and responsibility of the internal audit function are formally defined in the Board-approved internal audit charter. The annual audit plan is based on an assessment of risk areas identified by internal audit in liaison with management as well as areas highlighted by the Audit Committee.

Main internal financial control procedures and financial reporting

The Board has overall responsibility for ensuring that the Group maintains a system of internal financial control to provide it with

reasonable, assurance regarding the reliability of the financial information used within the business and for publication, and to ensure that assets are safeguarded. Prudent financial controls and procedures are in place, including controls in relation to the segregation of incompatible duties and controls relating to the security of assets. The operations and effectiveness of internal financial controls are reviewed on a regular basis. Procedures for seeking and obtaining approval for financial transactions are contained in the Group's Authority Limits for All Divisions document and the Matters Reserved for the Board Policy which was reviewed and updated during the review period. The Group operates a comprehensive annual planning and budgeting process. The financial reporting system compares results with plans, budgets and with the previous year's results and is able to identify deviations on a monthly basis.

The Directors are also responsible for ensuring that the Group maintains adequate records and report accurately and reliably on the financial position, activities and results of the Group. In this regard financial reporting procedures are applied in the Group at all levels to meet this responsibility. Financial and other information is constantly reviewed and remedial action taken, where necessary. The Group's annual financial statements are prepared in accordance with International Financial Reporting Standards and appropriate accounting policies are consistently applied. Reasonable and prudent judgments and estimates are made in order to properly disclose the Group's financial status and these are reviewed by the external auditors (KPMG) and the Audit Committee.

Management

Below the level of the Board, key management decisions are made by the Managing Director, who in terms of the Policy on Matters Reserved for the Board and Delegated Powers, has been delegated authority on a wide range of matters in relation to financial, strategic, operational, governance, risk and other functional issues. The Managing Director has in turn delegated authority to senior management committees (which include Executive Committee, Tender Committee, Risk Management Executive Committee and IT Steering Committee) and individual members of the management team that assist the Managing Director with guiding and controlling the overall direction of the business and monitoring business performance. Ad hoc management committees, such as the Business Optimisation Committee set up during the year, are put in place to focus and monitor issues of strategic importance to the business. The Managing Director, however, remains accountable to the Board for all authority delegated to him.

The senior management committees and/or senior managers serve to, inter alia, translate and implement the Group's strategic direction into an operational plan, monitor its successful implementation and the achievement of performance in accordance with agreed-upon budgets and timelines, oversee human development and succession planning in order to develop future leaders for the Group, allocate human resources throughout the Group, and ensure that appropriate IT systems exist to support the business operations and to provide useful management information to facilitate effective decision-making.

Regular management meetings, in particular monthly EXCO meetings are used to monitor the aspects described above in order to address day-to-day operations-related challenges, strategic business issues, sustainability and strategic project developments.

Induction and development

The Company is committed to the continuing development of Directors in order that they may build on their expertise and develop a more detailed understanding of their responsibilities. Directors receive briefings on new legal developments and changes in the risk and the general business environment on an on-going basis.

Open dialogue between individual Board members, the Managing Director and other members of the management team is encouraged to enable Directors to gain better understanding of the Group and its operations.

Shareholder engagement

In line with the King III principles on stakeholder management the Group is committed to communicating and engaging with shareholders. The Annual General Meeting (AGM) provides an update for shareholders on the Group's performance and offers an opportunity for shareholders to ask questions. In addition to the AGM, proactive engagement with institutional shareholders takes place on a continuous basis and various formal and informal engagement processes are employed to ensure alignment with shareholders and to understand their views.

Ethics

Key to the Group operations is the Company's fundamental policy to conduct business with honesty, integrity and in accordance with the highest legal and ethical standards. The Board's Code of Conduct provides guidance regarding ethical and behavioural standards to be adhered to in carrying out the duties and responsibilities of the Board in a manner that is consistent with effective corporate governance practices.

Through its approved Code of Ethics, RSSC records its pledge to promote and enforce ethical business practices and standards throughout the Group, and it serves as a guide in day-to-day decision making processes. All employees are expected to comply with the principles and the ethical standards of the aforementioned Code and various other policies and procedures are in place to support the aforementioned codes. These include among others policies on declaration of conflicts of interest, whistle-blowing and fraud-prevention.

The Group does not engage in or accept or condone any illegal acts in the conduct of its business. The Group operates a "whistle blowing" line managed by an independent firm of auditors. It provides an impartial facility for all stakeholders to anonymously report fraud, statutory malpractice and other crimes, unsafe behaviors, deviations from procurement policies or any other deviations from ethical conduct. All matters received through the line are investigated, appropriately resolved and reported upon to the Risk Committee.

CONSOLIDATED FINANCIAL STATEMENTS

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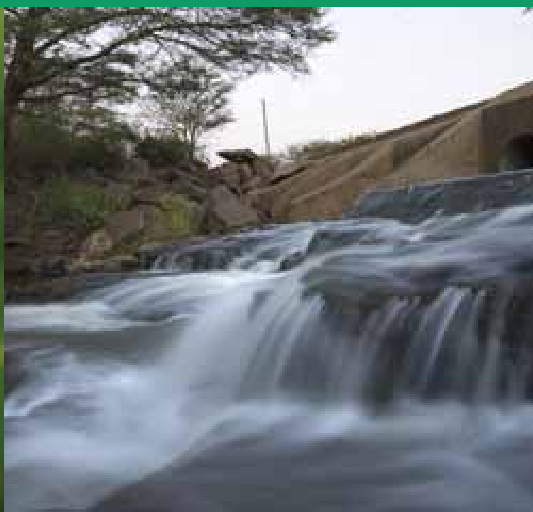

Statement of Responsibility by the Board of Directors for the year ended 31 March 2015

Directors' responsibilities in relation to 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 Swaziland Sugar Corporation Limited, comprising the statements of financial position at 31 March 2015, the statements of 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 significant accounting policies and other explanatory notes, and the directors' report in accordance with International Financial Reporting Standards and the Swaziland Companies Act.

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 International Financial Reporting Standards, and the requirements of the Swaziland Companies Act.

Approval of consolidated financial statements and Company financial statements

The consolidated financial statements and separate financial statements of The Royal Swaziland Sugar Corporation Limited, set out on Pages 56 to 116, were approved by the Board of directors on 26 June 2015 and are signed on their behalf by:

A T Dlamini
(Chairman)

N M Jackson
(Director)

Independent Auditor's Report to the Members of The Royal Swaziland Sugar Corporation Limited

Report on the financial statements

We have audited the consolidated financial statements and separate financial statements of The Royal Swaziland Sugar Corporation Limited, which comprise the statements of financial position at 31 March 2015, the statements of 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, which include a summary of significant accounting policies and other explanatory notes, and the directors' report as set out on Pages 56 to 116.

Directors' responsibility for the financial statements

The Company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Swaziland Companies Act, 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide the basis for our audit opinion.

Opinion

In our opinion these financial statements present fairly, in all material respects, the consolidated and separate financial position of The Royal Swaziland Sugar Corporation Limited at 31 March 2015, its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Swaziland Companies Act.

Auditors
Mbabane
Swaziland

26 June 2015

Directors' report for the year ended 31 March 2015

The Directors have pleasure in presenting their report together with the financial statements for the year ended 31 March 2015.

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.

Dividends

The following dividends have been declared (refer note 13.3):

- A first interim dividend for the year ended 31 March 2015 of 66.10 cents per share which was paid in November 2014
- A final dividend for the year ended 31 March 2015 of 69.35 cents per share which was paid in June 2015

Board structure

The Board comprises of one executive and twelve Non-Executive Directors.

Directorate

The directors of the Company during the year were:

Directors

A T Dlamini (Chairman)
N M Jackson (Managing Director)
J M du Plessis
HRH Princess Phumelele
J N Gule
M Khumalo
Z R Magagula
B Mkhaliphi (appointed 05 December 2014)
Chief Z N Ndlangamandla
V Nxumalo (resigned 05 December 2014)
J O Otunla
M S M Shongwe
I G van der Walt
I D van Niekerk

Alternates

OE Fagbemi (to J O Otunla) (appointed 03 September 2014)
A Giza (to J O Otunla) (resigned 03 September 2014)
M Ndlela (to J N Gule)
A Ngcobo (to A T Dlamini)

Secretary and registered office

Secretary
L S Masango

Registered Office
Simunye Sugar Estate
P O Box 1
Simunye

Auditors

KPMG
Umkhiwa House
Lot 195, Kal Grant Street
Mbabane

Bankers

Standard Bank Swaziland Limited
Nedbank (Swaziland) Limited
First National Bank of Swaziland Limited

Transfer Secretaries

KPMG Advisory (Swaziland) (Proprietary) Limited
P O Box 331
Mbabane
H100

Management structure

Managing Director
N M Jackson*

Commercial

M I Maziya* General Manager Commercial
S Saxena Head of Distillery
M Zikalala Logistics and Marketing Manager
H Dlamini Purchasing and Materials Manager

Operations

P Myeni* General Manager - Operations
I Voigt Head of Factories
M Gama Agricultural Manager - Production
T A Dlamini Factory Manager - Mhlume
M Mango Factory Manager - Simunye
Dr L S Ndlovu Agricultural Manager - Water Resources
M Tshawuka Agricultural Manager - Services
V Malubane Agricultural Development Projects Manager

Strategy

J M Sithebe* General Manager – Strategy Implementation

Management structure (continued)

Finance

S G Potts*	General Manager - Finance
R Coombe	Group IT Manager
D V Dhliwayo	Financial Manager - Management Accounting
A B Hlatshwayo	Financial Manager - Financial Accounting
J Khumalo	Property Services Manager

Human Resources

M B Mkhonta*	Group Human Resources Manager
D J Dlamini	Human Resources Manager - Projects
T Gina – Mamba	Human Resources Manager - Operations
H Dludlu	Human Resources Manager - Services
B A Maziya	Human Resources Manager - Employment Relations
S Shiba	Human Resources Manager - Learning and Talent
Dr B Z Radebe	Human Resources Manager - Health and Wellness

Public Affairs

S Nyembe	Group Public Affairs Manager
F B Motsa	Community Services and Development Manager
T Nxumalo	Corporate Affairs Manager

*Members of the Executive Committee (Exco)

Material events after year-end

no matter, which is material to the financial affairs of the Company and Group, has occurred between the reporting date and the date of approval of the financial statements.

Statements of Financial Position

as at 31 March 2015	Note	Group 2015 E'000	Group 2014 E'000	Company 2015 E'000	Company 2014 E'000
Assets					
Property, plant and equipment	3	1 297 226	1 225 337	932 339	836 094
Goodwill	4	286 481	286 481	-	-
Intangible assets	5	3 398	3 542	3 398	3 542
Investments in subsidiaries	6	-	-	666 474	666 474
Equity accounted investees	7	89 337	75 564	52 500	52 500
Deferred tax assets	25.4	275	253	-	-
Biological asset - cane roots and citrus	9.2	220 750	209 736	154 346	145 570
Total non-current assets		1 897 467	1 800 913	1 809 057	1 704 180
Inventories	10	103 868	92 320	54 645	42 576
Biological asset - growing cane	9.2	420 233	433 017	307 342	316 889
Biological asset - livestock	9.3	7 038	6 281	7 038	6 281
Trade and other receivables	11	85 201	88 027	55 903	75 292
Loans receivable	8	557	-	557	-
Cash and cash equivalents	12	22 754	18 945	17 950	18 865
Total current assets		639 651	638 590	443 435	459 903
Total assets		2 537 118	2 439 503	2 252 492	2 164 083
Equity					
Share capital	13.1	128 639	128 639	128 639	128 639
Share premium	13.1	632 379	632 379	632 379	632 379
Preference share redemption reserve	13.2	78 104	78 104	78 104	78 104
Retained earnings		838 290	734 577	559 114	429 415
Total equity		1 677 412	1 573 699	1 398 236	1 268 537
Liabilities					
Deferred tax liabilities	25.4	325 057	326 853	233 880	232 499
Loans and borrowings	15	38 618	53 705	38 618	53 705
Employee benefits	16	65 134	64 777	37 064	36 390
Total non-current liabilities		428 809	445 335	309 562	322 594
Trade and other payables	17	223 096	193 414	401 201	375 299
Short term employee benefits	18	83 020	54 151	52 586	33 234
Bank overdraft	12,19	21 541	9 516	4 291	1 155
Current portion of loans and borrowings	15	15 080	23 680	15 080	23 680
Current tax liabilities		20 661	44 285	4 037	44 161
Dividends payable		67 499	95 423	67 499	95 423
Total current liabilities		430 897	420 469	544 694	572 952
Total equity and liabilities		2 537 118	2 439 503	2 252 492	2 164 083

Statements of Profit or Loss and Other Comprehensive Income

for the year ended 31 March 2015	Note	Group 2015 E'000	Group 2014 E'000	Company 2015 E'000	Company 2014 E'000
Revenue	20	2 635 882	2 728 504	1 585 530	1 654 178
Cost of sales		(2 047 803)	(1 989 952)	(1 232 333)	(1 177 540)
Change in fair value of biological assets	9	(1 013)	4 686	(14)	6 246
Gross profit		587 066	743 238	353 183	482 884
Other income	21	47 243	36 086	170 321	25 628
Distribution expenses		(29 292)	(20 736)	(29 292)	(20 736)
Administration expenses		(323 255)	(275 576)	(199 532)	(164 629)
Operating profit	22	281 762	483 012	294 680	323 147
Finance income		17 500	12 522	13 935	7 274
Finance costs		(7 956)	(8 136)	(7 253)	(8 757)
Net finance income/ (costs)	24	9 544	4 386	6 682	(1 483)
Share of profit of equity accounted associate companies (net of income tax)	7	20 680	8 424	-	-
Profit before taxation		311 986	495 822	301 362	321 664
Income tax expense	25.1	(81 927)	(135 450)	(43 240)	(88 731)
Profit attributable to owners of the Company		230 059	360 372	258 122	232 933
Other comprehensive income					
Items that will never be reclassified to profit or loss					
Remeasurements of defined benefit liabilities	16	5 731	15 717	2 866	9 049
Related tax	25.2	(1 576)	(4 322)	(788)	(2 488)
Other comprehensive income, net of tax		4 155	11 395	2 078	6 561
Total comprehensive income for the year attributable to owners of the Company		234 214	371 767	260 200	239 494
Basic and diluted earnings per share (cents)	26	238.8	374.0	267.9	241.8

Consolidated Statement of Changes in Equity

for the year ended 31 March 2015	Share Capital E'000	Share Premium E'000	Preference Share Redemption Reserve E'000	Retained Earnings E'000	Total E'000
2015 Group					
Balance at 1 April 2014	128 639	632 379	78 104	734 577	1 573 699
Profit	-	-	-	230 059	230 059
Other comprehensive income	-	-	-	4 155	4 155
Total comprehensive income for the year	-	-	-	234 214	234 214
Transactions with owners recorded directly in equity					
- Dividends (note 13.3)	-	-	-	(130 501)	(130 501)
Balance at 31 March 2015	128 639	632 379	78 104	838 290	1 677 412
2014 Group					
Balance at 1 April 2013	128 639	632 379	78 104	582 865	1 421 987
Profit	-	-	-	360 372	360 372
Other comprehensive income	-	-	-	11 395	11 395
Total comprehensive income for the year	-	-	-	371 767	371 767
Transactions with owners recorded directly in equity					
- Dividends (note 13.3)	-	-	-	(220 055)	(220 055)
Balance at 31 March 2014	128 639	632 379	78 104	734 577	1 573 699

Statement of Changes in Equity - Company

for the year ended 31 March 2015	Share Capital E'000	Share Premium E'000	Preference Share Redemption Reserve E'000	Retained Earnings E'000	Total E'000
2015 Company					
Balance at 1 April 2014	128 639	632 379	78 104	429 415	1 268 537
Profit	-	-	-	258 122	258 122
Other comprehensive income	-	-	-	2 078	2 078
Total comprehensive income for the year	-	-	-	260 200	260 200
Transactions with owners recorded directly in equity					
- Dividends (note 13.3)	-	-	-	(130 501)	(130 501)
Balance at 31 March 2015	128 639	632 379	78 104	559 114	1 398 236
2014 Company					
Balance at 1 April 2013	128 639	632 379	78 104	409 976	1 249 098
Profit	-	-	-	232 933	232 933
Other comprehensive income	-	-	-	6 561	6 561
Total comprehensive income for the year	-	-	-	239 494	239 494
Transactions with owners recorded directly in equity					
- Dividends (note 13.3)	-	-	-	(220 055)	(220 055)
Balance at 31 March 2014	128 639	632 379	78 104	429 415	1 268 537

Statements of Cash Flows

for the year ended 31 March 2015	Note	Group 2015 E'000	Group 2014 E'000	Company 2015 E'000	Company 2014 E'000
Cash flows from operating activities					
Cash generated from operations	30.1	481 666	606 392	298 752	565 042
Interest paid	24	(7 956)	(8 136)	(7 253)	(8 757)
Taxation paid	30.2	(108 945)	(172 234)	(82 771)	(94 396)
Net cash generated by operating activities		364 765	426 022	208 728	461 889
Cash flows from investing activities					
Finance income	24	10 510	11 108	6 945	5 860
Dividends received		6 907	6 525	149 588	6 525
Proceeds from sale of property, plant and equipment		161	872	136	758
Acquisition of property, plant and equipment	3	(207 140)	(221 233)	(186 029)	(174 822)
Loans receivable advanced		(7 264)	(3 926)	(7 264)	(3 926)
Loans receivable repaid		6 707	3 926	6 707	3 926
Net cash utilised in investing activities		(190 119)	(202 728)	(29 917)	(161 679)
Cash flows from financing activities					
Proceeds from new borrowings		-	141	-	141
Repayment of borrowings		(23 687)	(36 182)	(23 687)	(36 182)
Dividends paid	30.3	(158 425)	(261 934)	(158 425)	(261 934)
Net cash utilised in financing activities		(182 112)	(297 975)	(182 112)	(297 975)
Net (decrease)/ increase in cash and cash equivalents		(7 466)	(74 681)	(3 301)	2 235
Cash and cash equivalents at beginning of year	12	9 429	82 595	17 710	13 960
Effect of exchange rate fluctuations on cash held		(750)	1 515	(750)	1 515
Cash and cash equivalents at year end	12	1 213	9 429	13 659	17 710

Basis of Preparation

Reporting Entity

The Royal Swaziland Sugar Corporation Limited is a company domiciled in the Kingdom of Swaziland. 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 2015 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 primarily is 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, and unless otherwise noted.

Basis of Accounting

The Group Financial Statements and Company Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Swaziland Companies Act.

The Group Financial Statements and Company Financial Statements were authorised for issue by the Board of Directors on 26 June 2015.

Basis of Measurement

The Group Financial Statements and Company Financial Statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- Financial instruments at fair value through profit or loss are measured at fair value
- Biological assets are measured at fair value less costs to sell

The methods used to measure fair value are set out further in the individual accounting policies and notes to the financial statements.

Functional and Presentation Currency

The Group Financial Statements are presented in Emalangeni, which is the functional currency of the Company. All financial information presented in Emalangeni has been rounded to the nearest thousand, unless otherwise indicated.

Use of Estimates and Judgements

In preparing these Group Financial Statements, management has made judgements, estimates and assumptions that affect the application of the Group'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.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the Group financial statements is included in the following notes:

- Notes 6, 7 and 31 – classification of joint arrangements
- Note 6 – consolidation: whether the Group has de facto control over an investee
- Note 34 – lease classification

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 4 – impairment test: key assumptions underlying recoverable amounts
- Note 9 – biological assets
- Note 16 – measurement of defined benefit obligations: key actuarial assumptions
- Note 29 – contingencies: key assumptions about the likelihood and magnitude of an outflow of resources

Significant Accounting Policies

The Group has consistently applied the accounting policies set out to all periods presented in these consolidated financial statements.

To improve disclosure certain comparative amounts in the Group and Company statement of profit and loss and other comprehensive income have been reclassified between Revenue, Cost of sales, Other Income and Administration expenses.

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 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 payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration, that do not relate to changes due to information acquired about facts and circumstances that existed at the acquisition date, 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 is negative, a bargain purchase gain is 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.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration, that do not relate to changes due to information acquired about facts and circumstances that existed at the acquisition date, are 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.

Acquisitions prior to 1 April 2004

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.

Acquisition of non-controlling interests ("NCI")

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

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.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

BASIS OF CONSOLIDATION (continued)

Interests in equity-accounted investees

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

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 recognised initially at cost, which includes transaction costs, adjusted thereafter for the post-acquisition change in the Group's share of the investee's net assets. 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.

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. Foreign currency differences are generally recognised in profit or loss. 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.

FINANCIAL INSTRUMENTS

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss and loans and receivables.

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

Non-derivative financial assets and financial liabilities – recognition and derecognition

The Group initially recognises loans and receivables on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

The Group derecognises a financial asset when the contractual rights to the cash flows from the 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 it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

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

Non-derivative financial assets – measurement

Loans and receivables

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Loans and receivables comprise trade and other receivables and loans receivable.

Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents comprise cash balances, call deposits, and surplus cash invested with the Swaziland Sugar Association with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of change in fair value, and form an integral part of the Group's cash management.

Non-derivative financial liabilities – measurement

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.

FINANCIAL INSTRUMENTS (continued)

Non-derivative financial liabilities comprise loans and borrowings, bank overdrafts, trade and other payables.

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.

Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency risk exposure. These are predominately economic hedges.

Derivatives are recognised initially at fair value and any directly attributable transaction costs are recognised in profit or loss as they are incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

PROPERTY, PLANT AND EQUIPMENT

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- the cost of materials and direct labour
- any other costs directly attributable to bringing the asset to a working condition for its intended use
- when the Group has an obligation to remove the assets or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located
- capitalised costs related to the acquisition or construction of qualifying assets are also included in the cost of the asset

Purchased software that is integral to the functionality of the related equipment is capitalised as part of the equipment.

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

Items of property, plant and equipment are depreciated from the date they are available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for use.

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 are as follows:

• Freehold buildings	50 years
• Improvements to leasehold property	50 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.

Derecognition

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

GOODWILL

Initial measurement

The initial measurement of goodwill is detailed under 'Business Combinations' above.

GOODWILL (continued)

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.

In respect of equity accounted investments, the carrying amount of goodwill is included in the carrying amount of the investment.

INTANGIBLE ASSETS

Favourable lease contracts

Favourable lease contracts are those assets identified through business combinations where viable 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.

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.

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 transportation costs.

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
- Distillery finished goods – weighted average cost, including a proportion of production overheads (based on normal operating capacity)
- Butchery finished goods stock and by-products – 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.

IMPAIRMENT

Non-derivative financial assets

Financial assets not classified as at fair value through profit or loss, including any interest in an equity accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- 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 considers 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 has 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 uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are 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 considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

IMPAIRMENT (continued)

Equity-accounted investees

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in profit or loss, and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

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 Cash Generating Units ("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.

EMPLOYEE BENEFITS

Defined benefit obligations - Retirement pay and long service awards

The retirement pay obligation and long service award obligations are calculated at least tri-annually by independent actuaries using the projected unit credit method.

Independent actuaries perform a roll forward of the valuation annually.

Under this method, the present value of the obligations that have accrued in respect of service is calculated, allowing for estimated future salary increases, future retrenchments, withdrawals and deaths.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised immediately in OCI. The Group determines the net interest expense on the net defined benefit liability 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, taking into account any changes in the net defined benefit liability 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.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

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 end of the reporting period, then they are discounted unless it is deemed immaterial to do so.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans 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.

Other long-term employee benefits

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.

PROVISIONS

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance costs.

REVENUE

Goods sold

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenue is measured net of returns, trade discounts and volume rebates.

The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement. For sucrose sales, transfer occurs when sugar cane has been delivered to the mills, weighed, crushed, and sucrose content determined. For sugar produced by the mills, transfer occurs when produced sugar has been transferred to the Swaziland Sugar Association sugar warehouses. For ethanol, transfer usually occurs when the customer has taken possession of the goods. For livestock, transfer occurs on receipt by the customer.

The price paid to the Group for sugar by the Swaziland Sugar Association (SSA) is based on the estimated net realisable value of production in Swaziland in the milling season. The final price receivable in respect of production for the year is available only after the financial statements of the Swaziland Sugar Association for the year have been audited. The adjustment necessitated by this final price is included in revenue in the year in which it is received.

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.

LEASES

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether the arrangement is or contains a lease.

At inception or on reassessment of an arrangement that contains a lease, the Group separates payments and other considerations required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Group's incremental borrowing rate.

Leased assets

Assets held by the Group under leases which transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. On initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Group's statement of financial position.

Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

FINANCE INCOME AND FINANCE COSTS

Finance income comprises interest income on funds invested and interest income on loans 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.

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. It is measured using tax rates enacted or substantively enacted at the reporting date.

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 and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future
- 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. 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 realised.

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.

EARNINGS PER SHARE

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares. The Company currently has no dilutive potential ordinary shares.

SEGMENT REPORTING

Segment results that are reported to the chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly group service divisions' expenses.

NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

There are new or revised Accounting Standards and Interpretations in issue that are not yet effective. These include the following Standards and Interpretations that are applicable to the business of the entity and may have an impact on future financial statements. The Group does not plan to adopt these standards early:

Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)

These amendments require bearer plants, defined as a living plant used solely to grow produce over several periods, to be accounted for as property, plant and equipment in accordance with IAS 16 Property, Plant and Equipment instead of IAS 41 Agriculture. The produce growing on bearer plants will remain within the scope of IAS 41.
This new standard may have an impact on the Group's biological assets – cane roots and citrus. Management are currently in the process of performing a more detailed assessment of the impact of this standard on the Group and will provide more information in the year ending 31 March 2016 financial statements.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016.

Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)

The amendments require business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business.

Business combination accounting also applies to the acquisition of additional interests in a joint operation while the joint operator retains joint control. The additional interest acquired will be measured at fair value. The previously held interest in the joint operation will not be re-measured. As a consequence of these amendments, the Group will amend its accounting policy with effect from 1 April 2016 for acquisitions of interests in a joint operation.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016.

Equity Method in Separate Financial Statements (Amendments to IAS 27)

The amendments allow an entity to apply the equity method in its separate financial statements to account for its investments in subsidiaries, associates and joint ventures. The Company intends to retain the cost model.

The amendments apply retrospectively for annual periods beginning on or after 1 January 2016.

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

The amendments require the full gain to be recognised when assets transferred between an investor and its associate or joint venture meet the definition of a 'business' under IFRS 3 Business Combinations. Where the assets transferred do not meet the definition of a business, a partial gain to the extent of unrelated investors' interests in the associate or joint venture is recognised. The definition of a business is key to determining the extent of the gain to be recognised.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016.

Disclosure Initiative (Amendments to IAS 1)

The amendments provide additional guidance on the application of materiality and aggregation when preparing financial statements. The amendments also clarify presentation principles applicable to the order of notes, OCI of equity accounted investees and subtotals presented in the statement of financial position and statement of profit or loss and other comprehensive income. Management has not assessed the impact of the ammendments.

The amendments apply for annual periods beginning on or after 1 January 2016.

IFRS 15 *Revenue from contracts with customers*

This standard replaces IAS 11 *Construction Contracts*, IAS 18 *Revenue*, IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfer of Assets from Customers* and SIC-31 *Revenue – Barter of Transactions Involving Advertising Services*.

The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.

This new standard may have a significant impact on the Group, which will include a possible change in the timing of when revenue is recognised and the amount of revenue recognised. The Group is currently in the process of performing a more detailed assessment of the impact of this standard on the Group and will provide more information in the year ending 31 March 2016 financial statements.

The standard is effective for annual periods beginning on or after 1 January 2017.

IFRS 9 *Financial Instruments*

On 24 July 2014, the IASB issued the final IFRS 9 *Financial Instruments Standard*, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 *Financial Instruments: Recognition and Measurement*.

This standard could have a significant impact on the Group, which will include changes in the measurement bases of the Group's financial assets to amortised cost, fair value through other comprehensive income or fair value through profit or loss. Even though these measurement categories are similar to IAS 39, the criteria for classification into these categories are significantly different. In addition, the IFRS 9 impairment model has been changed from an "incurred loss" model from IAS 39 to an "expected credit loss" model, which is expected to increase the provision for bad debts recognised in the Group. Management is currently in the process of performing a more detailed assessment of the impact of this standard on the Group and will provide more information in financial statements for the year ending 31 March 2016.

The standard is effective for annual periods beginning on or after 1 January 2018 with retrospective application.

Notes to The Financial Statements for the year ended 31 March 2015

1. 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 20 500 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 Swaziland Sugar Association.
- Ethanol production — Includes the manufacture of ethanol from molasses which is a by-product of the sugar production 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 2015 or 2014.

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.

	Cane Growing		Sugar manufacturing and marketing		Ethanol production and marketing		Elimination		Consolidated	
	2015 E'000	2014 E'000	2015 E'000	2014 E'000	2015 E'000	2014 E'000	2015 E'000	2014 E'000	2015 E'000	2014 E'000
1. OPERATING SEGMENTS (continued)										
1.1 Information about reportable segments										
External revenue	10 935	12 447	2 343 585	2 446 339	264 335	251 104	-	-	2 618 855	2 709 890
Inter segment revenue	796 328	821 866	-	-	-	-	(796 328)	(821 866)	-	-
Total revenue	807 263	834 313	2 343 585	2 446 339	264 335	251 104	(796 328)	(821 866)	2 618 855	2 709 890
External revenue of all other operations not meeting segment criteria									17 027	18 614
Total consolidated revenue									2 635 882	2 728 504
Reportable segment operating profit before corporate costs and income tax	191 510	298 708	325 018	384 568	46 916	44 281	-	-	563 444	727 557
Results of other operations not meeting segment criteria									(2 649)	(3 874)
Unallocated other income									42 842	32 915
Unallocated corporate costs									(320 785)	(272 712)
Unallocated net finance income/ (costs)									8 454	3 512
Share of profit of equity accounted associate companies									20 680	8 424
Consolidated profit before tax from continuing operations									311 986	495 822

	Cane Growing		Sugar manufacturing and marketing		Ethanol production and marketing		Unallocated		Consolidated	
	2015 E'000	2014 E'000	2015 E'000	2014 E'000	2015 E'000	2014 E'000	2015 E'000	2014 E'000	2015 E'000	2014 E'000
Segment capital expenditure	54 984	46 874	53 037	84 141	5 201	16 943	156 918	73 275	207 140	221 233
Depreciation and impairment	43 057	41 094	52 787	62 536	12 877	11 968	24 980	12 379	133 701	127 977
Amortisation of intangible assets	4	4	-	-	-	-	140	140	144	144
(Decrease)/ increase in fair value of biological assets	(2 310)	7 074	-	-	-	-	1 297	(2 388)	(1 013)	4 686
Net Foreign exchange gains	-	-	-	-	-	-	6 990	1 414	6 990	1 414

1. OPERATING SEGMENTS (continued)

1.2 Geographical information

	Swaziland		South Africa		Consolidated	
	2015 E'000	2014 E'000	2015 E'000	2014 E'000	2015 E'000	2014 E'000
External revenue	2 635 882	2 728 504	-	-	2 635 882	2 728 504
Non-current assets	1 894 871	1 798 046	2 596	2 867	1 897 467	1 800 913
Capital expenditure	207 140	221 233	-	-	207 140	221 233

Eliminated inter-segment sales from Swaziland to South Africa were Enil (2014 – Enil).

Sugar is sold to the Swaziland Sugar Association and to regional markets through the joint venture. Distillery sales are made to the European and African markets. Manufacturing facilities are located in Swaziland.

2. 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, such as broker quotes or pricing services, 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, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group 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
- 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.

Property, plant and equipment

The fair value of property, plant and equipment recognised as a result of a business combination is based on market values.

The market value of property is the price that would be received to sell the property in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique.

The fair value of items of plant, equipment, fixtures and fittings as a result of a business combination is based on quoted market prices for similar items when available or depreciated replacement cost when appropriate. Depreciated replacement cost estimates reflect adjustments for physical deterioration as well as functional and economic obsolescence.

Intangible assets

The fair value of a favourable lease contract acquired in a business combination is based on the discounted estimated market rental that would otherwise be paid in a similar commercial arm's length transaction.

2. MEASUREMENT OF FAIR VALUES (continued)

Biological assets

Fair values of biological assets are determined on the following basis:

- Cane roots — the escalated average cost of each year of planting adjusted for the remaining expected life.
- 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.
- Citrus — the expected proceeds from the crop to be harvested less costs for harvesting and transport to the point of sale.
- Livestock — the market price of livestock of similar age, breed and genetic make-up.

Inventories

The fair value of inventories acquired in a business combination is based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes or when acquired in a business combination and is usually the same as the carrying amount due to the short term nature of these items.

Forward exchange contracts

The fair value of forward exchange contracts is based on information supplied by the Company's bankers. If a quoted price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a credit risk-free interest rate (based on government bonds).

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. In respect of the liability, the market rate of interest is determined by reference to similar liabilities. For finance leases the market rate of interest is determined by reference to similar lease agreements.

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

- Note 4 – measurement of the recoverable amounts of cash-generating units containing goodwill
- Note 5 – measurement of the recoverable amounts of intangible assets
- Note 9 – biological assets.

3. PROPERTY, PLANT AND EQUIPMENT

Group	Land and buildings E'000	Plant and machinery E'000	Irrigation equipment E'000	Vehicles, computer equipment, furniture and fittings E'000	Capital work-in progress ("CWIP") E'000	Total E'000
Cost						
Balance at 1 April 2013	451 698	1 067 655	396 811	423 728	127 033	2 466 925
Additions	-	-	-	-	221 233	221 233
Transfers in from CWIP	10 350	19 351	25 501	157 789	-	212 991
Disposals	-	(1 377)	-	(745)	-	(2 122)
Transfers out from CWIP	-	-	-	-	(212 991)	(212 991)
Balance at 31 March 2014	462 048	1 085 629	422 312	580 772	135 275	2 686 036
Balance at 1 April 2014	462 048	1 085 629	422 312	580 772	135 275	2 686 036
Additions	-	-	-	-	207 140	207 140
Transfers in from CWIP	9 902	70 171	26 022	158 313	-	264 408
Disposals	-	(1 849)	-	(311)	-	(2 160)
Transfers out from CWIP	-	-	-	-	(264 408)	(264 408)
Balance at 31 March 2015	471 950	1 153 951	448 334	738 774	78 007	2 891 016
Accumulated depreciation and impairment losses						
Balance at 1 April 2013	(211 720)	(594 312)	(267 592)	(259 637)	-	(1 333 261)
Depreciation for the year	(7 573)	(48 195)	(22 683)	(49 647)	-	(128 098)
Other	-	121	-	-	-	121
Disposals	-	-	83	456	-	539
Balance at 31 March 2014	(219 293)	(642 386)	(290 192)	(308 828)	-	(1 460 699)
Balance at 1 April 2014	(219 293)	(642 386)	(290 192)	(308 828)	-	(1 460 699)
Depreciation for the year	(14 857)	(54 047)	(22 734)	(42 124)	-	(133 762)
Other	-	61	-	-	-	61
Disposals	-	306	-	304	-	610
Balance at 31 March 2015	(234 150)	(696 066)	(312 926)	(350 648)	-	(1 593 790)
Carrying value at 31 March 2013	239 978	473 343	129 219	164 091	127 033	1 133 664
Carrying value at 31 March 2014	242 755	443 243	132 120	271 944	135 275	1 225 337
Carrying value at 31 March 2015	237 800	457 885	135 408	388 126	78 007	1 297 226

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Company	Land and buildings E'000	Plant and machinery E'000	Irrigation equipment E'000	Vehicles, computer equipment, furniture and fittings E'000	Capital work-in progress ("CWIP") E'000	Total E'000
Cost						
Balance at 1 April 2013	284 427	572 580	279 157	221 755	74 990	1 432 909
Additions	-	-	-	-	174 822	174 822
Transfers in from CWIP	8 279	19 351	21 269	90 738	-	139 637
Disposals	-	(1 377)	-	(406)	-	(1 783)
Transfers out from CWIP	-	-	-	-	(139 637)	(139 637)
Balance at 31 March 2014	292 706	590 554	300 426	312 087	110 175	1 605 948
Balance at 1 April 2014	292 706	590 554	300 426	312 087	110 175	1 605 948
Additions	-	-	-	-	186 029	186 029
Transfers in from CWIP	8 476	51 761	21 815	146 676	-	228 728
Disposals	-	(1 849)	-	(21)	-	(1 870)
Transfers out from CWIP	-	-	-	-	(228 728)	(228 728)
Balance at 31 March 2015	301 182	640 466	322 241	458 742	67 476	1 790 107
Accumulated depreciation and impairment losses						
Balance at 1 April 2013	(115 808)	(273 683)	(173 785)	(130 924)	-	(694 200)
Depreciation for the year	(6 170)	(25 628)	(16 875)	(27 303)	-	(75 976)
Other	-	121	-	-	-	121
Disposals	-	-	83	118	-	201
Balance at 31 March 2014	(121 978)	(299 190)	(190 577)	(158 109)	-	(769 854)
Balance at 1 April 2014	(121 978)	(299 190)	(190 577)	(158 109)	-	(769 854)
Depreciation for the year	(10 670)	(33 071)	(18 232)	(26 322)	-	(88 295)
Other	-	61	-	-	-	61
Disposals	-	306	-	14	-	320
Balance at 31 March 2015	(132 648)	(331 894)	(208 809)	(184 417)	-	(857 768)
Carrying value at 31 March 2013	168 619	298 897	105 372	90 831	74 990	738 709
Carrying value at 31 March 2014	170 728	291 364	109 849	153 978	110 175	836 094
Carrying value at 31 March 2015	168 534	308 572	113 432	274 325	67 476	932 339

3. PROPERTY, PLANT AND EQUIPMENT (continued)

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, Swaziland, measuring 236 hectares.

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

At year end the carrying value of freehold land and buildings was E115 915 882 (2014 – E118 381 204).

Subsidiaries

Erf 65 Umbogintwini (Southgate) registration division ET situated in the South Local Council Area province of Kwazulu Natal in extent of 5705 square metres. At year end the net book value of freehold land and buildings was E2 595 768 (2014 – E2 866 847).

Leasehold land

Certain buildings included under land and buildings are constructed on the following leased land:

Company

Land leased from the Swazi Nation for a period of 25 years with a lease that was renewed on 1 January 2003:

- Ngomane Estate: Farm No. 1044, situated in the district of Siteki, Swaziland, measuring 11 633 hectares; and Portion of the remainder of Farm 78, situated in the district of Siteki, Swaziland, 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, Swaziland, measuring 3 808 hectares.
- Mlaula Estate: Farm No. 1244, situated in the district of Siteki, Swaziland, measuring 5 570 hectares.
- Portions of Farm number 94 situated in the district of Lubombo, Swaziland, measuring 2 258 hectares are leased from the Swazi Nation 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.

Subsidiaries

Portions 1, 23, and 27 of farm number 860 and a certain portion 4 of farm number 94 situated in the district of Siteki, Swaziland, measuring 6 540 hectares are leased from the Swazi Nation 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 are pledged as security for loans. (Refer note 15.5 and note 19).

4. GOODWILL

With effect from 1 May 2001 the Company acquired 100% of the issued share capital of Mhlume (Swaziland) Sugar Company Limited for a consideration of E660 739 000. Additional expenditure relating directly to the due diligence process amounting to E4 225 000 was capitalised. After revaluation of property, plant, equipment, cane roots and growing cane the resultant goodwill amounted to E337 037 000. Goodwill amounting to E50 556 000 was amortised from the date of acquisition up to 31 March 2004. During the year ended 31 March 2005, the Company ceased amortising goodwill in terms of IFRS 3 - Business Combinations. Goodwill is now being subjected to annual impairment tests.

	Group 2015 E'000	Group 2014 E'000	Company 2015 E'000	Company 2014 E'000
Goodwill				
Arising from holding company investment in subsidiary	286 481	286 481	-	-

Impairment testing for goodwill

For purposes of impairment testing goodwill is allocated to the Group's Sugar Manufacturing and Marketing Segment which represents the lowest level within the Group at which goodwill is monitored for internal management purposes.

The recoverable amount of the cash-generating unit amounting to E1.16 billion was based on its value in use as determined by management. This amount significantly exceeds the carrying value of E673 million.

Value in use was determined by discounting the future cash flows generated from the continuing use of the unit and was based on the following key assumptions:

- Cash flows were projected based on actual results and the 5 year business plan.
- Sugar prices were projected based on contractual agreements (where feasible) and management's best estimate of forecast prices and exchange rate movements.
- Cash flows for a further 15 years were extrapolated on a five percent growth rate.
- A pre-tax discount rate of 15% was used. This is based on the Group's weighted average cost of capital which is based on debt leveraging of 20% at an after-tax market interest rate of 7.1%.

4. GOODWILL (continued)

Impairment testing for goodwill (continued)

In order for the carrying amount to equal the recoverable amount the pre-tax discount rate would need to be 19.5%.

5. INTANGIBLE ASSETS	Group 2015 E'000	Group 2014 E'000	Company 2015 E'000	Company 2014 E'000
Favourable Lease contracts				
Cost				
Balance at 1 April	4 200	4 200	4 200	4 200
Balance at 31 March	4 200	4 200	4 200	4 200
Accumulated amortisation and impairment				
Balance at 1 April	(658)	(514)	(658)	(514)
Amortisation for the year	(144)	(144)	(144)	(144)
Balance at 31 March	(802)	(658)	(802)	(658)
Net carrying amount	3 398	3 542	3 398	3 542

There have been no impairment losses recognised against the above intangible assets.

6. INVESTMENTS IN SUBSIDIARIES	Group 2015 E'000	Group 2014 E'000	Company 2015 E'000	Company 2014 E'000
Mhlume (Swaziland) Sugar Company Limited ("MSCO") (100% held)				
5 000 006 ordinary shares of E1 each	-	-	664 964	664 964
Royal Swazi Distillers (Proprietary) Limited ("RSD") (100% held)				
70 ordinary and 30 preference shares of R1 each	-	-	1 510	1 510
Swazican Citrus (Proprietary) Limited (100% held)	-	-	-	-
100 ordinary shares of E1 each	-	-	-	-
Total investments	-	-	666 474	666 474

MSCO is a company incorporated and domiciled in Swaziland and is involved in the growing, milling and refining of sugar.

RSD is a property owning company incorporated and domiciled in South Africa.

Swazican Citrus is a dormant entity that holds a long term lease over land where citrus and sugar growing activities are undertaken by the Group. The leases and management of the company has been ceded to the Company and are operated as part of the cane growing division.

7. EQUITY ACCOUNTED INVESTEES

The Group has the following equity investments:

Joint ventures

50% equity investment in Mananga Sugar Packers (Proprietary) Limited, a company registered and domiciled in Swaziland, whose principle business activity is the purchase of sugar from the Swaziland Sugar Association for packaging and then on selling under the "First" brand in Swaziland as well as in the Republic of South Africa (RSA).

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 Swaziland. 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 agency agreements entered into between Mananga Sugar Packers (Proprietary) Limited, Tsb Sugar RSA (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.

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

7. EQUITY ACCOUNTED INVESTEES (continued)

	2015 Mananga Sugar Packers E'000	2014 Mananga Sugar Packers E'000	2015 Simunye Plaza E'000	2014 Simunye Plaza E'000	2015 Quality Sugars E'000	2014 Quality Sugars E'000	2015 Total E'000	2014 Total E'000
Group								
The carrying amount of the investments are analysed below:								
Shares at cost	52 500	52 500	-	-	-	-	52 500	52 500
Share of associate company reserves	29 226	15 842	2 873	3 469	4 738	3 753	36 837	23 064
	81 726	68 342	2 873	3 469	4 738	3 753	89 337	75 564
Summary of unaudited financial information for equity accounted investees is as follows:								
Property, plant and equipment	47 655	50 461	9 355	10 324	1 366	1 225	58 376	62 010
Goodwill	18 139	18 139	-	-	3 751	3 751	21 890	21 890
Intangible assets	4 162	5 549	-	-	-	-	4 162	5 549
Current assets	170 809	159 834	6 041	7 103	281 143	168 419	457 993	335 356
Deferred tax (liabilities) / assets	(12 138)	(14 950)	(1 886)	(2 960)	1 854	1 418	(12 170)	(16 492)
Interest bearing loans	(2 175)	(4 340)	-	-	-	-	(2 175)	(4 340)
Employee benefit liability	-	-	(54)	-	(958)	(955)	(1 012)	(955)
Current liabilities	(63 000)	(78 009)	(1 962)	(592)	(268 204)	(158 848)	(333 166)	(237 449)
Net assets	163 452	136 684	11 494	13 875	18 952	15 010	193 898	165 569
Group's share of associate's net assets	81 726	68 342	2 873	3 469	4 738	3 753	89 337	75 564

7. EQUITY ACCOUNTED INVESTEES (continued)

	2015 Mananga Sugar Packers E'000	2014 Mananga Sugar Packers E'000	2015 Simunye Plaza E'000	2014 Simunye Plaza E'000	2015 Quality Sugars E'000	2014 Quality Sugars E'000	2015 Total E'000	2014 Total E'000
Group (continued)								
Summary of unaudited financial information for equity accounted investees (continued):								
Revenue	836 013	667 883	5 799	5 241	84 934	46 195	926 746	719 319
Profit / (loss)	37 120	13 795	1 616	(26)	6 866	6 132	45 602	19 901
Group share of profit / (loss) for the year	18 560	6 898	404	(7)	1 716	1 533	20 680	8 424
Reconciliation of carrying amounts								
Opening Balance at 1 April	68 342	67 276	3 469	3 476	3 753	2 913	75 564	73 665
Group share of profit / (loss) for the year	18 560	6 898	404	(7)	1 716	1 533	20 680	8 424
Dividends paid	(5 176)	(5 832)	(1 000)	-	(731)	(693)	(6 907)	(6 525)
Closing balance at 31 March	81 726	68 342	2 873	3 469	4 738	3 753	89 337	75 564

8. LOANS RECEIVABLE

	Group 2015 E'000	Group 2014 E'000	Company 2015 E'000	Company 2014 E'000
Sugar cane development loans				
Amortised Cost	557	-	557	-
Less impairment	-	-	-	-
Balance at 31 March	557	-	557	-
Less portion disclosed under current assets	(557)	-	(557)	-
Total non-current portion	-	-	-	-

Sugar cane development loans bear interest at rates linked to the prime bank overdraft rate applicable in Swaziland. At year end the rate was 8.75% (2014 - 8.5%) per annum. The loans are repayable on demand. Capital and interest amounts are repayable from the proceeds of sugar cane delivered. The loans are measured at amortised cost using the effective interest method.

9. BIOLOGICAL ASSETS

9.1 Description of principal activities

Cane growing

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

The Group grows sugar cane on approximately 16 346 (2014 - 16 200) hectares of land leased from the Swazi Nation (refer note 3). The Group manages a further 4 286 (2014 - 4 222) hectares on behalf of the IYSIS/MSCO Sugar Partnership (refer note 31.1) and 796 (2014 – 796) hectares on behalf of Tibiyo Taka Ngwane. Fields are managed on a sustainable basis which comprise an average 108 month rotation. All growing cane is harvested in the following financial year.

The Company grows cane on approximately 11 700 (2014- 11 700) hectares of sugar cane on land leased from the Swazi Nation and 31 hectares on freehold land.

Citrus growing

Pursuant to the acquisition of the assets of the citrus division of Swazican Fruit Canners (Pty) Limited and its shares in Swazican Citrus (Pty) Ltd, in June 2012, the Company entered into a citrus supply agreement whereby approximately 190 hectares of land leased through Swazican Citrus (Pty) Ltd, has been retained by the Company for citrus growing in order to fulfil an annual supply contract for citrus produce.

Livestock rearing

The IYSIS partnership in which the Company acquired a 50% interest in 2009, engages in the farming of livestock and sale of meat products in the local and regional markets. At 31 March 2015, the partnership held 3 311 (2014 – 3 131) head of cattle.

9. BIOLOGICAL ASSETS (continued)

9.2 Reconciliation of carrying amounts of cane roots, citrus and growing cane

Group	2015 Cane roots E'000	2015 Citrus E'000	2015 Subtotal E'000	2014 Cane roots E'000	2014 Citrus E'000	2014 Subtotal E'000	2015 Growing cane E'000	2014 Growing cane E'000	2015 Total E'000	2014 Total E'000
Carrying amount at 1 April	207 046	2 690	209 736	191 085	3 703	194 788	433 017	441 904	642 753	636 692
Gain or (loss) arising from changes in fair values less estimated costs to sell attributable to physical changes	1 575	131	1 706	(110)	311	201	22 586	15 263	24 292	15 464
Gain or (loss) arising from changes in fair values less estimated costs to sell attributable to price changes	8 900	408	9 308	16 071	(1 324)	14 747	(35 370)	(24 150)	(26 062)	(9 403)
Carrying amount as at 31 March	217 521	3 229	220 750	207 046	2 690	209 736	420 233	433 017	640 983	642 753

9. BIOLOGICAL ASSETS (continued)

9.2 Reconciliation of carrying amounts of cane roots, citrus and growing cane

Company	2015 Cane roots E'000	2015 Citrus E'000	2015 Subtotal E'000	2014 Cane roots E'000	2014 Citrus E'000	2014 Subtotal E'000	2015 Growing cane E'000	2014 Growing cane E'000	2015 Total E'000	2014 Total E'000
Carrying amount at 1 April	142 880	2 690	145 570	126 964	3 703	130 667	316 889	324 171	462 459	454 838
Gain or (loss) arising from changes in fair values less estimated costs to sell attributable to physical changes	1 172	131	1 303	(102)	311	209	16 209	12 762	17 512	12 971
Gain or (loss) arising from changes in fair values less estimated costs to sell attributable to price changes	7 065	408	7 473	16 018	(1 324)	14 694	(25 756)	(20 044)	(18 283)	(5 350)
Carrying amount as at 31 March	151 117	3 229	154 346	142 880	2 690	145 570	307 342	316 889	461 688	462 459

9. BIOLOGICAL ASSETS (continued)

9.3 Reconciliation of carrying amounts of livestock

	Group 2015 E'000	Group 2014 E'000	Company 2015 E'000	Company 2014 E'000
Balance at 1 April	6 281	7 656	6 281	7 656
Purchases	3 337	4 043	3 337	4 043
Net increase due to births and deaths	2 232	7 342	2 232	7 342
Decrease due to sales	(4 812)	(12 760)	(4 812)	(12 760)
Balance at 31 March	7 038	6 281	7 038	6 281

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

Pricing and Currency risks
The Group 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 Swaziland Sugar Association which is then responsible for onward sale to local and foreign customers. The Swaziland Sugar Association does enter into derivative contracts to manage the risk of a decline in exchange rates.

Climate and other risks
The Group's sugar cane plantations are exposed to the risk of damage from climatic changes, diseases, and other natural forces. The Group has extensive processes in place aimed at monitoring and mitigating those risks, including regular pest and disease surveys. The Group is also insured against natural disasters.

9.5 Biological assets pledged as security

Cane roots and growing cane are pledged as security over borrowings. (Refer note 15.5 and note 19).

9.6 Measurement of fair value

The fair value measurements for cane roots, citrus and livestock have been categorised as level 3 fair values based on the inputs to valuation techniques 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.

9. BIOLOGICAL ASSETS (continued)

9.6 Measurement of fair value (continued)

	Group					Company				
	Cane roots E'000	Citrus E'000	Growing cane E'000	Livestock E'000	Total E'000	Cane roots E'000	Citrus E'000	Growing cane E'000	Livestock E'000	Total E'000
Carrying amount at 1 April	207 046	2 690	433 017	6 281	649 034	142 880	2 690	316 889	6 281	468 740
Purchases	-	-	-	3 337	3 337	-	-	-	3 337	3 337
Sales	-	-	-	(4 812)	(4 812)	-	-	-	(4 812)	(4 812)
Gain included in income										
- Change in fair value (realised)	-	-	-	-	-	-	-	-	-	-
- Change in fair value (unrealised)	10 475	539	(12 784)	-	(1 770)	8 237	539	(9 547)	-	(771)
- Net increase due to births and deaths	-	-	-	2 232	2 232	-	-	-	2 232	2 232
Gains included in OCI	-	-	-	-	-	-	-	-	-	-
Carrying amount at 31 March	217 521	3 229	420 233	7 038	648 021	151 117	3 229	307 342	7 038	468 726

9. BIOLOGICAL ASSETS (continued)

9.6 Measurement of fair value (continued)

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
Cane roots	The escalated average cost of each year of planting adjusted for the remaining expected life	• Ratoon profile (6-10 years)	The estimated fair value would increase/ (decrease) if: • Ratoons (estimated remaining life) were higher or (lower).
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 yields per hectare of sucrose.(90tc/h to 115tc/h). • Estimates contents of sucrose in cane.(13% to 14.5%). • Harvest age (8-12 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)

	Group 2015 E'000	Group 2014 E'000	Company 2015 E'000	Company 2014 E'000
10. INVENTORIES				
Raw materials	2 101	1 534	1 365	150
Consumables stores and spares	91 969	89 085	43 483	40 725
Finished goods and by products	9 798	1 701	9 797	1 701
	103 868	92 320	54 645	42 576
Write down of obsolete consumable stores and spares to net realisable value included in profit or loss	21 731	17 421	8 754	7 348
Inventories are pledged as security over borrowings. (Refer note 15.5 and note 19).				
11. TRADE AND OTHER RECEIVABLES				
Trade receivables	14 591	21 477	5 601	18 635
Related party receivables (note 33.1)	17 909	13 785	8 524	8 805
Prepayments	49 699	33 452	39 891	31 083
FEC asset	-	-	-	-
Other receivables	4 034	20 357	2 353	17 237
Less : impairment (note 32.2)	(1 032)	(1 044)	(466)	(468)
	85 201	88 027	55 903	75 292
Receivables are pledged as security for borrowings (Refer note 15.5 and note 19).				
12. CASH AND CASH EQUIVALENTS				
Bank balances	21 893	17 935	17 238	17 935
Cash on hand	248	121	99	41
Call deposit	613	889	613	889
	22 754	18 945	17 950	18 865
Bank overdraft	(21 541)	(9 516)	(4 291)	(1 155)
Per statement of cash flows	1 213	9 429	13 659	17 710

	Group 2015 E'000	Group 2014 E'000	Company 2015 E'000	Company 2014 E'000
13. SHARE CAPITAL AND PREMIUM				
13.1 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.				
13.2 Preference share redemption reserve	78 104	78 104	78 104	78 104
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.				
13.3 Dividends				
First Interim dividend for the year ended 31 March 2015 of 66.1 cents (2014 - 130.0 cents) per "A" and "B" ordinary shares.	63 685	125 250	63 685	125 250
Final dividend for the year ended 31 March 2015 of 69.35 cents (2014 - 98.4 cents) per "A" and "B" ordinary shares.	66 816	94 805	66 816	94 805
	130 501	220 055	130 501	220 055

14. 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 20 percent, calculated as profit after tax divided by shareholders' equity. For the current year, the return on shareholders' equity achieved was 14.0% (2014 – 23.6%). 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.

	Group 2015 E'000	Group 2014 E'000	Company 2015 E'000	Company 2014 E'000
15. LOANS AND BORROWINGS				
15.1 Unsecured loan payable in eight equal annual instalments bearing interest at 10% per annum.	126	214	126	214
15.2 Secured loan for acquisition of a 50% interest in a partnership operation. The loan is repayable in 10 half yearly instalments that commenced on 30 September 2012. The loan bore interest at the Swaziland prime rate, currently 8.75% (2014 – 8.5%), less 1.5%.	-	8 600	-	8 600
15.3 Secured loan for Simunye mill power plant upgrade. The loan is repayable over 14 half yearly instalments that commenced on 30 September 2012. The loan bears interest at the Swaziland prime rate, currently 8.75% (2014 – 8.5%), less 1.0%.	19 286	25 714	19 286	25 714
15.4 Secured loan for Simunye mill power plant upgrade. The loan is repayable over 14 half yearly instalments that commenced on 30 September 2012. The loan bears interest at the Swaziland prime rate, currently 8.75% (2014 – 8.5%), less 0.55%.	34 286	42 857	34 286	42 857
	53 698	77 385	53 698	77 385
Deduct : current portion included in current liabilities	(15 080)	(23 680)	(15 080)	(23 680)
Total non-current loans and borrowings	38 618	53 705	38 618	53 705

15.5 Loan securities

The loan in 15.2 was secured by a 1st deed of hypothecation over movable assets of E80 million registered on 26 April 2001 and a further deed of hypothecation over movable and immovable assets for E65 million registered on 2 June 2005.

The loan in 15.3 is secured by the following:

- A notarial general covering bond
- Deed of Hypothecation on a Pari Passu basis over all the assets of the Company
- Guarantees in favour of First National Bank Swaziland Limited by Mhlume (Swaziland) Sugar Company Limited and Royal Swazi Distillers (Proprietary) Limited
- Cessation of present and future crop proceeds

The loan in 15.4, which is part of a multi-option facility, is secured by the following:

- Deed of Hypothecation for E180 million in favour of Nedbank (Swaziland) Limited covering all of the moveable and incorporeal assets of the Company
- Unlimited cross guarantees between the Company and Mhlume (Swaziland) Sugar Company Limited
- Unlimited cross guarantees between the Company and Royal Swazi Distillers (Proprietary) Limited
- A negative pledge by the Company over inventory and accounts receivable, including an undertaking that the Company will not encumber immovable assets for the duration of the facility

A security sharing agreement covering loan and bank overdraft facilities (refer note 19) provided by First National Bank Swaziland Limited, Nedbank (Swaziland) Limited, Rand Merchant Bank, and Standard Bank Swaziland Limited is in place to cover common pledged assets.

16. EMPLOYEE BENEFIT LIABILITIES

	Group 2015 E'000	Group 2014 E'000	Company 2015 E'000	Company 2014 E'000
Retirement pay	49 123	51 039	27 755	28 404
Long service awards	4 241	3 724	2 681	2 340
Actuarially valued employee benefit liabilities	53 364	54 763	30 436	30 744
Long term incentive scheme	22 472	19 208	12 650	10 858
Total employee benefit liabilities	75 836	73 971	43 086	41 602
Deduct : current portion included in current liabilities	(10 702)	(9 194)	(6 022)	(5 212)
	65 134	64 777	37 064	36 390

Retirement pay

The Group provides retirement benefits for most of its employees through defined contribution plans (refer note 27). In addition, arrangements exist in respect of certain employees by which eligible employees receive benefits based on the length of permanent service. These benefits are unfunded and only payable to eligible employees on retirement. The liability is based on an actuarial valuation.

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 or twenty 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.

The results of an actuarial valuation of the retirement pay and long service awards liabilities at 31 March 2015 were as follows:

16. EMPLOYEE BENEFIT LIABILITIES (continued)	2015			2014		
	Retirement pay E'000	Long service awards E'000	Total E'000	Retirement pay E'000	Long service awards E'000	Total E'000
Retirement pay and long service award obligations - Group						
The amount recognised in the statement of financial position is determined as follows:						
Present value of obligation	49 123	4 241	53 364	51 039	3 724	54 763
Unrecognised actuarial gain	-	-	-	-	-	-
Liability recorded in statement of financial position	49 123	4 241	53 364	51 039	3 724	54 763
Movement in present value of the obligation:						
Opening liability	51 039	3 724	54 763	63 035	4 189	67 224
Included in profit or loss:						
- Current service cost	2 856	441	3 297	3 241	460	3 701
- Interest cost	4 568	354	4 922	4 540	302	4 842
	7 424	795	8 219	7 781	762	8 543
Included in OCI:						
- Actuarial (gain)/ loss recognised	(5 735)	4	(5 731)	(15 232)	(485)	(15 717)
Other:						
- Benefits paid	(3 605)	(282)	(3 887)	(4 545)	(742)	(5 287)
	49 123	4 241	53 364	51 039	3 724	54 763

16. EMPLOYEE BENEFIT LIABILITIES (continued)	2015			2014		
	Retirement pay E'000	Long service awards E'000	Total E'000	Retirement pay E'000	Long service awards E'000	Total E'000
Retirement pay and long service award obligations - Company						
The amount recognised in the statement of financial position is determined as follows:						
Present value of obligation	27 755	2 681	30 436	28 405	2 339	30 744
Unrecognised actuarial gain	-	-	-	-	-	-
Liability recorded in statement of financial position	27 755	2 681	30 436	28 405	2 339	30 744
Movement in present value of the obligation:						
Opening liability	28 405	2 339	30 744	34 442	2 664	37 106
Included in profit or loss:						
- Current service cost	1 759	289	2 048	2 046	304	2 350
- Interest cost	2 551	219	2 770	2 498	195	2 693
	4 310	508	4 818	4 544	499	5 043
Included in OCI:						
- Actuarial (gain)/ loss recognised	(2 980)	114	(2 866)	(8 652)	(397)	(9 049)
Other:						
- Benefits paid	(1 980)	(280)	(2 260)	(1 929)	(427)	(2 356)
Closing liability	27 755	2 681	30 436	28 405	2 339	30 744

16. EMPLOYEE BENEFIT LIABILITIES (continued)	Group 2015 E'000	Group 2014 E'000	Company 2015 E'000	Company 2014 E'000
Retirement pay and long service award obligations - (continued)				
The principal actuarial assumptions used were as follows:				
Discount rate	7.80%	8.80%	7.80%	8.80%
Future salary increases	5.00%	6.50%	5.00%	6.50%
17. TRADE AND OTHER PAYABLES				
Trade payables	195 366	155 027	125 423	90 690
Related party payables (note 33.1)	12 686	19 242	264 500	270 514
Retentions	6 154	6 231	6 036	5 835
FEC liability	-	-	-	-
Other payables	8 890	12 914	5 242	8 260
	223 096	193 414	401 201	375 299
18. SHORT TERM EMPLOYEE BENEFITS				
Employee bonuses	45 898	28 373	27 372	16 191
Leave pay accrual	19 584	14 431	14 428	9 678
Other	6 836	2 153	4 764	2 153
	72 318	44 957	46 564	28 022
Current portion of long term employee benefits (note 16)	10 702	9 194	6 022	5 212
	83 020	54 151	52 586	33 234

19. BANK OVERDRAFT

Bank overdraft facilities of the Company and its subsidiary, Mhlume (Swaziland) Sugar Company Limited are secured by :

- Deeds of Hypothecation not exceeding E265 million over movable and incorporeal assets of the Company
- Cession of present and future crop proceeds
- Cross guarantees for an unlimited amount between Mhlume (Swaziland) Sugar Company Limited and The Royal Swaziland Sugar Corporation Limited, and Royal Swazi Distillers (Proprietary) Limited
- Negative pledge over movable and immovable property

	Group 2015 E'000	Group 2014 E'000	Company 2015 E'000	Company 2014 E'000
20. REVENUE				
Inter group sucrose sales	-	-	102 152	88 239
Sale of sugar for the year	2 340 827	2 423 620	1 197 781	1 281 487
Final price adjustment for previous year from Swaziland Sugar Association	2 758	22 719	(1 055)	8 711
	2 343 585	2 446 339	1 298 878	1 378 437
Ethanol sales	264 335	251 104	264 335	251 104
Other sales	27 962	31 061	22 317	24 637
	2 635 882	2 728 504	1 585 530	1 654 178
21. OTHER INCOME				
Dividends received	-	-	149 588	6 525
Rental income	22 268	19 785	11 133	9 020
Management fees	9 408	4 619	1 610	2 971
Other	15 567	11 682	7 990	7 112
	47 243	36 086	170 321	25 628
22. OPERATING PROFIT				
The operating profit for the year is stated after charging/ (crediting) the following :				
Auditors' remuneration				
- current year	492	1 215	300	700
- prior year	976	748	587	475
- other services	1 140	485	601	203
- disbursements	206	251	116	148
Amortisation of intangible assets (note 5)	144	144	144	144
Depreciation of property, plant and equipment (note 3)	133 762	128 098	88 295	75 976
Impairment reversal of property, plant and equipment (note 3)	(61)	(121)	(61)	(121)
Directors' emoluments				
- for services as directors	2 730	2 460	2 730	2 460
- for other services	7 643	6 940	7 643	6 940
- expenses	860	316	860	316
Leasehold property rentals (note 34)	2 071	2 610	2 071	2 610
Loss on disposal of property, plant and equipment	1 389	711	1 414	824

	Group 2015 E'000	Group 2014 E'000	Company 2015 E'000	Company 2014 E'000
23. STAFF COSTS				
Salaries, wages, and incentive scheme accruals	527 511	471 011	286 091	249 766
Contributions to defined contribution plans	20 352	19 508	10 465	10 327
Expense related to defined benefit plan (note 16)	8 219	8 543	4 818	5 043
Increase/ (decrease) in liability for leave pay	5 153	(3 545)	4 750	(2 012)
	561 235	495 517	306 124	263 124
24. NET FINANCE COSTS				
Interest income on cash and cash equivalents	10 510	11 108	6 945	5 860
Net foreign exchange gain	6 990	1 414	6 990	1 414
Finance income	17 500	12 522	13 935	7 274
Interest expense on financial liabilities measured at amortised cost	(7 956)	(8 136)	(7 253)	(8 757)
Net finance income/(costs) recognised in profit or loss	9 544	4 386	6 682	(1 483)
25. INCOME TAXES				
25.1 Amounts recognised in profit or loss				
Current tax expense				
Swaziland current tax				
– current year	85 321	120 897	42 647	78 036
– adjustments for prior years	-	-	-	-
	85 321	120 897	42 647	78 036
Deferred tax				
– origination and reversal of temporary differences	(3 421)	14 794	566	10 695
– adjustments for prior years	27	(241)	27	-
	(3 394)	14 553	593	10 695
Total tax expense from continuing operations	81 927	135 450	43 240	88 731
25.2 Amounts recognised in OCI				
Deferred tax charge on measurement of defined benefit liability	1 576	4 322	788	2 488
25.3 Tax rate reconciliation				
	%	%	%	%
Tax expense as a percentage of profit before tax (excluding equity accounted investees)	27.9	27.7	14.4	27.6
Effect of dividend income	-	-	13.6	0.5
Effect of other non-qualifying items	(0.4)	(0.2)	(0.5)	(0.6)
Effect of prior year deferred tax liability overprovision/ (underprovision)	-	-	-	-
Standard rate of tax	27.5	27.5	27.5	27.5

	Group 2015 E'000	Group 2014 E'000	Company 2015 E'000	Company 2014 E'000
25. INCOME TAXES (continued)				
25.4 Recognised deferred tax assets and liabilities				
Deferred tax assets				
Property, plant and equipment	275	253	-	-
Inventories	5 976	4 791	2 407	2 021
Defined benefit obligations	13 938	15 060	7 633	8 454
Employee bonuses, employee leave and other provisions	27 011	17 808	17 227	10 855
Income in advance	5 159	2 810	5 158	2 810
Other provisions	1 374	-	784	-
Deferred tax assets before set off	53 733	40 722	33 209	24 140
Set off against deferred tax liabilities	(53 458)	(40 469)	(33 209)	(24 140)
Deferred tax asset after set off	275	253	-	-
Deferred tax liabilities				
Property, plant and equipment	193 122	185 100	136 128	126 948
Intangible assets	509	522	509	521
Biological assets	166 925	167 028	117 619	117 447
Agricultural consumable stores	5 084	6 250	2 355	3 559
Prepayments	12 875	8 422	10 478	8 164
Deferred tax liabilities before set off	378 515	367 322	267 089	256 639
Deferred tax assets set off	(53 458)	(40 469)	(33 209)	(24 140)
Deferred tax liabilities after set off	325 057	326 853	233 880	232 499
Overall net deferred tax liabilities	324 782	326 600	233 880	232 499
Movement in net deferred tax liability				
Opening net deferred tax liability	326 600	307 725	232 499	219 316
Recognised in profit or loss (note 25.1)	(3 394)	14 553	593	10 695
Recognised in OCI (note 25.2)	1 576	4 322	788	2 488
Closing net deferred tax liability	324 782	326 600	233 880	232 499

	Group 2015 E'000	Group 2014 E'000	Company 2015 E'000	Company 2014 E'000
26. EARNINGS PER SHARE				
Group basic and diluting earnings per share is based on profit attributable to ordinary shareholders of E230 059 242 (2014: E360 372 822) and 96 346 320 (2014: 96 346 320) weighted ordinary shares in issue.				
Company basic and diluted earnings per share is based on profit attributable to ordinary shareholders of E258 122 570 (2014: E232 933 062) and 96 346 320 (2014: 96 346 320) weighted ordinary shares in issue.				
Basic and diluted earnings per share (cents)	238.8	374.0	267.9	241.8
Due to the fact that there are no potential diluting instruments, basic and diluted earnings per share are the same.				

27. RETIREMENT BENEFIT INFORMATION

All permanent employees are members of pension or provident funds which are defined contribution 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 23).

	Group 2015 E'000	Group 2014 E'000	Company 2015 E'000	Company 2014 E'000
28. CAPITAL COMMITMENTS				
Approved by the directors:				
Contracted for	26 943	30 763	21 489	29 797
Not contracted for	281 709	229 939	238 045	196 331
	308 652	260 702	259 534	226 128

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 next and subsequent financial years.

29. CONTINGENT LIABILITIES

As part of the banking facilities the Company and its subsidiary company are liable for the following guarantees:

	Company		Subsidiary	
	Group 2015 E'000	Group 2014 E'000	Company 2015 E'000	Company 2014 E'000
Customs and Excise	2 000	2 000	-	-
Swaziland Government - Labour	60	60	75	75
Swaziland Government – Sales tax	275	275	-	-
Swaziland Government – General Bond	70	70	6	6
South African Revenue Service - VAT	550	550	-	-

29. CONTINGENT LIABILITIES (Continued)

The Company is defending a number of actions brought by former employees and suppliers. 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, joint ventures and joint operations that the Group has interests in.

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

30.	NOTES TO THE STATEMENT OF CASH FLOWS	Group 2015 E'000	Group 2014 E'000	Company 2015 E'000	Company 2014 E'000
30.1	Cash generated by operations				
	Profit before taxation	311 986	495 822	301 362	321 664
	Adjusted for:				
	Depreciation	133 762	128 098	88 295	75 976
	Impairment (reversal)/ losses on property, plant and equipment	(61)	(121)	(61)	(121)
	Amortisation of intangible assets	144	144	144	144
	Decrease / (increase) in fair value of biological assets - cane roots, citrus, and growing cane	1 770	(6 061)	771	(7 621)
	(Increase)/ decrease in fair value of biological assets - livestock	(757)	1 375	(757)	1 375
	Increase in non-current employee benefits	7 596	5 601	4 350	3 933
	Loss on disposal of property, plant and equipment	1 389	711	1 414	824
	Dividend income	-	-	(149 588)	(6 525)
	Finance income	(10 510)	(11 108)	(6 945)	(5 860)
	Finance costs	7 956	8 136	7 253	8 757
	Unrealised currency gain	750	(1 515)	750	(1 515)
	Share of associated company net profit	(20 680)	(8 424)	-	-
	Operating cash flows before movement in working capital	433 345	612 658	246 988	391 031
	Movement in working capital				
	(Increase)/ decrease in inventory	(11 548)	7 049	(12 069)	13 145
	Decrease in trade and other receivables	2 826	35 427	19 389	5 854
	Increase / (decrease) in trade and other payables	29 682	(23 504)	25 902	166 644
	Increase/ (decrease) in short term employee benefits	27 361	(25 238)	18 542	(11 632)
		481 666	606 392	298 752	565 042
30.2	Taxation paid				
	Balance owing at 1 April	44 285	95 622	44 161	60 521
	Current tax charge per statement of comprehensive income (note 25.1)	85 321	120 897	42 647	78 036
	Balance owing at 31 March	(20 661)	(44 285)	(4 037)	(44 161)
	Cash amount paid	108 945	172 234	82 771	94 396
30.3	Dividends paid				
	Balance at 1 April	95 423	137 302	95 423	137 302
	Declared during the year (note 13.3)	130 501	220 055	130 501	220 055
	Balance at 31 March	(67 499)	(95 423)	(67 499)	(95 423)
	Cash amount paid	158 425	261 934	158 425	261 934

31. INTERESTS IN JOINT OPERATIONS	Group 2015 E'000	Group 2014 E'000	Company 2015 E'000	Company 2014 E'000
31.1 IYSIS/MSCO Sugar Partnership				
The Group, through its subsidiary Mhlume (Swaziland) Sugar Company Limited ("MSCo"), holds a 20% interest in the IYSIS/MSCO Sugar Partnership, whereby MSCo manages the growing of sugar cane on behalf of and on land leased by Inyoni Yami Swaziland Irrigation Scheme ("IYSIS") in return for a 20% share of all profits or losses derived from operations (see note 31.2).				
The consolidated results include the following amounts relating to the Group's effective interest in the joint operation:				
Statement of comprehensive income				
Share of pre-tax operating profit*	8 886	12 366	-	-
Current liabilities				
Amounts due to partners	15 299	17 094	-	-
Current assets				
Biological assets	26 943	27 209	-	-
**The Partnership is not a taxable entity hence no tax is provided for in the financial statements of the Partnership. The Partnership does not present cash flow information as all cash flows are borne by a subsidiary company in terms of the management agreement.*				
31.2 Inyoni Yami Swaziland Irrigation Scheme ("IYSIS")				
The Company holds a 50% interest in the Inyoni Yami Swaziland Irrigation Scheme. This is a partnership with operations in the lowveld of Swaziland (see note 33).				
The results include the following amounts relating to the Company's interest in the partnership:				
Statement of comprehensive income				
Share of pre-tax operating profit*	15 538	22 589	15 538	22 589
Statement of financial position				
Non-current assets	37 976	29 556	37 976	29 556
Current assets	84 110	87 761	84 110	87 761
Non-current liabilities	(227)	(227)	(227)	(227)
Current liabilities	(55 500)	(55 142)	(55 500)	(55 142)
Interest in partnership equity	66 359	61 948	66 359	61 948

31. INTERESTS IN JOINT OPERATIONS (Continued)	Group 2015 E'000	Group 2014 E'000	Company 2015 E'000	Company 2014 E'000
31.2 Inyoni Yami Swaziland Irrigation Scheme ("IYSIS") (Continued)				
Statement of cash flows				
Cash generated by operating activities	19 962	8 506	19 962	8 506
Cash outflows from investing activities	(7 451)	(3 623)	(7 451)	(3 623)
	12 511	4 883	12 511	4 883
Distribution of profits to partners	(11 127)	(16 029)	(11 127)	(16 029)
Net increase / (decrease) in cash and cash equivalents	1 384	(11 146)	1 384	(11 146)
Cash and cash equivalents at beginning of the year	973	12 119	973	12 119
Cash and cash equivalents at end of the year	2 357	973	2 357	973
The Partnership is not a taxable entity hence no tax is provided for in the financial statements of the Partnership.				

32. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

32.1 Accounting classification and fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	Note	Carrying amount 2015 E'000	Fair value 2015 E'000	Carrying amount 2014 E'000	Fair value 2014 E'000
Group					
Financial assets measured at fair value					
- Forward exchange contract asset	11	-	-	-	-
Financial assets not measured at fair value					
- Trade and other receivables	11	35 502	35 502	54 575	54 575
- Loans receivable	8	557	557	-	-
- Cash and cash equivalents	12	22 754	22 754	18 945	18 945
		58 813	58 813	73 520	73 520
Financial liabilities measured at fair value	17				
- Forward exchange contract liability		-	-	-	-
Financial liabilities not measured at fair value					
- Bank loans	15	(53 572)	(53 572)	(77 171)	(77 171)
- Other loans	15	(126)	(128)	(214)	(214)
- Bank overdraft	12	(21 541)	(21 541)	(9 516)	(9 516)
- Trade and other payables	17	(223 096)	(223 096)	(193 414)	(193 414)
		(298 335)	(298 337)	(280 315)	(280 315)

32. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (continued)

32.1 Accounting classification and fair values (continued)

Fair values versus carrying amounts (continued)

	Note	Carrying amount 2015 E'000	Fair value 2015 E'000	Carrying amount 2014 E'000	Fair value 2014 E'000
Company					
Financial assets measured at fair value					
- Forward exchange contract asset	11	-	-	-	-
Financial assets not measured at fair value					
- Trade and other receivables	11	16 012	16 012	44 209	44 209
- Loans receivable	8	557	557	-	-
- Cash and cash equivalents	12	17 950	17 950	18 865	18 865
		34 519	34 519	63 074	63 074
Financial liabilities measured at fair value					
- Forward exchange contract liability	17	-	-	-	-
Financial liabilities not measured at fair value					
- Bank loans	15	(53 572)	(53 572)	(77 171)	(77 171)
- Other loans	15	(126)	(128)	(214)	(214)
- Bank overdraft	12	(4 291)	(4 291)	(1 155)	(1 155)
- Trade and other payables	17	(401 201)	(401 201)	(375 299)	(375 299)
		(459 190)	(459 192)	(453 839)	(453 839)

The value of all derivative financial instruments (forward exchange contracts), which are level 2 financial instruments, has been determined based on unquoted but observable data as supplied by the Company's bankers.

32.2 Financial risk management

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

- Credit risk
- Liquidity risk
- 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 Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board 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 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 Audit 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.

32. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (continued)

32.2 Financial risk management (continued)

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.

The carrying amount of financial assets represents the maximum credit exposure.

Trade and other receivables

Sugar produced by the Group's mills is sold to the Swaziland Sugar Association (SSA). This represents approximately 89% of the Group's revenue (2014- 90%). The regulations of the Sugar Industry in Swaziland are such that the mills are paid weekly for sugar produced.

Ethanol, which accounts for 10% of the Group's revenue (2014 – 9%) 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.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

Cash and cash equivalents

The Group invests available cash and cash equivalents with reputable financial institutions as well as retaining surplus cash from sugar proceeds with the Swaziland Sugar Association. Investment returns on such retentions are higher than those offered by commercial banks.

Based on the above the Group has no significant concentration of credit risk.

	Group 2015 E'000	Group 2014 E'000	Company 2015 E'000	Company 2014 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	35 502	54 575	16 012	44 209
Loans receivable	557	-	557	-
Cash and cash equivalents	22 754	18 945	17 950	18 865
	58 813	73 520	34 519	63 074
The maximum exposure to credit risk for trade and other receivables at the reporting date by geographic region was:				
Domestic	35 502	43 593	16 012	33 227
Europe	-	-	-	-
South Africa	-	10 982	-	10 982
	35 502	54 575	16 012	44 209
The maximum exposure to credit risk for trade and other receivables at the reporting date by type of customer was:				
Sugar debtors	25 523	15 912	11 472	12 923
Ethanol debtors	-	10 982	-	10 982
Other	9 979	27 681	4 540	20 304
	35 502	54 575	16 012	44 209

32. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (continued)

32.2 Financial risk management (continued)

	Group 2015 E'000	Group 2014 E'000	Company 2015 E'000	Company 2014 E'000
The maximum exposure to credit risk for trade and other receivables at the reporting date by type of counterparty was:				
Swaziland Sugar Association	5 679	4 227	2 559	4 227
Ethanol customers	-	10 982	-	10 982
Related parties	17 909	13 785	8 524	8 805
Other	11 914	25 581	4 929	20 195
	35 502	54 575	16 012	44 209
Impairment				
The ageing of trade and other receivables at the reporting date was:				
Not past due	35 502	54 575	16 012	44 209
Past due over 90 days	1 302	1 044	466	468
Impairment on past due receivables	(1 032)	(1 044)	(466)	(468)
	35 502	54 575	16 012	44 209
The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:				
Balance at 1 April	1 044	1 554	468	826
Impairment loss (reversed)/ recognised	(12)	(510)	(2)	(358)
Balance at 31 March	1 032	1 044	466	468
The impairment loss allowance at 31 March 2015 relates to numerous individually insignificant customers who failed to honour their past due debts.				
The movement in the allowance for impairment in respect of loans receivable during the year was as follows:				
Balance at 1 April	-	-	-	-
Provisions used for write-off	-	-	-	-
Balance at 31 March	-	-	-	-

32. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (continued)

32.2 Financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group'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 Group's reputation.

The cane crushing season commences in April of each year and ends in December. During this period the Group'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 Group'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 Group had overdraft facilities of E110.1 million to cover the operations of the Company and its subsidiary, Mhlume (Swaziland) Sugar Company Limited. Interest is payable at rates linked to the Swaziland prime rate (currently 8.75%) less 1%.

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
2015 Group					
Non derivative financial liabilities					
Bank loans	53 572	(63 226)	(18 660)	(44 566)	-
Other unsecured loans	126	(145)	(93)	(52)	-
Trade and other payables	223 096	(223 096)	(223 096)	-	-
Bank overdraft	21 541	(21 541)	(21 541)	-	-
Derivative financial liabilities					
Forward exchange contracts	-	-	-	-	-
	298 335	(308 008)	(263 390)	(44 618)	-

32. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (continued)

32.2 Financial risk management (continued)

Liquidity risk (continued)

	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
2014 Group					
Non derivative financial liabilities					
Bank loans	77 171	(94 109)	(30 041)	(64 068)	-
Other unsecured loans	214	(255)	(101)	(154)	-
Trade and other payables	193 414	(193 414)	(193 414)	-	-
Bank overdraft	9 516	(9 516)	(9 516)	-	-
Derivative financial liabilities					
Forward exchange contracts	-	-	-	-	-
	280 315	(297 294)	(233 072)	(64 222)	-
2015 Company					
Non derivative financial liabilities					
Bank loans	53 572	(63 226)	(18 660)	(44 566)	-
Other unsecured loans	126	(145)	(93)	(52)	-
Trade and other payables	401 201	(401 201)	(401 201)	-	-
Bank overdraft	4 291	(4 291)	(4 291)	-	-
Derivative financial liabilities					
Forward exchange contracts	-	-	-	-	-
	459 190	(468 863)	(424 245)	(44 618)	-
2014 Company					
Non derivative financial liabilities					
Bank loans	77 171	(94 109)	(30 041)	(64 068)	-
Other unsecured loans	214	(255)	(101)	(154)	-
Trade and other payables	375 299	(375 299)	(375 299)	-	-
Bank overdraft	1 155	(1 155)	(1 155)	-	-
Derivative financial liabilities					
Forward exchange contracts	-	-	-	-	-
	453 839	(470 818)	(406 596)	(64 222)	-

32. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (continued)

32.2 Financial risk management (continued)

Liquidity risk (continued)

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

Certain loans as disclosed in note 15 contain loan covenants with minimum or maximum levels of debt/equity, interest cover, asset cover, and dividend pay-out. The Group ratios are 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 Group 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 Group is exposed to currency risk directly and indirectly as follows:

- Indirectly, on sugar sales by the Swaziland Sugar Association (SSA) 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
- Directly, on balances denominated in foreign currencies

The Group has no direct influence on the risk arising from sugar sales by the SSA. The SSA 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 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.

32. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (continued)

32.2 Financial risk management (continued)

Market risk (continued)

Currency risk (continued)

Exposure to currency risk

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

	Group		Group		Company		Company	
	Foreign amount		Emalangeni		Foreign amount		Emalangeni	
	2015 '000	2014 '000	2015 '000	2014 '000	2015 '000	2014 '000	2015 '000	2014 '000
Euro cash in bank	845	241	10 700	3 412	845	241	10 700	3 412
US Dollar cash in bank	331	710	3 887	7 279	331	710	3 887	7 279
US Dollar trade payable	478	478	5 609	5 211	478	478	5 609	5 211
Euro Forward exchange contracts (inflows)	-	-	-	-	-	-	-	-
US Dollar Forward exchange contracts (inflows)	-	-	-	-	-	-	-	-

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

	Reporting date Bank buying rate		Reporting date Bank selling rate	
	2015	2014	2015	2014
USD 1	11.74	10.25	12.59	10.94
GBP 1	17.35	17.06	18.61	18.16
EURO 1	12.66	14.14	13.58	15.04

	Average rate	
	2015	2014
USD 1	11.07	8.49
GBP 1	17.82	10.12
EURO 1	13.98	16.11

Sensitivity Analysis

A 10% strengthening of the Lilangeni against the following currencies at 31 March would have increased/ (decreased) 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 2014. There is no additional impact on equity.

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. There is no additional impact on equity.

32. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (continued)

32.2 Financial risk management (continued)

Market risk (continued)

Currency risk (continued)

Exposure to currency risk (continued)

	Group 2015 E'000	Group 2014 E'000	Company 2015 E'000	Company 2014 E'000
USD	172	984	172	984
Euro	(1 070)	(341)	(1 070)	(341)
GBP	-	-	-	-

Interest rate risk

The Group does not have a formal policy to manage exposure to changes in interest rates. Management do however monitor interest rate trends on an ongoing basis.

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

	Group 2015 E'000	Group 2014 E'000	Company 2015 E'000	Company 2014 E'000
Profile				
Fixed rate instruments				
Financial liabilities	(126)	(214)	(126)	(214)
Variable rate instruments				
Financial assets – call deposits	613	889	613	889
Financial liabilities	(75 113)	(86 687)	(57 863)	(78 326)
	(74 500)	(85 798)	(57 250)	(77 437)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and financial liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

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 by the amounts shown below. There is no additional impact on equity. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2014.

	Group		Company	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 March 2015				
Net cash flow sensitivity of variable rate instruments	(1 466)	1 466	(1 076)	1 076
31 March 2014				
Net cash flow sensitivity of variable rate instruments	(1 360)	1 360	(1 236)	1 236

33. 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 7
- subsidiary and associate companies as stated in notes 6 and 7

A subsidiary company has entered into a partnership agreement with Inyoni Yami Swaziland Irrigation Scheme ("IYSIS") an organisation controlled by Tibiyo Taka Ngwane and the Company for the cultivation of sugar cane and the leasing of residential and commercial property on land leased by IYSIS. (refer to note 31.1). In addition IYSIS 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 are on an arms' length basis and 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 reimbursive expenditure is recouped from related parties.

33.1 Related party balances

The Group, in the ordinary course of business, transacts with related parties on the same terms and conditions applicable to third parties.

	Group 2015 E'000	Group 2014 E'000	Company 2015 E'000	Company 2014 E'000
Amounts owing by related parties				
The following amounts are due from related parties at year end:				
IYSIS/MSCO Sugar Partnership	15 639	11 685	7 650	8 547
IYSIS	391	1 416	-	-
Mananga Sugar Packers (Proprietary) Limited	1 317	575	11	-
Mhlume (Swaziland) Sugar Company Limited	-	-	421	149
Mhlume Country Club	120	-	-	-
Simunye Plaza	297	109	297	109
Tsb Sugar International (Proprietary) Limited	145	-	145	-
	17 909	13 785	8 524	8 805
Amounts owing to related parties				
IYSIS/MSCO Sugar Partnership	-	-	23 288	20 232
IYSIS	421	148	-	-
Mhlume (Swaziland) Sugar Company Limited	-	-	227 699	238 266
Mhlume Water	591	2 297	-	-
Royal Swazi Distillers (Proprietary) Limited	-	-	11 025	10 072
Tibiyo Taka Ngwane	11 416	16 553	2 230	1 700
Tsb Sugar International (Proprietary) Limited	258	244	258	244
	12 686	19 242	264 500	270 514

33. RELATED PARTIES (continued)

33.2 Related party transactions

	Group 2015 E'000	Group 2014 E'000	Company 2015 E'000	Company 2014 E'000
Transactions are on an arms' length basis and include the following un-eliminated transactions:				
Share of IYSIS/MSCO Sugar partnership profit	8 887	12 366	-	-
Share of IYSIS partnership profit	15 538	22 589	15 538	22 589
Water cost paid to Mhlume Water	53	184	53	184
Mhlume Water - water charged to IYSIS	(8)	33	(8)	33
Mhlume Water – water charged to IYSIS/MSCO Sugar partnership	2 028	2 094	1 352	1 396
Mhlume Water – water `charged to Mhlume (Swaziland) Sugar Company Ltd	2 407	4 147	-	-
Interest paid - Royal Swazi Distillers (Proprietary) Limited	-	-	(795)	(723)
Management, marketing and technical fees (paid)/ received:				
- Tsb Sugar International (Proprietary) Limited	(3 099)	(2 929)	(3 099)	(2 929)
- Mhlume Water	1 044	1 013	1 044	1 013
- Mananga Sugar Packers (Proprietary) Limited	339	271	677	541
- Tibiyo Taka Ngwane	3 145	4 236	1 192	1 258
	1 429	2 591	(186)	(117)

Directors' emoluments are disclosed in note 22.

		Group 2015 E'000	Group 2014 E'000	Company 2015 E'000	Company 2014 E'000
33.	**RELATED PARTIES (continued)**				
33.3	Compensation for key management personnel				
	Short term benefits	16 199	16 954	9 233	16 954
	Other long term employee benefits	7 632	5 173	4 350	5 173
		23 831	22 127	13 583	22 127
33.4	Related party contingent liabilities and commitments				
	Related party contingent liabilities and commitments are disclosed in note 29.				
33.5	Impairments				
	There are no impairments on amounts due from related parties.				
34.	**OPERATING LEASES**				
	Where the Group is a lessee				
	Future operating lease commitments in respect of operating leases outstanding at year end were as follows:				
	Payable within one year of reporting date	2 230	1 937	2 230	1 937
	More than one year and less than five years from reporting date	9 014	8 583	9 014	8 583
	Five years or more from reporting date	19 697	22 106	19 697	22 106
		30 941	32 626	30 941	32 626

The Group leases land as detailed in note 3. Additionally the Group also leases farms for cane growing purposes, and residential and office property for certain employees working on the leased farms.

The residential and office leases run, typically, for one year with an option to renew. The lease payments are reviewed annually with escalations either being fixed or linked to inflation.

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

35. IMPACT OF CHANGES IN DISCLOSURE RECLASSIFICATIONS

During the year the Group and Company reclassified the following line items on the statements of profit and loss and other comprehensive income.

Consolidated statement of profit or loss and other comprehensive income

	As previously reported E'000	Reclassification E'000	As restated E'000
Revenue	2 716 035	12 469	2 728 504
Cost of sales	(1 975 981)	(13 971)	(1 989 952)
Change in fair value of biological assets	4 686	-	4 686
Other income	31 002	5 084	36 086
Distribution expenses	(20 736)	-	(20 736)
Administration expenses	(271 994)	(3 582)	(275 576)
Finance income	12 522	-	12 522
Finance costs	(8 136)	-	(8 136)
Share of profit of equity accounted associate companies (net of income tax)	8 424	-	8 424
Income tax expense	(135 450)	-	(135 450)
Profit attributable to owners of the Company	360 372	-	360 372
Remeasurements of defined benefit liabilities	15 717	-	15 717
Related tax	(4 322)	-	(4 322)
Other comprehensive income, net of tax	11 395	-	11 395
Total comprehensive income for the year attributable to owners of the Company	371 767	-	371 767
Basic and diluted earnings per share (cents)	374.0	-	374.0

35. IMPACT OF CHANGES IN DISCLOSURE RECLASSIFICATIONS

Statement of profit or loss and other comprehensive income - Company

	As previously reported E'000	Reclassification E'000	As restated E'000
Revenue	1 622 048	32 130	1 654 178
Cost of sales	(1 143 914)	(33 626)	(1 177 540)
Change in fair value of biological assets	6 246	-	6 246
Other income	24 597	1 031	25 628
Distribution expenses	(20 736)	-	(20 736)
Administration expenses	(165 094)	465	(164 629)
Finance income	7 274	-	7 274
Finance costs	(8 757)	-	(8 757)
Income tax expense	(88 731)	-	(88 731)
Profit attributable to owners of the Company	232 933	-	232 933
Remeasurements of defined benefit liabilities	9 049	-	9 049
Related tax	(2 488)	-	(2 488)
Other comprehensive income, net of tax	6 561	-	6 561
Total comprehensive income for the year attributable to owners of the Company	239 494	-	239 494
Basic and diluted earnings per share (cents)	241.8	-	241.8

Mission

RSSC will be a leading producer and marketer of sugar and renewable energy.

Innovation, investment and growth
Highly competent and motivated people
Adopting high standards of corporate governance
Working in an efficient, sustainable and environmentally conscious manner

Values

RSSC shares the following important and lasting ideals and beliefs:

Integrity:
We are fair, honest and open

Delivery:
We meet our targets and deadlines

Respect:
We respect, value and care for our people

Corporate Objective

To maintain the Return on Stakeholders Equity (ROSE) at a sustainable 20%

SIMUNYE SUGAR ESTATE

P.O Box 1, Simunye
Tel: +268 23134000
Fax: +268 23838171

MHLUME SUGAR ESTATE

P.O Box 1, Mhlume
Tel: +268 23134000
Fax: +268 23131309

Email: info@rssc.co.sz
sugarmarketing@rssc.co.sz
ethanolmarketing@rssc.co.sz