2022

ARISTON
HOLDINGS LIMITED

ANNUAL REPORT

CONTENTS

Corporate Structure

ARISTON HOLDINGS LIMITED

100%	100%	100%	100%	100%	50%
ARISTON MANAGEMENT SERVICES (PRIVATE) LIMITED	CLAREMONT ORCHARDS 1988 (PRIVATE) LIMITED	SOUTHDOWN HOLDINGS (PRIVATE) LIMITED	CLEARWATER TEA MANUFACTURING COMPANY (PRIVATE) LIMITED	ROSCOMMON DEVELOPMENT COMPANY (PRIVATE) LIMITED	CLAREMONT ORCHARDS HOLDINGS (PRIVATE) LIMITED
	Agriculture	Property owning company	Property owning company	Property owning company	

This is a property owning company that is held as a joint venture between Ariston Holdings Limited and Tuinbouw Zonder Grenzen B.V.

100%
SOUTHDOWN ESTATE
A division of Ariston Management Services (Private) Limited

Comprises three estates in the picturesque Chipinge and Chimanimani areas of Zimbabwe with 1,200 hectares of tea, 450 hectares of macadamia nuts, 60 hectares of bananas and 12 hectares of avocados. This division is also involved in the packaging of tea for the domestic market. Infrastructural development includes tea factories, a macadamia drying facility, schools, clinics and workers' housing.

100%
Kent ESTATE
A division of Ariston Management Services (Private) Limited

The estate is situated in Norton. It produces irrigated crops and dry land crops, and over one million broilers a year.

55%
BONEMARROW INVESTMENTS (PRIVATE) LIMITED t/a CLAREMONT POWER STATION
Joint venture with Goldsaif (Private) Limited

A joint venture between Ariston Management Services (Private) Limited and Goldsaif (Private) Limited engaged in electricity generation at the micro-hydro facility located at Claremont Orchards Holdings (Private) Limited.

50%
MOMBE SHOMA FARMING (PRIVATE) LIMITED
Joint venture with Family van Leenhoff

A joint venture between Ariston Management Services (Private) Limited and Family van Leenhoff engaged in Commercial Cattle ranching at Kent Estate.

Financial Highlights

For the year ended 30 September 2022

	INFLATION ADJUSTED		HISTORICAL COST	
	2022	2021	2022	2021
GROUP SUMMARY (ZWL)				
Revenue	4,142,398,994	4,684,436,650	2,247,855,863	1,030,219,824
(Loss)/ Earnings before interest, tax, depreciation and amortisation (EBITDA) excluding fair value adjustments	(1,178,599,917)	928,828,505	(1,269,671,834)	201,059,769
Finance costs	(218,718,589)	(161,124,981)	(171,017,326)	(35,886,644)
(Loss)/ profit before taxation	(1,218,540,812)	(1,087,987,941)	11,493,109	387,583,621
Profit/ (loss) attributable to shareholders	5,753,227,660	(75,138,979)	7,864,952,446	338,749,227
Cash (utilised in)/ generated from operating activities	(2,642,059,689)	530,501,842	(3,297,230,146)	(17,185,038)
Capital expenditure	(314,118,808)	(479,303,755)	(132,462,400)	(83,694,405)
Cash resources net of short-term borrowings and short-term lease liabilities	(494,750,723)	(372,900,829)	(494,750,723)	(98,028,061)
Total assets employed	19,951,050,969	9,897,553,515	16,160,616,424	1,262,764,622
ORDINARY SHARE PERFORMANCE				
Number of ordinary 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
Basic earnings per ordinary share (ZWL dollars)	3.5352	(0.0462)	4.8328	0.2082
Ordinary shareholders' equity per ordinary share (ZWL dollars)	7.4390	4.0150	5.0920	0.3172
Market price per ordinary share at year end (ZWL dollars)	3.85	3.80	3.85	3.80
FINANCIAL STATISTICS				
Interest cover (times)	(4.57)	(5.75)	1.07	11.80
Ordinary shareholders' equity to total assets (%)	60.68	66.01	51.28	40.87
Return on shareholders equity (%)	47.52	(1.15)	94.91	65.63

Directorate and Administration

DIRECTORS

Non-Executive

A.C. Jongwe	Chairman
I. Chagonda	
C.P. Conradie	
T.C. Mazingi	
J.W. Riekert	

Executive

P.T. Spear	Group Chief Executive Officer

BOARD COMMITTEES

Audit and Risk Committee

I. Chagonda	Chairman
C.P. Conradie	
J.W. Riekert	

Human Resources and Remuneration Committee

C.P. Conradie	Chairman
A.C. Jongwe	
T.C. Mazingi	
J.W. Riekert	
P.T. Spear	

Operations/Technical Committee

T.C. Mazingi	Chairman
A.C. Jongwe	
I. Chagonda	
C.P. Conradie	
P.T. Spear	

SENIOR MANAGEMENT

P.T. Spear	Group Chief Executive Officer
R.A. Chinamo	Group Finance Director

*COMPANY SECRETARY

N. Ncube (appointed to this position on 8 September 2022)
R. A. Chinamo (resigned from this position on 8 September 2022)

REGISTERED OFFICE

18 Coghlan Road,
Greendale,
Harare,
P.O. Box 4019,
Harare.

SHARE TRANSFER SECRETARIES

ZB Transfer Secretaries (Private) Limited
21 Natal Road
Avondale
Harare
P.O. Box 2540
Avondale
Harare

AUDITORS

PricewaterhouseCoopers Chartered Accountants (Zimbabwe)
Arundel Office Park, Building 4
Norfolk Road, Mount Pleasant
P.O Box 453
Harare

BANKERS

CABS Zimbabwe Limited
CBZ Bank Limited
Nedbank Zimbabwe Limited
Stanbic Bank Limited

LAWYERS

Artherstone and Cook Legal Practitioners
Praetor House
119 J. Chinamano Avenue, Harare
P. O. Box CY 1254
Causeway
Harare

* The provisions of the Companies and Other Business Entities Act (Chapter 24:31) and Zimbabwe Stock Exchange listing rules (Statutory Instrument 134 of 2019) require that the roles of the Finance Director and the Company secretary be held by two different individuals. In compliance with these provisions, N. Ncube was appointed the Company Secretary on 8 September 2022. R. A. Chinamo remains the Finance Director of the Group.

Chairman's Statement

Mr. A. C. Jongwe
Chairman

INTRODUCTION

The financial year ended 30 September 2022 was fraught with a number of major disruptions world wide. The effects of Covid 19 on the world economy continued in the period under review. Covid 19 resulted in a reduction in the macadamia market size. This was particulaly the case this year where due to lockdowns in China the macadamia selling season only saw very low volumes finding their way into China.

The agricultural season was characterised by erratic rains and hotter temperatures in the first quarter to the end of December 2021.

GROUP PERFORMANCE

Revenue for the year ended 30 September 2022 reflects a 12% decline to ZWL4.1 billion when compared with the prior comparative period. The Group continued to have significant products sold in United States dollars whose value on the Auction did not reflect inflationary changes. In real terms the revenue line was adversely affected by the reduction in the average selling price of macadamia and lower macadamia nut yield in current year.

Chairman's Statement - Continued

GROUP PERFORMANCE - CONTINUED

A current year loss from operations was posted arising from the impact of the mismatch arising from revenue from exports where Reserve Bank of Zimbabwe (RBZ) retention continued to be paid at a rate significantly lower than the rate being charged by local suppliers resulting in real erosion of value.

After taking into account fair value adjustments, the monetary profit and share of profits from joint ventures, the Group posted a loss before interest and tax of ZWL992 million compared to a loss of ZWL927 million in the prior comparative period.

The Group's finance costs increased by 43% in inflation adjusted terms when compared with the prior comparative period.

The Group performed a revaluation of its buildings, leasehold and improvements, plant and machinery as at 30 September 2022. This was a change in accounting policy as the Group carried these at cost in prior years. The revaluation was performed in a bid to fairly state the value of the assets which had been translated at a rate of 1:1 upon change of functional currency during the financial year ended 30 September 2019. The revaluation resulted in a revaluation surplus net of taxes of ZWL6.5 billion. The Group's total comprehensive income for the year closed at ZWL5.7 billion compared to a loss of ZWL75 million for the prior comparative period.

Overall the Group's balance sheet continued to improve in the period under review as shown by improvements in the Group's financial ratios.

DIVIDEND

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

OUTLOOK

In the short term, production input costs are expected to remain high. At the same time, average selling prices for macadamia will remain depressed whilst tea prices and volume offtake will continue to improve. It is expected that improvements in the macadamia market will only be truly felt in a positive way in the 2024 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 their continued support for the business.

ALEXANDER CRISPEN JONGWE
CHAIRMAN

28 DECEMBER 2022

Group Operational Overview

Mr. P. T. Spear
Chief Executive Officer

INTRODUCTION

The 2021/2022 financial year was a challenging season. Lower rainfall was received compared to prior year. In addition, the selling prices for macadamia nut declined due to an increase in volumes available for nut cracking . The Ukraine war and effects on the world economy in terms of inflation, and increased costs of agricultural inputs such as fertilisers and chemicals compounded the challenges. Lastly, logistics constraints including container shortages resulted in spiralling costs. The concequences of all the above was a reduction in prices achieved as well as delays in receipts from customers. On the other hand, the tea market held in terms of both demand and prices although the net return would be adversely affected by the same increase in agricultural input costs discussed above.

Group Operational Overview - Continued

VOLUMES AND OPERATIONS

Tea

Tea production volume in the current year continued on an upward trajectory with a 15% increase to 3,158 tons from 2,748 tons in the prior comparative period. Improvements made through automation of certain production tasks released labour for harvesting resulting in improved production volumes. As previously communicated the labour shortage is expected to persist in the future thereby necessitating continuous improvements and automation of processes.

Export tea sales volumes improved by 10% signalling a slight recovery in the tea market after the declines suffered with the onset of COVID-19 pandemic disruption. The average export tea selling price declined by 1% when compared to the prior comparative period.

Current year average selling prices for local tea sales improved by 12% in USD terms whilst volumes declined by 16% when compared to the prior comparative period.

Macadamia

Macadamia production volumes declined by 14% when compared to the prior comparative period from 1,292 tons to 1,106 tons. Generally the yield achieved this year was lower than that for the prior comparative period although there was an overall improvement on quality. Unfortunately, due to the effects described above on the macadamia market size and demand, the average selling price declined by 21% when compared to the prior comparative average price. As a result of COVID-19 lockdowns, the Chinese market remained largely unavailable to the rest of the world resulting in an oversupply for nut cracking market with a decline in average selling prices.

Other products

The diversification of the Group's product offering has never been more important than in the current year. Aggressive growth in the crop offering of basic commodities grown from Kent Estate helped the Group immensely in the current financial year.

The "Other Products" category comprising of potatoes, commercial maize, soya beans, seed maize and bananas contributed 10% to the Group's turnover, down from 11% contribution in the prior comparative period.

Poultry revenue grew by 58% as a result of an increase in the number of placements.

INVESTMENTS

In the period under review, significant investment was made into planting new macadamia orchards, as well as completing the fencing of all macadamia orchards in the Group. Irrigation equipment was rehabilitated where necessary and an additional centre pivot was installed at Kent Estate so as to fully utilise dam water. Further, the tractor fleet was expanded to maintain operations. Lastly, another upgrade of the macadamia drying facility was implemented so as to increase capacity to match the current macadamia production volumes.

OUTLOOK

The 2022/2023 agricultural season is expected to have normal to above normal rainfall. This will assist in underpinning the Group's production performance. The Group will continue focusing on quality and volume improvements, further automation of activities and improved production efficiencies.

APPRECIATION

Management is grateful for the support given to the business by the Chairman, Board, shareholders, employees and other stakeholders.

PAUL TIMOTHY SPEAR
CHIEF EXECUTIVE OFFICER

28 DECEMBER 2022

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 2022.

Going concern considerations
The financial statements have been prepared on a going concern basis, which assumes that the company will continue in existence for the foreseeable future.

The directors have assessed the ability of the company to continue operating as a going concern and have concluded that the preparation of these financial statements on a going concern basis is appropriate. However, the directors believe that under the current economic environment a continuous assessment of the ability of the company to continue to operate as a going concern shall continuously be performed to determine the continued appropriateness of the going concern assumption that has been applied in the preparation of these financial statements. The directors have also considered the impact of the COVID-19 pandemic and the war between Russia and Ukraine, and noted that despite the disruptions experienced in operations, the Group shall continue to operate in the foreseeable future.

CAPITAL

Authorised
The authorised capital of the Company remained at 2,000,000,000 shares of ZWL0.001.

Issued
The issued share capital of the Company remained at 1,627,395,595 shares of ZWL0.001.

Unissued
At 30 September 2022 unissued share capital comprised of 372,604,405 (2021: 372,604,405) shares of ZWL0.001 each and of these, 29,370,286 (2021: 29,370,286) shares were under the control of directors, 23,075,000 (2020: 23,075,000) shares were set aside under the Senior Staff Share Option Scheme (2003, 2005 and 2011) and 320,159,119 (2021: 320,159,119) shares were set aside under the 2016 Ariston Share Ownership Trust.

Reserves
The movement in the reserves of the Group and the Company are shown on pages 29 to 30 of these financial statements.

GROUP FINANCIAL RESULTS

The results for the year were as follows:

	INFLATION ADJUSTED	
All figures in ZWL	**2022**	**2021**
(Loss)/ profit before taxation	(1,218,540,812)	(1,087,987,941)
Income tax credit/ (expense)	421,539,465	1,012,848,962
(Loss)/ profit for the year	(797,001,347)	(75,138,979)

	HISTORICAL COST	
All figures in ZWL	**2022**	**2021**
(Loss)/ profit before taxation	11,493,109	387,583,621
Income tax credit/ (expense)	54,700,826	(48,834,394)
(Loss)/ profit for the year	66,193,935	338,749,227

DIVIDENDS

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

DIRECTORATE

In accordance with article 107 of the Company's Articles of Association, Mr. J. W. Rierkert and Mrs. T. Mazingi retire by rotation, and being eligible, offer themselves for re-election.

DIRECTORS' SHAREHOLDINGS

At 30 September 2022, the directors held directly and indirectly the following number of shares in the Company:

Director	At 30/09/22	At 30/09/21
Mr. I. Chagonda	-	-
Mr. C.P. Conradie	-	-
Mr. A. C. Jongwe	-	-
Mrs. T.C. Mazingi	658,870	658,870
Mr. J.W. Riekert	-	-
Mr. P.T. Spear	29,536,312	29,536,312

DIRECTORS' REMUNERATION

Non-executive directors' remuneration is subject to shareholder approval.

AUDITORS

At the forthcoming Annual General Meeting, as part of ordinary business, shareholders will be requested to approve fees for the auditors for the year ended 30 September 2022 and to appoint auditors for the ensuing year.

BY ORDER OF THE BOARD

N. NCUBE
COMPANY SECRETARY

28 DECEMBER 2022

Directors' Responsibility for Financial Reporting

The directors of the Group are responsible for the maintenance of adequate accounting records and the preparation and integrity of the consolidated annual financial statements and related information. The Group's independent external auditors, PricewaterhouseCoopers, have audited the consolidated financial statements and their report appears on pages 17 to 23.

The directors are required by the Companies and Other Business Entities Act (Chapter 24:31), Zimbabwe Stock Exchange and Securities and Exchange Commission of Zimbabwe to maintain adequate accounting records and to prepare financial statements for each financial year which present a true and fair view of the state of affairs of the Group at the end of the financial period and the performance and cash flows for the period.

In preparing the accompanying financial statements, International Financial Reporting Standards have been applied, reasonable, and prudent judgements and estimates have been made. The financial statements incorporate full and responsible disclosure in line with the accounting philosophy of the Group.

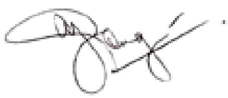
The directors are also responsible for the systems of internal control. These are designed to provide reasonable, but not absolute assurance as to the reliability of the consolidated financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and to detect material misstatement and loss. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties.

Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The directors have assessed 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 year ended 30 September 2022, the financial position as at 30 September 2022 and the current and medium term forecasts for the Group. 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.

The Group's financial statements have been prepared under the supervision of Mrs. R.A. Chinamo, CA(Z), and have been audited in terms of section 191 of the Companies and Other Business Entities Act (Chapter 24:31).

The financial statements set out on pages 24 to 92 were approved by the Board of Directors and are signed on their behalf by:



A.C. JONGWE
CHAIRMAN

28 DECEMBER 2022

P.T. SPEAR
CHIEF EXECUTIVE OFFICER

28 DECEMBER 2022

Corporate Governance

Ariston Holdings Limited ("the Group") 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 (the Board) is chaired by an independent non-executive director and comprises five 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 ad hoc basis when necessary to consider issues requiring urgent attention or decision.

The Company 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.

2. BOARD 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 Audit & Risk Committee and independent assessments by the independent external auditors.

Attendance of Directors at board and committee meetings during the year ended 30 September 2022

Director	Board	Audit and Risk Committee	Human Resources and Remuneration Committee	Operations/ Technical Committee
I. Chagonda	4/4	4/4	-	4/4
C.P. Conradie	4/4	4/4	4/4	4/4
A. C. Jongwe	4/4	-	4/4	4/4
T. C. Mazingi	4/4	-	4/4	4/4
J.W. Riekert	4/4	4/4	4/4	-
P.T. Spear	4/4	-	4/4	4/4

Corporate Governance - Continued

3. BOARD COMMITTEES

3.1 Audit & Risk Committee

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

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 four (4) 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 Ariston Holdings Limited operates. 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 four (4) 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. 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 approved 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 Board. Financial progress is monitored monthly and annual forecasts are reviewed quarterly.

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.

5. OTHER CORPORATE GOVERNANCE MEASURES

5.1 Worker Participation

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

5.2 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.

Corporate Governance - Continued

5. OTHER CORPORATE GOVERNANCE MEASURES - CONTINUED

5.3 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.

5.4 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 the Group's consolidated financial statements fairly represents their shareholding in the Company, both beneficial 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.

5.5 Insider Trading

No director, officer or employee of the Company may deal 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 start of the month in which the interim and annual reporting period fall to the announcement of financial and operating results for the respective periods, and while the Company is under a cautionary announcement.

ALEXANDER CRISPEN JONGWE
CHAIRMAN

28 DECEMBER 2022

PAUL TIMOTHY SPEAR
CHIEF EXECUTIVE OFFICER

28 DECEMBER 2022

Group Strategy

The Group’s strategy has been presented in the form of a SWOT analysis below:

STRENGTHS

- Ariston has been in operation for over 7 decades which has allowed the Group to have well established relations with stakeholders such as customers, thus ensuring brand loyalty.
- The Group boasts of an experienced skillset. Management possess sound technical knowhow in terms of both hands on experience and educational qualifications.
- The Estates are strategically located in areas that receive a lot of rain throughout the year.
- The Group holds title to the land on which the Estates operate.
- The Group has access to reasonably priced credit facilities which are serviced as and when due.
- The land that the Group operates has fertile soil which is conducive for the Group's operations.
- The Group continuously develops the processing equipment for the Estates.
- The Group diversifies market risk by selling its products both in the local and export markets. Further, in the export markets, products are sold to all continents.
- The Group has a large asset base comprising of the orchards, buildings and equipment that have been invested in over the years.
- The Group has a value chain that allows for the growing, harvesting, manufacturing, blending and packaging of tea to a point where it is ready for distribution to the market.
- The Group has invested heavily into back-up systems for power outages which could potentially affect the Group's productivity.
- There are perennial flowing rivers that run through the Estates which have allowed for dam construction as well as setting up irrigation equipment to assist when there are rainfall shortages.

WEAKNESSES

- Value addition for macadamia remains outstanding.
- Minimum investment in research and development.

OPPORTUNITIES

- Fallow land still exists at the Estates for extension for cropping, macadamia nut, avocadoes and banana production.
- Changes in technology should be more fully exploited. Technologies being looked into currently should lead into the Group being a low cost producer in tea improving on the current margins being achieved on tea sales.
- Large scope for expansion of poultry production, subject to availability of funds for capital expenditure.
- Installation of solar plants for use by the Group would reduce the costs attached to the incessant power outages experienced in the country and the added advantage of using more stable and cleaner renewable energy in relation to equipment.
- Value addition of macadamia nuts with the installation of a cracking plant would increase the return.

THREATS

- Harsh weather conditions which may result in reduced volume and quality of yields.
- Local inflationary pressures and reduced disposable income which result in less demand for the Group's products.
- Global lockdowns in response to the COVID-19 pandemic result in suppressed demand for products and may result in lower selling prices.
- Pressure on the Group's margins as input costs soar due to other external factors such as the effects of the war between Russia and Ukraine.
- Inconsistent Government policies which may cause market disruption and disparities which negatively affect the Group.
- Increased Power outages which may result in decreased productivity for the Group.
- Foreign currency shortages (arising from Government policies of retention of export proceeds) which could lead to inability to source and receive adequate harvesting equipment or spares for repairs as well as crop inputs such as fertilisers and chemicals, thus resulting in decline in yields and quality of produce.
- Threat of illegal farm invasion due to lack of consistent policies ensuring that anyone who has title deeds, backed by a valid Ministry offer letter, can have long term protection from being evicted from their farm.

Value Creation

The table below shows the various ways in which the Group currently operates in accordance with the United Nations Sustainable Development Goals and how the Group endeavours to be more conscious of these in how it conducts its operations. The manner in which the Group creates value in this regard has been presented in the form of the 6 pillars of business.

	Capital	Description	Detail
1	Financial	The financial capital relates to the funds available for the Group's operating and investing activities. These are generated through financing as well as earnings retained from trade.	Hyperinflation continued to exert pressure on local sales but measures were put in place to ensure that value was retained as much as possible. The Group has managed to obtain loans that are reasonably priced thus maintaining a healthy liquidity and solvency position. The loans are utilised for both working capital and capital expenditure. Please refer to the Financial Highlights section of this report for the financial statistics.
2	Manufactured	This refers to the property, plant and equipment that contribute to the Group's production of goods and services.	The Group is continuously improving operations to keep up with changes in technology and environmental needs. Part of these initiatives include use of an energy friendly factory which has allowed installation of a macadamia drying system that uses macadamia shells as supplementary fuel. The Group through one of its Joint Ventures, runs a hydropower generator in Nyanga. This system provides electricity to the estate in Nyanga as well as feeds into the national grid. During the current year, the Group had capital expenditure of ZWL314,594,554 which was a 34% decline from prior year ZWL479,303,755.
3	Human	This capital relates to the Group's employees and their ability to carry out their tasks, motivation, competence, health and wellfare. It also refers to their ability to fulfill their personal potential.	A successful operation is centred around a predominantly happy and productive workforce. The Group employs an average of 2,000 employees throughout the year with at least 35% being female, spread across all payroll grades. In addition to remuneration, employees also receive other benefits such as staff housing for those based at the Estates, as well as hardship allowances in the prevailing economy. Employees are regularly trained and encouraged to continue developing their skillset. The Group also has a deliberate Skills Transference Program in which highly experienced consultants are engaged. These train the staff members and impart skills to the existing teams. Some of the skills are sourced from outside of the country, to ensure the Group's strategy and performance are aligned with current global trends. The Group has continued to improve facilities for staff members, including staff house renovations and ablution expansions. The Group has entertainment and recreational facilities for employees on farm. These include but are not limited to sporting activities, bars and clubs. Measures to protect staff members against the COVID-19 pandemic continue to be carried out to ensure that the pandemic is managed. These measures include providing personal protective equipment to employees.

Value Creation - Continued

	Capital	Description	Detail
4	Natural	Environmental resources and processes, whether renewable or non-renewable available to the Group for use.	The Group introduced a comprehensive program to improve the soils by using minimum tillage, improving organic matter and carbons and protecting the soil surface from sun and rain by leaving crop residues on top as well as introducing micro-elements and micro-organisms. Rotation also plays a big part in soil improvement at Kent Estate which produces both dry-land and irrigated crops. The Group encourages biological processes and minimal use of chemicals and this is evidenced by the application of farm waste and manure to orchards, cropping lands and pastures as well as weeding and mulching as opposed to chemical burning. Other measures include the use of other crops such as Sunn hemp for weed control as well as improve soil nutrients. Revised plant spacing has also played a part in maximizing sun energy onto the plants and reducing direct contact with the ground hence protecting the available moisture. Runoff rains are conserved with contours and storm water drains, slowly directing the water to vleis and dams. Kent Estate introduced a rigorous program of Woodland and Veld Protection, especially in the non-arable areas. This has assisted in a large resurgence of birdlife and game to the Estate. Kent Estate has become home to over 200 species of birds. It has led to an increasing number of public and academics coming to visit and to observe the splendid trees and birdlife. Proceeds from visitors who come to view birdlife at Kent Estate have been directed towards a Staff Recreation Fund to reward the staff in helping towards the preservation of the environment. The Group obtains annual certification for its Southdown Estates from the Rain Forrest Alliance (RFA) which serves as evidence that the Group engages in sustainable agriculture as well as building economic opportunities and better working conditions for rural people. As a result, the Group has a defined reforestation & aforestration program, observes practical conservation policies, ensures recycling of water as well as promote clean water sources. The Group also observes bee-keeping policies to encourage pollination for the orchards.
5	Social and Relationship	This includes key stakeholder relationships such as the shareholders, suppliers, the general public as well as the government.	Although the economic environment has been challenging, the Group strives to comply with its statutory obligations such as taxes. The Group is invested in ensuring that the community is part of its operations. This is achieved through a community outgrower scheme that produces approximately 100 tonnes of tea per year. The Group also provides technical assistance to these out-growers and buys back the tea produced. The Group has primary schools at 4 of the 5 Estates and maintains the infrastructure as well as assists with basic requirements and accommodation for teachers while government provides the teachers. Education is offered at a subsidised cost to ensure affordability for both employees' children as well as those of the community. The Group runs clinics within the Estates that are accessible to the general community at nominal fees. The Group also extends wellness programs to the surrounding communities as well as being in partnership with the Zimbabwe National Council for the Welfare of Children in promoting and ensuring that no child labour is utilised in the Group as well as encouraging education of children. The Group is also involved in the fight against sexual harassment and as well as disease control. The Group has held several field days structured to suit various sectors for the agricultural community. Maximisation of shareholder wealth continues to be a key result area. As such the Group paid a dividend during the current year.

Value Creation - Continued

	Capital	Description	Detail
6	Intellectual	This relates to informational resources which the Group utilises to improve the business. It includes brands, trademarks, processes, data and systems that differentiate the Group from competitors as well as contribute to its bottom line.	The Group has well established relations with customers, which has contributed to revenue generation. Among the Group's key products are the following brands; Three Leaves Tea, Crest Value Tea and Mountain Dew Tea which collectively contributed 20% of total revenue for the year (13% in 2021). Each estate has a dedicated internet connection which makes communication with the outside world realtime. Access controls are setup to allow only authenticated users through firewalls, antivirus and antispam protection for all business units. The Group has reliable servers running and controlling access to Enterprise Resource Planning (ERP). Uninterruptible Power Supply (UPS) are used as power backup at each unit for continuity in case of power outages. Users connect to the network using high performance laptops on licensed operating systems. These can be upgraded with ease whenever patches are available. In line with best practice guidelines back-up procedures are performed to avoid data loss.

Independent auditor's report

To the Shareholders of Ariston Holdings Limited

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Ariston Holdings Limited (the Company) and its subsidiaries (together the Group) as at 30 September 2022 , and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31).

What we have audited

Ariston Holdings Limited 's consolidated and separate financial statements set out on pages 24 to 92 comprise:

- the consolidated and separate statements of financial position as at 30 September 2022 ;
- the consolidated and separate statements of profit or loss and other comprehensive income for the year then ended;
- the consolidated and separate statements of changes in shareholders' equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

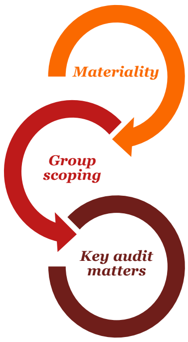
We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants and other independence requirements applicable to performing audits of financial statements in Zimbabwe. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements applicable to performing audits of financial statements in Zimbabwe.

PricewaterhouseCoopers, Building No. 4, Arundel Office Park, Norfolk Road, Mount Pleasant
P O Box 453, Harare, Zimbabwe
T: +263 (242) 338362-8, F: +263 (242) 338395, www.pwc.com

Clive K Mukondiwa – Senior Partner
The Partnership's principal place of business is at Arundel Office Park, Norfolk Road, Mount Pleasant, Harare, Zimbabwe where a list of the Partners' names is available for inspection.

Our audit approach

Overview



Overall group materiality

- Overall group materiality: ZWL60,927,041 , which represents 5% of inflation adjusted consolidated loss before taxation.

Group audit scope

- We conducted full scope audits on the financial statements of the Company and all of its subsidiaries.This was due to either their financial significance or to meet statutory audit requirements.

Key audit matters

- Valuation of biological assets; and
- Change in Accounting Policy - Revaluation of property, plant and equipment…

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall group materiality	**ZWL 60,927,041**
How we determined it	5% of consolidated inflation adjusted loss before taxation.
Rationale for the materiality benchmark applied	We chose consolidated inflation adjusted loss before taxation as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users and is a generally accepted benchmark. We chose 5% which is consistent with quantitative materiality thresholds used for listed profit-oriented companies.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

We conducted full scope audits on the financial statements of the Company and all its subsidiaries due to either their financial significance, or to meet statutory audit requirements.

The above, together with additional procedures performed at the Group level, including substantive procedures over the consolidation process, provided us with sufficient and appropriate audit evidence regarding the financial information of the Group to form an opinion on the consolidated financial statements as a whole.

Key audit matters

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

Key audit matter	*How our audit addressed the key audit matter*

Valuation of Biological Assets
This key audit matter relates to the consolidated financial statements only.
 	
Livestock, poultry, timber, seasonal crops and produce growing on bearer plants are classified as biological assets and are accounted for in accordance with International Accounting Standard IAS 41, Agriculture.
 	
The fair value gain of the Group's biological assets amounted to ZWL 530,925,561 and the value of the biological assets was ZWL 1,798,521,961 as at 30 September 2022.
 	
The value of biological assets is measured at fair value less costs to sell.
 	
The values of livestock, poultry and timber are determined based on the age, size and relevant market prices less costs to sell
 	
The values of produce growing on bearer plants, which includes macadamia nuts on trees, tea on bush, fruits on tree and seasonal crops ("produce") are based on the estimated yield (tonnes) from the current crop of unharvested produce, multiplied by the result of the forecast price per crop less estimated costs to sell. This amount is then adjusted by a factor determined by management and the directors to take into
	We performed the following procedures to assess the appropriateness of the valuation of biological assets:
	
	• Evaluated the methods used by the directors in the valuation of biological assets against the requirements of IAS 41, 'Agriculture', as well as against industry practice. No inconsistencies were noted.
	• Assessed the consistency of the methods and assumptions used by the directors in the valuation of biological assets by comparing this to those used in the prior year. No changes from previously applied assumptions and methods were noted.
	• Assessed the reasonableness of assumptions used in the director's valuation model to determine the value of biological assets by performing the following procedures:
	    • For livestock, poultry and timber, the market prices used to determine the fair value were compared to the current market price and the latest invoice price for the sale of a similar age livestock, poultry and timber. No material differences were noted.
	    • For produce growing on bearer plants, which includes macadamias on trees, tea on bush, fruits on tree and seasonal

account the level of maturity of the crop at the reporting date.
 	
Refer to notes 3.6 - Biological assets, 4.1 - Biological assets and 11 - Biological assets to the consolidated financial statements.
 	
Due to the level of judgement involved in the valuation of biological assets, the sensitivity of the key inputs and the significance of biological assets to the Group's consolidated financial position, we considered this to be a matter of most significance to the current year audit of the consolidated financial statements.
	crops ("produce") we assessed the reasonableness of estimated yields, forecast prices and selling costs by comparing prior year estimates to current year actuals in order to assess the reasonableness of management's and directors' estimates.
	    ● On a sample basis, and using our agricultural expertise, we reviewed the existence, quality and maturity of the produce by inspecting the crops. We also recalculated how this was reflected in management's maturity factor applied. We noted no aspects in this regard requiring further consideration.
	    ● Using our agricultural expertise, we evaluated the reasonableness of the forecast yields, prices and selling costs against historical data and factoring the current quality of crops into the forecast determination. We also considered the impact of actual sales that took place subsequent to year end. On the basis of this evaluation, we accepted management's forecasts.
	● We inspected the formulas used in management's models and tested the mathematical accuracy through recalculation. No material differences were noted.
	● We evaluated the financial statement disclosures against the requirements of IAS 41, Agriculture, including the disclosures related to the sensitivities of the significant inputs into the valuation. No material inconsistencies were noted.

Change in Accounting Policy - Revaluation of Property, Plant and Equipment As from the year ended 30 September 2022, buildings, leasehold improvements and plant and machinery were measured using the revaluation model in accordance with International Accounting Standard "IAS 16", *Property, Plant and Equipment*. This was a change in accounting policy for the group as these categories were previously stated at historical cost less accumulated depreciation and impairment. Computer equipment, furniture, bearer plants and motor vehicles remain stated at historical cost less accumulated depreciation and impairment.	We performed the following procedures to assess the appropriateness of the revaluation of property, plant and equipment: ● We evaluated the methods used by the external valuers in the valuation of property, plant and equipment against the requirements of IAS 16, '*Property, Plant and Equipment*', as well as against industry practice. No inconsistencies were noted. ● We assessed the reasonableness of assumptions used in the management expert's valuation model to determine the value of buildings, leasehold improvements and plant and machinery by performing the following procedures: ● For buildings and improvements, the price per square metre used in the application of the depreciated replacement cost to determine the fair

The revaluation of buildings, leasehold improvements, plant and machinery was carried out as at 30 September 2022 by EPG Global Real Estate, an independent valuer. The valuer applied the Depreciated Replacement Cost as a basis of valuation. This is the cost of erecting and or acquiring, installing and commissioning a new or modern substitute asset with the same or similar productive capacity as the existing one, together with associated charges directly related to the installation of the asset but excluding finance charges. The said cost is then depreciated according to age, obsolescence, use and condition. The Group's total revaluation surplus amounted to ZWL 6,550,229,007 (after tax) as at 30 September 2022. Refer to notes 3.10 - Property, plant and Equipment, 4.4 and 10B- Property, plant and equipment (impairment, depreciation and revaluation). Due to the significant assumptions and estimates applied by the valuers in the revaluation process, including the method of fair valuation we considered this to be a matter of most significance to the current year audit of the consolidated financial statements.	value were compared to those used by other listed entities in the same industry for reasonableness. No material differences were noted. ● We performed a sensitivity analysis on the revalued amount to confirm the impact of movements in the price per square metre on the valuation. ● We compared the useful lives in the valuation report to the prior year useful lives and industry competitors for reasonability. No material differences were noted. ● We compared the estimated remaining useful lives determined by the expert to the remaining useful lives as determined by management and as recorded in the asset register for reasonability. ● We inspected the formulas used in management's models and tested the mathematical accuracy through recalculation. No material differences were noted. ● We verified the completeness of the revaluation schedule by agreeing it to the group's asset register. No material exceptions were noted ● We evaluated the financial statement disclosures against the requirements of IAS 16, *Property, plant and equipment*, and IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors* including the disclosures related to the sensitivities of the significant inputs into the valuation. No material inconsistencies were noted. ● We inspected the formulas used in the revaluation of property, plant and equipment and tested the mathematical accuracy through recalculation. No material differences were noted. ● We evaluated the financial statement disclosures against the requirements of IAS 16, *Property, Plant and Equipment*. No material inconsistencies were noted.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled " *Ariston Holdings Limited Annual Report 2022* ". The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31), and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate

financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

PricewaterhouseCoopers

Esther Antonio
Registered Public Auditor

Partner for and on behalf of
PricewaterhouseCoopers Chartered Accountants (Zimbabwe)
Public Accountants and Auditors Board, Public Auditor Registration Number 0661
Institute of Chartered Accountants of Zimbabwe, Public Practice Certificate Number 255940

29 December 2022

Harare
Zimbabwe

Statements of Profit or Loss and other Comprehensive Income

For the year ended 30 September 2022

		INFLATION ADJUSTED			
		COMPANY		GROUP	
All figures in ZWL	**Notes**	**2022**	**2021**	**2022**	**2021**
Revenue from contracts with customers	5.1	-	-	4,142,398,994	4,684,436,650
Cost of production	14B	-	-	(2,286,666,540)	(2,097,639,654)
Gross profit		**-**	**-**	**1,855,732,454**	**2,586,796,996**
Other operating income	7	-	-	65,048,542	33,330,500
Operating expenses	7	(80,751,979)	(13,027,883)	(2,312,378,052)	(2,127,104,945)
Fair value adjustments	11	-	-	530,925,561	(887,516,074)
(Loss)/profit from operations	7	**(80,751,979)**	**(13,027,883)**	**139,328,505**	**(394,493,523)**
Exchange differences	7.1	9,486,693	11,437,170	(1,623,530,019)	2,568,745
Monetary (loss)/gain		(385,201,750)	(20,386,614)	359,173,822	(79,967,785)
Profit/(Loss) on partial disposal of interest	12B	-	649,575,221	-	(497,432,149)
Share of net profit of a joint venture accounted for using the equity method	12	-	-	125,205,469	42,461,752
(Loss)/ profit before interest and taxation		**(456,467,036)**	**627,597,894**	**(999,822,223)**	**(926,862,960)**
Finance costs	7.2	-	-	(218,718,589)	(161,124,981)
(Loss)/ profit before taxation		**(456,467,036)**	**627,597,894**	**(1,218,540,812)**	**(1,087,987,941)**
Income tax credit	8.1	-	254,443	421,539,465	1,012,848,962
(Loss)/ profit for the year		**(456,467,036)**	**627,852,337**	**(797,001,347)**	**(75,138,979)**
Other comprehensive income:					
Items that may be reclassified to profit or loss		-	-	-	-
Items that will not be reclassified to profit or loss:					
Gain on revaluation of property, plant and machinery	10B	-	-	8,701,154,367	-
Tax on other comprehensive income	8.2	-	-	(2,150,925,360)	-
Other comprehensive income for the year, net of tax		**-**	**-**	**6,550,229,007**	**-**
Total comprehensive (loss)/ income for the year		**(456,467,036)**	**627,852,337**	**5,753,227,660**	**(75,138,979)**
Earnings per share (ZWL dollars)					
Basic earnings per share	9	(0.2805)	0.3858	3.5352	(0.0462)
Diluted earnings per share	9	(0.2805)	0.3858	3.5352	(0.0462)

The above statements of profit or loss and other comprehensive should be read in conjuction with the accompanying notes

Statements of Profit or Loss and other Comprehensive Income - Continued

For the year ended 30 September 2022

		HISTORICAL COST			
		COMPANY		GROUP	
All figures in ZWL	**Notes**	**2022**	**2021**	**2022**	**2021**
Revenue	5.1	-	-	2,247,855,863	1,030,219,824
Cost of production	14B	-	-	(995,264,359)	(432,373,968)
Gross profit		**-**	**-**	**1,252,591,504**	**597,845,856**
Other operating income	7	-	-	47,557,769	7,321,806
Operating expenses	7	(30,913,123)	(2,587,819)	(1,111,581,374)	(427,137,221)
Fair value adjustments	11	-	-	1,465,296,590	(38,379,509)
(Loss)/profit from operations	7	**(30,913,123)**	**(2,587,819)**	**1,653,864,489**	**139,650,932**
Exchange differences	7.1	2,653,455	3,006,600	(1,694,311,472)	5,698,381
Profit on partial disposal of interest	12B	-	170,845,139	-	267,860,008
Share of net profit of a joint venture accounted for using the equity method	12	-	-	222,957,418	10,260,944
(Loss)/ profit before interest and taxation		**(28,259,668)**	**171,263,920**	**182,510,435**	**423,470,265**
Finance costs	7.2	-	-	(171,017,326)	(35,886,644)
(Loss)/ profit before taxation		**(28,259,668)**	**171,263,920**	**11,493,109**	**387,583,621**
Income tax credit/ (expense)	8	-	1,283	54,700,826	(48,834,394)
(Loss)/ profit for the year		**(28,259,668)**	**171,265,203**	**66,193,935**	**338,749,227**
Other comprehensive income:					
Items that may be reclassified to profit or loss		-	-	-	-
Items that will not be reclassified to profit or loss:					
Gain on revaluation of property, plant and machinery	10B	-	-	10,359,668,585	-
Tax on other comprehensive income	8.2	-	-	(2,560,910,074)	-
Other comprehensive income for the year, net of tax		**-**	**-**	**7,798,758,511**	**-**
Total comprehensive (loss)/ income for the year		**(28,259,668)**	**171,265,203**	**7,864,952,446**	**338,749,227**
Earnings per share (ZWL dollars)					
Basic earnings per share	9	(0.0174)	0.1052	4.8328	0.2082
Diluted earnings per share	9	(0.0174)	0.1052	4.8328	0.2082

The above statements of profit or loss and other comprehensive should be read in conjuction with the accompanying notes

Statements of Financial Position

As at 30 September 2022

		INFLATION ADJUSTED			
		COMPANY		GROUP	
All figures in ZWL	Notes	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
ASSETS					
Non-current assets					
Property, plant and equipment	10	-	-	13,712,737,164	5,260,778,516
Biological assets	11	-	-	70,669,715	26,800,220
Right of use assets	20	-	-	75,117,429	94,175,938
Investment in joint ventures	12	329,641	329,641	865,886,008	773,953,965
Investment in subsidiaries	13	1,125,374	1,125,374	-	-
		1,455,015	**1,455,015**	**14,724,410,316**	**6,155,708,639**
Current assets					
Biological assets	11	-	-	1,727,852,246	1,240,796,180
Inventories	14	-	-	780,257,013	651,280,848
Trade and other receivables	15	127,549,642	697,502,716	2,494,724,694	1,819,843,431
Cash and cash equivalents	6.5	-	-	223,806,700	29,924,417
		127,549,642	**697,502,716**	**5,226,640,653**	**3,741,844,876**
TOTAL ASSETS		**129,004,657**	**698,957,731**	**19,951,050,969**	**9,897,553,515**
EQUITY					
Share capital and reserves					
Share capital	16	322,744,489	322,744,489	322,744,489	322,744,489
Share premium	16	2,166,105,775	2,166,105,775	2,166,105,775	2,166,105,775
Revaluation reserve	10B	-	-	6,550,229,007	-
(Accumulated losses)/distributable reserves		(2,426,758,320)	(1,790,173,148)	3,067,885,735	4,045,005,218
		62,091,944	**698,677,116**	**12,106,965,006**	**6,533,855,482**
LIABILITIES					
Non-current liabilities					
Borrowings	19	-	-	3,260,902,051	942,797,998
Deferred tax	17	-	-	2,542,961,157	813,575,262
Lease Liabilities	20	-	-	23,127,849	-
		-	**-**	**5,826,991,057**	**1,756,373,260**
Current liabilities					
Borrowings	19	-	-	712,261,194	402,074,428
Trade and other payables	18	66,912,713	280,615	1,278,721,551	826,941,570
Contract liabilities	5.4	-	-	19,815,932	377,557,956
Lease Liabilities	20	-	-	6,296,229	750,819
		66,912,713	**280,615**	**2,017,094,906**	**1,607,324,773**
TOTAL EQUITY AND LIABILITIES		**129,004,657**	**698,957,731**	**19,951,050,969**	**9,897,553,515**

The above statements of financial position should be read in conjuction with accompanying notes

A.C. JONGWE
CHAIRMAN

28 DECEMBER 2022

P.T. SPEAR
CHIEF EXECUTIVE OFFICER

28 DECEMBER 2022

Statements of Financial Position - Continued

As at 30 September 2022

		HISTORICAL COST			
		COMPANY		GROUP	
All figures in ZWL	Notes	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
ASSETS					
Non-current assets					
Property, plant and equipment	10	-	-	10,599,601,115	129,692,398
Biological assets	11	-	-	70,669,715	7,045,234
Right of use assets	20	-	-	4,380,993	710,241
Investment in joint ventures	12	1,661	1,661	355,642,108	152,998,219
Investment in subsidiaries	13	5,677	5,677	-	-
		7,338	**7,338**	**11,030,293,931**	**290,446,092**
Current assets					
Biological assets	11	-	-	1,727,852,246	326,180,137
Inventories	14	-	-	690,095,271	162,283,803
Trade and other receivables	15	127,549,642	183,359,310	2,488,568,276	475,988,068
Cash and cash equivalents	6.5	-	-	223,806,700	7,866,522
		127,549,642	**183,359,310**	**5,130,322,493**	**972,318,530**
TOTAL ASSETS		**127,556,980**	**183,366,648**	**16,160,616,424**	**1,262,764,622**
EQUITY					
Share capital and reserves					
Share capital	16	1,627,395	1,627,395	1,627,395	1,627,395
Share premium	16	10,922,292	10,922,292	10,922,292	10,922,292
Revaluation reserve	10B	-	-	7,798,758,511	-
Distributable reserves/ (Accumulated losses)		48,094,580	170,743,193	475,397,270	503,592,280
		60,644,267	**183,292,880**	**8,286,705,468**	**516,141,967**
LIABILITIES					
Non-current liabilities					
Borrowings	19	-	-	3,260,902,051	247,842,462
Deferred tax	17	-	-	2,588,262,598	82,053,349
Lease Liabilities	20	-	-	23,127,849	-
		-	**-**	**5,872,292,498**	**329,895,811**
Current liabilities					
Borrowings	19	-	-	712,261,194	105,697,208
Trade and other payables	18	66,912,713	73,768	1,263,245,106	211,610,919
Contract liabilities	5.4	-	-	19,815,929	99,221,342
Lease Liabilities	20	-	-	6,296,229	197,375
		66,912,713	**73,768**	**2,001,618,458**	**416,726,844**
TOTAL EQUITY AND LIABILITIES		**127,556,980**	**183,366,648**	**16,160,616,424**	**1,262,764,622**

The above statements of financial position should be read in conjuction with accompanying notes

A.C. JONGWE
CHAIRMAN

28 DECEMBER 2022

P.T. SPEAR
CHIEF EXECUTIVE OFFICER

28 DECEMBER 2022

Statements of Changes in Shareholders' Equity

For the year ended 30 September 2022

	INFLATION ADJUSTED				
	COMPANY				
All figures in ZWL	**Share capital**	**Share premium**	**Revaluation reserve**	**Accumulated losses**	**Total**
Balance at 30 September 2020	**322,744,489**	**2,166,105,775**	**-**	**(2,418,025,485)**	**70,824,779**
Total comprehensive income for the year	-	-	-	627,852,337	**627,852,337**
Balance at 30 September 2021	**322,744,489**	**2,166,105,775**	**-**	**(1,790,173,148)**	**698,677,116**
Dividend for the 2021 financial year				(180,118,136)	**(180,118,136)**
Total comprehensive loss for the year	-	-	-	(456,467,036)	**(456,467,036)**
Balance at 30 September 2022	**322,744,489**	**2,166,105,775**	**-**	**(2,426,758,320)**	**62,091,944**

	INFLATION ADJUSTED				
	GROUP				
All figures in ZWL	**Share capital**	**Share premium**	**Revaluation reserve**	**Accumulated losses**	**Total**
Balance at 30 September 2020	**322,744,489**	**2,166,105,775**	**-**	**4,120,144,197**	**6,608,994,461**
Total comprehensive income for the year	-	-	-	(75,138,979)	**(75,138,979)**
Balance at 30 September 2021	**322,744,489**	**2,166,105,775**	**-**	**4,045,005,218**	**6,533,855,482**
Dividend for the 2021 financial year	-	-	-	(180,118,136)	**(180,118,136)**
Total comprehensive loss for the year	-	-	6,550,229,007	(797,001,347)	**5,753,227,660**
Balance at 30 September 2022	**322,744,489**	**2,166,105,775**	**6,550,229,007**	**3,067,885,735**	**12,106,965,006**

The above statements of changes in equity should be in conjuction with the accompanying notes

Statements of Changes in Shareholders' Equity - Continued

For the year ended 30 September 2022

All figures in ZWL	Share capital	Share premium	Revaluation reserve	Accumulated losses	Total
	HISTORICAL COST				
	COMPANY				
Balance at 30 September 2020	**1,627,395**	**10,922,292**	**-**	**(522,010)**	**12,027,677**
Total comprehensive income for the year	-	-	-	171,265,203	**171,265,203**
Balance at 30 September 2021	**1,627,395**	**10,922,292**	**-**	**170,743,193**	**183,292,880**
Dividend for the 2021 financial year	-	-	-	(94,388,945)	**(94,388,945)**
Total comprehensive loss for the year	-	-	-	(28,259,668)	**(28,259,668)**
Balance at 30 September 2022	**1,627,395**	**10,922,292**	**-**	**48,094,580**	**60,644,267**

All figures in ZWL	Share capital	Share premium	Revaluation reserve	Accumulated losses	Total
	HISTORICAL COST				
	GROUP				
Balance at 30 September 2020	**1,627,395**	**10,922,292**	**-**	**164,843,053**	**177,392,740**
Total comprehensive income for the year	-	-	-	338,749,227	**338,749,227**
Balance at 30 September 2021	**1,627,395**	**10,922,292**	**-**	**503,592,280**	**516,141,967**
Dividend for the 2021 financial year	-	-	-	(94,388,945)	**(94,388,945)**
Total comprehensive loss for the year	-	-	7,798,758,511	66,193,935	**7,864,952,446**
Balance at 30 September 2022	**1,627,395**	**10,922,292**	**7,798,758,511**	**475,397,270**	**8,286,705,468**

The above statements of changes in equity should be in conjuction with the accompanying notes

Statements of Cashflows

For the year ended 30 September 2022

All figures in ZWL	Notes	INFLATION ADJUSTED			
		COMPANY		GROUP	
		2022	2021	2022	2021
Cash flows from operating activities					
Profit/ (Loss) before interest and taxation		(456,467,036)	627,597,894	(999,822,223)	(926,862,960)
Monetary loss/ (gain)		385,201,750	20,386,614	(359,173,822)	79,967,785
		(71,265,286)	647,984,508	(1,358,996,045)	(846,895,175)
Non-cash items	6.1	(565,319,886)	(20,056,972)	124,646,192	2,186,982,024
Changes in working capital	6.2	636,585,172	(627,927,536)	(1,407,709,837)	(809,585,007)
Net cash (outflow)/ inflow from operating activites		**-**	**-**	**(2,642,059,689)**	**530,501,842**
Cash flows from investing activities					
Payments for property, plant and equipment acquired		-	-	(268,276,032)	(403,445,070)
Purchase of bearer plants	10	-	-	(39,587,667)	(75,858,684)
Proceeds from sale of property, plant and equipment		-	-	751,215	2,290,566
Dividends received on investments		-	-	33,273,426	-
Proceeds from sale of investments		-	-	741,809,599	-
Cash generated (utilised in) investing activities		**-**	**-**	**467,970,541**	**(477,013,188)**
Cash flows from financing activities					
Proceeds from borrowings	6.3	-	-	5,135,014,838	435,733,898
Repayment of borrowings	6.3	-	-	(2,675,971,604)	(559,980,867)
Repayment of lease arrangements	6.4	-	-	(38,499,389)	(2,580,526)
Dividend payment		-		(52,572,414)	-
Cash generated from/ (utilised in) financing activities		**-**	**-**	**2,367,971,431**	**(126,827,495)**
Net cash (outflow)		-	-	193,882,283	(73,338,841)
Cash and cash equivalents at beginning of year		-	-	29,924,417	103,263,258
Cash and cash equivalents at end of year		**-**	**-**	**223,806,700**	**29,924,417**
Cash and cash equivalents at end of year comprising:					
Cash and cash equivalents	6.5	-	-	223,806,700	29,924,417
Cash and cash equivalents at the end of year		**-**	**-**	**223,806,700**	**29,924,417**

The above statements of cash flows should be read in conjuction with the accompanying notes.

Statements of Cashflows - Continued

For the year ended 30 September 2022

		HISTORICAL COST			
		COMPANY		GROUP	
All figures in ZWL	**Notes**	**2022**	**2021**	**2022**	**2021**
Cash flows from operating activities					
Profit/ (Loss) before interest and taxation		(28,259,668)	171,263,920	182,510,435	423,470,265
Non-cash items	6.1	(94,388,945)	1,661	(1,668,231,884)	(99,920,185)
Changes in working capital	6.2	122,648,613	(171,265,581)	(1,811,508,698)	(340,735,118)
Cash generated/ (utilised in) from operating activities		**-**	**-**	**(3,297,230,146)**	**(17,185,038)**
Cash flows from investing activities					
Payments for property, plant and equipment acquired	10	-	-	(117,129,832)	(67,885,396)
Purchase of bearer plants	10	-	-	(12,078,241)	(15,809,009)
Proceeds from sale of property, plant and equipment		-	-	235,027	448,274
Dividends received on investments		-	-	20,313,529	-
Proceeds from sale of investments		-	-	176,506,854	-
Cash generated (utilised in) investing activities		**-**	**-**	**67,847,337**	**(83,246,131)**
Cash flows from financing activities					
Proceeds from borrowings	6.3	-	-	4,248,430,065	103,598,229
Repayment of borrowings	6.3	-		(748,476,765)	(12,832,284)
Repayment of lease arrangements	6.4	-	-	(27,080,313)	(380,486)
Dividend payment		-	-	(27,550,000)	-
Cash generated from financing activities		**-**	**-**	**3,445,322,987**	**90,385,459**
Net cash (outflow)/ inflow		-	-	215,940,178	(10,045,710)
Cash and cash equivalents at beginning of year		-	-	7,866,522	17,912,232
Cash and cash equivalents at end of year		**-**	**-**	**223,806,700**	**7,866,522**
Cash and cash equivalents at end of year comprising:					
Cash and cash equivalents	6.5	-	-	223,806,700	7,866,522
Cash and cash equivalents at the end of year		**-**	**-**	**223,806,700**	**7,866,522**

The above statements of cash flows should be read in conjuction with the accompanying notes.

Notes to the Financial Statements
For the year ended 30 September 2022

1. GENERAL DISCLOSURES

1.1. Country of Incorporation and Main Activities

Ariston Holdings Limited ("the Company"), an investment holding company, its subsidiaries and joint venture companies ("the Group") are incorporated in Zimbabwe. The principal activities of the Group are farming operations which include tea, macadamia, avocados, bananas, poultry and horticulture. The ultimate holding company of the Group is Afrifresh Group (Properietary) Limited, a South African company.

Basis of Preparation

Compliance relevant regulations

The consolidated financial statements of the group have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB). The financial statements have also been prepared in terms of section 29(1) of the Companies and Other Business Entities Act (Chapter 24:31), Zimbabwe Stock Exchange requirements and the relevant statutory instruments.

1.2 Functional and presentation currency

These financial statements are presented in Zimbabwean Dollars (ZWL) which is the functional and presentation currency of the Company and the Group as this is the currency of the primary economic environment in which the Company and Group operate.

During the 2019 year the functional currency of the Group changed from USD to ZWL as a result of currency changes announced by monetary authorities. Since then the directors have continued to assess as guided by IAS 21 'The Effects of Changes in Foreign Exchange Rates' and consistent with the guidance issued by the Public Accountants and Auditors Board (PAAB) whether use of the ZWL as the functional currency of the Group is still appropriate. Based on the assessment, the directors have concluded that the Group's functional currency continues to be the ZWL.

The Group complied with all relevant statutory instruments and Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) in the financial statements preparation in historical cost purposes in that all foreign currency transactions during the year were translated using the Reserve Bank of Zimbabwe interbank rate. The Auction rate as at year end was USD 1: ZWL 621.8922.

1.3 Borrowing powers

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

1.4 Preparer of financial statements

These financial statements have been prepared under the supervision of Mrs R.A. Chinamo, CA (Z), and have been audited in terms of section 29(1) of the Companies and Other Business Entities Act (Chapter 24:31). Mrs R.A. Chinamo is registered with the Public Accountants and Auditors Board and her registration number is 3001.

2. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

2.1 International Financial reporting Standards and amendments effective for the first time for September 2022 year-end

IFRS 16, 'Leases' COVID-19-Related Rent Concessions Amendment
Issued: March 2021
Effective date: Annual periods beginning on or after 1 April 2021

The IASB has provided lessees (but not lessors) with relief in the form of an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification, provided that the concession meets certain conditions. On 31 March 2021, the IASB published an additional amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 2022. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs. The March 2021 amendment will only be available if an entity chose to apply the May 2020 optional practical expedient.

The standard had no significant impact on the financial statements of the Group.

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

2.1 International Financial reporting Standards and amendments effective for the first time for September 2022 year-end

Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement', IFRS 7 'Financial Instruments: Disclosures', IFRS 4 'Insurance Contracts' and IFRS 16 'Leases' – interest rate benchmark (IBOR) reform (Phase 2)
Issued: August 2020
Effective date: Annual periods beginning on or after 1 January 2021

The IASB has provided lessees (but not lessors) with relief in the form of an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification, provided that the concession meets certain conditions. On 31 March 2021, the IASB published an additional amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 2022. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs. The March 2021 amendment will only be available if an entity chose to apply the May 2020 optional practical expedient.

The standard had no significant impact on the financial statements of the Group.

2.2 New and revised IFRS in issue but not yet effective

Amendment to IAS 1 'Presentation of Financial Statements' on Classification of Liabilities as Current or Non-current
Issued: January 2020
Effective date: Applicable to annual reporting periods beginning on or after 1 January 2022

The amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant).

The directors anticipate that this standard, in future periods, will have no significant impact on the financial statements of the Group.

Amendment to IFRS 3, 'Business combinations'
Issued: May 2020
Effective date: Applicable to annual reporting periods beginning on or after 1 January 2022

The Board has updated IFRS 3, 'Business combinations', to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or a liability in a business combination.

In addition, the Board added a new exception in IFRS 3 for liabilities and contingent liabilities. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying IFRS 3 should instead refer to IAS 37, 'Provisions, Contingent Liabilities and Contingent Assets', or IFRIC 21, 'Levies', rather than the 2018 Conceptual Framework.

The Board has also clarified that the acquirer should not recognise contingent assets, as defined in IAS 37, at the acquisition date.

The directors anticipate that this standard, in future periods, will have no significant impact on the financial statements of the Group.

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

2.2 New and revised IFRS in issue but not yet effective - continued

Amendments to IAS 16 'Property, Plant and Equipment' on Proceeds before Intended Use
Issued: May 2020
Effective date: Applicable to annual reporting periods beginning on or after 1 January 2022

The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of PPE any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly). The proceeds from selling such items, together with the costs of producing them, are recognised in profit or loss.

This amendment is not expected to have a material impact on the Group's financial statements.

Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' on Onerous Contracts—Cost of Fulfilling a Contract
Issued: May 2020
Effective date: Applicable to annual reporting periods beginning on or after 1 January 2022

The amendment clarifies which costs an entity includes in assessing whether a contract will be loss-making. This assessment is made by considering unavoidable costs, which are the lower of the net cost of exiting the contract and the costs to fulfil the contract. The amendment clarifies the meaning of 'costs to fulfil a contract'. Under the amendment, costs to fulfil a contract include incremental costs and the allocation of other costs that relate directly to fulfilling the contract.

This amendment is not expected to have a material impact on the Group's financial statements.

Annual improvements cycle 2018 -2020
Issued: May 2020
Effective date: Applicable to annual reporting periods beginning on or after 1 January 2022

IFRS 1, 'First time adoption of IFRS' has been amended for a subsidiary that becomes a first-time adopter after its parent. The subsidiary may elect to measure cumulative translation differences for foreign operations using the amounts reported by the parent at the date of the parent's transition to IFRS.

IFRS 9, 'Financial Instruments' has been amended to include only those costs or fees paid between the borrower and the lender in the calculation of "the 10% test" for derecognition of a financial liability. Fees paid to third parties are excluded from this calculation.

IFRS 16, 'Leases', amendment to the Illustrative Example 13 that accompanies IFRS 16 to remove the illustration of payments from the lessor relating to leasehold improvements. The amendment intends to remove any potential confusion about the treatment of lease incentives.

IAS 41, 'Agriculture' has been amended to align the requirements for measuring fair value with those of IFRS 13, 'Business Combinations'. The amendment removes the requirement for entities to exclude cash flows for taxation when measuring fair value.

These amendments are not expected to have a material impact on the Group's financial statements.

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

2.2 New and revised IFRS in issue but not yet effective - continued

IFRS 17, 'Insurance contracts
Issued: May 2017
Effective date: Applicable to annual reporting periods beginning on or after 1 January 2023

The IASB issued IFRS 17, 'Insurance contracts', and thereby started a new epoch of accounting for insurers. Whereas the current standard, IFRS 4, allows insurers to use their local GAAP, IFRS 17 defines clear and consistent rules that will significantly increase the comparability of financial statements. For insurers, the transition to IFRS 17 will have an impact on financial statements and on key performance indicators.

Under IFRS 17, the general model requires entities to measure an insurance contract at initial recognition at the total of the fulfilment cash flows (comprising the estimated future cash flows, an adjustment to reflect the time value of money and an explicit risk adjustment for non-financial risk) and the contractual service margin. The fulfilment cash flows are remeasured on a current basis each reporting period. The unearned profit (contractual service margin) is recognised over the coverage period. Aside from this general model, the standard provides, as a simplification, the premium allocation approach. This simplified approach is applicable for certain types of contract, including those with a coverage period of one year or less. For insurance contracts with direct participation features, the variable fee approach applies. The variable fee approach is a variation on the general model. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the contractual service margin. Consequently, the fair value changes are not recognised in profit or loss in the period in which they occur but over the remaining life of the contract.

This amendment is not expected to have a material impact on the Group's financial statements.

IFRS 17, 'Insurance contracts' Amendments
Issued: June 2020
Effective date: Applicable to annual reporting periods beginning on or after 1 January 2023

In response to some of the concerns and challenges raised, the Board developed targeted amendments and several proposed clarifications intended to ease implementation of IFRS 17, simplify some requirements of the standard and ease transition. The amendments are not intended to change the fundamental principles of the standard or unduly disrupt implementation already underway.

This amendment is not expected to have a material impact on the Group's financial statements."

Narrow scope amendments to IAS 1 'Presentation of Financial Statements', Practice statement 2 and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'
Issued: February 2021
Effective date: Annual periods beginning on or after 1 January 2023

The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish changes in accounting policies from changes in accounting estimates.

These amendments are not expected to have a material impact on the Group's financial statements.

Amendments to IAS 12, Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Issued: May 2021
Effective date: Annual periods beginning on or after 1 January 2023

The amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

These amendments are not expected to have a material impact on the Group's financial statements.

Notes to the Financial Statements - Continued

For the year ended 30 September 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of compliance

The reporting framework applied in preparing the consolidated financial statements is the International Financial Reporting Standards, (IFRS), as issued by the International Accounting Standards Board (IASB).

3.2 Basis of preparation

The consolidated financial statements have been prepared on the IFRS requirement that they are 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. The amounts measured at historic cost have been adjusted to reflect the effects of the application of International Accounting Standard (IAS) 29 ""Financial Reporting in Hyperinflationary Economies"" as more fully described on Note 3.2.1.

Accordingly, the inflation adjusted financial statements are the primary financial statements of the Group. Historic cost financial statements have been provided as supplementary information only.

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 basis, except for share-based payment transactions that are within the scope of IFRS 2 "Share Based Payments", leasing transactions that are within the scope of IFRS16 "Leases", and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 "Inventories" or value in use in IAS 36 "Impairment of Assets".

In addition, for financial reporting purposes, and in accordance with the guidance provided by IFRS13, 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, other than quoted prices included within level 1, that are observable for the asset or liability 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.

3.2.1 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 'Financial reporting in Hyperinflationary Economies' in Zimbabwe had been met. This pronouncement applies to reporting for financial periods ending on or after 1 July 2019.

This is the fourth year of application of IAS 29.

The financial statements prepared on the historical cost basis have been adjusted to fully comply with IFRS, these adjustments include the restatement of current financial information to comply with IAS 29 which requires that financial statements 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) obtained from the Reserve bank of Zimbabwe website, which are shown below:

Notes to the Financial Statements - Continued

For the year ended 30 September 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3.2.1 Hyperinflation - continued

2022			2021		
Month	**Monthly Indices**	**Conversion Factors**	**Month**	**Monthly Indices**	**Conversion Factors**
Sep-21	3,342.02	3.80	Sep-20	2,205.24	1.52
Oct-21	3,555.90	3.58	Oct-20	2,301.67	1.45
Nov-21	3,760.86	3.38	Nov-20	2,374.24	1.41
Dec-21	3,977.46	3.20	Dec-20	2,474.51	1.35
Jan-22	4,189.97	3.03	Jan-21	2,608.79	1.28
Feb-22	4,483.06	2.84	Feb-21	2,698.89	1.24
Mar-22	4,766.10	2.67	Mar-21	2,759.83	1.21
Apr-22	5,507.11	2.31	Apr-21	2,803.57	1.19
May-22	6,662.17	1.91	May-21	2,874.85	1.16
Jun-22	8,707.35	1.46	Jun-21	2,986.44	1.12
Jul-22	10,932.83	1.16	Jul-21	3,062.93	1.09
Aug-22	12,286.26	1.03	Aug-21	3,191.05	1.05
Sep-22	12,713.12	1.00	Sep-21	3,342.02	1.00

The key procedures applied in the restatement processes are as follows:

- Biological assets, monetary assets and liabilities at the reporting date are not restated since they are already stated in terms of the monetary unit at reporting date
- Non-monetary assets and liabilities and components of shareholders' equity are restated by applying the relevant monthly conversion factors.

  Comparative information is restated using the inflation indices, in terms of the measuring unit current at the reporting date.
- The net effect of the inflation adjustments on the net monetary position of the Group is included in the income statement as a monetary gain or loss.

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) made up to 30 September each year. Control is achieved when a company has power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee); exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect its returns. 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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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

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 IFRS 9 Financial Instruments, when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

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:

- 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;
- 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
- 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.

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. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3.4 Business combinations - continued

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 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised is allocated to the investment as a whole and not to the underlying assets of the investee that make up the carrying amount of the investment, including goodwill that 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3.5 Investments in associates and joint ventures - 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 IFRS 9. 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 exclude bearer plants and include the following:

Produce on bearer plants	Seasonal crops	Other
tea	potatoes	timber - gum and pine trees
macadamia	commercial maize	poultry
avocado fruit	seed maize	
banana	sugar beans	
	soya beans	
	other fresh produce	

Biological assets are measured at fair value less cost to sell. Costs to sell include the incremental selling costs, and estimated costs to the market, but exclude finance costs and income taxes.

Bearer plants are therefore presented and accounted for as property, plant and equipment, see note 10. However, the fruit growing on the trees are accounted for as biological assets until the point of harvest. Harvested fruits are transferred to inventory at fair value less costs to sell when harvested. Changes in fair value of are recognised in the statement of profit or loss.

Farming costs such as feeding, labour costs, pasture maintenance, and veterinary services and shearing are expensed as incurred. The cost of purchase of plus transportation charges are capitalised as part of biological assets.

The group does not have contract growers. All farming and breeding activities are done in house by the Group.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3.6 Biological assets - continued

Produce growing on bearer plants and seasonal crops
These biological assets are measured at fair value less cost to sell on initial recognition and at fair values less costs to sell at each period end. Fair value is determined based on current estimated market prices, less estimated harvesting, transport and packaging costs. Other variables used in determining fair values include estimated yield and expected quality.

Poultry and timber
These biological assets are measured at fair value less costs to sell, fair value being determined upon the age, size and relevant market price.

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.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets
All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets."

Classification of financial assets
Debt instruments that meet the following conditions are measured subsequently at amortised cost:
- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):
- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3.8 Financial instruments - continued

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition. The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL, specifically bank and cash balances.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically;

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss; and
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables and trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group’s historical credit loss experience. Irrrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 90 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Dividend and interest income

Dividends are received from financial assets measured at fair value through profit or loss (FVPL) and at fair value through other comprehensive income (FVOCI). Dividends are recognised as other income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of an investment. In this case, the dividend is recognised in OCI if it relates to an investment measured at FVOCI.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3.8 Financial instruments - continued

Dividend and interest income - continued

Interest income from financial assets at FVPL is included in the net fair value gains/(losses) on these assets. Interest income on financial assets at amortised cost and financial assets at FVOCI calculated using the effective interest method is recognised in profit or loss as part of other income. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 90 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

(1) The financial instrument has a low risk of default;
(2) The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
(3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are no past due amounts. The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3.8 Financial instruments - continued

(ii) Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(iii) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when 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 measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3.8 Financial instruments - continued

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognised in profit or loss as the modification gain or loss within other gains and losses.

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 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 deductible 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3.9 Taxation - continued

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

Property, plant and equipment, with the exception of buildings, leasehold improvements and plant and machinery are carried at cost less accumulated depreciation and any recognised accumulated impairment. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

As from the year ended 30 September 2022, buildings, leasehold improvements and plant and machinery are measured using the revaluation model as detailed in Note 4.4.

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

Bearer plants are included in property, plant and equipment as defined in IAS 41 Agriculture and are therefore accounted for under the rules for plant and equipment. Immature bearer plants are measured at accumulated cost. After maturity bearer plants are measured at indexed cost less accumulated depreciation and any recognised accumulated impairment recognised in profit or loss. The useful life of the bearer plants is determined in order to depreciate them and this is re-evaluated each year.

The Group's bearer plants at year end comprise tea bushes, macadamia trees, avocado trees and banana trees. Maturity profile relates to the time taken in the growth and development of the bearer plants before they start bearing fruit. The useful lives and maturity profiles of bearer plants are as follows:

	Useful Life	Maturity Profile
Tea bushes	100 years	2 years
Macadamia trees	50 years	6 years
Avocado trees	40 years	5 years
Banana trees	10 years	1 year

The useful lives are reviewed at the end of each reporting period to determine whether events and circumstances continue to support these useful lives.

Depreciation is calculated using the straight line method to allocate the cost net of their residual values, over their estimated useful lives as follows;

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

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each financial period.

An asset's carrying amount is immediately written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3.10 Property, plant and equipment - continued

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 indexed 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 indexed 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.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3.13 Leasing

The Group as lessor
Amounts due from lessees under leases are recorded as receivables at the amount of the Group's net investment in the leases. In the case of finance leases, 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
Upon lease commencement the Group recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the lease liability plus any initial direct costs incurred by the Group. Adjustments may also be required for lease incentives, payments at or prior to commencement and restoration obligations or similar. After lease commencement, the Group shall measure the right-of-use asset using a cost model, unless:

i) the right-of-use asset is an investment property and the Group fair values its investment property under IAS 40; or
ii) the right-of-use asset relates to a class of PPE to which the Group applies IAS 16's revaluation model, in which case all right-of-use assets relating to that class of PPE can be revalued.

Under the cost model a right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the Group shall use their incremental borrowing rate. Variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability and are initially measured using the index or rate as at the commencement date. Amounts expected to be payable by the Group under residual value guarantees are also included. Variable lease payments that are not included in the measurement of the lease liability are recognised in profit or loss in the period in which the event or condition that triggers payment occurs, unless the costs are included in the carrying amount of another asset under another Standard. The lease liability is subsequently re-measured to reflect changes in:

- the lease term (using a revised discount rate);
- the assessment of a purchase option (using a revised discount rate);
- the amounts expected to be payable under residual value guarantees (using an unchanged discount rate);
- or future lease payments resulting from a change in an index or a rate used to determine those payments (using an unchanged discount rate).

The remeasurements are treated as adjustments to the right-of-use asset.

Lease modifications may also prompt remeasurement of the lease liability unless they are to be treated as separate leases. The group did not have exposures in the areas noted above relating to remeasured of lease liabilities,all contracts had set expiry dates.

3.14 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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3.14 Provisions - continued

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.

3.15 Retirement benefit costs

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

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

3.16 Inventories

Inventories are stated at the lower of indexed 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 - Deemed cost when transferred from biological assets to inventory.
Stores and materials - The lower of indexed cost and net realisable value with cost being calculated on a weighted average basis.

3.17 Revenue recognition

Revenue from contracts with customers

The Group derives revenue from the transfer of goods at a point in time in accordance with IFRS 15 "Revenue from Contracts with Customers".

The Group revenue from contracts with customers is derived from the sale of tea, macadamia nuts, fruits and vegetables, poultry and other agricultural produce. Revenue is recognized upon the completion of the performance obligation when the customer collects from the farm.

Sale of goods

Revenue is recognised at a point when the performance obligation is satisfied when the customer collects from the farm. Customers are responsible for their own transportation from the farms. Once the goods leaves the farm gate all the performance obligations would have been satisfied. For international sales the performance obligation is satisfied when goods leave the estates.

There are no significant financing components expected as payment terms granted to customers do not exceed 90 days and accordingly the practical expedient in IFRS 15 has been applied. The transaction price is determined based on set internal standards. Payments is received on delivery. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. The group is in full control of the goods before they are collected by the customer.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3.17 Revenue recognition - continued

Sale of goods - continued

Ariston does not make use of contract growers arrangements. All farming activities are done by the Group at their estates.

Due to the perishable nature of the farm produces, the goods are inspected before being loaded to the transport provided by the customer. Once the goods leave the farm gate and delivery note is issued, there will be no returns to the farm

A contract liability for prepayments is recognised at the time of receipt of prepayments from the customer. A contract liability is recognised until the goods are collected by the customer. In the case of fixed-price contracts, the customer pays the fixed amount based on an agreed payment schedule. If the services rendered by Ariston exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

Management has determined that it is highly probable that there will be no rescission of the contracts with customers, and that a significant reversal in the amount of revenue recognised will not occur. It is therefore appropriate to recognise revenue on this transaction during 2022 where control of the products has transferred to the customer. In 2022, a contract was entered into with a customer whose transaction price is dependent on market conditions, thus is a variable consideration. All the facts, conditions and events have been considered in estimating the transaction price for this contract in a bid to better predict the amount of consideration to which the Group will be entitled.

Financing components

The group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money. In most instances the timing of the delivery of goods is at the discretion of the customer, based on their own demand and capacity. There is no difference between the amount of contract consideration and the amount that would otherwise be paid in cash at the time of performance. Based on the factors noted above no significant financing component were identified in revenue from contract from customers.

3.18 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 and expected credit losses are immaterial based on past experiences.

3.19 Share-based payments

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

The establishment of the Share Options Plan was approved by shareholders at the 2011 annual general meeting. Participation in the plan is at the board’s discretion, and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. Options are granted under the plan for no consideration and carry no dividend or voting rights.

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 the estimate of the number of equity instruments expected to vest. The impact of this revision of the original estimates, it any is, recognised in the 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 for fortified the value relating to the expired or forfeited options is transferred to distributable reserves.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3.19 Share-based payments - continued

Equity-settled share based payment transactions with parties other than employees are measured at fair value, of the goods or services received, except where the 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 that the entity obtains the goods or the services the counter party 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 the date of settlement, the fair value is remeasured, with any changes in fair value recognised in profit or loss for the year.

3.20 Cost of production

Cost of production is made up of cost of sales which include direct material and labour costs, but also includes indirect costs that can be directly attributed to generation of revenue; for example, depreciation of assets used in the production.

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.

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.

The following are the critical judgements and key sources of estimation uncertainties, 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

Estimate of biological produce quantities

The biological produce on bearer assets at year-end is based on the estimated production for the produce at the point of maturity and is adjusted accordingly based on the stage of maturity at year-end.

Selling prices

Average selling prices for agricultural produce are quoted in Zimbabwe dollars (ZWL) for locally sold produce and US$ translated to ZWL for exported produce. The current average selling prices at year end are used as the best estimate of future prices. Reference is also made to contracts post year-end which provide market-related information about pricing at year-end.

4.2 Inventories

Inventories are stated at the lower of indexed 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. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTIES - CONTINUED

4.3 Allowance for credit losses

When measuring expected credit losses (ECLs), the Group uses reasonable and supportable forward looking information, which is based on assumptions for future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cashflows due and those the lender would expect to receive, taking into account cashflows from collateral and integral credit enhancements. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

4.4. Property, plant and equipment

4.4.1 Change in accounting policy – Property, plant and equipment

The Group changed its accounting policy from cost model to revaluation model for two categories within its property, plant and equipment. The two categories are Buildings and leasehold improvements as well as and Plant and machinery. The revaluation was performed in a bid to fairly the state the value of the assets which had been translated at a rate of 1:1 upon change of functional currency during the financial year ended 30 September 2019. This change is effective from 30 September 2022 and has been prospectively applied in terms of IAS 8 paragraph 17.

The revaluation of buildings, leasehold improvements, plant and machinery was carried out as at 30 September 2022 (being the effective date of the revaluation) by EPG Global Real Estate, an independent valuer. The Depreciated Replacement cost has been used as a basis of valuation. This is the cost of erecting and or acquiring, installing and commissioning a new or modern substitute asset with the same or similar productive capacity as the existing one, together with associated charges directly related to the installation of the asset but excluding finance charges. The said cost is then depreciated according to age, obsolescence, use and condition. This method is applied as a last resort where it is difficult to estimate inputs required in computing fair value using the income approach. The Group's property, plant and machinery, is so specialised that there is no active markets for the assets. As such, market inputs which would be applied in the income approach, such as the market capitalisation rate of these assets could not be determined by the valuers. Therefore the Depreciated Replacement Cost has been applied.

A net revaluation surplus after tax of ZWL6,550,228,007 inflation adjusted, has been recognised. The revaluation has contributed both basic and diluted Earnings Per Share of ZWL4.0250. Had no revaluation been performed, buildings and leasehold improvements would have had a carrying amount of ZWL990,099,632 while plant and machinery would have had a carrying amount of ZWL839,027,694. Movement in the Revaluation Reserve is found on the Statement of Changes in Equity. The net replacement method has been used for the purposes of the revaluation.

There are no restrictions on the distribution of the Revaluation balance to shareholders.

Management believes that the change in accounting policy will result in fair presentation of the Group’s property, plant and equipment.

Please refer to Note 10B for the sensitivity analysis for the revaluation performed.

4.4.2 Property, plant and equipment (impairment, depreciation and revaluation)

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 buildings, leasehold improvements, plant and machinery which have been measured using the revaluation model.

Tea bushes, macadamia trees, avocado trees and banana trees are shown in the consolidated statement of financial position at indexed cost less accumulated depreciation and impairment charges under the 'bearer plants' category within property, plant and equipment. An assessment was made in order to determine whether the value of bearer plants were impaired at year-end.

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

4.4.2 Property, plant and equipment (impairment, depreciation and revaluation) - continued

Key assumptions in determining the value in use included:

Estimated annual production

This was based on historical average annual production adjusted for projected growth which provided the best possible estimate of the future generating capacity of the business.

Selling prices

The current average selling prices at year-end were used as the best estimate of future prices. Reference is also made to contracts post year-end which provide market related information about pricing at year-end. Fair value is in most cases almost equal to cost

Discount rate

The discount rate of 26.0% was based on the Group's weighted average cost of capital (WACC) determined basing on the Group's capital structure at year-end. Cost of borrowings was determined as the weighted average costs of the Group's borrowings at year-end. The cost of equity was determined using the capital asset pricing model (CAPM).

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. In 2003, the Group 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.

4.6 Determination of the functional currency and exchange rates used

These financial statements are presented in Zimbabwe Dollars (ZWL) which is the functional and presentation currency of the Company and the Group as this is the currency of the primary economic environment in which the Company and Group operate.

During the 2019 year the functional currency of the Group changed from USD to ZWL as a result of currency changes announced by monetary authorities. Since then the directors have continued to assess as guided by IAS 21 and consistent with the guidance issued by the Public Accountants and Auditors Board (PAAB) whether use of the ZWL as the functional currency of the Group is still appropriate. Based on the assessment, the directors have concluded that the Group's functional currency continues to be the ZWL.

The Group complied with all relevant statutory instruments and Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) in the financial statements preparation in historical cost purposes in that all foreign currency transactions during the year were translated using the Reserve Bank of Zimbabwe Auction rate. The Auction rate as at year end was USD 1: ZWL 621.8922.

4.7 The use of Consumer Prices Indices (CPI) to determine inflation adjustment factors for application of IAS 29

On application of the requirements of IAS 29, the Group used indices and conversion factors derived from the Consumer Price Index (CPI) information obtained from the Reserve Bank of Zimbabwe website, to restate financial information to cater for the changes in the General Purchasing Power of the Zimbabwean Dollar (ZWL).

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

4.8 Classification of the Group's Investments in Bonemarrow Investments (Private) Limited trading as Claremont Power Station, Claremont Orchards Holdings (Private) Limited and Mombe Shoma (Private) Limited as joint ventures

Note 12 describes that Claremont Orchards Holdings (Private) Limited and Mombe Shoma (Private) Limited are 50% joint ventures of the Group. Bonemarrow Investments (Private) Limited trading as Claremont Power Station is also accounted for as a joint venture. This is despite the fact that the Group owns a 55% ownership interest in Claremont Power Station. The contractual agreements for all the three investments and other facts and circumstances indicate that the parties to the joint arrangements each have 50% voting rights to the net assets of the joint arrangement . The contract arrangements establish that the parties are liable to arrangment only to the extent of their respective interests in arrangements, which includes any long term interests that, in substance, form part of the Group's net investment in the joint venture. Accordingly, Bonemarrow Investments (Private) Limited trading as Claremont Power Station, Claremont Orchards Holdings (Private) Limited and Mombe Shoma (Private) Limited are classified as joint ventures. See note 12 for details.

4.9 Critical judgements in determining the lease term

i) Determining lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). For leases of motor vehicles and equipment, the following factors are normally the most relevant: If there are significant penalties to terminate (or not extend), the group is typically reasonably certain to extend (or not terminate). Otherwise, the group considers other factors including historical lease durations and the costs of the lease.

The lease term is reassessed if an option is actually exercised (or not exercised) or the group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. During the current financial year, there were no events that had the financial effect of revising lease terms.

ii) Estimating the amount payable under residual value guarantees

The group initially estimates and recognises amounts expected to be payable under residual value guarantees as part of the lease liability. Typically the expected residual value at lease commencement is equal to or higher than the guaranteed amount, and so the group does not expect to pay anything under the guarantees.

At the end of each reporting period, the expected residual values are reviewed to reflect actual residual values achieved on comparable assets and expectations about future prices.

There were no such arrangements in the period under review.

4.10 Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

Notes to the Financial Statements - Continued

For the year ended 30 September 2022

5. SEGMENT REPORTING

Description of segments and principal activities

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of Ariston has appointed an executive committee which assesses the financial performance and position of the group, and makes strategic decisions. The executive committee, which has been identified as being the chief operating decision maker, consists of the Chief Executive Officer, the Finance Director and the Human Resources Executive Officer.

For management purposes, the Group is organised into three major operating business units from a product and services perspective. These are Southdown Estates and Kent Estate. These business units 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:

1. Southdown Estates - the growing and manufacturing of tea, macadamia nuts, avocados and bananas.
2. Kent Estate - the growing of horticultural crops and rearing of poultry.
4. Corporate Office -Aristion Management Services -which is responsible for corporate services which serves as the head office,joint venture operations and property owning companies.

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

The executive committee primarily uses the following measures of profit before interest, revenue and assets to assess the performance of the operating segments. The information about the segments' revenue and assets is received on a monthly basis. Information about segment revenue is disclosed below;

5.1 Segment revenues

	INFLATION ADJUSTED					
	Revenue from external customers		Inter-segment revenue		Total revenue	
All figures in ZWL	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Southdown Estates	3,201,957,847	3,287,940,159	-	-	3,201,957,847	3,287,940,159
Claremont Estate	3,442,887	547,261,935	-	-	3,442,887	547,261,935
Kent Estate	936,998,260	849,234,556	-	-	936,998,260	849,234,556
Total	**4,142,398,994**	**4,684,436,650**	**-**	**-**	**4,142,398,994**	**4,684,436,650**

Segment revenue reported above represents revenue generated from external customers. There was no inter-segment revenue in the period under review (2021: ZWL nil)

	HISTORICAL COST					
	Revenue from external customers		Inter-segment revenue		Total revenue	
All figures in ZWL	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Southdown Estates	1,748,172,495	723,362,541	-	-	1,748,172,495	723,362,541
Claremont Estate	2,233,742	118,257,239	-	-	2,233,742	118,257,239
Kent Estate	497,449,626	188,600,044	-	-	497,449,626	188,600,044
Total	**2,247,855,863**	**1,030,219,824**	-	-	**2,247,855,863**	**1,030,219,824**

Segment revenue reported above represents revenue generated from external customers. There was no inter-segment revenue in the period under review (2021: ZWL nil).

Notes to the Financial Statements - Continued

For the year ended 30 September 2022

5. SEGMENT REPORTING - CONTINUED

5.2 Revenue from major products and services

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

All figures in ZWL	INFLATION ADJUSTED		HISTORICAL COST	
	2022	2021	2022	2021
Tea	1,945,048,809	1,763,486,367	1,098,534,683	381,800,549
Macadamia nuts	1,168,082,186	1,441,642,608	603,219,842	323,289,553
Vegetables and fruits	146,230,266	753,057,681	67,328,303	160,707,995
Poultry	586,481,472	370,704,011	287,601,884	82,512,603
*Other crops	296,556,261	355,545,983	191,171,151	81,909,124
Total	**4,142,398,994**	**4,684,436,650**	**2,247,855,863**	**1,030,219,824**

*Other crops, which include avocadoes, commercial maize, seed maize, seed sugar beans, soya beans and potatoes.

Timing of revenue recognition

All figures in ZWL	INFLATION ADJUSTED		HISTORICAL COST	
	2022	2021	2022	2021
At a point in time	**4,142,398,994**	**4,684,436,650**	**2,247,855,863**	**1,030,219,824**

Customers pay a fixed price based on the invoice raised. Payment is not variable. The goods sold by Ariston have been mentioned above and the customer is responsible for delivery of their own goods after they have left the estates.

Once the goods have left the estate, Ariston does not have any obligation or warranties to the customer.

Revenue from external customers comes from the sale of tea, macadamia nuts, fruits and vegetables, poultry and other agricultural produce. This is recognised at a point in time upon delivery, as management considers it as the point the control of the goods is transferred to the customers and the delivery obligation is fulfilled. Settlement of the transaction price is receivable at this point, after derecognising any existing contract liabilities recognised in the past in respect of a portion of the transaction price of such goods transferred.

Management expects that 100% of the transaction price allocated to all undelivered goods as of the year ended 30 September 2022 will be recognised as revenue during the next reporting period.

In 2022, a contract was entered into with a customer whose transaction price is dependent on market conditions, thus is a variable consideration. All the facts, conditions and events have been considered in estimating the transaction price for this contract in a bid to better predict the amount of consideration to which the Group will be entitled.

Information about major customers

Included in total inflation-adjusted revenues arising from sales of tea of ZWL1,945,048,809 (2021: ZWL1,763,486,367) are revenues of approximately ZWL824,756,662 (2021: ZWL621,192,988) which arose from sales to the Group’s largest customer which operates in the retail market.

Included in total inflation-adjusted revenues arising from sales of macadamia nuts of ZWL1,168,082,186 (2021: ZWL1,441,642,608) are revenues of approximately ZWL934,623,179 (2021: ZWL1,192,767,292) which arose from sales to two of the Group's foreign customers.

Notes to the Financial Statements - Continued

For the year ended 30 September 2022

5. SEGMENT REPORTING - CONTINUED

5.3 Major goods and services per primary geographical market

All figures in ZWL	INFLATION ADJUSTED 2022	INFLATION ADJUSTED 2021	HISTORICAL COST 2022	HISTORICAL COST 2021
Zimbabwe	2,366,104,218	2,703,031,213	1,811,475,893	593,839,854
Asia	398,285,175	444,275,593	97,563,949	97,563,949
United Kingdom	355,476,037	396,523,235	87,077,421	87,077,421
Rest of world	1,022,533,564	1,140,606,609	251,738,600	251,738,600
	4,142,398,994	**4,684,436,650**	**2,247,855,863**	**1,030,219,824**

5.4 Liabilities related to contracts with customers

All figures in ZWL	INFLATION ADJUSTED 2022	INFLATION ADJUSTED 2021	HISTORICAL COST 2022	HISTORICAL COST 2021
Macadamia Nuts	19,815,929	377,557,956	19,815,929	99,221,342
	19,815,929	**377,557,956**	**19,815,929**	**99,221,342**
Current	19,815,929	377,557,956	19,815,929	99,221,342
Non-current	-	-	-	-
	19,815,929	**377,557,956**	**19,815,929**	**99,221,342**

Contract liabilities arise from prepayment of macadamia nuts. The interest charged on prefinancing is included under finance costs.

The following table shows how much of the revenue recognised in the current reporting period relates to brought-forward contract liabilities.

All figures in ZWL	INFLATION ADJUSTED 2022	INFLATION ADJUSTED 2021	HISTORICAL COST 2022	HISTORICAL COST 2021
Revenue recognised	386,549,355	715,336,477	99,221,342	131,519,295
	386,549,355	**715,336,477**	**99,221,342**	**131,519,295**

The performance obligation is part of a contract that has an original expected duration of one year or less, therefore the Group has applied the practical expedient to not disclose the transaction price allocated to the remaining performance obligations.

5. SEGMENT REPORTING - CONTINUED

5.5 Segment results

All figures in ZWL	INFLATION ADJUSTED 2022	INFLATION ADJUSTED 2021	HISTORICAL COST 2022	HISTORICAL COST 2021
Segment profit/(loss) from operations excluding fair value adjustments				
Southdown Estates	355,189,825	731,434,301	334,687,369	183,584,546
Claremont Estate	(6,716,594)	3,872,220	(1,745,055)	2,118,784
Kent Estate	(287,548,333)	179,404,201	56,941,657	50,571,263
Ariston Corporate Office	(452,521,954)	(421,688,171)	(201,316,072)	(58,244,152)
	(391,597,056)	**493,022,551**	**188,567,899**	**178,030,441**
Segment fair value adjustments on biological assets				
Southdown Estates	409,612,138	(391,265,092)	1,258,245,278	35,075,638
Claremont Estate	8,489,438	(412,065,979)	30,975,676	(68,749,972)
Kent Estate	112,823,985	(84,185,003)	176,075,636	(4,705,175)
Ariston Corporate Office	-	-	-	-
	530,925,561	**(887,516,074)**	**1,465,296,590**	**(38,379,509)**
Segment share of profit of joint venture				
Southdown Estates	-	-	-	-
Claremont Estate	-	-	-	-
Kent Estate	-	-	-	-
Ariston Corporate Office	125,205,469	42,461,752	222,957,418	10,260,944
	125,205,469	**42,461,752**	**222,957,418**	**10,260,944**
Segment finance costs				
Southdown Estates	(126,857,491)	(73,328,383)	(86,467,061)	(16,769,268)
Claremont Estate	(5,046,966)	(55,513,167)	(3,253,406)	(12,252,393)
Kent Estate	(41,349,472)	(31,106,448)	(36,359,040)	(6,901,070)
Ariston Corporate Office	(45,464,660)	(1,176,983)	(44,937,819)	36,087
	(218,718,589)	**(161,124,981)**	**(171,017,326)**	**(35,886,644)**
Segment income tax credit/ (expense)				
Southdown Estates	246,405,178	592,047,125	32,168,570	(28,718,626)
Claremont Estate	90,685,363	217,893,182	11,839,110	(10,569,416)
Kent Estate	48,060,874	115,477,696	6,274,420	(5,601,515)
Ariston Corporate Office	36,388,051	87,430,959	4,418,727	(3,944,837)
	421,539,465	**1,012,848,962**	**54,700,826**	**(48,834,394)**
Segment results before exchange differences and monetary adjustments	**467,354,850**	**499,692,210**	**1,760,505,407**	**65,190,838**
Exchange differences	(1,623,530,019)	2,568,745	(1,694,311,472)	5,698,381
(Loss)/ profit on partial disposal of interest	-	(497,432,149)	-	267,860,008
Monetary adjustment	359,173,822	(79,967,785)	-	-
(Loss)/ profit for the year	**(797,001,347)**	**(75,138,979)**	**66,193,935**	**338,749,227**
Revaluation surplus	8,701,154,367	-	10,359,668,585	-
Income tax on revaluation surplus	(2,150,925,360)	-	(2,560,910,074)	-
	5,753,227,660	**(75,138,979)**	**7,864,952,446**	**338,749,227**

The accounting policies of the reportable segments are the same as the Group's accounting policies described in notes 2 to 4. Segment results represents the profit or loss earned by each segment without allocation of inter-segment cost recoveries from the Corporate Office segment; this is the measure reported to the chief operating decision makers for the purposes of resource allocation and assessment of segment performance. Head office administration costs, investment income and other gains and losses are reported under the Ariston Corporate Office segment.

5. SEGMENT REPORTING - CONTINUED

5.6 Segment assets and liabilities

	INFLATION ADJUSTED					
	Assets (excluding inter-segment balances)		Net inter-segment balances		Liabilities (excluding inter-segment balances)	
All figures in ZWL	2022	2021	2022	2021	2022	2021
Southdown Estates	14,391,203,951	6,412,789,970	(600,134,657)	295,868,798	(3,437,496,634)	(1,578,771,230)
Claremont Estate	182,774,098	666,486,019	(55,849,123)	(175,780,525)	(54,411,886)	(106,906,350)
Kent Estate	2,064,825,730	665,472,561	32,214,790	(5,289,967)	(101,219,195)	(28,956,758)
Ariston Corporate Office	3,312,247,190	2,152,804,965	623,768,990	(114,798,306)	(4,250,958,248)	(1,649,063,695)
	19,951,050,969	**9,897,553,515**	**-**	**-**	**(7,844,085,963)**	**(3,363,698,033)**

	HISTORICAL COST					
	Assets (excluding inter-segment balances)		Net inter-segment balances		Liabilities (excluding inter-segment balances)	
All figures in ZWL	2022	2021	2022	2021	2022	2021
Southdown Estates	11,627,206,643	713,115,738	(600,134,658)	77,777,903	(3,467,321,627)	(277,401,619)
Claremont Estate	179,755,366	110,195,016	(55,849,123)	(46,209,133)	(54,411,886)	(28,103,510)
Kent Estate	1,996,246,249	47,912,472	32,214,790	(1,390,625)	(101,219,195)	(7,612,144)
Ariston Corporate Office	2,357,408,166	391,541,396	623,768,991	(30,178,145)	(4,250,958,248)	(433,505,382)
	16,160,616,424	**1,262,764,622**	**-**	**-**	**(7,873,910,956)**	**(746,622,655)**

Segment assets and liabilities are measured in the same way as in the financial statements. These assets and liabilities are allocated based on the operations of the segment.

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; and
- liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

5.7 Other segment information

	INFLATION ADJUSTED					
	EBITDA excluding fair value adjustments		Depreciation and impairment losses		Additions to non-current assets	
All figures in ZWL	2022	2021	2022	2021	2022	2021
Southdown Estates	38,990,341,090	9,708,264,808	268,733,550	204,126,103	225,372,581	348,375,548
Claremont Estate	(7,745,599,995)	(3,144,996,153)	6,505,860	55,417,099	-	52,105,231
Kent Estate	6,577,651,168	(268,925,193)	38,626,016	35,570,612	87,185,784	73,188,026
Corporate Office	(39,000,992,180)	(5,365,514,957)	38,282,441	136,806,673	1,560,443	5,634,950
Total	**(1,178,599,917)**	**928,828,505**	**352,147,867**	**431,920,487**	**314,118,808**	**479,303,755**

	HISTORICAL COST					
	EBITDA excluding fair value adjustments		Depreciation and impairment losses		Additions to non-current assets	
All figures in ZWL	2022	2021	2022	2021	2022	2021
Southdown Estates	(116,329,843)	174,720,155	10,379,009	4,163,478	83,408,412	57,012,328
Claremont Estate	111,816,932	6,281,733	347,718	1,319,961	-	10,328,325
Kent Estate	33,600,920	44,995,634	1,827,194	674,451	47,989,709	15,116,454
Corporate Office	(1,298,759,843)	(24,937,753)	560,399	912,110	1,064,279	1,237,298
Total	**(1,269,671,834)**	**201,059,769**	**13,114,320**	**7,070,000**	**132,462,400**	**83,694,405**

Notes to the Financial Statements - Continued

For the year ended 30 September 2022

6. CASH FLOW INFORMATION

All figures in ZWL	INFLATION ADJUSTED 2022	INFLATION ADJUSTED 2021	HISTORICAL COST 2022	HISTORICAL COST 2021
6.1 Non-cash items				
GROUP				
Depreciation and amortisation	352,147,867	369,276,042	13,114,320	6,753,533
Fair value adjustments of biological assets	(530,925,561)	944,813,330	(1,465,296,590)	50,543,231
(Profit)/loss on sale of property, plant and equipment	(36,208,561)	(1,324,556)	(27,916,818)	(276,724)
Share of profit of a joint venture	(125,205,469)	(42,461,752)	(222,957,418)	(10,260,944)
Monetary (loss)/ gain	359,173,822	(79,967,785)	-	-
Disposal of property, plant and equipment	105,664,095	-	34,824,623	-
Provision for tax	-	(92,776,320)	-	(24,389,012)
Impairment losses recognised	-	62,644,443	-	316,467
(Profit)/loss on sale of interest in Claremont Orchards Holdings	-	497,432,149	-	(267,860,008)
Non-cash investment in joint venture	-	529,346,473	-	145,253,272
	124,646,192	**2,186,982,024**	**(1,668,231,884)**	**(99,920,185)**
COMPANY				
Dividend declared	(180 118 136)	-	(94,388,945)	-
Monetary (loss)	(385,201,750)	(20,386,614)	-	-
Retained interest in Claremont Orchards (Private) Limited as joint venture	-	(329,641)	-	(1,661)
Derecognition of Claremont Orchards (Private) Limited subsidiary	-	659,283	-	3,322
	(565,319,886)	**(20,056,972)**	**(94,388,945)**	**1,661**
6.2 Change in working capital				
GROUP				
Movements in:				
Decrease/ (increase) in inventories	(128,976,165)	190,861,449	(527,811,468)	(106,834,025)
Increase in trade and other receivables	(674,881,263)	(758,832,710)	(2,012,580,208)	(298,743,525)
Increase in trade and other payables	451,779,981	167,023,809	1,051,634,187	97,140,385
Unpaid dividend	(66,838,942)	-	(66,838,942)	-
Decrease in contract liabilities	(357,742,024)	(408,637,555)	(79,405,413)	(32,297,953)
Decrease in receivable for disposal of Claremont Orchards (Private) Limited	(631,051,424)	-	(176,506,854)	-
	(1,407,709,837)	**(809,585,007)**	**(1,811,508,698)**	**(340,735,118)**
COMPANY				
(Increase)/ decrease in other receivables	569,953,074	(627,782,880)	55,809,668	(171,265,581)
(Decrease) in trade and other payables	66,632,098	(144,656)	66,838,945	-
	636,585,172	**(627,927,536)**	**122,648,613**	**(171,265,581)**

Notes to the Financial Statements - Continued

For the year ended 30 September 2022

6. CASH FLOW INFORMATION - CONTINUED

All figures in ZWL	INFLATION ADJUSTED 2022	INFLATION ADJUSTED 2021	HISTORICAL COST 2022	HISTORICAL COST 2021
6.3 Cashflows arising from borrowings				
Opening balance				
Short term	402,074,428	37,728,815	105,697,208	6,544,509
Long term	942,797,998	1,270,265,594	247,842,462	220,342,572
	1,344,872,426	**1,307,994,409**	**353,539,670**	**226,887,081**
Proceeds from borrowings				
Short term	1,660,471,256	339,645,317	1,264,469,463	90,560,094
Long term	3,474,543,583	96,088,581	2,983,960,601	13,038,135
	5,135,014,838	**435,733,898**	**4,248,430,065**	**103,598,229**
Repayments of borrowings				
Short term	(2,605,535,643)	(66,611,899)	(728,775,629)	(11,554,621)
Long term	(70,435,961)	(493,368,968)	(19,701,136)	(1,277,663)
	(2,675,971,604)	**(559,980,867)**	**(748,476,765)**	**(12,832,284)**
Non-cash items/ reclassifications				
Short term	1,255,251,153	91,312,195	70,870,152	20,147,226
Long term	(1,086,003,569)	69,812,791	48,800,124	15,739,418
	169,247,584	**161,124,986**	**119,670,275**	**35,886,644**
Closing balance				
Short term	712,261,194	402,074,428	712,261,194	105,697,208
Long term	3,260,902,051	942,797,998	3,260,902,051	247,842,462
	3,973,163,245	**1,344,872,426**	**3,973,163,245**	**353,539,670**
6.4 Cashflows arising from financing activities				
Opening balance				
Short term	750,819	1,137,859	197,375	197,375
Long term	-	2,193,486	-	380,486
	750,819	**3,331,345**	**197,375**	**577,861**
Proceeds from leases				
Short term	-	-	-	-
Long term	-	-	-	-
	-	**-**	**-**	**-**
Repayments of leases				
Short term	(33,073,371)	(2,580,526)	(23,928,443)	(380,486)
Long term	(5,426,018)	-	(3,151,870)	-
	(38,499,389)	**(2,580,526)**	**(27,080,313)**	**(380,486)**
Non-cash items/ reclassifications				
Short term	55,450,401	2,193,486	46,858,917	380,486
Long term	11,722,247	(2,193,486)	9,448,099	(380,486)
	67,172,648	**-**	**56,307,016**	**-**
Closing balance				
Short term	23,127,849	750,819	23,127,849	197,375
Long term	6,296,229	-	6,296,229	-
	29,424,078	**750,819**	**29,424,078**	**197,375**
6.5 Cash and cash equivalents are made up of:				
- cash at bank	220,700,802	28,340,837	220,700,802	7,450,231
- cash on hand	3,105,898	1,583,580	3,105,898	416,291
	223,806,700	**29,924,417**	**223,806,700**	**7,866,522**

Classification as cash equivalents;

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours' notice with no loss of interest. See note 3.8 for the group's other accounting policies on cash and cash equivalents. The Group did not have any restricted cash and cash equivalents.

7 PROFIT FROM OPERATIONS

All figures in ZWL	INFLATION ADJUSTED 2022	INFLATION ADJUSTED 2021	HISTORICAL COST 2022	HISTORICAL COST 2021
This is stated after charging and crediting:				
COMPANY				
- administration expenses	80 751 979	13 027 883	30 913 123	2 587 819
GROUP				
- other operating income includes				
* income from clubhouse sales	65 048 542	33 330 500	47 557 769	7 321 806
- operating expenses include				
- auditors' fees	27,322,110	22,580,256	15,973,215	4,145,273
- allowance for credit losses	9,130,213	633,415	9,130,213	166,512
- depreciation charge on property,plant and equipment	315,387,713	336,056,217	11,825,106	6,456,312
- depreciation charge on right of use assets	36,760,154	33,219,825	1,289,214	297,221
- impairment losses recognised in property plant and equipment	-	62,644,443	-	316,467
- profit/ (loss) on sale of property, plant and equipment	36,208,561	1,324,556	27,916,818	276,724
- selling and distribution expenses	97,862,221	67,034,391	63,231,374	14,641,209
- staff expenses				
* salaries and wages	461,044,598	462,600,465	225,457,161	103,397,003
* pensions (1)	50,558,990	23,362,039	24,895,774	5,100,946
- directors' emoluments				
* non-executive directors' fees	36,618,678	14,389,562	22,037,428	2,409,783

(1) The pension expense incurred is in respect of mandatory contributions for employees of the Group towards a retirement benefit plan operated by the National Social Security Authority (NSSA).

7.1 Exchange differences

All figures in ZWL	INFLATION ADJUSTED 2022	INFLATION ADJUSTED 2021	HISTORICAL COST 2022	HISTORICAL COST 2021
COMPANY				
Realised gain	9,486,693	-	2,653,455	-
Unrealised exchange gain	-	11,437,170	-	3,006,600
	9,486,693	**11,437,170**	**2,653,455**	**3,006,600**
GROUP				
Realised gain/ (loss)	23,325,831	35,254,692	(47,455,621)	14,290,853
Unrealised exchange loss	(1,646,855,850)	(32,685,947)	(1,646,855,850)	(8,592,472)
	(1,623,530,019)	**2,568,745**	**(1,694,311,471)**	**5,698,381**

7.2 Finance costs

All figures in ZWL	INFLATION ADJUSTED 2022	INFLATION ADJUSTED 2021	HISTORICAL COST 2022	HISTORICAL COST 2021
Finance charges payable on borrowings	94,931,167	47,571,591	72,170,926	10,504,957
Finance costs on leases	3,687,666	518,853	2,407,543	136,396
Finance costs payable on related party borrowings-Origin Global	65,368,179	69,812,791	48,800,124	15,358,932
Contract liabilities finance charges	54,731,577	43,221,746	47,638,733	9,886,359
Finance costs expensed	**218,718,589**	**161,124,981**	**171,017,326**	**35,886,644**

There were no company finance costs.

Notes to the Financial Statements - Continued

For the year ended 30 September 2022

8 INCOME TAX

All figures in ZWL	INFLATION ADJUSTED 2022	INFLATION ADJUSTED 2021	HISTORICAL COST 2022	HISTORICAL COST 2021
COMPANY				
Below is an analysis of the company's income tax expense which explains significant estimates made in relation to the company's tax position.				
Current tax	-	-	-	-
Deferred tax (note 17) - profit/ loss	-	254,443	-	1,283
	-	**254,443**	**-**	**1,283**
(Loss)/ Profit before tax	(456,467,036)	627,852,337	(28,259,668)	171,263,920
Reconciliation of income tax expense for the year:				
Notional tax at statutory rates	(112,838,651)	155,205,098	(6,985,790)	42,336,441
Adjustments at tax rates relating to:				
Unrealised exchange differences	-	(2,827,269)	-	(743,232)
Non deductible expenses/ (non taxable income)	17,616,778	(157,162,957)	6,985,790	(41,591,926)
Monetary loss/ (gain)	95,221,873	5,039,571	-	-
Actual income tax credit/ (expense)	**-**	**254,443**	**-**	**1,283**

Non-deductible expenses in 2022 relate to capital gains tax on the partial disposal of Claremont Orchards (Private) Limited. Non- taxable income in 2021 relates to the profit on partial disposal of Claremont Orchards (Private) Limited.

GROUP

8.1 Through profit/ (loss)

Below is an analysis of the group's income tax expense which explains significant estimates made in relation to the group's tax position.

All figures in ZWL	INFLATION ADJUSTED 2022	INFLATION ADJUSTED 2021	HISTORICAL COST 2022	HISTORICAL COST 2021
Current tax	-	(92,776,320)	-	(24,389,012)
Deferred tax (note 17) - profit/ loss	421,539,465	1,105,625,282	54,700,826	(24,445,382)
	421,539,465	**1,012,848,962**	**54,700,826**	**(48,834,394)**
(Loss)/ Profit before tax	(1,218,540,812)	(1,087,987,941)	11,493,109	387,583,621
Reconciliation of income tax expense for the year:				
Notional tax at statutory rates	(301,223,289)	(268,950,618)	2,841,096	95,810,671
Adjustments at tax rates relating to:				
Unrealised exchange differences	(407,102,766)	(8,079,966)	(407,102,766)	(2,124,059)
Fair value adjustments	(131,244,799)	219,393,973	(362,221,317)	9,487,415
Tax allowances	(11,843,628)	(35,668,134)	(11,843,628)	(9,376,429)
Non deductible expenses/ (non taxable income)	1,363,290,746	1,109,193,199	834,576,471	(136,636,355)
Assessed losses utilised	(1,549,030)	(22,807,530)	(1,549,030)	(5,995,637)
Monetary loss/ (gain)	(88,787,769)	19,768,037	-	-
Actual income tax credit/ (expense)	**421,539,465**	**1,012,848,962**	**54,700,826**	**(48,834,394)**

Non-deductible expenditure consist mainly of depreciation on assets (e.g. bearer plants bought) and expenses which are not deductible for tax. Non taxable income in FY2021 historical costs relates to profits on the partial disposal of the subsidiary.

Notes to the Financial Statements - Continued

For the year ended 30 September 2022

8 INCOME TAX - CONTINUED

All figures in ZWL	INFLATION ADJUSTED 2022	INFLATION ADJUSTED 2021	HISTORICAL COST 2022	HISTORICAL COST 2021
8.2 Through other comprehensive income				
Current tax	-	-	-	-
Deferred tax (note 17) - other comprehensive income	(2,150,925,360)	-	(2,560,910,074)	-
	(2,150,925,360)	**-**	**(2,560,910,074)**	**-**
Other comprehensive income before tax	8,701,154,367	-	10,359,668,585	-
Reconciliation of income tax expense for the year:				
Notional tax at statutory rates	(2,150,925,360)	-	(2,560,910,074)	-
Adjustments at tax rates relating to:				
Non deductible expenses/ (non taxable income)	-	-	-	-
Actual income tax credit/ (expense)	**(2,150,925,360)**	**-**	**(2,560,910,074)**	**-**
Total comprehensive income movement	**(1,729,385,895)**	**1,105,625,282**	**(2,506,209,248)**	**(24,445,382)**

9. EARNINGS PER SHARE

All figures in ZWL	INFLATION ADJUSTED 2022	INFLATION ADJUSTED 2021	HISTORICAL COST 2022	HISTORICAL COST 2021
(i) Basic earnings per share				
(Loss)/ profit for the period	5,753,227,660	(75,138,979)	7,864,952,446	338,749,227
Weighted average number of shares at year end	1,627,395,595	1,627,395,595	1,627,395,595	1,627,395,595
Basic earnings per share (ZWL)	3.5352	(0.0462)	4.8328	0.2082
(ii) Diluted earnings per share				
Weighted average number of shares used in the calculation of basic earnings per share	1,627,395,595	1,627,395,595	1627 395 595	1627 395 595
Weighted average number of shares at year end	1,627,395,595	1,627,395,595	1,627,395,595	1,627,395,595
Diluted earnings per share (ZWL)	3.5352	(0.0462)	4.8328	0.2082

10. PROPERTY, PLANT AND EQUIPMENT

All figures in ZWL	INFLATION ADJUSTED 2022	INFLATION ADJUSTED 2021	HISTORICAL COST 2022	HISTORICAL COST 2021
Buildings and leasehold improvements				
Cost or fair value	6,035,692,300	2,555,229,997	6,035,692,300	52,419,218
Accumulated depreciation	-	(1,627,384,578)	-	(8,405,176)
Net book amount	**6,035,692,300**	**927,845,419**	**6,035,692,300**	**44,014,042**
Plant and machinery				
Cost or fair value	4,494,589,392	6,111,384,804	4,494,589,392	73,783,686
Accumulated depreciation	-	(5,008,221,841)	-	(29,162,322)
Net book amount	**4,494,589,392**	**1,103,162,963**	**4,494,589,392**	**44,621,364**
Computer equipment and furniture				
Cost or fair value	144,356,163	160,640,793	8,248,080	5,474,421
Accumulated depreciation	(116,579,921)	(119,753,689)	(2,518,202)	(1,512,957)
Net book amount	**27,776,242**	**40,887,104**	**5,729,878**	**3,961,464**
Bearer plants				
Cost or fair value	3,509,602,247	3,470,014,579	44,134,214	32,055,973
Accumulated depreciation	(630,615,956)	(530,367,226)	(3,579,601)	(3,074,466)
Net book amount	**2,878,986,291**	**2,939,647,353**	**40,554,613**	**28,981,507**
Motor vehicles				
Cost or fair value	691,567,838	672,680,952	26,719,687	11,004,341
Accumulated depreciation	(415,874,900)	(423,445,275)	(3,684,755)	(2,890,320)
Net book amount	**275,692,938**	**249,235,677**	**23,034,932**	**8,114,021**
Total property, plant and equipment				
Cost or fair value	14,875,807,941	12,969,951,125	10,609,383,673	174,737,639
Accumulated depreciation	(1,163,070,777)	(7,709,172,609)	(9,782,558)	(45,045,241)
Net book amount	**13,712,737,164**	**5,260,778,516**	**10,599,601,115**	**129,692,398**

Notes to the Financial Statements - Continued

For the year ended 30 September 2022

10. PROPERTY, PLANT AND EQUIPMENT - CONTINUED

	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	**2022**	**2021**	**2022**	**2021**
Reconciliation of movements for the year ended 30 September 2022				
Opening net book amount	5,260,778,516	6,791,642,328	129,692,398	67,517,701
Additions at cost				
Property plant and equipment excluding bearer plant				
- buildings and leasehold improvements	100,101,494	231,582,999	38,313,499	32,139,914
- plant and machinery	110,903,105	136,063,452	60,101,371	28,614,208
- computer equipment and furniture	9,763,474	4,802,465	3,962,444	967,426
- motor vehicles	53,763,068	30,996,154	18,006,845	6,163,848
	274,531,141	403,445,070	120,384,159	67,885,396
Bearer plants	39,587,667	75,858,685	12,078,241	15,809,009
Total additions	**314,118,808**	**479,303,755**	**132,462,400**	**83,694,405**
Disposals at carrying amount				
buildings and leasehold improvements	-	(162,464,353)	-	(819,387)
- cost	-	(863,128,199)	-	(4,349,142)
- accumulated depreciation	-	700,663,846	-	3,529,755
plant and machinery	(229,811,245)	(966,007)	(8,144,722)	(171,549)
- cost	(611,978,350)	(1,124,600)	(10,847,771)	(199,671)
- accumulated depreciation	382,167,105	158,593	2,703,049	28,122
Computer equipment and furniture	(9,623,267)	-	(875,016)	-
- cost	(26,048,103)	-	(1,188,785)	-
- accumulated depreciation	16,424,836	-	313,769	-
bearer plants	-	(1,448,036,547)	-	(13,755,993)
- cost	-	(1,584,860,927)	-	(14,628,738)
- accumulated depreciation	-	136,824,380	-	872,745
motor vehicles	(8,492,302)	-	(1,377,424)	-
- cost	(34,876,182)	(4,696,688)	(2,291,498)	(23,666)
- accumulated depreciation	26,383,880	4,696,688	914,074	23,666
	(247,926,814)	(1,611,466,907)	(10,397,162)	(14,746,929)
Impairment loss for the year				
buildings and leasehold improvements	-	(62,644,443)	-	(316,467)
- cost	-	(205,921,668)	-	(1,037,601)
- accumulated depreciation	-	143,277,225	-	721,134
	-	(62,644,443)	-	(316,467)
Revaluation surplus for the year				
- buildings and leasehold improvements	5,047,989,429	-	5,954,086,563	-
- Gross carrying amount adjustment	(1,667,628,619)	-	(9,126,980)	-
- Accumulated depreciation adjustment	1,667,628,619	-	9,126,980	-
- plant and machinery	3,653,164,938	-	4,405,582,022	-
- Gross carrying amount adjustment	(4,768,885,105)	-	(34,029,917)	-
- Accumulated depreciation adjustment	4,768,885,105	-	34,029,917	-
	8,701,154,367	-	10,359,668,585	-
Depreciation for the year				
- buildings and leasehold improvements	(40,244,041)	(78,814,826)	(721,805)	(614,759)
- plant and machinery	(142,830,369)	(159,084,147)	(7,570,643)	(4,459,286)
- Computer equipment and furniture	(13,251,068)	(10,823,575)	(1,319,014)	(208,872)
- bearer plants	(100,248,730)	(68,228,462)	(505,135)	(631,139)
- motor vehicles	(18,813,505)	(19,105,207)	(1,708,509)	(542,255)
	(315,387,713)	**(336,056,217)**	**(11,825,106)**	**(6,456,312)**
Closing net book amount	**13,712,737,164**	**5,260,778,516**	**10,599,601,115**	**129,692,398**

Notes to the Financial Statements - Continued

For the year ended 30 September 2022

10. PROPERTY, PLANT AND EQUIPMENT - CONTINUED

The Group's bearer plants at year end comprise tea bushes, macadamia trees, avocado trees and banana trees.

The Group performed a revaluation of its buildings, leasehold improvements as well as plant and machinery. All other property, plant and equipment is recognised at historical cost less depreciation. Note 4.4 provides more detail on the revaluation.

The valuers performed the valuation using the cost approach reporting on Gross replacement cost and Depreciated replacement cost. This approach is considered a last resort as explained in Note 4.4.1. The results are shown below:

	2022	
All figures in ZWL	**Gross Replacement Cost**	**Depreciated Replacement Cost**
Buildings and leasehold improvements	36,775,770,200	6,035,692,300
Plant and machinery	12,417,690,334	4,494,589,392
	49,193,460,534	**10,530,281,692**

The Depreciated Replacement Cost has been used for the purposes of valuing the assets and the results are shown below:

	2022	
All figures in ZWL	**Inflation Adjusted**	**Historical Cost**
Increase in carrying amount of property, plant and equipment	8,701,154,367	10,359,668,585
Deferred tax on revaluation surplus	(2,150,925,360)	(2,560,910,074)
	6,550,229,007	**7,798,758,511**

Fair value hierarchy

The note below explains the judgements and estimates made in determining the fair values of the assets that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its non-financial and assets and liabilities into the three levels prescribed under the accounting standards.

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 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.
Level 3 inputs are unobservable inputs for the asset or liability.

In determining the fair values of buildings and leasehold improvements, the Group used the Level 3 fair value hierarchy. The unobservable input applied in the valuation was the rate per square metre. The rate ranged from ZWL 37,500 to ZWL 600,000 depending on the type as well as age of the property. There is a positive correlation between the rate per square metre and fair value.

Below is an analysis of the degree of sensitivity of profit or loss to a 5% change in the Rate per Square Metre at year end.

	2022	
All figures in ZWL	**Inflation Adjusted**	**Historical Cost**
Rate per square metre		
Increase in profits	301,784,615	301,784,615
(decrease) in profits	(301,784,615)	(301,784,615)

In revaluing the assets, the following were estimated to be the useful lives of the assets:

	Original useful life	**Remaining useful life**
Buildings	40 Years	1 - 39 Years
Leasehold improvements	5 - 25 Years	1 - 10 Years
Plant and machinery	3 - 20 Years	1 - 15 Years

Notes to the Financial Statements - Continued

For the year ended 30 September 2022

11. BIOLOGICAL ASSETS

	INFLATION ADJUSTED						
	Produce growing on bearer plants						
All figures in ZWL	Tea on bush	Macadamia on tree	Fruits on tree	Livestock and poutry	Timber	Seasonal crops	Total
30 September 2022							
Fair value at the beginning of the year	39,847,780	1,084,633,744	30,505,526	19,344,255	26,800,220	66,464,875	**1,267,596,400**
Increase due to purchases / physical changes	2,146,840,218	1,417,614,895	92,269,739	586,481,473	-	402,326,773	**4,645,533,098**
Decrease due physical changes/ harvested but not yet sold	(201,791,405)	(249,532,710)	-	-	-	(51,809,989)	**(503,134,104)**
Decreases due to sales / write off	(1,945,048,809)	(1,168,082,186)	(92,269,739)	(586,481,472)	-	(350,516,788)	**(4,142,398,994)**
Net change in fair value less estimated costs to sell	110,256,721	255,485,922	8,489,438	53,511,163	43,869,495	59,312,822	**530,925,561**
Fair value at the end of the year	**150,104,505**	**1,340,119,665**	**38,994,964**	**72,855,419**	**70,669,715**	**125,777,693**	**1,798,521,961**
Current	150,104,505	1,340,119,665	38,994,964	72,855,419	-	125,777,693	**1,727,852,246**
Non-current	-	-	-	-	70,669,715	-	**70,669,715**
	150,104,505	**1,340,119,665**	**38,994,964**	**72,855,419**	**70,669,715**	**125,777,693**	**1,798,521,961**

	INFLATION ADJUSTED						
	Produce growing on bearer plants						
All figures in ZWL	Tea on bush	Macadamia on tree	Fruits on tree	Livestock and poutry	Timber	Seasonal crops	Total
30 September 2021							
Fair value at the beginning of the year	57,151,867	1,456,945,055	442,571,504	203,847,195	28,449,914	23,444,195	**2,212,409,730**
Increase due to purchases / physical changes	1,856,357,499	1,681,428,278	612,531,680	409,526,759	-	510,722,955	**5,070,567,171**
Decrease due physical changes/ harvested but not yet sold	(92,871,132)	(239,785,668)	-	-	-	(32,192,409)	**(364,849,209)**
Decreases due to sales / write off	(1,763,486,371)	(1,441,642,608)	(612,531,677)	(370,704,008)	-	(478,530,547)	**(4,666,895,211)**
Decrease due to contribution in Mombe Shoma	-	-	-	(96,120,007)	-	-	**(96,120,007)**
Net change in fair value less estimated costs to sell	(17,304,083)	(372,311,313)	(412,065,981)	(127,205,684)	(1,649,694)	43,020,681	**(887,516,074)**
Fair value at the end of the year	**39,847,780**	**1,084,633,744**	**30,505,526**	**19,344,255**	**26,800,220**	**66,464,875**	**1,267,596,400**
Current	39,847,780	1,084,633,744	30,505,526	19,344,255	-	66,464,875	**1,240,796,180**
Non-current	-	-	-	-	26,800,220	-	**26,800,220**
	39,847,780	**1,084,633,744**	**30,505,526**	**19,344,255**	**26,800,220**	**66,464,875**	**1,267,596,400**

11. BIOLOGICAL ASSETS - CONTINUED

	HISTORICAL COST						
	Produce growing on bearer plants						
All figures in ZWL	**Tea on bush**	**Macadamia on tree**	**Fruits on tree**	**Livestock and poutry**	**Timber**	**Seasonal crops**	**Total**
30 September 2022							
Fair value at the beginning of the year	10,475,174	285,128,200	8,019,284	5,085,212	7,045,234	17,472,267	**333,225,371**
Increase due to purchases / physical changes	1,272,904,139	822,752,508	46,417,971	287,601,884		261,657,731	**2,691,334,233**
Decrease due physical changes/ harvested but not yet sold	(174,369,456)	(219,532,667)	-	-	-	(51,809,989)	**(445,712,112)**
Decreases due to sales / losses	(1,098,534,683)	(603,219,842)	(46,417,970)	(287,601,884)	-	(209,847,742)	**(2,245,622,121)**
Net change in fair value less estimated costs to sell	139,629,331	1,054,991,466	30,975,676	67,770,206	63,624,481	108,305,430	**1,465,296,590**
Fair value at the end of the year	**150,104,505**	**1,340,119,665**	**38,994,964**	**72,855,419**	**70,669,715**	**125,777,693**	**1,798,521,961**
Current	150,104,505	1,340,119,665	38,994,964	72,855,419	-	125,777,693	**1,727,852,246**
Non-current	-	-	-	-	70,669,715	-	**70,669,715**
	150,104,505	**1,340,119,665**	**38,994,964**	**72,855,419**	**70,669,715**	**125,777,693**	**1,798,521,961**

	HISTORICAL COST						
	Produce growing on bearer plants						
All figures in ZWL	**Tea on bush**	**Macadamia on tree**	**Fruits on tree**	**Livestock and poutry**	**Timber**	**Seasonal crops**	**Total**
30 September 2021							
Fair value at the beginning of the year	9,913,666	252,724,330	76,769,256	35,359,709	4,934,970	4,066,672	**383,768,603**
Increase due to purchases / physical changes	405,110,007	381,997,087	132,488,558	90,754,340	-	114,321,196	**1,124,671,188**
Decrease due physical changes/ harvested but not yet sold	(23,309,454)	(58,707,534)	-	-	-	(8,233,756)	**(90,250,744)**
Decreases due to sales / write off	(381,800,549)	(323,289,553)	(132,488,558)	(82,512,603)	-	(106,087,440)	**(1,026,178,703)**
Decrease due to contribution in Mombe Shoma	-	-	-	(20,405,464)	-	-	**(20,405,464)**
Net change in fair value less estimated costs to sell	561,504	32,403,870	(68,749,972)	(18,110,770)	2,110,264	13,405,595	**(38,379,509)**
Fair value at the end of the year	**10,475,174**	**285,128,200**	**8,019,284**	**5,085,212**	**7,045,234**	**17,472,267**	**333,225,371**
Current	10,475,174	285,128,200	8,019,284	5,085,212	-	17,472,267	**326,180,137**
Non-current	-	-			7,045,234		**7,045,234**
	10,475,174	**285,128,200**	**8,019,284**	**5,085,212**	**7,045,234**	**17,472,267**	**333,225,371**

Biological assets comprise of produce growing on the bearer plants, seasonal crops, livestock and poultry and timber. Produce growing on bearer plants is measured at fair value less costs to sell with changes recognised in profit or loss as the produce grows. The fair value was determined by the maturity profile of the produce on the bearer plant at time of reporting and the expected selling price of the produce less costs to sell. The fair value for livestock and poultry and gum trees was determined by reference to the market price.

The Group is exposed to financial risks arising from changes in commodity prices. The Group does not anticipate that commodity prices will decline significantly in the foreseeable future and, therefore, has not entered into derivative or other contracts to manage the risk of a decline in commodity prices. The Group reviews its outlook for commodity prices regularly in considering the need for active financial risk management. During the dry season the risk of damage from fire is significant. The Group reduces this risk in the best possible manner by implementing appropriate fire prevention measures such as clearing underbrush ahead of the dry season, constructing fire breaks and 24-hour surveillance. Climate and weather changes pose the risk of damage and affect productivity and quality. The Group has not obtained insurance coverage for the plantations as the premium will be excessive in relation to the expected losses. The Group is not involved in any contract farming initiatives. The farming activites are for the group by the group.

Notes to the Financial Statements - Continued

For the year ended 30 September 2022

11. BIOLOGICAL ASSETS - CONTINUED

The valuation of biological assets is exposed to changes in sensitive parameters such as the average selling prices and mature units.

Below is an analysis of the degree of sensitivity of the profit or loss to a 1% change in the average selling prices of produce.

	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	**2022**	**2021**	**2022**	**2021**
Average selling price sensitivity				
Increase in profits	20,574,485	13,917,499	20,574,485	3,658,628
(decrease) in profits	(20,574,485)	(13,917,499)	(20,574,485)	(3,658,628)

Below is an analysis of the degree of sensitivity of profit or loss to a 1% change in the estimated yield of crops at year end.

	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	**2022**	**2021**	**2022**	**2021**
Yield sensitivity				
Increase in profits	17,206,301	12,675,961	17,206,301	3,332,253
(decrease) in profits	(17,206,301)	(12,675,961)	(17,206,301)	(3,332,253)

Below is an analysis of the degree of sensitivity of profit or loss to a 2% change in the estimated equivalent mature units of growing crops at year end.

	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	**2022**	**2021**	**2022**	**2021**
Maturity sensitivity				
Increase in profits	32,999,206	24,850,157	32,999,206	6,532,602
(decrease) in profits	(32,999,206)	(24,850,157)	(32,999,206)	(6,532,602)

Fair value hierarchy

The note below explains the judgements and estimates made in determining the fair values of the biological assets that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its non-financial and assets and liabilities into the three levels prescribed under the accounting standards.

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 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;

Level 3 inputs are unobservable inputs for the asset or liability.

11. BIOLOGICAL ASSETS - CONTINUED

In determining the fair values of the biological assets as stated above, the Group used the Level 3 fair value hierarchy as shown below;

Level 3 inputs
Valuation inputs and relationships to fair value

All figures in ZWL	INFLATION ADJUSTED		HISTORICAL COST			
	2022	2021	2022	2021		
Category	ZWL	ZWL	ZWL	ZWL	Observable inputs	Unobservable inputs
Tea on bush	150,104,505	39,847,780	150,104,505	10,475,174	Market price	Yield and maturity per bush in kgs
Macadamia on tree	1,340,119,665	1,084,633,744	1,340,119,665	285,128,200	Market price	Yield and maturity per tree in kgs
Fruits on tree	38,994,964	30,505,526	38,994,964	8,019,284	Market price	Yield and maturity per tree in kgs
Poultry	72,855,419	19,344,255	72,855,419	5,085,212	Market price	Grade and maturity
Timber	70,669,715	26,800,220	70,669,715	7,045,234	Market price	Grade and maturity
*Seasonal crops	125,777,693	66,464,875	125,777,693	17,472,267	Market price	Yield and maturity per hectare
TOTAL	**1,798,521,961**	**1,267,596,400**	**1,798,521,961**	**333,225,371**		

* Seasonal crops are made up commercial maize, maize seed, sugar beans, potatoes, sunflower, soya beans and green mealies

Fair value less cost to sell are determined with reference to the market for similar produce

Valuation process
The group's executive management team comprising of the Finance Director and Chief executive Officer perform the valuations of the group's biological assets for financial reporting purposes, including level 3 fair values. This team reports directly to the Audit and Risk committee (ARC) and Operations and Technical Committees. The valuations are reviewed every six months, as per the group's half-yearly reporting requirements. The main level 3 inputs used by the group are derived and evaluated as follows, for the following inputs the higher the input the higher the market price:

- Yield is determined based on the age of the plantation, historical yields, climate-induced

	2022	2021	2022	2021	2022	2021	
	Market price		**Yield Range**		**Maturity Range**		**Relationship of unobservable inputs to fair value**
	ZWL		**Unit of measure as shown in Unobservable Input Column**		**Percentage (%)**		**Fair value units**
	ZWL 900 - ZWL 1,500	ZWL 920 - ZWL 1,100	3,202,588	3,263,375	7-12%	5-10%	The higher the yield and maturity the higher the fair value
	ZWL 1,800 - ZWL 2,000	ZWL 2,600 - ZWL 2,800	1,250,000	1,340,000	58%	58%	The higher the yield and maturity the higher the fair value
	ZWL 60 - ZWL 650	ZWL 30 - ZWL 650	991,326	1,430,000	0% -48%	0% -92%	The higher the grade and maturity, the higher the market price
	ZWL 250 - ZWL 300	ZWL 250 - ZWL 325	260,336	130,000	100%	100%	The higher the grade and maturity, the higher the market price
	ZWL 2,000 - ZWL 2,200	ZWL 1,900 - ZWL 2,200	69,080	37,980	100%	100%	The higher the grade and maturity, the higher the market price
	ZWL 75 - ZWL 220	ZWL 75 - ZWL 220	550,000	609,270	0% - 100%	0% - 100%	The higher the crop yield and maturity the higher the fair value

11. BIOLOGICAL ASSETS - CONTINUED

Fair value less cost to sell are determined with reference to the market for similar produce - continued

Valuation process - continued

Variations such as severe weather events, plant losses and new areas coming into production.

- Commodity prices that are quoted prices for the relevant produce.
- Maturity level of the asset which is measured from a range of 0-100%
- Budgeted cost of production based on historical trends and market information
- Forecast market price
- For incremental cost prices the higher cost the lower the fair value. Changes in level 3 fair values are analysed at the end of each reporting period.
- Half-yearly valuation discussion between the Finance Director, Managing Director and the relevant board committees. As part of this discussion a report that explains the reason for the fair value movements is presented.

12. INVESTMENT IN JOINT VENTURES

Claremont Power Station is a joint venture of the Group although the Group owns a 55% ownership interest in Claremont Power Station. There is a contractual arrangement with Goldsaif (Private) Limited and other facts and circumstances that indicate that the parties to the joint arrangement have rights to the net assets of 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. Accordingly, Claremont Power Station is classified as a joint venture of the Group.

Mombe Shoma is a joint venture arrangement between the Group and Family van Leenhoff for the purposes of cattle ranching. There is a contractual arrangement that states together with other circumstances indicate that both parties have rights to the net assets of the investment. The initial investment was valued at ZWL120,558,393 and was in the form of contribution of cattle to the Joint Venture. The Group holds a 50% stake in the arrangement. As such, Mombe Shoma is classified as a joint venture of the Group.

Claremont Orchards Holdings (Private) Limited, a property company is a joint venture between the Group and Tuinbouw Zonder Grenzen BV. A contractual agreement between the two parties confers to each of the shareholder, 50% ownership as well as rights to net assets of Claremont Orchards. As such, the property company has been classified as a joint venture.

Details of the Group's investments in joint ventures at the end of the reporting period are 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	
			2022	2021	2022	2021
Bonemarrow Investments (Private) Limited trading as Claremont Power Station	Hydro Electricity Generation	Zimbabwe	55%	55%	50%	50%
Claremont Orchards Holdings (Private) Limited	Property holding	Zimbabwe	50%	50%	50%	50%
Mombe Shoma (Private) Limited	Cattle ranching	Zimbabwe	50%	50%	50%	50%

	INFLATION ADJUSTED					
	Bonemarrow Investments (Private) Limited trading as Claremont Power Station		Claremont Orchards Holdings (Private) Limited		Mombe Shoma (Private) Limited	
All amounts in ZWL	2022	2021	2022	2021	2022	2021
Summarised balance sheet						
Current assets:						
Trade and other receivables	101,904,247	44,682,133	-	9,920,135	12,162,113	30,476,430
Cash and cash equivalents	1,222	44,684,678	-	-	13,087	4,332,750
Total current assets	101,905,469	89,366,811	-	9,920,135	12,175,200	34,809,180
Non-current assets	39,744,064	41,050,323	143,718,659	158,584,438	409,290,889	181,312,869
Total assets	**141,649,533**	**130,417,134**	**143,718,659**	**168,504,573**	**421,466,089**	**216,122,049**
Current liabilities:						
Trade and other payables	2,189,624	-	24,540,120	2,421,971	-	-
Financial liabilities (excluding trade and other payables)	13,805,274	-	-	-	486,601	2,827,502
Total current liabilities	15,994,898	-	24,540,120	2,421,971	486,601	2,827,502
Non-current liabilities	-	-	-	-	-	-
Total liabilities	**15,994,898**	**-**	**24,540,120**	**2,421,971**	**486,601**	**2,827,502**
Net assets	**125,654,635**	**130,417,134**	**119,178,539**	**166,082,602**	**420,979,488**	**213,294,547**

Notes to the Financial Statements - Continued

For the year ended 30 September 2022

12. INVESTMENT IN JOINT VENTURES - CONTINUED

	HISTORICAL COST					
	Bonemarrow Investments (Private) Limited trading as Claremont Power Station		Claremont Orchards Holdings (Private) Limited		Mombe Shoma (Private) Limited	
All amounts in ZWL	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Summarised balance sheet						
Current assets:						
Trade and other receivables	101,904,247	11,746,026	-	2,607,801	12,162,113	8,011,635
Cash and cash equivalents	1,222	11,746,695	-	-	13,087	1,138,992
Total current assets	101,905,469	23,492,721	-	2,607,801	12,175,200	9,150,627
Non-current assets	581,779	542,917	726,154	800,090	409,290,889	47,663,474
Total assets	**102,487,248**	**24,035,638**	**726,154**	**3,407,891**	**421,466,089**	**56,814,101**
Current liabilities:						
Trade and other payables	2,189,624	-	24,540,120	636,687	-	-
Financial liabilities (excluding trade and other payables)	13,805,274	-	-	-	486,601	743,293
Total current liabilities	15,994,898	-	24,540,120	636,687	486,601	743,293
Non-current liabilities	-	-	-	-	-	-
Total liabilities	**15,994,898**	**-**	**24,540,120**	**636,687**	**486,601**	**743,293**
Net assets	**86,492,350**	**24,035,638**	**(23,813,966)**	**2,771,204**	**420,979,488**	**56,070,808**

	INFLATION ADJUSTED					
	Bonemarrow Investments (Private) Limited trading as Claremont Power Station		Claremont Orchards Holdings (Private) Limited		Mombe Shoma (Private) Limited	
All amounts in ZWL	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Extracts from statement of comprehensive income						
Revenue	136,728,944	95,171,522	54,104,260	10,248,410	33,965,421	30,471,679
Interest income	-	-	-	-	-	-
Depreciation and amortisation	(1,248,951)	(2,394,430)	(14,865,779)	(3,879,972)	-	-
Interest expense	-	-	-	-	-	-
Income tax expense	(16,008,231)	(9,365,813)	(8,283,021)	(2,421,971)	-	-
Profit from continuing operations	**57,445,605**	**62,208,129**	**19,642,789**	**3,618,187**	**167,577,983**	**12,876,377**
Profit from discontinued operations	-	-	-	-	-	-
Profit for the period	**57,445,605**	**62,208,129**	**19,642,789**	**3,618,187**	**167,577,983**	**12,876,377**
Other comprehensive income						
Total comprehensive income	**57,445,605**	**62,208,129**	**19,642,789**	**3,618,187**	**167,577,983**	**12,876,377**
Group's share in %	55%	55%	50%	50%	50%	50%
Group's share in ZWL	31,595,083	34,214,470	9,821,395	1,809,094	83,788,992	6,438,189
Dividends received from joint venture	-	-	33,273,426	-	-	-

Notes to the Financial Statements - Continued

For the year ended 30 September 2022

12. INVESTMENT IN JOINT VENTURES - CONTINUED

	HISTORICAL COST					
	Bonemarrow Investments (Private) Limited trading as Claremont Power Station		Claremont Orchards Holdings (Private) Limited		Mombe Shoma (Private) Limited	
All amounts in ZWL	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Extracts from statement of comprehensive income						
Revenue	80,443,956	21,061,618	33,507,368	2,575,593	12,189,684	7,303,963
Interest income	-	-	-	-	-	-
Depreciation and amortisation	(41,138)	(12,170)	(73,936)	(19,297)	-	-
Interest expense	-	-	-	-	-	-
Income tax expense	(5,008,375)	(2,462,082)	(8,283,021)	(636,687)		-
Profit from continuing operations	**62,456,710**	**14,128,398**	**14,041,888**	**1,951,817**	**363,170,566**	**3,028,832**
Profit from discontinued operations	-	-	-	-	-	-
Profit for the period	**62,456,710**	**14,128,398**	**14,041,888**	**1,951,817**	**363,170,566**	**3,028,832**
Other comprehensive income						
Total comprehensive income	**62,456,710**	**14,128,398**	**14,041,888**	**1,951,817**	**363,170,566**	**3,028,832**
Group's share in %	55%	55%	50%	50%	50%	50%
Group's share in ZWL	34,351,191	7,770,619	7,020,944	975,909	181,585,283	1,514,416
Dividends received from joint venture	-	-	20,313,529	-	-	-

The reconciliation of carrying amount of the investments in joint ventures is shown below:

	INFLATION ADJUSTED		HISTORICAL	
All figures in ZWL	**2022**	**2021**	**2022**	**2021**
Summarised financial information:				
Carrying amount at the beginning of the year	773,953,965	147,769,934	152,998,219	5,555,160
Initial investment at cost	-	120,558,393	-	25,593,527
Retained investment at fair value	-	463,163,886	-	111,588,588
Share of net profit of a joint venture accounted for using the equity method	125,205,469	42,461,752	222,957,418	10,260,944
Dividends received	(33,273,426)	-	(20,313,529)	-
Carrying amount of the Group's net interest in joint venture	**865,886,008**	**773,953,965**	**355,642,108**	**152,998,219**

12B. DETAILS OF PARTIAL DISPOSAL OF INTEREST IN CLAREMONT ORCHARDS (PRIVATE) LIMITED

During the year ended 30 September 2021, the Group disposed of 50% shareholding in Claremont Orchards. The disposal was effective on 1 July 2021. The details for that disposal are as follows:

	2021			
	COMPANY		GROUP	
All figures in ZWL	**Inflation Adjusted**	**Historical Cost**	**Inflation Adjusted**	**Historical Cost**
Cash consideration receivable	649,904,862	170,846,800	649,904,862	170,846,800
Disposal of investment in subsidiary	(329,641)	(1,661)	-	-
Retained investment at cost (reclassified to joint venture)	(329,641)	(1,661)	-	-
Reclassification from subsidiary to joint venture	329,641	1,661	-	-
Retained joint venture investment at fair value	-	-	463,163,889	111,588,588
Carrying amount of net assets sold	-	-	(1,610,500,900)	(14,575,380)
Gain/ (loss) on sale	**649,575,221**	**170,845,139**	**(497,432,149)**	**267,860,008**

The disposal occurred in the 2021 financial year and therefore there are no entries in the 2022 financial year.

13. INVESTMENT IN SUBSIDIARIES

	COMPANY			
	INFLATION ADJUSTED		HISTORICAL	
All figures in ZWL	**2022**	**2021**	**2022**	**2021**
Investments in subsidiaries	1,125,374	1,784,656	5,677	8,999
Partial disposal of interest in Claremont Orchards Holdings (Private) Limited	-	(329,641)	-	(1,661)
Reclassification of retained interest in Claremont Orchards Holdings (Private) Limited to joint venture	-	(329,641)	-	(1,661)
	1,125,374	**1,125,374**	**5,677**	**5,677**

* the investments are held in the form of unquoted shares in the subsidiaries

Details of the Group's principal subsidiaries, all incorporated or registered in Zimbabwe as their place of business at 30 September 2022 are as follows:

Name Of Subsidiary	Ownership Interest	Principal Activity
Claremont Orchards 1988 (Private) Limited	100%	Agriculture
Southdown Holdings (Private) Limited	100%	Property Company
Clearwater Tea Manufacturing Company (Private) Limited	100%	Property Company
Roscommon Development Company (Private) Limited	100%	Property Company
Ariston Management Services (Private) Limited	100%	Owns the following divisions:Southdown Estate, Clearwater Estate, Roscommon Estate, Blended Tea Factory, Kent Estate, and Corporate Head Office

Unless otherwise stated, the above subisdiaries have share capital consisting solely of ordinary shares that are held directly by the Group and the proportion of ownership interest held equals the voting rights held by the Group.

14. INVENTORIES

	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	**2022**	**2021**	**2022**	**2021**
Farm produce	503,134,107	364,849,226	445,712,114	90,250,748
Consumables and materials	277,122,906	286,431,622	244,383,157	72,033,055
	780,257,013	**651,280,848**	**690,095,271**	**162,283,803**

14B. COST OF PRODUCTION

Opening Stock	651,280,848	842,142,298	162,283,803	55,449,778
Puchases	2,415,642,705	1,906,778,204	1,523,075,827	539,207,993
Closing stock	(780,257,013)	(651,280,848)	(690,095,271)	(162,283,803)
	2,286,666,540	**2,097,639,654**	**995,264,359**	**432,373,968**

Materials refer to items such as pesticides. Inventory write-downs relate to products that would have gone wholly or partly unsalable and those whose selling prices have declined below the cost. There were no write downs during the period under review.

Notes to the Financial Statements - Continued

For the year ended 30 September 2022

15. TRADE RECEIVABLES FROM CONTRACTS WITH CUSTOMERS AND OTHER RECEIVABLES

Classification

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 90 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration expected to be received. In addition, all the facts, conditions and events are considered in estimating the transaction price for contracts containing variable elements in a bid to better predict the amount of consideration to which the Group will be entitled. The group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the group's impairment policies and the calculation of the loss allowance are provided below.

Fair values of trade receivables

Due to the short term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

Impairment and risk exposure

Information about the impairment of trade receivables and the groups exposure to credit risk and foreign currency risk can be found in note 22.5

	INFLATION ADJUSTED			
	COMPANY		GROUP	
All figures in ZWL	**2022**	**2021**	**2022**	**2021**
Trade receivables from contracts with customers	-	-	532,492,550	160,866,373
Allowance for credit losses	-	-	(8,969,435)	(21,812)
Net trade receivables	**-**	**-**	**523,523,115**	**160,844,561**
Other Receivables and Prepayments*	127,549,642	697,502,716	1,971,362,357	1,659,610,473
Allowance for credit losses	-	-	(160,778)	(611,603)
Net other receivables	**127,549,642**	**697,502,716**	**1,971,201,579**	**1,658,998,870**
Trade and other receivables	127,549,642	697,502,716	2,503,854,907	1,820,476,846
Allowance for credit losses	-	-	(9,130,213)	(633,415)
Net trade and other receivables	**127,549,642**	**697,502,716**	**2,494,724,694**	**1,819,843,431**

*Other Receivables of ZWL127,549,641 (2021: ZWL36,160,684) included under the Company relate to amounts receivable by the Company from Ariston Management Services (Private) Limited, a wholly owned subsidiary of the Company. The balance of ZWL661,342,032 in 2021 relates to an amount which had not yet been received in prior year for the partial disposal of Claremont Orchards. This amount was received during the financial year ended 30 September 2022.

	HISTORICAL COST			
	COMPANY		GROUP	
All figures in ZWL	**2022**	**2021**	**2022**	**2021**
Trade receivables	-	-	532,492,550	42,288,505
Allowance for credit losses	-	-	(8,969,435)	(5,734)
Net trade receivables	**-**	**-**	**523,523,115**	**42,282,771**
Other Receivables and Prepayments*	127,549,642	183,359,310	1,965,205,940	433,866,075
Allowance for credit losses	-	-	(160,778)	(160,778)
Net other receivables	**127,549,642**	**183,359,310**	**1,965,045,162**	**433,705,297**
Trade and other receivables	127,549,642	183,359,310	2,497,698,490	476,154,580
Allowance for credit losses	-	-	(9,130,213)	(166,512)
Net trade and other receivables	**127,549,642**	**183,359,310**	**2,488,568,277**	**475,988,068**

15. TRADE AND OTHER RECEIVABLES - CONTINUED

(i) Classification of financial assets at amortised cost

The group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest."

(ii) Other receivables

These amounts generally arise from transactions outside the usual operating activities of the group. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained. The non-current other receivables are due and payable within three years from the end of the reporting period. Further information relating to loans to related parties and key management personnel is set out in Note 24 Related parties.

Included in Other receivables for the Group of ZWL1,968,703,704 (2021: ZWL1,659,610,473) is an amount receivable from a related party of ZWL1,780,254,022 (2021:ZWL875,388,200). These funds are receivable on demand.

Allowance for credit losses

The Group always measures the loss allowance for trade and other receivables at an amount equal to lifetime ECL. The expected credit losses on trade and other receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The Group writes off trade and other receivables when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

The following table details the risk profile of trade and other receivables based on the Group's provision matrix.

	Expected Total Gross Amount	Expected Credit Loss Rate	Lifetime Expected Credit Loss	Inflation Adjusted	Historical Cost
All amounts in ZWL			**2022**	**2021**	
Trade receivables					
Foreign debtor: Amount not due & limited risk of default (debtor in current with no history of default)	85,369,012	0.005%	4,268	-	-
Other Foreign debtors (secured)	294,698,003	0.000%	-	-	-
Amount not due & limited risk of default (debtor in current with no history of default)	142,074,623	0.005%	7,104	6,737	1,771
Amount in 30 days (which is the credit term)	-	0.010%	-	19	5
31 days to 60 days	-	1%	-	593	156
61 days to 90 days	349,190	2%	5,238	220	58
Amount in +120 days	1,104,103	5%	55,205	46	12
Amount in +120 days and has high likelihood of default	8,897,619	100%	8,897,620	14,197	3,732
	532,492,550		**8,969,435**	**21,812**	**5,734**

Notes to the Financial Statements - Continued

For the year ended 30 September 2022

15. TRADE AND OTHER RECEIVABLES - CONTINUED

All amounts in ZWL	Expected Total Gross Amount	Expected Credit Loss Rate	Lifetime Expected Credit Loss 2022	Inflation Adjusted 2021	Historical Cost 2021
Other receivables					
Origin Global Holdings (secured by loan amount)	1,780,254,022	0%	-	-	-
Prepayments	176,779,987	0%	-	-	-
Staff debtors (in current - fully recoverable through payroll)	7,294,256	0%	-	-	-
Other debtors	716,897	0%	-	-	-
Amount in +120 days and has high likelihood of default	160,778	100%	160,778	611,603	160,778
	1,965,205,940		**160,778**	**611,603**	**160,778**
Total allowance for credit losses			**9,130,213**	**633,415**	**166,512**

All figures in ZWL	INFLATION ADJUSTED 2022	INFLATION ADJUSTED 2021	HISTORICAL COST 2022	HISTORICAL COST 2021
Movement in allowance for credit losses				
Balance at beginning of the year	633,415	959,937	166,512	166,512
Expected Credit Losses	8,963,701	-	8,963,701	-
IAS 29 adjustment	(466,903)	(326,522)	-	-
Balance at the end of the year	**9,130,213**	**633,415**	**9,130,213**	**166,512**

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. Disclosure on concentration risk is shown on note 5 and note 22.

Trade and other receivables: The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 September 2022 or 1 October 2022 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade receivables and other receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables and other receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

16. SHARE CAPITAL

All figures in ZWL	NUMBER OF SHARES 2022	NUMBER OF SHARES 2021
AUTHORISED SHARE CAPITAL		
Issued shares at the end of the year	1,627,395,595	1,627,395,595
Unissued shares		
- Shares under the control of directors	29,370,286	29,370,286
- *Shares allocated to share option scheme	23,075,000	23,075,000
- ** Shares set aside under the 2016 Ariston Share Ownership Trust	320,159,119	320,159,119
	2,000,000,000	**2,000,000,000**

* This class of ordinary shares have been allocated towards a share option scheme which will come into effect when as at any time the Board of Directors resolves to grant Options to subscribe for such number of Ordinary Shares and to such employee as it may think fit.

** The Ariston Share Ownership Trust was created in response to the Indigenous Act Laws enacted in 2016 which required companies different industries of which one of them is agriculture to set aside shares for employees and the community. Ariston allocated 16% its issued share capital towards this requirement.

*** There was no movement of shares during the year

GROUP

All figures in ZWL	INFLATION ADJUSTED 2022	INFLATION ADJUSTED 2021	HISTORICAL 2022	HISTORICAL 2021
Share capital and share premium				
Share capital at par value	322,744,489	322,744,489	1,627,395	1,627,395
Share premium	2,166,105,775	2,166,105,775	10,922,292	10,922,292

COMPANY

All figures in ZWL	INFLATION ADJUSTED 2022	INFLATION ADJUSTED 2021	HISTORICAL 2022	HISTORICAL 2021
Share capital and share premium				
Share capital at par value	322,744,489	322,744,489	1,627,395	1,627,395
Share premium	2,166,105,775	2,166,105,775	10,922,292	10,922,292

	2022	2021
Movement in the number of ordinary shares		
Issued		
At beginning of year	1,627,395,595	1,627,395,595
Share issues	-	-
Share options exercised	-	-
At end of year	**1,627,395,595**	**1,627,395,595**
INFLATION ADJUSTED		
1,627,395,595 ordinary shares of ZWL19.83 cents each 2021 - 1,627,395,595 ordinary shares of ZWL19.83 cents each	322,744,489	322,744,489
HISTORICAL COST		
1,627,395,595 ordinary shares of ZWL0.10 cents each 2021 - 1,627,395,595 ordinary shares of ZWL0.10 cents each	1,627,395	1,627,395
Share premium		
INFLATION ADJUSTED		
1,627,395,595 with a nominal value of ZWL19.83 and issued at ZWL152.93 cents each 2021 - 1,627,395,595 with a nominal value of ZWL19.83 and issued at ZWL152.93 cents each	2,166,105,775	2,166,105,775
HISTORICAL COST		
1,627,395,595 with a nominal value of ZWL0.10 and issued at ZWL0.77 cents each 2021 - 1,627,395,595 with a nominal value of ZWL0.10 and issued at ZWL0.77 cents each	10,922,292	10,922,292

17. DEFERRED TAX

COMPANY

All figures in ZWL	INFLATION ADJUSTED 2022	INFLATION ADJUSTED 2021	HISTORICAL 2022	HISTORICAL 2021
Deferred tax liability				
At the beginning of year	-	254,443	-	1,283
- income statement movement (credit) (i)	-	(254,443)	-	(1,283)
	-	-	-	-

GROUP

All figures in ZWL	INFLATION ADJUSTED 2022	INFLATION ADJUSTED 2021	HISTORICAL 2022	HISTORICAL 2021
Deferred tax liability				
At the beginning of year	813,575,262	1,919,200,545	82,053,349	57,607,967
- profit/ loss movement (credit)/debit (i)	(421,539,465)	(1,105,625,283)	(54,700,825)	24,445,382
- other comprehensive income movement	2,150,925,360	-	2,560,910,074	-
	2,542,961,157	**813,575,262**	**2,588,262,598**	**82,053,349**
Analysis of deferred tax liability				
Property, plant and equipment	2,520,446,224	501,933,515	2,583,233,713	6,073,401
Biological assets	444,594,629	313,349,832	444,594,629	82,373,312
Right of Use	18,569,028	23,280,290	1,082,981	175,572
Prepayments and receivables	(2,256,989)	(156,581)	(2,256,989)	(41,162)
Provisions	(29,739,939)	(16,751,829)	(29,739,939)	(4,403,715)
Unrealised exchange loss	(407,102,766)	(8,079,965)	(407,102,766)	(2,124,059)
Assessed losses	(1,549,030)	-	(1,549,030)	-
	2,542,961,157	**813,575,262**	**2,588,262,598**	**82,053,349**
Income tax movement	(1,729,385,895)	1,105,625,282	(2,506,209,248)	(24,445,382)

The Group has not recognised temporary differences amounting to ZWL847,875,721 (2021: ZWL676,558,893) in inflation adjusted terms [ZWL330,038,920 (2021: ZWL127,395,031) in historical cost terms] as these relate to Investments in Joint Ventures. The Group can control the timing and distribution of its share of profits in the joint ventures. It is probable that share of profits will not be distributed in the foreseeable future.

18. TRADE AND OTHER PAYABLES

INFLATION ADJUSTED

All figures in ZWL	COMPANY 2022	COMPANY 2021	GROUP 2022	GROUP 2021
Trade	-	-	756,540,745	595,328,740
Other*	66,912,713	280,615	522,180,806	231,612,830
	66,912,713	**280,615**	**1,278,721,551**	**826,941,570**

HISTORICAL COST

All figures in ZWL	COMPANY 2022	COMPANY 2021	GROUP 2022	GROUP 2021
Trade	-	-	756,540,745	156,499,845
Other*	66,912,713	66,912,713	506,704,361	55,111,074
	66,912,713	**66,912,713**	**1,263,245,106**	**211,610,919**

Trade payables are unsecured and are usually settled on average 28 days from purchase (2021: 43 days). The carrying amounts of trade and other payables are considered to be the same as their fair values due to their short term nature. No interest is charged on the trade payables.

18. TRADE AND OTHER PAYABLES - CONTINUED

All figures in ZWL	INFLATION ADJUSTED 2022	INFLATION ADJUSTED 2021	HISTORICAL COST 2022	HISTORICAL COST 2021
At 30 September the ageing analysis of trade payables was as follows:				
Current	90,596,083	310,273,516	90,596,083	81,564,611
30-120 days	219,099,000	76,702,988	219,099,000	20,163,659
Above 120 days	446,845,662	208,352,236	446,845,662	54,771,575
	756,540,745	**595,328,740**	**756,540,745**	**156,499,845**
Provisions				
Employee benefits (current)	66,837,351	42,195,018	66,837,351	11,092,214
	66,837,351	**42,195,018**	**66,837,351**	**11,092,214**

The provision for employee benefits represents all accrued annual leave. The entire amount of the provision is presented as current since the group does not have an unconditional right to defer settlement for any of these obligations. The movement of provisions is shown below:

All figures in ZWL	INFLATION ADJUSTED 2022	INFLATION ADJUSTED 2021	HISTORICAL COST 2022	HISTORICAL COST 2021
Carrying amount at the beginning of the year	42,195,018	23,309,771	11,092,214	4,043,360
Provisions charged to profit or loss	154,586,923	51,749,565	93,755,780	13,603,910
Amounts used during the year	(63,940,788)	(29,645,468)	(38,010,643)	(6,555,056)
Inflation adjustments	(66,003,803)	(3,218,850)	-	-
Carrying amount at the end of the year	**66,837,350**	**42,195,018**	**66,837,351**	**11,092,214**

18B. CONTINGENT LIABILITY

The Group is involved in a legal dispute with a financier who is claiming ZWL1,107,864,885 and alleges that the former defaulted on repayment. The Group is in disagreement with this claim as it settled the debt in line with Statutory Instrument 33 of 2019. The directors, with guidance from the Group's legal advisors, are of the opinion that the claim can be successfully resisted by the Group. This means that it is not probable that there will be an outflow of resources embodying the Group's economic benefits. It is on this premise that the amount has not been recognised in the financial statements of the Group.

19. BORROWINGS

All figures in ZWL	INFLATION ADJUSTED 2022	INFLATION ADJUSTED 2021	HISTORICAL COST 2022	HISTORICAL COST 2021
Ariston Management Services (Private) Limited had borrowing facilities totalling ZWL 3,973,163,245 (2021: ZWL1,344,872,426). The utilised portion was:	**3,973,163,245**	**1,344,872,426**	**3,973,163,245**	**353,539,670**
Secured – at amortised cost				
Loans from banks	1,540,862,323	341,659,616	1,540,862,323	89,815,380
Bank overdrafts	105,375,301	71,403,412	105,375,301	18,770,508
Loans from related parties (note 24)	2,326,925,621	931,809,398	2,326,925,621	244,953,782
	3,973,163,245	**1,344,872,426**	**3,973,163,245**	**353,539,670**
Split by term				
Amount due for settlement after 12 months	3,260,902,051	942,797,998	3,260,902,051	247,842,462
Amount due for settlement within 12 months	712,261,194	402,074,428	712,261,194	105,697,208
	3,973,163,245	**1,344,872,426**	**3,973,163,245**	**353,539,670**
Split by currency				
Borrowings in ZWL	105,375,301	82,392,012	105,375,301	21,659,188
Borrowings in US$	3,867,787,944	1,262,480,414	3,867,787,944	331,880,482
	3,973,163,245	**1,344,872,426**	**3,973,163,245**	**353,539,670**
The movement of borrowings is shown below:				
Carrying amount at the beginning of the year	1,344,872,426	1,307,994,409	353,539,670	226,887,081
Proceeds	5,135,014,838	435,733,898	4,248,430,065	103,598,229
Repayments	(2,675,971,604)	(559,980,867)	(748,476,765)	(12,832,284)
Movements in exchange rates	228,361,351	68,480,853	119,670,275	35,886,644
Inflation adjustments	(59,113,766)	92,644,133	-	-
Carrying amount at the end of the year	**3,973,163,245**	**1,344,872,426**	**3,973,163,245**	**353,539,670**

19. BORROWINGS - CONTINUED

Fair value

For the majority of the borrowings, the fair values are not materially different from their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

The other principal features of the Group's borrowings are as follows.

(i) Bank loans of ZWL 1,540,862,323 (2021: ZWL 341,659,617) (inflation-adjusted) are secured by an assignment of export receivables between Ariston Management Services and 2 customers and an act of surety signed for the full amount of exposure.

The average effective interest rate on bank loans approximates 10% (2021: 8.5%) per annum.

(ii) Bank overdrafts are repayable on demand. Overdrafts of ZWL 105,375,301 (2021: ZWL 71,403,412) (inflation-adjusted) have been secured by joint and several guarantees. The average effective interest rate on bank overdrafts approximates 100% (2021: 12% to 40%) per annum.

(iii) Loans repayable to related parties of the Group are secured by inventories and a mortgage bond over Kent Estate and carry interest of 6% (2021: 6%) per annum charged on the outstanding loan balances. The loans are not payable on demand, they are due at the end of the loan agreement.

(iv) Lease liabilities are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

20. LEASES

The Group procured motor vehicles and tractors under lease financing and hire purchase agreements during the year. Interest payable on the lease arrangements averaged 15% per annum.

The Group will assume ownership of the motor vehicles and tractors at the end of the lease term and when all lease payments have been made.

On 1 October 2021 the Group entered into a lease contract with a landlord for the use of premises as an office. This contract is for a 5 year period and has been recognised as a right of use asset in the Group's records.

The statement of financial position shows the separate line item for the right-of-use assets where the group is a lessee. It comprises the following:

	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	**2022**	**2021**	**2022**	**2021**
Right of Use Assets				
Buildings	14,161,316	-	3,967,973	-
Plant and Equipment	40,231,033	62,156,118	272,586	468,755
Motor Vehicles	20,725,080	32,019,820	140,434	241,486
	75,117,429	**94,175,938**	**4,380,993**	**710,241**

INFLATION ADJUSTED

All figures in ZWL	**Buildings**	**Plant and Equipment**	**Motor Vehicles**	**Total**
Balance as at 30 September 2020	**-**	**84,081,203**	**43,314,560**	**127,395,763**
Depreciation charge for the year recognised in Statement of Profit and Loss	-	(21,925,085)	(11,294,740)	**(33,219,825)**
Balance as at 30 September 2021	**-**	**62,156,118**	**32,019,820**	**94,175,938**
Addition	17,701,645	-	-	**17,701,645**
Depreciation charge for the year recognised in Statement of Profit and Loss	(3,540,329)	(21,925,085)	(11,294,740)	**(36,760,154)**
Balance as at 30 September 2022	**14,161,316**	**40,231,033**	**20,725,080**	**75,117,429**

20. LEASES - CONTINUED

HISTORICAL

All figures in ZWL	Buildings	Plant and Equipment	Motor Vehicles	Total
Balance as at 30 September 2020	**-**	**664,924**	**342,538**	**1,007,462**
Depreciation charge for the year recognised in Statement of Profit and Loss	-	(196,169)	(101,052)	**(297,221)**
Balance as at 30 September 2021	**-**	**468,755**	**241,486**	**710,241**
Addition	4,959,966	-	-	**4,959,966**
Depreciation charge for the year recognised in Statement of Profit and Loss	(991,993)	(196,169)	(101,052)	**(1,289,214)**
Balance as at 30 September 2022	**3,967,973**	**272,586**	**140,434**	**4,380,993**

Lease liabilities are as follows:

INFLATION ADJUSTED

	Minimum lease payments		Interest		Present value	
All amounts in ZWL	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Not later than one year	8,038,627	1,269,672	1,742,398	518,853	6,296,229	750,819
Later than one year and not later than five years	25,073,117	-	1,945,268	-	23,127,849	-
	33,111,744	**1,269,672**	**3,687,666**	**518,853**	**29,424,078**	**750,819**

HISTORICAL COST

	Minimum lease payments		Interest		Present value	
All amounts in ZWL	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Not later than one year	7,597,003	333,771	1,300,774	136,396	6,296,229	197,375
Later than one year and not later than five years	24,234,618	-	1,106,769	-	23,127,849	-
	31,831,621	**333,771**	**2,407,543**	**136,396**	**29,424,078**	**197,375**

The lease liabilites are analysed as:

	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	**2022**	**2021**	**2022**	**2021**
Current liabilities	6,296,229	750,819	6,296,229	197,375
Non-current liabilities	23,127,849	-	23,127,849	-
	29,424,078	**750,819**	**29,424,078**	**197,375**

Lease liabilities are secured by the assets leased. The liabilities comprise of variable and fixed interest rate arrangements with repayment periods not exceeding five years.

On 1 October 2021, the Group entered into a contract with a landlord for renting office space for a lease term of 5 years. This is what has been reported as the addition to the Right of use asset.

In October 2022, the Group modified the contract with the landlord that increased the lease term but without adding the right to use more underlying assets. The contract is for the same premises. Since the modification does not add the right to use more assets, nor is the increase in rentals commensurate, the modification will be accounted for by remeasuring the initial lease. As a result, the future lease cash outflows which are not already included in lease liabilities amounted to ZWL27,268,062 as at year-end.

Contracts may contain both lease and non-lease components. The group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for all leases which the group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

20. LEASES - CONTINUED

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- amounts expected to be payable by the group under residual value guarantees
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The lease payments are discounted using the interest rate implicit in the lease.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset’s useful life.

The Group is not exposed to any of the following which would have an impact on future cash outflows and will have an impact on the measurement of lease liabilites, the lease agreements does not contain ;
a) extension or termination options
b) residual value guarantees
c) restrictions or convenants imposed by leases
d) sale and leaseback transactions
e) leases not yet commenced to which the lessee is committed

21. CAPITAL COMMITMENTS

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	**2022**	**2021**	**2022**	**2021**
Commitments for capital expenditure approved by the directors:	446,034,115	66,788,331	446,034,115	17,557,297
- authorised but not contracted	**446,034,115**	**66,788,331**	**446,034,115**	**17,557,297**

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

The Group’s risk management is predominantly controlled by the group finance function under policies approved by the board of directors. Group finance identifies and evaluates financial risks in close co-operation with the group’s operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of financial instruments , and investment of excess liquidity.

The group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk, and liquidity risk. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's future financial performance. The primary objective of the financial risk management function are to establish risk limits and to ensure that risk stays within limits.

22.1 Market risk

The Group’s activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. Ultimate responsibility for market risk management rests with the Board of Directors, which has built an appropriate market risk management framework and the market risks are managed through observation of market trends in various factors noted below within approved monetary and exchange control authority parameters.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market prices. The company's market risks arise from open positions in (a) foreign currencies and (b) interest bearing assets and liabilities, to the extent that these are exposed to general and specific market movements.

The Group operates internationally and is exposed to foreign exchange risk, primarily the US dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. The risk is measured through a forecast of highly probable US dollar expenditures.

The US dollar denominated bank loans are expected to be repaid with receipts from US dollar denominated sales. The foreign currency exposure of these loans has therefore not been hedged.

22.2 Foreign Currency Risk

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved exchange control policy parameters.

Foreign exchange risk is the risk arising from fluctuations in foreign exchange rates and their effect on future commercial transactions or recognised assets and liabilities denominated in a currency that is not the entity's functional currency.

The company enters into purchase agreements with foreign entities and is subject to risk from fluctuations in exchange rates. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities.

The company is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the United States dollar.

The company does not hedge any of its trade receivables and trade payables that are denominated in foreign currency. Estimated foreign currency exposures in respect of sales and purchases over the following twelve months are also not hedged. Forward exchange contracts are not available in Zimbabwe to enable the hedging of foreign currency risk. Currency risk is, however, managed by ensuring, as far as possible, that available foreign currency denominated liquid assets are reserved for the payment of foreign currency denominated liabilities.

The carrying amounts of the Group’s foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

22. FINANCIAL RISK MANAGEMENT - CONTINUED

MONETARY LIABILITIES

	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	**2022**	**2021**	**2022**	**2021**
US$ - denominated interest bearing borrowings reported in ZWL	3,867,787,944	1,262,480,414	3,867,787,944	331,880,482
	3,867,787,944	**1,262,480,414**	**3,867,787,944**	**331,880,482**

MONETARY ASSETS

	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	**2022**	**2021**	**2022**	**2021**
US$ - denominated cash and cash equivalents reported in ZWL	215,481,014	14,699,674	215,481,014	3,864,246
	215,481,014	**14,699,674**	**215,481,014**	**3,864,246**

	Official exchange rates (Interbank)	
All figures in ZWL	**2022**	**2021**
Exposure to currency risk		
The following exchange rates applied as at the end of the year:		
ZWL TO USD	**621.89**	**86.93**

Sensitivity analysis

A 2% movement in the ZWL of US$, exchange rates at 30 September would have affected equity and profit for the period by the amounts reflected below. This analysis assumes all other variables remain the same.

	INFLATION ADJUSTED		HISTORICAL COST	
	Equity	**Profit/(loss) for the period**	**Equity**	**Profit/(loss) for the period**
2% appreciation effect - 2022	1,864,825,706	3,006,528,021	7,788,997,117	133,915,083
2% appreciation effect - 2021	6,403,178,372	3,964,105,114	173,844,885	161,546,192
2% depreciation effect - 2022	12,349,104,306	3,129,243,450	8,106,915,366	139,381,004
2% depreciation effect - 2021	6,664,532,591	4,125,905,322	180,940,595	168,139,914

22.3 Price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk and currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer on factors affecting all financial instruments traded in the market. The trading environment has been characterised by liquidity challenges. Costs of inputs and manpower however, assume a rising trend resulting in the need to set competitive selling prices. Potential customer resistance to high prices and the reduction in sales transaction volumes are potential risks. This risk is mitigated by the fact the group agrees prices with clients before hand. Prices are affected mostly by factors such as quality.

The group does not hold any equity security hence it is not affected by fluctuations in equity securities and thus bears no significant exposure to price risk related to equity securities.

22. FINANCIAL RISK MANAGEMENT - CONTINUED

22.4 Credit risk

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. Ongoing credit evaluation is performed on the financial condition of accounts receivable. Apart from one customer in the retail market who is also the largest local 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 retail 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. The entity does not hold any security from customers. Refer to Note 15 on Trade and other receivables. The entity has no exposure to credit risk in relation to debt investments.

	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	**2022**	**2021**	**2022**	**2021**
Net Trade and Other Receivables	2,494,724,694	1,819,843,431	2,488,568,277	475,988,068
Cash at bank	223,806,700	29,924,417	223,806,700	7,866,522
	2,718,531,394	**1,849,767,848**	**2,712,374,977**	**483,854,590**

The company had no exposure to credit risk arising from financial guarantees for the year (2021: ZWL nil).

The fair value of cash and cash equivalents at 30 September 2022 approximates the carrying amount because of their short term nature. The credit quality of financial assets can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Trade receivables (excluding related parties receivables)

	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	**2022**	**2021**	**2022**	**2021**
Counterparties without external credit rating:				
Group 1 - Existing customers with no defaults in the past.	523,594,931	160,866,373	523,594,931	42,288,505
Group 2 - Existing customers with some defaults in the past. All defaults were fully recovered	-	-	-	-
Group 3 - Existing customers with defaults not recovered.	8,897,619	-	8,897,619	-
Total trade receivables	**532,492,550**	**160,866,373**	**532,492,550**	**42,288,505**

Cash and cash equivalents

There are no significant concentrations of credit risk with respect to cash and cash equivalents as the company holds cash accounts with large financial institutions with sound financial and capital cover.

22.5 Interest rate risk

The Group's policy is to adopt an observation of market dynamics approach to manage interest rate risk while maximising profit. Ultimate responsibility for interest risk management rests with the Board of Directors, which has built an appropriate risk management framework to manage the interest risk through a non speculative approach within approved monetary control authority parameters. Interest rates are fixed per contract and are locked in for the duration of the borrowing contract. The risk is assessed before entering into any debt contract to ensure that the Group's cashflow is protected.

22. FINANCIAL RISK MANAGEMENT - CONTINUED

	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	**2022**	**2021**	**2022**	**2021**
Interest bearing borrowings	4,472,548,424	1,431,320,514	4,472,548,424	376,265,118

Exposure to interest rate risk

The following average interest rates applied during the year ended and as at 30 September:

	INFLATION ADJUSTED		HISTORICAL COST	
	Equity	**Profit/(loss) for the period**	**Equity**	**Profit/(loss) for the period**
10% appreciation effect - 2022	10,896,268,505	5,177,904,894	7,458,034,922	7,078,457,201
10% appreciation effect - 2021	5,880,469,934	(67,625,081)	464,527,770	304,874,304
10% depreciation effect - 2022	13,317,661,507	6,328,550,426	9,115,376,015	8,651,447,690
10% depreciation effect - 2021	7,187,241,030	(82,652,877)	567,756,164	372,624,150

Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest. The company finances its operations through a mixture of retained earnings and borrowings. The company borrows principally in United States dollars at fixed and floating interest rates. The interest rate characteristics of new borrowings and the refinancing of existing borrowings are positioned according to expected movements in interest rates. Borrowings from holding company have fixed interest rates as determined from time to time (see note 19) and bears no significant exposure to interest rate risk.

22.6 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 table details 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.

Liquidity risk is the risk that the company may fail to meet its payment obligations when they fall due, the consequences of which may be the failure to meet the obligations to creditors. The company identifies this risk through periodic liquidity gap analysis and the maturity profile of assets and liabilities. Where major gaps appear, action is taken in advance to close or minimise the gaps. Cash flow forecasting is performed in the operating entity. The company monitors rolling forecasts of the company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the company does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the company's debt financing plans, covenant compliance and compliance with internal statement of financial position ratio targets

22. FINANCIAL RISK MANAGEMENT - CONTINUED

22.6 Liquidity risk management - continued

INFLATION ADJUSTED

All figures in ZWL	Weighted average effective interest rate %	1-3 months ZWL	3 months to 1 year ZWL	Over 1 year ZWL	Total ZWL
2022					
Interest bearing borrowings	9%	124,846,295	4,098,641,748	249,060,381	**4,472,548,424**
Lease Liabilities	10-15%	1,791,050	5,373,149	28,656,792	**35,820,990**
Trade and other payables	0%	299,984,621	978,736,930	-	**1,278,721,551**
*** 2021 RESTATED**					
Interest bearing borrowings	13%	39,953,746	268,096,373	1,123,270,395	**1,431,320,514**
Lease Liabilites	40%	87,053	527,201	-	**614,254**
Trade and other payables	0%	899,034,968	248,620,361	-	**1,147,655,329**
*** 2021 AS PREVIOUSLY STATED**					
Interest bearing borrowings	13%	402,074,428	-	942,797,998	**1,344,872,426**
Lease Liabilites	40%	248,722	502,097	-	**750,819**
Trade and other payables	0%	899,034,968	248,620,361	-	**1,147,655,329**

HISTORICAL COST

All figures in ZWL	Weighted average effective interest rate %	1-3 months ZWL	3 months to 1 year ZWL	Over 1 year ZWL	Total ZWL
2022					
Interest bearing borrowings	9%	124,846,295	4,098,641,748	249,060,381	**4,472,548,424**
Lease Liabilities	10-15%	1,791,050	5,373,149	28,656,792	**35,820,990**
Trade and other payables	0%	289,912,323	973,332,783	-	**1,263,245,106**
*** 2021 RESTATED**					
Interest bearing borrowings	13%	10,503,029	70,477,096	295,284,993	**376,265,118**
Lease Liabilites	40%	22,884	138,591	-	**161,475**
Trade and other payables	0%	245,475,013	65,357,248	-	**310,832,261**
*** 2021 AS PREVIOUSLY STATED**					
Interest bearing borrowings	13%	105,697,208	-	247,842,462	**353,539,670**
Lease Liabilites	40%	65,384	131,991	-	**197,375**
Trade and other payables	0%	245,475,013	65,357,248	-	**310,832,261**

* The 2021 comparative figures have been restated due to a disclosure oversight in the prior period.

The Group has access to financing facilities amounting to ZWL3,981,656,121 (2021: ZWL1,344,872,426); of which ZWL8,492,876 (2021: ZWLnil) 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.

Surplus cash held by the operating entity over and above balance required for working capital management is invested in time deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom.

22. FINANCIAL RISK MANAGEMENT - CONTINUED

22.7 Financial risk management strategies for biological assets

The group is exposed to risks arising from environmental and climatic changes, commodity prices and financing risks. The group's geographic spread of farms allows a high degree of mitigation against adverse climatic conditions such as droughts and floods and disease outbreaks. The group has strong environmental policies and procedures in place to comply with environmental and other laws.

The group is exposed to risks arising from fluctuations in the price and sales volume of produce and livestock. Where possible, the group enters into supply contracts for produce and livestock to ensure sales volumes can be met by its customers. The group has long-term contracts in place for supply of produce to its major customers.

The seasonal nature of the business requires a high level of cash flow at different seasons in the year. The group actively manages the working capital requirements and has secured sufficient credit facilities to meet the cash flow requirements to manage this risk. The group follows prudent industry accepted care practices with respect to the use of fertilisers, insecticides and herbicides to control deseases and insect infestation. Refer to note 11 for detail on fair value determination and sensitivities.

22.8 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.

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 2018.

The capital structure of the Group consists of net debt and equity of the Group (comprising issued share capital, share premium, accumulated losses/distributable reserves).

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 2022 was 34% (2021: 20%).

	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	**2022**	**2021**	**2022**	**2021**
Debt (i)	4,002,587,323	1,345,623,245	4,002,587,323	353,737,045
Cash and bank balances	(223,806,700)	(29,924,417)	(223,806,700)	(7,866,522)
Net debt	**3,778,780,623**	**1,315,698,828**	**3,778,780,623**	**345,870,523**
Equity (ii)	12,106,965,006	6,533,855,482	8,286,705,468	516,141,967
Net debt to equity ratio	**31%**	**20%**	**46%**	**67%**

(i) Debt is defined as long and short-term borrowings and lease liabilities.
(ii) Equity includes all capital and reserves of the Group that are managed as capital.

24. RELATED PARTY DISCLOSURES

COMPANY

Other receivable from Ariston Management Services (Private) Limited, a 100% subsidiary of the Company

Ariston Management Services (Private) Limited received the proceeds received for the disposal of Claremont Orchards Holdings (Private) Limited on behalf of Ariston Holdings Limited (the Company). Ariston Management Services has been repaying the balance. The outstanding amount is 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.

24. RELATED PARTY DISCLOSURES - CONTINUED

All figures in ZWL	INFLATION ADJUSTED 2022	INFLATION ADJUSTED 2021	HISTORICAL COST 2022	HISTORICAL COST 2021
Carrying amount at the beginning of the year	36,160,684	69,719,751	9,505,910	12,093,729
Amounts advanced	631,051,424	-	176,506,854	-
Repayment	(134,288,134)	(15,061,501)	(58,463,123)	(2,587,819)
Inflation adjustments	(405,374,332)	(18,497,566)	-	-
Carrying amount at the end of the year	**127,549,642**	**36,160,684**	**127,549,641**	**9,505,910**

GROUP

Origin Global Holdings holds 71% of the Company Ordinary shares and the remaining 29% are widely held

Interest in subsdiaries are disclosed in Note 13

Borrowings from Origin Global Holdings Limited, the major shareholder of the Group

The Group has a loan agreement with Origin Global Holdings Limited. The weighted average interest rate on related party borrowings is 6% per annum (2021: 6% per annum). The related party borrowings are payable beyond 12 months from the reporting date, accordingly they are classified as non-current. The movement schedule is shown below:

All figures in ZWL	INFLATION ADJUSTED 2022	INFLATION ADJUSTED 2021	HISTORICAL COST 2022	HISTORICAL COST 2021
Carrying amount at the beginning of the year	931,809,398	1,247,020,347	244,953,782	216,310,672
Loans advanced	499,852,510	-	483,069,438	-
Finance cost	65,368,179	69,812,791	48,800,124	15,358,932
Movements in exchange rates	1,703,238,324	60,382,164	1,550,102,277	13,284,178
Inflation adjustments	(873,342,789)	(445,405,904)	-	-
Carrying amount at the end of the year	**2,326,925,621**	**931,809,398**	**2,326,925,621**	**244,953,782**

Other receivable from Origin Global Holdings Limited, the major shareholder of the Group

The Group has an agreement that allows Origin Global Holdings Limited to receive funds from customers on behalf of the Group. The amount outstanding is secured by the borrowing above and will be settled in cash. 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.

All figures in ZWL	INFLATION ADJUSTED 2022	INFLATION ADJUSTED 2021	HISTORICAL COST 2022	HISTORICAL COST 2021
Carrying amount at the beginning of the year	875,388,200	681,002,193	230,121,794	118,128,018
Amounts advanced	119,277,858	500,645,533	108,553,733	86,842,987
Management fee expense	(105,698,941)	(85,275,897)	(62,174,906)	(18,498,780)
Movements in exchange rates	1,652,310,599	251,637,611	1,503,753,401	43,649,569
Inflation adjustments	(761,023,694)	(472,621,240)	-	-
Carrying amount at the end of the year	**1,780,254,022**	**875,388,200**	**1,780,254,022**	**230,121,794**

Directors and Key Management

The schedule below shows the movement in the payables' balance relating to remuneration due to Directors and Key management that were unpaid at year end. The amounts do not attract interest. These are payable within 12 months and have been classified as other payables.

24. RELATED PARTY DISCLOSURES - CONTINUED

	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	**2022**	**2021**	**2022**	**2021**
Carrying amount at the beginning of the year	5,572,750	4,413,202	1,464,963	765,523
Remuneration of directors and other members of key management personnel during the year	122,689,932	52,839,202	74,878,510	11,555,588
Payments made	(117,921,899)	(72,111,778)	(66,002,690)	(18,956,723)
Movements in exchange rates	61,982,181	46,699,415	44,544,379	8,100,575
Inflation adjustments	(17,437,802)	(26,267,291)	-	-
Carrying amount at the end of the year	**54,885,162**	**5,572,750**	**54,885,162**	**1,464,963**

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. DEFINED CONTRIBUTION PLANS

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 profit or loss amounts to ZWL50,665,849 inflation adjusted (Historical: ZWL23,362,039) representing contributions payable by the Group at rates specified in the rules of the plan.

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.

26. GOING CONCERN

The Directors of the Group have continued to review the financial impact of the effects of COVID-19 and the related global lockdown orders on the business. The Directors have also assessed the impact of the war between Russia and Ukraine on the business which has had a negative impact on the Group's cost of production and pricing. 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 30 September 2022, the financial position as at 30 September 2022 and the current and medium term forecasts for the Group taking into account the economic environment in Zimbabwe, climate change, the global supply chain 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 statements were prepared on a going concern basis.

27. EVENTS AFTER THE REPORTING DATE

There have been no significant events after the reporting date.

Shareholders' Profile

For the year ended 30 September 2022

ANALYSIS OF SHAREHOLDERS

SIZE OF SHAREHOLDING	NUMBER OF SHAREHOLDERS	% NO. OF SHAREHOLDERS	SHARES HELD	% OF SHARES HELD
1-5,000	1,193	64.07	1,791,813	0.11
5,001-10,000	189	10.15	1,418,833	0.09
10,001-50,000	285	15.31	6,451,416	0.40
50,001-100,000	68	3.65	5,089,226	0.30
100,001- and over	127	6.82	1,612,644,307	99.10
	1,862	**100.00**	**1,627,395,595**	**100.00**

CATEGORIES OF SHAREHOLDERS

SHAREHOLDERS GROUP	NUMBER OF SHAREHOLDERS	% NO. OF SHAREHOLDERS	SHARES HELD	% OF SHARES HELD
COMPANIES	248	13.32	186,111,015	11.44
ESTATES	1	0.06	10,000	0.00061
INDIVIDUALS	1,441	77.39	50,578,347	3.11
INSURANCE COMPANIES	9	0.48	45,668,820	2.80
INVESTMENT, TRUST AND PROPERTY COMPANIES	21	1.13	849,087	0.05
NOMINEE COMPANY	52	2.79	119,266,917	7.33
NON RESIDENT TRANSFERABLE	62	3.33	1,155,960,757	71.03
PENSION FUNDS	28	1.50	68,950,652	4.24
	1,862	**100.00**	**1,627,395,595**	**100.00**

Shareholders' Profile - Continued

For the year ended 30 September 2022

TOP TWENTY SHAREHOLDERS

HOLDER NAME	TOTAL HOLDING	% OF TOTAL ISSUED SHARES
ORIGIN GLOBAL HOLDINGS LIMITED	1,154,636,981	70.95
STANBIC NOMINEES (PRIVATE) LIMITED - NNR A/C 110008380002	82,314,586	5.06
BARATO INVESTMENTS LIMITED	70,324,454	4.32
NATIONAL SOCIAL SECURITY AUTHORITY-NPS	54,413,428	3.34
NSSA-NATIONAL PENSION SCHEME	47,530,830	2.92
OLD MUTUAL LIFE ASSURANCE OF ZIMBABWE LIMITED	26,873,477	1.65
SPEAR PAUL	26,730,912	1.64
NATIONAL SOCIAL SECURITY AUTHORITY (W.C.I.F.)	24,321,664	1.49
STANDARD CHARTERED NOMINEES (PVT) LTD-NNR	20,510,309	1.26
WORKERS COMPENSATION INSURANCE FUND	13,967,863	0.86
BETAVEST (PRIVATE) LIMITED	6,418,300	0.39
ECONET GROUP ZIMBABWE PENSION FUND-FML A/C 140043880025	6,250,000	0.39
STANBIC NOMINEES (PVT) LTD A/C 110008090011	5,812,036	0.36
PUBLIC SERVICE PF-PLATINUM	4,349,909	0.27
MIMOSA MINING PENSION FUND-IMARA	3,363,240	0.21
PHARMACEUTICAL AND CHEMICAL DISTRIBUTORS	3,166,300	0.19
NYARADZO LIFE ASSURANCE COMPANY	3,159,011	0.19
ZB FINANCIAL HOLDINGS GROUP PENSION FUND	2,969,382	0.18
QUANTAFRICA WEALTH MANAGEMENT	2,769,300	0.17
MUNSTER INVESTMENTS (PVT) LTD	2,481,060	0.16
TOTAL HOLDING OF TOP TWENTY SHAREHOLDERS	**1,562,363,042**	**96.00**
REMAINING HOLDING	**65,032,553**	**4.00**
TOTAL ISSUED SHARES	**1,627,395,595**	**100.00**

Notice to Shareholders

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the seventy-sixth (76th) Annual General Meeting ("AGM") of Ariston Holdings Limited ("the Company") will be held in the Centenary Room, Royal Harare Golf Club, 5th Street Extension, Harare, Zimbabwe on 24 February 2023 at 15:30hrs to consider the following business.

ORDINARY BUSINESS

1. **Financial Statements**
   To receive, consider and adopt the audited financial statements for the year ended 30 September 2022, together with the reports of the directors and auditors thereon.

2. **Re-election of directors**
   To elect directors who retire by rotation, in accordance with the provisions of the Company's Articles of Association. In accordance with the provisions of the Companies and Other Business Entities Act (Chapter 24:31), the directors will be elected as separate resolutions;

   2.1 Mr A. Jongwe retires by rotation and being eligible offers himself for re-election.
   2.2 Mr I. Chagonda retires by rotation and being eligible offers himself for re-election.

3. **Appointment of director**
   To consider and confirm appointment of Mr. Zvinavashe Thomas Zifamba to the Board of Directors. Mr. Zifamba is a Chartered Accountant who holds, amongst other qualifications, an Honours Bachelor of Accounting Science Degree from the University of South Africa. He has over 25 years experience in finance and is currently the Managing Director of Pace International.

4. **Director's remuneration**
   To approve directors' fees for the year ended 30 September 2022.

5. **Auditors**
   5.1 To approve the remuneration of the independent auditors for the year ended 30 September 2022 and;
   5.2 To appoint external auditors of the company for the ensuing year. Messrs PriceWaterhouseCoopers, who have been the company's auditors for the past three years, have indicated their willingness to be appointed as independent auditors of the company for the ensuing year.

ANY OTHER BUSINESS

PROXIES

A member entitled to attend and vote at the above meeting may appoint one or more proxies to attend, vote and speak on his/her behalf. A proxy need not be a member of the Company. A member wishing to appoint a proxy must lodge the completed proxy form at the registered office of the Company or the office of the Transfer Secretaries (ZB Transfer Secretaries (Private) Limited, 21 Natal Road, Avondale, Harare) not less than 48 hours before the appointed time for holding of the meeting.

COVID-19 PANDEMIC MEASURES

In line with the public health measures adopted by Government to curb the spread of the COVID-19 pandemic, all the required measures will be taken to protect the health and safety of shareholders and attendees at the Annual General Meeting.

By order of the Board

N. Ncube
Company Secretary

REGISTERED OFFICE

18 Coghlan Road
Greendale
Harare
P.O. Box 4019
Harare

28 DECEMBER 2022

ARISTON
HOLDINGS LIMITED

Registered Office: 18 Coghlan Road, Greendale, Harare, P.O. Box 4019, Harare

PROXY FORM

For use at the seventy-sixth (76th) Annual General Meeting ("AGM") of Ariston Holdings Limited to be held in the Centenary Room, Royal Harare Golf Club, 5th Street Extension, Harare, Zimbabwe on 24 February 2023 at 15:30hrs.

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 AGM, as my/our proxy to vote on my/our behalf at the seventy-sixth AGM of Ariston Holdings Limited to be held in the Centenary Room, Royal Harare Golf Club, 5th Street Extension, Harare, Zimbabwe on the 24 February 2023 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 the financial statements for the year ended 30 September 2022 together with the reports of the directors and auditors thereon.			
2. Re-election of directors			
2.1 Appointment of director, Mr. A. Jongwe			
2.2 Appointment of director, Mr. I. Chagonda			
3. Consideration and confirmation of appointment of Mr. Zvinavashe Thomas Zifamba to the Board of Directors			
4. Approval of directors' fees for the year ended 30 September 2022			
5. Auditors			
5.1. Approval of fees for the auditors for the year ended 30 September 2022			
5.2 Appointment of auditors, PwC offer themselves for re-appointment			

Signature of Shareholder.. Date..

AFFIX
STAMP
HERE

The Company Secretary
Ariston Holdings Limited
Registered Office:
P.O. Box 4019
Harare
Zimbabwe

The Company Secretary
Ariston Holdings Limited
Registered Office:
18 Coghlan Road
Greendale
Harare

Registered Office:
18 Coghlan Road, Greendale, Harare
P.O. Box 4019 Harare