ANNUAL REPORT 2015

ARISTON HOLDINGS LIMITED

ARISTON
HOLDINGS LIMITED



Contents

Corporate Structure

ARISTON HOLDINGS LIMITED

100%
ARISTON
MANAGEMENT SERVICES
(PRIVATE) LIMITED

100%
CLAREMONT ORCHARDS
HOLDINGS (PRIVATE) LIMITED

Property owning company.

100%
SOUTHDOWN HOLDINGS
(PRIVATE) LIMITED

Property owning company.

100%
CLAREMONT ORCHARDS
(1988)(PRIVATE) LIMITED

Property owning company.

100%
CLAREMONT ESTATE
A division of Ariston Management Services (Pvt) Ltd

Situated in the Nyanga area which has a unique micro climate suitable for horticultural production. Claremont Estate is one of the country's major producers of pome and stone fruit.

100%
SOUTHDOWN ESTATE
A division of Ariston Management Services (Pvt) Ltd

Comprises three tea estates in the picturesque Chipinge and Chimanimani areas of Zimbabwe with 1,200ha of tea, 60ha of bananas and 450ha of macadamia nuts. This business unit is also involved in the packaging of tea for the domestic market. Infrastructural development includes tea factories, schools, clinics and workers' housing.

100%
Kent ESTATE
A division of Ariston Management Services (Pvt) Ltd

Situated in Norton with 5ha of greenhouse vegetables. The estate has capacity to produce over one million broilers a year and has cattle, irrigated crops and dry land crops.

75%
NYANGA TROUT FARMING (PRIVATE) LIMITED

A joint venture between Ariston Management Services (Private) Limited and Three Streams Holdings (Proprietary) Limited formed with the goal to engage in trout farming at the Claremont Trout Farm which is situated on Claremont Estate in the Nyanga area.

Financial Highlights

FOR THE YEAR ENDED 30 SEPTEMBER 2015

	2015	2014
GROUP SUMMARY (US$)		
Revenue - continuing operations	11,779,732	12,495,140
Earnings/(loss) before interest, tax, depreciation and amortisation (excluding fair value adjustments) - continuing operations	846,994	(2,387,210)
(Loss)/profit before taxation - continuing operations	(2,558,190)	1,816,824
Loss for the year from discontinued operations	(3,436,756)	(859,282)
(Loss)/profit attributable to shareholders	(5,144,519)	615,160
Total assets employed	47,498,378	48,685,202
Cash utilised in operating activities - continuing operations	(1,407,769)	(513,990)
Capital expenditure - continuing operations	628,310	1,687,493
Net finance costs - continuing operations	2,986,818	829,162
Cash resources net of short-term borrowings (deficit)	(5,431,154)	(10,602,112)
ORDINARY SHARE PERFORMANCE		
Number of ordinary shares in issue	1,378,595,595	1,378,595,595
Basic (loss)/earnings per ordinary share (dollars)	(0.0037)	0.0004
Ordinary shareholders' equity per ordinary share (dollars)	0.010	0.014
Market price per ordinary share at year end (dollars)	0.0020	0.0060
Industrial Index - 30 September	131.93	195.25
FINANCIAL STATISTICS		
Interest cover (times)	(0.57)	1.78
Ordinary shareholders' equity to total assets (%)	29.73	39.57
Return on shareholders equity (%)	(36.43)	3.19

Directorate and Administration

DIRECTORS

Non-Executive

Dr. R.M. Mupawose	Chairman
I. Chagonda	
S.G. Chella	
C.P. Conradie	
A.C. Jongwe	
T.C. Mazingi	
S.K. Mutepfa	(resigned 22 July 2015)

Executive

P.T. Spear	Group Chief Executive Officer
Dr. A.J. Masuka	Chief Operating Officer (resigned 31 January 2015)

BOARD COMMITTEES

Audit and Risk Committee

S.G. Chella	Chairperson
I. Chagonda	
A.C. Jongwe	
S.K. Mutepfa	(resigned 22 July 2015)

Human Resources and Remuneration Committee

Dr. R.M. Mupawose	Chairman
C.P. Conradie	
T.C. Mazingi	
P.T. Spear	

Operations/Technical Committee

S.K. Mutepfa	Chairman (resigned 22 July 2015)
A.C. Jongwe	Chairman (appointed 5 August 2015)
S.G. Chella	
C.P. Conradie	
P.T. Spear	

SENIOR MANAGEMENT

Head Office

P.T. Spear	Group Chief Executive Officer
C.J. Connick	Finance Executive
B.T. Kagondo	Group Human Resources Executive
T. Magutsa	Special Projects Manager

Operations

E. Chafewa	Safety, Health and Environment Manager
E. Chenyika	Estate Manager - Kent Estate
W. Chibonda	Estate Manager - Roscommon Estate
D. Mafuvadze	Senior Estate Manager - Southdown Estate
E. Makandwa	Estate Manager - Claremont Estate
W. Mangezi	Factory Manager - Southdown Holdings
G. Manyukwa	Engineer - Southdown Holdings
I. Mukandi	Estate Manager - Clearwater Estate
J. Zindi	Manager - Blended Tea Factory

REGISTERED OFFICE
306 Hillside Road
Msasa Woodlands
P. O. Box 4019
Harare

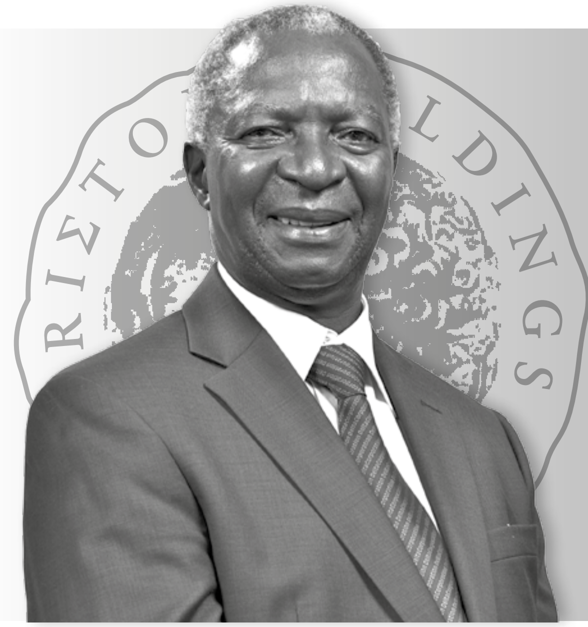
COMPANY SECRETARY
C.J. Connick (Acting)

SHARE TRANSFER SECRETARIES
ZB Transfer Secretaries (Private) Limited
21 Natal Road
Corner Natal/Durban Road
Avondale
P.O. Box 2540
Harare

AUDITORS
Deloitte & Touche Chartered Accountants (Zimbabwe)
West Block, Borrowdale Office Park
Borrowdale Road, Borrowdale
P.O. Box 267
Harare

BANKERS
Agribank
CBZ Bank
Stanbic Bank of Zimbabwe
Standard Chartered Bank Zimbabwe
ZB Bank

Chairman's Statement



"Strong performance from macadamia and deciduous fruit are the positive results of the recent investments."

DR. R.M. MUPAWOSE - CHAIRMAN

OVERVIEW

The fundamentals of a shrinking economy and high interest rates continue to put a strain on the Group. Working capital has at times been critically short.

The long term nature of most of the investments made in the Group means that returns will take time to be realised.

The year under review has been a mixed bag with some very positive developments and some disappointments. Certain key crops such as Macadamia have performed very well while others such as tea continue to suffer from low international prices.

The major shareholder's financial support has been unwavering, the proposed conversion of the Afrifresh debt to equity being the latest example of this commitment. Agricultural plantation crops are by their nature long term crops and thus require long term investment. Support from local financial institutions again is much appreciated, although the process of restructuring the balance sheet is taking much longer than anticipated.

REVIEW OF OPERATIONS

Strong performance from macadamia and deciduous fruit are the positive results of the recent investments. Short term crops have been a disappointment this season. As production from plantation crops increases the emphasis on annual cropping will decline.

The Chipinge and Chimanimani estates combined with the blended tea unit have moved into a sound operational position overall. Macadamia produced record yields this year and are set to increase further as a result of investments in irrigation. This crop now makes the largest contribution to the Group. What remains is for Claremont and Kent to realise the potential of their respective investments and start contributing positively to the Group. The increase in deciduous fruit yields is the first step for Claremont in a period of growth expected to last several years.

As a result of continued losses, your Board saw it fit to discontinue operations at FAVCO as of June 2015. This decision, combined with the movement of the tea distribution to Brands Africa, will improve the Group's viability and allow focus on farming operations.

FINANCIAL RESULTS

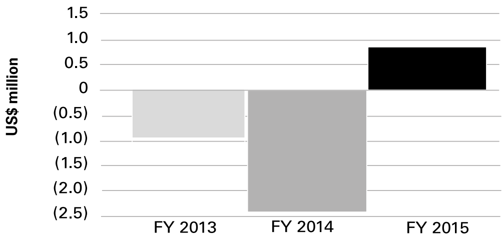
Recorded revenues for continuing operations declined 6% from US$12.5m in 2014 to US$11.8m in the year under review. The operating losses continue to come down having reduced by US$3.2m on prior year to US$0.3m in 2015. The continuing operations posted an after tax loss of US$1.7m compared to a profit of US$1.5m in 2014. This was largely caused by the US$2.2m increase in finance costs. The weighted average cost of borrowings as at 30 September 2015 was 18.8% per annum.

Discontinued operations incurred a loss of US$3.4m due to the poor results of the trading division and the costs of unwinding the business.

Chairman's Statement - cont'd

The following graph shows the improvement in Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) (excluding fair value adjustments) for the continuing operations.

Earnings Before Interest Tax Depreciation and Amortisation (EBITDA)
(excluding fair value adjustments)



OUTLOOK

Predictions of a below average rainfall season do not bode well when combined with the difficulties being experienced with power supplies for irrigation.

Production from young orchards is very pleasing and is the beginning of a new era for Claremont.

Nyanga Trout Farming, a joint venture initiative with Three Streams Holdings, formed to expand trout production at the Claremont Trout Farm, began operating in earnest at the beginning of the current financial year. This business is expected to start generating profits in the season ahead.

DIVIDEND

In view of the working capital constraints that I have highlighted and the urgent need to generate and preserve the available cash, the Board has once again seen it prudent not to declare a dividend.

DIRECTORATE

Dr. Anxious Masuka and Mr. Stanley Mutepfa resigned from the Board on 31 January 2015 and 22 July 2015 respectively. We thank them for their valuable contributions to the Board.

APPRECIATION

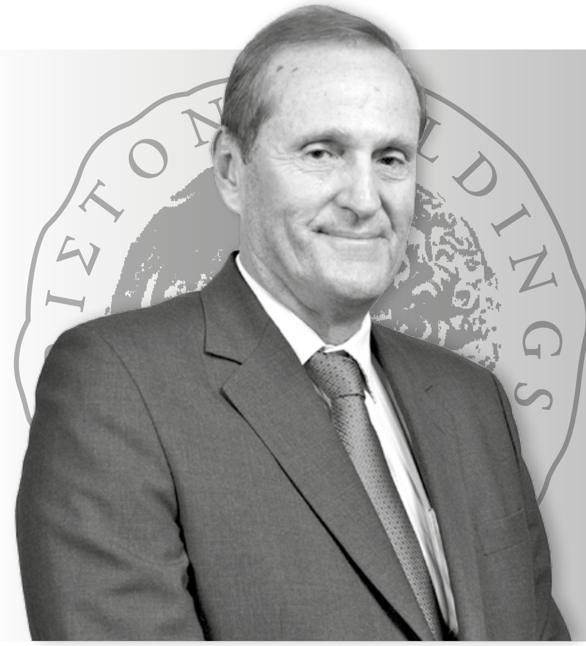
I thank our shareholders, management and staff for their ongoing contribution to the growth of the Group. I also wish to thank my fellow directors for their support during this period.

DR. ROBBIE MATONGO MUPAWOSE
CHAIRMAN

Ariston Holdings Limited
Harare

6 January 2016

Operational Overview



"Southdown Estates' contribution to continuing operations revenues stood at US$9.0m, which equates to 76% of the Group's revenue."

MR. P.T. SPEAR - CHIEF EXECUTIVE OFFICER

INTRODUCTION

The local financial environment remains a difficult one for all businesses. Operationally, the year has seen the rationalisation of the trading division and focus placed on extracting value from ongoing farming operations.

VOLUMES AND OPERATIONS

Macadamia and Tea

Macadamia volumes increased to a record yield of 1,385 tonnes (2014:1,105 tonnes) nut-in-shell, a 25% increase on the prior year. Prices were also at an all time high. There is still room for improvement in terms of quality and yield. The benefits of investment in irrigation will increase in the seasons ahead. Considerable work has been carried out on rehabilitating orchards in addition to a modest expansion in the planted area.

All indications are that prices will remain high; and approximately half of next season's crop has been sold forward at favourable prices. Thus the macadamia crop is poised to make an increased contribution in the future.

As mentioned in the half-year report, tea production was managed downward during the year under review. Sales of blended teas were largely unaffected with volumes of 740 tonnes compared to 750 tonnes in the prior year. The distribution of the blended teas was transferred from FAVCO to Brands Africa in April 2015. This has proved to be a very positive development with sales holding their own despite a difficult trading environment plus much improved management of debtors. Bulk tea sales by contrast reduced by 35% from the prior year. A great deal of effort has been focused on the certification of all three estates as Rain Forest Alliance compliant for the next season. Our belief is that this certification, combined with the work done during the season to improve made-tea quality and steady small improvements in international prices, will return tea to modest viability.

Horticulture

Stone fruit sales volumes increased from 143 tonnes in the prior year to 340 tonnes in the period under review. This was largely due to the new clingstone peach plantings. The results would have been improved by better post-harvest management. Further growth in production is expected next year. These encouraging results have resulted in an additional planting of 6 hectares of stone fruit.

Pome fruit production and sales were 50% up on the prior year at 1,174 tonnes and 874 tonnes respectively. Hail damage to certain orchards accounted for most of the losses. The increase in yield in the period under review is most encouraging and is expected to accelerate in the years ahead.

Potato sales volumes were marginally above the prior year and below expectation overall. Production at Kent being especially disappointing.

Summer Crops

Dry-land crops at Kent did not perform well, partially as a result of poorly distributed rainfall. With the expansion of irrigation infrastructure it will be possible to concentrate on irrigated crops in the future.

Poultry

Sales for the year of 1.038 million birds was marginally below prior year however, the last batch was carried over at year-end. As highlighted in the half-year report, Site 2 at Kent was still unavailable for production at the end of the season. Generally performance has been satisfactory although a few late season placements suffered from unacceptably high mortality.

Operational Overview - cont'd

Trading
In the half-year report we mentioned the intention to discontinue FAVCO operations. Accordingly June 2015 was the last trading month for FAVCO. As a result cash outflows are significantly reduced. Farming operations have been able to secure off-take agreements with other parties. Thus overall, this development has been very positive for the Group.

Business Unit Financial Performance
Southdown Estates' contribution to continuing operations revenues stood at US$9.0m, which equates to 76% of the Group's revenue. Its operating profit improved significantly to US$2.2m compared to a US$0.045m loss in the prior year. Fair value adjustments were lower than the prior year at US$1.7m (2014: US$4.3m) due to the reduction in tea prices and the conservative estimate for future tea volumes.

Kent Estate recorded a 52% decline in revenues to end the period at US$1.1m compared to US$2.3m in 2014. This decline in revenues resulted in a US$0.4m increase in operating losses to US$1.1m. The fair value loss of US$0.8m was due to less activity on the ground at year-end.

Claremont Estate's revenue for the year was US$2.0m which was an improvement of 16% on the prior year. The increased yields for pome and stone fruit were the major factor in the operating loss reducing from US$0.9m in 2014 to US$0.3m in 2015.

The Group's trading business unit, FAVCO, was closed in June 2015. The loss for this discontinued operation was US$3.4m (2014:US$0.86m) on the back of debtors provisions of US$0.9m, finance costs of US$0.9m and US$0.5m worth of costs associated with shutting the business down. FAVCO's cumulative loss since the functional currency of the Group changed to United States dollars was US$7.2m.

OUTLOOK
Macadamia harvesting will start in earnest in January 2016. The crop on the trees looks to be on target for another record. Quality at this time is also much improved. Prices remain firm and interest from buyers is strong. To further enhance quality and returns post harvest handling will be upgraded in the next few months.

Early rains have been limited on the tea estates with predictions of a below average season. Very hot temperatures have resulted in early season production being well behind prediction. On a positive note, all three estates passed their Rain Forest Alliance audit and will be certified in the near future which expands the potential buyer base. Inputs are in place at a higher level than last season thus should the rains allow the season ahead will be an improvement on prior year.

Blended tea sales over the last few months are positive having shown consistent but modest growth on prior year.

Early season stone fruit production has been slightly disappointing. Export sales have proceeded as per expectation while local sales prices have been forced downward by increased local production. The newly planted clingstone peach orchards are still to be harvested. This crop looks very promising.

This season for the first time there will be a contribution from the newly planted apple orchards. Combined with the crop on mature orchards, yields are expected to be significantly higher than last year. This is the start of predicted growth in apple production where the area already replanted has the potential to increase yields three fold over the next few seasons.

Working capital will again be at a premium for the first half of the season.

APPRECIATION
Management is grateful to the Chairman, Board and Shareholders for their support over the last few years. To our employees and stakeholders we owe a debt of thanks for their forbearance during these difficult times.

PAUL TIMOTHY SPEAR
CHIEF EXECUTIVE OFFICER

6 January 2016

Report of the Directors

The directors have pleasure in presenting their report, together with the audited financial statements of the Company, for the year ended 30 September 2015.

CAPITAL

Authorised

The authorised capital of your Company remained at 1,600,000,000 shares of US$0.001.

Issued

There were no changes in the issued share capital for the year ended 30 September 2015.

Unissued

At 30 September 2015; 197,114,405 (2014; 197,114,405) shares were under the control of directors; and 23,075,000 (2014: 23,075,000) were set aside under the Senior Staff Option Scheme (2005 and 2011).

Reserves

The movement in the reserves of the Group and the Company are shown on page 15 of the financial statements.

GROUP FINANCIAL RESULTS

The results for the year were as follows:

All figures in US$	2015
CONTINUING OPERATIONS	
Loss before taxation	(2,558,190)
Income tax credit	850,427
Loss for the year from continuing operations	(1,707,763)
DISCONTINUED OPERATIONS	
Loss for the year from discontinued operations	(3,436,756)
Loss attributable to shareholders	(5,144,519)

DIVIDENDS

In view of the working capital constraints highlighted in the Chairman's Statement and the urgent need to generate and preserve the available cash, the Board has once again seen it prudent not to declare a dividend for the year ended 30 September 2015.

DIRECTORATE

Dr. Anxious Masuka and Mr. Stanley Mutepfa resigned from the Board on 31 January 2015 and 22 July 2015 respectively. We thank them for their valuable contributions to the Board.

DIRECTORS' SHAREHOLDINGS

At 30 September 2015, the directors held directly and indirectly the following number of shares in the Company:

	30/09/2015	30/09/2014
Dr. R.M. Mupawose	112,000	112,000
Mr. I. Chagonda	-	-
Mrs. S.G. Chella	-	-
Mr. C.P. Conradie	-	-
Mr. A.C. Jongwe	-	-
Mrs. T.C. Mazingi	658,870	658,870
Mr. P.T. Spear	1,581,672	1,581,672

AUDITORS

Messrs Deloitte & Touche retire and offer themselves for re-appointment.

By order of the Board

PAUL TIMOTHY SPEAR
CHIEF EXECUTIVE OFFICER

6 January 2016

Corporate Governance

Ariston Holdings Limited is committed to maintaining the highest levels of integrity and accountability in all its business practices and its corporate governance policy is aimed at these objectives. This is achieved by ensuring the Group is correctly structured and appropriate reporting and control mechanisms are in place.

1. BOARD COMPOSITION AND APPOINTMENT

The Board of directors is chaired by a non-executive director and comprises six non-executive directors (including the chairman) and one executive director.

The Board enjoys a strong mix of skills and experience. It is the primary governance organ. The role of the Board is to determine overall policies, plans and strategies of the Group and to ensure that these are implemented in an ethical and professional manner.

The Board meets regularly, at least four times a year, and guides corporate strategy, risk management practices, annual budgets and business plans.

Special Board meetings may be convened on an adhoc basis when necessary to consider issues requiring urgent attention or decision.

The Board Secretary maintains an attendance register of directors for all scheduled meetings during the year through which directors can assess their devotion of sufficient time to the Group.

The Board has overall responsibility for ensuring the integrity of the Group's accounting and financial reporting systems including the independent audit, and that appropriate systems of control, risk management and compliance with laws are in place.

To ensure effectiveness, Board members have unfettered access to information regarding the Group's operations which is available through Board meetings, Board and Management Committees as well as strategic planning workshops organised by the Group.

The Board appointments are made to ensure a variety of skills and expertise on the Board. A third of the directors are required to retire on a rotational basis each year, along with any directors appointed to the Board during the year.

Executive directors are employed under performance-driven service contracts setting out responsibilities of their particular office.

Attendance of directors at board and board committee meetings during the year ended 30 September 2015

Directors	Board	Audit and Risk Committee	Human Resources and Remuneration Committee	Operations/ Technical Committee
Dr. R.M. Mupawose	4/4	-	4/4	-
I. Chagonda	2/4	2/4	-	-
S. G. Chella	3/4	3/4	-	3/3
C.P. Conradie	4/4	-	4/4	1/3
A. C. Jongwe	3/4	3/4	-	-
Dr. A. Masuka (resigned 31 January 2015)	1/1	1/1	1/1	1/1
T. C. Mazingi	4/4	-	4/4	-
S. K. Mutepfa (resigned 22 July 2015)	2/3	3/3	-	3/3
P.T. Spear	4/4	4/4	4/4	3/3

Corporate Governance - cont'd

2. FINANCIAL STATEMENTS AND MANAGEMENT REPORTING

A decentralised management structure exists with business unit management attending to the daily activities of individual business units.

Annual budgets and plans are compiled by each business unit and reviewed and agreed by the Board.

Each business unit has comprehensive management and financial reporting disciplines, which include monthly management accounts, physical and financial expenditure controls, planned capital expenditure programmes and detailed operating budgets.

The Group maintains internal controls and systems to support these disciplines, and the results of each operation are approved by the main Board. Financial progress is monitored monthly and annual forecasts are reviewed quarterly.

Internal auditors are tasked with ensuring adherence to internal controls and systems to minimise risk.

The annual financial statements are prepared on a going concern basis, as the directors are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future. The statements are prepared in accordance with International Financial Reporting Standards (IFRS) and are based on policies which are reasonable and prudent. The independent auditors are responsible for carrying out independent examination of the financial statements in accordance with International Standards on Auditing (ISA) and the directors accept responsibility for the preparation of and information presented in the financial statements.

3. BOARD COMMITTEES

Board and accountability and delegated functions

The Board is supported by various committees in executing its responsibilities. The committees meet quarterly to assess, review performance and provide guidance to management on both operational and policy issues.

Each committee acts within certain written terms of reference under which certain functions of the Board are delegated with clearly defined purposes. The Board may take independent professional advice at the Group's expense where necessary. The Board monitors the effectiveness of controls through reviews by the combined Audit and Risk Committee and independent assessments by the independent auditors.

3.1 Audit and Risk Committee

The Audit and Risk Committee is chaired by a non-executive director and the independent auditors have unrestricted access to the committee and attend all meetings. It reviews the interim and final financial statements, the Group systems and controls and ensures that audit recommendations are considered and where appropriate, implemented.

3.2 Human Resources and Remuneration Committee

The Human Resources and Remuneration Committee is chaired by a non-executive director and reviews remuneration levels of members of staff throughout the Group.

This Committee comprises three (3) independent non-executive directors (one of whom is the Chairperson) and one executive director. This Committee is mandated to deal with staff development and formulate remuneration policies as well as approve remuneration packages for executive directors and senior executives.

The remuneration policy is designed to reward performance, to attract, motivate and retain high calibre individuals who will contribute fully to the success of each of the businesses in which the Group operates. Accordingly, a performance related profit share is offered in addition to a basic salary package whilst a discretionary share purchase scheme is in place for staff members who meet certain performance ratings. The committee draws on external market survey data from independent advisors to ensure that the remuneration policy is appropriate and relevant to the prevailing times.

3.3 Operations/Technical Committee

It is chaired by a non-executive director. The Operations/Technical Committee comprises of three (3) non-executive directors and one executive director. The purpose of the Committee is to assist the Board in its oversight of the technical and operational risks of the Group in delivering its business plans.

The Committee assesses management's operational policies, strategies, budgets and action plans, reviews implementation or execution and makes recommendations to the Board.

4. OTHER CORPORATE GOVERNANCE MEASURES

4.1 Internal Audit

The internal audit department is headed by the Group Internal Auditor. Its main activities are to address the following issues at each of the business units of the Group:

* Appraising of systems, procedures and management controls;
* Evaluating the integrity of management and financial information;

Corporate Governance - cont'd

* Assessing the controls over the Group assets; and
* Reviewing compliance with applicable legislation, regulations, Group policies and procedures.

The internal audit function reports to the Audit and Risk Committee and has unrestricted access to this committee. Each entity within the Group is audited regularly by the internal auditors based on the annual work plan and close communication is maintained between internal and external audit.

The Group Internal Auditor position became vacant at the end of January 2015 when the incumbent Group Internal Auditor resigned from the Group. In the interim the Special Projects Manager has been filling in this role. The Group will address this vacancy in the next financial period through outsourcing of the Internal Audit function or recruitment of appropriately skilled personnel.

4.2 Worker Participation

Worker participation and employer/employee relations are handled through regular works councils and worker committee meetings in each operating business unit. Regular meetings ensure information dissemination, consultation and resolution of conflict areas timeously and to the benefit of all parties.

4.3 Environment

The Group adopts a responsible approach and complies with all regulatory and legislative requirements to ensure the protection and maintenance of the environment in which it operates.

4.4 Social Responsibility

The Group contributes to the social well-being of its employees and their dependents within the communities in which the Group's operations are located. Provision of health, educational, recreational and sporting facilities on the Group's estates provides amenities for employees as well as members of the surrounding communities.

The Group participates in fair trade label programmes and subjects its operations to audit by international organisations, to ensure compliance with the highest standards in its respective operations.

4.5 Related Party Transactions

The Company has a process in place whereby the directors and key management have confirmed that, to the best of their knowledge, the information disclosed in Ariston Holdings Limited's annual financial statements fairly represents their shareholding in the Company, both benefical and indirect, interest in share options of the Company and the compensation earned from the Company for the financial year. In addition, the directors and key management have confirmed that all interests have been declared.

4.6 Insider Trading

No director, officer or employee of the Company may deal with directly or indirectly in the Company's shares on the basis of unpublished price-sensitive information regarding its business or affairs. In addition, no director, officer or employee may trade in the Company's shares during closed periods. Closed periods are from the end of the interim and annual reporting periods to the announcement of financial and operating results for the respective periods, and while the Company is under a cautionary annoucement.

DR. ROBBIE MATONGO MUPAWOSE
CHAIRMAN

PAUL TIMOTHY SPEAR
CHIEF EXECUTIVE OFFICER

6 January 2016

Deloitte.

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Harare
Zimbabwe

Deloitte & Touche
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Fax: +263 (0)4 852130
www.deloitte.com

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ARISTON HOLDINGS LIMITED

We have audited the financial statements of Ariston Holdings Limited ('the Company') and its subsidiaries ('the Group'), which comprise of the consolidated and company statements of financial position as at 30 September 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated and company statements of changes in equity and the consolidated statement 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, as set out on pages 13 to 49.

Directors' Responsibility for the Financial Statements

The 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 Companies Act of Zimbabwe (Chapter 24:03) and Statutory Instruments (SI 33/99 and SI 62/96). This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Ariston Holdings Limited ('the Company') and it subsidiaries ('the Group') as at 30 September 2015 and its consolidated financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on other legal and regulatory requirements

In our opinion, the financial statements have, in all material respects, been properly prepared in compliance with the disclosure requirements of the Companies Act (Chapter 24:03) and the relevant Statutory Instruments (SI 33/99 and SI 62/96).

Emphasis of matter
Going concern assumption

Without qualifying our opinion, we draw your attention to note 27, which indicates that the Group incurred a loss for the year from continuing operations (excluding fair value adjustments) of US$2,510,466 (2014: US$ 4,634,203). As at 30 September 2015, the Group has an accumulated loss of US$5,317,002 (2014: US$179,712) and as of that date the Group's current liabilities exceeded current assets by US$3,025,614 (2014: US$2,373,360).

These events indicate a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore the Company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Deloitte & Touche

Deloitte & Touche
Harare, Zimbabwe

6 January 2016

Group Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 SEPTEMBER 2015

All figures in US$	Notes	GROUP 2015	GROUP 2014
CONTINUING OPERATIONS			
Revenue	5	11,779,732	12,495,140
Cost of production		(7,440,665)	(9,317,965)
Gross profit		4,339,067	3,177,175
Other operating income		249,312	206,433
		4,588,379	3,383,608
Operating expenses		(4,893,879)	(6,846,267)
Loss from operations	7	(305,500)	(3,462,659)
Fair value adjustments	12	802,703	6,108,645
Share of loss of a joint venture	13	(68,575)	-
Profit before interest and taxation		428,628	2,645,986
Finance costs		(2,986,818)	(829,162)
(Loss)/profit before taxation		(2,558,190)	1,816,824
Income tax credit/(expense)	8	850,427	(342,382)
(Loss)/profit for the year from continuing operations		(1,707,763)	1,474,442
DISCONTINUED OPERATIONS			
Loss for the year from discontinued operations	9.2	(3,436,756)	(859,282)
(Loss)/profit for the year		(5,144,519)	615,160
Other comprehensive income (net of tax)		-	-
Total comprehensive (loss)/income for the year		**(5,144,519)**	**615,160**
(LOSS)/EARNINGS PER SHARE (DOLLARS)			
From continuing and discontinued operations:			
Basic (loss)/earnings per share	10	(0.0037)	0.0004
Diluted (loss)/earnings per share	10	(0.0037)	0.0004
From continuing operations:			
Basic (loss)/earnings per share	10	(0.0012)	0.0011
Diluted (loss)/earnings per share	10	(0.0012)	0.0011

Statement of profit or loss and other comprehensive income transactions for the Company were immaterial for separate dislosures in current year.

Statements of Financial Position

AS AT 30 SEPTEMBER 2015

		COMPANY		GROUP	
All figures in US$	**Notes**	**2015**	**2014**	**2015**	**2014**
ASSETS					
Non-current assets					
Property, plant and equipment	11	-	-	10,613,666	11,905,938
Biological assets - bearer	12	-	-	20,370,564	17,240,177
Investment in a joint venture	13	-	-	-	-
Investments	14	34,649	34,649	25,650	25,650
Deferred tax	18	-	-	5,558,981	4,562,796
		34,649	34,649	36,568,861	33,734,561
Current assets					
Biological assets - consumable	12	-	-	7,965,734	10,101,624
Inventories	15	-	-	1,532,211	2,564,748
Trade and other receivables	16	8,362,756	8,393,448	1,353,694	2,224,145
Cash and cash equivalents		-	-	77,878	60,124
		8,362,756	8,393,448	10,929,517	14,950,641
Total assets		**8,397,405**	**8,428,097**	**47,498,378**	**48,685,202**
EQUITY					
Share capital and reserves					
Share capital	17	1,378,595	1,378,595	1,378,595	1,378,595
Share premium		7,059,932	7,059,932	7,059,932	7,059,932
Share-based payment reserve		2,468	9,697	2,468	9,697
Non-distributable reserves		-	-	10,998,626	10,998,626
Accumulated losses		(118,641)	(95,178)	(5,317,002)	(179,712)
		8,322,354	8,353,046	14,122,619	19,267,138
LIABILITIES					
Non-current liabilities					
Borrowings	20	-	-	10,042,135	2,850,000
Deferred tax	18	1,283	1,283	9,318,312	9,172,554
Finance lease obligation	25	-	-	60,181	71,509
		1,283	1,283	19,420,628	12,094,063
Current liabilities					
Trade and other payables	19	73,768	73,768	8,446,099	6,661,765
Borrowings	20	-	-	5,463,862	10,608,952
Finance lease obligation	25	-	-	45,170	53,284
		73,768	73,768	13,955,131	17,324,001
Total equity and liabilities		**8,397,405**	**8,428,097**	**47,498,378**	**48,685,202**

DR. R. M. MUPAWOSE
Chairman

P.T. SPEAR
Chief Executive Officer

6 January 2016

Statements of Changes in Shareholders' Equity

FOR THE YEAR ENDED 30 SEPTEMBER 2015

COMPANY

All figures in US$	Share capital	Share premium	Share-based payment reserve	Non - distributable reserves	Accumulated losses	Total
Balance at 30 September 2013	**1,378,595**	**7,059,932**	**11,901**	**-**	**(59,688)**	**8,390,740**
Transfer to accumulated loss on share options expired	-	-	(2,204)	-	2,204	-
Total comprehensive loss for the year	-	-	-	-	(37,694)	(37,694)
Balance at 30 September 2014	**1,378,595**	**7,059,932**	**9,697**	**-**	**(95,178)**	**8,353,046**
Transfer to accumulated loss on share options expired	-	-	(7,229)	-	7,229	-
Total comprehensive loss for the year	-	-	-	-	(30,692)	(30,692)
Balance at 30 September 2015	**1,378,595**	**7,059,932**	**2,468**	**-**	**(118,641)**	**8,322,354**

GROUP

All figures in US$	Share capital	Share premium	Share-based payment reserve	Non - distributable reserves	Accumulated losses	Total
Balance at 30 September 2013	**1,378,595**	**7,059,932**	**11,901**	**10,998,626**	**(797,076)**	**18,651,978**
Transfer to accumulated loss on share options expired	-	-	(2,204)	-	2,204	-
Total comprehensive profit for the year	-	-	-	-	615,160	615,160
Balance at 30 September 2014	**1,378,595**	**7,059,932**	**9,697**	**10,998,626**	**(179,712)**	**19,267,138**
Transfer to accumulated loss on share options expired	-	-	(7,229)	-	7,229	-
Total comprehensive loss for the year	-	-	-	-	(5,144,519)	(5,144,519)
Balance at 30 September 2015	**1,378,595**	**7,059,932**	**2,468**	**10,998,626**	**(5,317,002)**	**14,122,619**

Group Statement of Cashflows

FOR THE YEAR ENDED 30 SEPTEMBER 2015

All figures in US$	Notes	2015	2014
Cash flows from operating activities			
Cash inflow/(outflow) from operations - continuing operations		774,733	(2,385,500)
- Profit before interest and taxation		428,628	2,645,986
- Net non-cash flow items	6.1	346,105	(5,031,486)
Cash outflow from operations - discontinued operations		(2,177,429)	(435,282)
- Loss before interest and taxation		(2,573,500)	(556,444)
- Net non-cash flow items		396,071	121,162
Finance costs		(3,850,074)	(1,132,000)
- Continuing operations		(2,986,818)	(829,162)
- Discontinued operations		(863,256)	(302,838)
Income taxes paid		-	-
- Continuing operations		-	-
- Discontinued operations		-	-
Changes in working capital		3,687,322	3,485,478
- Continuing operations	6.2	804,316	2,700,672
- Discontinued operations		2,883,006	784,806
Cash utilised in operating activities		(1,565,448)	(467,304)
Cash utilised in operating activities - continuing operations		(1,407,769)	(513,990)
Cash (utilised in)/generated from operating activities - discontinued operations	9.3	(157,679)	46,686
Cash flows from investing activities			
Purchase of property, plant and equipment		(436,516)	(1,446,994)
Proceeds from sale of property, plant and equipment		25,532	19,742
Net cash outflow on biological assets		(191,794)	(240,499)
Cash utilised in investing activities - continuing operations		(602,778)	(1,667,751)
Cash generated from/(utilised in) investing activities - discontinued operations	9.3	158,377	(86,233)
Cash utilised in investing activities		(444,401)	(1,753,984)
Cash flows from financing activities			
Increase in borrowings - continuing operations		2,102,593	2,051,882
Cash generated from financing activities - continuing operations		2,102,593	2,051,882
Cash utilised in financing activities - discontinued operations	9.3	(74,990)	(41,375)
Cash generated from financing activities		2,027,603	2,010,507
Net cash inflow/(outflow)		17,754	(210,781)
Cash and cash equivalents at beginning of year		60,124	270,905
Cash and cash equivalents at end of year		**77,878**	**60,124**
Cash and cash equivalents at end of year comprising:			
Cash and cash equivalents		77,878	60,124
Cash and cash equivalents at the end of year		**77,878**	**60,124**

There were no cash flow movements in the Company. All cash balances are held in Ariston Management Services (Private) Limited, a one hundred percent (100%) owned subsidiary.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

1. GENERAL DISCLOSURES

1.1 Country of Incorporation and Main Activities

Ariston Holdings Limited ("the Company"), an investment holding company, its subsidiary companies and joint venture company ("the Group") are incorporated in Zimbabwe. The principal activities of the Group are farming operations which include tea, macadamia nuts, horticulture, deciduous fruits, fishery and poultry. The ultimate holding company of the Group is Afrifresh Group (Proprietary) Limited.

1.2 Currency

The financial statements are presented in United States dollars (US$) which is the functional currency of the Company and the Group.

1.3 Borrowing powers

The directors may, at their discretion, borrow an amount equal to the aggregate of shareholders' funds of the Group.

2. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

2.1 Amendments to IFRSs that are mandatorily effective at the end of the reporting period with no material effect on reported amounts and disclosures in the current period or prior period

Defined Benefit Plans: Employee Contributions (Amendments to IAS 19) (Issued November 2013, applicable to annual periods beginning on or after 1 July 2014)

Makes amendment to IAS 19 Employee Benefits to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, it permits a practical expedient if the amount of the contributions is independent of the number of years of service, in that contributions, can, but are not required, to be recognised as a reduction in the service cost in the period in which the related service is rendered.

Annual Improvements 2010-2012 Cycle (issued December 2013, effective July 2014)

Makes amendments to the following standards:
IFRS 2 - Amends the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition'.

IFRS 3 - Require contingent consideration that is classified as an asset or liability to be measured at fair value at each reporting date.

IFRS 8 - Require disclosure of the judgements made by management in applying the aggregation criteria to operating segments, clarify reconciliations of segment assets only required if segment assets are reported regularly.

IFRS 13 - Clarify that issuing IFRS 13 and amending IFRS9 and IAS 39 did not remove the ability to measure certain short-term receivables and payables on an undiscounted basis (amends basis for conclusions only).

IAS 16 and IAS 38 - Clarify that the gross amount of property, plant and equipment is adjusted in a manner consistent with a revaluation of the carrying amount.

IAS 24 - Clarify how payments to entities providing management services are to be disclosed.

Annual Improvements 2011-2013 Cycle (issued December 2013, effective July 2014)

Makes amendments to the following standards:

IFRS 1 - Clarify which versions of IFRSs can be used on initial adoption (amends basis for conclusions only).

Notes to the Financial Statements - cont'd

FOR THE YEAR ENDED 30 SEPTEMBER 2015

2. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS - continued

IFRS 3 - Clarify that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.

IFRS 13 - Clarify the scope of the portfolio exception in paragraph 53.

IAS 40 - Clarifying the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner occupied property.

2.2 New, revised and amended IFRSs in issue, but not yet mandatorily effective at the end of the reporting period and not yet adopted

IFRS 9 Financial Instruments (issued November 2009, no stated effective date)

IFRS 9 introduces new requirements for classifying and measuring financial assets, as follows:

- Debt instruments meeting both a 'business model' test and a 'cashflow characteristics' test are measured at amortised cost (the use of fair value is optional in some limited circumstances);
- Investments in equity instruments can be designated as 'fair value through other comprehensive income' with only dividends being recognised in profit or loss;
- all other instruments (including all derivatives) are measured at fair value with changes recognised in profit or loss; and
- the concept of 'embedded derivative' does not apply to financial assets within the scope of the standard and the entire instrument must be classified and measured in accordance with the above guidelines.

The future application of this IFRS will not have a material impact on the Company's financial statements, as the Company currently measures its borrowings at amortised cost, does not have any investments in equity instruments and does not have any financial instruments with embedded derivatives.

IFRS 9 Financial Instruments (issued October 2010, no stated effective date)

This is a revised version of IFRS 9 incorporating revised requirements for the classification and measurement of financial liabilities, and carrying over the existing derecognition requirements from IAS 39 Financial Instruments: Recognition and Measurement. The revised financial liability provisions maintain the existing amortised cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at fair value through profit or loss – in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss.

The future application of this IFRS will not have a material impact on the Company's financial statements, as the Company currently measures its borrowings at amortised cost and has no future intention to measure them at fair value.

IFRS 9 Financial Instruments (Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39) (2013) (issued November 2009, no stated effective date)

A revised version of IFRS 9 which:

- introduces a new chapter to IFRS 9 on hedge accounting, putting in place a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures,

Notes to the Financial Statements - cont'd

FOR THE YEAR ENDED 30 SEPTEMBER 2015

2. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS - continued

- permits an entity to apply only the requirement introduced in IFRS 9 (2010) for presentation of gains and losses on financial liabilities designated as at fair value through profit or loss without applying the other requirements of IFRS 9, meaning the portion of the change in fair value related to changes in the entity's own credit risk can be presented in other comprehensive income rather than within profit or loss,
- remove the mandatory effective date of IFRS 9 (2013), IFRS 9 (2010) and IFRS 9 (2009), leaving the effective date open pending the finalisation of the impairment and classification and measurement requirements. Notwithstanding the removal of an effective date, each standard remains available for application.

The future application of this IFRS will not have a material impact on the Company's financial statements, as the Company does not engage in transactions that give rise to hedge accounting.

IFRS 14 Regulatory Deferral Accounts (Applicable to an entity's first annual IFRS financial statements for a period beginning on or after 1 January 2016) (issued January 2014, effective January 2016)
IFRS 14 permits an entity which is a first-time adopter of International Financial Reporting Standards to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its previous GAAP, both on initial adoption of IFRS and in subsequent financial statements.

The future application of this IFRS will not have a material impact on the Company's financial statements, as the Company is not a first time adopter of IFRS.

IFRS 15 Revenue from Contracts with Customers (Applicable to an entity's first annual IFRS financial statements for a period beginning on or after 1 January 2017) (issued May 2014, effective January 2017)
Provides a single, principles based five-step model to be applied to all contracts with customers. The five steps in the model are as follows:

- Identify the contract with the customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contracts
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Guidance is provided on topics such as the point in which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced.

Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38) (issued May 2014, effective January 2016)
Amends IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets to:

- clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment,
- introduce a rebuttable presumption that an amortisation method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated,
- add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.

Notes to the Financial Statements - cont'd

FOR THE YEAR ENDED 30 SEPTEMBER 2015

2. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS - continued

Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41) (issued June 2014, effective January 2016)

Amends IAS 16 Property, Plant and Equipment and IAS 41 Agriculture to:

- include 'bearer plants' within the scope of IAS 16 rather than IAS 41, allowing such assets to be accounted for as property, plant and equipment and measured after initial recognition on a cost or revaluation basis in accordance with IAS 16,
- introduce a definition of 'bearer plants' as a living plant that issued in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales,
- clarify that produce on bearer plants remains within the scope of IAS 41.

Equity Method in Separate Financial Statements (Amendments to IAS 27) (issued August 2014, effective January 2016)

Amends IAS 27 Separate Financial Statements to permit investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) (issued September 2014, effective January 2016)

Amends IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) to clarify the treatment of the sale or contribution of assets from an investor to its associate or joint venture, as follows:

- require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 Business Combinations)
- require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognised only to the extent of the unrelated investors' interests in that associate or joint venture.

These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occurs by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception (Effective for annual periods beginning on or after 1 January 2016)

The amendments clarify that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all its subsidiaries at fair value in accordance with IFRS 10. Consequential amendments have also been made to IAS 28 to clarify that the exemption from applying the equity method is also applicable to an investor in an associate or joint venture if that investor is a subsidiary of an investment entity that measures all its subsidiaries at fair value.

The amendments further clarify that the requirement for an investment entity to consolidate a subsidiary providing services related to the former's investment activities applies only to subsidiaries that are not investment entities themselves.

Moreover, the amendments clarify that in applying the equity method of accounting to an associate or a joint venture that is an investment entity, an investor may retain the fair value measurements that the associate or joint venture used for its subsidiaries.

Lastly, clarification is also made that an investment entity that measures all its subsidiaries at fair value should provide the disclosures required by IFRS 12 Disclosures of Interests in Other Entities.

The amendments apply retrospectively for annual periods beginning on or after 1 January 2016 with earlier application permitted.

Annual Improvements 2012-2014 Cycle (issued September 2014, effective July 2016)

Makes amendments to the following standards:

IFRS 5 - Adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held-for-sale to held-for-distribution or vice versa and cases in which held-for-distribution accounting is discontinued.

Notes to the Financial Statements - cont'd

FOR THE YEAR ENDED 30 SEPTEMBER 2015

2. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS - continued

IFRS 7 - Additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements.

IAS 9 - Clarify that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid.

IAS 34 - Clarify the meaning of 'elsewhere in the interim report' and require a cross-reference.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, (IFRS).

3.2 Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain biological assets and financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The directors have assessed the ability of the Group to continue as a going concern and believe that the preparation of the financial statements on a going concern basis is appropriate. However, the directors believe that under the current, economic, political and legal environment a continuous assessment of the environment will need to be performed to determine the continued appropriateness of this assumption.

The principal accounting policies are set out below:

3.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Notes to the Financial Statements - cont'd

FOR THE YEAR ENDED 30 SEPTEMBER 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

3.3.1 Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

3.4 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

(1) deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 "Income Taxes" and IAS 19 "Employee Benefits" respectively;

(2) liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 "Share-based Payment" at the acquisition date; and

(3) assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

Notes to the Financial Statements - cont'd

FOR THE YEAR ENDED 30 SEPTEMBER 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

3.5 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 "Impairment of Assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

Notes to the Financial Statements - cont'd

FOR THE YEAR ENDED 30 SEPTEMBER 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IAS 39. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

3.6 Biological assets

Biological assets include the following:
- tea
- poultry
- macadamia
- bananas
- pome fruit
- stone fruit
- passion fruit
- livestock
- avocados
- potatoes

Biological assets are measured at fair value on intial recognition and at each period end at their fair values. Any change is included in the net profit or loss for the period in which it arises, as more fully set out below:

Growing crops and orchards

Growing crops and orchards comprise two elements:

- Bearer biological assets – tea bushes, macadamia trees, pome trees, stone trees, banana plants etc. Bearer biological assets are valued at fair value based on the present value of net cash flows expected to arise from these assets.
- Consumable biological assets – tea leaves, macadamia nuts, pome fruits, stone fruits, bananas etc. Consumable biological assets are measured at fair value, determined on current estimated market prices, less estimated harvesting, transport, packing and costs to sell. Growing fruit at estimated yields, quality standards, age and market prices.

Notes to the Financial Statements - cont'd

FOR THE YEAR ENDED 30 SEPTEMBER 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

The method used to carry out the valuation of these assets is summarised as follows:

i. Looking ahead for a period of 10 years for tea and macadamia, and for less depending on the expected life and susceptibilities of variety changes to the biological asset.
ii. Calculating the present value of the net cashflow expected to arise from those assets over the periods stated in (i) above.
iii. The net cash flow being based on annual production levels, the selling price less point of sale costs for the agricultural produce and deducting the variable costs of agricultural production.

Livestock

Livestock are measured at their fair value less estimated point-of-sale costs, fair value being determined upon the age and size of the animals and relevant market price. Market price is determined on the basis that the animal is either to be sold to be slaughtered or realised through sale to customers at fair market value.

Surpluses or deficits arising from the annual change in the valuation are taken to profit or loss as a fair value adjustment.

3.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they occur.

3.8 Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets:

Trade receivables

Trade receivables are measured at initial recognition at fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset 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 inital recognition.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposit 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.

Investments

Investments are recognised and derecognised on a trade basis where the purchase or sales of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus directly attributable transaction costs.

Subsequent to the reporting date, debt securities that the Group has the express intention and ability to hold to maturity (held-to-maturity debt securities) are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts.

Notes to the Financial Statements - cont'd

FOR THE YEAR ENDED 30 SEPTEMBER 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Impairment of financial assets

Financial assets other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment. For all other financial assets, including redeemable notes classified as available for sale and finance lease receivables, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio, as well as observable changes in national or local economic conditions that correlate with default on receivables. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cashflows, discounted at the financial asset's original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account.

When a trade receivable is considered uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date of impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised directly in equity.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

Financial liabilities:

Trade and other payables

Trade payables are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest rate method,with interest expense recognised on an effective yield basis. Borrowings are also measured at amortised cost using the effective interest rate method.

Notes to the Financial Statements - cont'd

FOR THE YEAR ENDED 30 SEPTEMBER 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Derecognition of financial liabilties

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

3.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductable temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax liabilities and assets 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 when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred taxes are recognised in profit or loss, except when they relate to items recognised in other comprehensive income or directly in equity, in which case, the tax is also recognised directly in equity. In the case of a business combination, the tax effect is taken into account in calculating goodwill or in determining the excess of the acquiree's interest, in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the business combination.

3.10 Property, plant and equipment

Plant, equipment, motor vehicles, freehold and leasehold improvements are stated at costs less accumulated depreciation and accumulated impairment losses.

Notes to the Financial Statements - cont'd

FOR THE YEAR ENDED 30 SEPTEMBER 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Costs capitalised include all directly attributable costs incurred in bringing the relevant assets to their fully productive state.

Depreciation is recognised so as to write off the cost of assets less (other than freehold land and properties under construction) residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

The following rates are used for the depreciation of property, plant and equipment.

Plant and equipment	3 - 20 years
Motor vehicles	5 years
Freehold improvements	7 – 40 years
Leasehold improvements	10 – 40 years
Buildings	40 years

Assets held under finance lease are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

Derecognition of property, plant and equipment

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.11 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost, less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

3.12 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Notes to the Financial Statements - cont'd

FOR THE YEAR ENDED 30 SEPTEMBER 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.13 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains and losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

3.14 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Group as lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3.15 Provisions

Provisions are recognised when:
- the Group has a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the amount of the obligation; and
- a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Notes to the Financial Statements - cont'd

FOR THE YEAR ENDED 30 SEPTEMBER 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contract

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Restructurings

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Group.

3.16 Retirement benefit costs

The Ariston Holdings Limited Group contributes to a defined contribution plan ("pension fund") for the benefit of certain eligible employees. The pension fund is administered by a life assurance society; Ariston currently has a "paid up" status and the pension fund is being reconstituted. In addition, all Group employees contribute to the defined contribution scheme established by the National Social Security Authority Act of 1989.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

3.17 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

The cost of inventories are determined as follows:

- Farm produce - Fair value based on market value at the point of harvest less estimated costs to sell.
- Stores and materials - The lower of cost and net realisable value with cost being calculated on a weighted average basis.

3.18 Revenue recognition

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract.

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Notes to the Financial Statements - cont'd

FOR THE YEAR ENDED 30 SEPTEMBER 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Rental income

The Group's policy for recognition of revenue from operating leases is described under "leasing" refer to note 3.14.

3.19 Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date using the intrinsic value method.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option reserve. The reserve created is transferred to share premium and share capital as options are exercised. For options that expire or are forfeited, the value relating to the expired or forfeited options is transferred to distributable reserves.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

3.20 Related party transactions

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation. Transactions with other related parties such as directors, key management and shareholders are made at arm's length. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the period for bad or doubtful debts, in respect of the amounts owed by related parties.

The directors have assessed the recoverability of the receivables and are confident that the related parties' balances are recoverable.

3.21 Foreign currencies

In preparing the financial statements of the Group, transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Notes to the Financial Statements - cont'd

FOR THE YEAR ENDED 30 SEPTEMBER 2015

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTIES

In the application of the Group's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

4.1 Biological assets

Estimated production per year

Production has been based on the average of the actual production for the past five years adjusted for projected growth. This provides the best possible estimate of the future generating capacities of the business.

Selling prices

Selling prices for agricultural produce are quoted in US dollars. The average of the selling prices of the current financial year are used as the best estimate of future prices.

Agricultural and Country Risk Factor

A risk factor of 40% has been used for all crops except tea, whose risk factor is 45%. This risk is attributed to inherent farming uncertainties such as changing rainfall patterns in coming seasons and the effects of global warming.

The Group is planning to change its mix of tea produced with more emphasis being on value-added products like packaged tea rather than bulk tea. The tea production volume is also expected to increase significantly as a result of fertilising and irrigation. There is thus an added risk that the Group may not be able to achieve the expected product mix and prices. Thus we have applied a further 5% risk attached to tea production crops.

Discount Factor

A discount factor of 14% per annum has been used. This discount factor has been derived from the weighted average cost of capital (WACC) using the Capital Asset Pricing Model (CAPM) for the Group. The risk-free rate used for the computation of this WACC was derived from the United States of America (US) government bond yield.

The 10-year US government bond yield has been used due to the fact that the country is currently operating using a multi-currency system, and the Zimbabwean money market does not have long-term rates of yields for use as a risk-free rate.

4.2 Inventories

Inventories are stated at the lower of cost and net realisable value. Adjustments to reduce the cost of inventory to its net realisable value, if required, are made at the product level for estimated excess, obsolescence or damages. Factors influencing these adjustments include changes in demand, physical deterioration and quality issues.

4.3 Allowance for credit losses

Allowance for credit losses is determined based upon a combination of factors to ensure that the trade receivables are not overstated due to uncollectability. The allowance for credit losses for all customers is based on a variety of factors, including the overall quality and ageing of the receivables and continuing credit evaluation of the customers' financial circumstances. Also, specific provisions for individual accounts are recorded when the Group becomes aware of the customers' inability to meet its financial obligations such as in the case of deterioration in the customer's operating results or financial position.

Notes to the Financial Statements - cont'd

FOR THE YEAR ENDED 30 SEPTEMBER 2015

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTIES - continued

4.4 Property, plant and equipment

The cost of property, plant and equipment is depreciated over the estimated useful life of the asset. The estimated useful life is based on expected usage of the asset and expected physical wear and tear, which depends on operational factors such as the number of shifts for which the asset is to be used and the repair and maintenance programme and technological obsolescence arising from changes and residual value. Management has assumed the residual value approximates nil due to the specialised nature and relative age of the property, plant and equipment with the exception of land and buildings.

4.5 Land

The Group has not recognised the value of land because the current legislation in the country vests all the land in the State. However, the Group still holds title deeds to the land that it operates on. The Group in 2003 entered into an agreement with the Government where it ceded part of the land for resettlement and the Government undertook to preserve the Group's operations on the remaining land. To date, the Group's operations have largely not been affected and the Group is of the view that this will remain so, going forward. The directors believe that the preparation of the financial statements on a going-concern basis is still appropriate notwithstanding the dynamics of land ownership in Zimbabwe.

4.6 Classification of Nyanga Trout Farming as an investment in a joint venture

Note 13 describes that Nyanga Trout Farming (Private) Limited is classified as an investment in a joint venture of the Group although the Group owns a 75% ownership interest in Nyanga Trout Farming (Private) Limited. Nyanga Trout Farming (Private) Limited is a limited liability company whose legal form confers separation between the parties to the joint arrangement and the Group itself. Furthermore, there is a contractual arrangement with Three Streams Holdings (Proprietary) Limited, which is incorporated in South Africa, and other facts and circumstances that indicate that the parties to the joint arrangement have rights to the net assets of the joint arrangement and that the decisions about relevant activities require unanimous consent of the parties to the joint arrangement. The contractual arrangement establishes that the parties are liable to the arrangement only to the extent of their respective interests in the arrangements, which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture. See note 13 for details.

4.7 Recognition of deferred tax assets

Deferred tax assets of US$5,558,981 as at 30 September 2015 (2014: US$4,562,796) are recognised in respect of tax losses incurred by the Group in the current year and preceding years. Management's projections support the assumption that it is probable that the results of the Group's future operations will generate sufficient taxable income to utilise these deferred tax assets.

Notes to the Financial Statements - cont'd

FOR THE YEAR ENDED 30 SEPTEMBER 2015

5. SEGMENT REPORTING

For management purposes, the Group is organised into three major operating divisions – Southdowns Estates, Claremont Estate and Kent Estate. These divisions are the basis on which the Group reports its business segment information.

The principal products and services of each of these divisions are as follows:
Southdown Estates - the growing and manufacturing of tea, macadamia nuts, avocados, potatoes and bananas.
Claremont Estate - the growing of pome and stone fruit, passion fruit and potatoes.
Kent Estate - the growing of horticultural crops, and rearing of poultry and livestock.

The Group does not report by geographical segments as such a split would not be meaningful for our operations and decision-making processes.

Segment revenues

All figures in US$	EXTERNAL SALES		INTER-SEGMENT SALES		TOTAL SALES	
	2015	2014	2015	2014	2015	2014
Southdown Estates	8,753,642	8,455,292	-	-	8,753,642	8,455,292
Claremont Estate	1,976,077	1,699,467	-	-	1,976,077	1,699,467
Kent Estate	1,050,013	2,340,381	-	-	1,050,013	2,340,381
Total	**11,779,732**	**12,495,140**	-	-	**11,779,732**	**12,495,140**

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year (2014: US$ nil).

Segment results

All figures in US$	2015	2014
Southdown Estate	2,735,369	3,497,756
Claremont Estate	(913,749)	(434,788)
Kent Estate	(2,318,449)	(168,743)
Ariston Corporate Office	(1,992,786)	(1,077,401)
Total segment (loss)/profit for continuing operations	(2,489,615)	1,816,824
Share of loss of a joint venture	(68,575)	-
(Loss)/profit before tax from continuing operations	(2,558,190)	1,816,824
Income tax credit/(expense)	850,427	(342,382)
(Loss)/profit for the year from continuing operations	**(1,707,763)**	**1,474,442**

The accounting policies of the reportable segments are the same as the Group's accounting policies described in notes 2 to 4. Segment (loss)/profit represents the (loss)/profit earned by each segment without allocation of central administration costs and directors' salaries, investment income, other gains and losses, income tax expense and the share of loss of a joint venture. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities

All figures in US$	Assets		Liabilities	
	2015	2014	2015	2014
Southdown Estates	27,510,686	26,144,193	(2,703,283)	(2,713,918)
Claremont Estate	6,377,802	6,295,343	(636,765)	(753,333)
Kent Estate	2,774,633	3,873,902	(980,114)	(770,996)
Ariston Corporate Office	5,216,601	5,268,950	(18,248,289)	(14,631,556)
FAVCO - discontinued operation	59,675	2,540,018	(1,488,996)	(1,375,707)
	41,939,397	**44,122,406**	**(24,057,447)**	**(20,245,510)**

Notes to the Financial Statements - cont'd

FOR THE YEAR ENDED 30 SEPTEMBER 2015

5. SEGMENT REPORTING - continued

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than current and deferred tax assets; and
- all liabilities are allocated to reportable segments other than current and deferred tax liabilities.

Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

Other segment information

	EBITDA excluding fair value adjustments		Depreciation and amortisation		Additions to non-current assets	
All figures in US$	2015	2014	2015	2014	2015	2014
Southdown Estates	2,500,600	(5,688)	324,964	371,710	278,698	890,264
Claremont Estate	(140,693)	(761,840)	180,644	168,469	224,450	369,504
Kent Estate	(916,814)	(579,650)	228,051	129,999	99,484	384,173
Ariston Corporate Office	(596,100)	(1,040,032)	418,835	405,271	25,678	43,552
Continuing operations	846,993	(2,387,210)	1,152,494	1,075,449	628,310	1,687,493
FAVCO - discontinued operations	(2,456,006)	(426,085)	117,494	130,359	7,158	96,655
Total	**(1,609,013)**	**(2,813,295)**	**1,269,988**	**1,205,808**	**635,468**	**1,784,148**

Revenue from major products and services

The following is an analysis of the Group's revenue from its major products and services.

All figures in US$	2015	2014
Tea	3,909,502	6,086,300
Macadamia nuts	3,936,335	2,789,500
Vegetables and fruits	3,404,023	2,407,298
Poultry	424,188	780,430
Other	105,684	431,612
Total	**11,779,732**	**12,495,140**

Information about major customers

Included in revenues arising from sales of tea of US$3,909,502 (2014:US$6,086,300) are revenues of approximately US$1,258,967 (2014: US$nil) which arose from sales to the Group's largest local customer which operates in the wholesale market.

Included in revenues arising from sales of macadamia nuts of US$3,936,335 (2014:US$2,789,500) are revenues of approximately US$3,068,615 (2014: US$2,029,652) which arose from sales to two of the Group's foreign customers.

6. CASH FLOW INFORMATION

6.1 Net non-cash items - continuing operations

All figures in US$	2015	2014
Non-cash items		
Depreciation (including biological assets)	1,152,494	1,075,449
Fair value adjustments of biological assets	(802,703)	(6,108,645)
(Loss)/profit on sale of property, plant and equipment	(3,686)	1,710
	346,105	**(5,031,486)**

Notes to the Financial Statements - cont'd

FOR THE YEAR ENDED 30 SEPTEMBER 2015

6. CASH FLOW INFORMATION - continued

All figures in US$	2015	2014
6.2 Change in working capital - continuing operations		
Movements in:		
Decrease in inventories	457,714	415,796
(Increase)/decrease in trade and other receivables	(406,330)	175,651
Increase in trade and other payables	752,932	2,109,225
	804,316	**2,700,672**
7. LOSS FROM OPERATIONS - CONTINUING OPERATIONS		
This is stated after charging and crediting:		
- auditors' remuneration	82,100	90,000
- allowance for/(reversal) of credit losses	32,376	(245,173)
- depreciation (including biological assets)	1,152,494	1,075,449
- (profit)/loss on disposal of property, plant and equipment	(3,686)	1,710
- selling and distribution	532,874	938,238
- staff costs		
* salaries and wages (i)	4,503,226	5,834,130
* pensions	-	21,840
Directors' emoluments		
* fees	58,250	61,200

(i) Included in salaries and wages are restructuring costs of US$nil (2014: US$361,000)

8. INCOME TAX

	2015	2014
Current tax	-	-
Deferred tax (note 18)	850,427	(342,382)
	850,427	**(342,382)**
	-	-
Reconciliation of income tax credit for the year		
Notional tax at statutory rates	(0.26)	(0.26)
Adjustments relating to:		
- Non-taxable / non deductible items	(0.07)	(0.10)
Actual income tax credit	**(0.33)**	**(0.36)**

9. DISCONTINUED OPERATIONS

9.1 Disposal of FAVCO operations

On 15 July 2015, the Group entered into a sale agreement to dispose of a major group of assets pertaining to the FAVCO business unit, which carried out the Group's trading operations in the retail sector. Accordingly, June 2015 was the last trading month for FAVCO.

The Group committed to a plan to discontinue this business unit's trading operations following a strategic decision to place greater focus on the Group's farming operations - i.e. tea, macadamia nuts, horticulture, deciduous fruits and poultry. This decision combined with the establishment of a tea distribution arrangement with Brands Africa improves the Group's viability.

The disposal was effective 15 July 2015, on which date control of the major group of assets pertaining to the business unit passed to the purchaser. The trading business unit was not classified as held-for-sale or as a discontinued operation in the prior year. The comparative Group statement of profit or loss and other comprehensive income and statement of cash flows have been represented to show the discontinued operation separately from continuing operations.

Notes to the Financial Statements - cont'd

FOR THE YEAR ENDED 30 SEPTEMBER 2015

9. DISCONTINUED OPERATIONS - continued

All figures in US$	2015	2014
9.2 Analysis of loss for the year from discontinued operations		
Loss for the year from discontinued operations		
Revenue	2,826,546	5,849,256
Other gains	128,086	247,938
	2,954,632	6,097,194
Expenses	(6,391,388)	(6,956,476)
Loss before tax	(3,436,756)	(859,282)
Attributable income tax	-	-
Loss for the year from discontinued operations	(3,436,756)	(859,282)
9.3 Cashflows utilised in discontinued operations		
Cash (utilised in)/generated from operating activities	(157,679)	46,686
Cash generated from/(utilised in) investing activities	158,377	(86,233)
Cash utilised in financing activities	(74,990)	(41,375)
Net cash outflow	(74,292)	(80,922)
10. (LOSS)/EARNINGS PER SHARE		
(i) Basic (loss)/earnings		
From continuing and discontinued operations:		
(Loss)/profit after tax	(5,144,519)	615,160
Weighted average number of shares at year end	1,378,595,595	1,378,595,595
Basic (loss)/earnings per share (dollars)	(0.0037)	0.0004
From continuing operations:		
(Loss)/profit after tax	(1,707,763)	1,474,442
Weighted average number of shares at year end	1,378,595,595	1,378,595,595
Basic (loss)/earnings per share (dollars)	(0.0012)	0.0011
(ii) Diluted (loss)/earnings		
Weighted average number of shares used in the calculation of basic earnings per share	1,378,595,595	1,378,595,595
Shares deemed to be issues in respect of employee options	420,000	1,650,000
Weighted average number of ordinary shares used in the calculation of diluted (loss)/earnings per share	1,379,015,595	1,380,245,595
From continuing and discontinued operations:		
Diluted (loss)/earnings per share (dollars)	(0.0037)	0.0004
From continuing operations:		
Diluted (loss)/earnings per share (dollars)	(0.0012)	0.0011

Notes to the Financial Statements - cont'd

FOR THE YEAR ENDED 30 SEPTEMBER 2015

11. PROPERTY, PLANT AND EQUIPMENT

All figures in US$	2015	2014
Land, buildings and leasehold improvements		
At cost	16,533,986	16,479,273
Accumulated depreciation	(10,166,705)	(9,870,090)
Net carrying amount	6,367,281	6,609,183
Plant and equipment		
At cost	24,607,536	25,698,203
Accumulated depreciation	(21,786,086)	(22,156,520)
Net carrying amount	2,821,450	3,541,683
Motor vehicles		
At cost	2,794,733	3,553,348
Accumulated depreciation	(1,646,003)	(1,981,051)
Net carrying amount	1,148,730	1,572,297
Assets held under finance lease		
At cost	318,889	189,920
Accumulated depreciation	(42,684)	(7,145)
Net carrying amount	276,205	182,775
Total property, plant and equipment		
At cost	44,255,144	45,920,744
Accumulated depreciation	(33,641,478)	(34,014,806)
Net carrying amount	**10,613,666**	**11,905,938**
Reconciliation of movements for the year		
Carrying amount at beginning of year	11,905,938	11,590,244
Additions at cost		
- land, buildings and leasehold improvements	54,713	165,266
- plant and equipment	182,344	1,052,989
- motor vehicles	77,648	135,474
- assets held under finance lease	128,969	189,920
	443,674	1,543,649
Disposals at carrying amount		
plant and equipment	(297,681)	(467)
- cost	(1,273,011)	(850)
- accumulated depreciation	975,330	383
motor vehicles	(168,277)	(22,210)
- cost	(836,263)	(27,390)
- accumulated depreciation	667,986	5,180
	(465,958)	(22,677)
Depreciation for the year		
- land, buildings and leasehold improvements	(296,615)	(295,448)
- plant and equipment	(604,896)	(672,119)
- motor vehicles	(332,938)	(230,566)
- assets held under finance lease	(35,539)	(7,145)
	(1,269,988)	(1,205,278)
Carrying amount at end of year	**10,613,666**	**11,905,938**

Assets pledged as security

- A loan obtained from one financial institution is secured by a "note-of-hand" over Southdown Estate property (See note 20).
- Loans obtained from two financial institutions are secured by two Notarial General Covering bonds covering movable assets and supported by cession of the Group's multi-peril insurance in the minimum cover of US$3.9million (See note 20).

Notes to the Financial Statements - cont'd

FOR THE YEAR ENDED 30 SEPTEMBER 2015

12. BIOLOGICAL ASSETS

2015	Tea	Macadamia	Fruit trees	Livestock and poultry	Gum plantations	Fresh produce	Total
Carrying amount at the beggining of the year	9,313,117	10,499,116	4,638,968	265,610	182,660	2,442,330	27,341,801
Additions	-	44,434	163,319	-	-	-	207,753
Disposals	-	-	-	(15,959)	-	-	(15,959)
Fair value adjustments	(1,537,301)	3,344,157	1,115,912	(122,481)	-	(1,997,584)	802,703
Carrying amount at the end of the year	**7,775,816**	**13,887,707**	**5,918,199**	**127,170**	**182,660**	**444,746**	**28,336,298**
Current	1,959,376	3,963,251	1,586,121	12,240	-	444,746	7,965,734
Non-current	5,816,440	9,924,456	4,332,078	114,930	182,660	-	20,370,564
	7,775,816	**13,887,707**	**5,918,199**	**127,170**	**182,660**	**444,746**	**28,336,298**

2014	Tea	Macadamia	Fruit trees	Livestock, trout and poultry	Gum plantations	Fresh produce	Total
Carrying amount at the beginning of the year	8,095,993	8,051,784	3,888,396	298,754	-	658,260	20,993,187
Additions	-	40,430	224,334	-	-	-	264,764
Depreciation	-	-	-	(530)	-	-	(530)
Disposals	-	-	-	(24,265)	-	-	(24,265)
Fair value adjustments	1,217,124	2,406,902	526,238	(8,349)	182,660	1,784,070	6,108,645
Carrying amount at the end of the year	**9,313,117**	**10,499,116**	**4,638,968**	**265,610**	**182,660**	**2,442,330**	**27,341,801**
Current	2,858,464	3,216,803	1,461,185	122,842	-	2,442,330	10,101,624
Non-current	6,454,653	7,282,313	3,177,783	142,768	182,660	-	17,240,177
	9,313,117	**10,499,116**	**4,638,968**	**265,610**	**182,660**	**2,442,330**	**27,341,801**

The valuation of biological assets is exposed to changes in sensitive parameters such as the discount rate, prices and the country risk factor. A discount rate of 14.22% (2014: 18.28%) and a country risk factor of 45% for tea and 40% for all other long term crops were used for the valuation at year end.

Below is an analysis of the degree of sensitivity of the profit or loss to a 1% movement in the discount rate and the country risk factor.

	30 September 2015	
All figures in US$	**At 13.22%**	**At 15.22%**
Discount rate sensitivity		
Increase/(decrease) in profits	185,345	(173,411)

	30 September 2015	
All figures in US$	**At 44% (tea) and 39% all other crops**	**At 46% (tea) and 41% all other crops**
Country risk factor sensitivity		
Increase/(decrease) in profits	348,322	(348,322)

Fair value hierarchy

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which

Notes to the Financial Statements - cont'd

FOR THE YEAR ENDED 30 SEPTEMBER 2015

12. BIOLOGICAL ASSETS - continued

the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:
Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
Level 2 inputs are the inputs , other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
Level 3 inputs are unobservable inputs for the asset or liability.

In determining the fair values of the biological assets as stated above, the Group used the Level 2 fair value hierarchy.

13. INVESTMENT IN A JOINT VENTURE

Details of the Group's investment in a joint venture at the end of the reporting period is as follows:

Name of Joint venture	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interests held by the Group		Proportion of voting rights held by the Group	
			2015	2014	2015	2014
Nyanga Trout Farming (Private) Limited	Trout farming	Zimbabwe	75%	N/A	50%	N/A

The above joint venture is accounted for using the equity method in these consolidated financial statements.

Summarised financial information in respect of the Group's joint venture is set out below:

All figures in US$	2015	2014
Current assets	44,202	-
Non-current assets	8,202	-
Current liabilities	(137,306)	-
Non-current liabilities	(90,087)	-
Net liabilities	(174,989)	-
Group's carrying amount of the investment	(131,242)	-
Revenue	83,584	-
Loss for the year	(174,889)	-
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	(174,889)	-
Group's share of loss for the year	(131,167)	-

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the Group financial statements:

All figures in US$	2015	2014
Investment at cost	75	-
Unsecured loan advanced by Group - treated as part of net investment in a joint venture	68,500	-
Group's net interest in a joint venture	68,575	-
Recognised share of loss of joint venture - limited to Group's net interest	(68,575)	-
Group's share of loss of joint venture	(131,167)	-
Unrecognised portion of Group's share of loss of joint venture	62,592	-
Carrying amount of the Group's net interest in a joint venture	-	-

Notes to the Financial Statements - cont'd

FOR THE YEAR ENDED 30 SEPTEMBER 2015

14. INVESTMENTS

	COMPANY		GROUP	
All figures in US$	2015	2014	2015	2014
Unquoted shares in subsidiaries	8,999	8,999	-	-
Unquoted - Europi	25,650	25,650	25,650	25,650
	34,649	34,649	25,650	25,650

Details of the Group's principal subsidiaries, all incorporated in Zimbabwe at 30 September 2015 are as follows:

NAME OF SUBSIDIARY	OWNERSHIP INTEREST	PRINCIPAL ACTIVITY
Claremont Orchards (1988) (Private) Limited	100%	Property Company
Claremont Orchards Holdings (Private) Limited	100%	Property Company
Southdown Holdings (Private) Limited	100%	Property Company
Ariston Management Services (Private) Limited	100%	Owns Claremont, Southdown, Clearwater, Roscommon and Kent Estates.

15. INVENTORIES

All figures in US$	2015	2014
Farm produce	1,000,376	1,786,443
Stores and materials	531,835	778,305
	1,532,211	**2,564,748**

The cost of inventories recognised as an expense includes US$65,074 (2014: US$80,519) in respect of write-downs of inventory to net realisable value. The write-down relates to products that would have gone wholly or partly unsaleable and those whose selling prices have declined below the cost.

16. TRADE AND OTHER RECEIVABLES

	COMPANY		GROUP	
All figures in US$	2015	2014	2015	2014
Trade receivables	-	-	1,396,473	1,801,075
Allowance for credit losses	-	-	(607,207)	(108,516)
Net trade receivables	-	-	789,266	1,692,559
Other receivables	8,362,756	8,393,448	1,024,227	531,586
Allowance for credit losses	-	-	(459,799)	-
Net other receivables	8,362,756	8,393,448	564,428	531,586
Trade and other receivables	8,362,756	8,393,448	2,420,700	2,332,661
Allowance for credit losses	-	-	(1,067,006)	(108,516)
Net trade and other receivables	**8,362,756**	**8,393,448**	**1,353,694**	**2,224,145**

All Company receivables are deemed to be current and owed by the subsidiary companies.

The average credit period for trade receivables was 24 days (2014: 33 days). No interest is charged on overdue trade receivables. The Group provides fully for all receivables outstanding over 365 days because historical experience is such that the receivables that are aged beyond 365 days are generally not recoverable. The Group provides for receivables aged between 91 days and 365 days on a case-by-case basis where subsequent developments suggest that recovery of the amounts is doubtful.

Trade receivables disclosed above include amounts (see below for aged analysis) that are past due at the end of the reporting period for which the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

The past due but not impaired balances amount to US$103,257 (2014: US$380,016).

Notes to the Financial Statements - cont'd

FOR THE YEAR ENDED 30 SEPTEMBER 2015

16. TRADE AND OTHER RECEIVABLES - continued

All figures in US$	GROUP 2015	GROUP 2014
Current	313,230	836,567
30-90 days	372,779	475,976
Above 90 days	103,257	380,016
	789,266	**1,692,559**

All figures in US$	GROUP 2015	GROUP 2014
Balance at beginning of the year	108,516	356,049
Impairment losses/(reversals) recognised on receivables	958,490	(247,533)
- relating to continuing operations	32,376	(245,173)
- relating to discontinued operations	926,114	(2,360)
Balance at the end of the year	**1,067,006**	**108,516**

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, management believes that there is no further credit provision required in excess of the allowance for credit losses.

Assets pledged as security

Two Notarial General Covering Bonds covering movables supported by a cession of the Group's multi-peril insurance in the minimum cover of US$3.9 million have been registered as security to secure borrowings from two financial institutions. (See note 20).

17. SHARE CAPITAL

All figures in US$	No. of Shares 2015	No. of Shares 2014
AUTHORISED SHARE CAPITAL		
Issued shares at the end of the year	1,378,595,595	1,378,595,595
Unissued shares		
- Shares alocated to share option scheme	23,075,000	23,075,000
- Shares under the control of directors	197,114,405	197,114,405
- Shares under the control of shareholders	1,215,000	1,215,000
	1,600,000,000	**1,600,000,000**
Movement in the number of ordinary shares		
Issued		
At beginning of year	1,378,595,595	1,378,420,595
Share options exercised	-	-
At end of year	**1,378,595,595**	**1,378,595,595**
1,378,595,595 ordinary shares of US0.1 cents each		
2014 - 1,378,595,595 ordinary shares of US0.1 cents each	**1,378,595**	**1,378,595**

Notes to the Financial Statements - cont'd

FOR THE YEAR ENDED 30 SEPTEMBER 2015

17. SHARE CAPITAL - continued

The details of share options outstanding under the 2003 scheme are as follows:

All figures in US$			**2015** Actual No. of shares	**2014** Actual No. of shares
(2003) scheme				
Date of grant	**Expiry date**	**Price**		
28 March 2003	27 March 2013	ZW$ 0.09	785,000	785,000
18 August 2003	17 August 2013	ZW$ 0.40	1,200,000	1,200,000
5 November 2004	4 November 2014	ZW$ 0.20	2,510,000	2,510,000
			4,495,000	4,495,000
Movements for the year				
Options outstanding at beginning of year			370,000	745,000
- options cancelled			(370,000)	(375,000)
Options outstanding at end of year			-	370,000

The details of share options outstanding under the 2005 scheme are as follows:

All figures in US$			**2015** Actual No. of shares	**2014** Actual No. of shares
(2005) scheme				
Date of grant	**Expiry date**	**Price**		
23 May 2006	22 May 2016	ZW$ 6.80	4,135,000	4,135,000
27 February 2007	26 February 2017	ZW$110	6,000,000	6,000,000
02 May 2008	1 May 2018	ZW$4,500,000	820,000	820,000
			10,955,000	10,955,000
Movements for the year				
Options outstanding at beginning of year			1,280,000	1,280,000
- options cancelled			(860,000)	-
Options outstanding at end of year			420,000	1,280,000
Total options outstanding at end of year			**420,000**	**1,650,000**

All shares have vested.

Notes to the Financial Statements - cont'd

FOR THE YEAR ENDED 30 SEPTEMBER 2015

18. DEFERRED TAX

	COMPANY		GROUP	
All figures in US$	2015	2014	2015	2014
Deferred tax liability				
At the beginning of year	1,283	1 283	9,172,554	7,486,234
Deferred tax charged (released) to				
- income statement (i)	-	-	145,758	1,686,320
At the end of the year	**1,283**	**1,283**	**9,318,312**	**9,172,554**
Analysis of deferred tax liability				
Property, plant and equipment	-	-	2,419,418	2,487,773
Biological assets	-	-	6,887,448	6,680,752
Prepayments and receivables	1,283	1,283	11,446	4,029
	1,283	**1,283**	**9,318,312**	**9,172,554**
Deferred tax asset				
Deferred tax asset arising from income tax loss				
At the beginning of the year	-	-	4,562,796	3,218,858
Deferred tax released to				
- income statement (ii)	-	-	996,185	1,343,938
At the end of the year	**-**	**-**	**5,558,981**	**4,562,796**
Income tax (net of (i) and (ii))	-	-	850,427	(342,382)

19. TRADE AND OTHER PAYABLES

	COMPANY		GROUP	
All figures in US$	2015	2014	2015	2014
Trade	-	-	3,192,699	3,321,324
Other	73,768	73,768	5,253,400	3,340,441
	73,768	**73,768**	**8,446,099**	**6,661,765**

The average credit period on purchases is 116 days (2014: 99 days). No interest is charged on the trade payables.

All figures in US$	2015	2014
At 30 September the ageing analysis of trade payables was as follows:		
Current	491,781	565,641
30-120 days	1,759,848	1,146,429
Above 120 days	941,070	1,609,254
	3,192,699	**3,321,324**
Provisions		
Employee benefits (current)	197,009	237,069
	197,009	237,069

The provision for employee benefits represents annual leave.

Notes to the Financial Statements - cont'd

FOR THE YEAR ENDED 30 SEPTEMBER 2015

20. BORROWINGS

All figures in US$	2015	2014
Ariston Management Services (Private) Limited has borrowing facilities totaling US$15,505,997 (2014: US$13,840,000). The utilised portion was:	**15,505,997**	**13,458,952**
Unsecured – at amortised cost		
Loans from banks (i)	570,517	1,616,164
Bank overdrafts	860,209	1,025,965
Loans from related parties (ii)	5,534,202	3,581,203
	6,964,928	6,223,332
Secured – at amortised cost		
Loans from banks (i)	8,541,069	7,235,620
	15,505,997	**13,458,952**
Current	5,463,862	10,608,952
Non-current	10,042,135	2,850,000
	15,505,997	**13,458,952**

(i) The weighted average effective interest rate on the bank loans is 19% per annum (2014: 18% per annum).
(ii) Amounts payable to related parties of the Group. Interest is charged at rate of 20% per annum on the outstanding loan balances.

20.1 Breach of loan agreements

During the year under review, the Group fell behind on its committments in servicing the principal and interest obligations of some of its facilities. At the reporting date, the Group had contractual breaches relating to unsanctioned overdrafts and unserviced scheduled committments amounting to US$1,133,494 (2014: US$4,404,084).

21. CAPITAL COMMITMENTS

All figures in US$	2015	2014
Commitments for capital expenditure approved by the directors:		
- authorized but not contracted	1,131,316	1,265,020
	1,131,316	1,265,020

The commitments will be financed from the Group's resources and existing facilities. As at the date of this report, there are no agreements concluded in respect of any acquisitions.

22. FINANCIAL RISK MANAGEMENT

Derivative financial instruments

The Group does not use derivative financial instruments in its management of foreign currency. Derivative financial instruments are not held or issued for trading purposes.

Interest rate risk management

Group policy is to adopt a non-speculative approach to manage interest rate risk whilst maximising profit.

Notes to the Financial Statements - cont'd

FOR THE YEAR ENDED 30 SEPTEMBER 2015

22. FINANCIAL RISK MANAGEMENT - continued

Credit risk management

This refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties. The Group conducts credit assessment on these counterparties based on publicly available information and the Group's own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread among approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved regularly. Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. Apart from one customer in the wholesale market who is also the largest customer of the Group, the Group does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk related to this wholesale market customer approximates 20% of gross monetary assets at any time during the year. Concentration of credit risk to any other counterparty did not exceed 20% of gross monetary assets at any time during the year.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities, based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Group may be required to pay.

All figures in	Weighted average effective interest rate	1-3 months	3 months to 1 year	1-5 years	5+ years	Total
	%	US$	US$	US$	US$	US$
2015						
Fixed interest rate loans	19	1,133,494	4,330,368	4,507,933	5,534,202	**15,505,997**
2014						
Fixed interest rate loans	18	4,404,084	6,204,868	-	2,850,000	**13,458,952**

The Group has access to financing facilities amounting to US$15,505,997 (2014:US$13,840,000) and US$nil (2014: US$381,048) were unused at the end of the reporting period. The Group expects to meet its obligations from cash flows and proceeds of maturing financial assets.

Foreign exchange risk management

The Group operates certain transactions denominated in foreign currencies, hence exposure to exchange rate fluctuations arise. The Group's net foreign asset exposure as at year end determined at the fair market rates is summarised as:

	COMPANY		GROUP	
All figures in US$	**2015**	**2014**	**2015**	**2014**
Trade receivables				
South African Rand	-	36,000	-	3,214
Trade payables				
South African Rand	-	(79,967)		(7,140)
	-	**(43,967)**	**-**	**(3,926)**

Fair values

The carrying amounts of receivables, cash and short-term deposits, payables and accrued expenses, and short-term borrowings approximate their fair values due to the short-term maturities of these assets and liabilities.

Notes to the Financial Statements - cont'd

FOR THE YEAR ENDED 30 SEPTEMBER 2015

23. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2014.

The capital structure of the Group consists of net debt and equity of the Group (comprising issued capital, reserves and retained earnings). The Group is not subject to any externally imposed capital requirements.

The Group's Board reviews the capital structure of the Group regularly. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital. The gearing ratio at 30 September 2015 was 110% (2014: 70%).

All figures in US$	2015	2014
Debt (i), (iii)	15,611,348	13,583,745
Cash and bank balances	(77,878)	(60,124)
Net debt	15,533,470	13,523,621
Equity (ii)	14,122,619	19,267,138
Net debt to equity ratio	110%	70%

(i) Debt is defined as long and short-term borrowings.
(ii) Equity includes all capital and reserves of the Group that are managed as capital.
(iii) Included in Debt is a shareholder's loan of US$5.5million (2014: US$3.5million).

24. RELATED PARTY DISCLOSURES

Trading transactions

During the year, Group entities entered into the following trading transactions with related parties that are not members of the Group:

	Consultancy fees		Purchase of goods	
All figures in US$	2015	2014	2015	2014
Afrifresh - common ownership	240,000	-	-	-
Berfin (ii)	-	-	116,226	345,154
Fruit Du Suid - common ownership	-	-	53,898	77,497

Purchases were made at market price to reflect the quantity of goods purchased and the relationships between the parties.

The following balances were outstanding at the end of the reporting period:

	Receivables		Payables		Borrowings	
All figures in US$	2015	2014	2015	2014	2015	2014
Afrifresh - common ownership	-	-	240,000	102,847	-	-
Berfin (ii)	-	-	-	197,598	-	-
Fruit Du Suid - common ownership	-	-	78,124	64,307	-	-
Origin Global Holdings Limited - Shareholder (i)	-	-	1,160,764	-	5,534,202	3,506,213
Directors and Key Management	-	-	315,285	266,026	-	-

(i) The amount shown under "Borrowings "pertains to non-current borrowings disclosed per note 20.
(ii) Berfin ceased to be a related party during the year.

Notes to the Financial Statements - cont'd

FOR THE YEAR ENDED 30 SEPTEMBER 2015

24. RELATED PARTY DISCLOSURES - continued

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the current or prior years for bad or doubtful debts in respect of the amounts owed by related parties.

Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the year was as follows:

All figures in US$	2015	2014
Short-term benefits	549,123	838,920
Post-employment benefits	-	21,840
	549,123	**860,760**

The remuneration of directors and key executives is determined by the Human Resources and Remuneration Committee having regards to the performance of individuals and market trends.

25. LEASING ARRANGEMENTS

The Group procured tea harvesting and tea procession machinery from African Century Leasing on a 3-year finance lease arrangement during the year. Interest payable on the lease arrangement is 18% per annum. The residual value payable at the end of the lease period for the tea harvesting and tea processing machinery is US$1,994.

The Group also procured two tractors from African Century Leasing on a 3 year finance lease arrangement during the year ended 30 September 2014. Interest payable on the lease arrangement is 18% per annum. The residual value payable at the end of the lease period for the two tractors is US$2,136.

The entity will assume ownership of the plant and equipment and tractors once the lease term is over and all payments have been made.

Future lease payments are due as follows:

	Vehicles					
	Minimum lease payments		Interest		Present Value	
All figures in US$	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Not later than one year	-	28,486	-	2,443	-	26,043
	-	**28,486**	**-**	**2,443**	**-**	**26,043**

	Tractors					
	Minimum lease payments		Interest		Present Value	
All figures in US$	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Not later than one year	42,841	42,841	10,271	15,600	32,570	27,241
Later than one year and not later than five years	42,841	85,681	3,901	14,172	38,940	71,509
	85,682	**128,522**	**14,172**	**29,772**	**71,510**	**98,750**

Notes to the Financial Statements - cont'd

FOR THE YEAR ENDED 30 SEPTEMBER 2015

25. LEASING ARRANGEMENTS - continued

	Plant & equipment					
	Minimum lease payments		Interest		Present Value	
All figures in US$	2015	2014	2015	2014	2015	2014
Not later than one year	22,841	-	10,241	-	12,600	-
Later than one year and not later than five years	25,759	-	4,518	-	21,241	-
	48,600	**-**	**14,759**	**-**	**33,841**	**-**

The outstanding values of future lease payments are analysed as:

All figures in US$	2015	2014
Current liabilities	45,170	53,284
Non-current liabilities	60,181	71,509
	105,351	**124,793**

26. DEFINED CONTRIBUTION PLANS

The Group has in place a defined contribution retirement benefit plan for all qualifying employees. The assets of the plan are held separately from those of the Group in funds under the control of trustees. Where employees leave the plan prior to full vesting of the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions.

The employees of the Group are also members of a State-managed retirement benefit plan operated by the National Social Security Authority (NSSA). The Group is required to contribute a specified percentage of basic pay to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

The total expense recognised in the Group statement of profit or loss and other comprehensive income amounts to US$105,634 (2014:US$88,143) representing contributions payable to these plans by the Group at rates specified in the rules of the plans.

Due to lack of cash resources in prior periods, the Group accumulated benefit arrears in respect of both the defined contribution retirement plan and NSSA contributions. The Group applied for a 'paid-up' exemption for the defined contribution retirement plan so as to halt the increase in outstanding contributions as well as provide the Group an opportunity to clear its arrears.

The Group anticipates to resume contributions to the plan in the next financial year. The Group accrued of US$nil (2014: US$150,000) in respect of the interest on contributions outstanding from prior periods relating to the Group's defined contribution retirement plan.

27. GOING CONCERN

During the current period, the Group incurred a loss for the year from continuing operations (excluding fair value adjustments) of US$2,510,466 (2014: US$4,634,203). As at 30 September 2015, the Group had an accumulated loss of US$5,317,002 (2014:US$179,712) and as of that date the Group's current liabilities exceeded the current assets by US$3,025,614 (2014:US$2,373,360).

Based on an assessment made by the Directors as at 30 September 2015, the Directors have every reason to believe that the Group has adequate resources to continue in operations for the foreseeable future. Accordingly the financial statements have been prepared on a going concern basis.

Shareholders' Profile

FOR THE YEAR ENDED 30 SEPTEMBER 2015

ANALYSIS OF SHAREHOLDERS

SIZE OF SHAREHOLDING	NUMBER OF SHAREHOLDERS	% OF TOTAL NUMBER OF SHAREHOLDERS	SHARES HELD	% OF TOTAL SHARES HELD
1-5000	812	61.48	1,333,028	0.10
5001-10000	147	11.12	1,107,254	0.08
10001-50000	209	15.83	4,615,515	0.33
50001-100000	47	3.56	3,214,400	0.23
100001-99999999999999	106	8.01	1,368,325,398	99.26
	1,321	**100.00**	**1,378,595,595**	**100.00**

CATEGORIES OF SHAREHOLDERS

SHAREHOLDERS' GROUP	NUMBER OF SHAREHOLDERS	% OF TOTAL NUMBER OF SHAREHOLDERS	SHARES HELD	% OF TOTAL SHARES HELD
COMPANIES	196	14.84	96,580,456	7.00
ESTATES	2	0.15	785	-
INDIVIDUALS	974	73.73	19,683,872	1.43
INSURANCE COMPANIES	7	0.53	44,509,023	3.23
INVESTMENT, TRUST AND PROPERTY COMPANIES	18	1.36	1,284,775	0.09
NOMINEE COMPANY	29	2.20	87,978,125	6.39
NON RESIDENT TRANSFERABLE	68	5.15	977,811,074	70.93
PENSION FUNDS	27	2.04	150,747,485	10.93
	1,321	**100.00**	**1,378,595,595**	**100.00**

Shareholders' Profile

FOR THE YEAR ENDED 30 SEPTEMBER 2015

TOP TWENTY SHAREHOLDERS

HOLDER NAME	TOTAL HOLDING	% OF TOTAL ISSUED SHARES
ORIGIN GLOBAL HOLDINGS LIMITED	932,436,981	67.64
STANBIC NOMINEES (PRIVATE) LIMITED - NNR A/C 110008380002	82,314,586	5.97
BARATO INVESTMENTS LIMITED	70,324,454	5.10
NATIONAL SOCIAL SECURITY AUTHORITY-NPS	54,413,428	3.95
NATIONAL SOCIAL SECURITY AUTHORITY	49,922,208	3.62
OLD MUTUAL LIFE ASSURANCE COMPANY ZIMBABWE LIMITED	39,424,836	2.86
STANDARD CHARTERED NOMINEES (PVT) LTD-NNR	24,291,452	1.76
STANDARD CHARTERED NOMINEES (PVT) LTD -NNR	17,582,418	1.28
NATIONAL SOCIAL SECURITY AUTHORITY (W.C.I.F.)	12,935,950	0.94
WORKERS COMPENSATION INSURANCE FUND	11,596,485	0.84
NSSA - WCIF ACCOUNT	7,590,476	0.55
BARCLAYS PENSION FUND A/C IMARA	5,812,036	0.42
FED NOMINEES P/L	5,051,655	0.37
BRUNDISH INVESTMENTS (PVT) LTD	4,557,566	0.33
NSSA-WCIF	3,795,238	0.28
MUNSTER INVESTMENTS (PVT) LTD	2,481,060	0.18
MIMOSA MINING PENSION FUND - IMARA	2,461,908	0.18
STANBIC NOMINEES (PVT) LTD(NON RESIDENT & FCDA RES)	2,369,583	0.17
I H ADVISORY (PVT) LIMITED	2,206,573	0.16
STANBIC NOMINEES (PVT) LTD-A/C 140043470003	1,943,186	0.14
TOTAL HOLDING OF TOP TWENTY SHAREHOLDERS	**1,333,512,079**	**96.73**
REMAINING HOLDING	**45,083,516**	**3.27**
TOTAL ISSUED SHARES	**1,378,595,595**	**100.00**

Notice to Shareholders

NOTICE IS HEREBY GIVEN that the Sixty-ninth Annual General Meeting of Ariston Holdings Limited will be held in the Ariston Holdings Limited Main Boardroom, 306 Hillside Road, Msasa Woodlands, Harare on 26 February 2016 at 14.30 hours for the transaction of the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements and reports of directors and auditors for the year ended 30 September 2015.

2. To elect directors in place of those retiring in accordance with the provisions of the Articles of Association.

3. To appoint auditors for the ensuing year and to fix their remuneration for the past audit.

4. To approve directors' emoluments for the year ended 30 September 2015.

SPECIAL BUSINESS

To consider and if deemed fit, to pass with or without modification, the following resolutions as special resolutions:

5. Increase in authorised share capital

   To resolve that the Company's authorised share capital of one million six hundred thousand United States dollars (US$1,600,000) comprising 1,600,000,000 ordinary shares of United States dollars US$0.001 each be increased to two million United States dollars (US$2,000,000) comprising 2,000,000,000 ordinary shares of United States dollars US$0.001 each.

6. Amendment to Articles of Association

   To resolve that Article 55, "Limits on borrowings" be amended by the deletion of the words;
   " The directors may from time to time, at their discretion, raise or borrow or secure in any way, including by the issue of debentures, the payment of any sum or sums of money for the purposes of the Company, save that the directors shall procure that the aggregate principal amount at any one time outstanding in respect of moneys borrowed or raised by the Company and/or any of its subsidiaries for the time being of the Company shall not, without the previous sanction of an ordinary resolution of the Company, exceed an amount equal to the aggregate amount of the issued capital, the share premium account and the capital and revenue reserves of the Company and its subsidiaries for the time being, provided that no such sanction shall be required to the borrowing of any moneys intended to be applied and actually applied within ninety days for the repayment (with or without any premium) of any moneys then already borrowed and outstanding and notwithstanding that the new borrowing may result in the abovementioned limit being exceeded."

   And the substitution of the following;
   "The directors may from time to time, at their discretion, raise or borrow or secure in any way, including by the issue of debentures, the payment of any sum or sums of money for the purposes of the Company, save that the directors shall procure that the aggregate principal amount at any one time outstanding in respect of moneys borrowed or raised by the Company and/or any of its subsidiaries for the time being of the Company shall not, without the previous sanction of an ordinary resolution of the Company, exceed an amount equal to double the aggregate amount of the issued capital, the share premium account and the capital and revenue reserves of the Company and its subsidiaries for the time being, provided that no such sanction shall be required to the borrowing of any moneys intended to be applied and actually applied within ninety days for the repayment (with or without any premium) of any moneys then already borrowed and outstanding and notwithstanding that the new borrowing may result in the abovementioned limit being exceeded."

APPOINTMENT OF PROXY

In terms of the Companies Act (Chapter 24:03), a member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on his/her stead. A proxy need not be a member of the Company.

Proxy forms must be deposited at the registered office of the Company or at the office of the Transfer Secretaries (ZB Transfer Secretaries (Private) Limited, 21 Natal Road, Corner Natal/Durban Road, Avondale, Harare) not less than 48 (forty-eight) hours before the time appointed for the holding of the meeting.

By order of the Board

C.J. CONNICK
ACTING COMPANY SECRETARY **5 February 2016**
Registered Office
306 Hillside Road,
Msasa Woodlands,
P O Box 4019,
Harare, Zimbabwe.

ARISTON
HOLDINGS LIMITED

PROXY FORM

For use at the Sixty-ninth Annual General Meeting of Ariston Holdings Limited to be held in the Ariston Holdings Limited Main Boardroom, 306 Hillside Road, Msasa Woodlands, Harare on 26 February 2016 at 14:30 hours.

I/We..

Of..being the registered holder/s

Of...ordinary shares in

Ariston Holdings Limited do hereby appoint:-

1. ....or failing him/her,

2. ....or failing him/her,

the Chairman of the Annual General Meeting, as my/our proxy to vote on my/our behalf at the Sixty-ninth Annual General Meeting of Ariston Holdings Limited will be held in the Ariston Holdings Limited Main Boardroom, 306 Hillside Road, Msasa Woodlands, Harare on 26 February 2016. And at any adjournment thereof and to vote for me/us on my/our behalf or to abstain from voting as indicated below:

	FOR	AGAINST	ABSTAIN
1. Adoption of 2015 annual financial statements			
2. Election of Directors			
-			
-			
-			
3. Appointment of auditors and approval of their remunerations			
4. Approval of Directors' emoluments			
5. Increase in authorised share capital			
6. Amendment to Article 55 of Articles of Association			

Signature of Shareholder.. Date..

AFFIX
STAMP
HERE

The Company Secretary
Ariston Holdings Limited
P O Box 4019
Harare
Zimbabwe

The Company Secretary
Ariston Holdings Limited
Registered Office:
306 Hillside Road
Msasa Woodlands
Harare
Zimbabwe

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