



ARISTON
HOLDINGS LIMITED



2023 ANNUAL REPORT

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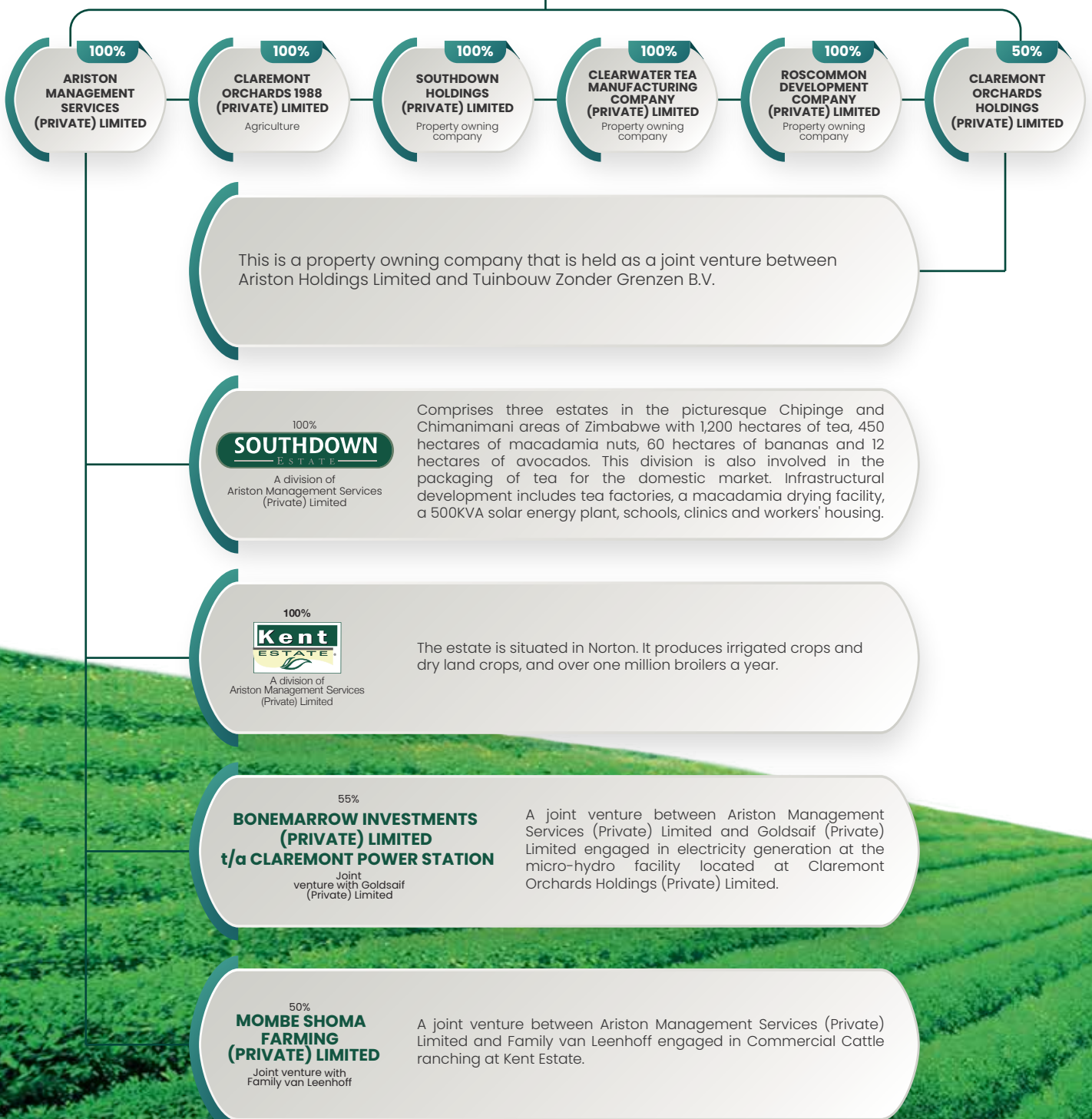
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Proxy form attached



Corporate Structure





*Listed in 1948, Ariston is an
agro-industrial company
operating five business
centres around Zimbabwe*



Financial Highlights

For the year ended 30 September 2023

	INFLATION ADJUSTED		HISTORICAL COST	
	2023	2022	2023	2022
GROUP SUMMARY (ZWL)				
Revenue	35,478,906,516	30,905,002,335	17,971,019,533	2,247,855,863
(Loss)/ Earnings before interest, tax, depreciation and amortisation (EBITDA) excluding fair value adjustments	(31,852,870,517)	1,821,668,930	(46,635,351,338)	(1,269,671,833)
Finance costs	(3,240,963,526)	(1,631,783,542)	(1,437,133,374)	(171,017,326)
(Loss)/ profit before taxation	(40,040,764,191)	(9,091,110,415)	(32,040,569,054)	11,493,109
Comprehensive income attributable to shareholders	(6,551,468,177)	42,922,836,386	44,090,642,289	7,864,952,446
Cash (utilised in)/ generated from operating activities	(16,531,346,766)	(22,617,150,136)	(303,886,801)	(3,297,230,146)
Capital expenditure	(5,461,552,509)	(2,343,531,492)	(2,791,450,853)	(132,462,400)
Cash resources net of short-term borrowings and short-term lease liabilities	(5,118,322,085)	(3,691,163,568)	(5,118,322,085)	(494,750,723)
Total assets employed	173,671,965,129	148,847,872,371	142,811,117,869	16,160,616,424
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)	(20.3206)	(3.6538)	(16.7543)	0.0407
Ordinary shareholders' equity per ordinary share (ZWL dollars)	51.4780	55.5030	32.1848	5.0920
Market price per ordinary share at year end (ZWL dollars)	31.95	3.85	31.95	3.85
FINANCIAL STATISTICS				
Interest cover (times)	(11.35)	(4.57)	(21.29)	1.07
Ordinary shareholders' equity to total assets (%)	48.24	60.68	36.68	51.28
Return on shareholders equity (%)	(7.82)	47.52	84.18	94.91

Directorate and Administration

DIRECTORS

Non-Executive

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

Executive

P.T. Spear	Group Chief Executive Officer
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BOARD COMMITTEES

Audit and Risk Committee

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

Human Resources and Remuneration Committee

C.P. Conradie	Chairman
A.C. Jongwe	
I. Chagonda	
Z.T. Zifamba	
P.T. Spear	

Operations/Technical Committee

T.C. Mazingi	Chairperson
A.C. Jongwe	
C.P. Conradie	
J.W. Riekert	
Z.T. Zifamba	
P.T. Spear	

SENIOR MANAGEMENT

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

REGISTERED OFFICE

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

COMPANY SECRETARY

N. Ncube

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
BancABC Zimbabwe Limited

LAWYERS

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

* During the period under review, Mr. Zvinavashe Thomas Zifamba was appointed 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.

Chairman's Statement

"A 169% increase in the share of profits from joint ventures was posted for the year."

Mr. A. C. Jongwe
Chairman



Chairman's Statement – Continued

INTRODUCTION

Although a dry spell was experienced at the start of the season, higher rainfall was received for the 2022/2023 rainfall season compared to the prior season. The Group's operations were negatively affected by the increasing cost of production for key production inputs such as fertilisers and crop chemicals, as well as the incessant power outages resulting in increased fuel usage for generators. The significant fuel costs resulted in the Board making a decision to invest in a solar power generating project, which was completed in July 2023. The saving as a result of this investment will be evident starting from the year ending 30 September 2024.

GROUP PERFORMANCE

Revenue for the year ended 30 September 2023 increased by 15% to ZWL35.479 billion when compared to prior year. This was despite the decline in the selling price of macadamia nuts, and was mainly attributable to an increase in the price of tea driven by improvement in quality.

The dollarisation of input costs resulted in an increase in the costs of sales by 10%. In the past the effects of the fair values on biological assets which had been harvested as at year end were included within cost of sales. To enhance compliance with reporting standards, in the current year the Group has presented its Costs of sales before taking into account the effects of fair value changes related to its biological assets. This has resulted in the Group reporting a Gross Loss. The fair value realised from biological assets throughout the year declined as a result of a decline in the price of macadamia nuts in the current period.

The joint ventures continued to contribute positively to the Group as evidenced by a 169% increase in the share of profits posted for the year.

Inflation adjusted interest expense increased by 99% to ZWL3.2 billion in the current reporting period. This was mainly as a result of an increase in borrowings held during the current period.

The Group posted a loss for the year of ZWL 33 billion compared to a profit of ZWL 5.9 billion in the prior year. The loss position is mainly driven by unrealised exchange losses arising from United States Dollar denominated liabilities.

A revaluation of the Group's buildings, leasehold and improvements, plant and machinery was performed as at 30 September 2023 and a revaluation surplus of ZWL26.5 billion was recognised.

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

The 2023/24 season is expected to receive below normal rainfall and the Group will have to depend on its irrigation systems. It is expected that the price of macadamia nuts will improve in the 2024 year. Cost savings as a result of the investment in the solar energy plant are expected.

DIRECTORATE

There have been no changes in the Directorate since our last pronouncement at the AGM held in February 2023.

APPRECIATION

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



ALEXANDER CRISPEN JONGWE
CHAIRMAN

18 DECEMBER 2023



Group Operational Overview

“Export tea sales volumes improved by 21%, with the average selling price improving by 6%.”

Mr. P. T. Spear
Chief Executive
Officer



Group Operational Overview – Continued

INTRODUCTION

This year's season commenced with a dry spell followed by greater rains than in prior year. Overall greater rainfall with better distribution was received in this season than in the prior comparative season.

The difficult operating environment noted in prior year continued into this financial year ended 30 September 2023. Global market disruptions which negatively affected the agricultural sector remained although some minor improvements were noted. The difficulties included lower agricultural commodity prices due to supply overhang from the COVID-19 shutdown period. Fertilizer and chemicals costs remained at price levels higher than the pre-COVID-19 period.

The local economic environment continued to be harsh, characterized by declining disposable incomes, incessant power outages and greater depreciation of the Zimbabwe dollar coupled with increased dollarisation of the local economy.

VOLUMES AND OPERATIONS

Tea

At the start of the year under review a decision was made to consolidate tea processing for two of the three Tea Estates into one tea processing factory. Thus, the green leaf from these two Estates was processed in the remaining factory. The equipment in this factory was upgraded to ensure capacity for the Greenleaf from both Estates and to improve quality and quantity of top export grades. Coupled with this decision, a solar generating plant was commissioned at the factory in an effort to mitigate against the incessant power outages being experienced. This resulted in savings as envisaged, but the savings will be more apparent in future years. Further, it provided predictability to factory processes. The solar plant started working from July 2023. Accordingly, the Group now operates two tea processing factories compared to three in prior year.

Tea volume in the current year declined 34% from 3,158 tons to 2,427 tons. This decline was a result of 20% of the lowest yielding tea gardens being pruned down for the season as the fertiliser costs would have made these gardens' viability marginal. They will come back into production in later years, at a more vigorous level. At the same time, focus on quality was enhanced resulting in improvements in the overall average selling price from USD1,075 per ton to USD1,875 per tonne, which was a 68% increase.

Export tea sales volumes improved by 21%, with the average selling price improving by 6%. Local tea sales volume declined by 6% whilst the average selling price improved by 38% largely driven by the dollarisation of the local economy.

In USD terms total tea revenue increased by 29% year on year.

Macadamia

Macadamia production volumes increased 23% in the current year compared to prior year. Unfortunately, the oversupply issue described in prior year which arose from the effects of COVID-19 wherein major world economic players were in lockdown persisted into current year. Prices were still lower than pre-COVID-19 period however demand improved albeit at lower prices. Average selling price declined by 40% in the current year compared to prior year.

Other products

The "Other Products" comprise potatoes, commercial maize, seed maize, soya beans and bananas. These products contributed 19% to the Group's turnover, up from 10% in the prior comparative year. Given the challenges encountered in the current reporting period, the Group's diversification of product offerings became more important than ever.

INVESTMENTS

During the period the biggest investment made was into a solar plant located at Southdown Estate, Chipinge. The plant is integrated into ZETDC and is on net metering. The plant came with a 1.2 megawatt storage facility as the tea factories operate throughout the day and night. The investment in the plant not only leads to financial savings to the Group; but is also in line with the Group's strategy of safeguarding and enhancing environmental resources and processes as this is a renewable energy source.

Expansion of macadamia orchards continued in the current year.

Road rehabilitations were undertaken at all the Chipinge and Chimanimani operations so as to reduce repairs and maintenance costs arising from bad road network.

OUTLOOK

The 2023/2024 agricultural season is expected to have lower than normal rainfall. The Group will have to rely heavily on its irrigation systems in mitigation. Dryland activities will be kept at a minimum. It is hoped that the extremely hot conditions will not persist for the duration of the entire season.

The tea production season has commenced well with harvests being greater than that harvested in the prior comparative period. Macadamia orchards, so far, have better nut set than the prior comparative period. Macadamia export prices being indicated for the 2023/2024 season are higher than prices achieved in the current year. Indications are that the global oversupply situation that arose during the COVID-19 period has now come to an end with the market being undersupplied now. Increasingly buyers are now trying to secure offtake agreements for the upcoming season. This is an improvement and points towards going back to the pre-COVID-19 period.

The Group will continue to focus on quality, production efficiencies and cost cutting measures.

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

18 DECEMBER 2023



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 2023.

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 satisfied themselves that the Group has adequate resources for the operations to continue for the foreseeable future. In this regard, they have considered the financial impact of the effects of COVID-19 and the impact of the war between Russia and Ukraine on the business. These conditions have resulted in increased cost of production and suppressed pricing. The directors 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 in terms of business viability and financial performance.

In the period under review, the Group has increased its focus on improving tea quality so as to grow its export sales volumes, as well as improve price. This strategy worked well in current year as evidenced by the increase in tea revenue. The Group has signed offtake agreement with major buyers for macadamia nuts and indicative prices have been higher than those achieved in the current year.

The Group has irrigation systems place, which assist in mitigating the effects of erratic rainfall patterns, where applicable. During the current year, the Group invested in a solar energy plant in a bid to mitigate against power outages as well as the high cost of fuel for generators which were previously used when there are power outages. The impact of this investment which is expected to be felt in the FY2024 is expected to result in cost savings. During the year, the Group undertook a staff rationalisation exercise. The benefits of this exercise will become more apparent in the ensuing year.

The Group has increased focus on expense control inclusive of direct importation on key line items so as to benefit from manufacturer discounts. In addition, the Group is working on replacing short term loans with longer dated ones. The Group's exposure to foreign denominated loans is fully mitigated by the Group's revenue streams principally being in the same foreign currency.

The above noted assessments considered the Group's financial performance and its resultant financial position as at 30 September 2023. The assessment also included a review of the Group's short term and medium-term prospects and forecasts taking into account the economic environment in Zimbabwe and in the global markets for its export products, climate change, supply chains and the expected impact on prices and demand for the Group's product offering. The directors believe that the Group's plans and activities adequately show that the business will continue to be viable and able to discharge its obligations as and when they fall due. 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.

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 2023 unissued share capital comprised of 372,604,405 (2022: 372,604,405) shares of ZWL0.001 each and of these, 29,370,286 (2022: 29,370,286) shares were under the control of directors, 23,075,000 (2022: 23,075,000) shares were set aside under the Senior Staff Share Option Scheme (2003, 2005 and 2011) and 320,159,119 (2022: 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 30 to 31 of these financial statements.

GROUP FINANCIAL RESULTS

The results for the year were as follows:

All figures in ZWL	INFLATION ADJUSTED	
	2023	2022
(Loss)/ profit before taxation	(40,040,764,191)	(9,091,110,415)
Income tax credit	6,971,047,912	3,144,959,761
(Loss)/ profit for the year	(33,069,716,279)	(5,946,150,654)

All figures in ZWL	HISTORICAL COST	
	2023	2022
(Loss)/ profit before taxation	(32,040,569,054)	11,493,109
Income tax credit	4,774,683,518	54,700,826
(Loss)/ profit for the year	(27,265,885,536)	66,193,935

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. C. P. Conradie and Mr. J. W. Riekert retire by rotation, and being eligible, offer themselves for re-election.

DIRECTORS' SHAREHOLDINGS

At 30 September 2023, the directors held directly and indirectly the following number of shares in the Company:

Director	At 30/09/23	At 30/09/22
Mr. I. Chagonda	-	-
Mr. C.P. Conradie	-	-
Mr. A. C. Jongwe	-	-
Mrs. T.C. Mazingi	658,870	658,870
Mr. J.W. Riekert	-	-
Mr. Z.T. Zifamba	-	-
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 2023 and to appoint auditors for the ensuing year.

BY ORDER OF THE BOARD



N. NCUBE
COMPANY SECRETARY

18 DECEMBER 2023

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 19 to 25.

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 2023, the financial position as at 30 September 2023 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.

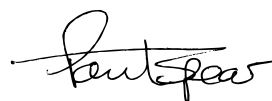
The Group's financial statements have been prepared under the supervision of Mrs. R.A. Chinamo, CA(Z), whose PAAB registration number is 3001. The financial statements have been audited in terms of section 191 of the Companies and Other Business Entities Act (Chapter 24:31).

The financial statements set out on pages 26 to 104 were approved by the Board of Directors and are signed on their behalf by:



A.C. JONGWE
CHAIRMAN

18 DECEMBER 2023



P.T. SPEAR
CHIEF EXECUTIVE OFFICER

18 DECEMBER 2023

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 six non-executive directors (including the chairman) and one executive director.

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

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

Special board meetings may be convened on an 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 2023

Director	Board	Audit and Risk Committee	Human Resources and Remuneration Committee	Operations/ Technical Committee
A.C. Jongwe	4/4	-	4/4	4/4
I. Chagonda	4/4	4/4	3/3	1/1
C.P. Conradie	3/4	4/4	4/4	4/4
T.C. Mazingi	4/4	3/3	1/1	4/4
J.W. Riekert	4/4	4/4	1/1	3/3
Z.T. Zifamba*	3/3	-	3/3	3/3
P.T. Spear	4/4	-	4/4	4/4

* Mr. Z.T. Zifamba was appointed during the year, and had not yet been appointed by the time the first set of meetings of the year were held.

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

18 DECEMBER 2023



PAUL TIMOTHY SPEAR
CHIEF EXECUTIVE OFFICER

18 DECEMBER 2023

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.
- The Group has invested in a solar energy plant for its largest Estate, thereby mitigating against the effects of power outages.

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, avocados, banana production and other horticultural crops.
- 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.
- Investment into additional solar energy plants for the remaining operations within the Group would reduce the costs attached to the incessant power outages experienced in the country, coupled with the 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. The impacts of the pandemic continue to be felt.
- 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.	<p>Hyperinflation continued to exert pressure on local sales but measures were put in place to ensure that value was retained as much as possible.</p> <p>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.</p> <p>Please refer to the Financial Highlights section of this report for the financial statistics.</p>
2	Manufactured	This refers to the property, plant and equipment that contribute to the Group's production of goods and services.	<p>"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. Further, installation of a 500KVA solar energy plant was implemented, allowing for a cleaner energy source.</p> <p>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.</p> <p>During the current year, the Group had capital expenditure of ZWL5,394,969,924 which was a 130% increase from prior year ZWL2,343,531,592. This was mainly due to the solar energy plant that was set up at Southdown Estate.</p>
3	Human	This capital relates to the Group's employees and their ability to carry out their tasks, motivation, competence, health and welfare. It also refers to their ability to fulfill their personal potential.	<p>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 monthly food hampers, staff housing for those based at the Estates, as well as hardship allowances in the prevailing economy.</p> <p>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.</p> <p>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.</p> <p>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.</p>

Value Creation – Continued

	Capital	Description	Detail
4	Natural	Environmental resources and processes, whether renewable or non-renewable available to the Group for use.	<p>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.</p> <p>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.</p> <p>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 & aforestation program, observes practical conservation policies, ensures recycling of water as well as promotes clean water sources. The Group also observes bee-keeping policies to encourage pollination for the orchards.</p>
5	Social and Relationship	This includes key stakeholder relationships such as the shareholders, suppliers, the general public as well as the government.	<p>Although the economic environment has been challenging, the Group strives to comply with its statutory obligations such as taxes.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>The Group has held several field days structured to suit various sectors for the agricultural community.</p>

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.	<p>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 23% of total revenue for the year (20% in 2022).</p> <p>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.</p>



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 2023, 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 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 26 to 104 comprise:

- the consolidated and separate statements of financial position as at 30 September 2023;
 - 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.

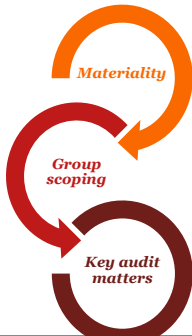
PricewaterhouseCoopers, Building No. 4, Arundel Office Park, Norfolk Road, Mount Pleasant
P O Box 453, Harare, Zimbabwe
T: +263 (242) 338362-8, F: +263 (242) 338395, www.pwc.com

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 <ul style="list-style-type: none"> Overall group materiality: ZWL406,165,054 , which represents 5% of average inflation adjusted profit before taxation from continuing operations from the past 3 years.
	Group audit scope <ul style="list-style-type: none"> 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 <ul style="list-style-type: none"> Valuation of biological assets; and Valuation of buildings, leasehold improvements and plant and machinery within 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 406,165,054
How we determined it	5% of consolidated average inflation adjusted profit before taxation from continuing operations of the past 3 years.
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
<p>Valuation of Biological Assets This key audit matter relates to the consolidated financial statements only.</p> <p>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.</p> <p>The fair value gain of the Group's biological assets amounted to ZWL 7,430,668,730 and the value of the biological assets was ZWL 10,323,201,974 (ZWL621,222,497 in non-current assets and ZWL9,701,979,477 in current assets) as at 30 September 2023.</p> <p>The value of biological assets is measured at fair value less costs to sell.</p> <p>The values of livestock, poultry and timber are determined based on the age, size and relevant market prices less costs to sell.</p> <p>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 account the level of maturity of the crop at the reporting date.</p>	<p>We performed the following procedures to assess the appropriateness of the valuation of biological assets:</p> <ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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 crops ("produce") we assessed the reasonableness of estimated yields, forecast prices and selling costs by comparing prior year estimates to

Refer to notes 3.5 - 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.

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 concurred with 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. We evaluated the correction of the prior period errors in the movement schedule of the biological assets as well as the cost of sales and fair value movement on biological assets to appropriately account for the fair value gain on biological assets harvested and sold during the year.

Valuation of buildings, leasehold improvements and plant and machinery within Property, Plant and Equipment

As at 30 September 2023, 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* and IFRS 13 Fair Value. The revaluation of buildings, leasehold improvements, plant and machinery was carried out as at 30 September 2023 by 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

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'*, IFRS 13 *"Fair Value"* 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

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 26,518,248,102 (after tax) as at 30 September 2023.

Refer to notes 3.9 - Property, plant and Equipment, 4.4, 10 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.

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 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 IFRS 13 - *Fair Value Measurement* 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* and IFRS 13 *Fair Value Measurement* . 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 2023*”. 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

18 December 2023
Harare
Zimbabwe

Statements of Profit or Loss and other Comprehensive Income

For the year ended 30 September 2023

INFLATION ADJUSTED

All figures in ZWL	Notes	AUDITED			
		COMPANY		GROUP	
		2023	2022	2023	RESTATED 2022
Revenue from contracts with customers	5.1	-	-	35,478,906,516	30,905,002,335
Cost of sales	14B	-	-	(44,833,735,276)	(40,844,450,628)
Gross loss		-	-	(9,354,828,760)	(9,939,448,293)
Other operating income	7	-	-	442,195,046	485,304,613
Operating expenses	7	(598,310,845)	(602,462,520)	(25,241,359,745)	(17,251,850,727)
Fair value movements on biological assets	11	-	-	7,430,668,730	27,745,476,064
(Loss)/profit from operations	7	(598,310,845)	(602,462,520)	(26,723,324,729)	1,039,481,657
Exchange differences		-	70,776,929	(57,062,088,456)	(12,112,594,441)
Monetary (loss)/ gain		(91,353,163)	(2,873,856,669)	44,473,184,667	2,679,671,327
Share of net profit of joint ventures accounted for using the equity method	12	-	-	2,512,427,853	934,114,584
Loss before interest and taxation		(689,664,008)	(3,405,542,260)	(36,799,800,665)	(7,459,326,873)
Finance costs	7.1	-	-	(3,240,963,526)	(1,631,783,542)
Loss before taxation		(689,664,008)	(3,405,542,260)	(40,040,764,191)	(9,091,110,415)
Income tax credit	8.1	-	-	6,971,047,912	3,144,959,761
Loss for the year		(689,664,008)	(3,405,542,260)	(33,069,716,279)	(5,946,150,654)
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	-	-	35,226,153,164	64,916,295,223
Tax on other comprehensive income	8.2	-	-	(8,707,905,062)	(16,047,308,183)
Other comprehensive income for the year, net of tax		-	-	26,518,248,102	48,868,987,040
Total comprehensive (loss)/ income for the year		(689,664,008)	(3,405,542,260)	(6,551,468,177)	42,922,836,386
* Restated Earnings per share (ZWL dollars)					
Basic earnings per share	9	(0.4238)	(2.0926)	(20.3206)	(3.6538)
Diluted earnings per share	9	(0.4238)	(2.0926)	(20.3206)	(3.6538)

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

Statements of Profit or Loss and other Comprehensive Income – Continued

For the year ended 30 September 2023

HISTORICAL COST

All figures in ZWL	Notes	UNAUDITED			
		COMPANY		GROUP	
		2023	2022	2023	RESTATED 2022
Revenue	5.1	-	-	17,971,019,533	2,247,855,863
Cost of sales	14B	-	-	(19,483,757,124)	(3,000,974,458)
Gross loss		-	-	(1,512,737,591)	(753,118,595)
Other operating income	7	-	-	133,893,901	47,557,769
Operating expenses	7	(297,909,842)	(30,913,123)	(13,272,341,926)	(1,111,581,374)
Fair value movements on biological assets	11	-	-	16,351,698,512	3,471,006,689
(Loss)/profit from operations	7	(297,909,842)	(30,913,123)	1,700,512,896	1,653,864,489
Exchange differences		-	2,653,455	(35,365,862,168)	(1,694,311,472)
Share of net profit of joint ventures accounted for using the equity method	12	-	-	3,061,913,592	222,957,418
(Loss)/ profit before interest and taxation		(297,909,842)	(28,259,668)	(30,603,435,680)	182,510,435
Finance costs	7.1	-	-	(1,437,133,374)	(171,017,326)
(Loss)/ profit before taxation		(297,909,842)	(28,259,668)	(32,040,569,054)	11,493,109
Income tax credit	8	-	-	4,774,683,518	54,700,826
(Loss)/ profit for the year		(297,909,842)	(28,259,668)	(27,265,885,536)	66,193,935
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	-	-	94,788,161,298	10,359,668,585
Tax on other comprehensive income	8.2	-	-	(23,431,633,473)	(2,560,910,074)
Other comprehensive income for the year, net of tax		-	-	71,356,527,825	7,798,758,511
Total comprehensive (loss)/ income for the year		(297,909,842)	(28,259,668)	44,090,642,289	7,864,952,446
Earnings per share (ZWL dollars)					
Basic earnings per share	9	(0.1831)	(0.0174)	(16.7543)	0.0407
Diluted earnings per share	9	(0.1831)	(0.0174)	(16.7543)	0.0407

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

Statements of Financial Position

As at 30 September 2023

INFLATION ADJUSTED

All figures in ZWL	Notes	AUDITED			
		COMPANY		GROUP	
		30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22
ASSETS					
Non-current assets					
Property, plant and equipment	10	-	-	130,906,674,589	102,305,976,483
Biological assets	11	-	-	621,222,497	527,242,236
Right of use assets	20	-	-	463,429,152	560,425,086
Investment in joint ventures	12	2,459,339	2,459,339	7,896,731,197	6,460,075,222
Investment in subsidiaries	13	8,396,025	8,396,025	-	-
		10,855,364	10,855,364	139,888,057,435	109,853,719,027
Current assets					
Biological assets	11	-	-	9,701,979,477	12,890,906,398
Inventories	14	-	-	4,059,621,441	5,821,226,985
Trade and other receivables	15	77,280,727	951,603,639	19,436,500,454	18,612,275,787
Cash and cash equivalents	6.5	-	-	585,806,322	1,669,744,174
		77,280,727	951,603,639	33,783,907,694	38,994,153,344
TOTAL ASSETS		88,136,091	962,459,003	173,671,965,129	148,847,872,371
EQUITY					
Share capital and reserves					
Share capital	16	2,407,884,709	2,407,884,709	2,407,884,709	2,407,884,709
Share premium	16	16,160,563,995	16,160,563,995	16,160,563,995	16,160,563,995
Revaluation reserve	10B	-	-	75,387,235,142	48,868,987,040
(Accumulated losses)/distributable reserves		(18,794,866,252)	(18,105,202,244)	(10,181,284,735)	22,888,431,544
		(226,417,548)	463,246,460	83,774,399,111	90,325,867,288
LIABILITIES					
Non-current liabilities					
Borrowings	19	-	-	32,781,519,886	24,328,459,341
Deferred tax	17	-	-	20,709,008,458	18,972,151,308
Lease Liabilities	20	-	-	385,941,669	172,548,861
		-	-	53,876,470,013	43,473,159,510
Current liabilities					
Borrowings	19	-	-	5,647,438,547	5,313,933,760
Trade and other payables	18	314,553,639	499,212,543	30,316,967,598	9,540,098,035
Contract liabilities	5.4	-	-	-	147,839,797
Lease Liabilities	20	-	-	56,689,860	46,973,981
		314,553,639	499,212,543	36,021,096,005	15,048,845,573
TOTAL EQUITY AND LIABILITIES		88,136,091	962,459,003	173,671,965,129	148,847,872,371

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



A.C. JONGWE
CHAIRMAN

18 DECEMBER 2023



P.T. SPEAR
CHIEF EXECUTIVE OFFICER

18 DECEMBER 2023

Statements of Financial Position – Continued

As at 30 September 2023

HISTORICAL COST


All figures in ZWL	Notes	UNAUDITED			
		COMPANY		GROUP	
		30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22
ASSETS					
Non-current assets					
Property, plant and equipment	10	-	-	106,652,914,804	10,599,601,115
Biological assets	11	-	-	621,222,497	70,669,715
Right of use assets	20	-	-	26,460,055	4,380,993
Investment in joint ventures	12	1,661	1,661	2,590,466,627	355,642,108
Investment in subsidiaries	13	5,677	5,677	-	-
		7,338	7,338	109,891,063,983	11,030,293,931
Current assets					
Biological assets	11	-	-	9,701,979,477	1,727,852,246
Inventories	14	-	-	3,335,367,579	690,095,271
Trade and other receivables	15	77,280,727	127,549,641	19,296,900,508	2,488,568,276
Cash and cash equivalents	6.5	-	-	585,806,322	223,806,700
		77,280,727	127,549,641	32,920,053,886	5,130,322,493
TOTAL ASSETS		77,288,065	127,556,979	142,811,117,869	16,160,616,424
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	-	-	79,155,286,336	7,798,758,511
Distributable reserves/ (Accumulated losses)		(249,815,262)	48,094,580	(26,790,488,266)	475,397,270
		(237,265,575)	60,644,267	52,377,347,757	8,286,705,468
LIABILITIES					
Non-current liabilities					
Borrowings	19	-	-	32,781,519,886	3,260,902,051
Deferred tax	17	-	-	21,245,212,553	2,588,262,598
Lease Liabilities	20	-	-	385,941,669	23,127,849
		-	-	54,412,674,108	5,872,292,498
Current liabilities					
Borrowings	19	-	-	5,647,438,547	712,261,194
Trade and other payables	18	314,553,640	66,912,712	30,316,967,597	1,263,245,106
Contract liabilities	5.4	-	-	-	19,815,929
Lease Liabilities	20	-	-	56,689,860	6,296,229
		314,553,640	66,912,712	36,021,096,004	2,001,618,458
TOTAL EQUITY AND LIABILITIES		77,288,065	127,556,979	142,811,117,869	16,160,616,424

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



A.C. JONGWE
CHAIRMAN

18 DECEMBER 2023



P.T. SPEAR
CHIEF EXECUTIVE OFFICER

18 DECEMBER 2023

Statements of Changes in Shareholders' Equity

For the year ended 30 September 2023

INFLATION ADJUSTED

COMPANY

All figures in ZWL	AUDITED				
	Share capital	Share premium	Revaluation reserve	Accumulated losses	Total
Balance at 30 September 2021	2,407,884,709	16,160,563,995	-	(13,355,861,033)	5,212,587,671
Dividend for the 2021 financial year	-	-	-	(1,343,798,951)	(1,343,798,951)
Total comprehensive loss for the year	-	-	-	(3,405,542,260)	(3,405,542,260)
Balance at 30 September 2022	2,407,884,709	16,160,563,995	-	(18,105,202,244)	463,246,460
Total comprehensive loss for the year	-	-	-	(689,664,008)	(689,664,008)
Balance at 30 September 2023	2,407,884,709	16,160,563,995	-	(18,794,866,252)	(226,417,548)

GROUP

All figures in ZWL	AUDITED				
	Share capital	Share premium	Revaluation reserve	Accumulated losses	Total
Balance at 30 September 2021	2,407,884,709	16,160,563,995	-	30,178,381,149	48,746,829,853
Dividend for the 2021 financial year	-	-	-	(1,343,798,951)	(1,343,798,951)
Total comprehensive income/ (loss) for the year	-	-	48,868,987,040	(5,946,150,654)	42,922,836,386
Balance at 30 September 2022	2,407,884,709	16,160,563,995	48,868,987,040	22,888,431,544	90,325,867,288
Total comprehensive income/ (loss) for the year	-	-	26,518,248,102	(33,069,716,279)	(6,551,468,177)
Balance at 30 September 2023	2,407,884,709	16,160,563,995	75,387,235,142	(10,181,284,735)	83,774,399,111

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

Statements of Changes in Shareholders' Equity – Continued

For the year ended 30 September 2023

HISTORICAL COST

COMPANY

All figures in ZWL	UNAUDITED				Total
	Share capital	Share premium	Revaluation reserve	Accumulated losses	
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
Total comprehensive loss for the year	-	-	-	(297,909,842)	(297,909,842)
Balance at 30 September 2023	1,627,395	10,922,292	-	(249,815,262)	(237,265,575)

GROUP

All figures in ZWL	UNAUDITED				Total
	Share capital	Share premium	Revaluation reserve	Accumulated losses	
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 income 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
Total comprehensive income/ (loss) for the year	-	-	71,356,527,825	(27,265,885,536)	44,090,642,289
Balance at 30 September 2023	1,627,395	10,922,292	79,155,286,336	(26,790,488,266)	52,377,347,757

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

Statements of Cashflows

For the year ended 30 September 2023

INFLATION ADJUSTED

All figures in ZWL	Notes	AUDITED			
		COMPANY		GROUP	
		2023	RESTATED 2022	2023	RESTATED 2022
Cash flows from operating activities					
Loss before interest and taxation		(689,664,008)	(3,405,542,260)	(36,799,800,665)	(7,459,326,873)
Non-cash items	6.1	-	-	43,470,297,616	(1,749,729,292)
Monetary (losses)/ gains		91,353,163	2,873,856,669	(44,473,184,667)	(2,679,671,327)
Changes in working capital	6.2	689,664,009	3,405,542,261	21,271,340,950	(10,728,422,644)
Cash utilised in operating activities		91,353,164	2,873,856,670	(16,531,346,766)	(22,617,150,136)
Cash flows from investing activities					
Payments for property, plant and equipment acquired		-	-	(3,747,577,879)	(2,001,514,440)
Purchase of bearer plants	10	-	-	(1,713,974,629)	(295,349,855)
Proceeds from sale of property, plant and equipment		-	-	3,783,048	5,604,555
Dividends received on investments				1,075,771,878	248,241,492
Proceeds from sale of investments		-	-	-	4,708,023,654
Cash (utilised in)/ generated investing activities		-	-	(4,381,997,582)	2,665,005,406
Cash flows from financing activities					
Proceeds from borrowings	6.3	-	-	37,673,599,606	38,310,564,914
* Repayment of borrowings	6.3	-	-	(20,464,946,717)	(19,964,496,125)
Repayment of lease arrangements	6.4	-	-	(83,359,306)	(202,036,824)
Dividend payment		-	-	-	(477,418,316)
Cash generated from financing activities		-	-	17,125,293,583	17,666,613,649
Net cash (outflow)/ inflow		91,353,164	2,873,856,670	(3,788,050,765)	(2,285,531,080)
IAS 29 impact on cashflows		(91,353,164)	(2,873,856,670)	2,704,112,913	3,732,019,556
Effects of exchange rate		-	-	-	-
Cash and cash equivalents at beginning of year		-	-	1,669,744,174	223,255,698
Cash and cash equivalents at end of year		-	-	585,806,322	1,669,744,174
Cash and cash equivalents at end of year comprising:					
Cash and cash equivalents	6.5	-	-	585,806,322	1,669,744,174
Cash and cash equivalents at the end of year		-	-	585,806,322	1,669,744,174

* Included in Repayment of borrowings is interest paid of ZWL1,428,299,158 (2022: ZWL1,214,272,612)

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

Statements of Cashflows – Continued

For the year ended 30 September 2023

HISTORICAL COST

All figures in ZWL	Notes	UNAUDITED			
		COMPANY		GROUP	
		2023	RESTATED 2022	2023	RESTATED 2022
Cash flows from operating activities					
Loss before interest and taxation		(297,909,842)	(28,259,668)	(30,603,435,680)	182,510,435
Non-cash items	6.1	-	-	20,789,068,622	(1,668,231,883)
Changes in working capital	6.2	297,909,842	28,259,668	9,510,480,257	(1,811,508,698)
Cash generated/ (utilised in) from operating activities		-	-	(303,886,801)	(3,297,230,146)
Cash flows from investing activities					
Payments for property, plant and equipment acquired		-	-	(2,554,472,338)	(117,129,832)
Purchase of bearer plants	10	-	-	(236,978,515)	(12,078,241)
Proceeds from sale of property, plant and equipment		-	-	545,349	235,027
Dividends received on investments		-	-	827,089,073	20,313,529
Proceeds from sale of investments		-	-	-	176,506,854
Cash (utilised in)/ generated investing activities		-	-	(1,963,816,431)	67,847,337
Cash flows from financing activities					
Proceeds from borrowings	6.3	-	-	9,631,972,966	4,248,430,064
* Repayment of borrowings	6.3	-	-	(6,967,324,009)	(748,476,765)
Repayment of lease arrangements	6.4	-	-	(34,946,102)	(27,080,313)
Dividend payment		-	-	-	(27,549,999)
Cash generated from financing activities		-	-	2,629,702,855	3,445,322,987
Net cash inflow		-	-	361,999,622	215,940,178
Effects of exchange rate		-	-	-	-
Cash and cash equivalents at beginning of year		-	-	223,806,700	7,866,522
Cash and cash equivalents at end of year		-	-	585,806,322	223,806,700
Cash and cash equivalents at end of year comprising:					
Cash and cash equivalents	6.5	-	-	585,806,322	223,806,700
Cash and cash equivalents at the end of year		-	-	585,806,322	223,806,700

* Included in Repayment of borrowings is interest paid of ZWL682,582,116 (2022: ZWL72,170,926)

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

Notes to the Financial Statements

For the year ended 30 September 2023

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 (Proprietary) 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 5466.7466.

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 2023 year-end

Annual improvements cycle 2018 -2020 **Issued: May 2020** **Effective date: Annual periods beginning on or after 1 January 2022**

These amendments include minor changes to:

- 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. The amendment removes the requirement for entities to exclude cash flows for taxation when measuring fair value.

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

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

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 2023 year-end - continued

Amendments to IAS 37 Onerous Contracts—Cost of Fulfilling a Contract

Issued: May 2020

Effective date: Annual periods beginning on or after 1 January 2022

The amendment to IAS 37 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.

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

Amendment to IFRS 3, 'Business combinations Asset or liability in a business combination clarity

Issued: May 2020

Effective date: Annual 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 amendment to 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

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.

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 2024

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.

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 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.

3.1.1 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 fifth year of application of IAS 29.

Historical cost basis have been restated to comply with IAS 29 which requires that financial results be prepared and presented in terms of the measuring unit current at the reporting date, with comparative information being restated in the same manner. The restatements to cater for the changes in the General Purchasing Power of the Zimbabwean Dollar (ZWL) are based on indices and conversion factors derived from the Consumer Price Index (CPI) compiled by the Zimbabwe National Statistics Agency up to January 2023.

During the reporting period, the Minister of Finance and Economic Development introduced Statutory Instrument 27 of 2023: Census and Statistics (General) Notice, 2023 which states that the rate of inflation is now blended for both the Zimbabwe and United States dollars. The separate consumer price index for the Zimbabwe dollar, which is the Group's functional currency and the currency that is experiencing hyper-inflation, is no longer available. The use of the blended consumer price index (CPI) for adjusting the Historical Cost financial results would be inappropriate, as its computation takes into account the effect of inflation on the United States Dollar, a currency which is not currently experiencing hyper inflation. IAS 29 allows for the estimation of CPIs if the CPIs are not readily available. Therefore judgement has been used in determining the CPIs due to limitation of available data. For the months of February to September, the CPIs have been estimated based on the movement in the interbank exchange rate between the United States dollar and the Zimbabwe dollar. The interbank exchange rates used have been obtained from the Reserve Bank of Zimbabwe website. The sensitivity analysis is presented on Note 27.

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3.1.1 Hyperinflation - continued

Key CPIs and conversion factors used are shown below:

2023			2022		
Month	Monthly Indices	Conversion Factors	Month	Monthly Indices	Conversion Factors
Sep-22	12,713.12	7.46	Sep-21	3,342.02	3.80
Oct-22	13,113.95	7.23	Oct-21	3,555.90	3.58
Nov-22	13,349.42	7.11	Nov-21	3,760.86	3.38
Dec-22	13,672.91	6.94	Dec-21	3,977.46	3.20
Jan-23	13,819.67	6.86	Jan-22	4,189.97	3.03
Feb-23	15,426.47	6.15	Feb-22	4,483.06	2.84
Mar-23	16,133.12	5.88	Mar-22	4,766.10	2.67
Apr-23	18,173.19	5.22	Apr-22	5,507.11	2.31
May-23	44,711.99	2.12	May-22	6,662.17	1.91
Jun-23	99,585.60	0.95	Jun-22	8,707.35	1.46
Jul-23	78,366.63	1.21	Jul-22	10,932.83	1.16
Aug-23	79,950.76	1.19	Aug-22	12,286.26	1.03
Sep-23	94,848.19	1.00	Sep-22	12,713.12	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.

The principal accounting policies are set out below:

3.2 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) and joint ventures 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 entities within the Group.

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

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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

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

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments, when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

3.3 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.

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3.3 Business combinations - continued

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

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

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

3.4 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.

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3.4 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.

3.5 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. 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 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 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 Chief Executive Officer, the Finance Director, the Chief Operating Officer and the relevant board committees. As part of this discussion a report that explains the reason for the fair value movements is presented.

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3.5 Biological assets- continued

Bearer plants are 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 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.

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.

3.6 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.

3.7 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.

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3.7 Financial instruments - continued

Classification of financial assets

Financial assets 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.

Financial assets 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).

(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.

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3.7 Financial instruments - continued

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. 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.

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.

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).

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.

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3.7 Financial instruments - continued

Significant increase in credit risk - continued

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.

(i) 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.

(ii) 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.

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3.7 Financial instruments - continued

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.

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.

3.8 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.

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3.8 Taxation - continued

Deferred tax - continued

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.

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.

3.9 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:

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3.9 Property, plant and equipment - continued

	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

Depreciation on Motor vehicles, Computer equipment and furniture are charged on the cost of the assets. Depreciation for Leasehold improvements, Buildings, Plant and machinery for the year is charged on the revalued opening balance of the assets. This is charged to the Profit or loss account. A revaluation was performed as at 30 September 2023, and the net replacement method has been applied.

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.

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.

3.10 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.

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3.10 Impairment of tangible and intangible assets other than goodwill - continued

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.

3.11 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.

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3.12 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.

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.

3.13 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.

3.14 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.

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3.15 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 leave 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 are 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.

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. Interest is charged on prepayments from customers at the prevailing market rate, and is expensed as finance costs.

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.

Foreign trade receivables are secured as their products are only shipped upon receipt of payment. The lag between revenue recognition and shipping date is usually within 30 days. To date, there have been no reversal of revenue from the time between products are ex-farm gate and when they are shipped.

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. 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. Interest charged by customers on prepayments are considered as insignificant, as contract liability transactions are concluded within a one year period. Based on the factors noted above no significant financing component were identified in revenue from contract from customers.

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3.16 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.

3.17 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, if 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 forfeited the value relating to the expired or forfeited options is transferred to distributable reserves.

Equity-settled share based payment transactions with parties other than employees are measured at 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.

3.18 Cost of sales

Cost of sales include direct material and labour costs, indirect costs that can be directly attributed to generation of revenue; for example, depreciation of assets used in the production.

3.19 Foreign currencies

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

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

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.

4.3 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 Fair value of Buildings, leasehold improvements, plant and machinery – Property, plant and equipment

In the prior year, 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 Plant and machinery. 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. This change was effective from 30 September 2022 and was prospectively applied in terms of IAS 8 paragraph 17.

In the current period, a revaluation of buildings, leasehold improvements, plant and machinery was carried out as at 30 September 2023 (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.

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

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

4.4. Property, plant and equipment - continued

4.4.1 Fair value of Buildings, leasehold improvements, plant and machinery – Property, plant and equipment - continued

A net revaluation surplus after tax of ZWL26,487,368,032 inflation adjusted, has been recognised. Had the cost model been used instead of the revaluation model on the buildings and leasehold improvements would have had a carrying amount of ZWL7,623,382,874 while plant and machinery would have had a carrying amount of ZWL8,160,691,309. 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 and depreciation

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.

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 10.1% 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).

Revaluation

Estimated cost depreciated replacement method

The revaluation method estimates the anticipated cost of 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 cost is then depreciated according to age, obsolescence, use and condition of the asset. The value is only applied to assets which are part of an operating concern and assumes adequate potential profitability.

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

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

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 5466.7466.

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). The restatements to cater for the changes in the General Purchasing Power of the Zimbabwean Dollar (ZWL) are based on indices and conversion factors derived from the Consumer Price Index (CPI) compiled by the Zimbabwe National Statistics Agency up to January 2023.

During the reporting period, the Minister of Finance and Economic Development introduced Statutory Instrument 27 of 2023: Census and Statistics (General) Notice, 2023 which states that the rate of inflation is now blended for both the Zimbabwe and United States dollars. The separate consumer price index for the Zimbabwe dollar, which is the Group's functional currency and the currency that is experiencing hyper-inflation, is no longer available. The use of the blended consumer price index (CPI) for adjusting the Historical Cost financial results would be inappropriate, as its computation takes into account the effect of inflation on the United States Dollar, a currency which is not currently experiencing hyper inflation. IAS 29 allows for the estimation of CPIs if the CPIs are not readily available. It is on this basis that for the months of February to September, the CPIs have been estimated based on the movement in the interbank exchange rate between the United States dollar and the Zimbabwe dollar. Therefore judgement has been used in determining the CPIs due to limitation of available data.

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. 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. Although the Group owns 55% of the interest, the contractual arrangement gives control of the arrangement to both parties. Decisions about the relevant activities require the unanimous consent of both the Group and Goldsaif (Private) Limited. The contractual arrangement establishes that both 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. See note 12 for details.

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

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

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.

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 Chief Operations Officer.

For management purposes, the Group is organised into three major operating business units from a product and services perspective. These are Southdown Estates, Kent Estate and Corporate Office. 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.
3. Ariston Corporate Office - responsible for the administration of Ariston Management Services, Ariston Holdings Limited, the Group's joint venture operations as well the property owning companies.

Claremont Estate has been disclosed as it still holds some assets and liabilities which are being settled gradually.

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.

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

5. SEGMENT REPORTING - CONTINUED

Description of segments and principal activities - continued

The executive committee primarily uses the following measures of profit/(loss) before interest and taxation, 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

All figures in ZWL	AUDITED					
	Revenue from external customers		Inter-segment revenue		Total revenue	
	2023	2022	2023	2022	2023	2022
Southdown Estates	29,949,790,104	23,888,697,078	-	-	29,949,790,104	23,888,697,078
Claremont Estate	-	25,686,185	-	-	-	25,686,185
Kent Estate	5,529,116,412	6,990,619,072	-	-	5,529,116,412	6,990,619,072
Total	35,478,906,516	30,905,002,335	-	-	35,478,906,516	30,905,002,335

Segment revenue reported above represents revenue generated from external customers. There was no inter-segment revenue in the period under review (2022: ZWL nil).

HISTORICAL COST

All figures in ZWL	UNAUDITED					
	Revenue from external customers		Inter-segment revenue		Total revenue	
	2023	2022	2023	2022	2023	2022
Southdown Estates	15,368,532,091	1,748,172,495	-	-	15,368,532,091	1,748,172,495
Claremont Estate	-	2,233,742	-	-	-	2,233,742
Kent Estate	2,602,487,442	497,449,626	-	-	2,602,487,442	497,449,626
Total	17,971,019,533	2,247,855,863	-	-	17,971,019,533	2,247,855,863

Segment revenue reported above represents revenue generated from external customers. There was no inter-segment revenue in the period under review (2022: ZWL nil).

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	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL	
	2023	2022	2023	2022
Tea	22,378,456,110	14,511,334,633	10,558,075,242	1,098,534,683
Macadamia nuts	6,774,761,461	8,714,656,106	4,512,657,901	603,219,842
Vegetables and fruits	1,527,151,579	1,090,973,303	407,304,355	67,328,303
Poultry	1,706,503,880	4,375,534,874	267,894,024	287,601,884
*Other crops	3,092,033,486	2,212,503,419	2,225,088,011	191,171,151
Total	35,478,906,516	30,905,002,335	17,971,019,533	2,247,855,863

* Other crops, which include avocados, commercial maize, seed maize, green mealies, commercial sugar beans, seed sugar beans and soya beans.

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

5. SEGMENT REPORTING - CONTINUED

5.2 Revenue from major products and services - continued

Timing of revenue recognition

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL	
All figures in ZWL	2023	2022	2023	2022
At a point in time	35,478,906,516	30,905,002,335	17,971,019,533	2,247,855,863

Customers pay a fixed price based on the invoice raised. In the current year, 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.

In 2022, a contract was entered into with a customer whose transaction price was dependent on market conditions, thus is a variable consideration. All the facts, conditions and events were 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. There was no such contract in the current year.

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

5. SEGMENT REPORTING - CONTINUED

5.2 Revenue from major products and services - continued

Segment revenues by product

INFLATION ADJUSTED

All figures in ZWL	AUDITED			
	SOUTHDOWN ESTATES		CLAREMONT ESTATE	
	2023	2022	2023	2022
Tea	22,378,456,110	14,511,334,633	-	-
Macadamia nuts	6,774,761,461	8,714,656,106	-	-
Vegetables and fruits	796,572,533	662,706,339	-	-
Poultry	-	-	-	-
*Other crops	-	-	-	25,686,185
Total	29,949,790,104	23,888,697,078	-	25,686,185

HISTORICAL COST

All figures in ZWL	UNAUDITED			
	SOUTHDOWN ESTATES		CLAREMONT ESTATE	
	2023	2022	2023	2022
Tea	10,558,075,242	1,098,534,683	-	-
Macadamia nuts	4,512,657,901	603,219,842	-	-
Vegetables and fruits	297,798,948	46,417,970	-	-
Poultry	-	-	-	-
*Other crops	-	-	-	2,233,742
Total	15,368,532,091	1,748,172,495	-	2,233,742

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

	KENT ESTATE		TOTAL	
	2023	2022	2023	2022
	-	-	22,378,456,110	14,511,334,633
	-	-	6,774,761,461	8,714,656,106
	730,579,046	428,266,964	1,527,151,579	1,090,973,303
	1,706,503,880	4,375,534,874	1,706,503,880	4,375,534,874
	3,092,033,486	2,186,817,234	3,092,033,486	2,212,503,419
	5,529,116,412	6,990,619,072	35,478,906,516	30,905,002,335

	KENT ESTATE		TOTAL	
	2023	2022	2023	2022
	-	-	10,558,075,242	1,098,534,683
	-	-	4,512,657,901	603,219,842
	109,505,407	20,910,333	407,304,355	67,328,303
	267,894,024	287,601,884	267,894,024	287,601,884
	2,225,088,011	188,937,409	2,225,088,011	191,171,151
	2,602,487,442	497,449,626	17,971,019,533	2,247,855,863

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

5. SEGMENT REPORTING - CONTINUED

5.2 Revenue from major products and services - continued

Information about major customers

Included in total inflation-adjusted revenues arising from sales of tea of ZWL22,378,456,109 (2022: ZWL14,511,334,632) are revenues of approximately ZWL8,035,862,677 (2022: ZWL6,153,223,434) 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 ZWL6,774,761,461 (2022: ZWL8,714,656,106) are revenues of approximately ZWL5,638,597,310 (2022: ZWL6,972,899,416) which arose from sales to two of the Group's foreign customers.

5.3 Major goods and services per primary geographical market

All figures in ZWL	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL COST	
	2023	2022	2023	2022
Zimbabwe	20,483,678,584	17,652,683,020	9,274,242,129	1,811,475,893
Asia	7,494,861,944	2,971,467,568	4,308,762,568	97,563,949
United Kingdom	5,071,177,140	2,652,083,435	2,915,397,028	87,077,421
Rest of world	2,429,188,848	7,628,768,312	1,472,617,808	251,738,600
	35,478,906,516	30,905,002,335	17,971,019,533	2,247,855,863

5.4 Liabilities related to contracts with customers

All figures in ZWL	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL COST	
	2023	2022	2023	2022
Macadamia Nuts	-	147,839,774	-	19,815,929
	-	147,839,774	-	19,815,929
Current	-	147,839,774	-	19,815,929
Non-current	-	-	-	-
	-	147,839,774	-	19,815,929

Contract liabilities arose from prepayment of macadamia nuts. The interest charged on prefinancing was 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	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL COST	
	2023	2022	2023	2022
Revenue recognised	308,180,326	2,883,910,685	19,815,929	99,221,342
	308,180,326	2,883,910,685	19,815,929	99,221,342

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.

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

5. SEGMENT REPORTING - CONTINUED

5.5 Segment results

	AUDITED			UNAUDITED		
	INFLATION ADJUSTED			HISTORICAL COST		
	2023	*2022	*2022 AS PREVIOUSLY STATED	2023	*2022	*2022 AS PREVIOUSLY STATED
All figures in ZWL		RESTATED			RESTATED	
Segment profit/ (loss) from operations excluding unrealised fair value adjustments						
Southdown Estates	(19,751,058,046)	(19,292,944,992)	2,649,948,107	1,520,360,858	(2,366,197,089)	334,687,369
Claremont Estate	(44,244,097)	(50,110,179)	(50,110,179)	(37,294,854)	(1,745,055)	(1,745,055)
Kent Estate	(4,850,995,515)	(3,986,829,870)	(2,145,298,393)	(9,089,436,113)	56,941,657	56,941,657
Ariston Corporate Office	(9,507,695,801)	(3,376,109,366)	(3,376,109,366)	(7,044,815,507)	493,858,287	(201,316,072)
	(34,153,993,459)	(26,705,994,407)	(2,921,569,831)	(14,651,185,616)	(1,817,142,200)	188,567,899
Segment fair value adjustments on biological assets						
Southdown Estates	(2,528,629,359)	3,119,310,864	3,055,974,111	7,807,697,666	1,289,220,954	1,258,245,278
Claremont Estate	-	-	63,336,753	-	-	30,975,676
Kent Estate	9,959,298,089	24,626,165,200	841,740,625	8,544,000,846	2,181,785,735	176,075,636
Ariston Corporate Office	-	-	-	-	-	-
	7,430,668,730	27,745,476,064	3,961,051,489	16,351,698,512	3,471,006,689	1,465,296,590
Segment share of profit of joint venture						
Southdown Estates	-	-	-	-	-	-
Claremont Estate	-	-	-	-	-	-
Kent Estate	-	-	-	-	-	-
Ariston Corporate Office	2,512,427,853	934,114,584	934,114,584	3,061,913,592	222,957,418	222,957,418
	2,512,427,853	934,114,584	934,114,584	3,061,913,592	222,957,418	222,957,418
Segment finance costs						
Southdown Estates	(2,816,966,149)	(946,439,747)	(946,439,747)	(1,249,178,336)	(86,467,061)	(86,467,061)
Claremont Estate	(8,800,000)	(37,653,663)	(37,653,663)	(8,800,000)	(3,253,406)	(3,253,406)
Kent Estate	(332,558,740)	(308,494,072)	(308,494,072)	(143,849,765)	(36,359,040)	(36,359,040)
Ariston Corporate Office	(82,638,637)	(339,196,060)	(339,196,060)	(35,305,273)	(44,937,819)	(44,937,819)
	(3,240,963,526)	(1,631,783,542)	(1,631,783,542)	(1,437,133,374)	(171,017,326)	(171,017,326)
Segment results before exchange differences and monetary adjustments	(27,451,860,402)	341,812,699	341,812,699	3,325,293,114	1,705,804,581	1,705,804,581
Exchange differences (Loss)/ profit on partial disposal of interest	(57,062,088,456)	(12,112,594,441)	(12,112,594,441)	(35,365,862,168)	(1,694,311,472)	(1,694,311,472)
Monetary gain	-	-	-	-	-	-
Income tax credit/ (expense)	44,473,184,667	2,679,671,327	2,679,671,327	-	-	-
	6,971,047,912	3,144,959,761	3,144,959,761	4,774,683,518	54,700,826	54,700,826
(Loss)/ profit for the year	(33,069,716,279)	(5,946,150,654)	(5,946,150,655)	(27,265,885,536)	66,193,935	66,193,935
Revaluation surplus	35,226,153,164	64,916,295,223	64,916,295,223	94,788,161,298	10,359,668,585	10,359,668,585
Income tax on revaluation surplus	(8,707,905,062)	(16,047,308,183)	(16,047,308,183)	(23,431,633,473)	(2,560,910,074)	(2,560,910,074)
	(6,551,468,177)	42,922,836,386	42,922,836,386	44,090,642,289	7,864,952,446	7,864,952,446

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.

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

5. SEGMENT REPORTING - CONTINUED

5.6 Segment assets and liabilities

INFLATION ADJUSTED

All figures in ZWL	AUDITED					
	Assets (excluding inter-segment balances)		Net inter-segment balances		Liabilities (excluding inter-segment balances)	
	2023	2022	2023	2022	2023	2022
Southdown Estates	101,337,110,266	107,367,781,893	(7,658,214,532)	(4,477,396,559)	(33,429,474,157)	(25,645,970,281)
Claremont Estate	1,580,158,074	1,363,614,160	(66,106,242)	(416,670,939)	(463,747,822)	(405,948,211)
Kent Estate	22,264,513,102	15,404,948,702	(350,086,892)	240,343,376	(2,180,409,872)	(755,161,311)
Ariston Corporate Office	48,490,183,687	24,711,527,616	8,074,407,666	4,653,724,122	(53,823,934,167)	(31,714,925,280)
	173,671,965,129	148,847,872,371	-	-	(89,897,566,018)	(58,522,005,083)

HISTORICAL COST

All figures in ZWL	UNAUDITED					
	Assets (excluding inter-segment balances)		Net inter-segment balances		Liabilities (excluding inter-segment balances)	
	2023	2022	2023	2022	2023	2022
Southdown Estates	85,817,668,005	11,627,206,643	(7,658,214,531)	(600,134,658)	(33,965,678,251)	(3,467,321,627)
Claremont Estate	1,580,158,075	179,755,366	(66,106,242)	(55,849,123)	(463,747,822)	(54,411,886)
Kent Estate	17,838,512,269	1,996,246,249	(350,086,892)	32,214,790	(2,180,409,872)	(101,219,195)
Ariston Corporate Office	37,574,779,520	2,357,408,166	8,074,407,665	623,768,991	(53,823,934,167)	(4,250,958,248)
	142,811,117,869	16,160,616,424	-	-	(90,433,770,112)	(7,873,910,956)

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

All figures in ZWL	AUDITED			
	Depreciation and impairment losses		Additions to non-current assets	
	2023	2022	2023	2022
Southdown Estates	6,443,307,490	2,004,927,820	5,363,932,513	683,253,052
Claremont Estate	-	48,537,965	-	102,191,611
Kent Estate	2,418,852,599	288,175,311	37,844,157	143,540,334
Corporate Office	3,515,438,788	285,612,017	59,775,839	11,051,570
Total	12,377,598,877	2,627,253,113	5,461,552,509	940,036,567

HISTORICAL COST

All figures in ZWL	UNAUDITED			
	Depreciation and impairment losses		Additions to non-current assets	
	2023	2022	2023	2022
Southdown Estates	750,685,302	10,379,009	2,775,808,944	57,012,328
Claremont Estate	-	347,718	-	10,328,325
Kent Estate	319,782,853	1,827,194	5,574,237	15,116,454
Corporate Office	460,518,239	560,399	10,067,672	1,237,298
Total	1,530,986,394	13,114,320	2,791,450,853	83,694,405

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

6 CASH FLOW INFORMATION

6.1 Non-cash items

COMPANY

	AUDITED			UNAUDITED		
	INFLATION ADJUSTED			HISTORICAL COST		
	2023	2022	2022 AS PREVIOUSLY STATED	2023	2022	2022 AS PREVIOUSLY STATED
All figures in ZWL		RESTATED			RESTATED	
Monetary (loss)	-	-	(2,873,856,669)	-	-	-
	-	-	(2,873,856,669)	-	-	-

GROUP

	AUDITED			UNAUDITED		
	INFLATION ADJUSTED			HISTORICAL COST		
	2023	2022	2022 AS PREVIOUSLY STATED	2023	2022	2022 AS PREVIOUSLY STATED
All figures in ZWL		RESTATED			RESTATED	
Fair value adjustments of biological assets held at year end	3,094,946,660	(3,961,051,489)	(3,961,051,489)	(8,524,680,013)	(1,465,296,590)	(1,465,296,590)
Depreciation and amortisation	12,377,598,877	2,627,253,110	2,627,253,110	1,530,986,393	13,114,320	13,114,320
Share of profit of joint ventures	(2,512,427,853)	(934,114,584)	(934,114,584)	(3,061,913,592)	(222,957,418)	(222,957,418)
Exchange rate movements	30,513,962,980	788,323,188	788,323,188	30,845,221,181	34,824,623	34,824,623
Profit on sale of property, plant and equipment	(3,783,048)	(270,139,517)	(270,139,517)	(545,348)	(27,916,818)	(27,916,818)
Monetary (loss)/ gain	-	-	2,679,671,327	-	-	-
	43,470,297,616	(1,749,729,292)	929,942,035	20,789,068,622	(1,668,231,883)	(1,668,231,883)

6.2 Change in working capital

COMPANY

	AUDITED			UNAUDITED		
	INFLATION ADJUSTED			HISTORICAL COST		
	2023	2022	2022 AS PREVIOUSLY STATED	2023	2022	2022 AS PREVIOUSLY STATED
All figures in ZWL		RESTATED			RESTATED	
Movements in:						
Increase in trade and other receivables	874,322,913	4,252,222,234	4,252,222,234	50,268,914	55 809 668	55,809,668
Increase/ (decrease) in trade and other payables	(184,658,904)	(846,679,973)	(846,679,973)	247,640,928	(27,550,000)	(27,550,000)
	689,664,009	3,405,542,261	3,405,542,261	297,909,842	28,259,668	28,259,668

GROUP

	AUDITED			UNAUDITED		
	INFLATION ADJUSTED			HISTORICAL COST		
	2023	2022	2022 AS PREVIOUSLY STATED	2023	2022	2022 AS PREVIOUSLY STATED
All figures in ZWL		RESTATED			RESTATED	
Movements in:						
Decrease/ (increase) in inventories	1,761,605,544	(962,246,453)	(962,246,453)	(2,645,272,308)	(527,811,468)	(527,811,468)
Increase in trade and other receivables	(824,224,667)	(5,035,055,058)	(5,035,055,058)	(16,808,332,232)	(2,189,087,062)	(2,012,580,208)
Increase in trade and other payables	20,481,799,870	3,370,573,764	3,370,573,764	28,983,900,726	1,051,634,187	1,051,634,187
Unpaid dividend	-	(498,662,167)	(498,662,167)	-	(66,838,942)	(66,838,942)
Decrease in contract liabilities	(147,839,797)	(2,668,989,178)	(2,668,989,178)	(19,815,929)	(79,405,413)	(79,405,413)
Decrease in receivable for disposal of Claremont Orchards (Private) Limited	-	(4,934,043,552)	(4,708,055,830)	-	-	(176,506,854)
	21,271,340,950	(10,728,422,644)	(10,502,434,922)	9,510,480,257	(1,811,508,698)	(1,811,508,698)

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

6. CASH FLOW INFORMATION - CONTINUED

6.3 Cashflows arising from borrowings

All figures in ZWL	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL COST	
	2023	2022	2023	2022
Opening balance				
Long term	24,328,459,341	7,033,888,906	3,260,902,051	247,842,462
Short term	5,313,933,760	2,999,737,870	712,261,194	105,697,208
	29,642,393,101	10,033,626,776	3,973,163,245	353,539,670
Proceeds from borrowings				
Long term	6,177,756,787	25,922,364,721	2,343,362,275	2,983,960,601
Short term	31,495,842,819	12,388,200,193	7,288,610,691	1,264,469,463
	37,673,599,606	38,310,564,914	9,631,972,966	4,248,430,064
Repayments of principal amount				
Long term	(3,813,293,240)	(525,498,277)	(1,004,837,004)	(17,071,949)
Short term	(15,223,354,319)	(18,224,725,236)	(5,279,904,889)	(659,233,890)
	(19,036,647,559)	(18,750,223,513)	(6,284,741,893)	(676,305,839)
Interest paid				
Long term	(659,113,765)	-	(352,337,721)	(2,629,187)
Short term	(769,185,393)	(1,214,272,612)	(330,244,395)	(69,541,739)
	(1,428,299,158)	(1,214,272,612)	(682,582,116)	(72,170,926)
Total repayments of borrowings				
Long term	(4,472,407,005)	(525,498,277)	(1,357,174,725)	(19,701,136)
Short term	(15,992,539,712)	(19,438,997,848)	(5,610,149,284)	(728,775,629)
	(20,464,946,717)	(19,964,496,125)	(6,967,324,009)	(748,476,765)
* Non-cash items/ reclassifications				
Long term	6,747,710,762	(8,102,296,009)	28,534,430,285	48,800,124
Short term	(15,169,798,320)	9,364,993,546	3,256,715,946	70,870,152
	(8,422,087,557)	1,262,697,537	31,791,146,231	119,670,276
Closing balance				
Long term	32,781,519,886	24,328,459,341	32,781,519,886	3,260,902,051
Short term	5,647,438,547	5,313,933,760	5,647,438,547	712,261,194
	38,428,958,433	29,642,393,101	38,428,958,433	3,973,163,245

* Non-cash items relate to movements in exchange rates for borrowings held in foreign currency. For inflation adjusted amounts, this also includes monetary gains/ losses. Total repayments of borrowings include the principal repayments and interest payments.

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

6. CASH FLOW INFORMATION - CONTINUED

6.4 Cashflows arising from lease arrangements

All figures in ZWL	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL COST	
	2023	2022	2023	2022
Opening balance				
Long term	172,548,861	5,601,600	23,127,849	197,375
Short term	46,973,981	-	6,296,229	-
	219,522,842	5,601,600	29,424,078	197,375
Repayments of leases (principal portion)				
Long term	-	(178,521,815)	-	(23,928,443)
Short term	(39,375,931)	(9,002,038)	(16,631,677)	(2,045,101)
	(39,375,931)	(187,523,853)	(16,631,677)	(25,973,544)
Interest paid				
Long term	-	-	-	-
Short term	(43,983,375)	(14,512,971)	(18,314,425)	(1,106,769)
	(43,983,375)	(14,512,971)	(18,314,425)	(1,106,769)
Total repayments of leases				
Long term	-	(178,521,815)	-	(23,928,443)
Short term	(83,359,306)	(23,515,009)	(34,946,102)	(3,151,870)
	(83,359,306)	(202,036,824)	(34,946,102)	(27,080,313)
* Non-cash items/ reclassifications				
Long term	213,392,808	345,469,076	362,813,820	46,858,917
Short term	93,075,185	70,488,990	85,339,733	9,448,099
	306,467,993	415,958,066	448,153,553	56,307,016
Closing balance				
Long term	385,941,669	172,548,861	385,941,669	23,127,849
Short term	56,689,860	46,973,981	56,689,860	6,296,229
	442,631,529	219,522,842	442,631,529	29,424,078

* Non-cash items relate to movements in exchange rates for leases held in foreign currency. For inflation adjusted amounts, this also includes monetary gains/ losses. Total repayments of leases include the principal repayments and interest payments

6.5 Cash and cash equivalents are made up of:

All figures in ZWL	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL COST	
	2023	2022	2023	2022
- cash at bank	566,229,598	1,646,572,146	566,229,598	220,700,802
- cash on hand	19,576,724	23,172,028	19,576,724	3,105,898
	585,806,322	1,669,744,174	585,806,322	223,806,700

The Group did not have any restricted cash and cash equivalents.

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

7 PROFIT FROM OPERATIONS

COMPANY

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	2023	2022	2023	2022
- administration expenses	598 310 845	602 462 520	297 909 842	30 913 123

GROUP

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	2023	2022	2023	2022
- other operating income includes				
- income from clubhouse sales	442 195 046	485 304 613	133 893 901	47 557 769
- operating expenses include				
- auditors' fees	378,311,565	203,840,788	170,101,607	15,973,215
- allowance for credit losses	17,199,625	68,117,353	17,199,625	9,130,213
- depreciation charge on property, plant and equipment	12,087,007,564	2,352,998,351	1,526,298,463	11,825,106
- depreciation charge on right of use assets	290,591,313	274,254,759	4,687,930	1,289,214
- bad debts written off	532,365,061	-	558,955,284	-
- profit/ (loss) on sale of property, plant and equipment	3,783,048	270,139,517	545,348	27,916,818
- selling and distribution expenses	731,275,446	730,116,093	239,452,342	63,231,374
- staff expenses				
* salaries and wages	4,060,250,907	3,439,693,858	1,709,286,101	225,457,161
* pensions (1)	429,940,356	377,203,091	194,358,664	24,895,774
- directors' emoluments				
* non-executive directors' fees	379,327,306	273,199,257	184,666,545	22,037,428

(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 Finance costs

GROUP

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	2023	2022	2023	2022
Finance charges payable on borrowings	1,888,851,468	708,248,515	891,115,525	72,170,926
Finance costs on leases	108,390,344	27,512,397	48,657,831	2,407,543
Finance costs payable on related party borrowings-Origin Global Holdings	1,017,666,435	487,689,314	472,916,968	48,800,124
Contract liabilities finance charges	226,055,279	408,333,316	24,443,050	47,638,733
Finance costs expensed	3,240,963,526	1,631,783,542	1,437,133,374	171,017,326

There were no company finance costs.

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

8 INCOME TAX

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

COMPANY

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	2023	2022	2023	2022
Current tax	-	-	-	-
Deferred tax (note 17) - profit/ loss	-	-	-	-
(Loss)/ Profit before tax	(689,664,008)	(3,405,542,260)	(297,909,842)	(28,259,668)
Reconciliation of income tax expense for the year:				
Notional tax at statutory rates	(170,484,943)	(841,850,047)	(73,643,313)	(6,985,790)
Adjustments at tax rates relating to:				
Disallowable deductions:				
Taxes	-	17,931,207	-	2,403,437
Unused tax losses	73,643,313	34,187,350	73,643,313	4,582,353
IAS 29 adjustments	96,841,630	789,731,490	-	-
Actual income tax credit/ (expense)	-	-	-	-

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.

GROUP

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	2023	2022	2023	2022
Current tax	-	-	-	-
Deferred tax (note 17) - profit/ loss	6,971,047,912	3,144,959,761	4,774,683,518	54,700,826
	6,971,047,912	3,144,959,761	4,774,683,518	54,700,826
(Loss)/ Profit before tax	(40,040,764,191)	(9,091,110,415)	(32,040,569,054)	11,493,109
Reconciliation of current tax expense for the year:				
Notional tax at statutory rates	(9,898,076,908)	(2,247,322,495)	(7,920,428,670)	2,841,097
Adjustments at tax rates relating to:				
Disallowable deductions:				
Taxes	35,085,830	39,910,104	35,085,830	5,349,411
Staff welfare and donations	35,678,429	26,403,116	35,678,429	3,538,982
Management fees	79,050,749	74,827,171	79,050,749	10,029,574
IAS 29 adjustments	1,977,648,238	2,268,518,931	-	-
Unused tax losses	7,770,613,663	11,556,779	7,770,613,663	1,549,030
Non-taxable income	-	(173,893,606)	-	(23,308,094)
Actual current tax expense	-	-	-	-

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

8 INCOME TAX - CONTINUED

8.2 Through other comprehensive income

GROUP

All figures in ZWL	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL COST	
	2023	2022	2023	2022
Current tax	-	-	-	-
Deferred tax (note 17) - other comprehensive income	(8,707,905,062)	(16,047,308,183)	(23,431,633,473)	(2,560,910,074)
	(8,707,905,062)	(16,047,308,183)	(23,431,633,473)	(2,560,910,074)
Other comprehensive income before tax	35,226,153,164	64,916,295,223	94,788,161,298	10,359,668,585
Reconciliation of income tax expense for the year:				
Notional tax at statutory rates	(8,707,905,062)	(16,047,308,179)	(23,431,633,473)	(2,560,910,074)
Adjustments at tax rates relating to:				
Non deductible expenses/ (non taxable income)	-	-	-	-
Actual income tax credit/ (expense)	(8,707,905,062)	(16,047,308,183)	(23,431,633,473)	(2,560,910,074)
Total comprehensive income movement	(1,736,857,150)	(12,902,348,422)	(18,656,949,955)	(2,506,209,248)

9. EARNINGS PER SHARE

COMPANY

All figures in ZWL	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL COST	
	2023	2022	2023	2022
(i) Basic earnings per share				
(Loss)/ profit for the period	(689,664,008)	(3,405,542,260)	(297,909,842)	(28,259,668)
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)	(0.4238)	(2.0926)	(0.1831)	(0.0174)
(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	1,627,395,595	1,627,395,595
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)	(0.4238)	(2.0926)	(0.1831)	(0.0174)

GROUP

All figures in ZWL	AUDITED			UNAUDITED		
	INFLATION ADJUSTED			HISTORICAL		
	2023	*2022	2022	*2022	*2022	2022
		RESTATED		RESTATED	RESTATED	
(i) Basic earnings per share						
(Loss)/ profit for the period	(33,069,716,279)	(5,946,150,654)	42,922,836,386	(27,265,885,536)	66,193,935	7,864,952,446
Weighted average number of shares at year end	1,627,395,595	1,627,395,595	1,627,395,595	1,627,395,595	1,627,395,595	1,627,395,595
Basic earnings per share (ZWL)	(20.3206)	(3.6538)	26.3752	(16.7543)	0.0407	4.8328
(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	1,627,395,595	1,627,395,595	1,627,395,595	1,627,395,595
Weighted average number of shares at year end	1,627,395,595	1,627,395,595	1,627,395,595	1,627,395,595	1,627,395,595	1,627,395,595
Diluted earnings per share (ZWL)	(20.3206)	(3.6538)	26.3752	(16.7543)	0.0407	4.8328

* The 2022 comparative figures have been restated as it had included Other Comprehensive Income in the computation.

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

10. PROPERTY, PLANT AND EQUIPMENT

All figures in ZWL	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL COST	
	2023	2022	2023	2022
Buildings and leasehold improvements				
Fair value	52,603,575,999	45,030,207,112	52,603,576,000	6,035,692,300
Accumulated depreciation	-	-	-	-
Net book amount	52,603,575,999	45,030,207,112	52,603,576,000	6,035,692,300
Plant and machinery				
Fair value	53,603,670,000	33,532,572,756	53,603,670,000	4,494,589,392
Accumulated depreciation	-	-	-	-
Net book amount	53,603,670,000	33,532,572,756	53,603,670,000	4,494,589,392
Computer equipment and furniture				
Cost	1,208,274,096	1,076,991,273	49,695,314	8,248,080
Accumulated depreciation	(975,248,979)	(869,762,354)	(7,535,597)	(2,518,202)
Net book amount	233,025,117	207,228,919	42,159,717	5,729,878
Bearer plants				
Cost	27,897,899,880	26,183,925,250	281,112,729	44,134,214
Accumulated depreciation	(5,454,513,787)	(4,704,806,957)	(4,098,906)	(3,579,600)
Net book amount	22,443,386,093	21,479,118,293	277,013,823	40,554,614
Motor vehicles				
Cost	5,184,028,552	5,159,547,814	132,070,430	26,719,686
Accumulated depreciation	(3,161,011,172)	(3,102,698,411)	(5,575,166)	(3,684,755)
Net book amount	2,023,017,380	2,056,849,403	126,495,264	23,034,931
Total property, plant and equipment				
Cost or fair value	140,497,448,527	110,983,244,205	106,670,124,473	10,609,383,672
Accumulated depreciation	(9,590,773,938)	(8,677,267,722)	(17,209,669)	(9,782,557)
Net book amount	130,906,674,589	102,305,976,483	106,652,914,804	10,599,601,115

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

10. PROPERTY, PLANT AND EQUIPMENT -CONTINUED

All figures in ZWL	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL COST	
	2023	2022	2023	2022
Reconciliation of movements for the year ended 30 September 2023				
Opening net book amount	102,305,976,483	39,248,844,099	10,599,601,115	129,692,398
Additions at cost				
Property plant and equipment excluding bearer plant				
- buildings and leasehold improvements	537,214,815	746,822,532	234,033,669	38,313,499
- plant and machinery	2,962,101,857	827,409,607	2,173,578,220	60,101,371
- computer equipment and furniture	131,282,823	72,841,892	41,447,233	3,962,444
- motor vehicles	116,978,383	401,107,606	105,413,216	18,006,845
	3,747,577,880	2,048,181,637	2,554,472,338	120,384,159
Bearer plants	1,713,974,629	295,349,855	236,978,515	12,078,241
Total additions	5,461,552,509	2,343,531,492	2,791,450,853	132,462,400
Disposals at carrying amount				
Plant and machinery	-	(1,714,542,002)	-	(8,144,722)
- cost	-	(4,565,758,239)	-	(10,847,771)
- accumulated depreciation	-	2,851,216,237	-	2,703,049
Computer equipment and furniture	-	(71,795,858)	-	(875,016)
- cost	-	(194,335,863)	-	(1,188,785)
- accumulated depreciation	-	122,540,005	-	313,769
Motor vehicles	-	(63,358,120)	-	(1,377,424)
- cost	(92,497,646)	(260,199,099)	(62,472)	(2,291,498)
- accumulated depreciation	92,497,646	196,840,979	62,472	914,074
	-	(1,849,695,980)	-	(10,397,162)
Revaluation surplus for the year				
- buildings and leasehold improvements	14,679,871,301	37,661,298,517	47,358,387,296	5,954,086,563
- gross carrying amount adjustment	(7,643,717,229)	(12,441,598,803)	(1,024,537,265)	(9,126,980)
- accumulated depreciation adjustment	7,643,717,229	12,441,598,803	1,024,537,265	9,126,980
- plant and machinery	20,546,281,860	27,254,996,706	47,429,774,003	4,405,582,022
- gross carrying amount adjustment	(3,437,286,474)	(35,577,356,603)	(494,271,615)	(34,029,917)
- accumulated depreciation adjustment	3,437,286,474	35,577,356,603	494,271,615	34,029,917
	35,226,153,161	64,916,295,223	94,788,161,298	10,359,668,585
Depreciation for the year				
- buildings and leasehold improvements	(7,643,717,229)	(300,246,834)	(1,024,537,265)	(721,805)
- plant and machinery	(3,437,286,474)	(1,065,607,850)	(494,271,615)	(7,570,643)
- computer equipment and furniture	(105,486,625)	(98,861,623)	(5,017,396)	(1,319,014)
- bearer plants	(749,706,830)	(747,921,009)	(519,305)	(505,135)
- motor vehicles	(150,810,407)	(140,361,036)	(1,952,882)	(1,708,509)
	(12,087,007,564)	(2,352,998,351)	(1,526,298,463)	(11,825,106)
Closing net book amount	130,906,674,589	102,305,976,483	106,652,914,804	10,599,601,115

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.

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

10. PROPERTY, PLANT AND EQUIPMENT -CONTINUED

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:

INFLATION ADJUSTED

All figures in ZWL	AUDITED			
	Gross Replacement Cost		Depreciated Replacement Cost	
	2023	2022	2023	2022
Buildings and leasehold improvements	352,573,965,000	274,371,267,841	52,603,576,000	45,030,207,108
Plant and machinery	125,505,920,100	92,644,081,200	53,603,670,000	33,532,572,756
	478,079,885,100	367,015,349,041	106,207,246,000	78,562,779,864

HISTORICAL COST

All figures in ZWL	UNAUDITED			
	Gross Replacement Cost		Depreciated Replacement Cost	
	2023	2022	2023	2022
Buildings and leasehold improvements	352,573,965,000	36,775,770,200	52,603,576,000	6,035,692,300
Plant and machinery	125,505,920,100	12,417,690,334	53,603,670,000	4,494,589,392
	478,079,885,100	49,193,460,534	106,207,246,000	10,530,281,692

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

All figures in ZWL	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL COST	
	2023	2022	2023	2022
Increase in carrying amount of property, plant and equipment	35,226,153,164	64,916,295,223	94,788,161,298	10,359,668,585
Deferred tax on revaluation surplus	(8,707,905,062)	(16,047,308,183)	(23,431,633,473)	(2,560,910,074)
	26,518,248,102	48,868,987,040	71,356,527,825	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. A high square metre rate results in high fair value.

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

10. PROPERTY, PLANT AND EQUIPMENT -CONTINUED

Fair value hierarchy -continued

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.

All figures in ZWL	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL COST	
	2023	2022	2023	2022
Rate per square metre				
Increase in profits	2,630,178,800	2,251,510,355	2,630,178,800	301,784,615
(decrease) in profits	(2,630,178,800)	(2,251,510,355)	(2,630,178,800)	(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

11. BIOLOGICAL ASSETS

INFLATION ADJUSTED

	AUDITED						
	Produce growing on bearer plants						
All figures in ZWL	Tea on bush	Macadamia on tree	Fruits on tree				
30 September 2023				Poultry	Timber	Seasonal crops	Total
Fair value at the beginning of the year	1,119,877,657	9,998,168,076	290,927,901	543,549,016	527,242,236	938,383,748	13,418,148,634
Increase due to purchases	4,188,259,103	9,145,018,526	725,898,184	1,324,504,585	358,194,799	3,100,594,507	18,842,469,704
Decrease due physical changes (harvested but not yet sold)	(705,282,931)	(844,273,975)	-	-	-	(4,335,415)	(1,553,892,321)
Decreases due to cost of sales	(13,539,494,256)	(8,822,008,972)	(587,923,296)	(528,884,130)	-	(4,335,882,119)	(27,814,192,773)
Change in fair value less estimated costs to sell	10,402,321,883	(2,657,063,871)	71,939,987	(1,112,364,081)	(264,214,538)	990,049,351	7,430,668,730
Fair value at the end of the year	1,465,681,456	6,819,839,784	500,842,775	226,805,390	621,222,497	688,810,072	10,323,201,974
Current	1,465,681,456	6,819,839,784	500,842,775	226,805,390	-	688,810,072	9,701,979,477
Non-current	-	-	-	-	621,222,497	-	621,222,497
	1,465,681,456	6,819,839,784	500,842,775	226,805,390	621,222,497	688,810,072	10,323,201,974

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

11. BIOLOGICAL ASSETS - CONTINUED

INFLATION ADJUSTED

All figures in ZWL	Produce growing on bearer plants			AUDITED			
	Tea on bush	Macadamia on tree	Fruits on tree	Poultry	Timber	Seasonal crops	Total
* 2022 Restated							
Fair value at the beginning of the year	297,290,468	8,092,076,219	227,591,149	144,320,778	199,947,147	495,871,382	9,457,097,143
Increase due to purchases	962,695,268	715,642,781	166,239,397	2,858,186,406	201,219,503	2,256,396,253	7,160,379,607
Decrease due physical changes (harvested but not yet sold)	(1,505,495,693)	(1,861,677,013)	-	-	-	(386,536,361)	(3,753,709,067)
Decreases due to cost of sales	(11,799,680,067)	(7,982,432,935)	(638,184,812)	(3,954,140,051)	-	(2,816,657,249)	(27,191,095,114)
Change in fair value less estimated costs to sell	13,165,067,681	11,034,559,024	535,282,167	1,495,181,883	126,075,586	1,389,309,723	27,745,476,064
Fair value at the end of the year	1,119,877,657	9,998,168,076	290,927,901	543,549,016	527,242,236	938,383,748	13,418,148,633
Current	1,119,877,657	9,998,168,076	290,927,901	543,549,016	-	938,383,748	12,890,906,398
Non-current	-	-	-	-	527,242,236	-	527,242,236
	1,119,877,657	9,998,168,076	290,927,901	543,549,016	527,242,236	938,383,748	13,418,148,634

INFLATION ADJUSTED

All figures in ZWL	Produce growing on bearer plants			AUDITED			
	Tea on bush	Macadamia on tree	Fruits on tree	Poultry	Timber	Seasonal crops	Total
* 2022 As previously stated							
Fair value at the beginning of the year	297,290,468	8,092,076,219	227,591,149	144,320,778	199,947,147	495,871,382	9,457,097,143
Increase due to purchases / physical changes	16,016,830,355	10,576,333,111	688,392,524	4,375,534,882	-	3,001,620,539	34,658,711,411
Decrease due physical changes (harvested but not yet sold)	(1,505,495,693)	(1,861,677,011)	-	-	-	(386,536,361)	(3,753,709,065)
Decreases due to sales	(14,511,334,632)	(8,714,656,106)	(688,392,524)	(4,375,534,882)	-	(2,615,084,198)	(30,905,002,342)
Net change in fair value less estimated costs to sell	822,587,159	1,906,091,863	63,336,752	399,228,228	327,295,089	442,512,396	3,961,051,487
Fair value at the end of the year	1,119,877,657	9,998,168,076	290,927,901	543,549,006	527,242,236	938,383,758	13,418,148,634
Current	1,119,877,657	9,998,168,076	290,927,901	543,549,006	-	938,383,758	12,890,906,398
Non-current	-	-	-	-	527,242,236	-	527,242,236
	1,119,877,657	9,998,168,076	290,927,901	543,549,006	527,242,236	938,383,758	13,418,148,634

* The 2022 comparative figures have been restated to show the reclassification of fair value less estimated costs to sell after taking into effect, the impact of fair value movements of those assets which were harvested throughout the year. These were previously reported as Cost of sales.

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

11. BIOLOGICAL ASSETS - CONTINUED

HISTORICAL COST

All figures in ZWL	Produce growing on bearer plants			UNAUDITED			
	Tea on bush	Macadamia on tree	Fruits on tree	Poultry	Timber	Seasonal crops	Total
30 September 2023							
Fair value at the beginning of the year	150,104,505	1,340,119,665	38,994,960	72,855,419	70,669,715	125,777,697	1,798,521,961
Increase due to purchases	1,737,212,844	3,793,185,489	301,089,216	549,380,140	148,572,615	1,286,069,575	7,815,509,879
Decrease due physical changes (harvested but not yet sold)	(705,282,931)	(844,273,975)	-	-	-	(4,335,415)	(1,553,892,321)
Decreases due to cost of sales	(6,858,117,671)	(4,468,584,608)	(297,798,948)	(267,894,024)	-	(2,196,240,806)	(14,088,636,057)
Change in fair value less estimated costs to sell	7,141,764,709	6,999,393,213	458,557,548	(127,536,147)	401,980,167	1,477,539,021	16,351,698,512
Fair value at the end of the year	1,465,681,456	6,819,839,784	500,842,775	226,805,390	621,222,497	688,810,072	10,323,201,974
Current	1,465,681,456	6,819,839,784	500,842,775	226,805,390	-	688,810,072	9,701,979,477
Non-current	-	-	-	-	621,222,497	-	621,222,497
	1,465,681,456	6,819,839,784	500,842,775	226,805,390	621,222,497	688,810,072	10,323,201,974

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

11. BIOLOGICAL ASSETS - CONTINUED

HISTORICAL COST

All figures in ZWL	Produce growing on bearer plants			UNAUDITED			
	Tea on bush	Macadamia on tree	Fruits on tree	Poultry	Timber	Seasonal crops	Total
* 2022 Restated							
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	56,162,651	41,749,863	9,698,235	166,743,653	11,738,939	131,635,835	417,729,176
Decrease due physical changes (harvested but not yet sold)	(174,369,456)	(219,532,667)	-	-	-	(51,809,989)	(445,712,112)
Decreases due to cost of sales	(858,242,291)	(580,597,228)	(46,417,970)	(287,601,884)	-	(204,867,789)	(1,977,727,163)
Change in fair value less estimated costs to sell	1,116,078,428	1,813,371,496	67,695,411	188,628,438	51,885,542	233,347,374	3,471,006,689
Fair value at the end of the year	150,104,505	1,340,119,665	38,994,960	72,855,419	70,669,715	125,777,697	1,798,521,961
Current	150,104,505	1,340,119,665	38,994,960	72,855,419	-	125,777,697	1,727,852,246
Non-current	-	-	-	-	70,669,715	-	70,669,715
	150,104,505	1,340,119,665	38,994,960	72,855,419	70,669,715	125,777,697	1,798,521,961

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

11. BIOLOGICAL ASSETS - CONTINUED

HISTORICAL COST

	UNAUDITED						
	Produce growing on bearer plants						
	Tea on bush	Macadamia on tree	Fruits on tree				
All figures in ZWL				Poultry	Timber	Seasonal crops	Total
* 2022 As previously stated							
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	(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	38,994,961	72,855,418	70,669,715	125,777,697	1,798,521,961
Current	150,104,505	1,340,119,665	38,994,961	72,855,418	-	125,777,697	1,727,852,246
Non-current	-	-	-	-	70,669,715	-	70,669,715
	150,104,505	1,340,119,665	38,994,961	72,855,418	70,669,715	125,777,697	1,798,521,961

* The 2022 comparative figures have been restated to show the reclassification of net fair value less estimated costs to sell after taking into effect, the impact of fair value movements of those assets which were harvested throughout the year. These were previously reported as Cost of sales.

Biological assets comprise of produce growing on the bearer plants, seasonal crops, 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 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 activities are for the group by the group.

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.

All figures in ZWL	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL COST	
	2023	2022	2023	2022
Average selling price sensitivity				
Increase in profits	129,107,310	27,295,755	129,107,310	3,658,628
(decrease) in profits	(129,107,310)	(27,295,755)	(129,107,310)	(3,658,628)

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

11. BIOLOGICAL ASSETS - CONTINUED

All figures in ZWL	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL COST	
	2023	2022	2023	2022
Yield sensitivity				
Increase in profits	103,232,019	24,860,784	103,232,019	3,332,253
(decrease) in profits	(103,232,019)	(24,860,784)	(103,232,019)	(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.

All figures in ZWL	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL COST	
	2023	2022	2023	2022
Maturity sensitivity				
Increase in profits	180,263,387	48,737,478	180,263,387	6,532,602
(decrease) in profits	(180,263,387)	(48,737,478)	(180,263,387)	(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 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.

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

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	AUDITED		UNAUDITED				
	INFLATION ADJUSTED		HISTORICAL COST				
	2023	2022	2023	2022			
Category	ZWL	ZWL	ZWL	ZWL	Observable inputs	Unobservable inputs	
Tea on bush	1,465,681,456	1,119,877,657	1,465,681,456	150,104,505	Market price	Yield and maturity per bush in kgs	
Macadamia on tree	6,819,839,784	9,998,168,076	6,819,839,784	1,340,119,665	Market price	Yield and maturity per tree in kgs	
Fruits on tree	500,842,775	290,927,901	500,842,775	38,994,960	Market price	Yield and maturity per tree in kgs	
Poultry	226,805,390	543,549,016	226,805,390	72,855,419	Market price	Grade and maturity	
Timber	621,222,497	527,242,236	621,222,497	70,669,715	Market price	Grade and maturity	
* Seasonal crops	688,810,072	938,383,748	688,810,072	125,777,697	Market price	Yield and maturity per hectare	
TOTAL	10,323,201,974	13,418,148,634	10,323,201,974	1,798,521,961			

* 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.

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

	2023	2022	2023	2022	2023	2022	
	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 8,500 - ZWL 9,500	ZWL 6,500 - ZWL 11,200	3,023,311	3,202,588	8-12%	7-12%	The higher the yield and maturity the higher the fair value
	ZWL 10,000 - ZWL 10,500	ZWL 13,000 - ZWL 15,000	1,315,560	1,250,000	58%	58%	The higher the yield and maturity the higher the fair value
	ZWL 500 - ZWL 2,000	ZWL 440 - ZWL 4,900	1,415,000	991,326	0% -51%	0% -48%	The higher the grade and maturity, the higher the market price
	ZWL 1,700 - ZWL 2,300	ZWL 1,800 - ZWL 2,300	118,116	260,336	100%	100%	The higher the grade and maturity, the higher the market price
	ZWL 16,500 - ZWL 18,000	ZWL 14,800 - ZWL 16,500	69,080	69,080	100%	100%	The higher the grade and maturity, the higher the market price
	ZWL 900 - ZWL 1,000	ZWL 550 - ZWL 1,700	1,260,000	550,000	0% - 100%	0% - 100%	The higher the crop yield and maturity the higher the fair value

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

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. Although the Group owns 55% of the interest, the contractual arrangement gives control of the arrangement to both parties. Decisions about the relevant activities require the unanimous consent of both the Group and Goldsaif (Private) Limited. The contractual arrangement establishes that both 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	
			2023	2022	2023	2022
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

	AUDITED					
	Bonemarrow Investments (Private) Limited trading as Claremont Power Station		Claremont Orchards Holdings (Private) Limited		Mombe Shoma (Private) Limited	
All amounts in ZWL	2023	2022	2023	2022	2023	2022
Summarised balance sheet						
Current assets:						
Trade and other receivables	7,769,084	760,272,247	1,071,482,334	-	1,130,344,309	90,737,307
Cash and cash equivalents	6,477,410	9,117	-	-	131,437,781	97,638
Total current assets	14,246,494	760,281,364	1,071,482,334	-	1,261,782,090	90,834,945
Non-current assets	1,654,837,377	296,516,678	961,326,650	1,072,235,074	3,587,174,807	3,053,577,383
Total assets	1,669,083,871	1,056,798,042	2,032,808,984	1,072,235,074	4,848,956,897	3,144,412,328
Current liabilities:						
Trade and other payables	154,469,339	16,336,025	478,673,961	183,085,325	-	-
Financial liabilities (excluding trade and other payables)	-	102,996,362	-	-	-	3,630,361
Total current liabilities	154,469,339	119,332,387	478,673,961	183,085,325	-	3,630,361
Non-current liabilities	729,959,392	-	-	-	-	-
Total liabilities	884,428,731	119,332,387	478,673,961	183,085,325	-	3,630,361
Net assets	784,655,140	937,465,655	1,554,135,023	889,149,749	4,848,956,897	3,140,781,967

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

12. INVESTMENT IN JOINT VENTURES

HISTORICAL COST

All amounts in ZWL	UNAUDITED					
	Bonemarrow Investments (Private) Limited trading as Claremont Power Station		Claremont Orchards Holdings (Private) Limited		Mombe Shoma (Private) Limited	
	2023	2022	2023	2022	2023	2022
Summarised balance sheet						
Current assets:						
Trade and other receivables	7,769,084	101,904,247	1,071,482,334	-	1,130,344,309	12,162,113
Cash and cash equivalents	6,477,410	1,222	-	-	131,437,781	13,087
Total current assets	14,246,493	101,905,469	1,071,482,334	-	1,261,782,090	12,175,200
Non-current assets	1,413,356,493	581,779	653,698	726,154	3,587,174,808	409,290,889
Total assets	1,427,602,986	102,487,248	1,072,136,031	726,154	4,848,956,898	421,466,089
Current liabilities:						
Trade and other payables	154,469,339	2,189,624	478,673,961	24,540,120	-	-
Financial liabilities (excluding trade and other payables)	-	13,805,274	-	-	-	486,601
Total current liabilities	154,469,339	15,994,898	478,673,961	24,540,120	-	486,601
Non-current liabilities	729,959,392	-	-	-	-	-
Total liabilities	884,428,731	15,994,898	478,673,961	24,540,120	-	486,601
Net assets	543,174,256	86,492,350	593,462,070	(23,813,966)	4,848,956,898	420,979,488

INFLATION ADJUSTED

All amounts in ZWL	AUDITED					
	Bonemarrow Investments (Private) Limited trading as Claremont Power Station		Claremont Orchards Holdings (Private) Limited		Mombe Shoma (Private) Limited	
	2023	2022	2023	2022	2023	2022
Extracts from statement of comprehensive income						
Revenue	679,918,514	1,020,833,300	788,217,741	403,653,121	825,435,412	253,404,227
Interest income	-	-	-	-	40,281,145	-
Depreciation and amortisation	18,896,568	(9,317,990)	(110,908,424)	(110,908,422)	-	-
Interest expense	-	-	-	-	-	-
Income tax expense	(311,575)	(119,431,860)	(49,340,276)	(61,796,747)	-	-
Profit from continuing operations	515,724,584	428,581,739	1,444,391,458	146,548,037	3,013,167,206	1,250,241,216
Profit from discontinued operations	-	-	-	-	-	-
Profit for the period	515,724,584	428,581,739	1,444,391,458	146,548,037	3,013,167,206	1,250,241,216
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	515,724,584	428,581,739	1,444,391,458	146,548,037	3,013,167,206	1,250,241,216
Group's share in %	55%	55%	50%	50%	50%	50%
Group's share in ZWL	283,648,521	235,719,958	722,195,729	73,274,018	1,506,583,603	625,120,608
Dividends received from joint venture	1,000,842,904	-	74,928,974	248,241,492	-	-

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

12. INVESTMENT IN JOINT VENTURES

HISTORICAL COST

All amounts in ZWL	UNAUDITED					
	Bonemarrow Investments (Private) Limited trading as Claremont Power Station		Claremont Orchards Holdings (Private) Limited		Mombe Shoma (Private) Limited	
	2023	2022	2023	2022	2023	2022
Extracts from statement of comprehensive income						
Revenue	310,646,060	80,443,956	366,061,984	33,507,368	514,367,332	12,189,684
Interest income	-	-	-	-	18,673,596	-
Depreciation and amortisation	68,845	(41,138)	(72,456)	(73,936)	-	-
Interest expense	-	-	-	-	-	-
Income tax expense	(311,575)	(5,008,375)	(49,340,276)	(8,283,021)	-	-
Profit from continuing operations	991,549,494	62,456,710	605,145,330	14,041,888	4,427,977,410	363,170,566
Profit from discontinued operations	-	-	-	-	-	-
Profit for the period	991,549,494	62,456,710	605,145,330	14,041,888	4,427,977,410	363,170,566
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	991,549,494	62,456,710	605,145,330	14,041,888	4,427,977,410	363,170,566
Group's share in %	55%	55%	50%	50%	50%	50%
Group's share in ZWL	545,352,222	34,351,191	302,572,665	7,020,944	2,213,988,705	181,585,283
Dividends received from joint venture	814,344,091	-	12,744,983	20,313,529	-	-

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

All figures in ZWL	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL COST	
	2023	2022	2023	2022
Summarised financial information:				
Carrying amount at the beginning of the year	6,460,075,222	5,774,202,130	355,642,108	152,998,219
Share of net profit of joint ventures accounted for using the equity method	2,512,427,853	934,114,584	3,061,913,592	222,957,418
Dividends received	(1,075,771,878)	(248,241,492)	(827,089,073)	(20,313,529)
Carrying amount of the Group's net interest in joint venture	7,896,731,197	6,460,075,222	2,590,466,627	355,642,108

13. INVESTMENT IN SUBSIDIARIES

COMPANY

All figures in ZWL	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL COST	
	2023	2022	2023	2022
Investments in subsidiaries	8,396,025	8,396,025	5,677	5,677

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

13. INVESTMENT IN SUBSIDIARIES

* 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 2023 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 subsidiaries 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

All figures in ZWL	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL COST	
	2023	2022	2023	2022
Farm produce	1,924,089,524	3,753,709,088	1,553,892,322	445,712,114
Consumables and materials	2,135,531,917	2,067,517,897	1,781,475,257	244,383,157
	4,059,621,441	5,821,226,985	3,335,367,579	690,095,271

14b. Cost of sales

All figures in ZWL	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL COST	
	2023	2022	2023	2022
Opening Stock	5,821,226,985	4,858,980,547	690,095,271	162,283,803
Purchases	43,072,129,732	41,806,697,066	22,129,029,432	3,528,785,926
Closing stock	(4,059,621,441)	(5,821,226,985)	(3,335,367,579)	(690,095,271)
	44,833,735,276	40,844,450,628	19,483,757,124	3,000,974,458

Consumables and 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, nor in the prior year.

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

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 Group's exposure to credit risk and foreign currency risk can be found in note 22.5

INFLATION ADJUSTED

All figures in ZWL	AUDITED			
	COMPANY		GROUP	
	2023	2022	2023	2022
Trade receivables from contracts with customers	-	-	3,505,334,565	3,972,742,250
Allowance for credit losses	-	-	(17,038,847)	(66,917,844)
Net trade receivables	-	-	3,488,295,718	3,905,824,406
Other Receivables and Prepayments*	77,280,727	951,603,639	15,948,365,513	14,707,650,889
Allowance for credit losses	-	-	(160,778)	(1,199,509)
Net other receivables	77,280,727	951,603,639	15,948,204,735	14,706,451,380
Trade and other receivables	77,280,727	951,603,639	19,453,700,078	18,680,393,139
Allowance for credit losses	-	-	(17,199,625)	(68,117,353)
Net trade and other receivables	77,280,727	951,603,639	19,436,500,453	18,612,275,786

* Other Receivables of ZWL77,280,726 (2022: nil) included under the Company relate to amounts receivable by the Company from Claremont Orchards Holdings Limited, a joint venture of the Company. In 2022, the receivable of ZWL951,603,639 related to an amount receivable from by Ariston Management Services (Private) Limited, a wholly owned subsidiary of the Company.

HISTORICAL COST

All figures in ZWL	UNAUDITED			
	COMPANY		GROUP	
	2023	2022	2023	2022
Trade receivables from contracts with customers	-	-	3,505,334,565	532,492,550
Allowance for credit losses	-	-	(17,038,847)	(8,969,435)
Net trade receivables	-	-	3,488,295,718	523,523,115
Other Receivables and Prepayments*	77,280,727	127,549,641	15,808,765,568	1,965,205,939
Allowance for credit losses	-	-	(160,778)	(160,778)
Net other receivables	77,280,727	127,549,641	15,808,604,790	1,965,045,161
Trade and other receivables	77,280,727	127,549,641	19,314,100,133	2,497,698,489
Allowance for credit losses	-	-	(17,199,625)	(9,130,213)
Net trade and other receivables	77,280,727	127,549,641	19,296,900,508	2,488,568,276

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

15. TRADE RECEIVABLES FROM CONTRACTS WITH CUSTOMERS 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 is an amount receivable from a related party of ZWL12,973,477,317 (2022:ZWL13,281,857,876). 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 all information available which includes both the current as well as reasonable and supportive forward looking information available as 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 Credit Loss Rate	AUDITED INFLATION ADJUSTED		AUDITED INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
		Expected Total Gross Amount	Lifetime Expected Credit Loss	Expected Total Gross Amount	Lifetime Expected Credit Loss	Expected Total Gross Amount	Lifetime Expected Credit Loss
All amounts in ZWL		2023		2022		2022	
Trade receivables							
Foreign debtor: Amount not due (debtor in current with no history of default)	0.005%	-	-	636,908,593	31,845	85,369,012	4,268
Foreign debtors (secured)	0.000%	909,461,632	-	2,198,639,599	-	294,698,003	-
Current	0.005%	2,175,899,703	108,795	1,059,969,492	52,998	142,074,623	7,104
31 days to 60 days	0.010%	390,122,075	39,012	-	-	-	-
61 days to 90 days	0.5%	5,653,769	28,269	-	-	-	-
91 days to 120 days	1.5%	7,446,310	111,694	2,605,185	39,078	349,190	5,238
* Amount in +120 days	5%	-	-	8,237,330	411,866	1,104,103	55,205
Amount in +120 days	100%	16,751,076	16,751,077	66,382,050	66,382,050	8,897,619	8,897,620
		3,505,334,565	17,038,847	3,972,742,249	66,917,838	532,492,550	8,969,435
* In the year 2022, the Estimated Credit Loss for trade receivables in +120 days were provided for at different rates, i.e. 5% and 100%. Trade receivables assessed at an Expected Credit Loss rate of 5% relate to debtors with no history of default.							
Other receivables							
** Origin Global Holdings	0%	12,973,477,317	-	13,281,857,878	-	1,780,254,022	-
Prepayments	0%	1,158,381,096	-	1,318,894,180	-	176,779,987	-
Staff debtors (in current - fully recoverable through payroll)	0%	22,856,578	-	54,419,914	-	7,294,256	-
Other debtors	0%	1,653,889,799	-	5,348,521	-	716,897	-
Amount in +120 days	100%	160,778	160,778	1,199,509	1,199,515	160,778	160,778
		15,808,765,569	160,778	14,661,720,002	1,199,515	1,965,205,941	160,778
Total allowance for credit losses		17,199,625		68,117,353		2,497,698,491	
						9,130,213	

* In the year 2022, the Estimated Credit Loss for trade receivables in +120 days were provided for at different rates, i.e. 5% and 100%. Trade receivables assessed at an Expected Credit Loss rate of 5% relate to debtors with no history of default.

** The Origin Global Holdings receivable is secured against the loan payable by the Group to Origin Global Holdings, as disclosed in note 24. In the event that Origin Global Holdings defaults on the above receivable, the Group has an enforceable right to set off losses against the mentioned loan payable. This loan payable to Origin Global Holdings is currently 1.45 times greater than the receivable.

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

15. TRADE RECEIVABLES FROM CONTRACTS WITH CUSTOMERS AND OTHER RECEIVABLES - CONTINUED

Allowance for credit losses - continued

There was no change in the Expected Credit Loss Rate from prior year.

Movement in allowance for credit losses

All figures in ZWL	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL COST	
	2023	2022	2023	2022
Balance at beginning of the year	68,117,353	4,725,690	9,130,213	166,512
Expected Credit Losses	8,069,412	66,875,064	8,069,412	8,963,701
IAS 29 adjustment	(58,987,140)	(3,483,401)	-	-
Balance at the end of the year	17,199,625	68,117,353	17,199,625	9,130,213

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 2023 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, or the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts 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	
	2023	2022
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 at any time that 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 in different industries of which one of them is agriculture to set aside shares for employees and the community. Ariston allocated 16% its authorised share capital towards this requirement.

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

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

16. SHARE CAPITAL - CONTINUED

GROUP

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	2023	2022	2023	2022
Share capital and share premium				
Share capital at par value	2,407,884,709	2,407,884,709	1,627,395	1,627,395
Share premium	16,160,563,995	16,160,563,995	10,922,292	10,922,292

COMPANY

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	2023	2022	2023	2022
Share capital and share premium				
Share capital at par value	2,407,884,709	2,407,884,709	1,627,395	1,627,395
Share premium	16,160,563,995	16,160,563,995	10,922,292	10,922,292

	2023	2022
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 ZWL147.96 cents each
2022 - 1,627,395,595 ordinary shares of ZWL147.96 cents each

2,407,884,709 2,407,884,709

HISTORICAL COST

1,627,395,595 ordinary shares of ZWL0.10 cents each
2022 - 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 ZWL147.96 and issued at ZWL1140.99 cents each
2021 - 1,627,395,595 with a nominal value of ZWL147.96 and issued at ZWL1140.99 cents each

16,160,563,995 16,160,563,995

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

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	2023	2022	2023	2022
Deferred tax movement				
At the beginning of year	-	-	-	-
- income statement movement (credit) (i)	-	-	-	-
	-	-	-	-

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

17. DEFERRED TAX - CONTINUED

The Company has not recognised a deferred tax asset in its Statement of Financial Position for unused tax losses amounting to ZWL73,643,313. The losses expire at the end of the financial year ending 30 September 2029.

GROUP

All figures in ZWL	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL COST	
	2023	2022	2023	2022
Deferred tax movement				
At the beginning of year	18,972,151,308	6,069,802,887	2,588,262,598	82,053,350
- profit/ loss movement (credit)/debit (i)	(6,971,047,912)	(3,144,959,761)	(4,774,683,518)	(54,700,826)
- other comprehensive income movement	8,707,905,062	16,047,308,183	23,431,633,473	2,560,910,074
	20,709,008,458	18,972,151,308	21,245,212,553	2,588,262,598
Analysis of deferred tax				
Property, plant and equipment	25,129,834,807	18,804,175,201	25,774,057,668	2,583,233,712
Biological assets	2,551,895,528	3,316,966,344	2,551,895,528	444,594,629
Right of Use	114,559,692	138,537,078	6,540,926	1,082,981
Estimated credit losses on trade and other receivables	(4,251,747)	(16,838,611)	(4,251,747)	(2,256,989)
Provisions	1,564,957,929	(221,879,371)	1,564,957,929	(29,739,939)
Unrealised exchange loss	(3,106,284,766)	(3,037,252,554)	(3,106,284,766)	(407,102,766)
Assessed losses	(5,541,702,985)	(11,556,779)	(5,541,702,985)	(1,549,030)
	20,709,008,458	18,972,151,308	21,245,212,553	2,588,262,598
Income tax movement	(1,736,857,150)	(12,902,348,422)	(18,656,949,955)	(2,506,209,248)

The Group has not recognised temporary differences amounting to ZWL7,989,604,384 (2022: ZWL6,325,706,716) in inflation adjusted terms [ZWL2,585,015,581 (2022: ZWL330,038,920) 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	AUDITED			
	COMPANY		GROUP	
	2023	2022	2023	2022
Trade payables	-	-	14,604,345,303	5,644,288,135
Other payables	314,553,639	499,212,543	15,712,622,295	499,212,543
	314,553,639	499,212,543	30,316,967,598	9,540,098,035

HISTORICAL COST

All figures in ZWL	UNAUDITED			
	COMPANY		GROUP	
	2023	2022	2023	2022
Trade payables	-	-	14,604,345,303	756,540,745
Other payables	314,553,640	66,912,712	15,712,622,294	506,704,361
	314,553,640	66,912,712	30,316,967,597	1,263,245,106

Trade payables are unsecured and are usually settled on average 28 days from purchase (2022: 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.

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

18. TRADE AND OTHER PAYABLES - CONTINUED

All figures in ZWL	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL COST	
	2023	2022	2023	2022
At 30 September the ageing analysis of trade payables was as follows:				
Current	3,192,848,739	675,905,957	3,192,848,739	90,596,083
30-120 days	1,519,260,439	1,634,621,657	1,519,260,439	219,099,000
Above 120 days	9,892,236,125	3,333,760,521	9,892,236,125	446,845,662
	14,604,345,303	5,644,288,135	14,604,345,303	756,540,745
Provisions				
Employee benefits (current)	88,735,692	498,650,297	88,735,692	66,837,351
	88,735,692	498,650,297	88,735,692	66,837,351

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	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL COST	
	2023	2022	2023	2022
Carrying amount at the beginning of the year	498,650,297	82,755,162	66,837,351	11,092,214
Provisions charged to profit or loss	376,666,493	699,479,361	376,666,493	93,755,780
Amounts used during the year	(354,768,152)	(477,040,164)	(354,768,152)	(38,010,643)
Inflation adjustments	(431,812,946)	193,455,939	-	-
Carrying amount at the end of the year	88,735,692	498,650,297	88,735,692	66,837,351

19. BORROWINGS

All figures in ZWL	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL COST	
	2023	2022	2023	2022
Ariston Management Services (Private) Limited had borrowing facilities totalling ZWL 38,428,958,433 (2022: ZWL 29,642,393,101). The utilised portion was:				
	38,428,958,433	29,642,393,101	38,428,958,433	3,973,163,245
Secured – at amortised cost				
Loans from banks	13,597,442,372	11,495,839,426	13,597,442,372	1,540,862,323
Bank overdrafts	95,653,642	786,168,577	95,653,642	105,375,301
Loans from related parties (note 24)	24,735,862,419	17,360,385,097	24,735,862,419	2,326,925,621
	38,428,958,433	29,642,393,101	38,428,958,433	3,973,163,245
Split by term				
Amount due for settlement after 12 months	32,781,519,886	24,328,459,341	32,781,519,886	3,260,902,051
Amount due for settlement within 12 months	5,647,438,547	5,313,933,760	5,647,438,547	712,261,194
	38,428,958,433	29,642,393,101	38,428,958,433	3,973,163,245
Split by currency				
Borrowings in ZWL	95,653,642	786,168,577	95,653,642	105,375,301
Borrowings in US\$	38,333,304,791	28,856,224,524	38,333,304,791	3,867,787,944
	38,428,958,433	29,642,393,101	38,428,958,433	3,973,163,245

The borrowings in US\$ are subject to foreign currency risk as defined on Note 22.2 of this Annual Report.

The movement of borrowings is shown below:

Carrying amount at the beginning of the year	29,642,393,101	10,033,626,777	3,973,163,245	353,539,670
Proceeds	37,673,599,606	38,310,564,914	9,631,972,966	4,248,430,064
Interest	2,906,517,903	708,248,515	1,350,679,935	72,170,926
Repayments	(20,464,946,717)	(19,964,496,125)	(6,967,324,009)	(748,476,765)
Movements in exchange rates	118,647,952,022	995,476,330	30,440,466,296	47,499,350
Inflation adjustments	(129,976,557,481)	(441,027,310)	-	-
Carrying amount at the end of the year	38,428,958,433	29,642,393,101	38,428,958,433	3,973,163,245

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

19. BORROWINGS - CONTINUED

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

- (i) Bank loans of ZWL 13,597,442,372 (2022: ZWL 11,495,839,426) (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 13% (2022: 10%) per annum.

- (ii) Bank overdrafts are repayable on demand. Overdrafts of ZWL 95,653,642 (2022: ZWL 786,168,577) (inflation-adjusted) have been secured by joint and several guarantees. The average effective interest rate on bank overdrafts approximates 80% (2022: 100%) per annum.

- (iii) Loans repayable to related parties of the Group are secured by inventories and a mortgage bond over Clearwater Estate and carry interest of 6% (2022: 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. The agreement has no effective end date but should there be an end to the agreement, this will be advised at least 12 months' notice ahead of termination.

- (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 total period of 8 years 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:

All figures in ZWL	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL COST	
	2023	2022	2023	2022
Right of Use Assets				
Buildings	256,498,322	105,652,664	26,344,256	3,967,973
Plant and Equipment	136,574,335	300,149,789	76,417	272,586
Motor Vehicles	70,356,495	154,622,633	39,382	140,434
	463,429,152	560,425,086	26,460,055	4,380,993

INFLATION ADJUSTED

All figures in ZWL	Buildings	Plant and Equipment	Motor Vehicles	Total
Balance at 30 September 2021	-	463,725,243	238,888,771	702,614,014
Addition	132,065,831	-	-	132,065,831
Depreciation charge for the year recognised in Statement of Profit and Loss	(26,413,167)	(163,575,454)	(84,266,138)	(274,254,759)
Balance at 30 September 2022	105,652,664	300,149,789	154,622,633	560,425,086
Addition	193,595,379	-	-	193,595,379
Depreciation charge for the year recognised in Statement of Profit and Loss	(42,749,721)	(163,575,454)	(84,266,138)	(290,591,313)
Balance at 30 September 2023	256,498,322	136,574,335	70,356,495	463,429,152

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

20. LEASES - CONTINUED

HISTORICAL

All figures in ZWL	Buildings	Plant and Equipment	Motor Vehicles	Total
Balance 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 at 30 September 2022	3,967,973	272,586	140,434	4,380,993
Addition	26,766,992	-	-	26,766,992
Depreciation charge for the year recognised in Statement of Profit and Loss	(4,390,709)	(196,169)	(101,052)	(4,687,930)
Balance at 30 September 2023	26,344,256	76,417	39,382	26,460,055

Lease liabilities are as follows:

INFLATION ADJUSTED

All figures in ZWL	AUDITED					
	Minimum lease payments		Interest		Present value	
	2023	2022	2023	2022	2023	2022
Not later than one year	85,423,128	59,973,408	28,733,268	12,999,427	56,689,860	46,973,981
Later than one year and not later than five years	332,045,267	187,061,831	39,375,931	14,512,970	292,669,336	172,548,861
More than five years	133,553,478	-	40,281,145	-	93,272,333	-
	551,021,873	247,035,239	108,390,344	27,512,397	442,631,529	219,522,842

HISTORICAL COST

All figures in ZWL	UNAUDITED					
	Minimum lease payments		Interest		Present value	
	2023	2022	2023	2022	2023	2022
Not later than one year	70,042,418	7,597,003	13,352,558	1,300,774	56,689,860	6,296,229
Later than one year and not later than five years	309,301,013	24,234,618	16,631,677	1,106,769	292,669,336	23,127,849
More than five years	111,945,929	-	18,673,596	-	93,272,333	-
	491,289,360	31,831,621	48,657,831	2,407,543	442,631,529	29,424,078

All figures in ZWL	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL COST	
	2023	2022	2023	2022
Current liabilities	56,689,860	46,973,981	56,689,860	6,296,229
Non-current liabilities	385,941,669	172,548,861	385,941,669	23,127,849
	442,631,529	219,522,842	442,631,529	29,424,078

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. The contract had an option to extend the term and the Group exercised that option on 1 October 2022. This resulted in the Group modifying 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.

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.

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

20. LEASES - CONTINUED

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 liabilities, the lease agreements does not contain;

- a) extension or termination options
- b) residual value guarantees
- c) restrictions or covenants imposed by leases
- d) sale and leaseback transactions
- e) leases not yet commenced to which the lessee is committed

21. CAPITAL COMMITMENTS

There were no significant capital expenditure contracts at the end of the reporting period which were not recognised as liabilities.

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 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.

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

22. FINANCIAL RISK MANAGEMENT - CONTINUED

22.1 Market risk - continued

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:

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	2023	2022	2023	2022
Monetary liabilities				
US\$ - denominated interest bearing borrowings reported in ZWL	38,333,304,791	28,856,224,524	38,333,304,791	3,867,787,944
	38,333,304,791	28,856,224,524	38,333,304,791	3,867,787,944
Monetary assets				
US\$ - denominated cash and cash equivalents reported in ZWL	271,896,405	1,604,922,390	271,896,405	215,118,214
Unrealised exchange differences	-	2,706,728	-	362,800
	271,896,405	1,607,629,118	271,896,405	215,481,014
	Official exchange rates (Interbank)			
All figures in ZWL	2023		2022	
Exposure to currency risk				
The following exchange rates applied as at the end of the year:				
ZWL TO USD	5,466.75		621.89	

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

22. FINANCIAL RISK MANAGEMENT - CONTINUED

22.2 Foreign Currency Risk - continued

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.

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	Equity	Profit/(loss) for the period	Equity	Profit/(loss) for the period
2% appreciation effect - 2023	82,098,911,129	(9,977,659,040)	51,329,800,802	(26,254,678,500)
2% appreciation effect - 2022	88,519,349,942	22,430,662,913	8,120,971,359	465,889,325
2% appreciation effect - 2023	85,449,887,093	(10,384,910,430)	53,424,894,712	(27,326,298,031)
2% appreciation effect - 2022	92,132,384,634	23,346,200,175	8,452,439,577	484,905,215

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.

22.4 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.

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	2023	2022	2023	2022
Net Trade and Other Receivables	19,436,500,453	18,612,275,786	19,296,900,508	2,488,568,276
Cash at bank	585,806,322	1,669,744,174	585,806,322	223,806,700
	20,022,306,775	20,282,019,960	19,882,706,830	2,712,374,976

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 2023 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:

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

22. FINANCIAL RISK MANAGEMENT - CONTINUED

22.4 Credit risk - continued

Trade receivables (excluding related parties receivables)

All figures in ZWL	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL COST	
	2023	2022	2023	2022
Counterparties without external credit rating:				
Group 1 - Existing customers with no defaults in the past.	3,488,583,489	3,906,360,200	3,488,583,489	523,594,931
Group 2 - Existing customers with some defaults in the past. All defaults were fully recovered	-	-	-	-
Group 3 - Existing customers with defaults not recovered.	16,751,076	66,382,050	16,751,076	8,897,619
Total trade receivables	3,505,334,565	3,972,742,250	3,505,334,565	532,492,550

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.

All figures in ZWL	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL COST	
	2023	2022	2023	2022
Interest bearing borrowings	21,972,231,419	15,176,308,784	21,972,231,419	2,034,179,631
			2023	2022
Exposure to interest rate risk				
The following average interest rates applied during the year ended and as at 30 September:			13%	10%

All figures in ZWL	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL COST	
	Equity	Profit/(loss) for the period	Equity	Profit/(loss) for the period
10% appreciation effect - 2023	75,396,959,200	(5,896,321,359)	47,139,612,982	39,681,578,060
10% appreciation effect - 2022	81,293,280,559	38,630,552,748	7,458,034,921	7,078,457,201
10% appreciation effect - 2023	92,151,839,022	(7,206,614,995)	57,615,082,533	48,499,706,518
10% appreciation effect - 2022	99,358,454,017	47,215,120,025	9,115,376,015	8,651,447,691

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.

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

22 FINANCIAL RISK MANAGEMENT - CONTINUED

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.

COMPANY

	Weighted average effective interest rate	1-3 months	3 months to 1 year	1-2 years	Above 2 years	Total
All figures in ZWL	%	ZWL	ZWL	ZWL	ZWL	ZWL
INFLATION ADJUSTED AUDITED						
2023						
Related party payables	0%	-	311,266,564	-	-	311,266,564
Trade and other payables	0%	-	3,287,075	-	-	3,287,075
2022						
Related party payables	0%	-	-	-	-	-
Trade and other payables	0%	499,212,543	-	-	-	499,212,543
UNAUDITED HISTORICAL COST						
2023						
Related party payables	0%	-	311,266,564	-	-	311,266,564
Trade and other payables	0%	-	3,287,075	-	-	3,287,075
2022						
Related party payables	0%	-	-	-	-	-
Trade and other payables	0%	66,912,713	-	-	-	66,912,713

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

22 FINANCIAL RISK MANAGEMENT - CONTINUED

22.6 Liquidity risk management

GROUP

	Weighted average effective interest rate	1-3 months	3 months to 1 year	1-2 years	Above 2 years	Total
All figures in ZWL	%	ZWL	ZWL	ZWL	ZWL	ZWL
INFLATION ADJUSTED AUDITED						
2023						
Interest bearing borrowings	13%	1,679,640,272	5,211,097,370	15,081,493,777	-	21,972,231,419
Related party borrowings	7%	-	-	26,338,088,634	-	26,338,088,634
Lease Liabilities	13%	17,510,605	52,531,814	70,207,824	351,039,118	491,289,360
Related party payables	0%	-	7,651,313,427	-	-	7,651,313,427
Trade and other payables	0%	2,015,090,743	20,650,563,427	-	-	22,665,654,171
*2022						
Interest bearing borrowings	12%	697,397,010	2,092,191,032	12,386,720,742	-	15,176,308,784
Related party borrowings	6%	-	-	18,191,823,955	-	18,191,823,955
Lease Liabilities	40%	13,362,403	40,087,201	64,661,786	149,136,594	267,247,984
Related party payables	0%	-	-	-	-	-
Trade and other payables	0%	2,238,081,224	7,302,016,814	-	-	9,540,098,039
HISTORICAL COST UNAUDITED						
2023						
Interest bearing borrowings	13%	1,679,640,272	5,211,097,370	15,081,493,777	-	21,972,231,419
Related party borrowings	7%	-	-	26,338,088,634	-	26,338,088,634
Lease Liabilities	13%	17,510,605	52,531,814	70,207,824	351,039,118	491,289,360
Related party payables	0%	-	7,651,313,427	-	-	7,651,313,427
Trade and other payables	0%	2,015,090,743	20,650,563,426	-	-	22,665,654,170
*2022						
Interest bearing borrowings	12%	93,476,669	280,430,007	1,660,272,955	-	2,034,179,631
Related party borrowings	6%	-	-	2,438,368,793	-	2,438,368,793
Lease Liabilities	40%	1,791,050	5,373,149	8,667,041	19,989,750	35,820,990
Related party payables	0%	-	-	-	-	-
Trade and other payables	0%	289,912,323	973,332,783	-	-	1,263,245,106

* There has been a reclassification in the 2022 comparative figures to show the Related Party Borrowings and Payables separately from the other Interest bearing borrowings and Trade and other payables. It has also been reclassified to show the liquidity further split the Over 1 year category into "1-2 years" and "Over 2 years".

The Group has access to financing facilities amounting to ZWL42,215,904,896 (2022: ZWL29,705,755,504); of which ZWL6,786,946,464 (2022: ZWL63,362,403) 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.

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

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 diseases 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 2023 was 34% (2022: 31%).

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	2023	2022	2023	2022
Debt (i)	38,871,589,962	29,861,915,943	38,871,589,962	4,002,587,323
Cash and bank balances	(585,806,322)	(1,669,744,174)	(585,806,322)	(223,806,700)
Net debt	38,285,783,640	28,192,171,769	38,285,783,640	3,778,780,623
Equity (ii)	83,774,399,111	90,325,867,288	52,377,347,757	8,286,705,468
Net debt to equity ratio	46%	31%	73%	46%

(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.

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

24. RELATED PARTY DISCLOSURES

COMPANY

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

As Ariston Holdings Limited (the Company) does not trade, and is a holding company, Ariston Management Services (Private) Limited pays for expenses on behalf of the Company. The outstanding amount is unsecured and will be settled in cash. No guarantees have been given or received.

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	2023	2022	2023	2022
Carrying amount at the beginning of the year	951,603,639	269,782,322	127,549,641	9,505,910
Amounts advanced	-	1,316,856,426	-	176,506,854
Repayment	(1,896,230,544)	(436,173,086)	(438,816,205)	(58,463,123)
Inflation adjustments	633,360,341	(198,862,023)	-	-
Carrying amount at the end of the year	(311,266,564)	951,603,639	(311,266,564)	127,549,641

Other receivable from Claremont Orchards Holdings Limited, a 50% joint venture of the Company

This amount payable to the Company is unsecured and will be settled in cash. No guarantees have been given or received.

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	2023	2022	2023	2022
Carrying amount at the beginning of the year	-	-	-	-
Amounts advanced	77,280,726	-	77,280,726	-
Repayment	-	-	-	-
Inflation adjustments	-	-	-	-
Carrying amount at the end of the year	77,280,726	-	77,280,726	-

GROUP

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

Interest in subsidiaries 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:

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	2023	2022	2023	2022
Carrying amount at the beginning of the year	17,360,385,097	6,951,906,773	2,326,925,621	244,953,782
Loans advanced	-	3,729,226,231	-	483,069,438
Finance cost	472,916,968	487,689,314	472,916,968	48,800,124
Movements in exchange rates	16,346,448,680	11,564,775,525	16,346,448,680	1,550,102,277
Repayment	(314,152,350)	-	(314,152,350)	-
Inflation adjustments	(15,033,459,476)	(5,373,212,746)	-	-
Carrying amount at the end of the year	18,832,138,919	17,360,385,097	18,832,138,919	2,326,925,621

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

24. RELATED PARTY DISCLOSURES - CONTINUED

GROUP

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

Interest in subsidiaries are disclosed in Note 13.

Borrowings from Richtrau No 27 (Pty) Limited, a company related to Origin Holdings; the major shareholder of the Group

During the year, the Group entered into a loan agreement with Richtrau No 27 (Pty) Limited. The weighted average interest rate on related party borrowings is 8% 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:

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	2023	2022	2023	2022
Carrying amount at the beginning of the year	-	-	-	-
Loans advanced	628,304,700	-	628,304,700	-
Finance cost	195,180,851	-	195,180,851	-
Movements in exchange rates	5,080,237,949	-	5,080,237,949	-
Carrying amount at the end of the year	5,903,723,500	-	5,903,723,500	-

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.

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	2023	2022	2023	2022
Carrying amount at the beginning of the year	13,281,857,879	6,530,967,781	1,780,254,022	230,121,794
Amounts advanced	8,160,093,853	17,491,664,764	8,160,093,853	2,344,521,891
Amounts repaid	(2,696,157,305)	(16,681,783,006)	(2,696,157,305)	(2,235,968,158)
Management fee expense	(556,611,522)	(463,865,412)	(556,611,522)	(62,174,906)
Movements in exchange rates	6,285,898,269	11,218,982,632	6,285,898,269	1,503,753,401
Inflation adjustments	(11,501,603,857)	(4,814,108,881)	-	-
Carrying amount at the end of the year	12,973,477,317	13,281,857,879	12,973,477,317	1,780,254,022

Other payable to Richtrau No 27 (Pty) Limited, a company related to Origin Holdings; the major shareholder of the Group

During the year, the Group received advances from Richtrau No 27 (Pty) Limited. The amounts do not attract interest.

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	2023	2022	2023	2022
Carrying amount at the beginning of the year	-	-	-	-
Amounts advanced	27,620,201,180	-	6,391,729,053	-
Movements in exchange rates	5,442,967,548	-	1,259,584,374	-
Inflation adjustments	(25,411,855,301)	-	-	-
Carrying amount at the end of the year	7,651,313,427	-	7,651,313,427	-

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

24. RELATED PARTY DISCLOSURES

GROUP

Other payable to Mombe Shoma (Private) Limited, a joint venture of the Group

The amount relates to an amount payable to Mombe Shoma as a result of a shortfall on the initial investment into the joint venture. As the contract had a moratorium, there was no interest charge in 2022.

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	2023	2022	2023	2022
Carrying amount at the beginning of the year	286,948,249	152,575,429	38,461,545	5,376,069
Interest	40,281,145	-	18,673,596	-
Movements in exchange rates	686,966,799	246,839,265	323,840,177	33,085,476
Inflation adjustments	(633,220,875)	(112,466,445)	-	-
Carrying amount at the end of the year	380,975,318	286,948,249	380,975,318	38,461,545

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.

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	2023	2022	2023	2022
Carrying amount at the beginning of the year	409,479,160	41,576,355	54,885,162	1,464,963
Remuneration of directors and other members of key management personnel during the year	2,228,766,358	558,642,596	515,769,983	74,878,510
Payments made	(2,465,938,366)	(492,423,181)	(570,655,145)	(66,002,690)
Movements in exchange rates	1,484,045,511	332,330,164	343,430,403	44,544,379
Inflation adjustments	(1,312,922,260)	(30,646,774)	-	-
Carrying amount at the end of the year	343,430,403	409,479,160	343,430,403	54,885,162

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. CORRECTION OF MATERIAL ERRORS IN PRIOR YEAR

25.1 Incorrect calculation of diluted and basic earnings per share

The Group erroneously calculated the basic and diluted earnings per share based on comprehensive income for the year instead of the profit or loss from continuing operations to the equity shareholders. The prior year EPS (restated) was ZWL26.3752 per share and after correction -ZWL3.6538 per share.

25.2 Incorrect classification of statement of cashflows

For the period ended 30 September 2022, the Group received cash in settlement of a receivable that arose from a part sale of a subsidiary (where the investment went from control to joint control). The amounts adjusted to take out the impact of the movements included in trade and other receivables was misstated as the inflation adjusted amount on settlement was reflected instead of the amount that was the opening balance. The proceeds were incorrectly inflation adjusted from the date that the receivable arose, which is incorrect as the amount should have been hyper-inflated from the date of receipt to the reporting period.

The monetary gain/loss had been incorrectly added back in the non-cash items, after deduction on the face of the statement of cash flow. This effectively left the monetary gain/loss (which is not cash) within the statements of cash flow. To correct this, the adjustment in working capital has been removed. The recalculated IAS 29 impact on cash flows is indicated as a separate line in the statement of cash flows.

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

25 CORRECTION OF MATERIAL ERRORS IN PRIOR YEAR - CONTINUED

25.2 Incorrect classification of statement of cashflows - continued

The impact of the changes is shown below:

Impact of the restatements

All figures in ZWL	2022	Increase/ (Decrease)	Restated and corrected 2022
Statement of Cashflows (extract)			
Cashflow from operating activities	(19,711,491,096)	(2,905,659,040)	(22,617,150,136)
Cashflows from investing activities	3,491,365,923	(826,360,517)	2,665,005,406
IAS 29 impact on cashflows	-	3,732,019,556	3,732,019,556
Net movement in cash	(2,285,531,080)	-	(2,285,531,080)

25.3 Correction of error in calculating fair value on biological assets

Cost of sales for biological assets were incorrectly valued in the prior year. At the point of sale the value transferred from biological assets to cost of sales was at cost and not at fair value as required by IAS2 and IAS41. Therefore an error has been noted as there is an understatement of cost of sales and fair value gains. The prior year has been restated to correct this. The error has been corrected by restating each of the affected financial statements line items for the prior period as follows:

Impact of the restatements

All figures in ZWL	2022	Increase/ (Decrease)	Restated and corrected 2022
Statement of Profit or loss(extract)			
Cost of goods sold	17,060,026,052	23,784,424,576	40,844,450,628
Gross loss	13,844,976,283	(23,784,424,576)	(9,939,448,293)
Fair value adjustments on Biological assets	3,961,051,490	23,784,424,576	27,745,476,064
Loss for the year	(5,946,150,654)	-	(5,946,150,654)

25.4 Incorrect allocation of fair value movement on biological assets to a segment

The Group erroneously allocated a fair value gain to a segment that did not hold any biological assets as of 30 September 2022, in its segment reporting disclosure. The corrected amounts are as presented in Note 5.5. There is no impact on the Groups's primary statements.

26. 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 ZWL429,940,356 inflation adjusted (Historical: ZWL194,358,664) representing contributions payable by the Group at rates specified in the rules of the plan.

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

27. CPI SENSITIVITY

The Group considered two techniques in determining the most reasonable method to apply in computing the CPIs for the purposes of inflation adjusting the financial statements for the period under review. The analysis below demonstrates the sensitivity of the CPI used in preparing hyperinflation accounts in comparison to CPI derived using the other technique. IAS 29 allows for the estimation of CPIs if these are not readily available. The following techniques were considered:

27.1 Consideration of CPI based on the Total Consumption Poverty Line

For this technique, the CPIs published by the National Statistics Agency up to 31 January 2023 are applied. From 1 February 2023 to 30 September 2023, the CPIs are computed based on the proportionate movement in the Total Consumption Poverty Line. The Group did not choose this method as the Group does not believe this method would best reflect the nature of the Group's operations. The Group has export revenue and imports its input costs as well as has foreign currency borrowings, whose inflation in ZWL would be more correlated with movements in exchange rates.

27.2 Use of CPI based Interbank Exchange rate

The inflation rate is estimated by considering the depreciation of the exchange rate of the hyperinflationary currency against a relatively stable foreign currency. The CPI published by the National Statistics Agency is applied up to 31 January 2023. The impact of the movements in the exchange rates between the United States dollar and the Zimbabwe dollar was then applied for the February to September 2023 period. An analysis of the CPI movements in the CPIs that were readily available up to February 2023 seemed to indicate that the movements between the two currencies was a leading indicator for CPI movements. Purchasing power parity describes an exchange rate as a function of the respective costs of a particular product in two economies. This is an indication that it is reasonable to assume a strong correlation between a CPI and exchange rate movement. It is on this basis that the Group has adopted this technique.

All figures in ZWL	Estimated CPI as at 30 September 2023	Average Estimated CPI - Year Ended September 2023
CPI Based on Total Consumption Line (considered by the Group)	24,389	44,721
CPI Based on Interbank Exchange Rate (used by the Group)	41,763	94,848
Impact of change in the conversion factor (%)	-42%	-53%

Effect on the financial statements

The effect of a 53% movement in the average CPI for the period as well as a 42% decrease in CPI as at 30 September 2023 on the key financial aspects would be as follows:

All figures in ZWL	COMPANY	GROUP
Decrease in average CPI by 53%		
Revenue	-	16,728,281,907
Loss for the year	(325,176,142)	(15,592,350,239)
Decrease in closing CPI by 42%		
Total assets	51,470,170	101,421,851,789
Total equity and reserves	(132,224,490)	48,923,006,566
Total liabilities	183,694,660	52,498,845,223

Notes to the Financial Statements – Continued

For the year ended 30 September 2023

27. CPI SENSITIVITY -CONTINUED

27.2 Use of CPI based Interbank Exchange rate -continued

The change in the inflation measurement technique, that is, use of estimated CPIs in February and March 2023 constitutes a change in accounting estimate, and not a prior period error.

It is impractical to estimate the CPI for future periods due to the volatile nature of the hyperinflationary conditions. Based on past trends, whatever estimates that would be made, would significantly vary in the ensuing financial year and require material adjustments to the carrying amounts of the affected assets and the liabilities. Therefore, the effect of the change in the estimate has not been disclosed.

28. GOING CONCERN

Company

The Company has a current ratio of 0.25. ZWL312,380,063 of the ZWL314,553,639 trade and other payables balance in the Company's financial statements relates to an intercompany balance with its subsidiary, Ariston Management Services (Private) Limited. As the Company does not generate its own separate revenue, its expenses are paid for by Ariston Management Services (its wholly owned subsidiary), resulting in the payable balance. The directors have performed an assessment of the Company's ability to continue as a going concern and determined that the Company's plans and activities adequately mitigate risks related to its going concern. It is on this basis that the financial statements have been prepared on a going concern basis.

Group

The Directors have satisfied themselves that the Group has adequate resources for the operations to continue for the foreseeable future. In this regard, they have considered the financial impact of the effects of COVID-19 and the impact of the war between Russia and Ukraine on the business. These conditions have resulted in increased cost of production and suppressed pricing. The directors 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 in terms of business viability and financial performance.

In the period under review, the Group has increased its focus on improving tea quality so as to grow its export sales volumes, as well as improve price. This strategy worked well in current year as evidenced by the increase in tea revenue. The Group has signed offtake agreement with major buyers for macadamia nuts and indicative prices have been higher than those achieved in the current year.

The Group has irrigation systems place, which assist in mitigating the effects of erratic rainfall patterns, where applicable. During the current year, the Group invested in a solar energy plant in a bid to mitigate against power outages as well as the high cost of fuel for generators which were previously used when there are power outages. The impact of this investment which is expected to be felt in the FY2024 is expected to result in cost savings. During the year, the Group undertook a staff rationalisation exercise. The benefits of this exercise will become more apparent in the ensuing year.

The Group has increased focus on expense control inclusive of direct importation on key line items so as to benefit from manufacturer discounts. In addition, the Group is working on replacing short term loans with longer dated ones. The Group's exposure to foreign denominated loans is fully mitigated by the Group's revenue streams principally being in the same foreign currency.

The above noted assessments considered the Group's financial performance and its resultant financial position as at 30 September 2023. The assessment also included a review of the Group's short term and medium-term prospects and forecasts taking into account the economic environment in Zimbabwe and in the global markets for its export products, climate change, supply chains and the expected impact on prices and demand for the Group's product offering. The directors believe that the Group's plans and activities adequately show that the business will continue to be viable and able to discharge its obligations as and when they fall due. 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.

29. EVENTS AFTER THE REPORTING DATE

There have been no significant events after the reporting date.

Shareholders' Profile

For the year ended 30 September 2023

ANALYSIS OF SHAREHOLDERS

SIZE OF SHAREHOLDING	NUMBER OF SHAREHOLDERS	% NO. OF SHAREHOLDERS	SHARES HELD	% OF SHARES HELD
1-5,000	1,245	65.46	1,821,036	0.11
5,001-10,000	179	9.41	1,335,990	0.08
10,001-50,000	291	15.30	6,481,570	0.40
50,001-100,000	58	3.05	4,259,281	0.26
100,001- and over	129	6.78	1,613,497,718	99.15
	1,902	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	242	12.72	194,306,248	11.94
ESTATES	1	0.06	10,000	0.00061
INDIVIDUALS	1,490	78.34	24,859,885	1.53
INSURANCE COMPANIES	7	0.37	42,908,499	2.63
INVESTMENT, TRUST AND PROPERTY COMPANIES	21	1.10	919,275	0.06
NOMINEE COMPANY	54	2.84	142,047,534	8.73
NON RESIDENT TRANSFERABLE	62	3.26	1,155,960,157	71.03
PENSION FUNDS	25	1.31	66,383,997	4.08
	1,902	100.00	1,627,395,595	100.00

Shareholders' Profile – Continued

For the year ended 30 September 2023

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
MEGA MARKET (PVT) LTD	30,546,146	1.88
NATIONAL SOCIAL SECURITY AUTHORITY (W.C.I.F.)	24,321,664	1.49
SCB NOMINEES 033667800003	23,933,828	1.47
STANDARD CHARTERED NOMINEES (PVT) LTD-NNR	20,510,309	1.26
WORKERS COMPENSATION INSURANCE FUND	13,967,863	0.86
MUTARE MART	7,599,900	0.47
BETAVEST (PRIVATE) LIMITED	6,418,300	0.39
ECONET GROUP ZIMBABWE PENSION FUND-FML A/C 140043880025	5,814,732	0.36
STANBIC NOMINEES (PVT) LTD A/C 110008090011	5,507,476	0.34
PUBLIC SERVICE PF-PLATINUM	4,349,909	0.27
NYARADZO LIFE ASSURANCE COMPANY	3,159,011	0.19
ZB FINANCIAL HOLDINGS GROUP PENSION FUND	2,969,382	0.18
QUANTAFRICA WEALTH MANAGEMENT	2,694,600	0.17
MUNSTER INVESTMENTS (PVT) LTD	2,481,060	0.15
ZB FINANCIAL HOLDINGS LIMITED	2,278,614	0.14
TOTAL HOLDING OF TOP TWENTY SHAREHOLDERS	1,565,773,073	96.21
REMAINING HOLDING	61,622,522	3.79
TOTAL ISSUED SHARES	1,627,395,595	100.00

Notice to Shareholders

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the seventy-seventh (77th) 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 22 February 2024 at 1500 hours 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 2023, 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 C.P. Conradie retires by rotation and being eligible offers himself for re-election.

2.2 Mr J. W. Riekert retires by rotation and being eligible offers himself for re-election.

3. Director's remuneration

To approve directors' fees for the year ended 30 September 2023.

4. Auditors

5.1 To approve the remuneration of the independent auditors for the year ended 30 September 2023 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

18 DECEMBER 2023



ARISTON

HOLDINGS LIMITED

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

PROXY FORM

For use at the seventy-seventh (77th) 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 22 February 2024 at 15:00hrs.

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-seventh AGM of Ariston Holdings Limited to be held in the Centenary Room, Royal Harare Golf Club, 5th Street Extension, Harare, Zimbabwe on 22 February 2024 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 2023 together with the reports of the directors and auditors thereon.			
2. Election of directors			
2.1 Appointment of director, C. P. Conradie			
2.2 Appointment of director, J. W. Riekert			
3. Approval of directors' fees for the year ended 30 September 2023			
4. Auditors			
4.1 Approval of fees for the auditors for the year ended 30 September 2023			
4.2 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



ARISTON
HOLDINGS LIMITED

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