

SALIENT FEATURES FOR THE SIX MONTHS ENDED 31 MARCH 2022

	INFLATION ADJUSTED	HISTORICAL COST*
Revenue	Decreased by 7% to ZWL 1.909 billion	Increased by 53% to ZWL 1.664 billion
Export Sales	Decreased by 31% to 830 million	Increased by 15% to 726 million
Local Sales	Increased by 25% to ZWL 1.079 billion	Increased by 105% to ZWL 938 million
Operating Profit	Decreased by 45% to ZWL 612 million	Increased by 7% to ZWL 1.04 billion

CHAIRMAN'S STATEMENT

Key Developments

I am pleased to report that the Company was unbundled out of Meikles Limited on 1 February 2022 and successfully relisted on the Zimbabwe Stock Exchange (ZSE) on 3 February 2022. Tanganda was initially listed in 1963 and remained listed until 2008 when it delisted following the merger with Kingdom Financial Holdings, Cotton Printers and Meikles Africa Limited.

Operating Environment Overview

The operating environment has been characterized by high inflation and exchange rate volatility. Annual inflation which receded to 51% in September 2021 has been increasing and ended on 73% in March 2022. Post reporting period inflation in April 2022 rose to 96%.

There was a significant reduction in Covid-19 fatalities across the world and the impact of the virus waned resulting in relaxation of pandemic related restrictions. The Company was categorized an essential service and continued to operate during lockdown restrictions in 2021.

Towards the end of the reporting period, geopolitical instability between Russia and Ukraine broke out on 24 February 2022 resulting in broader ramifications in respect of global inflation and increased costs of commodities.

Financial Performance

Commentary on financial performance is based on inflation adjusted figures with historical cost figures referred to in order to enhance comprehension and analysis.

In spite of negative dry weather in December 2021 and February 2022, pandemic and global conflict headwinds, revenue remained resilient at ZWL 1.909 billion 7% down from ZWL 2.061 billion achieved same period of the previous year. Timing of revenue recognition from export of macadamia nuts has resulted in the seeming decline in revenue. The macadamia export market is gravitating towards kernel instead of the traditional nut in shell and the revenue from these exports will be recognized in the second half of the financial year. In historical cost terms, there was a 53% growth in revenue to ZWL 1.664 billion from ZWL 1.089 billion in the prior year.

Profit before tax for the period in inflation terms amounted to ZWL 589 million compared to ZWL 749 million achieved prior year. Profitability was adversely affected by the disparities between increase in production costs and movement in exchange rate. The exchange rate depreciated by 69% during the period under review versus year on year inflation of 73%. In historical cost terms profit before tax grew by 36% to ZWL 1.265 billion from ZWL 929 million in the prior year.

Review of Operations

Agriculture

Although bulk tea production for the period of 5 935 tonnes was 12% below prior year production of 6 762 tonnes due to dry weather in December of 2021 and February 2022, bulk tea exports of 3 747 tonnes were 14% above 3 278 tonnes sold in the comparable period of last year. The export average selling price firmed up slightly to US\$1.43 per kg from prior year average selling price of US\$1.41 per kg. Avocado and macadamia harvest commenced in earnest at the end of the reporting period and the revenue is recorded in the second half of the financial year. Coffee exports of 96 tonnes were 14% above 84 tonnes achieved in prior year. Average export selling price of US\$6.67 per kg remained slightly firmer than US\$6.50 realized prior year. The Company is realizing the benefit of its diversified operations.

Beverage

The pandemic and global conflict created global logistical and supply challenges but packed tea sales volumes were resilient at 933 tonnes 4% below 1 033 tonnes in prior year.

Outlook

Yields of avocado and macadamia are expected to increase with enhanced maturity profiling of plantations over the next three to five years.

The solar plants constructed at three of the five estates have significantly reduced reliance on power from the national grid. Further benefits from the investment are expected to be fully realized once full reticulation and net metering have been implemented before the end of 2022.

The Company has invested in new machinery at the packaging factory in Mutare in line with its value addition strategy and factory conversion efficiencies. The investment is expected to grow volumes in the regional market.

Directorate

Mr. John R. T. Moxon retired from the Board of Directors after an illustrious service spanning over five decades. His contributions in the earlier growth of the tea business and later diversification program are greatly appreciated. The Board welcomed new independent non-executive Directors; Messrs Stewart P. Cranswick, Livingstone T. Gwata, Simon J. Hammond, Matthew J. S. Moxon, and Ms Rufaro A. Maunze appointed with effect from 30 July 2021.

Dividend

The Board of Directors declared an interim dividend (Number 1) of ZWL 50 cents per share to be paid on 14 July 2022.

Appreciation

I would like to extend my appreciation to all our stakeholders for their continued support. I also extend my appreciation to my fellow Directors and to management and staff for their dedication and commitment.



H. Nkala
Chairman

REVIEWED CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 MARCH 2022

	INFLATION ADJUSTED		HISTORICAL COST*	
	Reviewed 31 March 2022 ZWL	Unaudited 31 March 2021 ZWL	Unaudited 31 Mar 2022 ZWL	Unaudited 31 Mar 2021 ZWL
REVENUE	1 908 802 193	2 060 658 609	1 664 205 181	1 088 725 754
Export	829 744 548	1 194 579 527	725 845 988	630 459 416
Local	1 079 057 645	866 079 082	938 359 193	458 266 338
Cost of sales	(1 178 989 116)	(1 144 787 958)	(721 339 463)	(471 143 288)
Gross profit	729 813 077	915 870 651	942 865 718	617 582 466
Operating costs	(598 969 784)	(472 278 796)	(519 632 750)	(242 964 578)
Other income	64 462 500	(283 841 441)	63 540 967	23 553 205
Fair value adjustments	416 331 626	944 335 129	552 873 505	569 271 047
Operating profit	611 637 419	1 104 085 543	1 039 647 440	967 442 140
Net finance costs	(20 804 781)	(79 651 522)	(17 207 188)	(42 218 779)
Exchange gains	289 221 457	7 000 516	242 895 039	3 871 134
Net monetary loss	(291 341 032)	(282 708 888)	-	-
Profit before tax	588 713 063	748 725 649	1 265 335 291	929 094 495
Income tax expense	(240 523 812)	(101 360 710)	(217 559 563)	(104 659 440)
Profit for the period	348 189 251	647 364 939	1 047 775 728	824 435 055
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	348 189 251	647 364 939	1 047 775 728	824 435 055
Number of issued shares at reporting date	261 064 590	115 747 372	261 064 590	115 747 372
Weighted average number of shares in issue	261 064 590	115 747 372	261 064 590	115 747 372
Earnings per share (cents)				
Basic	133	559	401	712
Diluted	133	559	401	712

REVIEWED CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	INFLATION ADJUSTED		HISTORICAL COST*	
	Reviewed 31 March 2022 ZWL	Audited 30 September 2021 ZWL	Unaudited 31 March 2022 ZWL	Unaudited 30 September 2021 ZWL
ASSETS				
Non-current assets				
Property, plant and equipment	5 516 659 998	5 378 873 675	844 904 417	654 480 571
Intangible assets	11 179 624	11,179,624	124 141	124 141
Biological assets	301 235 587	239 935 246	301 235 587	168 244 291
Other financial assets	692 340	987 355	692 340	692 340
Total non-current assets	5 829 767 549	5 630 975 900	1 146 956 485	823 541 343
Current assets				
Inventories	1 458 512 387	1 244 987 793	1 418 528 918	845 263 945
Produce on bearer plants	718 538 203	39 726 557	718 538 203	27 856 543
Trade and other receivables	792 829 899	1 044 965 557	786 385 021	712 263 658
Bank and cash balances	80 153 405	166 130 126	80 153 405	116 491 619
Total current assets	3 050 033 894	2 495 810 033	3 003 605 547	1 701 875 765
Total assets	8 879 801 443	8 126 785 933	4 150 562 032	2 525 417 108
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	196 406 680	196 406 680	2 610 646	2 610 646
Share premium	2 117 262 042	1 888 360 602	461 663 705	286 344 708
Non-distributable reserve	716 940 632	716 940 632	9 640 456	9 640 456
Retained earnings	4 140 875 094	3 792 685 843	2 685 841 062	1 638 065 334
Total shareholders' equity	7 171 484 448	6 594 393 757	3 159 755 869	1 936 661 144
Non-current liabilities				
Deferred tax	907 483 518	714 455 000	189 972 686	15 212 629
Long-term borrowings	-	28 616 399	-	20 066 022
Total non-current liabilities	907 483 518	743 071 399	189 972 686	35 278 651
Current liabilities				
Trade and other payables	554 320 153	463 492 286	554 320 153	325 004 072
Current portion of long-term borrowings	216 462 657	236 993 689	216 462 657	166 181 650
Other financial liabilities	30 050 667	88 834 802	30 050 667	62 291 591
Total current liabilities	800 833 477	789 320 777	800 833 477	553 477 313
Total liabilities	1 708 316 995	1 532 392 176	990 806 163	588 755 964
Total equity and liabilities	8 879 801 443	8 126 785 933	4 150 562 032	2 525 417 108



REVIEWED CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 MARCH 2022

	Share Capital ZWL	Share Premium ZWL	Non Distributable Reserves ZWL	Retained Earnings ZWL	Total Shareholders' Equity ZWL
INFLATION ADJUSTED					
2022 Reviewed					
Balance at 1 October 2021	196 406 680	1 888 360 602	716 940 632	3 792 685 843	6 594 393 757
Profit for the period	-	-	-	348 189 251	348 189 251
Issue of share capital	-	4 205 522 929	-	-	4 205 522 929
Transfer to distributable reserves	-	(3 976 621 489)	-	3 976 621 489	-
Dividend paid	-	-	(3 976 621 489)	-	(3 976 621 489)
Balance at 31 March 2022	196 406 680	2 117 262 042	716 940 632	4 140 875 094	7 171 484 448
2021 Unaudited					
Balance at 1 October 2020	86 117 922	1 630 111 214	716 940 632	4 037 443 000	6 470 612 768
Profit for the period	-	-	-	647 364 939	647 364 939
Issue of share capital	-	63 010 913	-	-	63 010 913
Dividend paid	-	-	-	(27 615 836)	(27 615 836)
Balance at 31 March 2021	86 117 922	1 693 122 127	716 940 632	4 657 192 103	7 153 372 784

	Share Capital ZWL	Share Premium ZWL	Non Distributable Reserves ZWL	Retained Earnings ZWL	Total Shareholders' Equity ZWL
HISTORICAL COST*					
2022 Unaudited					
Balance at 1 October 2021	2 610 646	286 344 708	9 640 456	1 638 065 334	1 936 661 144
Profit for the period	-	-	-	1 047 775 728	1 047 775 728
Issue of share capital	-	3 142 201 170	-	-	3 142 201 170
Transfer to distributable reserves	-	(2 966 882 173)	-	2 966 882 173	-
Dividend paid	-	-	(2 966 882 173)	-	(2 966 882 173)
Balance at 31 March 2022	2 610 646	461 663 705	9 640 456	2 685 841 062	3 159 755 869
2021 Unaudited					
Balance at 1 October 2020	1 157 473	126 710 382	9 640 460	984 355 217	1 121 863 532
Profit for the period	-	-	-	824 435 055	824 435 055
Issue of share capital	-	32 714 640	-	-	32 714 640
Dividend paid	-	-	-	(14 000 000)	(14 000 000)
Balance at 31 March 2021	1 157 473	159 425 022	9 640 460	1 794 790 272	1 965 013 227

REVIEWED CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 MARCH 2022

	Note	INFLATION ADJUSTED		HISTORICAL COST*	
		Reviewed 31 March 2022 ZWL	Unaudited 31 March 2021 ZWL	Unaudited 31 March 2022 ZWL	Unaudited 31 March 2021 ZWL
Cash flows from operating activities					
Cash flow (utilised in)/ generated from operations	14	(42 994 117)	362 154 099	(62 860 150)	169 365 867
Cash flows from investing activities					
Purchase of property, plant and equipment		(194 823 502)	(420 392 210)	(155 649 113)	(216 895 320)
Expenditure on biological assets		(2 503 283)	(2 888 047)	(2 107 359)	(1 524 068)
Proceeds on disposal of property, plant and equipment, biological assets and non current assets		(4 605 047)	12 858 301	(4 048 389)	7 197 775
Increase in other financial assets		-	(1 247 916)	-	(602 650)
Interest received		1 385	59 961	1 170	30 936
Net cash utilised in investing activities		(2 01 930 447)	(411 609 911)	(161 803 691)	(211 793 327)
Cash flows from financing activities					
(Decrease)/increase in borrowings		(49 147 431)	(102 093 330)	30 214 985	(14 299 838)
Capital Injection		228 901 440	63 010 913	175 319 000	32 714 640
Dividend paid		-	(27 615 836)	-	(14 000 000)
Interest paid		(20 806 166)	(79 711 485)	(17 208 358)	(42 249 714)
Net cash generated from / (utilised in) financing activities		158 947 843	(146 409 738)	188 325 627	(37 834 912)
Net decrease in cash and cash equivalents		(85 976 721)	(195 865 550)	(36 338 214)	(80 262 372)
Cash and cash equivalents at the beginning of the period		166 130 126	284 927 869	116 491 619	131 834 347
Cash and cash equivalents at the end of the period		80 153 405	89 062 319	80 153 405	51 571 975
Comprising of					
Bank and Cash balances		80 153 405	89 062 319	80 153 405	51 571 975

NOTES TO THE REVIEWED CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 MARCH 2022

1. Corporate Information

The Company is incorporated and domiciled in Zimbabwe.

2. Basis of Preparation

The Company's condensed financial statements for the six months ended 31 March 2022 have been prepared in accordance with the requirements of the Zimbabwe Stock Exchange Listing Requirements and in a manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31), (COBE). The Listing Requirements require financial statements to be prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and as a minimum, contain the information required by International Accounting Standards ("IAS") 34 (Interim Financial Reporting). The condensed Company's financial statements have been prepared based on the statutory records that are maintained under the historical cost basis, except for biological assets and certain financial instruments which are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The historical costs have been adjusted for the effects of applying International Accounting Standards ("IAS") 29 - 'Financial Reporting in Hyperinflationary Economies'. Refer to note 2.4 for further details.

The condensed financial statements have been prepared under the supervision of Henry Nemaire Chartered Certified Accountant, the Company Finance Director, registered public accountant, PAAB number 04741 and have been reviewed by external auditors in terms of the Companies and Other Business Entities Act (Chapter 24:31).

2.1 Accounting Policies

Accounting policies and methods of computation applied in the preparation of the condensed financial statements are consistent, in all material respects, with those used in the preparation of the annual report. New applicable standards and improvements which became effective in the current year have been complied with and have had no material impact on these interim financial statements.

2.2 Presentation currency

The Condensed Financial Statements are presented in ZWL which is the Company's presentation currency.

2.3 Historical costs financial information*

Historical cost financial results are provided only as supplementary information. The primary financial statements are the inflation adjusted results. The auditor's review conclusion relates only to the inflation adjusted financial results.

2.4 IAS 29 (Financial Reporting in Hyperinflationary Economies)

In October 2019, the PAAB issued a pronouncement prescribing that the application of financial reporting in hyperinflationary economies had become effective in Zimbabwe, for reporting periods on or after 1 July 2019. These financial statements have been prepared in accordance with IAS 29 together with International Financial Reporting Interpretations Committee ("IFRIC") 7 (Applying the Restatement Approach under IAS 29), as if the economy had been hyperinflationary from 1 July 2018. The Company adopted the Zimbabwe Consumer Price Index ("CPI") as the general price index to restate transactions and balances. Monetary assets and liabilities and non-monetary assets and liabilities carried at fair value have not been restated as they are presented at the measuring unit current at the end of the reporting period. Items recognised in the income statement have been restated by applying the change in the general price index from dates when the transactions were initially recorded in the Company's financial records (transaction date). A net monetary adjustment was recognised in the statement of profit or loss for the six months ended 31 March 2022 and the comparative year. Comparative amounts in the Company's financial results have been restated to reflect the change in the general price index from 1 October 2021 to the end of the reporting period. All items in the statement of cash flows are expressed based on the restated financial information for the period.

The source of the price indices used was the Reserve Bank of Zimbabwe website. Below are the indices and adjustment factors used up to 31 March 2022:

MONTH	CPI	Adjustment factor
CPI as at 31 March 2022	4,766.10	1.00
CPI as at 30 September 2021	3,342.02	1.43
CPI as at 31 March 2021	2,759.83	1.73
Average CPI for the six months to 31 March 2022	4,122.22	1.16
Average CPI for the six months to 31 March 2021	2,536.32	1.88

3. Going Concern

These Interim financial statements are prepared on a going concern basis. Directors have assessed the ability of the Company to continue in operational existence for the foreseeable future at the reporting date. Based on the cash resources available as at the reporting date and measures put in place to curtail the impact of Covid-19, the Directors believe the Company has sufficient resources to continue in operation for the foreseeable future.

4. Revenue By Product

	INFLATION ADJUSTED		HISTORICAL COST*	
	Reviewed 31 March 2022 ZWL	Unaudited 31 March 2021 ZWL	Unaudited 31 March 2022 ZWL	Unaudited 31 March 2021 ZWL
Bulk Tea	671 455 051	711 339 829	590 797 350	381 702 287
Macadamia	17 269 371	213 811 248	14 411 834	105 939 691
Avocados	1 185 438	131 777 466	884 432	70 133 478
Coffee	81 503 384	86 820 407	68 150 447	45 502 467
Packed Tea	1 027 472 712	836 470 702	894 210 993	443 012 114
Water	109 916 237	80 438 957	95 750 125	42 435 717
All revenue recognised at a point in time.	1 908 802 193	2 060 658 609	1 664 205 181	1 088 725 754

5. Depreciation, Ammortisation and Impairment of non-current assets

	INFLATION ADJUSTED		HISTORICAL COST*	
	Reviewed 31 March 2022 ZWL	Unaudited 31 March 2021 ZWL	Unaudited 31 March 2022 ZWL	Unaudited 31 March 2021 ZWL
Depreciation of property, plant and equipment excluding bearer plants	68 862 468	64 350 496	13 189 031	2 862 709
Depreciation of bearer plants	58 691 889	61 173 775	1 493 084	744 297
Total	127 554 357	125 524 271	14 682 115	3 607 006

6. Taxation

	INFLATION ADJUSTED		HISTORICAL COST*	
	Reviewed 31 March 2022 ZWL	Unaudited 31 March 2021 ZWL	Unaudited 31 March 2022 ZWL	Unaudited 31 March 2021 ZWL
Current Tax	47 495 295	110 628 682	42 799 512	61 902 420
Deferred Tax	193 028 517	(9 267 972)	174 760 051	42 757 020
Total	240 523 812	101 360 710	217 559 563	104 659 440

7. Segment Information

For Management purposes, the Company is organised into 2 operating segments and information relating to these two segments are as detailed below:

Agriculture - This division, based in the Chipinge district, consists of five estates inter-cropped with tea, coffee, avocados and macadamia nuts. Tea and coffee are processed in bulk form for sale, either on the international market or to the Beverage Division for local and regional packed tea sales.

Beverage - The division consists of a tea blending and packaging plant, as well as a distribution warehouse in Mutare. Packed tea from this factory is sold and distributed through distribution depots in Harare, Bulawayo, Gweru, and Mutare. Packed tea is also exported into various regional markets. Major Company brands include, Tanganda, Stella, Silver, Joko, Tanganda Special Blend, Tanganda Tips, Fresh Leaves, Tanganda Healthi Green, Nella Rooibos bags and Natra Fresh Rooibos (leaf and bags), and High Country Coffee.

NOTES TO THE REVIEWED CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 MARCH 2022 (continued)

7. Segment Information (continued)

	INFLATION ADJUSTED		HISTORICAL COST*	
	Reviewed 31 March 2022 ZWL	Unaudited 31 March 2021 ZWL	Unaudited 31 March 2022 ZWL	Unaudited 31 March 2021 ZWL
Revenue				
Agriculture	894 639 110	1 283 937 484	783 343 846	676 893 188
Beverage	1 137 388 949	916 909 658	989 961 118	485 447 832
Inter-segment revenue [^]	(123 225 866)	(140 188 533)	(109 099 783)	(73 615 266)
External Revenue	1 908 802 193	2 060 658 609	1 664 205 181	1 088 725 754
Operating Profit				
Agriculture**	471 384 657	1 298 505 882	859 777 114	867 616 107
Beverage	425 887 557	334 178 397	430 400 215	199 754 712
Total Operating profit for reportable segments	897 272 214	1 632 684 279	1 290 177 329	1 067 370 819

**Operating profit includes fair value adjustments on biological assets

	INFLATION ADJUSTED		HISTORICAL COST*	
	Reviewed 31 March 2022 ZWL	Audited 30 September 2021 ZWL	Unaudited 31 March 2022 ZWL	Unaudited 30 September 2021 ZWL
Segment Assets^{^^}				
Agriculture	7 547 496 036	7 134 268 278	3 378 766 550	1 918 230 416
Beverage	1 203 581 910	772 966 253	669 634 475	475 978 324
Total	8 751 077 946	7 907 234 531	4 048 401 025	2 394 208 740
Segment Liabilities^{^^}				
Agriculture	305 237 571	208 663 523	305 237 571	146 316 337
Beverage	106 083 672	82 437 047	106 083 672	57 805 440
Total	411 321 243	291 100 570	411 321 243	204 121 777

[^] Inter-segment revenue represents unprocessed agriculture produce transferred to the beverages division for further processing and sale.

^{^^} Excluded from Segment assets and liabilities are centrally administered assets such as bank and cash balances, tax assets and liabilities which are centralised.

The accounting policies of the reportable segments are the same as the whole company accounting policies. Segment operating profit represents segment profit before allocation of central administration costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Reconciliation of information on reportable segments to IFRS measures

	INFLATION ADJUSTED		HISTORICAL COST*	
	Reviewed 31 March 2022 ZWL	Unaudited 31 March 2021 ZWL	Unaudited 31 March 2022 ZWL	Unaudited 31 March 2021 ZWL
Revenue				
Total revenue for reportable segments	2 032 028 059	2 200 847 142	1 773 304 964	1 162 341 020
Elimination of inter-segment revenue	(123 225 866)	(140 188 533)	(109 099 783)	(73 615 266)
Consolidated revenue	1 908 802 193	2 060 658 609	1 664 205 181	1 088 725 754
Operating Profit				
Total operating income for reportable segments	897 272 214	1 632 684 279	1 290 177 329	1 067 370 819
Finance income	1 385	59 962	1 170	30 936
Administration and other operating costs	(285 634 795)	(528 598 736)	(250 529 889)	(99 928 679)
Finance cost	(20 806 166)	(79 711 484)	(17 208 358)	(42 249 715)
Exchange gains/(losses)	289 221 457	7 000 516	242 895 039	3 871 134
Monetary gain/(loss)	(291 341 032)	(282 708 888)	-	-
Consolidated profit before tax	588 713 063	748 725 649	1 265 335 291	929 094 495

	INFLATION ADJUSTED		HISTORICAL COST*	
	Reviewed 31 March 2022 ZWL	Audited 30 September 2021 ZWL	Unaudited 31 March 2022 ZWL	Unaudited 30 September 2021 ZWL
Assets				
Total assets for reportable segments	8 751 077 946	7 907 234 531	4 048 401 025	2 394 208 740
Other assets	128 723 497	219 551 402	102 161 007	131 208 368
Consolidated total assets	8 879 801 443	8 126 785 933	4 150 562 032	2 525 417 108
Liabilities				
Total liabilities for reportable segments	411 321 243	291 100 570	411 321 243	204 121 777
Other liabilities	1 296 995 752	1 241 291 606	579 484 920	384 634 187
Consolidated total liabilities	1 708 316 995	1 532 392 176	990 806 163	588 755 964

8. Fair Value Measurement

8.1 Fair Value Hierarchy

IFRS 13 Fair Value Measurement specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

8.2 Valuation of Biological Assets

Biological assets comprise of gum and wattle plantations, livestock and produce growing on the bearer plants. The present value of expected net cash flows from plantations, discounted at a current market determined pre-tax rate, was used to determine fair value of timber plantations. The fair value for livestock was determined by reference to the market price and these valuations were carried out by a professional valuer not connected to the Company. Produce growing on bearer plants is measured at fair value less costs to sell with changes recognised in profit or loss as the produce grows.

Fair values of tea bushes on plantations, macadamia nuts on plantations, coffee beans on plantations and avocado fruit on plantations is determined using Level 1 inputs on the fair value hierarchy, whilst fair values for timber plantations and livestock is determined using level 3 inputs.

8.3 Other Financial Assets

The Company entered into a Memorandum of Understanding with various bottlers who utilise Post Consumer polyethylene terephthalate (PC-PET) to invest in Zimbabwe PET Recycling Company Limited, whose main objective is to institutionalise the collection and recycling of PC-PET on an industry-wide basis. This investment is now classified under IFRS 9 and its fair value is determined using level 3 inputs.

NOTES TO THE REVIEWED CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 MARCH 2022 (continued)

9. Inventories

	INFLATION ADJUSTED		HISTORICAL COST*	
	Reviewed 31 March 2022 ZWL	Audited 30 September 2021 ZWL	Unaudited 31 March 2022 ZWL	Unaudited 30 September 2021 ZWL
Raw and packaging materials	199 516 823	213 106 534	192 111 155	141 994 730
Finished goods	73 227 403	52 095 256	73 227 403	36 529 562
Consumables	444 578 225	490 402 025	412 000 424	323 580 150
Agricultural produce	741 189 936	489 383 978	741 189 936	343 159 503
	1 458 512 387	1 244 987 793	1 418 528 918	845 263 945

10. Trade and other receivables

	INFLATION ADJUSTED		HISTORICAL COST*	
	Reviewed 31 March 2022 ZWL	Audited 30 September 2021 ZWL	Unaudited 31 March 2022 ZWL	Unaudited 30 September 2021 ZWL
Trade receivables	709 698 004	539 417 562	709 698 004	378 243 407
Less: expected credit loss	(22 370 686)	(10 335 842)	(22 370 686)	(7 247 566)
	687 327 318	529 081 720	687 327 318	370 995 841
Prepayments	83 466 539	403 889 433	79 103 073	262 736 549
Receivables from related parties	-	32 518 323	-	22 802 078
Advance crop expenditure	9 579 654	70 552 264	7 498 242	49 471 746
Other receivables	12 456 388	8 923 817	12 456 388	6 257 444
	792 829 899	1 044 965 557	786 385 021	712 263 658

11. Trade and other payables

	INFLATION ADJUSTED		HISTORICAL COST*	
	Reviewed 31 March 2022 ZWL	Audited 30 September 2021 ZWL	Unaudited 31 March 2022 ZWL	Unaudited 30 September 2021 ZWL
Trade payables	282 391 382	175 503 059	282 391 382	123 063 986
Social security and other taxes	38 118 229	17 394 044	38 118 229	12 196 827
Accrued expenses	233 810 542	246 637 432	233 810 542	172 943 915
Amounts due to related parties	-	23 957 751	-	16 799 344
	554 320 153	463 492 286	554 320 153	325 004 072

12. Borrowings

Interest bearing borrowings comprise mainly of a United States Dollar denominated bank loan bearing an interest rate of 8.5% per annum.

13. Capital Expenditure for the period

	INFLATION ADJUSTED		HISTORICAL COST*	
	Reviewed 31 March 2022 ZWL	Audited 30 September 2021 ZWL	Unaudited 31 March 2022 ZWL	Unaudited 30 September 2021 ZWL
Purchase of property, plant and equipment excluding bearer plants	150 137 430	194 858 338	117 095 036	131 211 630
Capital Expenditure incurred on bearer plants	44 686 072	46 208 145	38 554 077	29 510 382
	194 823 502	241 066 483	155 649 113	160 722 012

14. Cashflow information

	INFLATION ADJUSTED		HISTORICAL COST*	
	Reviewed 31 March 2022 ZWL	Unaudited 31 March 2021 ZWL	Unaudited 31 March 2022 ZWL	Unaudited 31 March 2021 ZWL
Cash generated from operations				
Profit/(Loss) before tax	588 713 063	748 725 649	1 265 335 291	929 094 495
Adjustment for non-cash items:				
Depreciation	127 554 357	125 524 271	14 682 115	3 607 006
Loss on disposal of property, plant and equipment including biological assets	5 325 657	330 202 131	4 553 685	(709 676)
Fair value adjustments on biological assets	(416 331 626)	(944 335 129)	(552 873 505)	(569 271 047)
Impairment of non-current assets	295 023	-	-	-
Net finance costs	20 804 781	79 651 522	17 207 188	42 218 779
Cash generated from operations before changes in working capital	326 361 255	339 768 444	748 904 774	404 939 557
Changes in working capital:				
(Increase)/decrease in inventories	(516 465 520)	(541 373 513)	(828 175 315)	(460 020 550)
Decrease/(Increase) in trade and other receivables	162 561 711	423 200 626	(137 865 258)	90 301 339
Increase/(decrease) in trade and other payables	90 827 867	208 855 143	229 316 084	152 685 797
Tax paid	(106 279 430)	(68 296 601)	(75 040 435)	(18 540 276)
Cashflow (utilised in)/ generated from operations	(42 994 117)	362 154 099	(62 860 150)	169 365 867

15. Subsequent events

Subsequent to 31 March 2022, exchange control circular no. 3 of 2022 dated 9 May 2022 was issued by the Reserve Bank of Zimbabwe. The circular highlighted that all surrender of export and domestic sales in foreign currency shall be sold to the Reserve Bank of Zimbabwe at the prevailing interbank rate as determined by the willing buyer-willing seller mechanism. Previously the receipts were being liquidated at the prevailing auction rate and as a result of this change, management concluded subsequent to the date of the announcement the prevailing interbank rate determined through the willing buyer-willing seller mechanism represents the appropriate exchange rate for purposes of translating the Company's foreign currency transactions given the entity does not get any foreign currency from the auction market. The Directors have made an assessment and concluded that this is a non-adjusting event.

16. External Auditor's Review Conclusion

The abridged inflation adjusted financial results for the six months ended 31 March 2022 have been reviewed by the Company's external auditors, Deloitte & Touche. An unmodified review conclusion has been issued on the financial results. The auditor's review report is available for inspection at the Company's registered office. The audit partner responsible for the review was Lawrence Nyajeka, PAAB number 0598.

NOTICE TO SHAREHOLDERS

Notice is hereby given that on 12 May 2022, the Board of Directors declared an interim dividend (Number 1) of ZWL 50 cents per share payable out of the profits for the six months ended 31 March 2022. The dividends will be paid on or before 14 July 2022. Disbursements to foreign shareholders is subject to exchange control approval and payment guidelines for foreign payments. The timetable for dividend payment is as follows:

Action	Date
Dividend announcement	09 June 2022
Last date to trade cum dividend	21 June 2022
Ex-dividend date	22 June 2022
Last record date	24 June 2022
Payment date	14 July 2022

By Order of the Board



S. N. Kodzanai (Mrs)
Company Secretary

INDEPENDENT REVIEWER'S REPORT ON THE CONDENSED FINANCIAL STATEMENTS To the Shareholders of Tanganda Tea Company Limited

Introduction

We have reviewed the accompanying inflation adjusted condensed financial statements of Tanganda Tea Company Limited (the "Company") for the six months ended 31 March 2022, the related inflation adjusted condensed statement of comprehensive income, the inflation adjusted condensed statement of financial position, the inflation adjusted condensed statement of changes in equity and the inflation adjusted condensed statement of cash flows for the six-month period then ended.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Directors' responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of these condensed financial statements in accordance with International Accounting Standard 34 – "Interim Financial Reporting" and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent reviewer's responsibility

Our responsibility is to express a conclusion on these condensed financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the condensed financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The independent reviewer performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing.



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial results of Tanganda Tea Company Limited (the “Company”) do not present fairly, in all material respects, the inflation adjusted financial position of the Company as at 31 March 2022, and of its inflation adjusted financial performance and its inflation adjusted cash flows for the six month period then ended in accordance with International Accounting Standard 34 – “Interim Financial Reporting”.

Deloitte & Touche

Deloitte & Touche

Registered Auditor

Per: Lawrence Nyajeka

Partner

PAAB Practice Certificate Number 0598

8 June 2022