

# REVIEWED **FINANCIAL RESULTS**

long, however, weighted average interest rate increased from 6% per annum to 8% per annum.

Production volumes declined marginally by 2% from 1907 tonnes produced in the prior year comparative period to 1870 tonnes.

Current period export tea sales volume and USD selling prices declined by 36% and 8% respectively. Export tea sales were affected by high global tea production volumes, coupled with COVID-19 closures of companies that purchase the product. Given the reduced demand resulting from the effects of COVID-19, we believe that this low demand trend will persist for the

Current period local blended tea sales volumes and selling prices improved by 31% and 841% respectively against the prior comparative period. This was largely driven by improved marketing of the product locally.

Macadamia At the end of the half year, 30% of the annual crop had been harvested, with 14% of the annual production having been sold. The current period production volume was 10% lower than that achieved in the prior comparative period, however further improvements in quality will enable the Group to obtain better export prices. As at the half year end, exports made were at a price 2% higher than that achieved in the prior comparative period. Demand for macadamia has held firm with confirmed orders on hand for the remainder of the current year crop.

Harvesting and selling of stone fruit had been completed at the end of the half year. Production volume of stone fruit declined from 1207 tons to 1149 tons. Selling prices were 515% ahead of those in the prior comparative

FOR THE HALF YEAR ENDED 31 MARCH 2020

VOLUMES AND OPERATIONS

remainder of the financial year.

Stone fruit and Pome fruit

Macadamia

period.



**INFLATION ADJUSTED FINANCIAL HIGHLIGHTS** excluding fair REVENUE EBITDA value adju

-21% Period-on-Period Change +23% Period-on-Period ZWL 76,070,092 ZWL (12.093.780) BASIC LOSS PER SHARE LOSS BEFORE TAX ZWL 11,183,901 ZWL 0.0424 -140% Period-on-Period Change -1226% Period-on-Period Change

Due to the cyclical nature of our agricultural model, the majority of our harvesting and selling activities occur in the second half of the year. Export prices for macadamia are expected to remain stable at current levels.

Export tea demand and pricing will continue to be under pressure for the remainder of this year due to global oversupply and effects of COVID-19. Exports of avocado and pome fruit are expected to be better than the prior year. Production volumes of other crops grown for local consumption, which include commercial maize, seed maize, seed sugar beans, soya beans, avocados, bananas and potatoes are expected to exceed prior year vided. The Group's financial performance for the vary is expected to be be

yields. The Group's financial performance for the year is expected to be in

In view of the need to enhance the productive assets and the need to preserve available cash resources, the Board has seen it prudent not to

There have been no changes in the Board's composition in the period under review.

I wish to extend my appreciation to all our customers, suppliers, staff, shareholders and strategic partners and my fellow Board members for their unwavering support for the business, especially given the challenging business operating environment.

# **CHAIRMAN'S STATEMENT**

# INTRODUCTION

The operating environment continued to deteriorate during the period under review.

The rains for the 2020 agricultural year were below normal. Whilst the Group relies extensively on its installed irrigation capacity, utilisation was adversely affected by incessant power outages experienced. Furthermore, utilisation of generators for irrigation and production processes negatively affected net margins.

FINANCIAL PERFORMANCE (on inflation adjusted terms) The Group's inflation adjusted revenue for the half year reflects a 23% increase to ZWL 76.07 million from ZWL 61.82 million realised during the comparative period. Revenue growth was driven by improved pricing achieved on macadamia due to quality improvement as well as improved local pricing of horticulture products sold during the period. Costs of production increased by 47% relative to the prior comparative period as a result of local suppliers using an implicative period as proved prior that the perior compared that the perior compared that the perior during the period as a result of local suppliers using an implicative period as the perior compared to the perior compared that the perior compared to the perior compa production increased by 47% relative to the prior comparative period as a result of local suppliers using an implied exchange rate greater than the interbank rate, thus driving costs upwards. Export revenues were, however converted using the interbank rate. Operating expenses were kept under control despite inflationary pressures, reducing by 17% against the prior comparative period. The Group posted a loss from operations for the period of ZWL 14.77 million, which was down 25% from the prior comparative period's inflation adjusted loss from operations of ZWL 19.79 million. Overall the Group posted a loss before interest and tax of ZWL 8.96 million compared to a profit of ZWL33.49 million for the prior comparative period. The current period loss is largely driven by the fact that the ZWL revenue recognised on export crops is determined by converting the US dollars (USD) earned using the interbank rate, which lags behind inflation, whist inflationary pressures exist on production costs, hence resulting in reported performance reflecting losses.

Positive steps continued to be taken in restructuring of the Group's statement of financial position. The Group's debt tenures remained largely

CONDENSED GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Inflation A	Adjusted	* Historical		
		REVIEWED	UNAUDITED	UNAUDITED	UNAUDITED	
All figures in ZWL	Note	Half Year Ended 31-Mar-20	Half Year Ended 31-Mar-19	Half Year Ended 31-Mar-20	Half Year Ended 31-Mar-19	
Revenue	8	76,070,092	61,817,535	59,588,246	7,962,184	
Cost of production	0	(50,506,289)	(34,399,879)	(34,369,528)	(4,430,752)	
Gross profit		25,563,803	27.417.656	25,218,718	3,531,432	
Other operating income		954,136	2,342,320	701.351	301,694	
Operating expenses		(41,292,880)	(49,547,286)	(28,592,220)	(6,381,759)	
(Loss)/ Profit from operations		(14,774,941)	(19,787,310)	(2,672,151)	(2,548,633)	
Fair value adjustments		(46,790,801)	55,996,837	77,768,105	7,212,470	
Exchange differences		(6,136,388)	(2,715,025)	(6,516,825)	(349,699)	
Monetary gain/loss		57,742,294	-	-	-	
Share of profit of a joint venture		1,003,776	-	754,188		
(Loss)/ Profit before interest and taxation		(8,956,060)	33,494,502	69,333,317	4,314,138	
Finance costs		(2,227,842)	(5,855,729)	(1,805,586)	(754,226)	
(Loss)/ Profit before taxation	3	(11,183,902)	27,638,773	67,527,731	3,559,912	
Income tax expense	3	(57,825,648)	(21,512,331)	(14,978,489)	(2,770,818)	
(Loss)/ Profit for the year Other comprehensive income (net of tax)		(69,009,550)	6,126,442	52,549,242	789,094	
Total comprehensive (loss)/ income for the year		(69,009,550)	6,126,442	52,549,242	789,094	
Number of shares in issue Weighted average number of shares in issue		1,627,395,595 1,627,395,595	1,627,395,595 1,627,395,595	1,627,395,595 1,627,395,595	1,627,395,595 1,627,395,595	
weighten average number of sildles ill issue		1,021,333,333	1,021,333,333	1,027,335,535	1,027,395,595	
(Loss)/ Earnings per share (dollars)						
Basic (loss)/ earnings per share		(0.04240)	0.00376	0.03229	0.00048	
Diluted (loss)/ earnings per share		(0.04240)	0.00376	0.03229	0.00048	

\* 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			
		REVIEWED	UNAUDITED	AUDITED	UNAUDITED	UNAUDITED	AUDITED
All figures in ZWL	Note	As at 31-Mar-20	As at 31-Mar-19	As at 30-Sep-19	As at 31-Mar-20	As at 31-Mar-19	As at 30-Sep-19
	NOLE	5 1-1VId1-20	5 I-IVIdI- 15	30-3ep-19	5 1-1VId1-20	5 I-IVIdI- 19	30-3ep-19
ASSETS Non - current assets							
Property, plant and equipment		399,968,629	258,317,979	390,987,455	48,091,464	33,271,713	38,457,898
Biological assets		3,749,800	2,345,316	7,933,644	3,749,800	302.080	2,842,381
Right of Use		1,575,939	2,343,310	7,333,044	817,980	302,000	2,042,001
Investment in joint ventures		3,066,702	525,072	2,062,926	1,493,271	67,630	739,083
Deferred tax			24,903,327	2,002,020	-	3,207,583	
Solohod tax		408.361.070	286.091.694	400,984,025	54,152,515	36,849,006	42,039,362
Current assets							
Biological assets		143,557,808	94,962,451	186,164,765	143,557,808	12,231,295	66,697,122
Inventories		30,891,491	25,785,593	16,981,946	24,216,877	3,321,220	6,084,110
Trade and other receivables		21,099,620	38,189,372	71,874,878	20,367,858	4,918,844	25,750,563
Cash and cash equivalents		4,762,038	4,623,537	12,834,635	4,762,038	595,518	4,598,256
		200,310,957	163,560,953	287,856,224	192,904,581	21,066,877	103,130,051
TOTAL ASSETS		608,672,027	449,652,647	688,840,249	247,057,096	57,915,883	145,169,413
EQUITY Share capital and reserves							
Share capital		4,542,379	4,542,379	4,542,379	1,627,395	1,627,395	1,627,395
Share premium		30,486,262	30,486,262	30,486,262	10,922,292	10,922,292	10,922,292
Distributable reserves		292,129,008	103,432,092	364,567,573	81,624,852	5,284,247	28,992,465
		327,157,649	138,460,733	399,596,214	94,174,539	17,833,934	41,542,152
LIABILITIES Non-current liabilities							
Borrowings	7	46.029.652	137.022.473	120,107,519	46.029.652	17.648.684	43.030.838
Deferred tax	/	129.515.389	81,486,594	71,689,741	40.662.723	10.495.586	25,684,234
Finance lease obligation		412,206	1,482,981	1,824,909	412,206	191.010	653,809
i manoe lease obligation		175,957,247	219,992,048	193,622,169	87.104.581	28,335,280	69,368,881
Current liabilities			,,	,			/
Trade and other payables	6	101,496,113	74,733,840	84,089,307	61,716,958	9,625,822	30,126,618
Borrowings	7	3,702,964	14,838,699	10,549,916	3,702,964	1,911,245	3,779,711
Finance lease obligation		358,054	1,627,327	982,643	358,054	209,602	352,051
		105,557,131	91,199,866	95,621,866	65,777,976	11,746,669	34,258,380
TOTAL EQUITY AND LIABILITIES		608,672,027	449,652,647	688,840,249	247,057,096	57,915,883	145,169,413

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

# CONDENSED GROUP STATEMENT OF CASHFLOWS

UNAUDITED UNAUDITED UNAUDITED REVIEWED Half Year Ended 31-Mar-20 Half Year Ended 31-Mar-19 Half Year Ended 31-Mar-20 31-Mar-19 All figures in ZWL

Harvesting of pome fruit had commenced but had not been completed yet. 896 tons were harvested in the current period, which was 191% ahead of that achieved in the prior comparative period. Production volumes for the full year are projected to be 5% ahead of prior year at 1 580 tonnes. Sales volume as at 31 March 2020 of 545 tons was 159% ahead of prior comparative period's sales volume.

# Other Crops

The crops described above contribute 83% (89% in prior comparative period) to the Group's total revenue. Other crops, which include commercial maize, seed maize, seed sugar beans, soya beans, avocados, bananas and potatoes, representing 17% (11% in prior comparative period) also contributed positively to the Group's overall performance.

### **IMPACT OF COVID-19**

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Tea harvesting slowed down due to decline in head count as a result of implementation of social distancing rules. Export tea sales are subdued as the movement of tea samples is affected by airlines since demand for travel plummeted. This is expected to result in 20% reduction in overall tea sales. Reduction in global tea demand has resulted in a 10% reduction in solling prices. selling prices

Harvesting of macadamia, fruit and other horticultural products is unaffected with adequate labour for the operations existing on the Estates. Macadamia export sales remain firm as orders are on hand for the entire current season crop. Pome fruit exports have been negatively affected by suspension of airline services, hence 1,580 tonnes will have to be locally consumed. 30% of local pome fruit sales are made through the vendor market and since vendors are generally unable to operate during lockdown, there has been a decline in demand there has been a decline in demand.

During the lockdown, delays in processing payments by local bankers constrained the business. Supply chain disruptions are being encountered as South Africa remains largely on lockdown.

# CONDENSED NOTES AND SUPPLEMENTARY INFORMATION (CONTINUED)

	Inflation	Inflation Adjusted		orical
All figures in ZWL	REVIEWED As at 31-Mar-20	UNAUDITED As at 31-Mar-19	UNAUDITED As at 31-Mar-20	UNAUDITED As at 31-Mar-19
Trade and other payables				
Trade payables	38,021,330	45,174,639	38,021,330	5,818,556
Other payables	64,143,919	29,559,201	24,364,763	3,807,266
	102,165,249	74,733,840	62,386,093	9,625,822
Borrowings At amortised cost				
Loans from banks	4,939,769	91,162,352	4,939,769	11,741,837
Bank overdrafts	3,702,964	4,460,030	3,702,964	574,458
Loans from related parties	41,089,883	56,238,790	41,089,883	7,243,634
	49,732,616	151,861,172	49,732,616	19,559,929
Long-term	46,029,652	137,022,473	46,029,652	17,648,684
Short-term	3,702,964	14,838,699	3,702,964	1,911,245
	49,732,616	151,861,172	49,732,616	19,559,929

OUTLOOK

line with prior year.

declare a dividend.

DIRECTORATE

APPRECIATION

29 June 2020

ALEXANDER CRISPEN JONGWE CHAIRMAN

DIVIDEND

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

Bank loans of ZWL4,939,769 (2019: ZWL91,116,655 (inflation-adjusted) have been secured by the following:

Notarial General Covering Bonds covering all movable assets and cession of book debts
Joint and several guarantees;

 Mortgage bonds over Claremont Estate; - Negative pledge on unencumbered assets; and

- Notes on hand registered over Southdown Estate.

The average effective interest rate on bank loans approximates 7.5% (2019: 5% to 8%) per annum.

(ii) Bank overdrafts are repayable on demand. Overdrafts of ZWL3,702,964 (2019: ZWL4,457,794 (inflation-adjusted) have been secured by joint and several guarantees. The average effective interest rate on bank overdrafts approximates 12% to 40% (2019: 12%) per annum.

(iii) Loans repayable to related parties of the Group are unsecured and carry interest of 6% (2019: 6%) per annum charged on the outstanding loan balances

The weighted average interest for the period is 8% (6% in 2019)

# 8. Reportable segments

		Inflation Adjusted			* Histo	orical
		REVIEW			UNAUDITED	UNAUDITED
Devenue from molecularity		Half Year End				Half Year Ended
Revenue from major products		31-Mar-	20 31	-Mar-19	31-Mar-20	31-Mar-19
-		04 700 5		000.050	00 040 700	0 470 007
Tea		31,793,5		660,658	22,043,798	3,176,327
Macadamia nuts		17,839,3		094,705	17,081,814	2,330,623
Vegetables and fruits		19,993,5		305,584	15,992,475	1,971,380
Poultry		4,282,2		661,534	2,992,724	471,611
Other		2,161,3		95,054	1,477,435	12,243
Total		76,070,0	<u>192 61,</u>	817,535	59,588,246	7,962,184
INFLATION ADJUSTED						
	0 11 1		к.	<b>•</b> •	Adjustment	
All figures in ZWL	Southdown Estates	Claremont Estate	Kent Estate	Corporate Office		દ્ય s Total
	LStates	LState	LState	Onice	Linnation	5 10141
31-Mar-20						
Segment revenue	50,731,889	14,267,715	11,070,488		-	- 76,070,092
Segment EBITDA (excluding fair value adjustments)	(3,355,371)	6,611,426	(4,846,575)	(10,503,260	))	- (12,093,780)
Segment depreciation	(4,315,022)	(1,112,226)	(1,047,337)	(1,918,917	<li>452,1</li>	76 (7,941,326)
Segment assets (excluding intersegment assets)	325,981,701	67,254,524	46,368,937	36,302,81	6 132,764,0	49 608,672,027
Segment liabilities (excluding intersegment liabilities)	(81,561,892)	(4,742,298)	(4,506,026)	(58,870,590	) (131,833,57	(281,514,378)
Net intersegment assets/ (liabilities)	10,932,671	(13,927,993)	(9,346,987)	12,342,30	9	
5						
31-Mar-19						
Segment revenue	44,057,602	13,893,096	3,866,837		-	- 61,817,535
Segment EBITDA (excluding fair value adjustments)	12,128,589		(3,176,340)	(30,431,110	))	- (15,394,478)
Segment depreciation	(3,491,725)		(597,734)	(1,503,672		- (6,848,793)
Segment assets (excluding intersegment assets)	293,750,144		27,800,020	32,368,23		
Segment liabilities (excluding intersegment liabilities)	(41,995,023)	(2,926,801)		(141,240,812		
Net intersegment assets/ (liabilities)	(23,373,344)		(64,293,129)			
* HISTORICAL						
	Southdown	Claremont	Kent	0	Adjustment	
All figures in ZWL	Estates	Estate	Kent Estate	Corporate Office	Elimination	દ્ય s Total
All rightee m LTTL	Lotates	Lotate	Lotate	Unite	Linnation	10101

(8,956,060)	33,494,502	69,333,317	4,314,138
54 149 966		(77,244,805)	(6,347,613)
45,193,906	(15,787,678)	(7,911,488)	(2,033,475)
(2,227,842)	(5,855,729)	(1,805,586)	(754,226)
54,272,519	4,661,681	18,840,277	600,431
<b>97,238,583</b>	(16,981,726)	<b>9,123,203</b>	(2,187,270)
(22,349,068)	(8,665,303)	(11,645,888)	(1,116,103)
(22,349,068)	<b>(8,665,303)</b>	( <b>11,645,888)</b>	( <b>1,116,103)</b>
(82,962,112)	29,544,938	2,686,467	3,805,429
(82,962,112)	<b>29,544,938</b>	<b>2,686,467</b>	<b>3,805,429</b>
(8,072,597)	<b>3,897,909</b>	<b>163,782</b>	<b>502,056</b>
12,834,635	725,628	4,598,256	93,462
4 762 038	<b>4,623,537</b>	<b>4 762 038</b>	<b>595,518</b>
	54,149,966 45,193,906 (2,227,842) 54,272,519 <b>97,238,583</b> (22,349,068) (22,349,068) (22,349,068) (82,962,112) (82,962,112) (82,962,112) (8,072,597)	54,149,966     (49,282,180)       45,193,906     (15,787678)       (2,227842)     (5,855,729)       54,272,519     4,661,681       97,238,583     (16,981,726)       (22,349,068)     (8,665,303)       (22,349,068)     (8,665,303)       (82,962,112)     29,544,938       (82,962,112)     29,544,938       (8,072,597)     3,897,909       12,834,635     725,628	54,149,966     (49,282,180)     (77,244,805)       45,193,906     (15,787,678)     (7,911,488)       (2,227,842)     (5,855,729)     (1,805,586)       54,272,519     4,661,681     18,840,277       97,238,583     (16,981,726)     9,123,203       (22,349,068)     (8,665,303)     (11,645,888)       (22,349,068)     (8,665,303)     (11,645,888)       (82,962,112)     29,544,938     2,686,467       (82,962,112)     29,544,938     2,686,467       (8,072,597)     3,897,909     163,782       12,834,635     725,628     4,598,256

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

# CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

INFLATION ADJUSTED	01	01		
All figures in ZWL	Share capital	Share premium	Distributable reserves	Total
Balance as at 30 September 2018 Total comprehensive income for the period	4,542,379	30,486,262	<b>97,305,650</b> 6,126,442	<b>132,334,291</b> 6,126,442
Balance as at 31 March 2019	4,542,379	30,486,262	103,432,092	138,460,733
Impact of IFRS 9 Adoption		-	(65,772)	(65,772)
Total comprehensive income for the period		-	261.201.253	261.201.253
Balance as at 30 September 2019	4.542.379	30.486.262	364.567.573	399,596,214
Impact of IFRS 16 Adoption	-	-	(3,429,015)	(3,429,015)
Total comprehensive loss for the period		-	(69,009,550)	(69,009,550)
Balance as at 31 March 2020	4,542,379	30,486,262	292,129,007	327,157,649
* HISTORICAL				
	Share	Share	Distributable	

All figures in ZWL	capital	premium	reserves	Total
Balance as at 30 September 2018 Total comprehensive income for the period	1,627,395	10,922,292	<b>4,495,153</b> 789,094	<b>17,044,840</b> 789.094
Balance as at 31 March 2019	1.627.395	10.922.292	5.284.247	17.833.934
Impact of IFRS 9 Adoption	-		(23,564)	(23,564)
Total comprehensive income for the period		-	23,731,782	23,731,782
Balance as at 30 September 2019	1,627,395	10,922,292	28,992,465	41,542,152
Impact of IFRS 16 Adoption			83,145	83,145
Total comprehensive income for the period		-	52,549,242	52,549,242
Balance as at 31 March 2020	1,627,395	10,922,292	81,624,852	94,174,539

\* 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		
	All figures in ZWL	REVIEWED Half Year Ended 31-Mar-20	UNAUDITED Half Year Ended 31-Mar-19	UNAUDITED Half Year Ended 31-Mar-20	UNAUDITED Half Year Ended 31-Mar-19	
1.	<b>Depreciation</b> Depreciation of property, plant and equipment excluding bearer plants Depreciation of bearer plants	7,459,150	4,351,747 2,497,046	714,229	560,511 <u>321,623</u>	
2.	Impairment Impairment loss recognised	<u>7,941,326</u>	6,848,793 259,066 259,066	1,039,444	<u> </u>	
3.	Income tax expense Current tax Deferred tax	57,825,648	21,512,331 21, <b>512,331</b>	- 	2,770,818 2,770,818	
4.	Capital expenditure for the period Purchase of property plant and equipment excluding bearer plants Capital expenditure incurred on bearer plants	20,863,125 1,485,943 22,349,068	7,755,538 909,765 8,665,303	10,750,045 895,843 11,645,888	998,924 117,179 1,116,103	
5.	Commitments for capital expenditure Authorised by directors but not contracted	18,112,288 18,112,288	5,836,475 <b>5,836,475</b>	18,112,288 <b>18,112,288</b>	751,746 <b>751,746</b>	

31-Mar-20

Segment revenue Segment EBITDA (excluding fair value adjustments) Segment depreciation Segment assets (excluding intersegment assets) Segment liabilities (excluding intersegment liabilities) Net intersegment assets/ (liabilities)	39,938,750 (58,346) (539,070) 77,909,999 (41,782,735) 10,932,671	10,603,334 4,793,293 (230,503) 18,597,556 (4,742,297) (13,927,993)	9,046,162 (2,812,357) (94,582) 8,317,192 (4,506,026) (9,346,987)	(9,536,428) (254,730) 6,890,286 (58,868,291) 12,342,309	- 79,441 135,342,063 (42,983,208) -	59,588,246 (7,613,838) (1,039,444) 247,057,096 (152,882,557)
<b>31-Mar-19</b> Segment revenue Segment EBITDA (excluding fair value adjustments) Segment depreciation Segment assets (excluding intersegment assets) Segment liabilities (excluding intersegment liabilities) Net intersegment assets/ (liabilities)	5,674,680 1,562,179 (449,739) 37,835,425 (5,409,017) (3,010,519)	1,789,450 783,677 (161,731) 7,738,864 (376,976) (9,868,769)	498,054 (409,117) (76,989) 3,580,681 (676,260) (8,281,044)	(3,919,569) (193,675) 4,169,073 (18,192,012) 21,160,332	- - 4,591,840 (15,427,684) -	7,962,184 (1,982,830) (882,134) 57,915,883 (40,081,949) -

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

# 9. Currency of reporting

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

# 10. Statement of compliance

The condensed financial statements have been prepared in compliance with International Accounting Standard ("IAS") 34 Inteirm Financial Reporting, as required by the Zimbabwe Stock Exchange Listing Requirements.

#### 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 restated to comply with the requirements of IAS 29 'Financial Reporting in Hyperinflationary Economies' as more fully described on Note 12 below.

## 12. Hyperinflation

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

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

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

Key CPIs and conversion factors used are shown below:

Month	CPI	<b>Conversion Factor</b>
March 2020	810.4	1
Average CPI (October 2019 to March 2020)	573.72	1.48
September 2019	290.34	2.79
March 2019	104.38	7.76

#### 13. Accounting policies

The Group has adopted all the new and revised accounting pronouncements applicable for the period ending 31 March 2020 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 2019 have been consistently applied in these Group financial results.

# 14. Going concern

During the period under review. COVID-19 was decalred a global pandemic. The Directors of the Group have reviewed the financial impact of the effects of COVID-19 and the related national and global lockdown orders on the business. They have also performed an overall assessment of the ability of the Group to continue operating as a going concern by reviewing the prospects of the Group. These assessments considered the Group's financial performance for the period ended 31 March 2020, the financial position as at 31 March 2020 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.

# 15. Review conclusion

The condensed group financial results have been reviewed by Deloitte & Touche, in accordance with International Standards on Review Engagements ("ISRE") 2400 'Engagements to Review Historical Financial Statements'. An unmodified review conclusion has been issued thereon

# 16. Events after reporting date

here have been no significant events after the reporting date.

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