ARISTON HOLDINGS LIMITED

AUDITED FINANCIAL RESULTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

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

FINANCIAL HIGHLIGHTS

All figures in ZWL	INFLATION ADJUSTED AUDITED		HISTORICAL COST	
	Year Ended 30-Sep-23	Year on Year Change	Year Ended 30-Sep-23	Year on Year Change
REVENUE (ZWL'000)	35,478,907	15%	17,971,020	699%
EBITDA (excluding fair value adjustments)	(31,852,870)	-1849%	(46,635,351)	3573%
LOSS AFTER TAXATION (ZWL'000)	(33,069,715)	-456%	(27,265,883)	-41291%
TOTAL COMPREHENSIVE (LOSS)/ INCOME (ZWL'000)	(6,551,467)	-115%	44,090,645	461%
BASIC EARNINGS PER SHARE (ZWL'000)	(20.3206)	-456%	(16.7543)	-41291%
HEADLINE EARNINGS PER SHARE (ZWL'000)	(20.3230)	-456%	(16.7546)	-41275%

CHAIRMAN'S STATEMENT

INTRODUCTION

As communicated at half year, 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 compared to the prior 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.

FINANCIAL PERFORMANCE (on inflation adjusted terms)

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.

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.

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.

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.

BY ORDER OF THE BOARD

ALEXANDER CRISPEN JONGWE
CHAIRMAN

18 DECEMBER 2023

CONDENSED GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

All figures in ZWL'000	Notes	INFLATION ADJUSTED AUDITED Year Ended 30-Sep-23	INFLATION ADJUSTED AUDITED Year Ended 30-Sep-22	*HISTORICAL COST Year Ended 30-Sep-23	*HISTORICAL COST Year Ended 30-Sep-22
			RESTATED		RESTATED
Revenue	7	**35,478,907**	**30,905,002**	**17,971,020**	**2,247,856**
Cost of production		(44,833,735)	(40,844,451)	(19,483,757)	(3,000,974)
Gross profit		**(9,354,828)**	**(9,939,449)**	**(1,512,737)**	**(753,118)**
Other operating income		442,195	485,305	133,894	47,558
Operating expenses		(25,241,360)	(17,251,851)	(13,272,342)	(1,111,581)
Fair value adjustments		7,430,669	27,745,476	16,351,699	3,471,007
(Loss)/ Profit from operations		**(26,723,324)**	**1,039,481**	**1,700,514**	**1,653,866**
Exchange loss		(57,062,088)	(12,112,594)	(35,365,862)	(1,694,311)
Monetary loss		44,473,185	2,679,671	-	-
Share of net profit of a joint ventures accounted for using the equity method	4	2,512,428	934,115	3,061,914	222,957
(Loss)/ Profit before interest and taxation		**(36,799,799)**	**(7,459,327)**	**(30,603,434)**	**182,512**
Finance costs		(3,240,964)	(1,631,784)	(1,437,133)	(171,017)
(Loss)/ Profit before taxation		**(40,040,763)**	**(9,091,111)**	**(32,040,567)**	**11,495**
Income tax benefit/ (expense)	3	6,971,048	3,144,960	4,774,684	54,701
(Loss)/ Profit for the year		**(33,069,715)**	**(5,946,151)**	**(27,265,883)**	**66,196**
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	8	35,226,153	64,916,295	94,788,161	10,359,669
Tax on other comprehensive income	3	(8,707,905)	(16,047,308)	(23,431,633)	(2,560,910)
Other comprehensive income for the year, net of tax		**26,518,248**	**48,868,987**	**71,356,528**	**7,798,759**
Total comprehensive (loss)/ income for the year		**(6,551,467)**	**42,922,836**	**44,090,645**	**7,864,955**
Number of shares in issue ('000)		**1,627,396**	**1,627,396**	**1,627,396**	**1,627,396**
Weighted average number of shares in issue ('000)		**1,627,396**	**1,627,396**	**1,627,396**	**1,627,396**
Earnings per share (dollars)					
Basic earnings per share		(20.3206)	(3.6538)	(16.7543)	0.0407
Diluted earnings per share		(20.3206)	(3.6538)	(16.7543)	0.0407

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

CONDENSED GROUP STATEMENT OF FINANCIAL POSITION

All figures in ZWL'000	Notes	INFLATION ADJUSTED AUDITED As at 30-Sep-23	INFLATION ADJUSTED AUDITED As at 30-Sep-22	*HISTORICAL COST As at 30-Sep-23	*HISTORICAL COST As at 30-Sep-22
ASSETS					
Non - current assets					
Property, plant and equipment		130,906,675	102,305,976	106,652,915	10,599,601
Biological assets		621,222	527,242	621,222	70,670
Right of use assets		463,429	560,425	26,460	4,381
Investment in joint ventures	4	7,896,731	6,460,075	2,590,467	355,642
		139,888,058	**109,853,718**	**109,891,064**	**11,030,294**
Current assets					
Biological assets		9,701,979	12,890,906	9,701,979	1,727,852
Inventories		4,059,621	5,821,227	3,335,368	690,095
Trade and other receivables		19,436,501	18,612,276	19,296,901	2,488,568
Cash and cash equivalents		585,806	1,669,744	585,806	223,807
		33,783,907	**38,994,153**	**32,920,054**	**5,130,322**
TOTAL ASSETS		**173,671,965**	**148,847,871**	**142,811,118**	**16,160,616**
EQUITY					
Share capital and reserves					
Share capital		2,407,885	2,407,885	1,627	1,627
Share premium		16,160,564	16,160,564	10,922	10,922
Revaluation reserve	8	75,387,235	48,868,987	79,155,287	7,798,759
Distributable reserves		(10,181,283)	22,888,432	(26,790,486)	475,397
		83,774,401	**90,325,868**	**52,377,350**	**8,286,705**
LIABILITIES					
Non-current liabilities					
Borrowings	6	32,781,520	24,328,459	32,781,520	3,260,902
Deferred tax		20,709,008	18,972,151	21,245,212	2,588,263
Lease liabilities		385,942	172,549	385,942	23,128
		53,876,470	**43,473,159**	**54,412,674**	**5,872,293**
Current liabilities					
Borrowings	6	5,647,439	5,313,934	5,647,439	712,261
Trade and other payables	5	30,316,965	9,540,096	30,316,965	1,263,245
Contract liabilities		-	147,840	-	19,816
Lease liabilities		56,690	46,974	56,690	6,296
		36,021,094	**15,048,844**	**36,021,094**	**2,001,618**
TOTAL EQUITY AND LIABILITIES		**173,671,965**	**148,847,871**	**142,811,118**	**16,160,616**

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

CONDENSED GROUP STATEMENT OF CASHFLOWS

All figures in ZWL'000	INFLATION ADJUSTED AUDITED Year Ended 30-Sep-23	INFLATION ADJUSTED AUDITED Year Ended 30-Sep-22	*HISTORICAL COST Year Ended 30-Sep-23	*HISTORICAL COST Year Ended 30-Sep-22
		RESTATED		RESTATED
Cash flows from operating activities				
(Loss)/ profit before interest and taxation	(36,799,799)	(7,459,327)	(30,603,434)	182,512
Change in working capital	21,271,341	(10,728,423)	9,510,480	(1,811,510)
Non-cash items	43,470,296	(1,749,727)	20,789,067	(1,668,232)
Monetary gains	(44,473,185)	(2,679,671)	-	-
Cash (utilised in)/ generated from operating activities	**(16,531,347)**	**(22,617,148)**	**(303,887)**	**(3,297,230)**
Cash flows from investing activities				
Payments for property, plant and equipment acquired	(5,461,553)	(2,296,864)	(2,791,451)	(129,208)
Proceeds from sale of property, plant and equipment	3,783	5,605	545	235
Dividends received on investments	1,075,772	248,241	827,089	20,314
Proceeds from sale of investments	-	4,708,024	-	176,507
Cash generated from/ (utilised in) investing activities	**(4,381,998)**	**2,665,006**	**(1,963,817)**	**67,848**
Cash flows from financing activities				
Cash utilised in financing activities	(20,548,306)	(20,643,952)	(7,002,270)	(803,107)
Cash generated from financing activities	37,673,600	38,310,564	9,631,973	4,248,430
Cash generated from financing activities	**17,125,294**	**17,666,612**	**2,629,703**	**3,445,323**
Net increase/ (decrease) in cash and cash equivalents	**(3,788,051)**	**(2,285,530)**	**361,999**	**215,941**
Effects of IAS 29 on cashflows	2,704,113	3,732,019	-	-
Cash and cash equivalents at beginning of the year	1,669,744	223,256	223,807	7,867
Cash and cash equivalents at the end of the year	**585,806**	**1,669,744**	**585,806**	**223,808**

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

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

	INFLATION ADJUSTED				
All figures in ZWL'000	**Share Capital**	**Share Premium**	**Revaluation Reserve**	**Distributable Reserves**	**Total**
Balance as at 30 September 2021	**2,407,885**	**16,160,564**	**-**	**30,178,382**	**48,746,831**
Dividends declared for the 2021 financial year	-	-	-	(1,343,799)	**(1,343,799)**
Total comprehensive income for the period	-	-	48,868,987	(5,946,151)	**42,922,836**
Balance as at 30 September 2022	**2,407,885**	**16,160,564**	**48,868,987**	**22,888,432**	**90,325,868**
Total comprehensive income for the period	-	-	26,518,248	(33,069,715)	**(6,551,467)**
Balance as at 30 September 2023	**2,407,885**	**16,160,564**	**75,387,235**	**(10,181,283)**	**83,774,401**

	*HISTORICAL COST				
All figures in ZWL'000	**Share Capital**	**Share Premium**	**Revaluation Reserve**	**Distributable Reserves**	**Total**
Balance as at 30 September 2021	**1,627**	**10,922**	**-**	**503,592**	**516,141**
Dividends declared for the 2021 financial year	-	-	-	(94,391)	(94,391)
Total comprehensive income for the period	-	-	7,798,759	66,196	7,864,955
Balance as at 30 September 2022	**1,627**	**10,922**	**7,798,759**	**475,397**	**8,286,705**
Total comprehensive income for the period	-	-	71,356,528	(27,265,883)	44,090,645
Balance as at 30 September 2023	**1,627**	**10,922**	**79,155,287**	**(26,790,486)**	**52,377,350**

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

CONDENSED NOTES AND SUPPLEMENTARY INFORMATION

		INFLATION ADJUSTED		*HISTORICAL COST	
	All figures in ZWL'000	**AUDITED** Year Ended 30-Sep-23	**AUDITED** Year Ended 30-Sep-22	Year Ended 30-Sep-23	Year Ended 30-Sep-22
1	**Depreciation and amortisation**				
	Depreciation of property, plant and equipment (excluding bearer plants)	11,337,301	1,605,077	1,525,779	11,320
	Depreciation of bearer plants	749,707	747,921	519	505
	Depreciation of right of use assets	290,591	274,255	4,688	1,289
		12,377,599	**2,627,253**	**1,530,986**	**13,114**
2	**Capital expenditure for the period**				
	Purchase of property plant and equipment excluding bearer plants	3,747,578	2,048,182	2,554,472	120,384
	Capital expenditure incurred on bearer plants	1,713,975	295,350	236,979	12,078
		5,461,553	**2,343,532**	**2,791,451**	**132,462**
3	**Income tax (benefit)/ expense**				
	Current tax	-	-	-	-
	Deferred tax movement through profit or loss	(6,971,048)	(3,144,960)	(4,774,684)	(54,701)
	Total income tax through profit or loss	**(6,971,048)**	**(3,144,960)**	**(4,774,684)**	**(54,701)**
	Deferred tax movement through comprehensive income	8,707,905	16,047,308	23,431,633	2,560,910
		1,736,857	**12,902,348**	**18,656,949**	**2,506,209**
3b	**Deferred tax**				
	Carrying amount at the beginning of the period	18,972,151	6,069,803	2,588,263	82,054
	Movement through profit/ loss	(6,971,048)	(3,144,960)	(4,774,684)	(54,701)
	Movement through other comprehensive income	8,707,905	16,047,308	23,431,633	2,560,910
	Carrying amount at the end of the period	**20,709,008**	**18,972,151**	**21,245,212**	**2,588,263**
	Analysis of deferred tax				
	Property, plant and equipment	25,129,834	18,804,176	25,774,057	2,583,234
	Biological assets	2,551,896	3,316,966	2,551,896	444,595
	Right of use	114,560	138,537	6,541	1,083
	Estimated credit losses on trade and ther receivables	(4,252)	(16,839)	(4,252)	(2,257)
	Provisions	1,564,958	(221,879)	1,564,958	(29,740)
	Unrealised exchange loss	(3,106,285)	(3,037,253)	(3,106,285)	(407,103)
	Assessed losses	(5,541,703)	(11,557)	(5,541,703)	(1,549)
		20,709,008	**18,972,151**	**21,245,212**	**2,588,263**
4	**Investment in joint ventures**				
	Beginning of the period	6,460,075	5,774,201	355,642	152,999
	Share of profit for the period	2,512,428	934,115	3,061,914	222,957
	Dividends received	(1,075,772)	(248,241)	(827,089)	(20,314)
	End of the period	**7,896,731**	**6,460,075**	**2,590,467**	**355,642**
5	**Trade and other payables**				
	Trade payables	14,604,342	5,644,288	14,604,342	756,541
	Dividends declared for the 2021 financial year	-	474,138	-	63,552
	Other payables*	15,712,623	3,421,670	15,712,623	443,152
		30,316,965	**9,540,096**	**30,316,965**	**1,263,245**
	**Other payables include provisions and statutory liabilities*				
6	**Borrowings**				
	At amortised cost				
	Loans from banks	13,597,443	11,495,840	13,597,443	1,540,862
	Bank overdrafts	95,654	786,169	95,654	105,375
	Loans from related parties	24,735,862	17,360,385	24,735,862	2,326,926
		38,428,959	**29,642,394**	**38,428,959**	**3,973,163**
	Long-term	32,781,520	24,328,459	32,781,520	3,260,902
	Short-term	5,647,439	5,313,934	5,647,439	712,261
		38,428,959	**29,642,393**	**38,428,959**	**3,973,163**

(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.

The Group did not have any debt covenants.

7. Reportable segments

	INFLATION ADJUSTED		*HISTORICAL COST	
All figures in ZWL'000	**AUDITED** Year Ended 30-Sep-23	**AUDITED** Year Ended 30-Sep-22	Year Ended 30-Sep-23	Year Ended 30-Sep-22
Revenue from major products				
Tea	22,378,457	14,511,335	10,558,076	1,098,535
Macadamia nuts	6,774,761	8,714,656	4,512,658	603,220
Vegetables and fruits	1,527,152	1,090,973	407,304	67,328
Poultry	1,706,504	4,375,535	267,894	287,602
Other	3,092,033	2,212,503	2,225,088	191,171
Total	**35,478,907**	**30,905,002**	**17,971,020**	**2,247,856**

All revenue is recognised at a point in time

	INFLATION ADJUSTED				
All figures in ZWL'000	Southdown Estates	Claremont Estate	Kent Estate	Corporate Office	**Total**
30 September 2023					
Segment revenue	29,949,791	-	5,529,116	-	**35,478,907**
Segment EBITDA (excluding fair value adjustments)	(102,356,070)	101,854,447	46,062,483	(77,413,730)	**(31,852,870)**
Segment depreciation and impairment	6,443,307	-	2,418,853	3,515,439	**12,377,599**
Segment assets (excluding intersegment assets)	101,337,110	1,580,158	22,264,513	48,490,184	**173,671,965**
Segment liabilities (excluding intersegment liabilities)	(33,429,472)	(463,748)	(2,180,410)	(53,823,934)	**(89,897,564)**
Net segment assets/ (liabilities)	(7,658,215)	(66,106)	(350,087)	8,074,408	**-**

7. Reportable segments (continued)

	INFLATION ADJUSTED				
All figures in ZWL'000	Southdown Estates	Claremont Estate	Kent Estate	Corporate Office	**Total**
30 September 2022					
Segment revenue	23,888,697	25,686	6,990,619	-	**30,905,002**
Segment EBITDA (excluding fair value adjustments)	19,040,376	(6,168,137)	(527,431)	(10,523,139)	**1,821,669**
Segment depreciation and impairment	2,004,928	48,538	288,175	285,612	**2,627,253**
Segment assets (excluding intersegment assets)	107,367,780	1,363,614	15,404,949	24,711,528	**148,847,871**
Segment liabilities (excluding intersegment liabilities)	(25,645,970)	(405,947)	(755,161)	(31,714,925)	**(58,522,003)**
Net segment assets/ (liabilities)	(4,477,396)	(416,671)	240,343	4,653,724	**-**

	* HISTORICAL COST				
All figures in ZWL'000	Southdown Estates	Claremont Estate	Kent Estate	Corporate Office	**Total**
30 September 2023					
Segment revenue	15,368,533	-	2,602,487	-	**17,971,020**
Segment EBITDA (excluding fair value adjustments)	(2,411,854)	989,610	(1,106,182)	(44,106,925)	**(46,635,351)**
Segment depreciation and impairment	750,685	-	319,783	460,518	**1,530,986**
Segment assets (excluding intersegment assets)	85,817,668	1,580,158	17,838,512	37,574,780	**142,811,118**
Segment liabilities (excluding intersegment liabilities)	(33,965,676)	(463,748)	(2,180,410)	(53,823,934)	**(90,433,768)**
Net segment assets/ (liabilities)	(7,658,215)	(66,106)	(350,087)	8,074,408	**-**
30 September 2022					
Segment revenue	1,748,172	2,234	497,450	-	**2,247,856**
Segment EBITDA (excluding fair value adjustments)	(178,803)	111,817	33,601	(1,236,286)	**(1,269,671)**
Segment depreciation and impairment	10,379	348	1,827	560	**13,114**
Segment assets (excluding intersegment assets)	11,627,207	179,755	1,996,246	2,357,408	**16,160,616**
Segment liabilities (excluding intersegment liabilities)	(3,467,322)	(54,412)	(101,219)	(4,250,958)	**(7,873,911)**
Net segment assets/ (liabilities)	(600,135)	(55,849)	32,215	623,769	**-**

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

8 Revaluation reserve

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

The revaluation of buildings, leasehold improvements, plant and machinery for the current perios 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. The net replacement method was used for the purposes of the revaluation.

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

9 Currency of reporting

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

10 Statement of compliance

The Group's consolidated financial statements which are summarised by these Group financial results have been prepared in compliance with International Financial Reporting Standards (IFRS) promulgated by the International Accounting Standards Board (IASB), which include standards and interpretations approved by the IASB as well as the Standing Interpretations Committee (SIC), the requirements of the Companies and Other Business Entities Act (Chapter 24:31), the Zimbabwe Stock Exchange rules and the relevant Statutory Instruments. The Group financial results do not include all the information and disclosures required to fully comply with IFRS and should be read in conjunction with the Group's consolidated financial statements which are available for inspection at the Company's registered office.

11 Basis of preparation

The financial results have been prepared based on statutory records which are maintained on a historical cost basis except for certain biological assets and financial instruments that are measured at fair value, and have been adjusted to 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 12 below.

Accordingly the inflation adjusted financial statements represent primary financial statements of the Group. The historical cost information has been provided as supplementary information only.

12 Hyperinflation

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

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

Key CPIs and conversion factors used are shown below:

Month	CPI	Conversion Factor
30 September 2023	94,848.19	1.00
Average CPI (October 2022 to September 2023)	41,762.66	4.32
30 September 2022	12,713.12	7.46

13 Accounting policies

The Group has adopted all the new and revised accounting pronouncements applicable for the period ending 30 September 2023 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.

14 Going concern

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 excise 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.

15 Audit Opinion

The inflation adjusted consolidated financial statements from which the condensed version was derived have been audited by PricewaterhouseCoopers Chartered Accountants (Zimbabwe). The engagement partner on the audit is Esther Antonio (PAAB Practicing Number 0661). The auditors have issued an unqualified audit opinion on the Group's inflation adjusted consolidated financial statements. The auditors have also highlighted key audit matters in relation to the valuation of biological assets and the change in accounting policy on revaluation of property, plant and equipment. There is no separate opinion on these key audit matters.

16 Events after reporting date

There have been no significant events after the reporting date.