

CHAIRMAN'S STATEMENT

OPERATING ENVIRONMENT

The macro-economic environment during the period was volatile and characterised by frequent policy changes. There was a significant disparity between the increase in the exchange rate and the official inflation rate. The depreciation of the local currency in the second quarter resulted in the widening of the gap between the official auction market exchange rates and the alternative market. There was increased preference to transact in foreign currency in the period, as the existence of multiple exchange rates resulted in pricing distortions. Power outages severely affected the Group as the back-up generators in place do not meet the total demand of the manufacturing plants. The prevailing high borrowing costs impacted liquidity and consumer demand.

In Zambia, the Kwacha depreciated ahead of the conclusion of the country's debt restructuring symptomatic of underlying economic issues as evidenced by the increasing trade deficit. The annual rate of inflation increased to 9.9% in March 2023. Demand for bulk tissue and batteries remained firm during the period.

GROUP PERFORMANCE OVERVIEW

The Group faced significant challenges as a result of the volatility of exchange rates and power outages. The agility of our batteries, stationery and timber businesses enabled us to adapt and maintain operations despite the uncertainty in the environment. Overall volumes declined by 9% from prior year. Opportunities for growth could not be exploited due to power-induced product supply limitations and value preservation measures taken to restrict sales through channels with unfavourable credit terms. The capitalisation of the paper units was completed although power and raw material shortages affected production. The widening of the product range to include virgin tissue will improve efficiencies and eliminate raw material shortages as pulp is readily available from South Africa.

FINANCIAL PERFORMANCES

The financial performance review is based on the inflation adjusted financial statements. The Group estimated and applied inflation rates for February and March 2023 based on the Total Consumption Poverty Line published by ZIMSTAT in order to comply with International Financial Reporting Standard 29 which permits estimation where a general consumer price index is not readily available. Historical cost financial statements have been presented as supplementary information.

The Group recorded revenues of ZWL\$15 billion in inflation adjusted terms an increase of 42% compared to the prior year. Overall volumes for the 6 months to 31 March 2023 declined by 9%. The frequent price movements in response to inflation and the depreciation of the local currency affected trading and demand. Export volumes fell by 30% due to product shortages and the prioritisation of the local market.

Group margins at 43% remained strong despite pressure from rising operating costs. Profitability was dampened by once off reorganisation and plant optimisation costs in the paper business. The delay in the completion of the Paper projects necessitated the restructuring of borrowings further increasing the Group's exposure to adverse exchange rate movements. An exchange loss of ZWL\$1,976 billion was recorded during the period.

Overall hard currency sales increased and improved the ability of the business to meet its foreign currency commitments. This, however, had a significant distortive impact on the Group's profitability as foreign currency sales are recognised at the official auction exchange rate. The Board estimates that for the half year the Group's revenues at USD22.2 million declined by 8% compared to prior year whilst operating profit decreased to USD\$1.3 million.

DIVISIONAL PERFORMANCES

The Batteries division was affected by loadshedding and suffered a 5-week fire induced outage at the Workington factory. Export orders were suspended as the local market was prioritised during this period. Volumes fell by 8% compared to prior year. Contingency measures were put in place with support from partners to reduce the backlog of orders for solar and industrial batteries. Demand in the region remained strong however foreign currency shortages persisted in Malawi.

Paper volumes decreased by 17% compared to the same period last year. The new Tissue Mill PM2 was successfully commissioned but could not be run fully during the period. The tissue product range was broadened following successful trials of virgin pulp. This has mitigated the risk posed by the erratic supply of wastepaper from the local market. The focus on cost containment and efficiencies is expected to restore profitability in the second half of the year. The export order book for bulk tissue is firm whilst tissue sales in the local market continue to be impacted by the unfavourable terms in the formal retail sector.

Eversharp pen volumes decreased by 7% from prior year due to raw material supply chain delays and power shortages. The division has retooled and should avert product supply challenges in the second half. Eversharp has benefited from the strong performance in the informal sector and the availability of stationery trading lines.

Timber sales volumes declined by 26% compared with the prior year as the business opted to preserve value given the pricing distortions that characterised the market. The division launched its industrial pallets and closed the period with a firm order book. The investment in a grader and other fire equipment has bolstered preparations for the dry season.

SUSTAINABILITY REPORTING

The Group's sustainability initiatives continued to be focused on preservation and responsible value addition within our environment. Our waste collection network in paper and batteries was expanded to cover Malawi and Zambia during the period. Collaborative partnerships have been established with other waste collectors to improve efficiencies. The Chloride factory lead emissions continue to reduce in line with improvements in systems and handling.

DIVIDEND

The Company is not in a position to declare a dividend.

DIRECTORATE

The Board appointed Mr Tae In Baik as a Non-Executive Director with effect from 1 December 2022. Mr Baik holds a Bachelor in Civil Engineering from Yonsei University (South Korea) and is the Chief Executive Officer of Taesung C&I Limited.

The Board would like to congratulate Mr Baik and wish him every success in his new role.

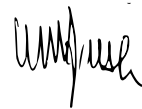
OUTLOOK

The Group anticipates a difficult environment in the second half of the year and will continue to exercise caution in its growth initiatives and ensure value preservation. The strides taken to reduce expensive short-term debt and sustain working capital in the first half of the year will be consolidated. The banks will continue to be engaged for liquidity support to unlock the potential of the new plant in Kadoma. The Group has a solid, mutually beneficial relationship with its primary lender, accounting for 62% of the foreign currency exposure. This allows for a steady funding platform and essential liquidity for the business. The prevailing turbulent conditions affected the completion and stabilisation of the paper projects. However, the Board remains confident that they will have a positive impact in the long term.

The Board has assessed the market conditions and believes there remains a compelling case to move to the Victoria Falls Exchange in terms of trading costs and reporting. The Group is monitoring developments and has in the meantime chosen to focus on business stabilisation and recovery given the frequent policy changes in the environment.

APPRECIATION

I would like to express my sincere gratitude to our customers, suppliers, bankers and other key stakeholders, my fellow directors, management and the entire team at ART for the continued contribution and support during the period under review.



T U Wushe
CHAIRMAN
30 May 2023

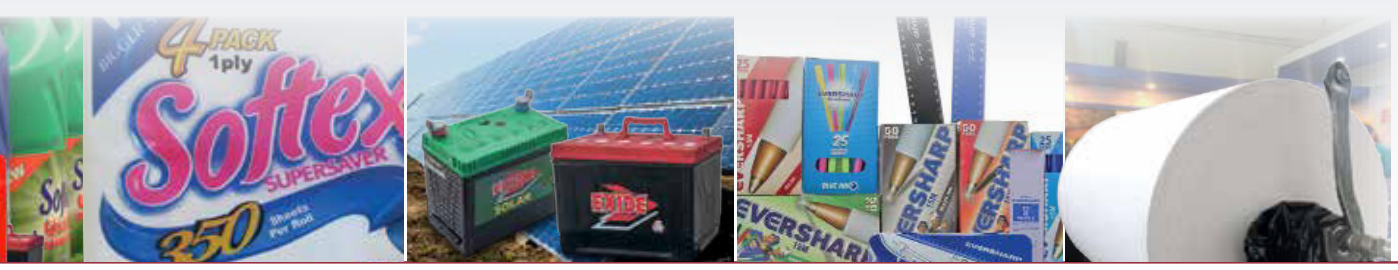
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	INFLATION ADJUSTED		HISTORICAL COST	
	31 Mar 23 ZWL\$ 000	31 Mar 22 ZWL\$ 000	31 Mar 23 ZWL\$ 000	31 Mar 22 ZWL\$ 000
For the Half Year Ended				
Revenue from contracts with customers	15,022,330	10,564,509	14,068,352	2,956,530
Cost of sales	(8,624,409)	(6,970,174)	(7,778,104)	(1,833,731)
Gross profit	6,397,921	3,594,335	6,290,248	1,122,799
Other income	189,195	158,496	185,346	48,205
Total operating expenses	(5,678,234)	(3,107,427)	(5,578,062)	(930,298)
Selling and distribution expenses	(1,552,679)	(1,107,556)	(1,459,558)	(228,927)
Administration expenses	(4,125,555)	(1,999,871)	(4,118,504)	(701,371)
Operating profit before fair value adjustments & impairments	908,882	645,404	897,532	240,706
Share of profit in associate	12,539	10,806	10,877	3,345
Foreign exchange loss	(1,922,423)	(291,808)	(1,995,985)	(92,811)
(Loss)/profit on disposal of disposal of non-current assets	(13,532)	(4,133)	(12,898)	468
Fire loss	-	(10,713)	-	(3,054)
Net monetary loss	(336,770)	(471,006)	-	-
Retrenchment	(87,933)	-	(87,933)	-
(Loss)/profit before interest and tax	(1,439,238)	(121,450)	(1,188,407)	148,654
Finance income	993	2,017	965	609
Finance costs	(655,769)	(112,654)	(647,049)	(34,171)
(Loss)/profit before tax	(2,094,014)	(232,087)	(1,834,491)	115,092
Income tax credit/(expense)	350,905	40,564	779,527	22,458
(Loss)/profit after tax	(1,743,109)	(191,523)	(1,054,964)	137,550
OTHER COMPREHENSIVE INCOME				
Items that may be reclassified subsequently to profit/loss:				
Translation of foreign subsidiary	23,958	44,240	138,002	15,266
Total other comprehensive (loss)/profit for the period, net of tax	23,958	44,240	138,002	15,266
Total comprehensive (loss) for the period	(1,719,151)	(147,283)	(916,962)	152,816
Basic Earnings per Share	(368.68)	(40.51)	(223.13)	29.09
Diluted Earnings per share	(368.68)	(40.51)	(223.13)	29.09
Headline Earnings per Share	(365.81)	(39.63)	(220.40)	28.99



ABRIDGED REVIEWED FINANCIAL RESULTS

For the half year ended 31 March 2023



The ART Financial Results are available on the following websites:
www.artcorporation.co.zw
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at	INFLATION ADJUSTED		HISTORICAL COST	
	31 Mar 23 ZWL\$ 000	30 Sept 22 ZWL\$ 000	31 Mar 23 ZWL\$ 000	30 Sept 22 ZWL\$000
ASSETS				
Non-current assets				
Property, plant and equipment	15,776,711	16,000,140	14,266,583	14,344,976
Investment property	4,394,377	4,395,873	4,044,402	4,006,115
Goodwill	355,524	355,524	89,394	89,394
Biological assets	5,643,985	5,606,121	5,144,663	5,109,057
Right of use assets	2,662,484	3,205,376	2,297,226	2,600,633
Investment in associate	249,797	237,258	28,270	17,392
	29,082,878	29,800,292	25,870,538	26,167,567
Current assets				
Inventories	5,742,349	3,774,958	5,738,557	2,863,311
Trade and other receivables	3,496,843	2,643,280	3,481,248	2,408,383
Income tax receivable	170,171	-	-	-
Cash and cash equivalents	545,771	216,370	545,771	197,186
	9,955,134	6,634,608	9,765,576	5,468,880
TOTAL ASSETS	39,038,012	36,434,900	35,636,114	31,636,447
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	10,239	10,239	47	47
Share premium	953,714	953,714	4,378	4,378
Retained earnings	8,561,488	10,304,597	5,089,188	6,144,152
Non-distributable reserves	8,985,275	8,961,317	10,547,251	10,409,249
	18,510,716	20,229,867	15,640,864	16,557,826
Non-current liabilities				
Lease liability	2,243,763	2,564,300	2,243,763	2,080,506
Long term creditors	1,594,545	1,284,658	1,594,545	1,170,754
Deferred tax liabilities	4,201,093	3,910,100	3,584,293	3,937,206
	8,039,401	7,759,058	7,422,601	7,188,466
Current liabilities				
Trade and other payables	8,434,661	4,655,411	8,471,502	4,557,898
Provisions	250,983	360,837	295,452	270,733
Income tax payable	-	385,362	3,444	351,194
Lease liability	320,538	641,076	320,538	520,127
Interest-bearing loans and borrowings	3,042,224	2,142,249	3,042,224	1,952,308
Bank overdrafts	439,489	261,040	439,489	237,895
	12,487,895	8,445,975	12,572,649	7,890,155
Total liabilities	20,527,296	16,205,033	19,995,250	15,078,621
TOTAL EQUITY AND LIABILITIES	39,038,012	36,434,900	35,636,114	31,636,447

CONSOLIDATED STATEMENT OF CASHFLOW

For the Half Year Ended	INFLATION ADJUSTED		HISTORICAL COST	
	31 Mar 23 ZWL\$ 000	31 Mar 22 ZWL\$ 000	31 Mar 23 ZWL\$ 000	31 Mar 22 ZWL\$000
CASH FLOW FROM OPERATING ACTIVITIES:				
Cash generated from operations	1,251,578	1,415,290	937,559	409,151
Finance income	993	2,017	965	609
Finance costs	(600,295)	(65,221)	(581,947)	(22,428)
Income tax paid	(9,621)	(482,254)	(7,204)	(77,701)
Cash generated from operating activities	642,655	869,832	349,373	309,631
INVESTING ACTIVITIES:				
Purchase of property, plant and equipment	(513,168)	(716,803)	(505,160)	(268,856)
Costs capitalized to biological assets	(205,041)	(210,604)	(195,279)	(51,378)
Proceeds on disposal of property, plant and equipment	33,000	59	32,899	1,618
Dividends received	-	2,113	-	621
Cash utilised in investing activities	(685,209)	(925,235)	(667,540)	(317,995)
FINANCING ACTIVITIES:				
Proceeds from borrowings	2,495,585	362,426	2,214,262	103,187
Repayment of borrowings	(2,302,079)	(315,256)	(1,749,104)	(89,757)
Cash generated from financing activities	193,506	47,170	465,158	13,430
Increase/(decrease) in cash and cash equivalents	150,952	(8,233)	146,991	5,066
Cash and cash equivalents at the beginning of the period	(44,670)	144,341	(40,709)	41,436
Cash and cash equivalents at the end of the period	106,282	136,108	106,282	46,502
Comprising:				
Cash resources	545,771	355,908	545,771	121,598
Overdrafts	(439,489)	(219,800)	(439,489)	(75,096)
Cash and cash equivalents at the end of the period	106,282	136,108	106,282	46,502

GROUP SEGMENT RESULTS

	INFLATION ADJUSTED						
	Batteries ZWL\$ 000	Stationery ZWL\$ 000	Paper ZWL\$ 000	Plantations ZWL\$ 000	Central Admin ZWL\$ 000	Adj& Eliminations ZWL\$ 000	Group ZWL\$ 000
March 2023							
Revenue - External customers	14,516,412	2,131,353	3,211,583	629,025	-	(5,466,043)	15,022,330
Operating profit before impairments & fair value adjustments	1,472,631	209,516	(1,278,052)	170,553	334,234	-	908,882
Segment Assets	14,953,037	2,200,947	8,544,962	11,086,140	2,252,926	-	39,038,012
Segment liabilities	(6,835,709)	(1,258,415)	(4,796,582)	(1,490,261)	(6,146,329)	-	(20,527,296)
Capital expenditure	(219,923)	(95,486)	(93,465)	(93,974)	(10,320)	-	(513,168)
Depreciation	(558,789)	(132,177)	(203,039)	(112,461)	(109,801)	-	(1,116,267)
March 2022							
Revenue - External customers	8,859,881	1,356,897	2,048,471	369,805	-	(2,070,545)	10,564,509
Operating profit before impairments & fair value adjustments	643,427	163,445	(378,571)	60,279	156,824	-	645,404
Segment Assets	8,799,708	833,443	4,244,190	5,639,400	1,648,356	-	21,165,097
Segment liabilities	(2,712,917)	(492,537)	(2,356,426)	(1,111,895)	(1,877,129)	-	(8,550,904)
Capital expenditure	(143,838)	(21,170)	(541,358)	(9,891)	(546)	-	(716,803)
Depreciation	(279,335)	(99,538)	(109,986)	(29,260)	(43,694)	-	(561,813)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share Premium	Non-Distributable reserves	Retained Earnings	Total
	ZWL\$000	ZWL\$000	ZWL\$000	ZWL\$000	ZWL\$000
INFLATION ADJUSTED					
30-Sep-21	10,239	953,714	3,090,420	8,707,033	12,761,406
Profit for the period	-	-	-	1,597,564	1,597,564
Other comprehensive income	-	-	5,870,897	-	5,870,897
30-Sep-22	10,239	953,714	8,961,317	10,304,597	20,229,867
Profit for the period	-	-	-	(1,743,109)	(1,743,109)
Other comprehensive income	-	-	23,958	-	23,958
31-Mar-23	10,239	953,714	8,985,275	8,561,488	18,510,716
HISTORICAL COST					
30-Sep-21	47	4,378	1,381,952	1,521,622	2,907,999
Profit for the period	-	-	-	4,622,530	4,622,530
Other comprehensive income	-	-	9,027,297	-	9,027,297
30-Sep-22	47	4,378	10,409,249	6,144,152	16,557,826
Profit for the period	-	-	-	(1,054,964)	(1,054,964)
Other comprehensive income	-	-	138,002	-	138,002
31-Mar-23	47	4,378	10,547,251	5,089,188	15,640,864





ABRIDGED REVIEWED FINANCIAL RESULTS

For the half year ended 31 March 2023

CHLORIDE

EXIDE

SOFTX

KPM

NWES

EVERSHARP

ART

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GROUP SEGMENT RESULTS

HISTORICAL COST

	Batteries ZWL\$ 000	Stationery ZWL\$ 000	Paper ZWL\$ 000	Plantations ZWL\$ 000	Central Admin ZWL\$ 000	Adj& Eliminations ZWL\$ 000	Group ZWL\$ 000
March 2023							
Revenue - External customers	14,250,839	2,083,428	3,133,261	615,015	-	(6,014,191)	14,068,352
Operating profit before impairments & fair value adjustments	1,422,593	241,527	(676,659)	130,959	(220,888)	-	897,532
Segment Assets	13,728,641	2,153,328	7,806,466	10,100,569	1,847,110	-	35,636,114
Segment liabilities	(6,682,483)	(1,200,401)	(4,629,067)	(1,369,869)	(6,113,430)	-	(19,995,250)
Capital expenditure	(219,923)	(93,149)	(93,361)	(88,431)	(10,296)	-	(505,160)
Depreciation	(560,315)	(90,167)	(201,361)	(122,172)	(78,700)	-	(1,052,715)
March 2022							
External customers	2,679,835	397,774	603,717	109,257	-	(834,053)	2,956,530
Operating profit before impairments & fair value adjustments	172,701	59,591	(103,291)	14,900	96,805	-	240,706
Segment Assets	2,619,841	243,661	1,088,874	1,358,355	330,856	-	5,641,587
Segment liabilities	(770,279)	(161,135)	(739,693)	(246,008)	(663,656)	-	(2,580,771)
Capital expenditure	(64,951)	(15,952)	(184,807)	(3,006)	(140)	-	(268,856)
Depreciation	(82,073)	(14,459)	(26,704)	(16,169)	(11,806)	-	(151,211)

SUPPLEMENTARY INFORMATION

1. CORPORATE INFORMATION

The abridged consolidated financial statements of Amalgamated Regional Trading (ART) Holdings Limited and its subsidiaries (collectively, the Group) for the half year ended 31 March 2023 were authorised for issue in accordance with a resolution of the directors on 30 May 2023. ART Holdings Limited is incorporated in the British Virgin Islands and its shares are publicly traded on the Zimbabwe Stock Exchange through its regional subsidiary ART Zimbabwe Limited.

The main activities of the Group are the manufacture and distribution of paper products, stationery, and lead acid batteries. The Group's principal place of business is 202 Seke Road, Graniteside, Harare.

2. BASIS OF PREPARATION

The abridged consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 - Interim Financial Reporting, and in the manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) and the British Virgin Islands Companies Act for International Business Companies (Chapter 291), except for non-compliance with International Accounting Standard ("IAS") 21.

2.1 Application Of IAS 29

The abridged consolidated financial statements have been prepared under the current cost basis as per the provisions of IAS 29 "Financial Reporting In Hyper-inflationary Economies". The local accounting regulatory board, Public Accountants and Auditors Board (PAAB) proclaimed all financial periods after 1 July 2019 to be reported under the hyper-inflation accounting basis. Therefore, the primary financial statements of the Group are the inflation adjusted and historical numbers have been provided as supplementary information.

The Zimbabwe National Statistics Agency (ZIMSTATS) stopped publishing the ZWL Consumer Price Indices in January 2023 and replaced these with the weighted average consumer price index (blended indices), in line with the Statutory Instrument 27 of 2023. This created challenges for financial reporting purposes because the weighted average consumer price index do not comply with the International Accounting Standard (IAS) 29 which requires the use of a General Price Index of the hyperinflationary currency (ZWL) as a basis of restatement.

In order to comply with IAS 29, the Group estimated the inflation rate for February 2023 and March 2023 by adjusting the last published consumer price index (January 2023) based on the monthly movement using the Total Consumption Poverty Line published by ZIMSTATS.

These were the CPIs and resultant conversion factors used:

	Indices	Conversion factor
CPI as at 31 March 2023	13,949.99	1.000
CPI as at 30 September 2022	12,713.12	1.097
CPI as at 31 March 2022	4,766.10	2.927

3. FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Zimbabwe Dollars (ZWL) which is the Group's functional and presentation currency and all values are rounded to the nearest thousand (ZWL000), except when otherwise indicated.

4. STATEMENT OF ACCOUNTING POLICY

The accounting policies in the preparation of the 2023 half year abridged consolidated financial results are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 September 2022.

SUPPLEMENTARY INFORMATION

5. BORROWINGS - INFLATION ADJUSTED

ZWL 000's	31 March 2023			30 September 2022		
	Short-term and Overdraft	Long-term	Total	Short-term and Overdraft	Long-term	Total
Group	3,481,713	-	3,841,713	2,302,649	-	2,302,649

The borrowings are secured by non-current assets with a net book value of ZWL\$8.370 billion (2022: ZWL8.001 billion).

The average cost of borrowings is 13%. All the borrowings are in USD currency.

DIRECTORS' RESPONSIBILITY

The Company's Directors are responsible for the preparation and fair presentation of the Group's consolidated financial statements, of which this Press Statement is an extract.

These abridged Group financial statements are presented in accordance with the disclosure requirements of the Zimbabwe Stock Exchange (ZSE) Listing requirements and in accordance with International Financial Reporting Standards and the Companies and Other Business Entities Act (Chapter 24:31).

The principal accounting policies applied in the preparation of these financial statements are consistent with those applied in the previous annual financial.

The Directors would like to advise users to exercise caution in their use of these half year financial statements due to the impact of the change in functional currency in February 2019, its consequent effect on the financial statements and the adoption of the International Accounting Standard (IAS) 29 (Financial Reporting in Hyperinflationary Economies).

INDEPENDENT EXTERNAL AUDITOR'S STATEMENT

These abridged interim consolidated financial results for the six months ended 31 March 2023 have been reviewed by Messrs Grant Thornton Chartered Accountants (Zimbabwe) and a qualified review conclusion was issued thereon. This review conclusion is modified with respect to non-compliance with International Accounting Standard (IAS) 21 -The Effects of Changes in Foreign Exchange Rates and International Financial Reporting Standard (IFRS) 13-Fair Value measurement on the valuation of investment properties; and property plant and equipment.

The review conclusion has been made available to management and those charged with governance. The Independent Review Report on the consolidated interim financial statements is available for inspection at the Company's registered office.

The Engagement Partner on the review resulting in this auditor's report is Farai Chibisa (PAAB Number 0547).





Grant Thornton

REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION

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To the members of ART Holdings Limited

We have reviewed the accompanying interim consolidated statement of financial position of ART Holdings Limited as at 31 March 2023 and the related consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six-month period then ended, and a summary of significant group accounting policies and other explanatory notes.

Responsibilities of Management and Those Charged with Governance for the interim consolidated financial information

Management is responsible for the preparation and fair presentation of this interim consolidated financial information in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting and the Group's accounting policies, this includes the design, implementation and maintenance of internal controls relevant to the preparation and fair presentation of interim consolidated financial information that are free of material misstatement whether due to fraud or error.

Our responsibility is to express a conclusion on this interim consolidated financial information based on our review.

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.

Basis for Qualified Conclusion

Non-compliance with International Accounting Standard (IAS) 21 -The Effects of Changes in Foreign Exchange Rates in the prior periods and International Accounting Standard (IAS) 8 - Accounting Policies, Changes in Accounting Estimated and Errors

During the prior financial periods, the foreign currency denominated transactions and balances of the group were translated into Zimbabwe Dollar (ZWL) using the interbank exchange which were not considered appropriate spot rates for translations as required by IAS 21. The review conclusion on the interim consolidated financial information for the half year ended 31 March 2022, and the opinion on the consolidated financial statements for the year ended 30 September 2022 were modified in respect of this matter, and the misstatements have not been corrected in the consolidated financial information for the half year ended 31 March 2023.

As the non-compliance with IAS 21 is from prior financial periods and there have been no restatements to the prior period financial statements in accordance with IAS 8, some comparative numbers in the financial information may be misstated. Our opinion on the financial information for the half year ended 31 March 2023 is modified because of the possible effects of the above matters on the comparability of the current financial information to corresponding figures of the comparative period. As a result the residual effects of the non-compliance with IAS 21 and the non-restatement of the comparative figures in accordance with IAS 8, the retained earnings may contain misstatements.

The effects of the above non-compliance with the requirements of IAS 21 have been considered to be material but not pervasive to the interim consolidated financial information as a whole.

Valuation of property and equipment and investment property

The determination of fair values for property and equipment and investment property presented in the interim consolidated financial information is affected by the prevailing economic environment. This interim consolidated financial information includes investment property carried at fair value and property and equipment that was revalued by independent professional valuers as at 30 September 2022. The property and equipment and investment property valuations were determined in USD and then translated to ZWL using an exchange rate estimated by management as at 30 September 2022. No subsequent revaluations were performed in the financial statements.

Although the determined USD values as at 30 September 2022 reflected the fair value of the investment property and property and equipment in USD as at that date, the converted ZWL fair values were not in compliance with IFRS 13 as they did not reflect the assumptions that market participants would apply in valuing similar items of property and equipment in ZWL.

Qualified Conclusion

Based on our review, except for the issues highlighted in Basis for Qualified Conclusion section of our report, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information does not present fairly, in all material respects the financial position of ART Holdings Limited as at 31 March 2023, and of its financial performance and its cash flows for the six month period then ended in accordance with International Financial Reporting Standards (IFRS).

The engagement partner on the review engagement resulting in this independent review conclusion is Farai Chibisa.



Farai Chibisa

Partner

Registered Public Auditor (PAAB No: 0547)

Grant Thornton

Chartered Accountants (Zimbabwe)

Registered Public Auditors

19 June 2023

HARARE