ESWATINI CANE GROWERS ASSOCIATION

ECGA®

"Cane For Growth"

ANNUAL REPORT

FOR THE YEAR ENDED MARCH

2025

Cane for Growth

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Cane for Growth

OUR VALUES

INTEGRITY

BEST AND SOLE INTEREST OF ECGA

POSITIVE INFLUENCE AND ENGAGEMENT

MAXIMIZING VALUE FROM RESOURCES

CONTINUOUS IMPROVEMENT

DRIVE FOR RESULTS

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LIST OF ABBREVIATIONS

ACC-	Anti-corruption Commission
AGM	Annual General Meeting
BE	Business Eswatini
CEO	Chief Executive Officer
CTCN	Climate Technology Centre and Network
DWA	Department of Water Affairs
EBH	Eswatini Business Health
ECC	Eswatini Competition Commission
ERS	Eswatini Revenue Service
ET	Evapotranspiration
ESERA	Eswatini Energy Regulatory Authority
ESA	Eswatini Sugar Association
ExCo	Executive Committee
GIT	Graduate-in-Training
Ha	Hectare
IRC	Independent Review Committee
ISO	International Sugar Organization
GSM	Grower Support Manager
LAB	Labour Advisory Board
LTM	Long Term Mean
LSG	Large Scale Grower
MCP	Miller-cum-Planter
MEC	Marketing Executive Committee
MSG	Medium Scale Grower
PG	Planters' Group
PPE	Personal Protective Equipment
SACU	Southern African Customs Union
SPV	Special Purpose Vehicle
SSG	Small Scale Grower
TLC	The Luke Commission
TSH	Tonnes Sucrose per Hectare
VIF	Vuvulane Irrigated Farms
WABCG	World Association of Beet and Cane Growers
YoY	Year on Year

1 ABOUT THIS REPORT

1.1 REPORTING BOUNDARY

This report covers the operations of the Eswatini Cane Growers Association (ECGA) Executive Committee (ExCo) and Office. Elements of higher-level member performance are covered to the extent that it reflects a collective status of members. Individual member performance, status and projection are not part of the Report. The Report is organised around the ECGA Strategic Plan for the period **1 April 2021 to 31 March 2026**.

The role of the ECGA is anchored around cane grower representation, advocacy, and support. The service provided by ECGA is limited to general matters that affect cane growers as a collective. Technical and processing support to individual cane growers is outside the scope of this report. The Report also covers collective grower production statistics which in strict terms is outside the primary scope of the Association.

The definition of the cane grower is based on the Cane Growers Act of 1967 (as amended) wherein a grower definition confines itself to all entities or persons legally growing sugarcane in Eswatini with explicit exclusion of cane growing areas owned by the Miller (hereafter referred to as Miller-Cum-Planter, MCP). Any use of MCP data is included only to give context to the status of growers in the industry. This limitation to growers not owned by Millers does result in slight differences in the statistics herein and those reported by other sugarcane industry players. Furthermore, the impact of matters reported here may affect other role players differently hence, slight differences and emphasis do not necessarily constitute contradiction but rather differences in scope of focus and perspective.

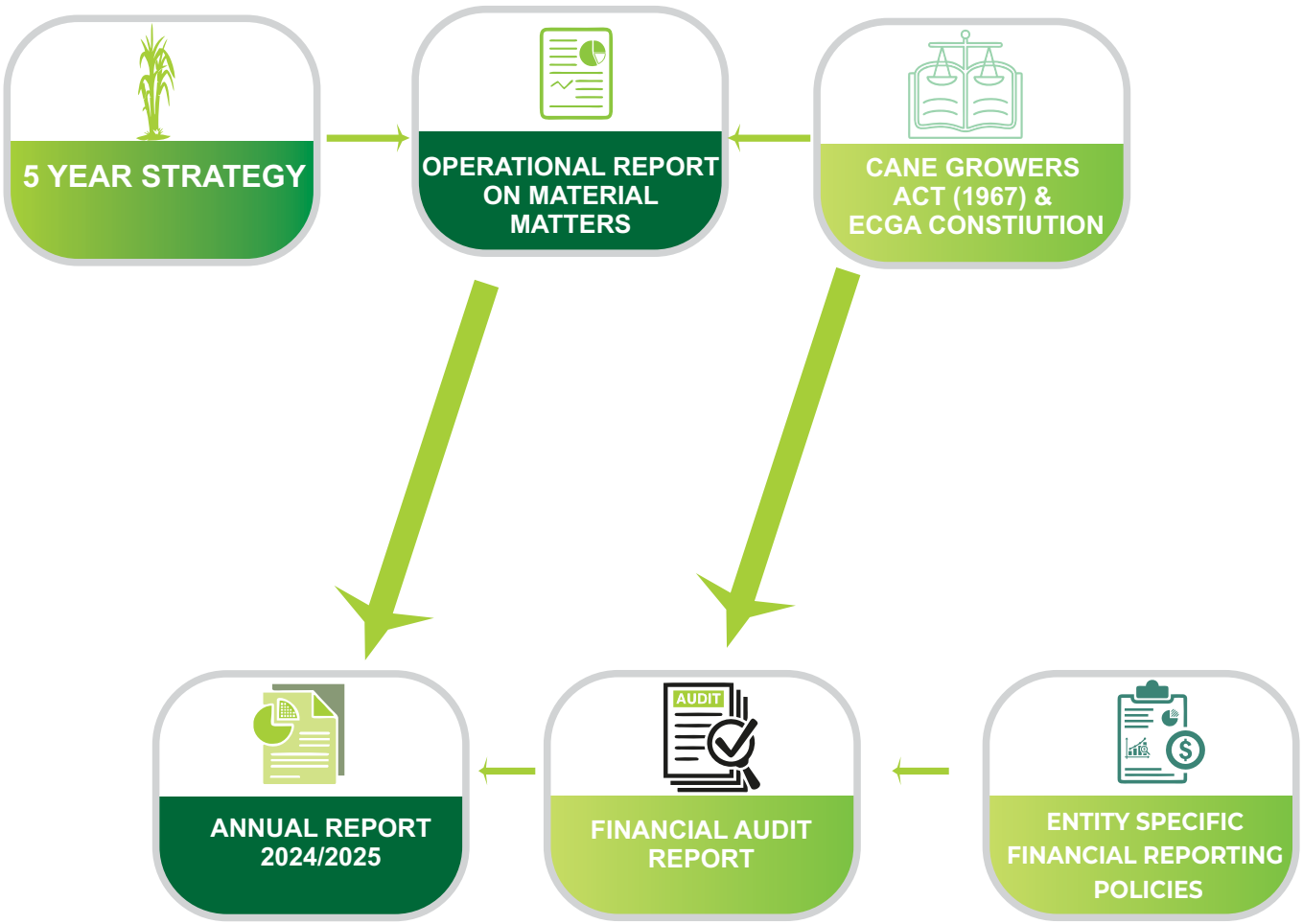
1.2 ECGA KEY STAKEHOLDERS

Stakeholder	Reason for interaction
Member cane growers	These are the first and primary stakeholders as shareholders and financiers of the Association. They are the ultimate authority to which the Office and Executive Committee account. They are also the primary customers for our service offering.
Employees	Employees are the second stakeholder as they implement the strategy and plans. Their alignment to the strategy and vision is crucial.
Eswatini Sugar Association (ESA)	ECGA is the other half of ESA. ESA provides services to Millers and Growers by way of regulating the industry, marketing sugar and molasses, cane quality assessment, cane husbandry extension service, among others.
Millers	The 3 millers are the primary partners for ECGA in policy formulation, hosting extension services to growers and they provide cane processing service.
Government	The ECGA falls under the Ministry of Agriculture which is responsible for endorsing/gazetting the levy on recommendation of growers' Annual General Meeting (AGM). The Ministry also serves as the entry point to other wings of Government and local/external stakeholders.
Customers	Industry customers' influence is handled through the ESA. Sometimes quality/compliance assessments do extend to direct interaction with growers. Millers are interchangeably customers (cane delivery/supply) and suppliers (processing and extension services).
Product and Service Providers (suppliers)	These provide goods and services required for the Office operations and ECGA ExCo. Suppliers to growers are at times engaged as part of the advocacy and representation roles of the Association.
Public and Civil Society	Most of the small-scale cane growers are operating on land availed and administered by traditional authorities hence, ECGA occasionally has to engage with such authorities on matters that affect growers as a collective.
Media	The media is recognised as a crucial medium through which ECGA communicates with members, civil society, and the public.
Organised business	The nature of cane growing renders the Office and members as businesspeople and employers. ECGA represents their members in organised business structures (currently Business Eswatini). Individual members also hold separate membership with employer organizations of their choice.
International players in sugarcane and beet growing	ECGA maintains membership and networks with international growers of feedstock for sugar production. This enables benchmarking and experience sharing. Currently, ECGA is an active member of the World Association of Beet and Sugar Cane Associations (WABCG) and an active participant in International Sugar Organization (ISO) events.

Stakeholder	Reason for interaction
Regulatory institutions	The growing of sugarcane is fully dependent on the use of land, water, petroleum products, fertilizer, pesticides, electricity etc. The environment forms the base for cane production. The Association keeps close engagement with public and quasi-public institutions that regulate the use of these resources (EEC, EEA, ESERA, ERS, etc).

1.3 MATERIALITY

The report is limited to issues that are relevant to the business of growing, harvesting, haulage of sugarcane and participation in revenue sharing. Other parts of the sugarcane value chain are covered by other and more relevant role players. In compiling the report, judgment by ECGA internal personnel have been used to determine the materiality, and otherwise, of issues. This materiality is informed by our regular and broad-based engagement with all key stakeholders in the country and abroad. The emphasis herein reflects the grower's perspective as a subset of the industry.



1.4 FUTURISTIC FORECASTS

In the document, there are futuristic statements. These are based on circumstantial observations of current trends and some assumptions. If any of the assumptions do not hold, things may be drastically different. The Association gives no guarantee in this regard and assumes no liability for use of such estimates/forecasts.

1.5 RESPONSIBILITY

The ultimate responsibility for the Report lies with the ECGA Executive Committee (ExCo) upon approval.

2 ORGANIZATIONAL STRUCTURE AND CONTEXT

2.1 GOVERNANCE STRUCTURE

2.1.1 GOVERNANCE COMMITTEES

2.1.2 EXECUTIVE COMMITTEE MEMBERSHIP AS AT 31 MARCH 202 5

S. Geldenhuys (Chairman from Big Bend)

Dr. S.V. Nkambule (CEO & Secretary)

P.M.E. Malandvula (Vice Chairman from Simunye)

Big Bend Reps
1. Ms. Trusty Gina
2. Mr. T.M. Nkambule
3. Mr. M. Mabuza
4. Mr. S. Geldenhuys
5. Mr. L. Msibi (Alternate)

Mhlume Reps
1. Mr. B. James
2. Mr. C. Shabangu
3. Mr. M. Jele
4. Mr. E. Ndzimandze
5. Mr. E.J. Nxumalo (Alternate)

Simunye Reps
1. Mr. P.M.E. Malandvula
2. Mr. R. Dlamini
3. Ms. S. Mabila
4. Mr. M. Mndzebele
5. Mr. S. Mahlalela (alternate)

Tibiyo Reps
1. Dr. A.T. Dlamini
2. Ms. S.M. Magagula
3. Mr. A.T. Ngcobo
4. Ms. S. Mndzebele (alternate)

2.1.3 PLANTERS' GROUP(PG) COMMITTEES AS AT 31 MARCH 2025

BIG BEND PG

1. Mr. S. Geldenhuys-Chairman
2. Ms T.- Gina - Vice Chairman
3. Mr. J. Botha - Member
4. Mr. T. Nkambule - Member
5. Mr. M. Mabuza -Member
6. Mr. L. Msibi -Member
7. Mr. L Ngwenya - Member
8. Ms N. Tsabedze

SIMUNYE PG

1. Mr. P.M.E. Malandvula - Chairman
2. Mr. R - Dlamini - Vice Chairman
3. Mr. J. Khumalo - Member
4. Mr. S. Mabila - Member
5. Mr. N Magagula - Member
5. Mr. S. Mahlalela - Member
6. Mr. M. Mndzebele - Member
7. Ms. A. Zikalala - Member

MHLUME PG

1. Mr. C.- Shabangu- Chairman
2. Mr. B. James - Vice Chairman
3. Mr. E. Ndzimandze - Member
4. Mr. O. Mabuza - Member
5. Mr. C. Mahlalela - Member
6. Mr. E.J. Nxumalo - Member
7. Mr. M. Jele - Member
8. Mr. G. Masilela - Member

ORGANIZATIONAL STRUCTURE

CHAIRMAN
Mr. S. Geldenhuys

VICE-CHAIRMAN
Mr. P.M.E Malandvula

CHIEF EXECUTIVE OFFICER
Dr. S.V. Nkambule

GRADUATE IN TRAINING
Ms. SL DLAMINI

FINANCE AND ADMINISTRATION OFFICER
Ms. S. Gina-Langwenya

GROWER SUPPORT MANAGER
VACANT

ACCOUNTS & ADMIN CLERK
VACANT

CLEANER/ MESSENGER
Ms. N. Nkambule

ESWATINI CANE GROWERS ASSOCIATION
ECGA
"Cane For Growth"

2.3 ECGA SERVICE OFFERING – 2024/25

The Association is service oriented as a primary/direct product

Service	Specific Activities	Forum	Beneficiaries
1. Advocacy	• Meetings, workshops & other formal and informal engagements • Public hearings	• Government (MoA, MNRE, ERS, etc.) • Regulatory Entities (ESERA, DWA, EEA) • Utility Entities (EEC) • Media (Electronic, Print, Social)	• Member Growers • Sugarcane Industry • Business associates
2. Representation	• Meetings, workshops & other formal and informal engagements • Public hearings	• ESA Committees (Council, MEC, etc.) • Business Eswatini (BE) • International Organizations (ISO, WABCG, etc.) • Relevant Government Boards/Committees (LAB, Wages Councils) • Other public Consultative Forums	• Member growers • Employees • Industry
3. Grower Support	• Obtaining and circulating relevant information	• Quarterly feedback meetings • General Meetings • Periodical communiques: Website, social media, newsletters, Annual Reports, etc.	• Member growers • Sugarcane Industry
	• Promoting and fostering production of sugarcane	• Government • Media	• Member growers • Sugarcane industry
	• Facilitating member decision making and participation	• ExCo Meetings • General Meetings • Quarterly Feedback Meetings	• Grower members • Sugarcane industry
	• Fundraising: levies, grants, donations, etc.	• Ministry of Agriculture: Facilitate gazetting of levies • Banks: Borrowing and Investments • ESA: Retentions • International and local donors	• ECGA Office • Executive Committee • Member growers
	• Institute investigations of interest to member growers		

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3 OPERATION ENVIRONMENT

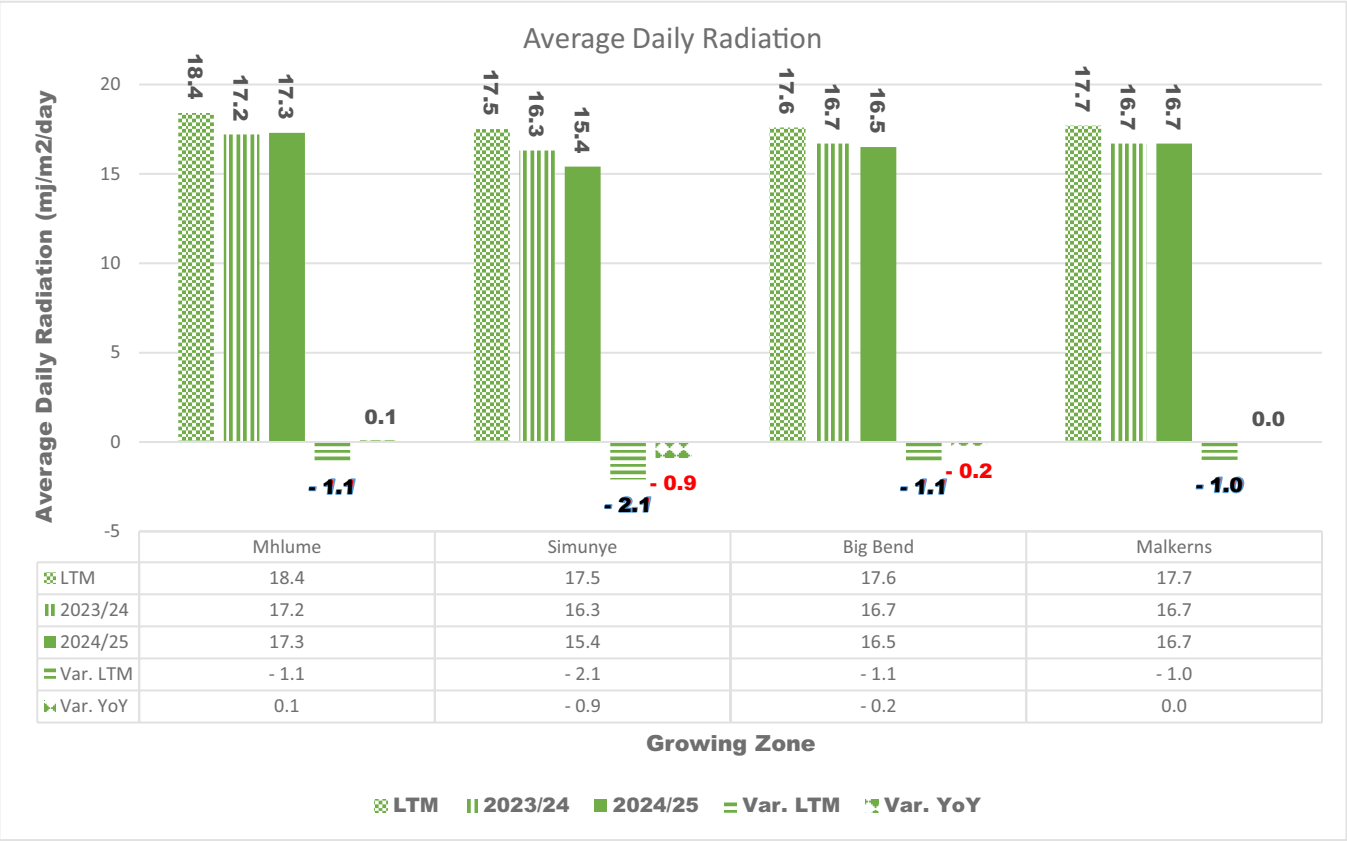
3.1 EXTERNAL ENVIRONMENT

3.1.1 CLIMATIC FACTORS

The growing of sugar cane, like all biological processes, is dependent on factors such as land, radiation, energy and water availability. Sugarcane production in Eswatini is almost entirely dependent on irrigation, which is heavily impacted by the cost of electricity and infrastructure.

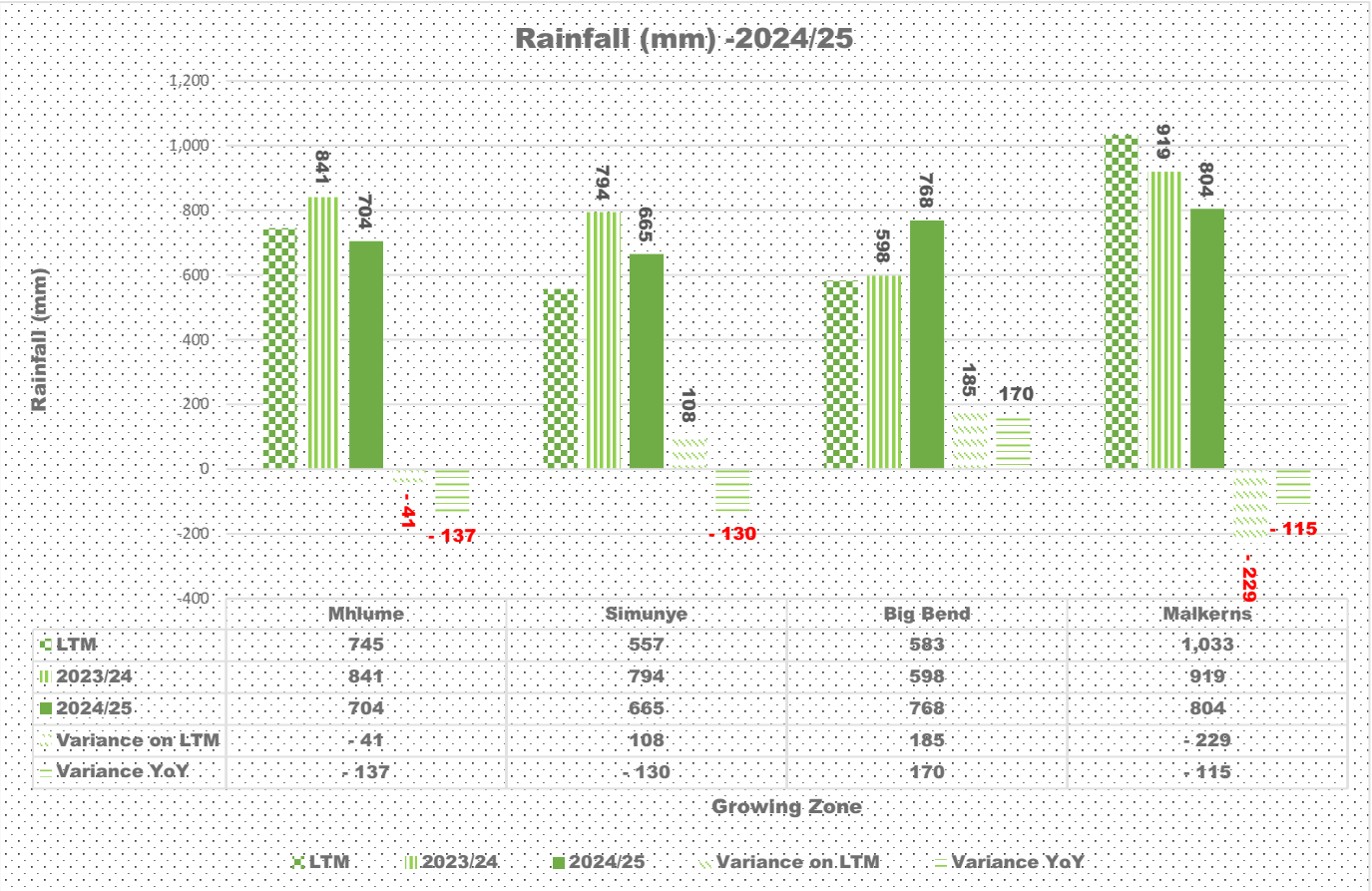
3.1.1.1 RADIATION

The figures below show the average daily radiation over the growing period spanning from 1 April 2024 to 31 March 2025



	Mhlume	Simunye	Big Bend	Malkerns
LTM	18.4	17.5	17.6	17.7
2023/24	17.2	16.3	16.7	16.7
2024/25	17.3	15.4	16.5	16.7
Var. LTM	- 1.1	- 2.1	- 1.1	- 1.0
Var. YoY	0.1	- 0.9	- 0.2	0.0

The radiation does not show material change year on year and is lower than the long term mean. Therefore, any change in cop yield is attributable to other factors chief among them crop age and to a lesser extent rainfall distribution and virgin effect on new fields etc



The rainfall was below previous wet year, except Big Bend, where more rain was received (above LTM and previous year). The drier conditions were more favourable for harvesting and haulage.

3.2 RESOURCE SECURITY

3.2.1 WATER

Over the course of the year, there were several initiatives in the Water Sector. Government had concluded public consultations towards the legislated water tariffs, but no new announcements had been made regarding water tarriffs. By the beginning of the year the National Water Authority (NWA) and River Basin Authorities (RBAs) had been constituted and operational.

3.2.2 ENERGY

Energy is vital to sugarcane irrigation, hence, was kept on our line of sight.

3.2.2.1 ELECTRICITY

In November 2024 the Utility applied for above 25% average tariff increase. Eventually an average 8% increase was approved to be implemented effective 1 April 2025. The pressure for high tariff increase is expected to grow in the near future. Growers are continuously seeking alternative power relief valves. To date solar is a preferred option by cane growers. The Association calls for diligence in complying with the Regulator and Utility conditions, especially where the popular grid-tied option is concerned. The approval of embedded generation by-laws was a step in the right direction. The CTCN funded Final Reports were finalised and submitted to Government during the 2024/25 financial year.

3.2.2.2 DIESEL

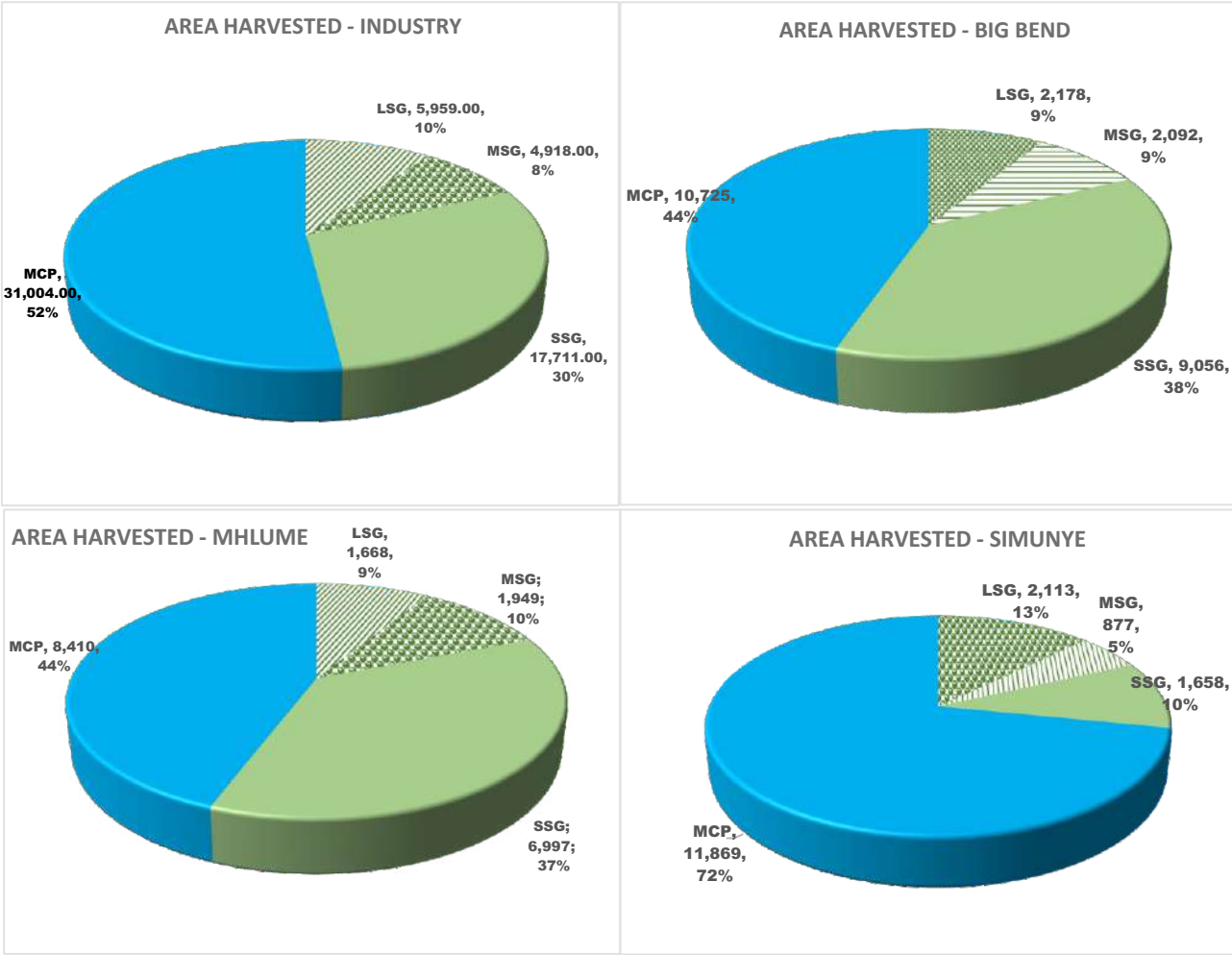
The price of diesel remained practically flat during the year. There are no signs observed that the pre-global conflicts prices will be realised in the foreseeable future. It is a source of some comfort that the price escalations observed at the start of the conflict have eased slightly in the past 2-years.

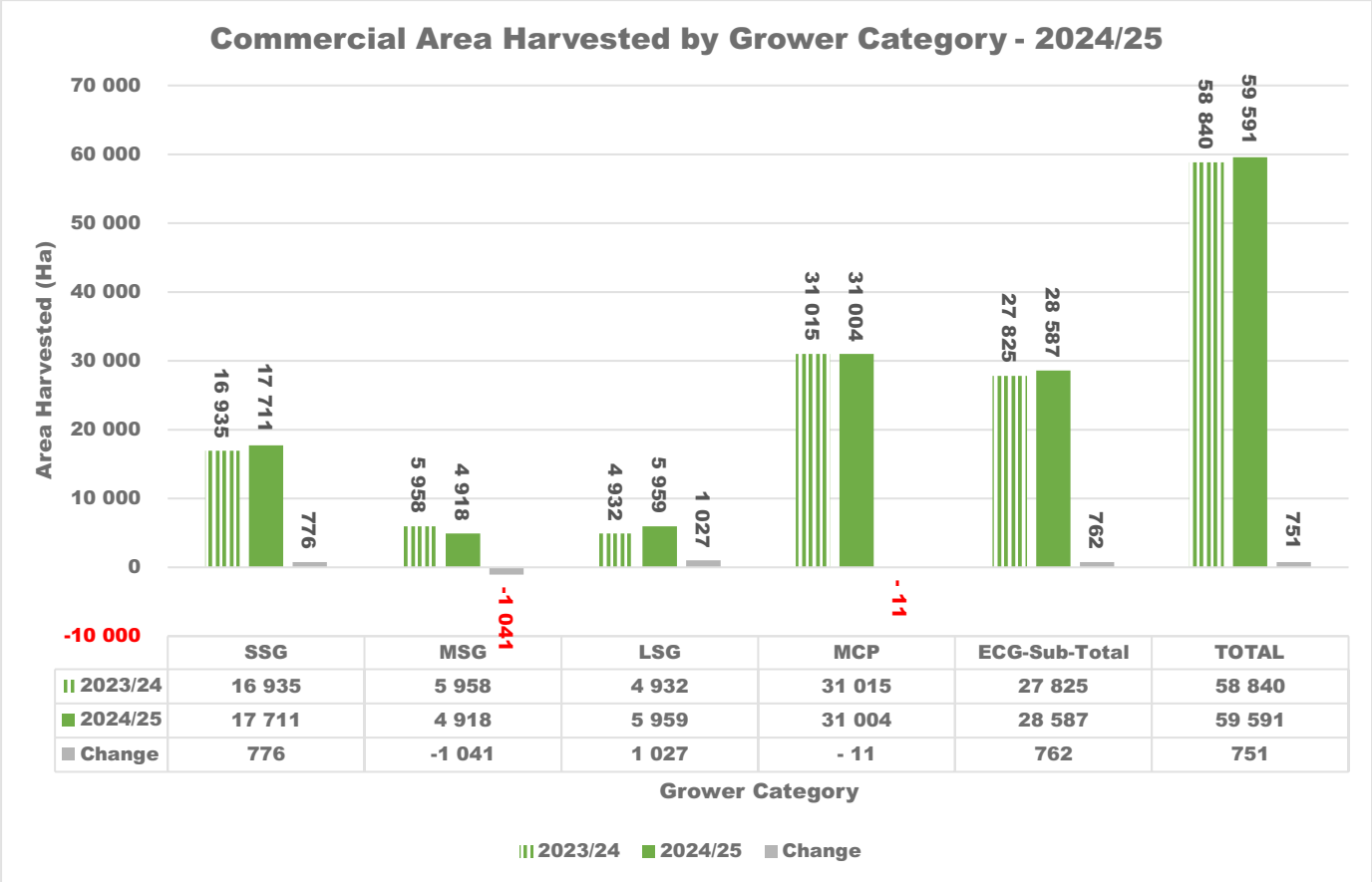
3.2.3 FERTILIZER AND AGROCHEMICALS

The price of fertilizer and agrochemicals reached a peak during the 2022/23 year and continued levelling and/or slowly decreasing in the course of the year reported on.

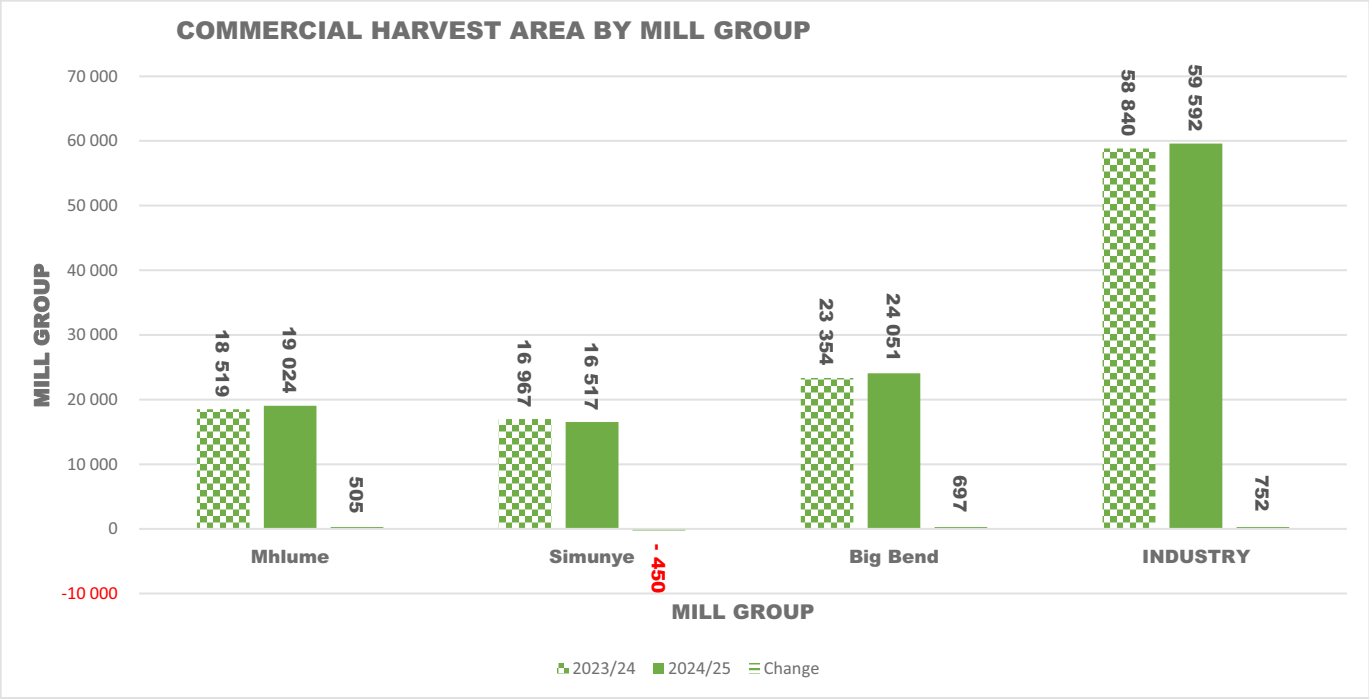
3.2.4 LAND AND INFRASTRUCTURE

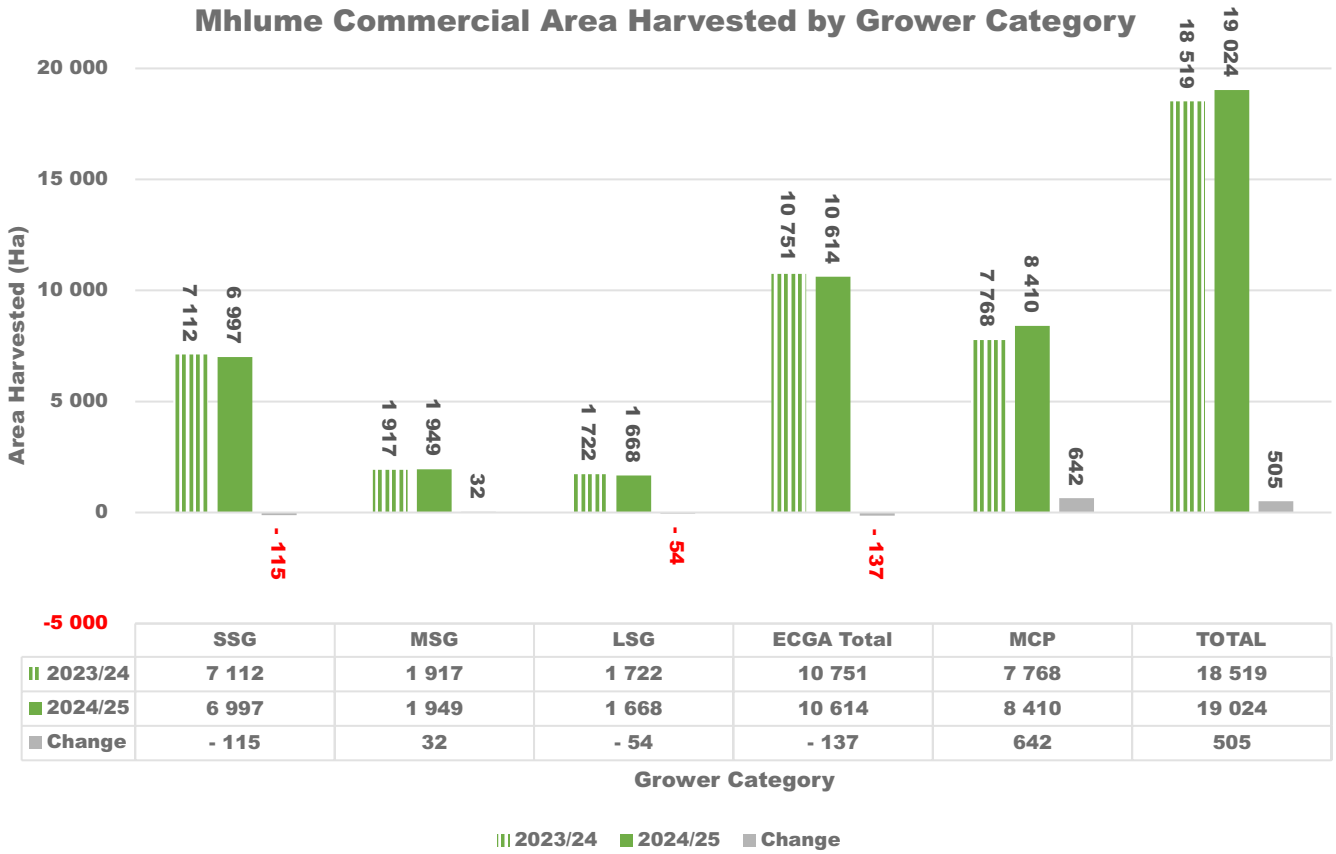
3.2.4.1 LAND AREA HARVESTED (2024/25)



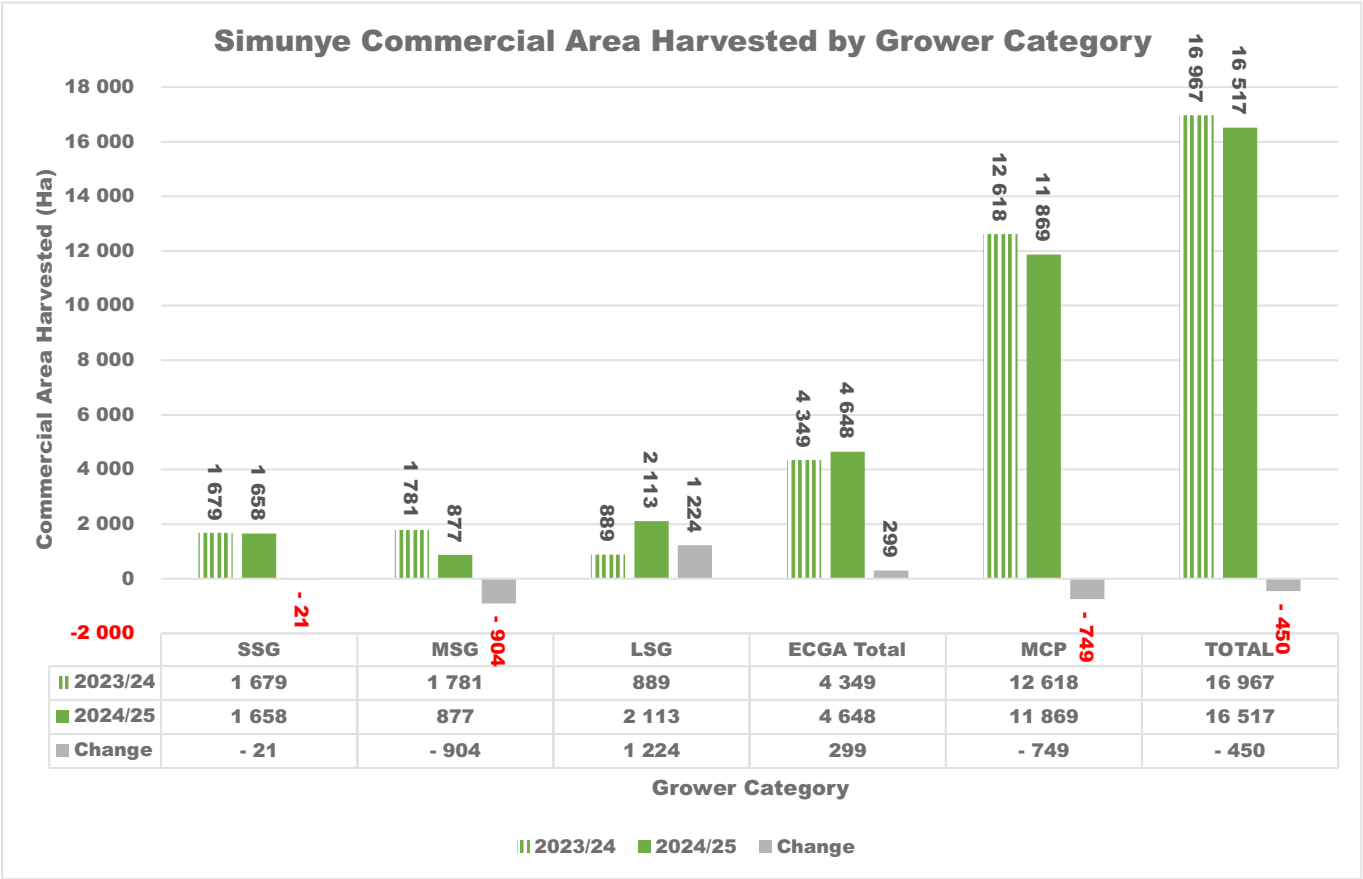


	SSG	MSG	LSG	MCP	ECG-Sub-Total	TOTAL
2023/24	16 935	5 958	4 932	31 015	27 825	58 840
2024/25	17 711	4 918	5 959	31 004	28 587	59 591
Change	776	-1 041	1 027	- 11	762	751



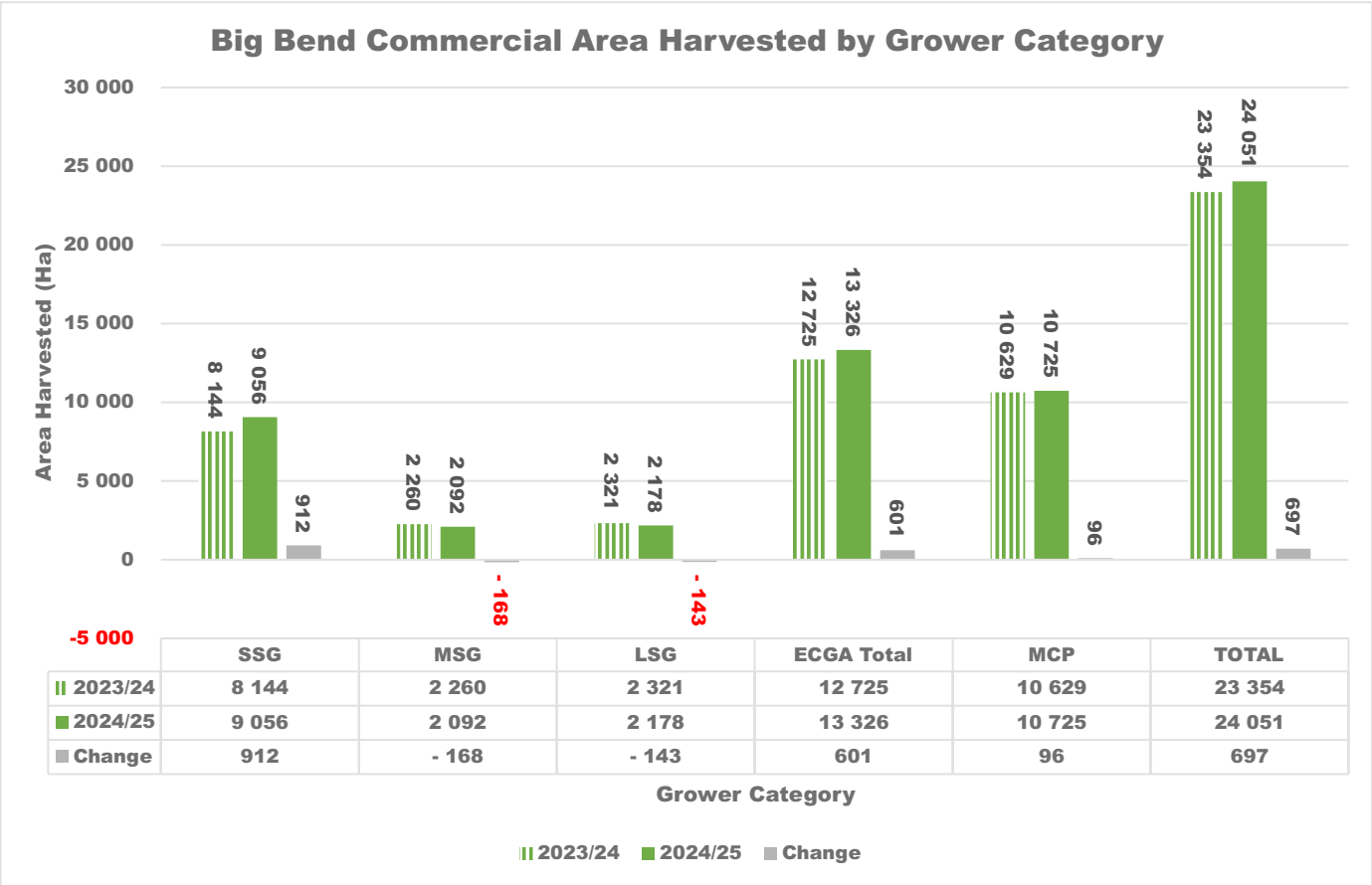


	SSG	MSG	LSG	ECGA Total	MCP	TOTAL
2023/24	7 112	1 917	1 722	10 751	7 768	18 519
2024/25	6 997	1 949	1 668	10 614	8 410	19 024
Change	- 115	32	- 54	- 137	642	505

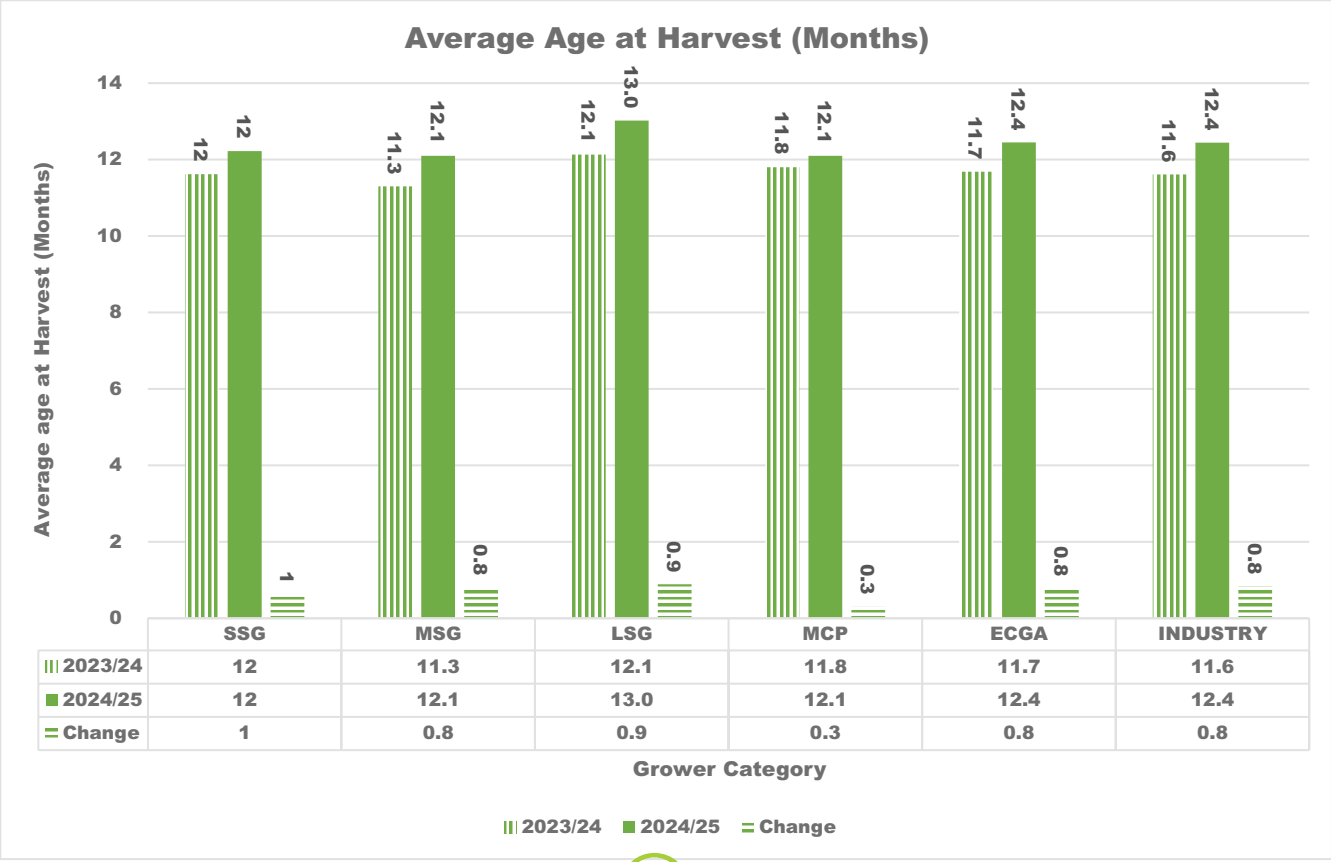


	SSG	MSG	LSG	ECGA Total	MCP	TOTAL
2023/24	1 679	1 781	889	4 349	12 618	16 967
2024/25	1 658	877	2 113	4 648	11 869	16 517
Change	- 21	- 904	1 224	299	- 749	- 450

**The area reductions are still a subject of investigation.

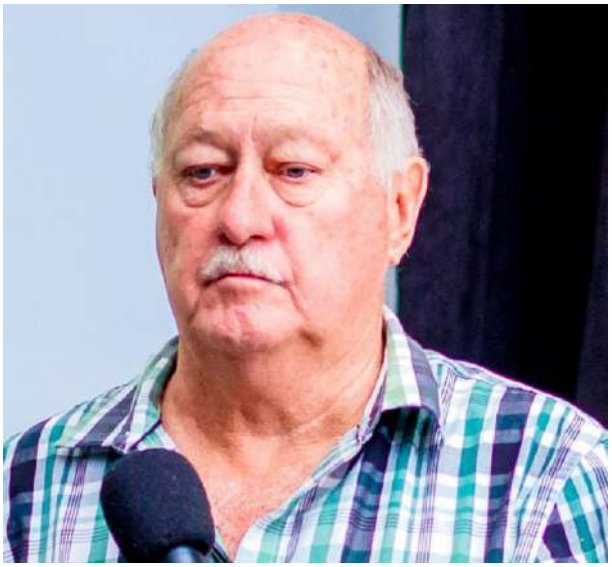


Increase in SSG Commercial Harvest Area may be attributed to new LUSIP 2 fields coming in stream 2024/25. Decreases in MSG and LSG might be due to carry-over in 2024/25. Also, formerly LSGs and MSGs may have been reclassified (to SSG) after reducing area under cane.



All grower categories harvested older cane following significant carryovers in previous year. The growth in SSG sector can be attributed to new deliveries from LUSIP 2. Age is the main factor in improved sucrose volume in 2024/25.

4 CHAIRMAN'S REMARKS



The 2024/25 financial year saw a recovery in grower sucrose production (10%) supported by a modest increase in sucrose price (3%). Volume is focussed to continue recovery. Due to current global socio-political events there are some jitters about the price.

The growing likelihood of an increase in global sugar deficits would favour better price, all things being equal. However, exchange rates and possible tariffs remain largely uncertain. As a consequence, the industry is leaning towards caution for the near future. When all else is unpredictable the growers' plausible hope is to increase yield on the same land with same inputs and let other factors play out.

'When all else is unpredictable the growers' plausible hope is to increase yield on the same land with same inputs and let other factors play out'.

5 CEO'S REMARKS

The reporting year was characterised by more positives compared to the difficulties of the previous 3-years. The Association largely operated normally without adverse restrictions seen in the recent past. Most scheduled meetings were held successfully. There were fewer extreme weather events.

Grower yields showed signs of recovery from the decline observed in past 5 years. The causes are, in our opinion, not fully understood posing a challenge to researchers to intensify studies and Extension to get closer to growers. The Annual General Meeting was hosted successfully. Prices remained good which was supported by modest volume recoveries leading to second year of some economic relief.

The ECGA 5-year strategy entered its 4th year of implementation. Despite financial resource institutions formulation etc. limitations, a number of actions were implemented. The advisory panel continued to provide valuable support. The special purpose vehicle (SPV) study and constitutional amendment exercise were concluded and adopted for submission to an extra-ordinary general meeting in the first quarter of 2025/26. This was also busy year in the sucrose payment talks, energy and water sectors; and growers actively participated in consultations regarding proceeds beneficiation, water tariff, water institutions formulations etc. ECGA was visible and very active in the energy space. The CTCN study, on feasibility of using solar for sugarcane irrigation, was concluded with final submission. Efforts to build up on the study were underway at the close of the year. Most unfortunately but not too surprising, another electricity tariff increase averaging 8%, effective 1 April 2025 was approved. This will be followed by another 7.0% escalation, effective 1 April 2026.

However, these are much lower than the above 25%, for 2 consecutive years, initially sought by the Utility. The indications are that the pressure/demand for steep tariff increases will continue. The above trends support the ECGA strategy to aggressively, but carefully and cautiously, pursue alternative energy as a mitigation against tariff escalations. However, this should be done within the confines of policy and legislation and using credible service providers. Prior approval by both the Utility and the Regulator, for new solar plants, are mandatory.

Lastly, we are pleased to note that the external audit was once again unqualified and there were no significant adverse findings in the management letter. We give credit to the ExCo, Finance and Administration Office and the ECGA Office Team for upholding transparency and accountability in accordance with credible fiscal standards.

This Report expands on all the issues summarised above.

6 BUSINESS MODELS

For the purpose of this section, we separate the Association from growers. The reason being the performance by member growers as a collective is not reported anywhere. Larger and better capacitated growers do compile their own annual Reports while the smaller units do not always do so.

6.1 ASSOCIATION BUSINESS MODEL

	Financial Capital	Human Capital	Intellectual Capital	Social/ Relationship Capital
Capital Input	• Levies from Growers (E3.87-million) • MCP Contributions (E1.47-million) • Interest on invested Funds (E0.59-million)	• Lean & Efficient Staff Complement (2 Contract and 3 permanent employees)	• ECGA Constitution • Communicable Diseases Protocol • ECGA Policies & Procedures • Institute of Directors of Africa (IoDSA) Membership • ECGA Risk Register • Corporate Strategy	• Members (538) • Millers (3) • Suppliers • ESA • Communities • Government • Banks • Relevant Regulators (ACC, ECC, EEA ESERA, ERS etc) • International Organizations • Business Eswatini
Activities	• Sourcing of funds • Payments	Staff & Members ➢ 1-departure ➢ 1- recruitment ➢ All staff trained on Covid-19 protocols ➢ Policy awareness (all staff) ➢ Strategy awareness (all staff and Planters' Groups)	- Information collection & dissemination - Lobbying (Energy, Tax and Water) - Negotiations (Energy, Sucrose pricing, Bagasse beneficiation)	Stakeholder engagement (Growers, Banks, suppliers) - MCPs - Government Ministries - Parastatals - Employer Federations
Output		• 4 feedback meetings • Annual General Meeting (AGM)		Sustainable cane growing businesses
Outcome	Sugarcane growing (562 quota holders & 443 growers delivered cane in 2024/25)	• Informed staff & growers • Sustained grower participation	Profitable cane growers	Positive stakeholder relations

7 ECGA STRATEGY AND RISK REGISTER

The Association formulated a strategy for period from 1 April 2021 to 31 March 2026 which was internally reviewed in the course of 2023/24. The development of a new strategy is planned for 2025/26.

A Risk Register was formally approved by ExCo in 2023/24 and was in place in the course of 2024/25.

VISION

"TO ENSURE A PROFITABLE, DIVERSIFIED AND SUSTAINABLE CANE GROWER"

STRATEGIC OBJECTIVES

1. **To manage costs and diversify revenue base to ensure sustained grower support**
2. **To develop, build and increase grower capacity i.e., skills, knowledge, and experience for industry sustainability**
3. **To improve internal and external stakeholder relations for constructive engagements and positive results**
4. **To attract, develop, recognise, reward, and retain best talent**
5. **To implement best practices to ensure improved efficiencies**

ORGANIZATIONAL CULTURE

S	U	G	A	R
SERVICE DRIVEN	UNITED	GOAL ORIENTED	ADAPTABLE	RELIABLE

7.4 FOCUS AREAS, SUCCESS MEASURES AND PERFORMANCE
7.4.1 ASSOCIATION PERFORMANCE OVERVIEW

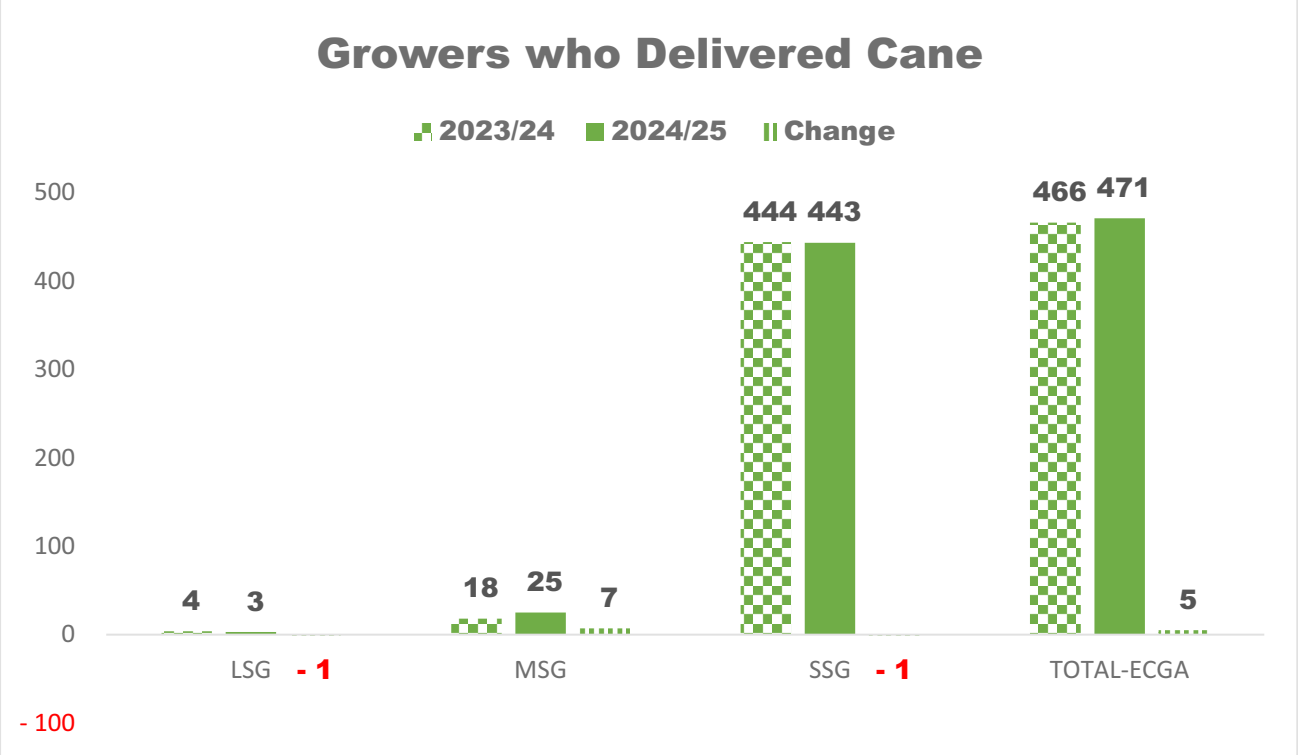
AREA	SUCCESS INDICATORS	PROGRESS
1. Diversified grower revenue	• Diversified grower revenue streams • Investment & credit fund for growers • Strategy & operational budget every year • Research & development funds sourced • SPV in place and functional	• Growers continued to be paid for bagasse • Special purpose vehicle (SPV) study Report presented to ExCo. Final Report was presented to the AGM in preparation for formal approval early 2025/26 • Strategy aligned budget presented and approved by AGM in August 2024.
2. Grower empowerment	• Increase in number of profitable growers • Expert advisory panel in place and making difference to growers • Improved ECGA visibility • Succession plan approved & implemented	• Grower profitability trends analysed based on Grower Business Sector Analysis (BSA), up to year ended March 2024 by ESA. • Expert Advisory Panel in place, being used and added value throughout the year, especially in the course of industry studies • Some degree of visibility through social media, website, newsletters and print media articles.
	• Grower development exit strategy • Grower leadership & management development module implemented • Improved tax compliance	• Grower development exit strategy discussions ongoing • Another Tax amnesty period opened by Government during 2023/24 and some growers made use of it. None in 2024/25
	• Sustainability sessions resulting in improved practices	• ECGA full participation in industry sustainability initiatives • Three growers were trained on being Board Members 2023/24. An additional 5 were trained in 2024/25
3. Stakeholder relations	• Stakeholder engagement plan • Grower supplier forums in place • MoUs/MoAs signed for research on commercial feasibilities • Successful lobby on identified key issues	• Engagement plan in place and used • ECGA facilitated engagement between VIF growers, Eswatini Bank and Farm Chemicals. • ECGA efforts in earlier years likely to have reflected in recent tax law amendments.
4. Employee capacity building	• Skills audit in place with development plans • Succession plan in place & approved • Performance-based recognition and reward in place • Job roles aligned to strategy • Employee wellness needs identified and plan in place to close gaps	• A structure review and performance system (PMS) plus salary review were completed and implemented in the course of 2024/25
5. Internal efficiencies and Innovation	• Revised delegation of authority • Risk register & mitigation plan in place • Reviewed Constitution approved • Policies and procedures reviewed and approved • Disaster recovery management plan implemented	• Delegation of Authority updated in 2023. A new Risk Register was approved by ExCo in 2023/24 and in use. • Constitution Review Exercise document reviewed by attorneys in the course of the year an exercise anticipated to be concluded early in ensuing year. • ECGA files migrated to cloud

7.4.2 FINANCIAL ADMINISTRATION

The ECGA finances continued to be challenged by the lower-than-expected yields. Once again this called for more stringent fiscal discipline. In the end, expenditure was within the overall budget. It is also pleasing to note that ECGA, once again, achieved an unqualified audit opinion.

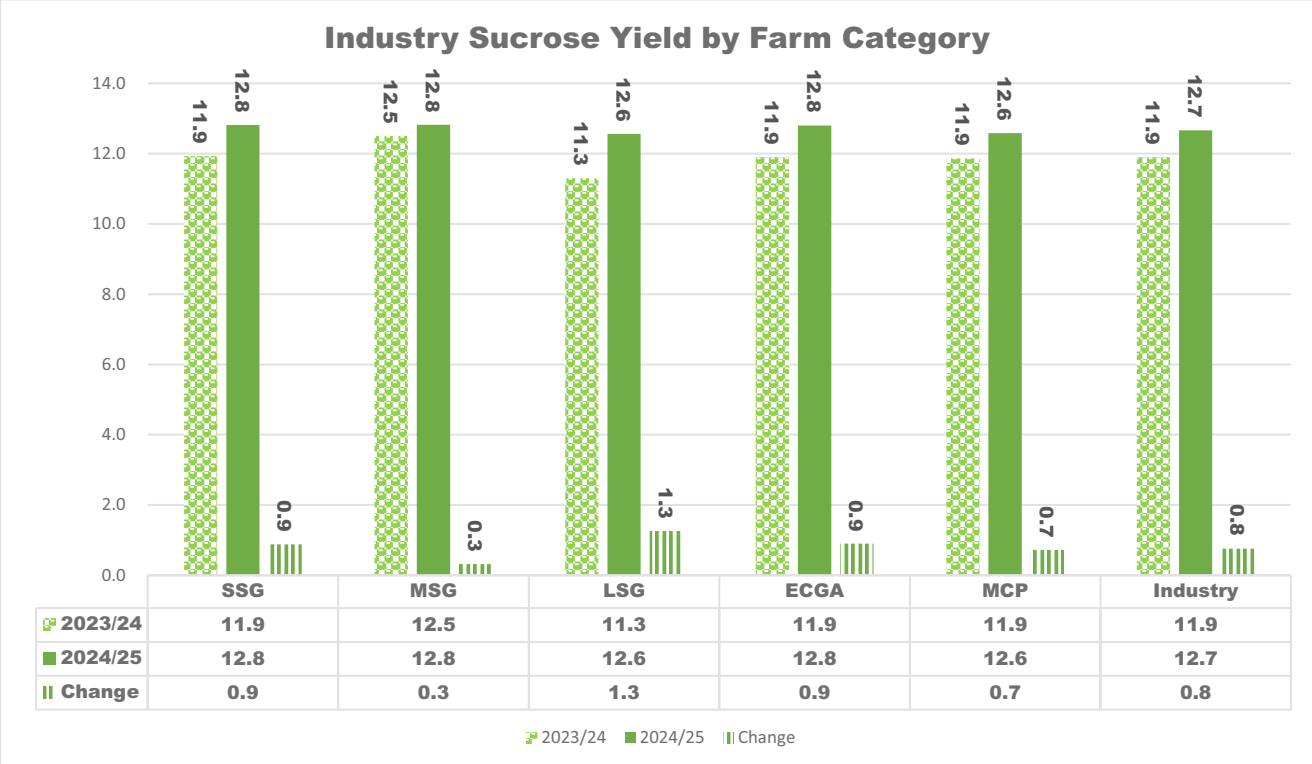
8 GROWER PERFORMANCE OVERVIEW

8.1 ACTIVE GROWERS (EXCLUDING MCP)

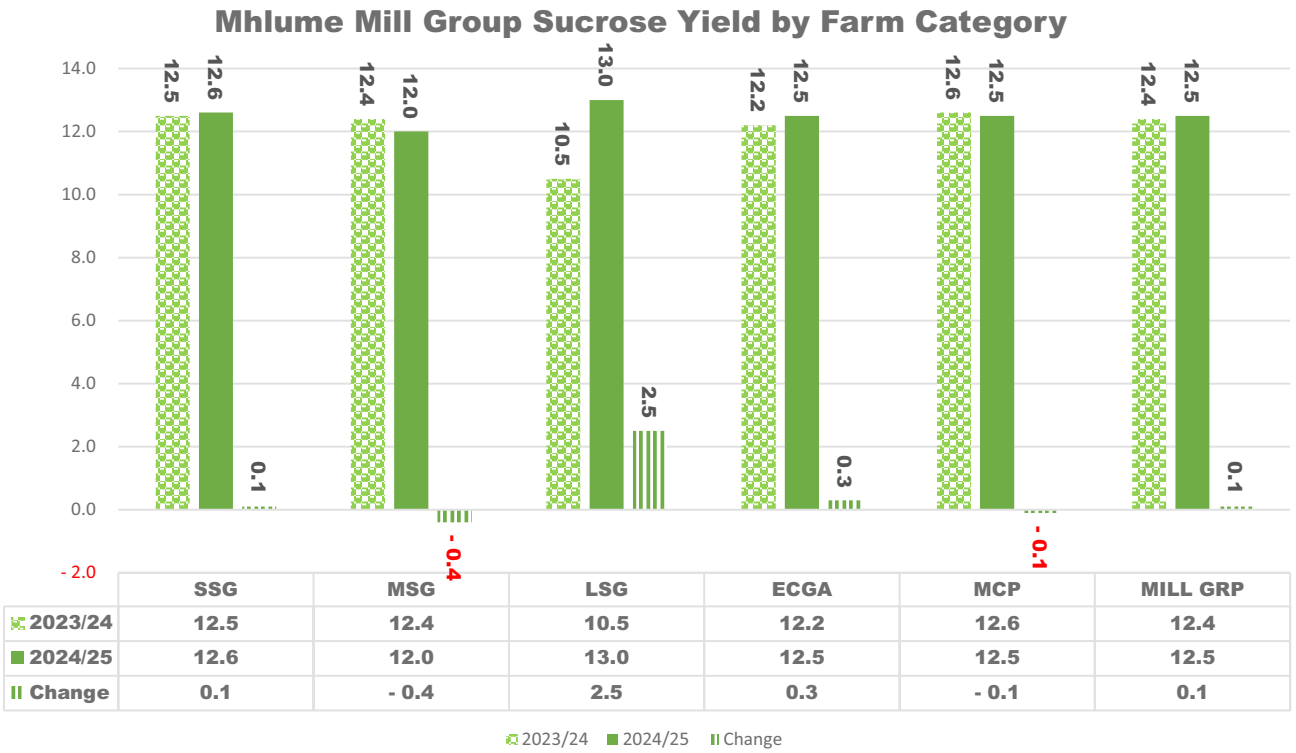


These changes are net of new entrants and exits (carryover, other crops etc). Reasons for increase in numbers included previous year carryover and new entrants, especially from the Big Bend Mill Group.

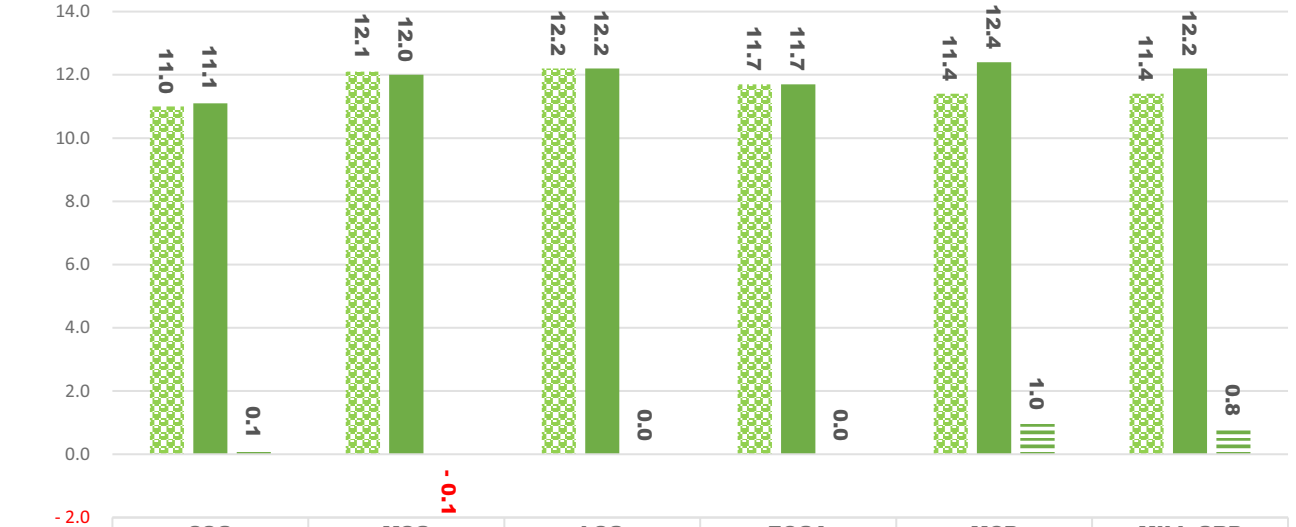
8.2 SUCROSE YIELDS



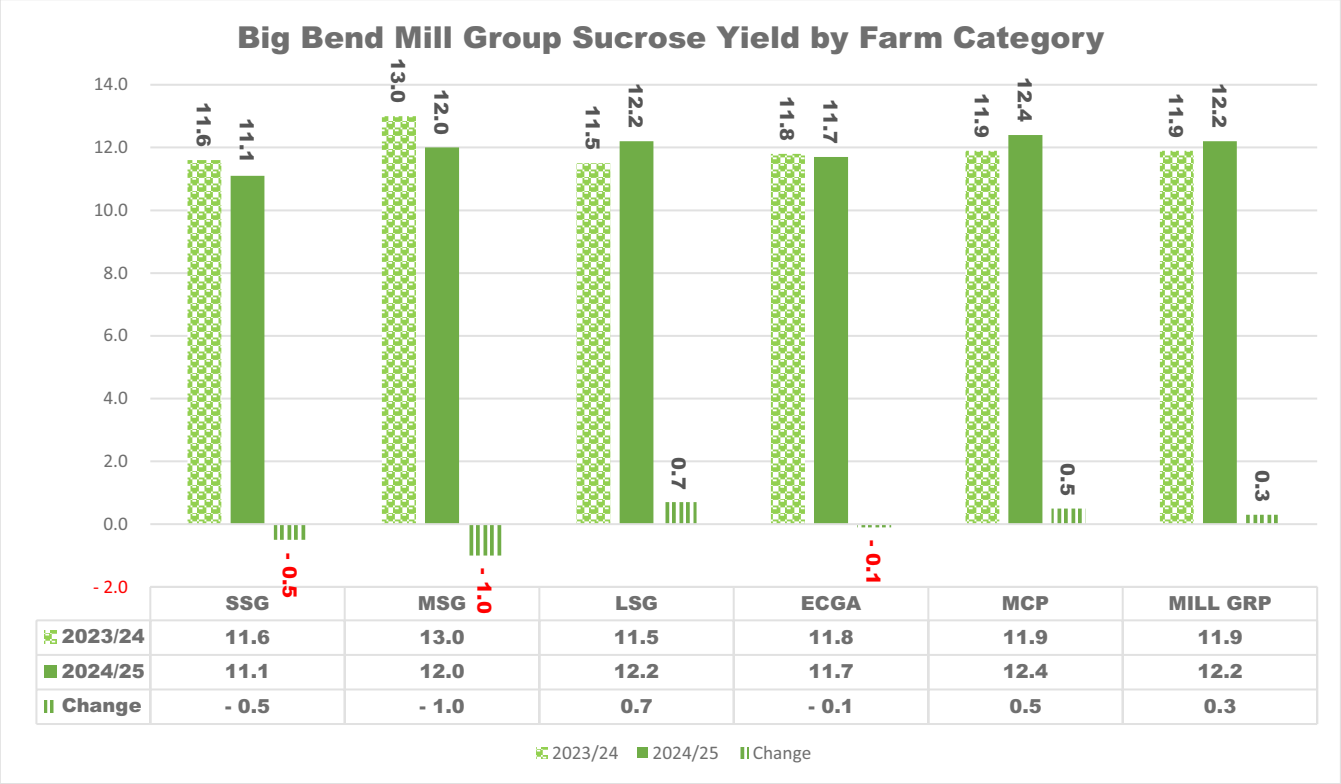
	SSG	MSG	LSG	ECGA	MCP	Industry
2023/24	11.9	12.5	11.3	11.9	11.9	11.9
2024/25	12.8	12.8	12.6	12.8	12.6	12.7
Change	0.9	0.3	1.3	0.9	0.7	0.8



	SSG	MSG	LSG	ECGA	MCP	MILL GRP
2023/24	12.5	12.4	10.5	12.2	12.6	12.4
2024/25	12.6	12.0	13.0	12.5	12.5	12.5
Change	0.1	- 0.4	2.5	0.3	- 0.1	0.1

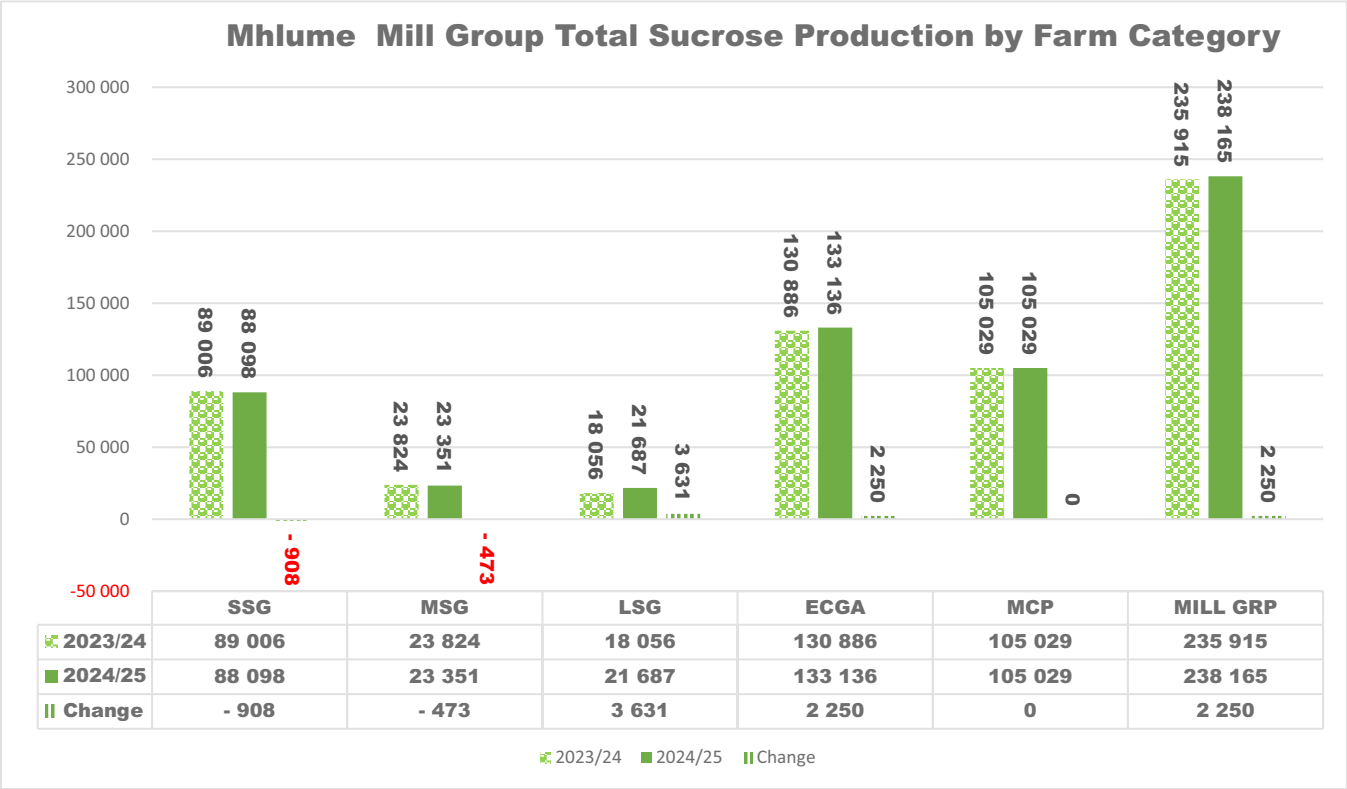


	SSG	MSG	LSG	ECGA	MCP	MILL GRP
2023/24	11.0	12.1	12.2	11.7	11.4	11.4
2024/25	11.1	12.0	12.2	11.7	12.4	12.2
Change	0.1	- 0.1	0.0	0.0	1.0	0.8

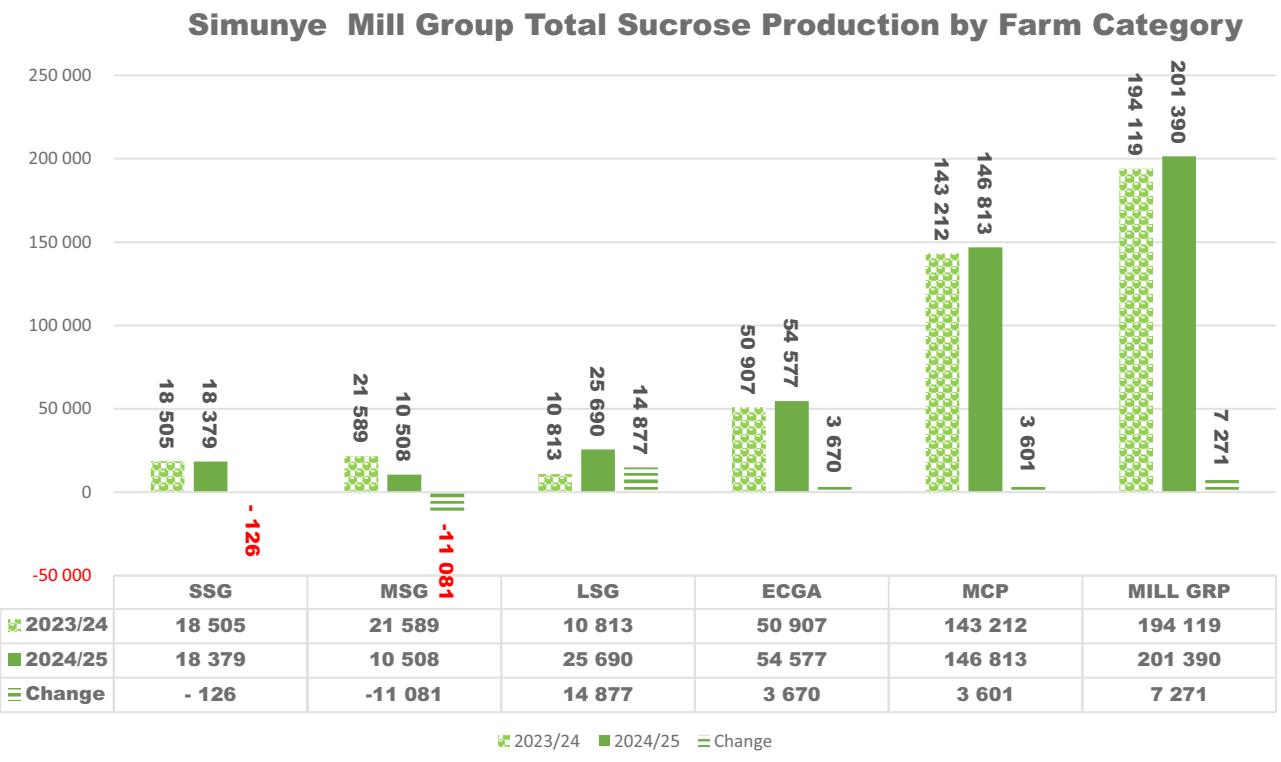


	SSG	MSG	LSG	ECGA	MCP	MILL GRP
2023/24	11.6	13.0	11.5	11.8	11.9	11.9
2024/25	11.1	12.0	12.2	11.7	12.4	12.2
Change	- 0.5	- 1.0	0.7	- 0.1	0.5	0.3

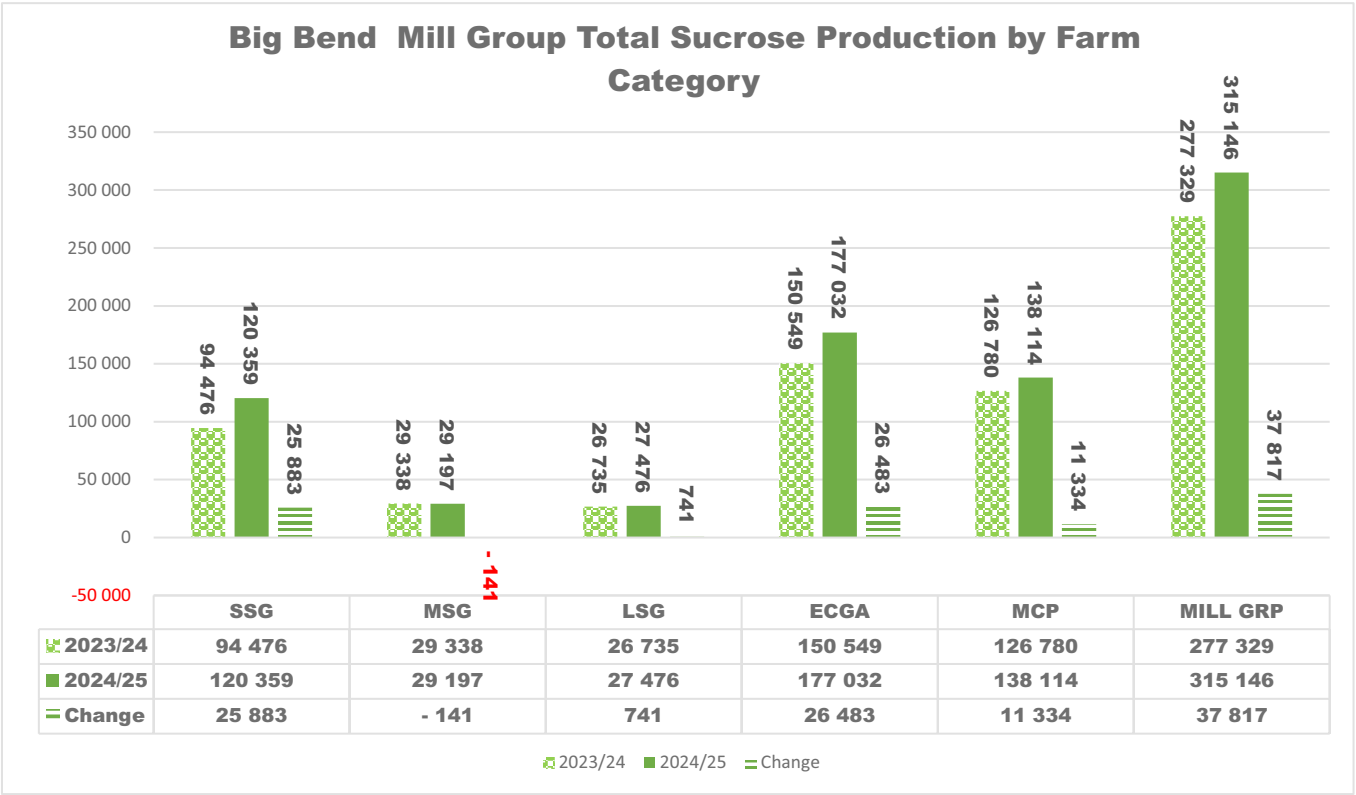
All grower categories, achieved better yields, year on year, thanks largely to higher crop age.



	SSG	MSG	LSG	ECGA	MCP	MILL GRP
2023/24	89 006	23 824	18 056	130 886	105 029	235 915
2024/25	88 098	23 351	21 687	133 136	105 029	238 165
Change	- 908	- 473	3 631	2 250	0	2 250

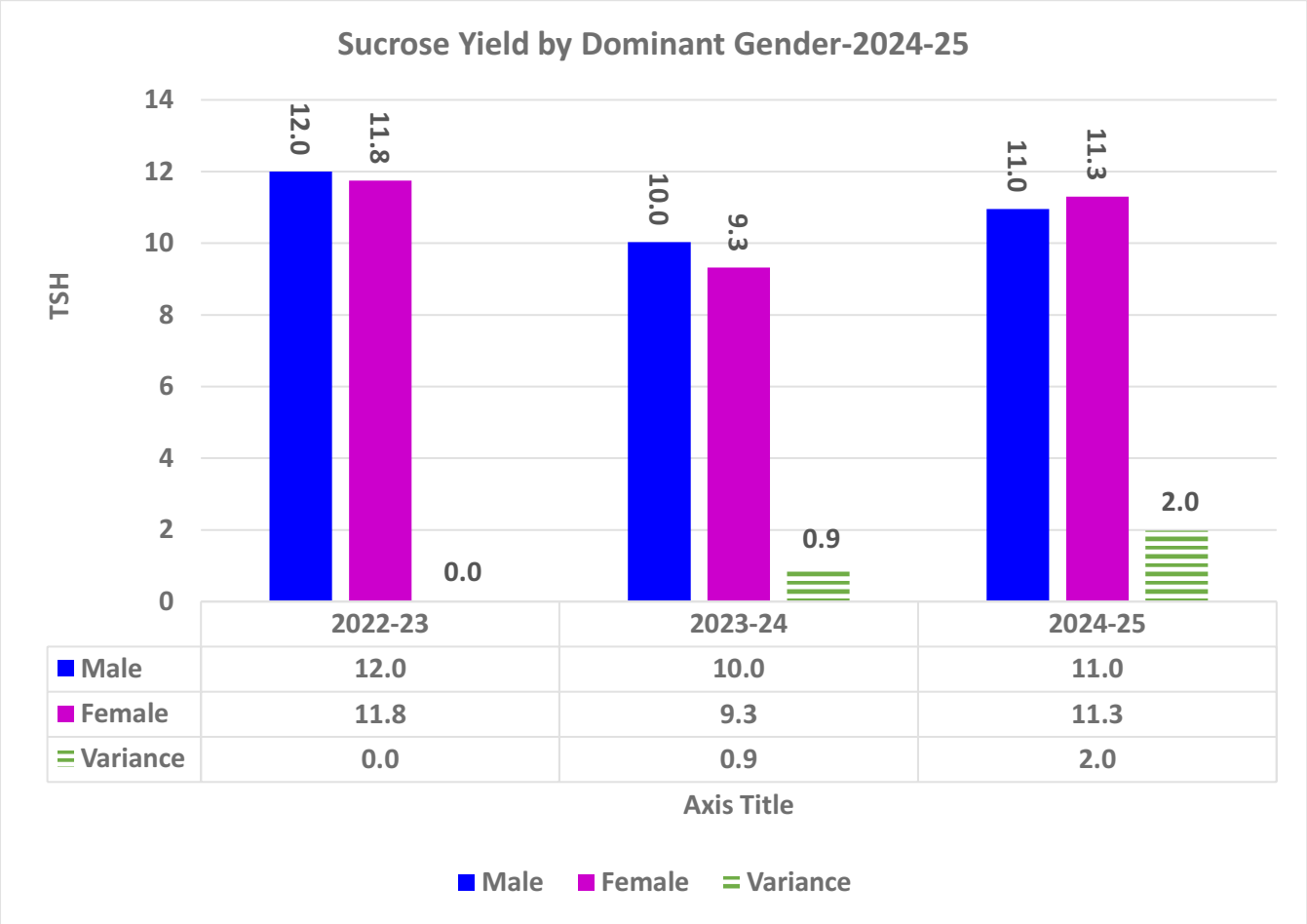


	SSG	MSG	LSG	ECGA	MCP	MILL GRP
2023/24	18 505	21 589	10 813	50 907	143 212	194 119
2024/25	18 379	10 508	25 690	54 577	146 813	201 390
Change	- 126	-11 081	14 877	3 670	3 601	7 271



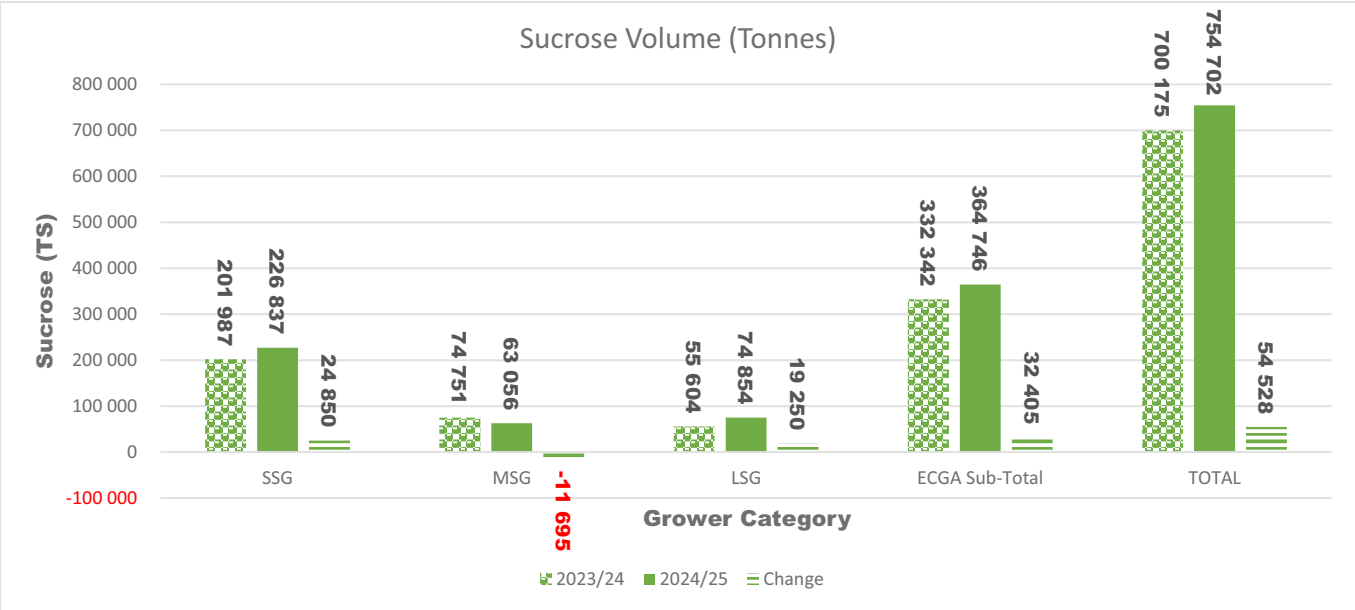
	SSG	MSG	LSG	ECGA	MCP	MILL GRP
2023/24	94 476	29 338	26 735	150 549	126 780	277 329
2024/25	120 359	29 197	27 476	177 032	138 114	315 146
Change	25 883	- 141	741	26 483	11 334	37 817

The was a general increase in yield across the board, adding to increase in sucrose volume in addition to impact of increased area harvested by both growers and MCP. The increase in yield is almost entirely attributable to age as 2024/25 crop was on average about 1-month older than the 2023/24 crop.



Female dominated entities achieved better sucrose yields than those dominated by males. The tilt in scale can be attributed to sheer determination from women to turn the tables, after trailing for 2-years

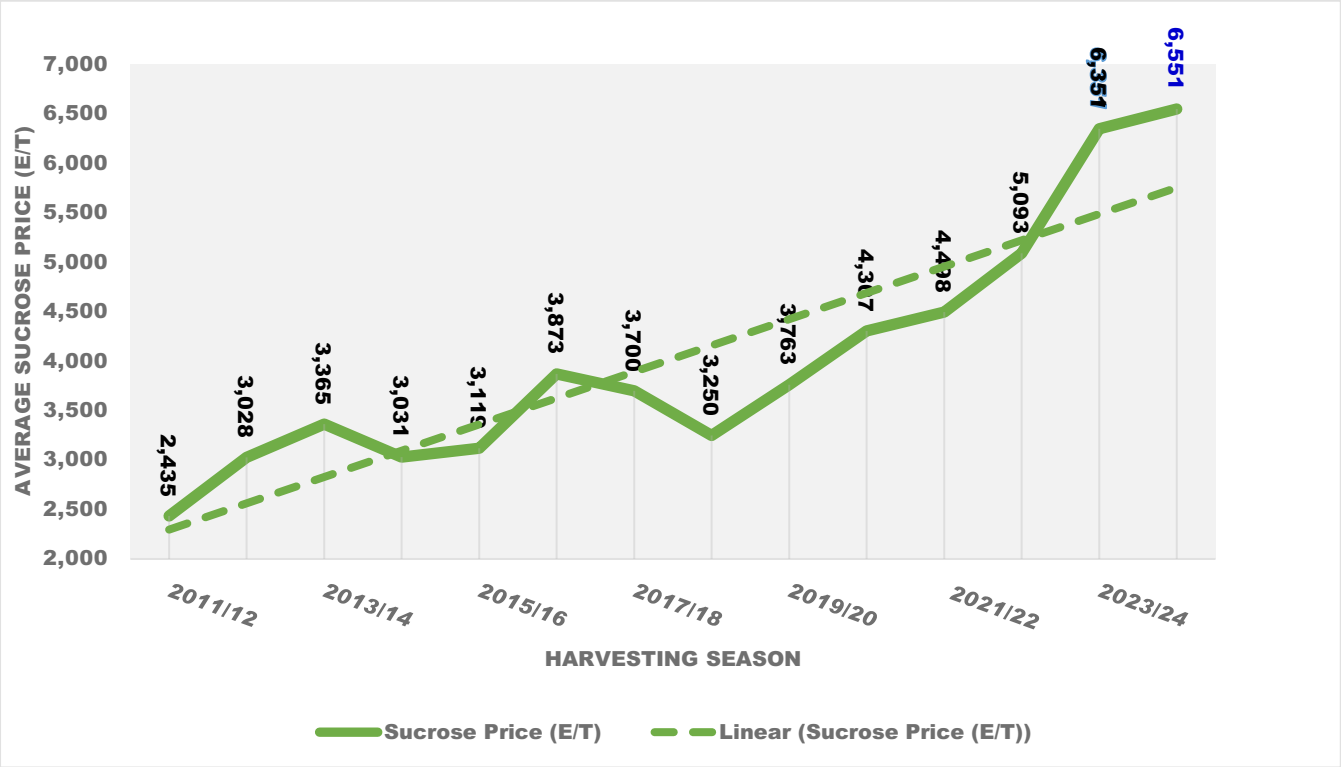
8.3 INDUSTRY SUCROSE PRODUCTION VOLUMES BY GROWER CATEGORY



Growers' sucrose yield increased by about 10% attributed to older crop increased harvest area.

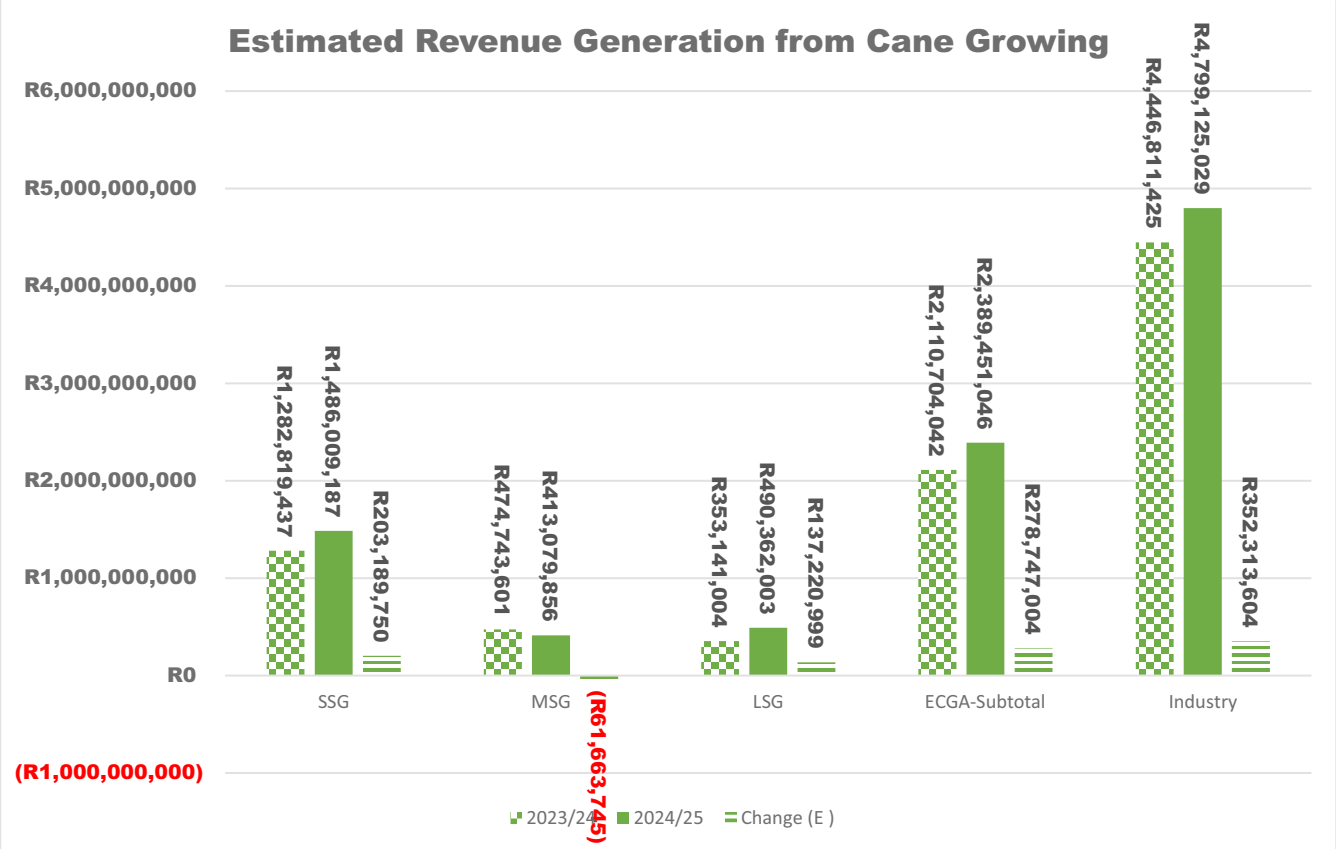
8.4 GROWER REVENUE CONTRIBUTION TO ESWATINI ECONOMY

8.4.1 SUCROSE PRICE TREND



The sucrose price increased by about 3%.

8.4.2 REVENUE (WEALTH) CREATION



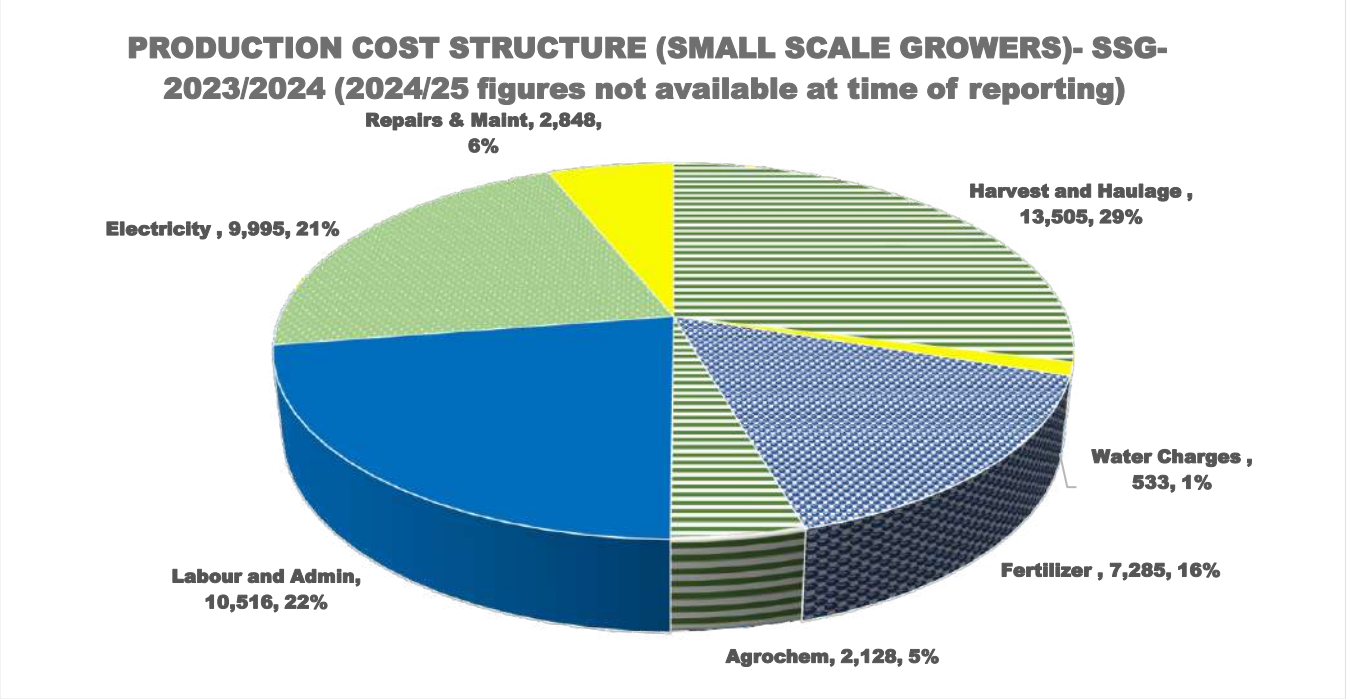
The grower (ECGA) gross revenue went up 13% consistent with sucrose volume increase (up 10%) and sucrose price increase (up 3%).

8.4.3 ESTIMATED SMALL SCALE GROWER MARGINS (CRUDE PROJECTION FOR 2023/24)

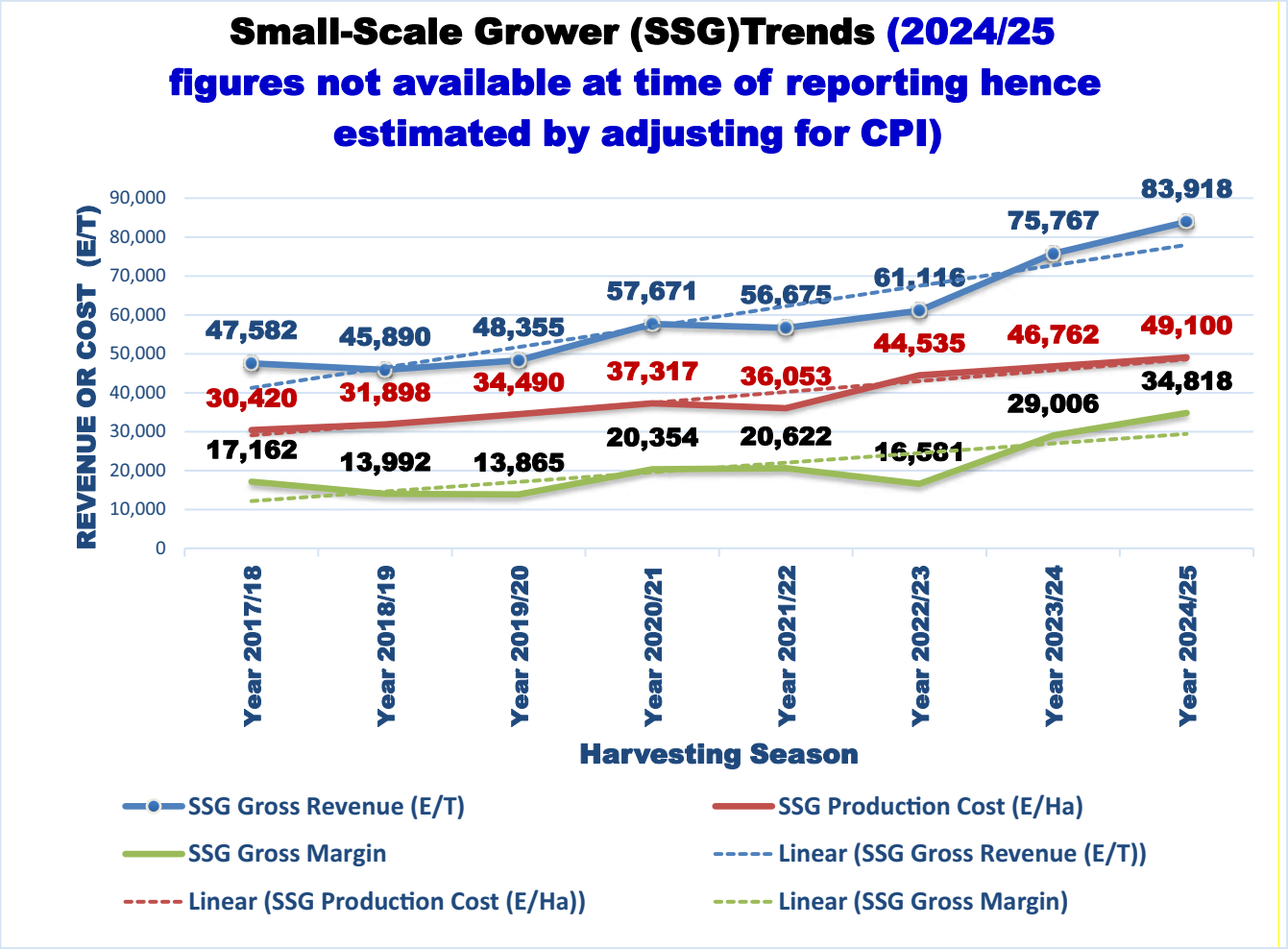
This section seeks to give crude estimate of small-scale grower health. Actual growing costs were derived from the Grower Business Sector Analysis done by ESA for year ended 31 March 2023. More recent data is not available. Projections for reporting period are estimates based on the following assumptions:

- **Grower costs for 2023/24 (estimated by increasing 2022/23 by CPI)**
- Actual average sucrose price for 2022/23
- Actual SSG sucrose production for 2023/24

Because of the use of estimated cost, caution must be exercised in using the 2023/24 margins, as they are only projections.



Harvesting and haulage, labour/administration, electricity and fertilizers are the top 3 grower costs in that decreasing order.



If the above assumptions (on production costs escalations) hold, the margins for small-scale growers (excluding VIF) have increased by about 13%, driven by sucrose price (13.2%) increases. There remains a possibility that the above inflation costs may be expressed in the reporting year, in which case, the price may be a more significant factor compared to price.

9 RISK AND SUSTAINABILITY

During the strategy formulation process, several risks facing the Association and its members were identified in consultation with growers.

9.1 GROWERS RISK

RISK	POTENTIAL IMPACT	REMARKS/MITIGATION ACTIONS
1. COVID-19 AND OTHER PANDEMICS, LACK OF HEALTHCARE AND DISASTERS	• Loss of life • Increased costs due to social distancing • Inability to consult with members on regular basis • Poor labour productivity • Infrastructure damage	• The year was characterised by low activity in the health sphere emanating from financial difficulties faced by TLC • There were industrial actions that affected one of our larger growers. This was ongoing at the end of the year.
2. RUSSIA/UKRAINE AND OTHER CONFLICTS	• Input price escalations and shortages	• Continuous engagement with suppliers to forecast possible developments and feedback to growers • Fertilizer and diesel prices started going down towards end of year. However, the Grower Business Sector Analysis (GBSA) has revealed the extent of previous impact of this factor on fertilizer prices. • Monitoring and awareness creation of trends and possible mitigation measures e.g., soil/leaf testing and proper timing of fertilizer applications.
3. GROWER SINGLE SOURCE OF REVENUE	• Exposure to temporary price variation and erratic yields	• Payment for bagasse continued based on Independent Review Committee (IRC) **determinations** • ECGA remained an integral part of sugar and molasses allocation through ESA.
4. EXPREME WEATHER PATTERNS (CLIMATE CHANGE)	• Unpredictable yields and poor estimating • Loss of sucrose value • Emergence of previously unimportant pests and diseases • Extended milling seasons, field damage and unplanned carryovers • Threats to Energy and water security	• Original crop estimates were not corrected until very late resulting in sugar shortages and exposure to low value markets on assumption of stock availability. • Accurate and frequent monitoring of estimates emphasized during grower feedback meetings • Awareness of trends and impacts raised during feedback meetings and through Extension Services. • ECGA continued to participate in Private/Public Sectoral platforms. • Of the requested 21.31% tariff increase, ESERA awarded 10.14% increase effective 1 April 2023. • Growers actively participated in public consultations, 2 of which were held at cane growing zones.
5. LEADERSHIP SUCCESSION & SKILLS GAP	• Brain drain and depletion of capacity	• Succession planning strengthened through involvement of younger growers in Executive Committee (ExCo) as alternates • Technical Advisory Panel stood at 3 members • Three ExCo members trained on Being a Director Part 1

9.2 KEY ASSOCIATION RISKS

RISK	POTENTIAL IMPACT	REMARKS
1. LIMITED HUMAN RESOURCE CAPACITY	• Limited presence in key stakeholder forums • Limited skills base/diversity and low segregation of duties • Brain drain and turnover of key personnel	• The strategy embraces modest growth in office capacity • ECGA continued with extended internship programme • Most unfortunately the University of Arkansas students internship has been halted for risk management by the institution. • Advisory Panel continued to provide much desired skills especially in non-core skills e.g., milling, marketing and general management of sugarcane business. • Strategy driven annual budget developed and ready for implementation in ensuing year Mhlume PG-Norman Khoza Simunye PG-Veronica Dlamini Big Bend-Nonhlanhla Tsabedze • Five growers, including ExCo members, trained in Corporate Governance • A contribution of 50k towards skills development (Grower Competition)
		• ECGA continued to leverage membership of BE, EBH, ESA and WABCG
2. LACK OF FINANCES	• Heavy reliance on grower levies • Limited staff & vacancies • Inability to implement strategy • Limited logistical facilities e.g., vehicles and office space	• Members and Government were supportive in approving and gazetting levy adjustments. • Economic circumstances did not support sufficient levy adjustment to implement strategy hence some actions were deferred or cancelled. • Special purpose vehicle (SPV) and Salary Review studies were in progress at end of the year. • Better yields resulting from harvest of older cane improved Association financial resources. • Miller-cum-planter (MCP) financial support continued to be instrumental in the sustainability of the Office.
3. NATURAL DISASTERS & PANDEMICS	• Loss of human life • Reduced worker productivity	• No employee death recorded • There wer fewer weather extremities • Provision of health services by TLC were not available due to cash flows challenges facing the service provider
4. LAND DIVERSION TO OTHER CROPS & LEVY INCOME THROUGH QUOTA TRANSFER TO MCP	✓ Reduced membership ✓ Reduced grower contribution (Levy income)	✓ Soliciting funding for alternative forms of energy
		✓ Continuous advocacy on key areas such as energy, taxation, and water

10 IMMEDIATE FUTURE OUTLOOK (1-YEAR)

The current ECGA strategy ends in March 2026. The process of preparing a new one will resume in 2025/26, starting with piloting budget for AGM approval in August/September 2025. The Special purpose vehicle (SPV) study will be finalised in the next year and intention is to start approved direction in 2026/27.

The construction of Mpakeni Dam on the Ngwavuma River is expected to continue in this period. Water tariff discussions that started two years ago will continue and possibly lead to implementation.

The impacts of global conflicts appear likely to continue or even intensify in 2025/26 and fertilizer, agrochemicals, petroleum price escalations a possibility. Early and preliminary estimates indicate that the 2025/26 sucrose price will be flat or marginally higher compared to 2024/25. No reliable estimate for input price increase is being made but it is anticipated that it will be equal to or slightly above the reporting year. Yield optimization will assume even greater importance and urgency. Export tariffs is an emerging factor in the business.

The SPV study is anticipated to be approved during the 2025/26 financial year period and be completed during this period. An approved large quota transfer from ECGA to MCP took effect in the year 2023/24, hence levy revenue loss (about E200 000 per annum) could have been encountered but thanks to the concerned MCP who agreed to maintain grower levy rate for 3-years.

ESWATINI CANE GROWERS ASSOCIATION

ECGA®

"Cane For Growth"

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

-

GENERAL INFORMATION

Country of incorporation and domicile	Eswatini
Nature of business and principal activities	To advocate, represent and support collective interests of the cane growers of Eswatini
Registered office	2nd Floor Nkhotfojeni Building Cnr Msakato & Dzeliwe Street. H100
Postal address	P.O Box 273 Mbabane Eswatini H100
Bankers	Nedbank (Eswatini) Limited
Auditors	Kobla Quashie and Associates Chartered Accountants (Eswatini) Manzini
Secretary	Dr S V Nkambule
Business address	2nd Floor Nkhotfojeni Building Cnr Msakato & Dzeliwe Street H100
Executive Committee	Mr S Geldenhuys - Big Bend Planters' Group (Chairman) Mr L Msibi - Big Bend Planters' Group (Member) Mr T Nkambule - Big Bend Planters' Group (Member) Ms T Gina - Big Bend Planters' Group (Member) Mr P Malandvula - Simunye Planters' Group (Vice Chairman) Mr M Mndzebele - Simunye Planters' Group (Member) Mr S Mabila- Simunye Planters' Group (Member) Mr R Dlamini - Simunye Planters' Group (Member) Mr C Shabangu - Mhlume Planters' Group (Member) Mr B James - Mhlume Planters' Group (Member) Mr E Nxumalo - Mhlume Planters' Group (Member) Mr M Jele - Mhlume Planters' Group (Member) Dr A T Dlamini - Tibiyo Taka Ngwane (Member) Mrs S M Magagula - Tibiyo Taka Ngwane (Member) Mr A T Ngcobo - Tibiyo Taka Ngwane (Member)

CONTENTS

The reports and statements set out below comprise the financial statements presented to the Members of Eswatini Cane Growers Association:

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Statement of Financial Position	8
Statement of Comprehensive Income	9
Statement of Changes in Equity	10
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EXECUTIVE COMMITTEES' RESPONSIBILITIES AND APPROVAL

The Executive Committee are required in terms of the Cane Growers' Act No.12 of 1967 to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the Association as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the Association's accounting policies and include amounts based on judgement and estimates made by management. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with the Association's accounting policies and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The Executive Committee acknowledge that they are ultimately responsible for the system of internal financial control established by the Association and place considerable importance on maintaining a strong control environment. To enable the Executive Committee to meet these responsibilities, the Executive Committee sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Association and all employees are required to maintain the highest ethical standards in ensuring the Association's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Association is on identifying, assessing, managing and monitoring all known forms of risk across the Association. While operating risk cannot be fully eliminated, the Association endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Executive Committee members are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Executive Committee has reviewed the Association's cash flow forecast for the year to 31 March 2026 and, in the light of this review and the current financial position, they are satisfied that the Association has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Association's financial statements. The financial statements have been examined by the Association's external auditors and their report is presented on pages 4 to 5.

The financial statements set out on pages 8 to 19, which have been prepared on the going concern basis, were approved by the Executive Committee on 23 June 2025 and were signed on its behalf by:

Mr S Geldenhuys

Dr S V Nkambule

KOBLA QUASHIEAND ASSO CIATES
CHARTERED ACCOUNTANTS (ES)

Mallya House, Lot 137, Esser Street
P.O. Box 710, Manzini M200, Eswatini
Tel: (+268) 2505-4974
Fax: (+268) 2505-4540
E-mail: info@kq.co.sz
Website: www.kq.com

INDEPENDENT AUDITORS' REPORT

To the Eswatini Cane Growers Association Executive Committee Report on the

Audit of the annual Financial Statements

Opinion

We have audited the annual financial statements of Eswatini Cane Growers Association, which comprise the statement of financial position as at 31 March 2025, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the Board as at 31 March 2025 and its financial performance and its cash flows for the year then ended in accordance with the basis of accounting policy described in note 1 of the financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the annual Financial Statements* section of our report.

We are independent of the Board in accordance with International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the annual financial statements in Eswatini, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 1 of the financial statements, which describes the basis for accounting. The financial statements are prepared in accordance with the Association's own accounting policies to satisfy the financial information needs of the Association's members. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified is respect of this matter.

Responsibilities of the Board and Those Charged with Governance for the annual Financial Statements

The Executive Committee are responsible for the preparation and fair presentation of the annual financial statements in accordance with IFRS for SMEs and for such internal control as the Executive Committee determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the Executive Committee is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management and the Executive Committee either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditors' Responsibilities for the Audit of the annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Committee.

- Conclude on the appropriateness of the Executive Committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Association to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

23 June 2025

Kobla Quashie and Associates
Chartered Accountants (Eswatini)
Manzini
Registered Auditor: Daniel Bediako

EXECUTIVE COMMITTEES' REPORT

The Executive Committee submit their report for the year ended 31 March 2025.

1. Review of activities

Main business and operations

The Association advocates, represents and supports the collective interests of cane growers of Eswatini and operates principally in Eswatini. The Association continued to charge levies in terms of Section 4 of the Cane Growers Act of 1967, as amended, on sugar cane growers in Eswatini.

The operating results and state of affairs of the Association are fully set out in the attached financial statements and do not in our opinion require any further comment.

2. Events after the reporting period

The Executive Committee is not aware of any matter or circumstance arising since the end of the financial year.

3. Dividends

No dividends were declared or paid to association's members during the year.

4. Secretary

The secretary of the Association is Dr S V Nkambule of:

Postal address

P.O. Box 273
Mbabane
H100

5. Auditors

Kobla Quashie and Associates Chartered Accountants (Eswatini) Manzini

6. Executive Committee

The Executive Committee of the Association during the year and to the date of this report are as follows:

- EXECUTIVE COMMITTEES' REPORT

Name	
Dr S V Nkambule	Executive Director
Mr S Geldenhuys	Big Bend Planters' Group (Chairman)
Mr P Malandvula	Simunye Planters' Group (Vice Chairman)
Mr T Nkambule	Big Bend Planters Group (Member)
Ms T Gina	Big Bend Planters Group (Member)
Mr L Msibi	Big Bend Planters Group (Member)
Mr R Dlamini	Simunye Planters Group (Member)
Mr M Mndzebele	Simunye Planters' Group (Member)
Mr S Mabila	Simunye Planters Group (Member)
Mr B James	Mhlume Planters' Group (Member)
Mr E Nxumalo	Mhlume Planters Group (Member)
Mr M Jele	Mhlume Planters' Group (Member)
Mr C Shabangu	Mhlume Planters' Group (Member)
Dr A T Dlamini	Tibiyo Taka Ngwane (Member)
Mrs S M Magagula	Tibiyo Taka Ngwane (Member)
Mr A T Ngcobo	Tibiyo Taka Ngwane (Member)

STATEMENT OF FINANCIAL POSITION

Figures in Emalangeni	Note(s)	2025	2024
Assets			
Non-Current Assets			
Property, plant and equipment	2	148,784	215,822
Current Assets			
Investment	3	7,778,136	6,584,125
Current tax asset	9	5,512	-
Trade and other receivables	4	26,413	36,269
Cash and cash equivalents	5	98,261	118,359
		7,908,322	**6,738,753**
Total Assets		**8,057,106**	**6,954,575**
Reserves and Liabilities			
Equity			
General reserves	7	2,880,231	2,583,746
Accumulated funds		4,858,252	3,968,796
		7,738,483	**6,552,542**
Liabilities			
Current Liabilities			
Current tax payable		-	36,827
Trade and other payables	8	318,623	365,206
		318,623	**402,033**
Total Equity and Liabilities		**8,057,106**	**6,954,575**

STATEMENT OF COMPREHENSIVE INCOME

Figures in Emalangeni	Note(s)	2025	2024
Revenue		5,341,230	4,369,663
Other income		-	17,023
Operating expenses		(4,697,446)	(4,391,004)
Operating surplus (deficit)		**643,784**	**(4,318)**
Finance income		592,323	547,570
Surplus (deficit) before taxation		**1,236,107**	**543,252**
Taxation		(50,166)	(50,380)
Surplus for the year		**1,185,941**	**492,872**
Total comprehensive surplus		**1,185,941**	**492,872**

STATEMENT OF CHANGES IN EQUITY

Figures in Emalangeni	Training Grant	Revaluation Reserves	General Reserves	Accumulated Funds	Total equity
Balance at 01 April 2023	**14,061**	**64,636**	**2,395,101**	**3,599,933**	**6,073,731**
Changes in equity					
Total comprehensive surplus for the year				492,872	492,872
Transfer to general reserve Utilised			124,009	(124,009)	
during the year	(14,061)				(14,061)
Total changes	(14,061)		124,009	368,863	478,811
Balance at 01 April 2024		**64,636**	**2,519,110**	**3,968,796**	**6,552,542**
Changes in equity					
Total comprehensive surplus for the year				1,185,941	1,185,941
Transfer to general reserve			296,485	(296,485)	
Total changes			296,485	889,456	1,185,941
Balance at 31 March 2025		**64,636**	**2,815,595**	**4,858,252**	**7,738,483**
Note(s)	6	7	8		

STATEMENT OF CASH FLOWS

Figures in Emalangeni	Note(s)	2025	2024
Cash flows from operating activities			
Cash generated from operations	10	716,869	145,965
Interest income		592,323	547,570
Tax paid	9	(92,505)	(20,375)
Net cash from operating activities		**1,216,687**	**673,160**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(42,774)	(35,918)
Movements in investments		(1,194,011)	(647,170)
Net cash from investing activities		**(1,236,785)**	**(683,088)**
Cash flows from financing activities			
Training grant utilised during the year		-	(14,061)
Total cash movement for the year		**(20,098)**	**(23,989)**
Cash at the beginning of the year		118,359	142,348
Total cash at end of the year	5	**98,261**	**118,359**

ACCOUNTING POLICIES

1. Presentation of Financial Statements

The financial statements have been prepared in accordance with the Association's accounting policies. The financial statements have been prepared on the historical cost convention, and incorporate the principal accounting policies set out below. They are presented in Eswatini Emalangeni.

The preparation of financial statements in conformity with the Association's accounting policies requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Association's accounting policies.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the Association; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses except for office furniture and computer equipment which are carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Property, plant and equipment is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. The

useful lives of items of property, plant and equipment have been assessed as follows:

Item	Rate
Office Furniture	10%
Computer Equipment	33%
Motor Vehicle	20%

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

ACCOUNTING POLICIES

1.1 Property, plant and equipment (continued)

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.2 Financial instruments

Initial recognition and measurement

Financial instruments are recognised initially when the Association becomes a party to the contractual provisions of the instruments.

The Association classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Regular way purchases of financial assets are accounted for at settlement date.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.3 Tax

Current tax assets and liabilities

The Association is exempt from taxation except for the net income arising from activities which are outside the core business in terms of Section 12 (1) (a) (vi) of the Income Tax Order.

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.4 Impairment of assets

The Association assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Association estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

1.4 Impairment of assets (continued)

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.5 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.6 Revenue recognition

Levies

Levies are recognised when it is probable that the economic benefits associated with the transaction will flow to the Association and the amount of levies can be reliably measured.

Grant income

Grants from the government are recognised at their fair value as deferred income where there is a reasonable assurance that the grant will be received and the association will comply with all attached conditions. Governement grants relating to project costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the income statement on a straight line basis over the expected lives of the related assets.

Interest Income

Interest income is recognized on a time-proportion basis using the effective interest method. When a receivable is impaired, the Association reduces the carrying amount to its recoverable amount, being the estimated furure cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognized either as cash is collected or on a cost recovery basis as conditions warrant.

1.7 Related parties

Parties are related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and other operating decisions.

1.8 Financial risk management

The Association's activities expose it to credit risk and liquidity risk. Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Credit risk arises from cash and cash equivalents with banks and financial institutions, as well as credit exposure to outstanding receivables. The Association's cash and cash equivalents are placed with high credit quality financial institutions. Accordingly the Association has no significant concentration of credit risk.

Liquidity risk

1.8 Financial risk management (continued)

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Asssociation remains confident that the available cash resources and overdraft facilities will be sufficient to meet its funding requirements.

1.9 General Reserves

It is the Association policy to transfer 25% of it's surplus after taxation to the general reserves.

NOTES TO THE FINANCIAL STATEMENTS

-

2. Property, plant and equipment

	2025			2024		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Motor vehicles	329,403	(318,754)	10,649	329,403	(252,873)	76,530
Furniture and fittings	129,475	(40,125)	89,350	108,449	(28,016)	80,433
Computer equipment	154,379	(105,594)	48,785	132,631	(73,772)	58,859
Total	**613,257**	**(464,473)**	**148,784**	**570,483**	**(354,661)**	**215,822**

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Depreciation	Total
Motor vehicles	76,530	-	(65,881)	10,649
Furniture and fittings	80,433	21,026	(12,109)	89,350
Computer equipment	58,859	21,748	(31,822)	48,785
	215,822	**42,774**	**(109,812)**	**148,784**

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Depreciation	Total
Motor vehicles	142,410	-	(65,880)	76,530
Furniture and fittings	91,278	-	(10,845)	80,433
Computer equipment	53,339	35,918	(30,398)	58,859
	287,027	**35,918**	**(107,123)**	**215,822**

3. Investment

Eswatini Sugar Association	7,778,136	6,584,125
Current assets		
Investment	7,778,136	6,584,125

4. Trade and other receivables

Trade receivables	-	21,363
Other receivables	26,413	14,906
	26,413	**36,269**

5. Cash and cash equivalents

Cash and cash equivalents consist of:

-

5. Cash and cash equivalents (continued)

Cash in hand	518	1,154
Nedbank current account	86,259	106,033
Nedbank call account	11,484	11,172
	98,261	**118,359**

6. Revaluation reserve

The Association engaged Eswatini Auctioneers (Pty) Ltd to perform a revaluation of all fixed assets the revaluation led to a gain in asset value in the following assets. The valuation took place during the year ended 31 March 2022. The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised.

Furniture and fittings	59,305	59,305
Computer equipment	5,331	5,331
	64,636	**64,636**

7. General reserve

Balance at beginning of the year	2,519,110	2,395,101
Transfer to general reserves	296,485	124,009
	2,815,595	**2,519,110**

It is the Association's policy to transfer 25% of it's surplus after taxation to a general reserve.

8. Trade and other payables

Other payables	211,516	92,946
Provision for audit fees	55,000	57,000
Provision for leave pay	52,107	27,995
Provision for bonus pay	-	187,265
	318,623	**365,206**

9. Tax

Balance at beginning of the year	(36,827)	(6,822)
Current tax for the year recognised in profit or loss	(50,166)	(50,380)
Balance at end of the year	(5,512)	36,827
	(92,505)	**(20,375)**

Figures in Emalangeni	2025	2024
10. Cash generated from operations		
Profit before taxation	1,236,107	543,252
Adjustments for:		
Depreciation	109,812	107,123
Interest received	(592,323)	(547,570)
Changes in working capital:		
Trade and other receivables	9,856	(12,848)
Trade and other payables	(46,583)	56,008
	716,869	**145,965**

11. Related parties

Related party transactions

Executive Committee	178,289	201,863
Eswatini Sugar Association	52,245	30,000

Eswatini Cane Growers Association has a 50% representation on the Eswatini Sugar Association. The Remaining 50% representation is by Eswatini Millers Association. As at year end Eswatini Cane Growers Association has an investment in Eswatini Sugar Association amounting to E7 778 135.69 (2024: E6 584 125).

The Association made a contribution to the Eswatini Sugar Association, towards the annual sugarcane growers competition which is a skills development program for the farmers.

DETAILED STATEMENT OF FINANCIAL PERFORMANCE

Figures in Emalangeni	Note(s)	2025	2024
Revenue			
Levies		3,870,438	3,082,027
Miller-Cum-Planter		1,470,792	1,287,636
		5,341,230	**4,369,663**
Other income			
Interest received		592,323	547,570
Sundry income		-	17,023
		592,323	**564,593**
Operating expenses			
Accounting fees		1,500	1,000
Advertising		58,491	46,877
Auditors fees		57,000	57,000
Bank charges		18,673	21,062
Cleaning		1,288	3,888
Consulting fees		111,412	269,856
Courier & Postage		1,857	850
Depreciation		109,812	107,123
Electricity		33,022	33,478
Entertainment		8,371	13,516
Executive committee expenses		178,289	201,863
Insurance and licences		84,877	74,022
Legal expenses		19,220	15,465
Meetings		174,835	148,786
Motor vehicle expenses		191,676	212,385
Printing and stationery		68,212	84,758
Rent and office facilities		266,271	253,592
Repairs and maintenance		9,758	21,165
Salaries and wages		2,776,515	2,373,355
Growers welfare		17,404	30,923
Subscriptions		255,180	218,581
Telephone and postage		57,037	65,710
Travel and subsistence expenses		196,746	135,749
		4,697,446	**4,391,004**
Surplus (deficit) before taxation		**1,236,107**	**543,252**
Taxation		50,166	50,380
Surplus for the year		**1,185,941**	**492,872**

TAX COMPUTATION

	E
Net income per income statement	1,236,107
Non-deductable/(Non taxable) items	
Levies	(5,341,230)
Interest Received	(592,323)
Operating Expenses	4,697,446
	(1,236,107)
Allowable Deductions	
Interest Received	592,323
Insurance	(84,877)
Repairs and maintenance	(9,758)
10% Effective Executive Director's salary	(133,868)
10% Office admin staff salary	(143,300)
10% Printing and stationary	(6,809)
10% Telephone	(5,694)
10% Audit Fees	(5,490)
10% Bank Charges	(1,864)
	200,663
Taxable income	**200,663**
Tax thereon @ 25%	**50,166**
	-

Tax liability

	E
Amount owing/(prepaid) at the beginning of the year	36,827
Tax owing/(prepaid) for the current year	
Normal tax	
Per calculation	50,166
1st provisional payment	(31,250)
2nd provisional payment	(31,250)
Other payments	(30,005)
	(42,339)
Amount owing/(prepaid) at the end of year	**(5,512)**

The following supplementary information does not form part of the financial statements and is unaudited:

SUPPLEMANTARY INFORMATION

1. Audit fees

Kobla Quashie and Associates - Audit	55,000
Kobla Quashie and Associates - Tax	2,000
	57,000

2. Legal fees

Henwood & Company	19,220

3. Rent paid

Tibiyo Properties	266,271

4. Insurance

Eswatini Insurance brokers	84,877

ESWATINI CANE GROWERS ASSOCIATION

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ANNUAL REPORT

FOR THE YEAR ENDED MARCH

2025

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