



ARISTON

HOLDINGS LIMITED

REVIEWED HALF YEAR FINANCIAL RESULTS

FOR THE SIX MONTHS ENDED 31 MARCH 2023

FINANCIAL HIGHLIGHTS

	INFLATION ADJUSTED		HISTORICAL COST	
	REVIEWED		UNAUDITED	
All figures in ZWL	Period Ended 31-Mar-23	Period on Period Change	Half Year Ended 31-Mar-23	Period on Period Change
REVENUE (ZWL'000)	2,431,402	13%	2,199,615	292%
EBITDA (excluding fair value adjustments)	(1,956,312)	276%	(2,462,913)	2244%
(LOSS)/ PROFIT AFTER TAXATION (ZWL'000)	(2,265,816)	-600%	(2,080,944)	815%
BASIC EARNINGS PER SHARE (ZWL'000)	(1.3923)	-748%	(1.2787)	-885%
HEADLINE EARNINGS PER SHARE (ZWL'000)	(6.5004)	-4279%	(1.2790)	-966%

CHAIRMAN'S STATEMENT

INTRODUCTION

The season began with a dry spell followed by a period of greater rains than the prior year. On average, greater rainfall was received at all the operations for the current season than the prior comparative period. Further, the rainfall distribution was much better with more consistent rainfall over the period as opposed to a short period with excessive rains in prior year.

The local economic environment continued to be harsh, characterized by declining disposable incomes, incessant power outages which resulted in the use of costly alternative energy sources and greater depreciation of the Zimbabwe dollar coupled with increased dollarisation of the local economy.

FINANCIAL PERFORMANCE (on inflation adjusted terms)

In March 2023, Statutory Instrument 27 of 2023: Census and Statistics (General) Notice, 2023 was introduced. This legislation changed the measurement of Zimbabwe's inflation rate from measuring inflation against the use of the Zimbabwe dollar to a blended inflation rate measured on the weighted average based on the use of both the Zimbabwe and United States dollars. The official rate of inflation on just the Zimbabwe dollar, which is the Group's functional currency and the currency that is experiencing hyper-inflation, is no longer available, leaving the Group in a situation where comparative inflation adjusted figures are no longer available. The use of the blended consumer price index (CPI) for adjusting the Historical Cost financial results would be inappropriate, as the currency in hyperinflation, as defined, is the Zimbabwe dollar, not both currencies (as in Zimbabwe dollar and United States dollar). The Group has therefore estimated the CPIs for the months of February and March 2023 based on the movement in the interbank exchange rate between the United States dollar and the Zimbabwe dollar.

Revenue for the half year ended 31 March 2023 registered a 13% increase to ZWL2.4 billion compared to the prior comparative period. This was despite the fact that during the period under review, there had not yet been macadamia export sales. The increase was mainly driven by the improvement in export tea volumes coupled with an improvement in average selling prices for both local and export tea.

The Group posted an operating loss before interest and tax of ZWL 1.4 billion compared to a profit of ZWL 319 million in the prior comparative period. The loss position is mainly driven by unrealised exchange losses arising from United States Dollar denominated liabilities. Inflation adjusted interest expense increased by 310% to ZVL298 million in the current reporting period. This was mainly as a result of an increase in borrowings held during the current period. After taking into account deferred taxation of ZWL517 million, the Group posted an inflation adjusted loss after tax of ZWL2.3 billion, compared to a profit of ZWL349 million in the prior comparative period.

VOLUMES AND OPERATIONS

Tea

Tea production volumes achieved for the first half were 1,599 tonnes. This was a 21% decline from the prior comparative period. The decline is attributable to the Group's shift in strategy, in which, production volumes have been reduced by taking out lower yielding tea gardens and providing greater focus on improving quality so as to increase export volumes and value.

As a result of the change in strategy, coupled with the recovery of the global economy activity from the effects of COVID-19, there was a 51% increase in export tea volumes as well as a 16% increase in the average export selling price.

Local tea sales volumes declined by 24% as more sales were channeled to the export market in an effort to protect value, given the circumstances where the Zimbabwe dollar was depreciating significantly. The average selling price for local tea increased by 22% during the period under review.

Macadamia

The Group achieved a 31% growth in macadamia nut production volume when compared to the prior comparative period. As at 31 March 2023, 50% of the projected annual crop had been harvested as compared to 36% in the prior comparative period. However, exports had not yet commenced. In the prior comparative period, a late export delivery in October 2021 was recorded.

Whilst sales of macadamia had not occurred at half year, off take contracts were on hand. Challenges on logistics remained as in prior year, and these had the effect of slowing down deliveries, and therefore sales.

Other products

Other products comprise potatoes, commercial soya beans, seed soya beans, commercial maize, seed maize, sugar beans, bananas and poultry. There was a general increase in sales volumes for this category. As at half year, most of the produce under this category had not yet been harvested and was thus not in sales yet. Generally, yields look set to improve on prior year's achievements. Prices are expected to remain stable at the same levels as prior year.

INVESTMENTS

Due to the incessant power outages being experienced, the Group has re-organised itself and has also invested in a 500Kva Solar energy plant. This solar energy plant which was installed at Southdown Estate will alleviate the challenges brought about by the incessant power-cuts as well as the use of costly alternative measures, i.e. use of generators. Installation was completed in July 2023. On re-organisation, the tea production from Clearwater Tea Estate factory has been consolidated with Southdown Tea Estate factory by enhancing the Southdown factory efficiencies so as to enable it to carry the manufacturing capacities of both the Southdown and Clearwater tea factories in one factory. The effect of increasing manufacturing volume coupled with the use of the cheaper new solar energy plant is expected to produce benefits to the Group in the medium term.

Further, the Group continues to hold investments in joint ventures which continue to contribute positively to the Group's financial performance.

OUTLOOK

Due to the cyclical nature of the Group's agricultural model, the majority of the selling activities occur in the second half of the year. Macadamia nut exports have commenced, with indications that there is greater interest for the product in current year compared to the prior year, as the global market recovers from the effects of the COVID-19 pandemic. However, average selling prices are expected to remain the same as those achieved in prior year. Tea prices are expected to remain firm. The prices for the other products are also expected to be firm. Indicative yields are showing an improvement on comparative prior period.

The solar energy project, which was completed in July 2023 is expected to result in reduced energy costs and predictability to the manufacturing processes.

Going forward, cost containment remains a key focus area for the Group as it remains resilient in the challenging business environment it operates in. The Group continues to hope for more stable policies that will improve quality of business decisions and planning.

DIVIDEND

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

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 their continued support for the business.

BY ORDER OF THE BOARD

ALEXANDER CRISPEN JONGWE
CHAIRMAN

07 AUGUST 2023

CONDENSED GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		INFLATION ADJUSTED		*HISTORICAL COST	
		REVIEWED Half Year Ended 31-Mar-23	REVIEWED Half Year Ended 31-Mar-22	Half Year Ended 31-Mar-23	Half Year Ended 31-Mar-22
All figures in ZWL'000	Notes				
Revenue	8	2,431,402	2,149,064	2,199,615	560,574
Cost of production		(2,354,037)	(1,421,582)	(1,717,160)	(319,151)
Gross profit		77,365	727,482	482,455	241,423
Other operating income		70,836	107,257	64,906	27,927
Operating expenses		(2,549,597)	(1,303,544)	(2,050,376)	(293,177)
Fair value adjustments		1,501,571	1,074,807	1,985,399	459,515
(Loss)/ Profit from operations		(899,825)	606,002	482,384	435,688
Exchange loss		(2,073,320)	(355,202)	(1,959,390)	(115,865)
Monetary gain/(loss)		1,191,524	(8,528)	-	-
Share of net profit of a joint ventures accounted for using the equity method	5	330,978	76,729	257,713	29,361
(Loss)/ Profit before interest and taxation		(1,450,643)	319,001	(1,219,293)	349,184
Finance costs		(298,217)	(72,807)	(268,603)	(19,212)
(Loss)/ Profit before taxation		(1,748,860)	246,194	(1,487,896)	329,972
Income tax benefit/ (expense)	4	(516,956)	103,296	(593,048)	(64,841)
(Loss)/ Profit for the year		(2,265,816)	349,490	(2,080,944)	265,131
Other comprehensive income		-	-	-	-
Total comprehensive income before tax on comprehensive income		(2,265,816)	349,490	(2,080,944)	265,131
Tax on other comprehensive income		-	-	-	-
Total comprehensive income for the year		(2,265,816)	349,490	(2,080,944)	265,131
Number of shares in issue		1,627,396	1,627,396	1,627,396	1,627,396
Weighted average number of shares in issue		1,627,396	1,627,396	1,627,396	1,627,396
Earnings per share (dollars)					
Basic earnings per share		(1.3923)	0.2148	(1.2787)	0.1629
Diluted earnings per share		(1.3923)	0.2148	(1.2787)	0.1629

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

CONDENSED GROUP STATEMENT OF FINANCIAL POSITION

		INFLATION ADJUSTED			*HISTORICAL COST		
		REVIEWED As at 31-Mar-23	REVIEWED As at 31-Mar-22	AUDITED As at 30-Sep-22	As at 31-Mar-23	As at 31-Mar-22	As at 30-Sep-22
All figures in ZWL'000	Notes						
ASSETS							
Non - current assets							
Property, plant and equipment		16,604,001	6,541,795	17,401,652	10,010,440	211,968	10,599,601
Biological assets		105,666	39,073	89,681	105,666	11,543	70,670
Right of use assets		74,247	98,432	95,325	29,240	562	4,381
Investment in joint ventures	5	1,429,799	1,058,888	1,098,821	613,354	182,360	355,641
		18,213,713	7,738,188	18,685,479	10,758,700	406,433	11,030,293
Current assets							
Biological assets		3,678,254	2,644,332	2,192,668	3,678,254	781,197	1,727,852
Inventories		1,722,488	1,116,045	990,157	1,685,722	314,306	690,094
Trade and other receivables		2,131,135	407,769	3,165,840	2,124,254	116,264	2,488,568
Cash and cash equivalents		36,003	16,125	284,014	36,003	4,764	223,807
		7,567,880	4,184,271	6,632,679	7,524,233	1,216,531	5,130,321
TOTAL ASSETS		25,781,593	11,922,459	25,318,158	18,282,933	1,622,964	16,160,614
EQUITY							
Share capital and reserves							
Share capital		409,567	409,567	409,567	1,627	1,627	1,627
Share premium		2,748,818	2,748,818	2,748,818	10,922	10,922	10,922
Revaluation reserve	9	8,312,330	-	8,312,330	7,798,759	-	7,798,759
Distributable reserves		1,627,373	5,163,158	3,893,189	(1,605,546)	674,334	475,398
		13,098,088	8,321,543	15,363,904	6,205,762	686,883	8,286,706
LIABILITIES							
Non-current liabilities							
Borrowings	7	5,464,613	65,012	4,138,129	5,464,613	19,206	3,260,902
Deferred tax	4b	3,744,009	929,143	3,227,053	3,181,311	146,895	2,588,263
Lease liabilities		70,588	-	29,350	70,588	-	23,128
		9,279,210	994,155	7,394,532	8,716,512	166,101	5,872,293
Current liabilities							
Borrowings	7	687,422	621,975	903,869	687,422	183,746	712,261
Trade and other payables	6	2,217,982	1,541,435	1,622,716	2,206,314	477,655	1,263,242
Contract liabilities		489,717	411,674	25,147	457,749	99,221	19,816
Lease liabilities		9,174	31,677	7,990	9,174	9,358	6,296
		3,404,295	2,606,761	2,559,722	3,360,659	769,980	2,001,615
TOTAL EQUITY AND LIABILITIES		25,781,593	11,922,459	25,318,158	18,282,933	1,622,964	16,160,614

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

CONDENSED GROUP STATEMENT OF CASHFLOWS

	INFLATION ADJUSTED		*HISTORICAL COST	
	REVIEWED Half Year Ended 31-Mar-23	REVIEWED Half Year Ended 31-Mar-22	Half Year Ended 31-Mar-23	Half Year Ended 31-Mar-22
All figures in ZWL'000				
Cash flows from operating activities				
(Loss)/ profit before taxation	(1,748,860)	246,194	(1,487,896)	329,972
Change in working capital	1,362,210	244,246	749,692	(55,776)
Non-cash items	(837,290)	(608,612)	(1,529,146)	(473,450)
Cash (utilised in)/ generated from operating activities	(1,223,940)	(118,172)	(2,267,350)	(199,254)
Cash flows from investing activities				
Payments for property, plant and equipment acquired	(177,173)	(388,596)	(150,209)	(97,764)
Proceeds from sale of property, plant and equipment	643	2,038	545	211
Proceeds from sale of investments	-	1,793,373	-	529,520
Cash generated from/ (utilised in) investing activities	(176,530)	1,406,815	(149,664)	431,967
Cash flows from financing activities				
Cash utilised in financing activities	(2,293,469)	(1,573,292)	(1,201,134)	(283,105)
Cash generated from financing activities	3,445,928	262,799	3,430,344	47,289
Cash generated from financing activities	1,152,459	(1,310,493)	2,229,210	(235,816)
Net increase/ (decrease) in cash and cash equivalents	(248,011)	(21,850)	(187,804)	(3,103)
Cash and cash equivalents at beginning of the year	284,014	37,975	223,807	7,867
Cash and cash equivalents at the end of the year	36,003	16,125	36,003	4,764

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



REVIEWED HALF YEAR FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2023

8. Reportable segments

	INFLATION ADJUSTED		* HISTORICAL COST	
	REVIEWED Half Year Ended 31-Mar-23	REVIEWED Half Year Ended 31-Mar-22	Half Year Ended 31-Mar-23	Half Year Ended 31-Mar-22
All figures in ZWL'000				
Revenue from major products				
Tea	1,808,050	1,111,538	1,640,657	292,584
Macadamia nuts	52,420	467,486	45,856	126,672
Vegetables and fruits	234,837	134,894	191,064	33,934
Poultry	286,155	383,583	263,263	95,471
Other	49,940	51,563	58,775	11,913
Total	2,431,402	2,149,064	2,199,615	560,574

All figures in ZWL'000	INFLATION ADJUSTED				
	Southdown Estates	Claremont Estate	Kent Estate	Corporate Office	Total
31-Mar-23					
Segment revenue	1,951,046	-	480,356	-	2,431,402
Segment EBITDA (excluding fair value adjustments)	(18,335,673)	17,368,950	7,873,433	(8,863,022)	(1,956,312)
Segment depreciation and impairment	542,959	-	193,577	259,365	995,901
Segment assets (excluding intersegment assets)	18,513,239	269,469	3,732,351	3,266,534	25,781,593
Segment liabilities (excluding intersegment liabilities)	(5,604,857)	(79,110)	(647,298)	(6,352,240)	(12,683,505)
Net segment assets/ (liabilities)	(1,473,994)	(57,306)	(51,077)	1,582,377	-
31-Mar-22					
Segment revenue	1,635,307	10,135	503,622	-	2,149,064
Segment EBITDA (excluding fair value adjustments)	48,973,924	(9,678,045)	8,352,112	(48,168,593)	(520,602)
Segment depreciation and impairment	163,678	8,256	23,988	39,281	235,203
Segment assets (excluding intersegment assets)	8,832,581	178,238	1,229,172	1,682,468	11,922,459
Segment liabilities (excluding intersegment liabilities)	(1,243,751)	(43,306)	(101,973)	(2,211,886)	(3,600,916)
Net segment assets/ (liabilities)	(312,453)	(189,048)	(97,199)	598,701	

	* HISTORICAL COST				
All figures in ZWL'000	Southdown Estates	Claremont Estate	Kent Estate	Corporate Office	Total
31-Mar-23					
Segment revenue	1,768,231	-	431,384	-	2,199,615
Segment EBITDA (excluding fair value adjustments)	(312,441)	62,865	(350,214)	(1,863,123)	(2,462,913)
Segment depreciation and impairment	350,946	-	161,068	229,766	741,780
Segment assets (excluding intersegment assets)	12,939,856	268,776	2,958,345	2,115,956	18,282,933
Segment liabilities (excluding intersegment liabilities)	(4,998,522)	(79,110)	(647,298)	(6,352,240)	(12,077,171)
Net segment assets/ (liabilities)	(1,473,994)	(57,306)	(51,077)	1,582,377	-
31-Mar-22					
Segment revenue	432,279	2,234	126,061	-	560,574
Segment EBITDA (excluding fair value adjustments)	(36,081)	24,809	(33,632)	(60,163)	(105,067)
Segment depreciation and impairment	3,944	348	637	336	5,265
Segment assets (excluding intersegment assets)	1,198,149	51,767	174,029	199,019	1,622,964
Segment liabilities (excluding intersegment liabilities)	(350,125)	(12,794)	(30,125)	(543,037)	(936,081)
Net segment assets/ (liabilities)	(92,306)	(55,849)	(28,715)	176,870	-

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

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

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

The Group's financial results have been prepared in compliance with International Financial Reporting Standards (IFRS) 44 Interim Financial Reporting promulgated by the International Accounting Standards Board (IASB), and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31), and the requirements of the Zimbabwe Stock Exchange rules.

certain biological assets and financial instruments that are measured at fair value, and have been adjusted to fully comply with IFRS; these adjustments include restatements of financial information to reflect the effects of the application of International Accounting Standard (IAS) 29 “Financial Reporting in Hyperinflationary Economies” as more fully described on Note 13 below.

On 11 October 2018, the Public Accountants and Auditors Board (PAB) announced that the requisite economic factors and characteristics necessary for the application of IAS 29 in Zimbabwe had been met. This pronouncement applies to reporting for financial periods ending on or after 1 July 2019.

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 Zimbabwean 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. As the use of the blended consumer price index (CPI) for adjusting the Historical Cost financial results would be inappropriate, for the months of February and March, 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.

Key CPIs and conversion factors used are shown below:

Month	CPI	Conversion Factor
31 March 2023	16,133.12	1.00
Average CPI (October 2022 to March 2023)	14,252.59	1.14
30 September 2022	12,713.12	1.27
March 2022	4,766.10	3.38

as issued by the International Accounting Standards Board (IASB). The accounting policies adopted in the preparation of the consolidated financial statements as at 30 September 2022 have been consistently applied in these Group financial results. This interim financial report is to be read in conjunction with the 30 September 2022 annual report.

lockdown orders on the business. The Directors have also assessed the impact of the war between Russia and Ukraine on the business which has had a negative impact on the Group's cost of production and pricing. They have also performed an overall assessment of the ability of the Group to continue operating as a going concern by reviewing the prospects of the Group. These assessments considered the Group's financial performance for the period ended 31 March 2023, the financial position as at 31 March 2023 and the current and medium term forecasts for the Group taking into account the economic environment in Zimbabwe, climate change, the global supply chain and the expected impact on prices and demand for the Group's products. The directors believe that the Group's plans and activities adequately mitigate the risks. Based on this background, the Directors have every reason to believe that the Group has adequate resources to continue in operation for the foreseeable future. Accordingly, these financial results were prepared on a going concern basis.

31 March 2023 have been viewed by PricewaterhouseCoopers Chartered Accountants (Zimbabwe) who have issued an unmodified review conclusion thereon. The review conclusion has been made available to management and those charged with governance of Ariston Holdings Limited. The engagement partner responsible for this review is Esther Antonio. The report on the review of interim financial information and the condensed consolidated interim financial statements of Ariston Holdings Limited are available for inspection at the registered offices of Ariston Holdings Limited.

All figures in ZWL'000		31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
1	Depreciation and amortisation				
	Depreciation of property, plant and equipment excluding bearer plants	911,063	150,516	739,111	4,863
	Depreciation of bearer plants	63,760	63,609	260	253
	Depreciation of right of use assets	21,078	21,078	2,409	149
		995,901	235,203	741,780	5,265
2	Capital expenditure for the period				
	Purchase of property plant and equipment excluding bearer plants	100,324	367,405	87,742	92,403
	Capital expenditure incurred on bearer plants	76,849	21,191	62,467	5,361
		177,173	388,596	150,209	97,764
3	Commitments for capital expenditure				
	Authorised by directors but not contracted	984,279	363,371	984,279	107,348
		984,279	363,371	984,279	107,348

The capital expenditure will be financed out of the Group's own resources and existing facilities.				
4	Income tax expense			
	Current tax	-	-	-
	Deferred tax movement	516,956	(103,296)	593,048
		516,956	(103,296)	593,048

	INFLATION ADJUSTED		*HISTORICAL COST	
	REVIEWED Half Year Ended 31-Mar-23	AUDITED Year Ended 30-Sep-22	Half Year Ended 31-Mar-23	Year Ended 30-Sep-22
All figures in ZWL'000				

4b	Deferred tax liability				
	Carrying amount at the beginning of the period	3,227,053	1,032,438	2,588,263	82,054
	Movement through profit/ loss	516,956	(534,939)	593,048	(54,701)
	Movement through other comprehensive income	-	2,729,554	-	2,560,910
	Carrying amount at the end of the period	3,744,009	3,227,053	3,181,311	2,588,263

Analysis of deferred tax liability				
Property, plant and equipment	2,973,825	3,198,481	2,422,216	2,583,234
Biological assets	935,385	564,197	935,385	444,595
Right of use	18,354	23,564	7,265	1,083
Prepayments and receivables	(2,897)	(2,864)	(2,897)	(2,257)
Provisions	15,330	(37,740)	15,330	(29,740)
Unrealised exchange loss	(1,549)	(516,619)	(1,549)	(407,103)
Assessed losses	(194,439)	(1,966)	(194,439)	(1,549)
	3,744,009	3,227,053	3,181,311	2,588,263

5	Investment in joint ventures				
	Beginning of the period	1,098,821	982,157	355,641	152,998
	Share of profit for the period	330,978	158,887	257,713	222,957
	Dividends received	-	(42,223)	-	(20,314)
	End of the period	1,429,799	1,098,821	613,354	355,641

6	Trade and other payables				
	Trade payables	2,110,979	960,061	2,110,979	756,539
	Dividends declared for the 2021 financial year	-	80,648	-	63,552
	Other payables*	107,003	582,007	95,335	443,151
		2,217,982	1,622,716	2,206,314	1,263,242
*Other payables include provisions and statutory liabilities					

7 Borrowings				
At amortised cost				
Loans from banks	1,973,853	1,955,374	1,973,853	1,540,862
Bank overdrafts	105,518	133,723	105,518	105,375
Loans from related parties	4,072,664	2,952,901	4,072,664	2,326,926
	6,152,035	5,041,998	6,152,035	3,973,163

Long-term	5,464,613	4,138,129	5,464,613	3,260,902
Short-term	687,422	903,869	687,422	712,261
	6,152,035	5,041,998	6,152,035	3,973,163

The movement of borrowings is shown below:				
Carrying amount at the beginning of the period	5,041,999	1,706,662	3,973,163	353,540
Proceeds	1,348,158	6,516,404	1,348,158	4,248,430
Repayments	(1,201,134)	(3,395,845)	(1,201,134)	(748,477)
Movements in exchange rates	2,031,848	289,794	2,031,848	119,670
Inflation adjustments	(1,068,836)	(75,017)	-	-
Carrying amount at the end of the period	6,152,035	5,041,998	6,152,035	3,973,163

(i) Bank loans of ZWL 1,973,853,424 (2022: ZWL 1,955,375,422) 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 12% (2022: 10%) per annum.

(ii) Bank overdrafts are repayable on demand. Overdrafts of ZWL 105,518,227 (2022: ZWL 133,722,704) have been secured by joint and several guarantees. The average effective interest rate on bank overdrafts approximates 75% (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.

(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.

The Group did not have any debt covenants

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