

SALIENT FEATURES

	INFLATION-ADJUSTED	HISTORIC COST
Revenue	Increased by 7.7% to ZWL 12,22 billion	Increased by 194% to ZWL 7,35 billion
Export sales	Increased by 2.9% to ZWL 6,33 billion	Increased by 191% to ZWL 4,18 billion
Local sales	Increased by 21.7% to ZWL 5,89 billion	Increased by 198% to ZWL 3,17 billion
Operating profit	Increased by 2.3% to ZWL 2,07 billion	Increased by 524.3% to ZWL 4,98 billion

Salient features and commentary on the financial results below compares the audited financial results for 12 months ended 30 September 2022 to the unaudited financial results for 12 months ending 30 September 2021.

CHAIRMAN'S STATEMENT

It gives me great pleasure to present the Chairman's report for the year ended 30 September 2022.

Key Developments

Tanganda Tea Company Limited was successfully listed on the Zimbabwe Stock Exchange (ZSE) on 3 February 2022, following its unbundling from Meikles Limited. The governance of the Company was further enhanced with the appointment of additional non-executive directors.

Environment Overview

The operating environment has been characterized by high inflation, exchange rate volatility and high cost of funding. The annual inflation which receded to 51% in September 2021 took an upward trajectory to 285% in August 2022, before easing down slightly to 280% in September 2022. This was after multiple policy interventions implemented by the Government and monetary authorities aimed at managing liquidity, exchange rate volatility and inflation.

The COVID-19 pandemic, global inflation and the geo-political instability in Ukraine and Russia and the resultant rise in costs of commodities have adversely impacted on economies around the globe. In addition, China's continued COVID-19 restrictions affected international trade.

Financial Performance

The Company changed its financial year-end in the year 2021 from March to September to align with its agricultural season. Consequently, the financial statements presented are twelve months to 30 September 2022 alongside six months to 30 September 2021. Commentary on financial performance is based on the inflation adjusted figures with historical cost figures referred to in order to enhance comprehension and analysis. The unaudited 12 months figures for the year ended 30 September 2021 are used in the commentary for period comparability purposes.

Revenue for the year of ZWL 12.22 billion grew by 7.7% from prior year of ZWL 11.35 billion. In historical cost terms, a 194% growth from ZWL 2.5 billion to ZWL 7.35 billion was achieved.

Profit after tax improved to ZWL 583 million from a loss of ZWL 318 million in the previous year. In historical cost terms it increased from a profit of ZWL 668 million to a profit of ZWL 4,2 billion.

REVIEW OF OPERATIONS

Agriculture

The Company has invested in four key value chains, namely tea, macadamia nuts, avocados and coffee. This strategy of diversifying operations has yielded tangible benefits and will continue to be a focus in the coming years.

Bulk Tea

Bulk tea exports grew by 11% to 7 125 tonnes from the prior season's 6 392 tonnes. This was despite tea production volumes of 8 670 tonnes being 6% lower than prior year of 9 179 tonnes due to the dry weather patches experienced during the agricultural season. The average export selling price firmed up slightly to USD 1.42 per kg from USD 1.39 per kg in the previous year.

Avocado

Avocado fruit exports grew by 7% from 4 001 tonnes in the prior season to 4 268 tonnes. However, the average export selling price of US 44 cents per kg was 38% lower than US 71 cents per kg in the prior year as a result of the oversupply on the European market by Peru, compounded by the Covid-19 pandemic that reduced volume uptake by the European hospitality sector. As the world moves out of the pandemic we expect that both export volumes and selling prices will firm up. 49 additional hectares (prior year – 43 hectares) of avocado plantation were established during the financial year bringing the total hectares under avocado to 497 hectares.

Macadamia

Macadamia nut production of 1 076 tonnes was nearly equal to last season due to dry weather experienced during the season. The macadamia market is shifting to kernel from the traditional nut-in-shell market, resultantly exports declined by 16% from 800 tonnes in the prior year to 670 tonnes. Global prices of nuts declined from an average of USD 5.12 per kg achieved in the prior year to USD 3.26 per kg in the current year. To mitigate these developments, the company has identified alternative markets and strategies that include exploring value addition options.

Coffee

Coffee exports of 96 tonnes were 14% above 84 tonnes achieved in the prior year. Average export selling price of USD 6.56 per kg remained slightly firmer than prior year price of USD 6.50 per kg.

Beverage

Packed tea volumes into the regional market recorded a 57% growth from 218 tonnes in the prior year to 343 tonnes. Overall packed tea sales volumes of 1 994 tonnes were 9% below 2 191 tonnes in the prior year. Logistical delays arising from global supply chain disruptions resulted in a lower local packed tea order fulfilment percentage especially in the peak winter season but this has since improved significantly. Liquidity challenges affecting disposable income in the economy further impacted the level of sales volumes. During the fourth quarter, the Company introduced Makoni, Resurrection and Rosella herbal infusions onto the market in response to customer preferences.

Sustainability

The Company remains committed to its sustainability agenda. To this end three solar plants constructed at three of the five estates have reduced reliance on electrical power from the national grid and on diesel generated power thereby reducing carbon emissions. Further benefits from the investment are expected to be fully realized once full reticulation and net metering have been implemented in the coming financial year. Modern precision irrigation installed in the avocado and macadamia plantations ensures efficient usage and conservation of water. The Company is accredited to various certifications that demand attention to sustainability issues and received the Zimbabwe Quoted Companies Survey - 2022 Sustainability Award in the Environmental cluster.

Outlook

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

The Company will enhance mechanized efficient farming practices in order to maximize production output.

The Company's decision to invest in new machinery at the packaging factory in Mutare in line with its value addition strategy has resulted in the realization of factory conversion efficiencies. This investment is expected to increase volumes in both the local and the regional market.

Dividend

The Board declared a final dividend, Number 2, of 0.06 US\$ cents per share. The interim dividend paid in July 2022 was 50 ZWL cents per share.

Directorate

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

Appreciation

I would like to extend my appreciation to all our customers, suppliers, bankers and the communities in which we operate for their continued support and to our shareholders and other stakeholders, including regulatory authorities, for their assistance and guidance. I also extend my appreciation to my fellow Board members for their diligence in corporate governance. I salute management and staff for their dedication and commitment to growing the company even under challenging times.



H. Nkala
Chairman

ABRIDGED AUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	INFLATION-ADJUSTED		HISTORIC COST	
		Audited 12 Months Ended 30 Sept 2022 ZWL	Audited 6 Months Ended 30 Sept 2021 ZWL	Unaudited 12 Months Ended 30 Sept 2022 ZWL	Unaudited 6 Months Ended 30 Sept 2021 ZWL
REVENUE	4	12 216 416 911	5 854 434 322	7 352 841 763	1 412 110 323
Cost of sales		(8 150 041 808)	(4 482 766 544)	(2 588 582 405)	(917 369 732)
Gross profit		4 066 375 103	1 371 667 778	4 764 259 358	494 740 591
Other expenses		(1 915 668 351)	(695 012 596)	(1 107 666 134)	(162 809 154)
Selling and distribution expenses		(1 945 692 873)	(652 043 060)	(1 113 485 971)	(156 857 441)
Other income		2 869 902 036	(476 641 210)	2 434 524 464	(349 090 170)
Operating profit/(loss)		3 074 915 915	(452 029 088)	4 977 631 717	(174 016 174)
Net finance costs		(179 100 202)	(170 929 131)	(121 221 915)	(41 082 797)
Net monetary loss		(1 054 081 469)	(1 647 554 393)	-	-
Profit/(loss) before income tax		1 841 734 244	(2 270 512 612)	4 856 409 802	(215 098 971)
Income tax (expense)/ credit	6	(1 259 036 458)	249 684 887	(681 677 907)	58 374 030
Profit/(Loss) for the period		582 697 786	(2 020 827 725)	4 174 731 895	(156 724 941)
Other comprehensive income		-	-	-	-
Total comprehensive income/(loss)		582 697 786	(2 020 827 725)	4 174 731 895	(156 724 941)
Number of issued shares at reporting date		261 064 590	115 747 372	261 064 590	115 747 372
Weighted average number of shares		261 064 590	115 747 372	261 064 590	115 747 372
Earnings per share (cents)					
Basic		223	(1 746)	1 599	(135)
Diluted		223	(1 746)	1 599	(135)

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



ABRIDGED AUDITED STATEMENT OF FINANCIAL POSITION

Notes	INFLATION-ADJUSTED		HISTORIC COST	
	Audited 30 Sept 2022 ZWL	Audited 30 Sept 2021 ZWL	Unaudited 30 Sept 2022 ZWL	Unaudited 30 Sept 2021 ZWL
Property, plant and equipment	14 574 523 741	14 347 643 175	1 146 235 775	654 480 571
Right of Use Asset	16 742 142	-	4 033 635	-
Intangible assets	24 625 774	24,625,774	124 141	124 141
Biological assets	1 090 814 152	640 004 861	1 090 814 152	168 244 291
Other financial assets	7 269 137	2 633 675	7 269 137	692 340
	15 713 974 946	15 014 907 485	2 248 476 840	823 541 343
Current assets				
Inventories	5 258 042 012	3 320 888 655	4 261 187 616	845 263 945
Produce on bearer plants	9 145 843 170	105 966 882	145 843 170	27 856 543
Trade and other receivables	10 3 789 323 622	2 787 348 026	3 637 519 333	712 263 658
Bank and cash balances	138 149 751	443 136 597	138 149 751	116 491 619
	9 331 358 555	6 657 340 160	8 182 699 870	1 701 875 765
Total assets	25 045 333 501	21 672 247 645	10 431 176 710	2 525 417 108
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	235 500 688	235 500 688	2 610 646	2 610 646
Share premium	5 647 598 750	5 037 025 535	461 663 709	286 344 709
Non-distributable reserve	1 912 372 174	1 912 372 174	9 640 456	9 640 456
Retained earnings	10 733 445 155	10 399 836 219	5 682 264 934	1 638 065 334
Total shareholders' equity	18 528 916 767	17 584 734 616	6 156 179 745	1 936 661 144
Non-current liabilities				
Deferred tax	2 618 060 120	1 905 741 982	376 640 351	15 212 629
Lease Liability	23 715 969	-	23 715 969	-
Long-term borrowings	-	76 331 575	-	20 066 022
	2 641 776 089	1 982 073 557	400 356 320	35 278 651
Current liabilities				
Trade and other payables	11 2 627 472 023	1 236 322 404	2 627 472 023	325 004 072
Lease Liability	7 343 194	-	7 343 194	-
Current portion of long-term borrowings	972 573 698	632 158 532	972 573 698	166 181 650
Other financial liabilities	267 251 730	236 958 536	267 251 730	62 291 591
	3 874 640 645	2 105 439 472	3 874 640 645	553 477 313
Total liabilities	6 516 416 734	4 087 513 029	4 274 996 965	588 755 964
Total equity and liabilities	25 045 333 501	21 672 247 645	10 431 176 710	2 525 417 108

ABRIDGED AUDITED STATEMENT OF CHANGES IN EQUITY

INFLATION - ADJUSTED	SHARE CAPITAL ZWL	SHARE PREMIUM ZWL	NON DISTRIBUTABLE RESERVES ZWL	RETAINED EARNINGS ZWL	TOTAL SHARE - HOLDERS' EQUITY ZWL
2022 Audited					
Balance at 1 October 2021	235 500 688	5 037 025 535	1 912 372 174	10 399 836 219	17 584 734 616
Profit for the period	-	-	-	582 697 786	582 697 786
Capital injection**	-	11 217 839 628	-	-	11 217 839 628
Transfer to distributable reserves	-	(10 607 266 413)	-	10 607 266 413	-
Dividend paid	-	-	-	(10 856 355 263)	(10 856 355 263)
Balance at 30 September 2022	235 500 688	5 647 598 750	1 912 372 174	10 733 445 155	18 528 916 767
2021 Audited					
Balance at 1 April 2021	229 711 513	4 516 245 136	1 912 372 174	12 420 663 944	19 078 992 767
Profit for the period	-	-	-	(2 020 827 725)	(2 020 827 725)
Issue of share capital	5 789 175	520 780 399	-	-	526 569 574
Dividend paid	-	-	-	-	-
Balance at 30 September 2021	235 500 688	5 037 025 535	1 912 372 174	10 399 836 219	17 584 734 616
HISTORICAL COST* 2022 Unaudited	SHARE CAPITAL ZWL	SHARE PREMIUM ZWL	NON DISTRIBUTABLE RESERVES ZWL	RETAINED EARNINGS ZWL	TOTAL SHARE - HOLDERS' EQUITY ZWL
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	-	-	-	4 174 731 895	4 174 731 895
Capital injection**	-	3 142 201 174	-	-	3 142 201 174
Transfer to distributable reserves	-	(2 966 882 173)	-	2 966 882 173	-
Dividend paid	-	-	-	(3 097 414 468)	(3 097 414 468)
Balance at 30 September 2022	2 610 646	461 663 709	9 640 456	5 682 264 934	6 156 179 745
2021 Unaudited					
Balance at 1 April 2021	1 157 473	159 425 022	9 640 456	1 794 790 275	1 965 013 226
Profit for the period	-	-	-	(156 724 941)	(156 724 941)
Issue of share capital	1 453 173	126 919 686	-	-	128 372 859
Dividend paid	-	-	-	-	-
Balance at 30 September 2021	2 610 646	286 344 708	9 640 456	1 638 065 334	1 936 661 144

**The company issued shares in the prior year, which formed part of the unbundling transaction of the company from the Meikles Limited group. In the current year, an additional capital contribution was required from Meikles Limited to reflect a subsequent increase in the share price of the share capital issued in 2021. This capital injection amounted to ZWL 11 217 839 628 (Historical cost: ZWL 3 142 201 174). The capital injection was followed by a Director's resolution to transfer ZWL 10 607 266 413 (Historical cost: ZWL 2 966 882 173) from share premium to distributable reserves for a dividend payment to Meikles Limited.

Before the demerger of the company from the Meikles Group, a dividend amounting to ZWL 10 607 266 413 (Historical cost: ZWL 2 966 882 173) was paid to Meikles Limited. This resulted in Meikles Limited only paying the residual amount of ZWL 610 573 215 (Historical cost: ZWL 175 319 001) towards the capital contribution as the dividend amount was set off against the initial capital contribution required from Meikles Limited of ZWL 10 607 266 413 (Historical cost: ZWL 2 966 882 173). The balance of ZWL 249 088 850 (Historical cost: ZWL 130 532 295) on the dividend paid amount relates to the interim cash dividend for the 2022 financial year end paid to shareholders after the demerger.

ABRIDGED AUDITED STATEMENT OF CASHFLOWS

Notes	INFLATION-ADJUSTED		HISTORIC COST	
	Audited 12 Months Ended 30 Sept 2022 ZWL	Audited 6 Months Ended 30 Sept 2021 ZWL	Unaudited 12 Months Ended 30 Sept 2022 ZWL	Unaudited 6 Months Ended 30 Sept 2021 ZWL
Cash flows from operating activities				
Cash generated from /utilized in) operations	14 (749 626 669)	313 203 818	(721 857 902)	56 862 370
Cash flows from investing activities				
Purchase of property, plant and equipment	(943 473 893)	(454 924 322)	(524 939 499)	(111 265 164)
Expenditure on biological assets	(26 363 249)	(8 797 218)	(11 306 398)	(2 002 392)
Proceeds on disposal of property, plant and equipment	230 584	25 545 752	220 108	6 409 591
Investment in other financial assets	(6 805 293)	-	(6 576 798)	-
Interest received	6 300	1 982	2 840	479
Net cash utilised in investing activities	(976 405 551)	(438 173 806)	(542 599 747)	(106 857 486)
Cash flows from financing activities				
(Decrease)/increase in borrowings	264 083 591	(46 566 922)	786 326 026	22 335 843
Capital Injection	610 573 215	526 569 574	175 319 000	128 372 859
Dividend paid	(249 088 850)	-	(130 532 295)	-
Interest paid	(177 023 882)	(170 931 113)	(120 027 026)	(41 083 276)
Lease payments	(6 779 996)	-	(3 994 256)	-
Net cash generated from/ (utilised in) financing activities	441 764 078	309 071 539	707 091 449	109 625 426
Net (decrease)/ increase in cash and cash equivalents	(1 284 268 142)	184 101 551	(557 366 200)	59 630 310
Cash and cash equivalents at the beginning of the period	443 136 597	237 565 419	116 491 619	51 571 975
Net effect of exchange rates on cash and bank balances	979 281 296	21 469 627	579 024 332	5 289 334
Cash and cash equivalents at the end of the period	138 149 751	443 136 597	138 149 751	116 491 619
Cash and Cash equivalents comprise:				
Bank and cash balances	138 149 751	443 136 597	138 149 751	116 491 619
	138 149 751	443 136 597	138 149 751	116 491 619

NOTES TO THE ABRIDGED AUDITED FINANCIAL RESULTS

1. Corporate Information

The Company is incorporated and domiciled in Zimbabwe.

2. Basis of Preparation

The abridged audited financial results are prepared from statutory records that are maintained under the historical cost basis except for biological assets and certain financial instruments which are measured at fair value of the consideration given in exchange for the 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 abridged audited financial results are an extract from the Company's financial statements prepared in compliance with the International Financial Reporting Standards ("IFRS"), the Zimbabwe Stock Exchange Listing Requirements and the Companies and Other Business Entities Act (Chapter 24:31).

The Company's audited financial statements were prepared under the supervision of Henry Nemaire Chartered Certified Accountant, the Finance Director of the Company, registered public accountant, PAAB number 04741.

2.1 Accounting Policies

Accounting policies and methods of computation applied in the preparation of the Company's audited financial statements are consistent, in all material respects, with those used in the prior year. New applicable standards and improvements which became effective in the current year have been complied with and have had no material impact on these abridged audited financial results.

2.2 Presentation currency

These abridged audited financial results are presented in Zimbabwe Dollars (ZWL) which is the presentation and functional currency of the company. All foreign currency denominated transactions and balances have been translated to the ZWL in accordance with IAS 21 "The Effects of Changes in Foreign Exchange Rates" at the interbank rate prevailing on the transaction date. Use of the interbank rate as a spot rate is a management judgement and the Directors are satisfied that it is appropriate for use as a spot rate.

2.3 IAS 29 (Financial Reporting in Hyperinflationary Economies)

Historical cost transactions and balances have been restated to reflect the general change of the purchasing power of the ZWL reporting currency due to hyperinflation prevailing in the country. Various assumptions have been made, with the significant assumption being the use of the consumer price indices ("CPI"). Accordingly, the inflation adjusted financial statements represent the primary financial statements of the company. The historical cost financial results are provided as supplementary information and as a result the auditors have not expressed an opinion on them.

	CPI	ADJUSTMENT FACTOR
CPI as at 30 September 2022	12 713.12	1.00
CPI as at 30 September 2021	3 342.02	3.80
CPI as at 31 March 2021	2 759.83	4.61
Average CPI for the twelve months to 30 September 2022	6 795.18	1.87
Average CPI for the six months to 30 September 2021	3 043.50	4.18

3. Going Concern

The Directors have satisfied themselves that the company is in a sound financial position and has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they are satisfied that it is appropriate to use the going concern basis in the preparation of the annual inflation adjusted financial statements.

	INFLATION-ADJUSTED		HISTORIC COST	
	Audited 12 Months Ended 30 Sept 2022 ZWL	Audited 6 Months Ended 30 Sept 2021 ZWL	Unaudited 12 Months Ended 30 Sept 2022 ZWL	Unaudited 6 Months Ended 30 Sept 2021 ZWL
4. Revenue by product				
Bulk tea	3 791 046 943	1 550 308 209	2 031 732 891	363 544 257
Macadamia	1 049 883 687	975 017 585	993 161 588	238 937 799
Avocados	836 664 544	685 500 712	829 454 357	178 354 155
Coffee	229 848 259	558 343	80 311 012	135 915
Packed tea	5 814 351 955	2 439 541 201	3 175 994 398	582 238 718
Water	494 621 523	203 508 272	242 187 517	48 899 479
All revenue recognised at a point in time	12 216 416 911	5 854 434 322	7 352 841 763	1 412 110 323
5. Depreciation, Ammortisation and Impairment of non-current assets				
Property, plant and equipment excluding bearer plants	364 867 557	164 867 237	30 125 863	6 128 459
Bearer plants	314 353 670	152 896 499	2 870 121	1 268 677
Right of use assets	4 585 437	-	1 104 756	-
	683 806 664	317 763 736	34 100 740	7 397 136
6. Taxation				
Current tax	546 718 324	58 272 070	320 250 191	14 151 585
Deferred tax	712 318 134	(307 956 957)	361 427 716	(72 525 615)
	1 259 036 458	(249 684 887)	681 677 907	(58 374 030)

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. Depots handle product in a first in first out method. 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.

	INFLATION-ADJUSTED		HISTORIC COST	
	Audited 12 Months Ended 30 Sept 2022 ZWL	Audited 6 Months Ended 30 Sept 2021 ZWL	Unaudited 12 Months Ended 30 Sept 2022 ZWL	Unaudited 6 Months Ended 30 Sept 2021 ZWL
Revenue				
Agriculture	6 712 332 799	3 636 024 458	4 383 397 974	884 415 930
Beverage	6 308 973 478	2 643 049 473	3 418 181 915	631 138 197
Inter-segment revenue	(804 889 366)	(424 639 609)	(448 738 126)	(103 443 804)
External Revenue	12 216 416 911	5 854 434 322	7 352 841 763	1 412 110 323
Operating Profit				
Agriculture	1 090 609 342	(949 156 311)	3 147 119 146	(319 191 414)
Beverage	2 202 878 832	922 755 136	1 580 758 599	239 778 580
Total Operating profit for reportable segments	3 293 488 174	(26 401 175)	4 727 877 745	(79 412 834)
Segment Assets				
Agriculture	21 654 559 192	19 029 994 304	8 470 619 846	1 918 230 416
Beverage	3 063 805 262	2 056 620 457	1 782 086 383	475 978 324
Total	24 718 364 454	21 086 614 761	10 252 706 229	2 394 208 740
Segment Liabilities				
Agriculture	1 607 055 098	556 590 459	1 607 055 098	146 316 337
Beverage	304 939 459	219 893 123	304 939 459	57 805 440
Total	1 911 994 557	776 483 582	1 911 994 557	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.

	INFLATION-ADJUSTED		HISTORIC COST	
	Audited 12 Months Ended 30 Sept 2022 ZWL	Audited 6 Months Ended 30 Sept 2021 ZWL	Unaudited 12 Months Ended 30 Sept 2022 ZWL	Unaudited 6 Months Ended 30 Sept 2021 ZWL
Revenue				
Total Revenue for reportable segments	13 021 306 277	6 279 073 931	7 801 579 889	1 515 554 127
Elimination of inter-segment revenue	(804 889 366)	(424 639 609)	(448 738 126)	(103 443 804)
Consolidated revenue	12 216 416 911	5 854 434 322	7 352 841 763	1 412 110 323
Operating Profit				
Total Operating income for reportable segments	3 293 488 174	(26 401 175)	4 727 877 745	(79 412 834)
Finance income	6 300	1 982	2 840	479
Administration and other operating costs	(2 504 769 247)	(517 008 721)	(1 102 246 832)	(117 116 242)
Finance cost	(179 106 502)	(170 931 113)	(121 224 755)	(41 083 276)
Exchange gains/(losses)	2 286 196 988	91 380 808	1 352 000 804	22 512 902
Monetary gain/(loss)	(1 054 081 469)	(1 647 554 393)	-	-
Consolidated profit before tax	1 841 734 244	(2 270 512 612)	4 856 409 802	(215 098 971)
Assets				
Total Assets for reportable segments	24 718 364 454	21,086,614,761	10 252 706 229	2 394 208 740
Other assets	326 969 047	585,632,884	178 470 481	131 208 368
Consolidated total assets	25 045 333 501	21 672 247 645	10 431 176 710	2 525 417 108
Liabilities				
Total liabilities for reportable segments	1 911 994 557	776 483 582	1 911 994 557	204 121 777
Other liabilities	4 604 422 177	3 311 029 476	2 363 002 408	384 634 187
Consolidated total liabilities	6 516 416 734	4 087 513 058	4 274 996 965	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 independent 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 2 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.

	INFLATION-ADJUSTED		HISTORIC COST	
	Audited 30 Sept 2022 ZWL	Audited 30 Sept 2021 ZWL	Unaudited 30 Sept 2022 ZWL	Unaudited 30 Sept 2021 ZWL
9. Inventories				
Raw and packaging materials	755 758 672	568 441 776	570 669 876	141 994 730
Finished goods	221 426 518	138 959 231	221 426 518	36 529 562
Consumables	1 991 850 229	1 308 101 599	1 180 084 628	323 580 150
Agricultural produce	2 289 006 593	1 305 386 049	2 289 006 594	343 159 503
	5 258 042 012	3 320 888 655	4 261 187 616	845 263 945
10. Trade and other receivables				
Trade receivables	3 467 007 931	1 438 845 967	3 467 007 931	378 243 407
Less: expected credit loss	(50 406 022)	(27 569 895)	(50 406 022)	(7 247 566)
	3 416 601 909	1 411 276 072	3 416 601 909	370 995 841
Prepayments	270 995 750	1 077 337 340	119 191 461	262 736 549
Receivables from related parties	-	86 739 590	-	22 802 078
Advance crop expenditure	-	188 191 574	-	49 471 746
Other receivables	101 725 963	23 803 450	101 725 963	16 257 444
	3 789 323 622	2 787 348 026	3 637 519 333	712 263 658
11. Trade and other payables				
Trade payables	1 532 344 936	468 138 021	1 532 344 936	123 063 986
Social security and other taxes	173 782 471	46 396 989	173 782 471	12 196 827
Accrued expenses	921 344 616	657 882 332	921 344 616	172 943 915
Amounts due to related parties	-	63 905 062	-	16 799 344
	2 627 472 023	1 236 322 404	2 627 472 023	325 004 072

12. Borrowings

Interest-bearing borrowings constitute bank loans from various local financial institutions which accrue interest at a weighted average rate of 48.66% at the end of the period. The facilities have got differing maturity dates and will be reviewed when they mature.

	INFLATION-ADJUSTED		HISTORIC COST	
	Audited 30 Sept 2022 ZWL	Audited 30 Sept 2021 ZWL	Unaudited 30 Sept 2022 ZWL	Unaudited 30 Sept 2021 ZWL
13. Capital expenditure for the period				
Purchase of property, plant and equipment excluding bearer plants	709 497 867	333 062 356	381 640 794	131 211 630
Capital Expenditure incurred on bearer plants	233 976 026	121 861 966	143 298 705	29 510 382
	943 473 893	454 924 322	524 939 499	160 722 012

	INFLATION-ADJUSTED		HISTORIC COST	
	Audited 12 Months Ended 30 Sept 2022 ZWL	Audited 6 Months Ended 30 Sept 2021 ZWL	Unaudited 12 Months Ended 30 Sept 2022 ZWL	Unaudited 6 Months Ended 30 Sept 2021 ZWL
14. Cash generated from operations				
Profit/(loss) before income tax	1 841 734 244	(2 270 512 612)	4 856 409 802	(215 098 971)
Adjustment for non-cash items:				
Depreciation	683 806 664	317 763 746	34 100 740	7 397 136
Impairment reversal	(7 142 160)	-	(35 988)	-
Loss on disposal of biological assets, Property, plant and equipment	613 446 663	(17 428 154)	3 650 880	(4 967 760)
Net fair value adjustments	(982 653 198)	734 180 594	(1 018 609 728)	415 647 222
Impairment of non-current assets	2 169 830	16 673 900	-	-
Net finance costs	179 100 202	170 929 131	121 221 915	41 082 797
Net exchange gains	(964 852 331)	(21 469 627)	(550 307 034)	(5 289 334)
Cash generated from/operations Before changes in working capital	1 365 609 914	(1 069 863 022)	3 446 430 587	238 771 090
Changes in working capital:				
Increase in inventories	(1 937 153 357)	2 538 417 739	(3 415 923 670)	113 164 919
Increase in trade and other receivables	(1 052 807 730)	(740 486 588)	(2 939 542 722)	(270 979 037)
(Decrease)/increase in trade and other payables	1 391 149 635	(48 536 210)	2 302 467 955	46 080 077
	(233 201 538)	679 531 919	(606 567 850)	127 037 049
Tax paid	(516 425 131)	(366 328 101)	(115 290 052)	(70 174 679)
Cash flow (utilised in)/ generated from operations	(749 626 669)	313 203 818	(721 857 902)	56 862 370

15. Subsequent Events

No events occurred subsequent to year end which had a material impact on the entity's operations.

16. Auditor's Statement

The audited financial results should be read in conjunction with the complete set of financial statements for the year ended 30 September 2022 which have been audited by Deloitte & Touche. An unmodified audit opinion was issued thereon. The auditor's report has been made available to management and those charged with governance of Tanganda Tea Company Limited. The engagement partner responsible for this audit is Lawrence Nyajeka, PAAB number - 0598.



NOTICE TO SHAREHOLDERS

Dividend Declaration

Notice is hereby given that the Board of Directors declared a Final Dividend, Number 2, of 0.06 US\$ cents per share payable out of the profits for the year ended 30 September 2022. The dividend will be paid on or before 21 February 2023. The interim dividend paid on 14 July 2022 was 50 ZWL cents per share.

Disbursements to foreign shareholders is subject to exchange control approval and payment guidelines for foreign payments. The timetable for dividend payment is as follows:

	Date
Dividend announcement	09 December 2022
Last date to trade cum dividend	03 January 2023
Ex-dividend date	04 January 2023
Last record date	06 January 2023
Payment date	21 February 2023

Shareholders are encouraged to update their payment details through our transfer secretaries:

ZB Transfer Secretaries, 21 Natal Road, Belgravia, Harare, Zimbabwe
PMberikwazvo@zb.co.zw
RMutakwa@zb.co.zw

By Order of the Board

S.N. Kodzanai (Mrs)
Company Secretary

INDEPENDENT AUDITOR'S REPORT ON THE INFLATION ADJUSTED ABRIDGED FINANCIAL RESULTS TO THE SHAREHOLDERS OF TANGANDA TEA COMPANY LIMITED

Opinion

The inflation adjusted abridged financial statements (financial results), which comprise the abridged inflation adjusted statement of financial position as at 30 September 2022, the abridged inflation adjusted statement of comprehensive income, abridged inflation adjusted statement of changes in equity and abridged inflation adjusted statement of cash flows for the year then ended, and related notes, are derived from the audited financial statements (audited financial statements) of Tanganda Tea Company Limited for the year ended 30 September 2022.

In our opinion, the accompanying inflation adjusted financial results are consistent, in all material respects, with the audited inflation adjusted financial statements for the year ended 30 September 2022.

Inflation adjusted financial results of Tanganda Tea Company Limited

The inflation adjusted financial results of the Company does not contain all the disclosures required by International Financial Reporting Standards (IFRS) as applicable to financial statements. Reading the Inflation adjusted financial results and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

The audited inflation adjusted financial statements and our report thereon

We expressed an unmodified opinion on the inflation adjusted financial statements in our report dated 09 December 2022.

Responsibilities of the directors for the inflation adjusted financial results

The directors are responsible for the preparation and fair presentation of the inflation adjusted financial results, in accordance with Zimbabwe Stock Exchange (ZSE) Listings Requirements Rules and the requirements of the Companies and Other Business Entities Act of Zimbabwe (Chapter 24:31).

Auditor's responsibility

Our responsibility is to express an opinion on whether the Inflation adjusted abridged financial results are consistent, in all material respects, with the audited inflation adjusted financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

Deloitte & Touche

DELOITTE & TOUCHE
PER: LAWRENCE NYAJEKA
PARTNER
REGISTERED AUDITOR
PAAB PRACTICE CERTIFICATE NUMBER: 0598
9 DECEMBER 2022

