ARISTON HOLDINGS LIMITED

Registered Office: 306 Hillside Road, Msasa Woodlands, P.O. Box 4019, Harare

REVIEWED FINANCIAL RESULTS

FOR THE SIX MONTHS ENDED 31 MARCH 2021

YOUR WELL-BEING AND SAFETY SHOULD BE YOUR MAIN PRIORITY.

Stay healthy and protected from COVID-19

SOCIAL DISTANCING | WEAR MASK | WASH HANDS OR SANITISE | COVER A COUGH OR SNEEZE | STAY AT HOME

INFLATION ADJUSTED FINANCIAL HIGHLIGHTS

All figures in ZWL	INFLATION ADJUSTED Half Year Ended 31-Mar-21	6 Months-to-6 Months Change
REVENUE	425,530,738	64%
EBITDA (excluding fair value adjustments)	72,289,634	276%
PROFIT AFTER TAXATION	28,331,295	112%
BASIC EARNINGS PER SHARE (dollars)	0.0174	112%

CHAIRMAN'S STATEMENT

INTRODUCTION

The 2020/2021 agricultural season commenced on a very good note. The weather conditions during the period under review resulted in a significant improvement on previous period. Accordingly, yields are projected to improve.

The continued existence of the effects of COVID-19 pandemic on global economies have unsettled the markets. This has led to lower demand and a softening in prices on export teas. Demand for good quality macadamia nuts has remained firm although we are projecting a slight weakening in the prices across all grades. For the Group, we are comfortable that the significant improvement in macadamia yield coupled with the quality being produced will more than compensate for any adverse macadamia price movement.

FINANCIAL PERFORMANCE (on inflation adjusted terms)

Revenue for the half year ended 31 March 2021 reflects a growth of 64% compared to prior period. The revenue growth was driven mainly by increase in sales of local products. Cost of sales decrease at 37% was significantly behind revenue growth and reflects the impact of cost containment activities which resulted in gross margin improvement to 63% compared to 34% in the prior comparative period.

Profit from operations improved to 19% of revenue compared to a loss of 19% experienced in the prior year comparative period. After taking into account fair value adjustments and the monetary loss, the Group realised an inflation adjusted profit before interest and tax of ZWL118 million, compared to ZWL30 million loss incurred in the prior comparative period. Inflation adjusted interest expense grew by 66% to ZWL12 million in the current reporting period. The increase was driven mainly by interest rate on local borrowings. As a result of this, the Group is in the process of reducing local borrowings. Overall the Group posted an inflation adjusted profit after tax of ZWL28 million, which is a 112% improvement on prior comparative period's ZWL235 million loss.

The Group's balance sheet continued to improve in the period under review.

VOLUMES AND OPERATIONS

Tea

Production volumes improved on the back of good weather conditions. As at half year, production at 2 023 tonnes was 8% ahead of prior year's 1 870 tonnes.

Export tea sales volumes improved by 10% to 656 tonnes whilst current period pricing declined by 2%.

Local tea sales volumes improved by 73% while pricing increased by 39%.

Macadamia

At the end of the current half year, 32% of the projected annual crop had been produced compared to 37% in prior period. In volume terms the production for the current half year was 419 tonnes, of which 215 tonnes had been sold. For the same period in prior year, 389 tonnes had been produced, of which 178 tonnes had been sold. Pricing reflected an 11% decline against the same period in prior year. The current year yield for the macadamia crop is expected to be 18% ahead of prior year.

Fruit

The fruit category's production volumes of 2 288 tonnes for the current half year improved by 12% when compared with the prior comparative period. This category comprises of stone fruit and pome fruit. Both fruits registered growth of 17% and 5% respectively as yields continue to improve.

The selling period for stone fruit coincided with the lockdown promulgated by Government in January 2021. This had an adverse effect on fruit uptake in the market. Unfortunately, most of the export markets were also depressed due to COVID-19 lockdowns implemented in various countries. As a result stone fruit sales volume suffered a 14% decline compared to the prior comparative period. Pome fruit was unaffected. The category registered a 6% improvement in average selling price when compared with the prior comparative period.

Other products

Other products making up 17% of revenue comprise potatoes, soya beans, seed maize, commercial maize, seed sugar beans, avocado, bananas and poultry. These have been growing progressively over the years and continue to contribute positively to the Group's profitability.

OUTLOOK

The agricultural season has been good and improved yields are projected for all crops.

Due to the cyclical nature of the Group's activities, the majority of the harvesting and selling period occurs in the second half of the year. Export macadamia demand is projected to remain firm however a slight decline in the average selling price for the year is expected. Export tea demand and pricing is anticipated to remain softer than in prior year. Overall the Group is expecting an improved financial performance to the end of this financial period.

DIVIDEND

In view of the need to enhance the productive assets and the need to preserve available cash resources, the Board has seen it prudent not to declare a dividend for the half year.

DIRECTORATE

There have been no changes in the directorate in the period under review.

APPRECIATION

I would like to extend my appreciation to all our customers, suppliers, staff, shareholders, strategic partners and my fellow Board directors for the continued support for the business.

BY ORDER OF THE BOARD

ALEXANDER CRISPEN JONGWE
CHAIRMAN

07 June 2021

Condensed Group Statement of Profit or Loss and Other Comprehensive Income

All figures in ZWL	Notes	Inflation Adjusted REVIEWED Half Year Ended 31-Mar-21	Inflation Adjusted REVIEWED Half Year Ended 31-Mar-20	*Historical UNAUDITED Half Year Ended 31-Mar-21	*Historical UNAUDITED Half Year Ended 31-Mar-20
Revenue	8	**425,530,738**	**259,057,490**	**397,734,373**	**59,588,246**
Cost of production		(155,333,648)	(171,999,693)	(124,685,235)	(34,369,528)
Gross profit		**270,197,090**	**87,057,797**	**273,049,138**	**25,218,718**
Other operating income		3,654,787	3,249,320	3,378,030	701,351
Operating expenses		(194,994,124)	(140,623,333)	(156,952,625)	(28,592,220)
Profit/ (loss) from operations		**78,857,753**	**(50,316,216)**	**119,474,543**	**(2,672,151)**
Fair value adjustments		94,349,866	(159,346,560)	190,863,241	77,768,105
Exchange differences		(7,917,470)	(20,897,533)	(7,893,648)	(6,516,825)
Monetary (loss)/ gain		(52,425,862)	196,641,983	-	-
Share of net profit of a joint venture accounted for using the equity method		5,057,806	3,418,370	4,954,370	754,188
Profit/ (loss) before interest and taxation		**117,922,093**	**(30,499,956)**	**307,398,506**	**69,333,317**
Finance costs		(12,569,926)	(7,586,939)	(11,611,755)	(1,805,586)
Profit/ (loss) before taxation		**105,352,167**	**(38,086,895)**	**295,786,751**	**67,527,731**
Income tax expense	2	(77,020,872)	(196,925,846)	(81,490,985)	(14,978,489)
Profit/ (loss) for the year		**28,331,295**	**(235,012,741)**	**214,295,766**	**52,549,242**
Other comprehensive income (net of tax)		-	-	-	-
Total comprehensive income/ (loss) for the year		**28,331,295**	**(235,012,741)**	**214,295,766**	**52,549,242**
Number of shares in issue		**1,627,395,595**	**1,627,395,595**	**1,627,395,595**	**1,627,395,595**
Weighted average number of shares in issue		**1,627,395,595**	**1,627,395,595**	**1,627,395,595**	**1,627,395,595**
Earnings per share (dollars)					
Basic earnings per share		0.0174	(0.1444)	0.1317	0.0323
Diluted earnings per share		0.0174	(0.1444)	0.1317	0.0323

* Historical amounts have been presented as supplementary information and were not subject to an audit or review.

Condensed Group Statement of Financial Position

All figures in ZWL	Notes	Inflation Adjusted REVIEWED As at 31-Mar-21	Inflation Adjusted REVIEWED As at 31-Mar-20	Inflation Adjusted AUDITED As at 30-Sep-20	*Historical UNAUDITED As at 31-Mar-21	*Historical UNAUDITED As at 31-Mar-20	*Historical AUDITED As at 30-Sep-20
ASSETS							
Non - current assets							
Property, plant and equipment		1,516,747,868	1,362,097,330	1,474,366,782	105,447,102	48,091,464	67,517,701
Biological assets		6,872,948	12,769,983	18,943,410	6,872,948	3,749,800	15,136,705
Right of use assets		24,049,997	5,366,877	27,655,768	858,850	817,980	1,007,462
Investment in joint ventures	5	62,730,036	10,443,686	32,078,703	36,103,057	1,493,271	5,555,160
		1,610,400,849	**1,390,677,876**	**1,553,044,663**	**149,281,957**	**54,152,515**	**89,217,028**
Current assets							
Biological assets		555,595,173	488,887,610	461,338,568	555,595,173	143,557,808	368,631,898
Inventories		235,740,250	105,201,294	182,816,845	213,592,096	24,216,877	55,449,778
Trade and other receivables		227,586,052	71,854,976	230,329,998	224,221,808	20,367,858	177,244,543
Cash and cash equivalents		81,895,063	16,217,170	22,416,952	81,895,063	4,762,038	17,912,232
		1,100,816,538	**682,161,050**	**896,902,363**	**1,075,304,140**	**192,904,581**	**619,238,451**
TOTAL ASSETS		**2,711,217,387**	**2,072,838,926**	**2,449,947,026**	**1,224,586,097**	**247,057,096**	**708,455,479**
EQUITY							
Share capital and reserves							
Share capital		70,063,135	70,063,135	70,063,135	1,627,395	1,627,395	1,627,395
Distributable reserves		922,754,682	573,845,582	894,423,387	379,138,819	81,624,852	164,843,053
		1,463,047,880	**1,114,138,780**	**1,434,716,585**	**391,688,506**	**94,174,539**	**177,392,740**
LIABILITIES							
Non-current liabilities							
Borrowings	7	233,924,874	156,754,459	275,756,187	233,924,874	46,029,652	220,342,572
Deferred tax		493,651,400	441,066,006	416,630,528	139,098,952	40,662,723	57,607,967
Lease liabilities		44,813	1,403,772	247,013	44,813	412,206	197,375
		727,621,087	**599,224,237**	**692,633,728**	**373,068,639**	**87,104,581**	**278,147,914**
Current liabilities							
Trade and other payables	6	416,385,522	345,646,070	313,930,161	355,666,054	61,716,958	245,989,829
Borrowings	7	103,901,362	12,610,482	8,190,378	103,901,362	3,702,964	6,544,509
Lease liabilities		261,536	1,219,357	476,174	261,536	358,054	380,487
		520,548,420	**359,475,909**	**322,596,713**	**459,828,952**	**65,777,976**	**252,914,825**
TOTAL EQUITY AND LIABILITIES		**2,711,217,387**	**2,072,838,926**	**2,449,947,026**	**1,224,586,097**	**247,057,096**	**708,455,479**

* Historical amounts have been presented as supplementary information and were not subject to an audit or review.

Condensed Group Statement of Cashflows

All figures in ZWL	Inflation Adjusted REVIEWED Half Year Ended 31-Mar-21	Inflation Adjusted REVIEWED Half Year Ended 31-Mar-20	*Historical UNAUDITED Half Year Ended 31-Mar-21	*Historical UNAUDITED Half Year Ended 31-Mar-20
Cash flows from operating activities				
Profit/ (loss) before interest and taxation	117,922,093	(30,499,956)	307,398,506	69,333,317
Change in working capital	52,275,902	184,825,628	(95,443,358)	18,840,277
Non-cash items	(73,624,470)	184,408,273	(207,001,377)	(77,244,805)
Cash inflow/ (outflow) from operations	96,573,525	338,733,945	4,953,771	10,928,789
Finance costs	(12,569,926)	(7,586,939)	(11,611,755)	(1,805,586)
Cash generated from/(utilised in) operating activities	**84,003,599**	**331,147,006**	**(6,657,984)**	**9,123,203**
Cash flows from investing activities				
Cash (utilised) in investing activities	(78,420,320)	(76,109,983)	(40,458,827)	(11,645,888)
Cash generated from investing activities	432,000	-	432,000	-
Cash (utilised) in investing activities	**(77,988,320)**	**(76,109,983)**	**(40,026,827)**	**(11,645,888)**
Cash flows from financing activities				
Cash generated/ (utilised in) from financing activities	53,462,832	(282,528,336)	110,667,642	2,686,467
Cash generated/ (utilised in) from financing activities	**53,462,832**	**(282,528,336)**	**110,667,642**	**2,686,467**
Net increase/ (decrease) in cash and cash equivalents	**59,478,111**	**(27,491,313)**	**63,982,831**	**163,782**
Cash and cash equivalents at beginning of the year	22,416,952	43,708,483	17,912,232	4,598,256
Cash and cash equivalents at the end of the period	**81,895,063**	**16,217,170**	**81,895,063**	**4,762,038**

* Historical amounts have been presented as supplementary information and were not subject to an audit or review.

Condensed Group Statement of Changes in Equity

All figures in ZWL	Inflation Adjusted Share capital	Inflation Adjusted Share premium	Inflation Adjusted Distributable reserves	Inflation Adjusted Total
Balance as at 30 September 2019	**70,063,135**	**470,230,063**	**820,535,869**	**1,360,829,067**
Impact of IFRS 16 adoption	-	-	(11,677,546)	**(11,677,546)**
Total comprehensive (loss) for the period	-	-	(235,012,741)	**(235,012,741)**
Balance as at 31 March 2020	**70,063,135**	**470,230,063**	**573,845,582**	**1,114,138,780**
Derecognition of Impact of IFRS 16 adoption	-	-	11,677,546	**11,677,546**
Total comprehensive income for the period	-	-	308,900,259	**308,900,259**
Balance as at 30 September 2020	**70,063,135**	**470,230,063**	**894,423,387**	**1,434,716,585**
Total comprehensive income for the period	-	-	28,331,295	**28,331,295**
Balance as at 31 March 2021	**70,063,135**	**470,230,063**	**922,754,682**	**1,463,047,880**

All figures in ZWL	*Historical Share capital	*Historical Share premium	*Historical Distributable reserves	*Historical Total
Balance as at 30 September 2019	**1,627,395**	**10,922,292**	**28,992,465**	**41,542,152**
Impact of IFRS 16 adoption	-	-	83,145	**83,145**
Total comprehensive income for the period	-	-	52,549,242	**52,549,242**
Balance as at 31 March 2020	**1,627,395**	**10,922,292**	**81,624,852**	**94,174,539**
Derecognition of Impact of IFRS 16 adoption	-	-	(83,145)	**(83,145)**
Total comprehensive income for the period	-	-	83,301,346	**83,301,346**
Balance as at 30 September 2020	**1,627,395**	**10,922,292**	**164,843,053**	**177,392,740**
Total comprehensive income for the period	-	-	214,295,766	**214,295,766**
Balance as at 31 March 2021	**1,627,395**	**10,922,292**	**379,138,819**	**391,688,506**

* Historical amounts have been presented as supplementary information and were not subject to an audit or review.

Condensed Notes and Supplementary Information

All figures in ZWL	Inflation Adjusted REVIEWED Half Year Ended 31-Mar-21	Inflation Adjusted REVIEWED Half Year Ended 31-Mar-20	Historical UNAUDITED Half Year Ended 31-Mar-21	Historical UNAUDITED Half Year Ended 31-Mar-20
1. Depreciation and amortisation				
Depreciation of property, plant and equipment excluding bearer plants	28,407,148	25,402,213	2,189,613	714,229
Depreciation of bearer plants	7,632,086	1,642,055	339,813	325,215
Depreciation of right of use assets	3,605,771	1,341,934	148,612	210,479
	39,645,005	**28,386,202**	**2,678,038**	**1,249,923**
2. Income tax expense				
Current tax	-	-	-	-
Deferred tax	77,020,872	196,925,846	81,490,985	14,978,489
	77,020,872	**196,925,846**	**81,490,985**	**14,978,489**
3. Capital expenditure for the period				
Purchase of property plant and equipment excluding bearer plants	76,243,747	71,049,589	38,532,913	10,750,045
Capital expenditure incurred on bearer plants	2,176,573	5,060,394	1,925,914	895,843
	78,420,320	**76,109,983**	**40,458,827**	**11,645,888**
4. Commitments for capital expenditure				
Authorised by directors but not contracted	59,050,648	61,681,585	59,050,648	18,112,288
	59,050,648	**61,681,585**	**59,050,648**	**18,112,288**

The capital expenditure will be financed out of the Group's own resources and existing facilities.

Condensed Notes and Supplementary Information (Continued)

All figures in ZWL	Inflation Adjusted REVIEWED Half Year Ended 31-Mar-21	Inflation Adjusted AUDITED Year Ended 30-Sep-20	Historical UNAUDITED Half Year Ended 31-Mar-21	Historical AUDITED Year Ended 30-Sep-20
5. Investment in joint ventures				
Beginning of the period	32,078,703	18,641,714	5,555,160	739,083
Addition	25,593,527	-	25,593,527	-
Share of profit for the period	5,057,806	13,436,989	4,954,370	4,816,077
End of the period	**62,730,036**	**32,078,703**	**36,103,057**	**5,555,160**

In February 2021, the Group entered into a Joint Venture arrangement with Family van Leenhoff for the purposes of cattle ranching in a company called Mombe Shoma. The initial investment was valued at ZWL 25,593,527 and was in the form of contribution of cattle to the Joint Venture. The Group holds a 50% stake in the arrangement. As at half year a share of profit of ZWL 2,147,896 from the Joint Venture was recognised.

The investment in Claremont Power Station which existed at year end, also contributed a share of profit of ZWL 2,909,909.

	Inflation Adjusted REVIEWED As at 31-Mar-21	Inflation Adjusted REVIEWED As at 31-Mar-20	Historical UNAUDITED As at 31-Mar-21	Historical UNAUDITED As at 31-Mar-20
6. Trade and other payables				
Trade payables	161,135,148	129,482,035	161,135,148	38,021,330
Other payables	255,250,374	216,164,035	194,530,906	23,695,628
	416,385,522	**345,646,070**	**355,666,054**	**61,716,958**
7. Borrowings				
At amortised cost				
Loans from banks	88,026,329	16,822,435	88,026,329	4,939,769
Bank overdrafts	19,781,662	12,610,482	19,781,662	3,702,964
Loans from related parties	230,018,245	139,932,024	230,018,245	41,089,883
	337,826,236	**169,364,941**	**337,826,236**	**49,732,616**
Long-term	233,924,874	156,754,459	233,924,874	46,029,652
Short-term	103,901,362	12,610,482	103,901,362	3,702,964
	337,826,236	**169,364,941**	**337,826,236**	**49,732,616**

8. Reportable segments

Revenue from major products	Inflation Adjusted REVIEWED Half Year Ended 31-Mar-21	Inflation Adjusted REVIEWED Half Year Ended 31-Mar-20	Historical UNAUDITED Half Year Ended 31-Mar-21	Historical UNAUDITED Half Year Ended 31-Mar-20
Tea	205,092,100	108,273,323	188,260,984	22,043,798
Macadamia nuts	69,036,011	60,752,072	68,586,972	17,081,814
Vegetables and fruits	101,518,184	68,088,205	93,905,892	15,992,475
Poultry	35,751,760	14,583,342	33,971,087	2,992,724
Other	14,132,683	7,360,548	13,009,438	1,477,435
Total	**425,530,738**	**259,057,490**	**397,734,373**	**59,588,246**

All revenue is recognised at a point in time

All figures in ZWL	Inflation Adjusted Southdown Estates	Claremont Estate	Kent Estate	Corporate Office	Adjustments & Eliminations	Total
31-Mar-21						
Segment revenue	284,873,043	62,367,395	78,290,300		-	**425,530,738**
Segment EBITDA (excluding fair value adjustments)	2,160,661,947	(727,095,669)	(53,418,470)	(1,307,858,174)	-	**72,289,634**
Segment depreciation and impairment	21,173,176	5,746,609	3,843,043	8,882,177	-	**39,645,005**
Segment assets (excluding intersegment assets)	1,672,697,050	402,287,767	254,343,320	381,889,250	-	**2,711,217,387**
Segment liabilities (excluding intersegment liabilities)	(317,055,520)	(26,988,547)	(27,716,139)	(375,460,478)	(500,948,823)	**(1,248,169,507)**
Net segment assets/ (liabilities)	60,578,196	(33,549,230)	(12,277,019)	(14,751,947)	-	**-**
31-Mar-20						
Segment revenue	172,767,977	48,588,851	37,700,662	-	-	**259,057,490**
Segment EBITDA (excluding fair value adjustments)	(11,426,751)	22,515,281	(16,505,062)	(35,768,962)	-	**(41,185,494)**
Segment depreciation and impairment	16,036,786	3,787,697	3,566,718	6,534,892	(1,539,891)	**28,386,202**
Segment assets (excluding intersegment assets)	1,110,134,077	229,035,982	157,909,898	123,629,618	452,129,351	**2,072,838,926**
Segment liabilities (excluding intersegment liabilities)	(277,759,873)	(16,149,946)	(15,345,319)	(200,484,407)	(448,960,601)	**(958,700,146)**
Net segment assets/ (liabilities)	37,231,325	(47,431,925)	(31,831,262)	42,031,862	-	**-**

All figures in ZWL	*Historical Southdown Estates	Claremont Estate	Kent Estate	Corporate Office	Adjustments & Eliminations	Total
31-Mar-21						
Segment revenue	266,940,471	57,731,472	73,062,430	-	-	**397,734,373**
Segment EBITDA (excluding fair value adjustments)	82,781,120	32,203,940	2,813,391	1,414,853	-	**119,213,304**
Segment depreciation and impairment	1,563,632	553,398	263,202	297,806	-	**2,678,038**
Segment assets (excluding intersegment assets)	514,290,418	345,158,449	131,840,366	233,296,864	-	**1,224,586,097**
Segment liabilities (excluding intersegment liabilities)	(257,314,247)	(26,988,547)	(27,716,140)	(375,460,477)	(145,418,180)	**(832,897,591)**
Net segment assets/ (liabilities)	60,578,196	(33,549,230)	(12,277,019)	(14,751,947)	-	**-**
31-Mar-20						
Segment revenue	39,938,750	10,603,334	9,046,162	-	-	**59,588,246**
Segment EBITDA (excluding fair value adjustments)	(58,346)	4,793,293	(2,812,357)	(9,536,428)	-	**(7,613,838)**
Segment depreciation and impairment	749,549	230,503	94,582	254,730	(79,441)	**1,249,923**
Segment assets (excluding intersegment assets)	77,909,999	18,597,556	8,317,192	6,890,286	135,342,063	**247,057,096**
Segment liabilities (excluding intersegment liabilities)	(41,782,735)	(4,742,297)	(4,506,026)	(58,868,291)	(42,983,208)	**(152,882,557)**
Net segment assets/ (liabilities)	10,932,671	(13,927,993)	(9,346,987)	12,342,309	-	**-**

* Historical amounts have been presented as supplementary information and were not subject to an audit or review.

9. Currency of reporting

The Group's consolidated and condensed financial statements are presented in Zimbabwe Dollars (ZWL) which is the functional currency of all its components.

10. Statement of compliance

The Group's consolidated financial statements which are summarised by these Group financial results have been prepared in compliance with International Accounting Standard (IAS) 34 Interim Financial Reporting promulgated by the International Accounting Standards Board (IASB), as well as the requirements of the Companies and Other Business Entities Act (Chapter 24:31), the Zimbabwe Stock Exchange rules and the relevant Statutory Instruments.

11. Basis of preparation

The financial results have been prepared based on statutory records which are maintained on a historical cost basis except for certain biological assets and financial instruments that are measured at fair value, and have been adjusted to comply with IAS 34; these adjustments include restatements of financial information to reflect the effects of the application of International Accounting Standard (IAS) 29 "Financial Reporting in Hyperinflationary Economies" as more fully described on Note 12 below.

12. Hyperinflation

On 11 October 2019, the Public Accountants and Auditors Board (PAAB) announced that the requisite economic factors and characteristics necessary for the application of IAS 29 in Zimbabwe had been met. This pronouncement applies to reporting for financial periods ending on or after 1 July 2019.

Historical cost basis have been restated to comply with IAS 29 which requires that financial results be prepared and presented in terms of the measuring unit current at the reporting date, with comparative information being restated in the same manner. The restatements to cater for the changes in the General Purchasing Power of the Zimbabwean Dollar (ZWL) are based on indices and conversion factors derived from the Consumer Price Index (CPI) compiled by the Zimbabwe National Statistics Agency.

Judgement has been used in some of the assumptions including CPIs for some previous years due to limitation of available data.

Key CPIs and conversion factors used are shown below:

Month	CPI	Conversion Factor
March 2021	2,759.83	1.00
Average CPI (October 2019 to March 2021)	1,580.24	2.67
September 2020	2,205.24	1.25
March 2020	810.40	3.41

13. Accounting policies

The Group has adopted all the new and revised accounting pronouncements applicable for the period ending 31 March 2021 as issued by the International Accounting Standards Board (IASB). The accounting policies adopted in the preparation of the consolidated financial statements as at 30 September 2020 have been consistently applied in these Group financial results. This interim financial report is to be read in conjunction with the 30 September 2020 annual report.

14. Going concern

In the prior period, COVID-19 was declared a global pandemic. The Directors of the Group have continued to review the financial impact of the effects of COVID-19 and the related national and global lockdown orders on the business. They have also performed an overall assessment of the ability of the Group to continue operating as a going concern by reviewing the prospects of the Group. These assessments considered the Group's financial performance for the period ended 31 March 2021, the financial position as at 31 March 2021 and the current and medium term forecasts for the Group taking into account the economic environment in Zimbabwe, the global impact of the pandemic and the expected impact on prices and demand for the Group's products. The directors believe that the Group's plans and activities adequately mitigate the risks. Based on this background, the Directors have every reason to believe that the Group has adequate resources to continue in operation for the foreseeable future. Accordingly, these financial results were prepared on a going concern basis.

15. Review Conclusion

The accompanying condensed consolidated interim financial statements of Ariston Holdings Limited for the six months to 31 March 2021 have been reviewed by PricewaterhouseCoopers Chartered Accountants (Zimbabwe) who have issued an unmodified review conclusion thereon. The review conclusion has been made available to management and those charged with governance of Ariston Holdings Limited. The engagement partner responsible for this review is Ms. Esther Antonio. The report on the review of interim financial information and the condensed consolidated interim financial statements of Ariston Holdings Limited are available for inspection at the registered offices of Ariston Holdings Limited.

16. Events after reporting date

On 3 June 2021, Ariston Holdings Limited issued a Cautionary Statement in which shareholders and the investing public were advised that the company was negotiating a transaction, which if successfully concluded, would have a material impact on the company's share price. Accordingly, it was advised that caution should be exercised in dealing with the company's shares until the outcome of the negotiations were finalised and a further announcement was made.

Directors: Mr. A.C. Jongwe (Chairman), Mr. P.T. Spear* (Chief Executive Officer), Mr. I. Chagonda, Mr. C.P. Conradie, Mrs.T.C. Mazingi, Mr. J.W. Riekert. * Executive