ARISTON
HOLDINGS LIMITED

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

Leading Agro-industrial Company Since 1948.

FINANCIAL HIGHLIGHTS

All figures in ZWL	INFLATION ADJUSTED AUDITED Year Ended 30-Sep-21 ZWL 000	Year on Year Change	HISTORIC COST Year Ended 30-Sep-21 ZWL 000	Year on Year Change
REVENUE	1,231,443	31%	1,030,220	203%
EBITDA (excluding fair value adjustments)	244,170	28%	201,060	196%
(LOSS)/ PROFIT AFTER TAXATION	(19,754)	-109%	338,749	149%
BASIC EARNINGS PER SHARE (ZWL)	(0.0121)	-109%	0.2082	149%
HEADLINE EARNINGS PER SHARE (ZWL)	0.0680	-67%	0.0434	-57%

CHAIRMAN'S STATEMENT

INTRODUCTION

The 2020/2021 agricultural season had milder temperatures and greater rains than prior period. This enabled quality and yields to improve in the tree crops.

As stated in our half year results commentary, the continued existence of the COVID-19 pandemic had negative impact on global economies resulting in unsettled markets. Demand for good quality macadamia nuts held firm although there was a slight weakening in the prices for smaller and lower quality nuts. Overall selling prices for the local sales remained relatively stable, although timing of lockdowns had an effect on sales of fresh fruit. Yields and pricing for cereals which are grown for the local market were good. This has enabled improved contribution by local product sales to the Group results.

During the period, the Group disposed of 50% of its shareholding in Claremont Orchards Holdings (Private) Limited for 2,000,000 United States Dollars only (equivalent to ZWL170,846,800) to Tuinbouw Zonder Grenzen, a company registered in the Netherlands. Part of the rationale for the transaction was to raise funding for further investment into macadamia nut orchards in Chipinge and Chimanimani. Further, the transaction enabled the entry of a foreign shareholder who has undertaken to provide significant funding for expansion of Claremont orchards into high value fruit and flower offering primarily for the export market. It is envisaged that the sum of the two investments will provide Ariston shareholders with greater value than current. Regulatory approval for the transaction has been received and the sale proceeds were received shortly after year-end.

FINANCIAL PERFORMANCE (on inflation adjusted terms)

Revenue for the year ended 30 September 2021 reflects a growth of 31% when compared to prior year. The revenue growth was mainly driven by increase in sales of products grown and consumed in the local market. There has been increased focus on growing the contribution of local perennial crops so as to increase capacity utilisation and broaden the Group's product offering. Current year gross margin was maintained at the same level as in prior year of 55%.

Current year profit from operations declined to 11% of revenue compared to 21% of revenue experienced in the prior year comparative period due to the impact of the mismatch arising from revenue from exports where RBZ retention at 40% is being paid at a rate significantly lower than that being charged by suppliers resulting in erosion of value. In the year under review approximately 20% was lost from the revenue line as a result of the 40% RBZ retention. After taking into account fair value adjustments and the monetary loss, the Group realised an inflation adjusted loss before interest and tax of $244 million, compared to a profit of $112 million for the prior comparative period. Losses were made on fair value adjustments due to these being denominated in USD and the USD Interbank rate lagging behind inflation index. Inflation adjusted interest expense grew by 24% to $42 million in the current reporting period. The increase was driven by interest on local borrowings. Overall the Group posted an inflation adjusted loss after tax of $19 million, compared to prior comparative period's profit of $217 million.

The Group's balance sheet continued to improve in the period under review as shown by the continued improvement in the quick ratio from 0.77 to 1.16. Proceeds from the disposal of 50% of Claremont Orchards Holdings (Private) Limited are not included in the cash balances as the proceeds were received after year-end upon obtaining Exchange Control approval. The receivable amount was included in the trade and other receivables balance at year-end.

VOLUMES AND OPERATIONS

Tea

Current year tea production volume improved by 6% due to wetter and cooler weather conditions experienced during the period under review than during the same period in prior year. Production volume recovered to 2,748 tonnes compared to 2,582 tonnes produced in the prior comparative period. Shortage of harvesting labour led to loss of approximately 300 tonnes of tea not being harvested in the current year. Changes have since been made to production processes so as to mechanise some of the processes thereby leaving labour for harvesting. It is anticipated that labour shortage will persist for the foreseeable future in the areas where we operate. Export tea volumes declined by 27% which was alleviated by a 34% increase in local sales volume. Export tea average selling prices declined by 8% due to subdued global economic activity as a result of the COVID-19 pandemic. Current year average selling prices for local tea sales improved by 83.3% compared to prior year.

Macadamia

Production volume improved by 27% from prior year's 1,063 tonnes to 1,292 tonnes in the current year.

Average selling prices for exports declined by 7.5%. While the average selling price for large nuts remained the same as in prior period, the price for the small nuts and lower quality nuts came under pressure, thereby weighing down on average selling prices.

Fruit

The fruit category's production volumes of 3,195 tonnes for the current year improved by 17% from 2,729 tonnes produced in the prior comparative period and yields from the young orchards continue to improve.

The selling period for stone fruit coincided with the lockdown promulgated by Government in January 2021. This had an adverse effect on fruit uptake in the market. Unfortunately, most of the export markets were also depressed due to COVID-19 lockdowns implemented in various countries. As a result, stone fruit sales volume suffered a 13% decline compared to the prior comparative period. Pome fruit were unaffected. The category in total registered a 10% increase in average selling price when compared with the prior comparative period.

Other products

Other products making up 21% of revenue comprise potatoes, soya beans, seed maize, commercial maize, seed sugar beans, avocado, bananas and poultry. These have been growing progressively over the years with increasing significance to the Group's revenue. These continue to contribute positively to the Group's profitability. It is the Group's strategy to continue to grow this category so as to broaden and reduce the Group's concentration risk in its product offering which has remained predominantly macadamia and tea.

OUTLOOK

The season in Chipinge and Chimanimani where the majority of our operations are located has commenced on a good note. The weather has been cool and wet. It is hoped that this weather persists as it leads to better yields and quality of both macadamia and tea.

With receipt of the sale of shares proceeds, the Group will be planting additional orchards of macadamia nuts under irrigation as well as improvement in mechanisation of farm processes. Changes made to production processes enabled by mechanisation have improved tea yields and quality. It is too early in the season to get a clear indication on the new season export tea or macadamia prices.

DIVIDEND

The Board is proposing a final dividend of 5.80 Zimbabwean cents per share payable in respect of all ordinary shares of the Company. The dividend will be payable to all the shareholders of the Company registered at the close of business on 6 May 2022. The payment of this final dividend will take place on or around 27 May 2022. The shares of the Company will be traded cum-dividend on the Zimbabwe Stock Exchange up to the market day of 4 May 2022 and ex-dividend from 9 May 2022.

DIRECTORATE

There have been no changes in the directorate in the period under review.

APPRECIATION

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

BY ORDER OF THE BOARD

ALEXANDER CRISPEN JONGWE
CHAIRMAN

20 December 2021

CONDENSED GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

All figures in ZWL	Notes	Inflation Adjusted AUDITED Year Ended 30-Sep-21 ZWL 000	Inflation Adjusted AUDITED Year Ended 30-Sep-20 ZWL 000	*Historical Year Ended 30-Sep-21 ZWL 000	*Historical Year Ended 30-Sep-20 ZWL 000
Revenue	9	**1,231,443**	**938,910**	**1,030,220**	**339,582**
Cost of production		(551,427)	(424,455)	(432,374)	(141,712)
Gross profit		**680,016**	**514,455**	**597,846**	**197,870**
Other operating income		8,762	9,669	7,322	3,722
Operating expenses		(559,173)	(324,305)	(427,137)	(133,754)
Profit from operations		**129,605**	**199,819**	**178,031**	**67,838**
Fair value adjustments		(233,310)	(218,709)	(38,380)	314,229
Exchange differences		675	(283,482)	5,698	(204,815)
Monetary (loss)/ gain		(21,022)	397,997	-	-
(Loss)/ profit on partial disposal of interest	6	(130,765)	-	267,860	-
Share of net profit of a joint venture accounted for using the equity method		11,162	16,272	10,261	4,816
(Loss)/ profit before interest and taxation		**(243,655)**	**111,897**	**423,470**	**182,068**
Finance costs		(42,356)	(34,198)	(35,887)	(14,293)
(Loss)/ profit before taxation		**(286,011)**	**77,699**	**387,583**	**167,775**
Income tax expense	3	266,257	139,319	(48,834)	(31,924)
(Loss)/ profit for the year		**(19,754)**	**217,018**	**338,749**	**135,851**
Other comprehensive income		-	-	-	-
Total comprehensive (loss)/ income before tax on comprehensive income		**(19,754)**	**217,018**	**338,749**	**135,851**
Tax on other comprehensive income		-	-	-	-
Total comprehensive (loss)/ income for the year		**(19,754)**	**217,018**	**338,749**	**135,851**
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		(0.0121)	0.1334	0.2082	0.0835
Diluted earnings per share		(0.0121)	0.1334	0.2082	0.0835

* 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	Notes	Inflation Adjusted AUDITED As at 30-Sep-21 ZWL 000	Inflation Adjusted AUDITED As at 30-Sep-20 ZWL 000	*Historical As at 30-Sep-21 ZWL 000	*Historical As at 30-Sep-20 ZWL 000
ASSETS					
Non - current assets					
Property, plant and equipment		1,382,952	1,785,385	129,692	67,518
Biological assets		7,045	22,940	7,045	15,137
Right of use assets		24,757	33,490	710	1,007
Investment in joint ventures	6	203,457	38,846	152,998	5,555
		1,618,211	**1,880,661**	**290,445**	**89,217**
Current assets					
Biological assets		326,180	558,658	326,180	368,632
Inventories		171,209	221,382	162,284	55,450
Trade and other receivables		478,398	278,918	475,988	177,245
Cash and cash equivalents		7,867	27,146	7,867	17,912
		983,654	**1,086,104**	**972,319**	**619,239**
TOTAL ASSETS		**2,601,865**	**2,966,765**	**1,262,764**	**708,456**
EQUITY					
Share capital and reserves					
Share capital		84,843	84,843	1,627	1,627
Share premium		569,425	569,425	10,922	10,922
Distributable reserves		1,063,348	1,083,102	503,592	164,843
		1,717,616	**1,737,370**	**516,141**	**177,392**
LIABILITIES					
Non-current liabilities					
Borrowings	8	247,843	333,927	247,843	220,343
Deferred tax		213,873	504,519	82,053	57,608
Lease liabilities		-	299	-	197
		461,716	**838,745**	**329,896**	**278,148**
Current liabilities					
Trade and other payables	7	316,639	380,155	310,833	245,991
Borrowings	8	105,697	9,918	105,697	6,545
Lease liabilities		197	577	197	380
		422,533	**390,650**	**416,727**	**252,916**
TOTAL EQUITY AND LIABILITIES		**2,601,865**	**2,966,765**	**1,262,764**	**708,456**

CONDENSED GROUP STATEMENT OF CASHFLOWS

All figures in ZWL	Inflation Adjusted AUDITED Year Ended 30-Sep-21 ZWL 000	Inflation Adjusted AUDITED Year Ended 30-Sep-20 ZWL 000	*Historical Year Ended 30-Sep-21 ZWL 000	*Historical Year Ended 30-Sep-20 ZWL 000
Cash flows from operating activities				
(Loss)/ profit before interest and taxation	(286,011)	77,699	387,583	167,775
Change in working capital	(212,823)	(60,875)	(340,735)	15,004
Non-cash items	595,937	284,892	(99,919)	(315,623)
Cash generated from/(utilised in) operating activities	**97,103**	**301,716**	**(53,071)**	**(132,844)**
Cash flows from investing activities				
Cash utilised in investing activities	(126,000)	(121,908)	(83,694)	(33,491)
Cash generated from investing activities	602	-	448	-
Cash utilised in investing activities	**(125,398)**	**(121,908)**	**(83,246)**	**(33,491)**
Cash flows from financing activities				
Cash generated/ (utilised in) from financing activities	9,016	(205,582)	126,272	179,649
Cash generated/ (utilised in) from financing activities	**9,016**	**(205,582)**	**126,272**	**179,649**
Net (decrease)/ increase in cash and cash equivalents	**(19,279)**	**(25,774)**	**(10,045)**	**13,314**
Cash and cash equivalents at beginning of the year	27,146	52,920	17,912	4,598
Cash and cash equivalents at the end of the year	**7,867**	**27,146**	**7,867**	**17,912**

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

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

All figures in ZWL	Inflation Adjusted Share capital ZWL 000	Share premium ZWL 000	Distributable reserves ZWL 000	Total ZWL 000
Balance as at 30 September 2019	**84,843**	**569,425**	**866,084**	**1,520,352**
Total comprehensive income for the year	-	-	217,018	**217,018**
Balance as at 30 September 2020	**84,843**	**569,425**	**1,083,102**	**1,737,370**
Total comprehensive loss for the year	-	-	(19,754)	**(19,754)**
Balance as at 30 September 2021	**84,843**	**569,425**	**1,063,348**	**1,717,616**

All figures in ZWL	*Historical Share capital ZWL 000	Share premium ZWL 000	Distributable reserves ZWL 000	Total ZWL 000
Balance as at 30 September 2019	**1,627**	**10,922**	**28,992**	**41,541**
Total comprehensive income for the year	-	-	135,851	**135,851**
Balance as at 30 September 2020	**1,627**	**10,922**	**164,843**	**177,392**
Total comprehensive income for the year	-	-	338,749	**338,749**
Balance as at 30 September 2021	**1,627**	**10,922**	**503,592**	**516,141**

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

CONDENSED NOTES AND SUPPLEMENTARY INFORMATION

All figures in ZWL	Inflation Adjusted AUDITED Year Ended 30-Sep-21 ZWL 000	Inflation Adjusted AUDITED Year Ended 30-Sep-20 ZWL 000	*Historical Year Ended 30-Sep-21 ZWL 000	*Historical Year Ended 30-Sep-20 ZWL 000
1. Depreciation and amortisation				
Depreciation of property, plant and equipment excluding bearer plants	70,407	63,856	5,825	2,450
Depreciation of bearer plants	17,936	18,484	631	650
Depreciation of right of use assets	8,733	8,733	297	297
	97,076	**91,073**	**6,753**	**3,397**
2. Impairment				
Impairment loss recognised	16,468	-	316	-
	16,468	**-**	**316**	**-**
3. Income tax expense				
Current tax	24,389	-	24,389	-
Deferred tax	(290,646)	(139,319)	24,445	31,924
	(266,257)	**(139,319)**	**48,834**	**31,924**
4. Capital expenditure for the period				
Purchase of property plant and equipment excluding bearer plants	106,058	107,836	67,885	27,676
Capital expenditure incurred on bearer plants	19,942	14,072	15,809	5,815
	126,000	**121,908**	**83,694**	**33,491**
5. Commitments for capital expenditure				
Authorised by directors but not contracted	18,562	19,911	18,562	13,139
	18,562	**19,911**	**18,562**	**13,139**

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

All figures in ZWL	Inflation Adjusted AUDITED Year Ended 30-Sep-21 ZWL 000	Inflation Adjusted AUDITED Year Ended 30-Sep-20 ZWL 000	*Historical Year Ended 30-Sep-21 ZWL 000	*Historical Year Ended 30-Sep-20 ZWL 000
6. Investment in joint ventures				
Beginning of the period	38,846	22,574	5,555	739
Addition	31,693	-	25,594	-
Fair value of retained investment	121,756	-	111,588	-
Share of profit for the period	11,162	16,272	10,261	4,816
End of the period	**203,457**	**38,846**	**152,998**	**5,555**

In February 2021, the Group entered into a Joint Venture arrangement with Family van Leenhoff for the purposes of cattle ranching in a company called Mombe Shoma. The initial investment was valued at ZWL 31,692,355 and was in the form of contribution of cattle to the joint venture. The Group holds a 50% stake in the arrangement. During the period a share of profit of ZWL 1,692,469 was recognised from the joint venture.

During the period, the Group disposed of 50% of its shareholding in Claremont Orchards Holdings, a property company. A contractual agreement was entered into with Tuinbouw Zonder Grenzen BV, a company based in Netherlands. The agreement confers to shareholders, rights to the net assets of Claremont Orchards Holdings. As such, the property company has been classified as a joint venture. The retained investment had a fair value of ZWL121,671,612 at date of change in control. From date of change of control to year-end, the joint venture contributed a share of profit of ZWL 475,574 to the Group.

The investment in Claremont Power Station which existed in prior year, contributed a share of profit of ZWL 8,994,290.

All figures in ZWL	Inflation Adjusted AUDITED As at 30-Sep-21 ZWL 000	Inflation Adjusted AUDITED As at 30-Sep-20 ZWL 000	*Historical As at 30-Sep-21 ZWL 000	*Historical As at 30-Sep-20 ZWL 000
7. Trade and other payables				
Trade payables	156,306	126,638	156,306	83,563
Other payables	160,333	253,517	154,527	162,428
	316,639	**380,155**	**310,833**	**245,991**
8. Borrowings				
At amortised cost				
Loans from banks	89,815	6,111	89,815	4,032
Bank overdrafts	18,771	9,918	18,771	6,545
Loans from related parties	244,954	327,816	244,954	216,311
	353,540	**343,845**	**353,540**	**226,888**
Long-term	247,843	333,927	247,843	220,343
Short-term	105,697	9,918	105,697	6,545
	353,540	**343,845**	**353,540**	**226,888**

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

8. Borrowings (Continued)

(i) Bank loans of ZWL 89,815,380 (2020: ZWL 6,110,305) (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;
- Negative pledge on unencumbered assets; and
- Notes on hand registered over Southdown Estate.

The average effective interest rate on bank loans approximates 8.5% (2020: 35%) per annum.

(ii) Bank overdrafts are repayable on demand. Overdrafts of ZWL 18,770,508 (2020: ZWL 9,918,140) (inflation-adjusted) have been secured by joint and several guarantees. The average effective interest rate on bank overdrafts approximates 12% to 40% (2020: 12% to 35%) per annum.

(iii) Loans repayable to related parties of the Group are secured by inventories and a mortgage bond over Kent Estate and carry interest of 6% (2020: 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

9. Reportable segments

Revenue from major products	Inflation Adjusted AUDITED Year Ended 30-Sep-21 ZWL 000	Inflation Adjusted AUDITED Year Ended 30-Sep-20 ZWL 000	*Historical Year Ended 30-Sep-21 ZWL 000	*Historical Year Ended 30-Sep-20 ZWL 000
Tea	463,585	349,517	381,800	138,754
Macadamia nuts	378,978	348,295	323,290	116,078
Vegetables and fruits	197,963	143,041	160,708	45,649
Poultry	97,451	33,813	82,513	10,415
Other	93,466	64,244	81,909	28,686
Total	**1,231,443**	**938,910**	**1,030,220**	**339,582**

All revenue is recognised at a point in time

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All figures in ZWL	Inflation Adjusted Southdown Estates ZWL 000	Claremont Estate ZWL 000	Kent Estate ZWL 000	Corporate Office ZWL 000	Adjustments & Eliminations ZWL 000	Total ZWL 000
30-Sep-21						
Segment revenue	864,332	143,864	223,247	-	-	**1,231,443**
Segment EBITDA (excluding fair value adjustments)	2,552,252	(826,756)	(70,695)	(1,410,631)	-	**244,170**
Segment depreciation and impairment	53,661	14,568	9,351	35,964	-	**113,544**
Segment assets (excluding intersegment assets)	1,685,791	175,206	174,939	565,929	-	**2,601,865**
Segment liabilities (excluding intersegment liabilities)	(156,998)	(28,104)	(7,612)	(433,505)	(258,030)	**(884,249)**
Net segment assets/ (liabilities)	77,778	(46,209)	(1,391)	(30,178)	-	**-**
30-Sep-20						
Segment revenue	708,090	108,312	122,508	-	-	**938,910**
Segment EBITDA (excluding fair value adjustments)	253,952	11,311	(4,574)	(69,603)	-	**191,086**
Segment depreciation and impairment	46,157	14,750	8,779	21,387	-	**91,073**
Segment assets (excluding intersegment assets)	2,075,100	256,553	236,831	398,281	-	**2,966,765**
Segment liabilities (excluding intersegment liabilities)	(271,761)	(35,756)	(23,555)	(393,870)	(504,453)	**(1,229,395)**
Net segment assets/ (liabilities)	125,412	(30,936)	(14,041)	(80,435)	-	**-**

All figures in ZWL	*Historical Southdown Estates ZWL 000	Claremont Estate ZWL 000	Kent Estate ZWL 000	Corporate Office ZWL 000	Adjustments & Eliminations ZWL 000	Total ZWL 000
30-Sep-21						
Segment revenue	723,363	118,257	188,600	-	-	**1,030,220**
Segment EBITDA (excluding fair value adjustments)	174,720	6,282	44,996	(24,938)	-	**201,060**
Segment depreciation and impairment	4,163	1,320	674	912	-	**7,069**
Segment assets (excluding intersegment assets)	713,116	110,195	47,912	391,541	-	**1,262,764**
Segment liabilities (excluding intersegment liabilities)	(156,966)	(28,104)	(7,612)	(433,505)	(120,436)	**(746,623)**
Net segment assets/ (liabilities)	77,778	(46,209)	(1,391)	(30,178)	-	**-**
30-Sep-20						
Segment revenue	258,906	35,239	45,437	-	-	**339,582**
Segment EBITDA (excluding fair value adjustments)	91,292	(3,709)	3,720	(23,465)	-	**67,838**
Segment depreciation and impairment	1,794	873	216	514	-	**3,397**
Segment assets (excluding intersegment assets)	412,650	98,447	63,764	133,595	-	**708,456**
Segment liabilities (excluding intersegment liabilities)	(174,467)	(23,594)	(15,543)	(259,853)	(57,607)	**(531,064)**
Net segment assets/ (liabilities)	82,753	(20,413)	(9,265)	(53,075)	-	**-**

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

10. 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.

11. 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.

12. 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 13 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.

13. 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.

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	Conversion Factor
September 2021	3,342.02	1.00
Average CPI (October 2019 to September 2021)	1,946.05	1.21
September 2020	2,205.24	1.52

14. Accounting policies

The Group has adopted all the new and revised accounting pronouncements applicable for the period ending 30 September 2021 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 2020 have been consistently applied in these Group financial results.

15. Going concern

In the prior period, COVID-19 was declared a global pandemic. The Directors of the Group have continued to review 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 30 September 2021, the financial position as at 30 September 2021 and the current and medium term forecasts for the Group taking into account the economic environment in Zimbabwe, the global impact of the pandemic 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.

16. Audit Opinion

The inflation consolidated financial statements from which the condensed version was derived has 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 opinionon the Group's inflation adjusted consolidated financial statements.

17. Events after reporting date

During the period, the Group disposed of 50% of its shareholding in Claremont Orchards Holdings (Private) Limited for USD2,000,000 (two million United States Dollars only) to Tuinbouw Zonder Grenzen (TZG), a company registered in the Netherlands. As at year end, the Group was awaiting approval from Exchange Control before the funds could be transferred into the Group's bank account. As such, an amount of ZWL173,853,400 was recognised as a receivable. Shortly after year-end, approval was granted and TZG made the full payment of USD2,000,000 in October 2021. The amount of ZWL177,466,612 (being USD2,000,000 translated at interbank rate) has been recognised, with a ZWL3,613,212 being recognised as an exchange gain.

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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 2021, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31).

What we have audited

Ariston Holdings Limited's consolidated and separate financial statements set out on pages 21 to 73 comprise:

- the consolidated and separate statements of financial position as at 30 September 2021;
- 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.

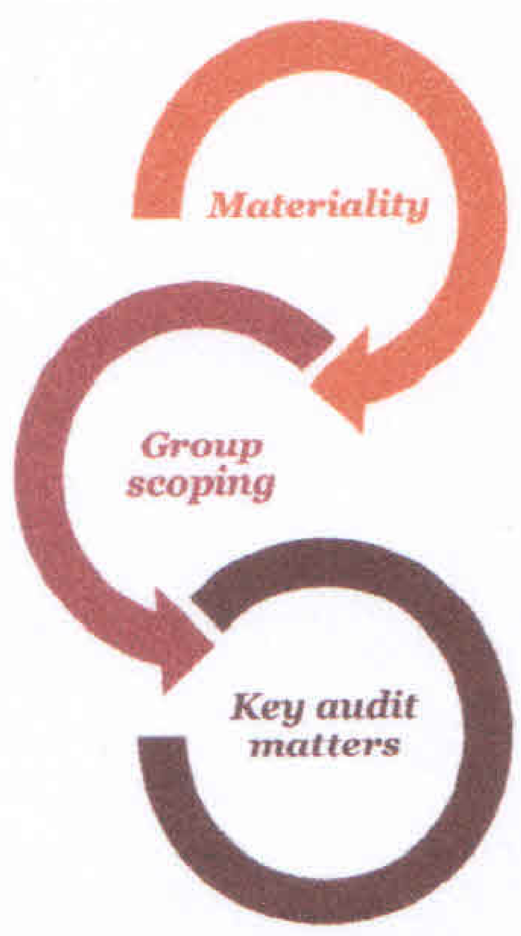
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

Our audit approach

Overview



Overall group materiality

- Overall group materiality: ZWL 14 300 498 which represents 5% of inflation adjusted consolidated loss before taxation.

Group audit scope

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

Key audit matters

- Profit/ (loss) on partial disposal of interest; and
- Valuation of biological assets.

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	ZWL14 300 498
How we determined it	5% of consolidated inflation adjusted loss before taxation.
Rationale for the materiality benchmark applied	We chose consolidated inflation adjusted loss before taxation as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark. We chose 5% which is consistent with quantitative materiality thresholds used for listed profit-oriented companies.

How we tailored our group audit scope

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

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

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

Key audit matters

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

Key audit matter	***How our audit addressed the key audit matter***
Profit/ (loss) on partial disposal of interest *This key audit matter relates to the consolidated and separate financial statements* Effective 1 July 2021, the Company sold 50% of its shareholding in a subsidiary, Claremont Orchards Holdings (Private) Limited. As a result of this transaction, the Company's remaining interest in this former subsidiary was	We performed the following procedures to audit the profit/ (loss) on partial disposal of interest: • We obtained the signed agreements of sale between the Company and the purchaser of the 50% shareholding to understand the terms and conditions of the sale. • We evaluated management's analysis of the effective date of the transaction, considering the various terms and conditions noted in the sale agreements.

recognised as a joint venture from 1 July 2021 in the consolidated and separate financial statements, in accordance with IFRS 11, Joint Arrangements. The former subsidiary's results were consolidated in the Group's financial statements, up to the date of loss in control. The profit/(loss) on partial disposal of interest amounted to ZWL170.8 million and (ZWL130.8 million) for the Company and Group respectively, for the year ended 30 September 2021. Refer to Note 12b - Discontinued operation to the consolidated and separate financial statements. Due to the significance of profit/ loss on sale on partial disposal of interest in both the Company's financial performance and the Group's consolidated financial performance, and the level of judgement required to determine the effective date of the transaction as well as the nature of the remaining investment in terms of applicable IFRS standards, we considered this to be a matter of most significance to the current year audit of the consolidated and separate financial statements.	• We agreed the selling price used to calculate the profit/(loss) on sale of interest to the sale agreements and subsequent receipt of the consideration received after the year end date to the bank statements, noting no differences. • We considered the listing of net assets sold for completeness by referencing the signed sell agreement . • We agreed the carrying amounts of the assets sold to the auditing accounting records of the Company and Group. • We reperformed management's calculation of the inflation adjustments on the net assets sold. No material differences were noted. • We assessed the reasonableness of the fair value of the remaining investment in the Joint venture by agreeing the fair value to the valuation report prepared by an independent valuer as agreed to by the Company and Purchaser of the the 50% interest in the sale agreement. We recomputed the remaining value by applying the remaining % ownership to the fair value determined by the valuation expert. • We reperformed the mathematical calculation of the profit/ loss on partial disposal of interest for the Company and the Group. No material differences were noted. We evaluated the disclosures made in the consolidated and separate financial statements with reference to the requirements of IFRS 3, Business Combinations, and IFRS 11, Joint Arrangements, including the disclosures made in relation to the sensitivities of the significant inputs into the valuation. We noted no matters requiring further consideration.
Valuation of biological assets *This key audit matter relates to the consolidated financial statements only.* Livestock, poultry, timber, seasonal crops and produce growing on bearer plants are classified as biological assets and are accounted for in accordance with International Accounting Standard IAS 41, Agriculture. The fair value of the Group's biological assets amounted to ZWL 24.7 million as at 30 September 2021. The value of biological assets is measured at fair value less costs to sell.	We performed the following procedures to assess the appropriateness of the valuation of biological assets: • Evaluated the methods used by the directors in the valuation of biological assets against the requirements of IAS 41, 'Agriculture', as well as against industry practice. No inconsistencies were noted. • Assessed the consistency of the methods and assumptions used by the directors in the valuation of biological assets by comparing this to those used in the prior year. No changes from previously applied assumptions and methods were noted. • Assessed the reasonableness of assumptions used in the director's valuation model to determine the value of biological assets by performing the following procedures: o For livestock, poultry and timber, the market prices used to determine the fair value were compared to

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The values of livestock, poultry and timber are determined based on the age, size and relevant market prices less costs to sell The values of produce growing on bearer plants, which includes macadamias 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. Refer to notes 3.6 - Biological assets, 4.1 - Biological assets and 11 - Biological assets to the consolidated financial statements. Due to the level of judgment 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.	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. o 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 current year actuals in order to assess the reasonableness of management's and directors' estimates. o On a sample basis, and using our agricultural expertise, we verified 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. o Using our agricultural expertise, we evaluated the reasonableness of the forecasted yields, prices and selling costs against historical data and factoring the current quality of crops into the forecast determination. We also considered the impact of actual sales that took place subsequent to year end. On the basis of this evaluation, we accepted management's forecasts. • We inspected the formulas used in management's models and tested the mathematical accuracy through recalculation. No material differences were noted. • We evaluated the financial statement disclosures against the requirements of IAS 41, Agriculture, including the disclosures related to the sensitivities of the significant inputs into the valuation. No material inconsistencies were noted.

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 2021"* and the press release titled "Ariston Holdings Limited, Audited Financial Statements for the year ended 30 September 2021. 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

21 December 2021
Harare
Zimbabwe