ARISTON HOLDINGS LIMITED

ARISTON

HOLDINGS LIMITED

AUDITED FINANCIAL RESULTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

Registered Office:18 Coghlan Road, Harare, Zimbabwe, P.O. Box 4019.

FINANCIAL HIGHLIGHTS

All figures in ZWL	INFLATION ADJUSTED AUDITED Year Ended 30-Sep-23	INFLATION ADJUSTED AUDITED Year on Year Change	HISTORICAL COST Year Ended 30-Sep-23	HISTORICAL COST Year on Year Change
REVENUE (ZWL'000)	**35,478,907**	15%	**17,971,020**	699%
EBITDA (excluding fair value adjustments)	**(31,852,870)**	-1849%	**(46,635,351)**	3573%
LOSS AFTER TAXATION (ZWL'000)	**(33,069,715)**	-456%	**(27,265,883)**	-41291%
TOTAL COMPREHENSIVE (LOSS)/ INCOME (ZWL'000)	**(6,551,467)**	-115%	**44,090,645**	461%
BASIC EARNINGS PER SHARE (ZWL'000)	**(20.3206)**	-456%	**(16.7543)**	-41291%
HEADLINE EARNINGS PER SHARE (ZWL'000)	**(20.3230)**	-456%	**(16.7546)**	-41275%

CHAIRMAN'S STATEMENT

INTRODUCTION

As communicated at half year, this year's season commenced with a dry spell followed by greater rains than in prior year. Overall greater rainfall with better distribution was received in this season compared to the prior season.

The difficult operating environment noted in prior year continued into this financial year ended 30 September 2023. Global market disruptions which negatively affected the agricultural sector remained, although some minor improvements were noted. The difficulties included lower agricultural commodity prices due to supply overhang from the COVID-19 shutdown period. Fertilizer and chemicals costs remained at price levels higher than the pre-COVID-19 period.

The local economic environment continued to be harsh, characterized by declining disposable incomes, incessant power outages and greater depreciation of the Zimbabwe dollar coupled with increased dollarisation of the local economy.

FINANCIAL PERFORMANCE (on inflation adjusted terms)

Revenue for the year ended 30 September 2023 increased by 15% to ZWL35.479 billion when compared to prior year. This was despite the decline in the selling price of macadamia nuts, and was mainly attributable to an increase in the price of tea driven by improvement in quality.

The dollarisation of input costs resulted in an increase in the costs of sales by 10%. In the past the effects of the fair values on biological assets which had been harvested as at year end were included within cost of sales. To enhance compliance with reporting standards, in the current year the Group has presented its Costs of sales before taking into account the effects of fair value changes related to its biological assets. This has resulted in the Group reporting a Gross Loss. The fair value realised from biological assets throughout the year declined as a result of a decline in the price of macadamia nuts in the current period.

The joint ventures continued to contribute positively to the Group as evidenced by a 169% increase in the share of profits posted for the year.

Inflation adjusted interest expense increased by 99% to ZWL3.2 billion in the current reporting period. This was mainly as a result of an increase in borrowings held during the current period.

The Group posted a loss for the year of ZWL 33 billion compared to a profit of ZWL 5.9 billion in the prior year. The loss position is mainly driven by unrealised exchange losses arising from United States Dollar denominated liabilities.

A revaluation of the Group's buildings, leasehold and improvements, plant and machinery was performed as at 30 September 2023 and a revaluation surplus of ZWL26.5 billion was recognised.

VOLUMES AND OPERATIONS

Tea

At the start of the year under review a decision was made to consolidate tea processing for two of the three Tea Estates into one tea processing factory. Thus, the green leaf from these two Estates was processed in the remaining factory. The equipment in this factory was upgraded to ensure capacity for the Greenleaf from both Estates and to improve quality and quantity of top export grades. Coupled with this decision, a solar generating plant was commissioned at the factory in an effort to mitigate against the incessant power outages being experienced. This resulted in savings as envisaged, but the savings will be more apparent in future years. Further, it provided predictability to factory processes. The solar plant started working from July 2023. Accordingly, the Group now operates two tea processing factories compared to three in prior year.

Tea volume in the current year declined 34% from 3,158 tons to 2,427 tons. This decline was a result of 20% of the lowest yielding tea gardens being pruned down for the season as the fertiliser costs would have made these gardens' viability marginal. They will come back into production in later years, at a more vigorous level. At the same time, focus on quality was enhanced resulting in improvements in the overall average selling price from USD1,075 per ton to USD1,875 per tonne, which was a 68% increase.

Export tea sales volumes improved by 21%, with the average selling price improving by 6%. Local tea sales volume declined by 6% whilst the average selling price improved by 38% largely driven by the dollarisation of the local economy.

In USD terms total tea revenue increased by 29% year on year.

Macadamia

Macadamia production volumes increased 23% in the current year compared to prior year. Unfortunately, the oversupply issue described in prior year which arose from the effects of COVID-19 wherein major world economic players were in lockdown persisted into current year. Prices were still lower than pre-COVID-19 period however demand improved albeit at lower prices. Average selling price declined by 40% in the current year compared to prior year.

Other products

The "Other Products" comprise potatoes, commercial maize, seed maize, soya beans and bananas. These products contributed 19% to the Group's turnover, up from 10% in the prior comparative year. Given the challenges encountered in the current reporting period, the Group's diversification of product offerings became more important than ever.

INVESTMENTS

During the period the biggest investment made was into a solar plant located at Southdown Estate, Chipinge. The plant is integrated into ZETDC and is on net metering. The plant came with a 1.2 megawatt storage facility as the tea factories operate throughout the day and night. The investment in the plant not only leads to financial savings to the Group; but is also in line with the Group's strategy of safeguarding and enhancing environmental resources and processes as this is a renewable energy source.

Expansion of macadamia orchards continued in the current year.

Road rehabilitations were undertaken at all the Chipinge and Chimanimani operations so as to reduce repairs and maintenance costs arising from bad road network.

OUTLOOK

The 2023/2024 agricultural season is expected to have lower than normal rainfall. The Group will have to rely heavily on its irrigation systems in mitigation. Dryland activities will be kept at a minimum. It is hoped that the extremely hot conditions will not persist for the duration of the entire season.

The tea production season has commenced well with harvests being greater than that harvested in the prior comparative period. Macadamia orchards, so far, have better nut set than the prior comparative period. Macadamia export prices being indicated for the 2023/2024 season are higher than prices achieved in the current year. Indications are that the global oversupply situation that arose during the COVID-19 period has now come to an end with the market being undersupplied now. Increasingly buyers are now trying to secure offtake agreements for the upcoming season. This is an improvement and points towards going back to the pre-COVID-19 period.

The Group will continue to focus on quality, production efficiencies and cost cutting measures.

DIVIDEND

In view of the need to enhance assets and the need to preserve cash resources, the Board has seen it prudent not to declare a dividend.

DIRECTORATE

There have been no changes in the Directorate since our last pronouncement at the AGM held in February 2023.

APPRECIATION

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

BY ORDER OF THE BOARD

ALEXANDER CRISPEN JONGWE
CHAIRMAN

18 DECEMBER 2023

CONDENSED GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

All figures in ZWL'000	Notes	INFLATION ADJUSTED AUDITED Year Ended 30-Sep-23	INFLATION ADJUSTED AUDITED Year Ended 30-Sep-22	*HISTORICAL COST Year Ended 30-Sep-23	*HISTORICAL COST Year Ended 30-Sep-22
			RESTATED		RESTATED
Revenue	7	**35,478,907**	**30,905,002**	**17,971,020**	**2,247,856**
Cost of production		(44,833,735)	(40,844,451)	(19,483,757)	(3,000,974)
Gross profit		**(9,354,828)**	**(9,939,449)**	**(1,512,737)**	**(753,118)**
Other operating income		442,195	485,305	133,894	47,558
Operating expenses		(25,241,360)	(17,251,851)	(13,272,342)	(1,111,581)
Fair value adjustments		7,430,669	27,745,476	16,351,699	3,471,007
(Loss)/ Profit from operations		**(26,723,324)**	**1,039,481**	**1,700,514**	**1,653,866**
Exchange loss		(57,062,088)	(12,112,594)	(35,365,862)	(1,694,311)
Monetary loss		44,473,185	2,679,671	-	-
Share of net profit of a joint ventures accounted for using the equity method	4	2,512,428	934,115	3,061,914	222,957
(Loss)/ Profit before interest and taxation		**(36,799,799)**	**(7,459,327)**	**(30,603,434)**	**182,512**
Finance costs		(3,240,964)	(1,631,784)	(1,437,133)	(171,017)
(Loss)/ Profit before taxation		**(40,040,763)**	**(9,091,111)**	**(32,040,567)**	**11,495**
Income tax benefit/ (expense)	3	6,971,048	3,144,960	4,774,684	54,701
(Loss)/ Profit for the year		**(33,069,715)**	**(5,946,151)**	**(27,265,883)**	**66,196**
Other comprehensive income:					
Items that may be reclassified to profit or loss		-	-	-	-
Items that will not be reclassified to profit or loss:					
Gain on revaluation of property, plant and machinery	8	35,226,153	64,916,295	94,788,161	10,359,669
Tax on other comprehensive income	3	(8,707,905)	(16,047,308)	(23,431,633)	(2,560,910)
Other comprehensive income for the year, net of tax		**26,518,248**	**48,868,987**	**71,356,528**	**7,798,759**
Total comprehensive (loss)/ income for the year		**(6,551,467)**	**42,922,836**	**44,090,645**	**7,864,955**
Number of shares in issue ('000)		**1,627,396**	**1,627,396**	**1,627,396**	**1,627,396**
Weighted average number of shares in issue ('000)		**1,627,396**	**1,627,396**	**1,627,396**	**1,627,396**
Earnings per share (dollars)					
Basic earnings per share		(20.3206)	(3.6538)	(16.7543)	0.0407
Diluted earnings per share		(20.3206)	(3.6538)	(16.7543)	0.0407

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

CONDENSED GROUP STATEMENT OF FINANCIAL POSITION

All figures in ZWL'000	Notes	INFLATION ADJUSTED AUDITED As at 30-Sep-23	INFLATION ADJUSTED AUDITED As at 30-Sep-22	*HISTORICAL COST As at 30-Sep-23	*HISTORICAL COST As at 30-Sep-22
ASSETS					
Non - current assets					
Property, plant and equipment		130,906,675	102,305,976	106,652,915	10,599,601
Biological assets		621,222	527,242	621,222	70,670
Right of use assets		463,429	560,425	26,460	4,381
Investment in joint ventures	4	7,896,731	6,460,075	2,590,467	355,642
		139,888,058	**109,853,718**	**109,891,064**	**11,030,294**
Current assets					
Biological assets		9,701,979	12,890,906	9,701,979	1,727,852
Inventories		4,059,621	5,821,227	3,335,368	690,095
Trade and other receivables		19,436,501	18,612,276	19,296,901	2,488,568
Cash and cash equivalents		585,806	1,669,744	585,806	223,807
		33,783,907	**38,994,153**	**32,920,054**	**5,130,322**
TOTAL ASSETS		**173,671,965**	**148,847,871**	**142,811,118**	**16,160,616**
EQUITY					
Share capital and reserves					
Share capital		2,407,885	2,407,885	1,627	1,627
Share premium		16,160,564	16,160,564	10,922	10,922
Revaluation reserve	8	75,387,235	48,868,987	79,155,287	7,798,759
Distributable reserves		(10,181,283)	22,888,432	(26,790,486)	475,397
		83,774,401	**90,325,868**	**52,377,350**	**8,286,705**
LIABILITIES					
Non-current liabilities					
Borrowings	6	32,781,520	24,328,459	32,781,520	3,260,902
Deferred tax		20,709,008	18,972,151	21,245,212	2,588,263
Lease liabilities		385,942	172,549	385,942	23,128
		53,876,470	**43,473,159**	**54,412,674**	**5,872,293**
Current liabilities					
Borrowings	6	5,647,439	5,313,934	5,647,439	712,261
Trade and other payables	5	30,316,965	9,540,096	30,316,965	1,263,245
Contract liabilities		-	147,840	-	19,816
Lease liabilities		56,690	46,974	56,690	6,296
		36,021,094	**15,048,844**	**36,021,094**	**2,001,618**
TOTAL EQUITY AND LIABILITIES		**173,671,965**	**148,847,871**	**142,811,118**	**16,160,616**

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

CONDENSED GROUP STATEMENT OF CASHFLOWS

All figures in ZWL'000	INFLATION ADJUSTED AUDITED Year Ended 30-Sep-23	INFLATION ADJUSTED AUDITED Year Ended 30-Sep-22	*HISTORICAL COST Year Ended 30-Sep-23	*HISTORICAL COST Year Ended 30-Sep-22
		RESTATED		RESTATED
Cash flows from operating activities				
(Loss)/ profit before interest and taxation	(36,799,799)	(7,459,327)	(30,603,434)	182,512
Change in working capital	21,271,341	(10,728,423)	9,510,480	(1,811,510)
Non-cash items	43,470,296	(1,749,727)	20,789,067	(1,668,232)
Monetary gains	(44,473,185)	(2,679,671)	-	-
Cash (utilised in)/ generated from operating activities	**(16,531,347)**	**(22,617,148)**	**(303,887)**	**(3,297,230)**
Cash flows from investing activities				
Payments for property, plant and equipment acquired	(5,461,553)	(2,296,864)	(2,791,451)	(129,208)
Proceeds from sale of property, plant and equipment	3,783	5,605	545	235
Dividends received on investments	1,075,772	248,241	827,089	20,314
Proceeds from sale of investments	-	4,708,024	-	176,507
Cash generated from/ (utilised in) investing activities	**(4,381,998)**	**2,665,006**	**(1,963,817)**	**67,848**
Cash flows from financing activities				
Cash utilised in financing activities	(20,548,306)	(20,643,952)	(7,002,270)	(803,107)
Cash generated from financing activities	37,673,600	38,310,564	9,631,973	4,248,430
Cash generated from financing activities	**17,125,294**	**17,666,612**	**2,629,703**	**3,445,323**
Net increase/ (decrease) in cash and cash equivalents	**(3,788,051)**	**(2,285,530)**	**361,999**	**215,941**
Effects of IAS 29 on cashflows	2,704,113	3,732,019	-	-
Cash and cash equivalents at beginning of the year	1,669,744	223,256	223,807	7,867
Cash and cash equivalents at the end of the year	**585,806**	**1,669,744**	**585,806**	**223,808**

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

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

	INFLATION ADJUSTED				
All figures in ZWL'000	**Share Capital**	**Share Premium**	**Revaluation Reserve**	**Distributable Reserves**	**Total**
Balance as at 30 September 2021	**2,407,885**	**16,160,564**	**-**	**30,178,382**	**48,746,831**
Dividends declared for the 2021 financial year	-	-	-	(1,343,799)	**(1,343,799)**
Total comprehensive income for the period	-	-	48,868,987	(5,946,151)	**42,922,836**
Balance as at 30 September 2022	**2,407,885**	**16,160,564**	**48,868,987**	**22,888,432**	**90,325,868**
Total comprehensive income for the period	-	-	26,518,248	(33,069,715)	**(6,551,467)**
Balance as at 30 September 2023	**2,407,885**	**16,160,564**	**75,387,235**	**(10,181,283)**	**83,774,401**

	*HISTORICAL COST				
All figures in ZWL'000	**Share Capital**	**Share Premium**	**Revaluation Reserve**	**Distributable Reserves**	**Total**
Balance as at 30 September 2021	**1,627**	**10,922**	**-**	**503,592**	**516,141**
Dividends declared for the 2021 financial year	-	-	-	(94,391)	(94,391)
Total comprehensive income for the period	-	-	7,798,759	66,196	7,864,955
Balance as at 30 September 2022	**1,627**	**10,922**	**7,798,759**	**475,397**	**8,286,705**
Total comprehensive income for the period	-	-	71,356,528	(27,265,883)	44,090,645
Balance as at 30 September 2023	**1,627**	**10,922**	**79,155,287**	**(26,790,486)**	**52,377,350**

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

CONDENSED NOTES AND SUPPLEMENTARY INFORMATION

		INFLATION ADJUSTED		*HISTORICAL COST	
	All figures in ZWL'000	**AUDITED** Year Ended 30-Sep-23	**AUDITED** Year Ended 30-Sep-22	Year Ended 30-Sep-23	Year Ended 30-Sep-22
1	**Depreciation and amortisation**				
	Depreciation of property, plant and equipment (excluding bearer plants)	11,337,301	1,605,077	1,525,779	11,320
	Depreciation of bearer plants	749,707	747,921	519	505
	Depreciation of right of use assets	290,591	274,255	4,688	1,289
		12,377,599	**2,627,253**	**1,530,986**	**13,114**
2	**Capital expenditure for the period**				
	Purchase of property plant and equipment excluding bearer plants	3,747,578	2,048,182	2,554,472	120,384
	Capital expenditure incurred on bearer plants	1,713,975	295,350	236,979	12,078
		5,461,553	**2,343,532**	**2,791,451**	**132,462**
3	**Income tax (benefit)/ expense**				
	Current tax	-	-	-	-
	Deferred tax movement through profit or loss	(6,971,048)	(3,144,960)	(4,774,684)	(54,701)
	Total income tax through profit or loss	**(6,971,048)**	**(3,144,960)**	**(4,774,684)**	**(54,701)**
	Deferred tax movement through comprehensive income	8,707,905	16,047,308	23,431,633	2,560,910
		1,736,857	**12,902,348**	**18,656,949**	**2,506,209**
3b	**Deferred tax**				
	Carrying amount at the beginning of the period	18,972,151	6,069,803	2,588,263	82,054
	Movement through profit/ loss	(6,971,048)	(3,144,960)	(4,774,684)	(54,701)
	Movement through other comprehensive income	8,707,905	16,047,308	23,431,633	2,560,910
	Carrying amount at the end of the period	**20,709,008**	**18,972,151**	**21,245,212**	**2,588,263**
	Analysis of deferred tax				
	Property, plant and equipment	25,129,834	18,804,176	25,774,057	2,583,234
	Biological assets	2,551,896	3,316,966	2,551,896	444,595
	Right of use	114,560	138,537	6,541	1,083
	Estimated credit losses on trade and ther receivables	(4,252)	(16,839)	(4,252)	(2,257)
	Provisions	1,564,958	(221,879)	1,564,958	(29,740)
	Unrealised exchange loss	(3,106,285)	(3,037,253)	(3,106,285)	(407,103)
	Assessed losses	(5,541,703)	(11,557)	(5,541,703)	(1,549)
		20,709,008	**18,972,151**	**21,245,212**	**2,588,263**
4	**Investment in joint ventures**				
	Beginning of the period	6,460,075	5,774,201	355,642	152,999
	Share of profit for the period	2,512,428	934,115	3,061,914	222,957
	Dividends received	(1,075,772)	(248,241)	(827,089)	(20,314)
	End of the period	**7,896,731**	**6,460,075**	**2,590,467**	**355,642**
5	**Trade and other payables**				
	Trade payables	14,604,342	5,644,288	14,604,342	756,541
	Dividends declared for the 2021 financial year	-	474,138	-	63,552
	Other payables*	15,712,623	3,421,670	15,712,623	443,152
		30,316,965	**9,540,096**	**30,316,965**	**1,263,245**
	**Other payables include provisions and statutory liabilities*				
6	**Borrowings**				
	At amortised cost				
	Loans from banks	13,597,443	11,495,840	13,597,443	1,540,862
	Bank overdrafts	95,654	786,169	95,654	105,375
	Loans from related parties	24,735,862	17,360,385	24,735,862	2,326,926
		38,428,959	**29,642,394**	**38,428,959**	**3,973,163**
	Long-term	32,781,520	24,328,459	32,781,520	3,260,902
	Short-term	5,647,439	5,313,934	5,647,439	712,261
		38,428,959	**29,642,393**	**38,428,959**	**3,973,163**

(i) Bank loans of ZWL 13,597,442,372 (2022: ZWL 11,495,839,426) (inflation-adjusted) are secured by an assignment of export receivables between Ariston Management Services and 2 customers and an act of surety signed for the full amount of exposure.

The average effective interest rate on bank loans approximates 13% (2022: 10%) per annum.

(ii) Bank overdrafts are repayable on demand. Overdrafts of ZWL 95,653,642 (2022: ZWL 786,168,577) (inflation-adjusted) have been secured by joint and several guarantees. The average effective interest rate on bank overdrafts approximates 80% (2022: 100%) per annum.

(iii) Loans repayable to related parties of the Group are secured by inventories and a mortgage bond over Clearwater Estate and carry interest of 6% (2022: 6%) per annum charged on the outstanding loan balances. The loans are not payable on demand, they are due at the end of the loan agreement. The agreement has no effective end date but should there be an end to the agreement, this will be advised at least 12 months' notice ahead of termination.

(iv) Lease liabilities are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

The Group did not have any debt covenants.

7. Reportable segments

	INFLATION ADJUSTED		*HISTORICAL COST	
All figures in ZWL'000	**AUDITED** Year Ended 30-Sep-23	**AUDITED** Year Ended 30-Sep-22	Year Ended 30-Sep-23	Year Ended 30-Sep-22
Revenue from major products				
Tea	22,378,457	14,511,335	10,558,076	1,098,535
Macadamia nuts	6,774,761	8,714,656	4,512,658	603,220
Vegetables and fruits	1,527,152	1,090,973	407,304	67,328
Poultry	1,706,504	4,375,535	267,894	287,602
Other	3,092,033	2,212,503	2,225,088	191,171
Total	**35,478,907**	**30,905,002**	**17,971,020**	**2,247,856**

All revenue is recognised at a point in time

	INFLATION ADJUSTED				
All figures in ZWL'000	Southdown Estates	Claremont Estate	Kent Estate	Corporate Office	**Total**
30 September 2023					
Segment revenue	29,949,791	-	5,529,116	-	**35,478,907**
Segment EBITDA (excluding fair value adjustments)	(102,356,070)	101,854,447	46,062,483	(77,413,730)	**(31,852,870)**
Segment depreciation and impairment	6,443,307	-	2,418,853	3,515,439	**12,377,599**
Segment assets (excluding intersegment assets)	101,337,110	1,580,158	22,264,513	48,490,184	**173,671,965**
Segment liabilities (excluding intersegment liabilities)	(33,429,472)	(463,748)	(2,180,410)	(53,823,934)	**(89,897,564)**
Net segment assets/ (liabilities)	(7,658,215)	(66,106)	(350,087)	8,074,408	**-**

7. Reportable segments (continued)

	INFLATION ADJUSTED				
All figures in ZWL'000	Southdown Estates	Claremont Estate	Kent Estate	Corporate Office	**Total**
30 September 2022					
Segment revenue	23,888,697	25,686	6,990,619	-	**30,905,002**
Segment EBITDA (excluding fair value adjustments)	19,040,376	(6,168,137)	(527,431)	(10,523,139)	**1,821,669**
Segment depreciation and impairment	2,004,928	48,538	288,175	285,612	**2,627,253**
Segment assets (excluding intersegment assets)	107,367,780	1,363,614	15,404,949	24,711,528	**148,847,871**
Segment liabilities (excluding intersegment liabilities)	(25,645,970)	(405,947)	(755,161)	(31,714,925)	**(58,522,003)**
Net segment assets/ (liabilities)	(4,477,396)	(416,671)	240,343	4,653,724	**-**

	* HISTORICAL COST				
All figures in ZWL'000	Southdown Estates	Claremont Estate	Kent Estate	Corporate Office	**Total**
30 September 2023					
Segment revenue	15,368,533	-	2,602,487	-	**17,971,020**
Segment EBITDA (excluding fair value adjustments)	(2,411,854)	989,610	(1,106,182)	(44,106,925)	**(46,635,351)**
Segment depreciation and impairment	750,685	-	319,783	460,518	**1,530,986**
Segment assets (excluding intersegment assets)	85,817,668	1,580,158	17,838,512	37,574,780	**142,811,118**
Segment liabilities (excluding intersegment liabilities)	(33,965,676)	(463,748)	(2,180,410)	(53,823,934)	**(90,433,768)**
Net segment assets/ (liabilities)	(7,658,215)	(66,106)	(350,087)	8,074,408	**-**
30 September 2022					
Segment revenue	1,748,172	2,234	497,450	-	**2,247,856**
Segment EBITDA (excluding fair value adjustments)	(178,803)	111,817	33,601	(1,236,286)	**(1,269,671)**
Segment depreciation and impairment	10,379	348	1,827	560	**13,114**
Segment assets (excluding intersegment assets)	11,627,207	179,755	1,996,246	2,357,408	**16,160,616**
Segment liabilities (excluding intersegment liabilities)	(3,467,322)	(54,412)	(101,219)	(4,250,958)	**(7,873,911)**
Net segment assets/ (liabilities)	(600,135)	(55,849)	32,215	623,769	**-**

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

8 Revaluation reserve
In the prior period, the Group changed its accounting policy from cost model to revaluation model for two categories within its property, plant and equipment. The two categories are Buildings and leasehold improvements as well as and Plant and machinery. The revaluation was performed in a bid to fairly the state the value of the assets which had been translated at a rate of 1:1 upon change of functional currency during the financial year ended 30 September 2019. This change is effective from 30 September 2022 and has been prospectively applied in terms of IAS 8 paragraph 17.

The revaluation of buildings, leasehold improvements, plant and machinery for the current perios was carried out as at 30 September 2023 (being the effective date of the revaluation) by EPG Global Real Estate, an independent valuer. The Depreciated Replacement cost has been used as a basis of valuation. This is the cost of erecting and or acquiring, installing and commissioning a new or modern substitute asset with the same or similar productive capacity as the existing one, together with associated charges directly related to the installation of the asset but excluding finance charges. The said cost is then depreciated according to age, obsolescence, use and condition. This method is applied as a last resort where it is difficult to estimate inputs required in computing fair value using the income approach. The Group's property, plant and machinery, is so specialised that there is no active markets for the assets. As such, market inputs which would be applied in the income approach, such as the market capitalisation rate of these assets could not be determined by the valuers. Therefore the Depreciated Replacement Cost has been applied. The net replacement method was used for the purposes of the revaluation.

There are no restrictions on the distribution of the Revaluation balance to shareholders.

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

10 Statement of compliance
The Group's consolidated financial statements which are summarised by these Group financial results have been prepared in compliance with International Financial Reporting Standards (IFRS) promulgated by the International Accounting Standards Board (IASB), which include standards and interpretations approved by the IASB as well as the Standing Interpretations Committee (SIC), the requirements of the Companies and Other Business Entities Act (Chapter 24:31), the Zimbabwe Stock Exchange rules and the relevant Statutory Instruments. The Group financial results do not include all the information and disclosures required to fully comply with IFRS and should be read in conjunction with the Group's consolidated financial statements which are available for inspection at the Company's registered office.

11 Basis of preparation
The financial results have been prepared based on statutory records which are maintained on a historical cost basis except for certain biological assets and financial instruments that are measured at fair value, and have been adjusted to fully comply with IFRS; these adjustments include restatements of financial information to reflect the effects of the application of International Accounting Standard (IAS) 29 "Financial Reporting in Hyperinflationary Economies" as more fully described on Note 12 below.

Accordingly the inflation adjusted financial statements represent primary financial statements of the Group. The historical cost information has been provided as supplementary information only.

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

Historical cost basis have been restated to comply with IAS 29 which requires that financial results be prepared and presented in terms of the measuring unit current at the reporting date, with comparative information being restated in the same manner. The restatements to cater for the changes in the General Purchasing Power of the Zimbabwean Dollar (ZWL) are based on indices and conversion factors derived from the Consumer Price Index (CPI) compiled by the Zimbabwe National Statistics Agency up to January 2023.

During the reporting period, the Minister of Finance and Economic Development introduced Statutory Instrument 27 of 2023: Census and Statistics (General) Notice, 2023 which states that the rate of inflation is now blended for both the Zimbabwe and United States dollars. The separate consumer price index for the Zimbabwe dollar, which is the Group's functional currency and the currency that is experiencing hyper-inflation, is no longer available. As the use of the blended consumer price index (CPI) for adjusting the Historical Cost financial results would be inappropriate, for the months of February to September, the CPIs have been estimated based on the movement in the interbank exchange rate between the United States dollar and the Zimbabwe dollar. Therefore judgement has been used in determining the CPIs due to limitation of available data.

Key CPIs and conversion factors used are shown below:

Month	CPI	Conversion Factor
30 September 2023	94,848.19	1.00
Average CPI (October 2022 to September 2023)	41,762.66	4.32
30 September 2022	12,713.12	7.46

13 Accounting policies
The Group has adopted all the new and revised accounting pronouncements applicable for the period ending 30 September 2023 as issued by the International Accounting Standards Board (IASB). The accounting policies adopted in the preparation of the consolidated financial statements as at 30 September 2022 have been consistently applied in these Group financial results.

14 Going concern
The Directors have satisfied themselves that the Group has adequate resources for the operations to continue for the foreseeable future. In this regard, they have considered the financial impact of the effects of COVID-19 and the impact of the war between Russia and Ukraine on the business. These conditions have resulted in increased cost of production and suppressed pricing. The directors have also performed an overall assessment of the ability of the Group to continue operating as a going concern by reviewing the prospects of the Group in terms of business viability and financial performance.

In the period under review, the Group has increased its focus on improving tea quality so as to grow its export sales volumes, as well as improve price. This strategy worked well in current year as evidenced by the increase in tea revenue. The Group has signed offtake agreement with major buyers for macadamia nuts and indicative prices have been higher than those achieved in the current year.

The Group has irrigation systems place, which assist in mitigating the effects of erratic rainfall patterns, where applicable. During the current year, the Group invested in a solar energy plant in a bid to mitigate against power outages as well as the high cost of fuel for generators which were previously used when there are power outages. The impact of this investment which is expected to be felt in the FY2024 is expected to result in cost savings. During the year, the Group undertook a staff rationalisation exercise. The benefits of this execise will become more apparent in the ensuing year.

The Group has increased focus on expense control inclusive of direct importation on key line items so as to benefit from manufacturer discounts. In addition, the Group is working on replacing short term loans with longer dated ones. The Group's exposure to foreign denominated loans is fully mitigated by the Group's revenue streams principally being in the same foreign currency.

The above noted assessments considered the Group's financial performance and its resultant financial position as at 30 September 2023. The assessment also included a review of the Group's short term and medium-term prospects and forecasts taking into account the economic environment in Zimbabwe and in the global markets for its export products, climate change, supply chains and the expected impact on prices and demand for the Group's product offering. The directors believe that the Group's plans and activities adequately show that the business will continue to be viable and able to discharge its obligations as and when they fall due. Based on this background, the Directors have every reason to believe that the Group has adequate resources to continue in operation for the foreseeable future. Accordingly, these financial results were prepared on a going concern basis.

15 Audit Opinion
The inflation adjusted consolidated financial statements from which the condensed version was derived have been audited by PricewaterhouseCoopers Chartered Accountants (Zimbabwe). The engagement partner on the audit is Esther Antonio (PAAB Practicing Number 0661). The auditors have issued an unqualified audit opinion on the Group's inflation adjusted consolidated financial statements. The auditors have also highlighted key audit matters in relation to the valuation of biological assets and the change in accounting policy on revaluation of property, plant and equipment. There is no separate opinion on these key audit matters.

16 Events after reporting date
There have been no significant events after the reporting date.

Directors: Mr. A.C. Jongwe (Chairman), Mr. P.T. Spear* (Chief Executive Officer), Mr. I. Chagonda, Mr. C.P. Conradie, Mrs.T.C. Mazingi, Mr. J.W. Riekert, Mr. Z.T. Zifamba. * Executive

Independent auditor's report

To the Shareholders of Ariston Holdings Limited

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Ariston Holdings Limited (the Company) and its subsidiaries (together the Group) as at 30 September 2023 , and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31).

What we have audited
Ariston Holdings Limited's consolidated and separate financial statements set out on pages 25 to 79 comprise:

- the consolidated and separate statements of financial position as at 30 September 2023;
- the consolidated and separate statements of profit or loss and other comprehensive income for the year then ended;
- the consolidated and separate statements of changes in shareholders' equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

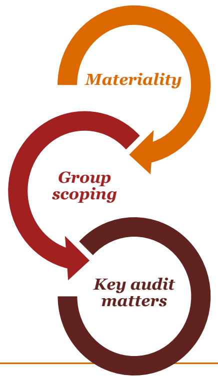
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Group in accordance with the *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* issued by the International Ethics Standards Board for Accountants and other independence requirements applicable to performing audits of financial statements in Zimbabwe. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements applicable to performing audits of financial statements in Zimbabwe.

PricewaterhouseCoopers, Building No. 4, Arundel Office Park, Norfolk Road, Mount Pleasant
P O Box 453, Harare, Zimbabwe
T: +263 (242) 338362-8, F: +263 (242) 338395, www.pwc.com

Our audit approach

Overview

	**Overall group materiality** ● Overall group materiality: ZWL406,165,054 , which represents 5% of average inflation adjusted profit before taxation from continuing operations from the past 3 years.
	Group audit scope ● We conducted full scope audits on the financial statements of the Company and all of its subsidiaries. This was due to either their financial significance or to meet statutory audit requirements.
	Key audit matters ● Valuation of biological assets; and ● Valuation of buildings, leasehold improvements and plant and machinery within property, plant and equipment

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall group materiality	**ZWL 406,165,054**
How we determined it	5% of consolidated average inflation adjusted profit before taxation from continuing operations of the past 3 years.
Rationale for the materiality benchmark applied	We chose consolidated inflation adjusted loss before taxation as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users and is a generally accepted benchmark. We chose 5% which is consistent with quantitative materiality thresholds used for listed profit-oriented companies.

How we tailored our group audit scope

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

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

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

Key audit matters

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

Key audit matter	***How our audit addressed the key audit matter***

Valuation of Biological Assets
This key audit matter relates to the consolidated financial statements only.
 	
Livestock, poultry, timber, seasonal crops and produce growing on bearer plants are classified as biological assets and are accounted for in accordance with International Accounting Standard IAS 41, Agriculture.
 	
The fair value gain of the Group's biological assets amounted to ZWL 7,430,668,730 and the value of the biological assets was ZWL 10,323,201,974 (ZWL621,222,497 in non-current assets and ZWL9,701,979,477 in current assets) as at 30 September 2023.
 	
The value of biological assets is measured at fair value less costs to sell.
 	
The values of livestock, poultry and timber are determined based on the age, size and relevant market prices less costs to sell.
 	
The values of produce growing on bearer plants, which includes macadamia nuts on trees, tea on bush, fruits on tree and seasonal crops ("produce") are based on the estimated yield (tonnes) from the current crop of unharvested produce, multiplied by the result of the forecast price per crop less estimated costs to sell. This amount is then adjusted by a factor determined by management and the directors to take into account the level of maturity of the crop at the reporting date.
	We performed the following procedures to assess the appropriateness of the valuation of biological assets:
	
	● Evaluated the methods used by the directors in the valuation of biological assets against the requirements of IAS 41, 'Agriculture', as well as against industry practice. No inconsistencies were noted.
	● Assessed the consistency of the methods and assumptions used by the directors in the valuation of biological assets by comparing this to those used in the prior year. No changes from previously applied assumptions and methods were noted.
	● Assessed the reasonableness of assumptions used in the director's valuation model to determine the value of biological assets by performing the following procedures:
	  ● For livestock, poultry and timber, the market prices used to determine the fair value were compared to the current market price and the latest invoice price for the sale of a similar age livestock, poultry and timber. No material differences were noted.
	  ● For produce growing on bearer plants, which includes macadamias on trees, tea on bush, fruits on tree and seasonal crops ("produce") we assessed the reasonableness of estimated yields, forecast prices and selling costs by comparing prior year estimates to

Refer to notes 3.5 - Biological assets, 4.1 - Biological assets and 11 - Biological assets to the consolidated financial statements. Due to the level of judgement involved in the valuation of biological assets, the sensitivity of the key inputs and the significance of biological assets to the Group's consolidated financial position, we considered this to be a matter of most significance to the current year audit of the consolidated financial statements.	current year actuals in order to assess the reasonableness of management's and directors' estimates. ● On a sample basis, and using our agricultural expertise, we reviewed the existence, quality and maturity of the produce by inspecting the crops. We also recalculated how this was reflected in management's maturity factor applied. We noted no aspects in this regard requiring further consideration. ● Using our agricultural expertise, we evaluated the reasonableness of the forecast yields, prices and selling costs against historical data and factoring the current quality of crops into the forecast determination. We also considered the impact of actual sales that took place subsequent to year end. On the basis of this evaluation, we concurred with management's forecasts. ● We inspected the formulas used in management's models and tested the mathematical accuracy through recalculation. No material differences were noted. ● We evaluated the financial statement disclosures against the requirements of IAS 41, Agriculture, including the disclosures related to the sensitivities of the significant inputs into the valuation. No material inconsistencies were noted. We evaluated the correction of the prior period errors in the movement schedule of the biological assets as well as the cost of sales and fair value movement on biological assets to appropriately account for the fair value gain on biological assets harvested and sold during the year.
Valuation of buildings, leasehold improvements and plant and machinery within Property, Plant and Equipment As at 30 September 2023, buildings, leasehold improvements and plant and machinery were measured using the revaluation model in accordance with International Accounting Standard "IAS 16", *Property, Plant and Equipment* and IFRS 13 Fair Value. The revaluation of buildings, leasehold improvements, plant and machinery was carried out as at 30 September 2023 by an independent valuer. The valuer applied the Depreciated Replacement Cost as a basis of valuation. This is the cost of erecting and or acquiring, installing and commissioning a new or modern substitute	We performed the following procedures to assess the appropriateness of the revaluation of property, plant and equipment: ● We evaluated the methods used by the external valuers in the valuation of property, plant and equipment against the requirements of IAS 16, '*Property, Plant and Equipment*', IFRS 13 "*Fair Value"* as well as against industry practice. No inconsistencies were noted. ● We assessed the reasonableness of assumptions used in the management expert's valuation model to determine the value of buildings, leasehold improvements

asset with the same or similar productive capacity as the existing one, together with associated charges directly related to the installation of the asset but excluding finance charges. The said cost is then depreciated according to age, obsolescence, use and condition.

The Group's total revaluation surplus amounted to ZWL 26,518,248,102 (after tax) as at 30 September 2023.

Refer to notes 3.9 - Property, plant and Equipment, 4.4, 10 and 10B- Property, plant and equipment (impairment, depreciation and revaluation).

Due to the significant assumptions and estimates applied by the valuers in the revaluation process, including the method of fair valuation we considered this to be a matter of most significance to the current year audit of the consolidated financial statements.

and plant and machinery by performing the following procedures:

- For buildings and improvements, the price per square metre used in the application of the depreciated replacement cost to determine the fair value were compared to those used by other listed entities in the same industry for reasonableness. No material differences were noted.
- We performed a sensitivity analysis on the revalued amount to confirm the impact of movements in the price per square metre on the valuation.
- We compared the useful lives in the valuation report to the prior year useful lives and industry competitors for reasonability. No material differences were noted.
- We compared the estimated remaining useful lives determined by the expert to the remaining useful lives as determined by management and as recorded in the asset register for reasonability.
- We inspected the formulas used in management's models and tested the mathematical accuracy through recalculation. No material differences were noted.
- We verified the completeness of the revaluation schedule by agreeing it to the group's asset register. No material exceptions were noted
- We evaluated the financial statement disclosures against the requirements of IAS 16, *Property, plant and equipment*, and *IFRS 13 - Fair Value Measurement* including the disclosures related to the sensitivities of the significant inputs into the valuation. No material inconsistencies were noted.
- We inspected the formulas used in the revaluation of property, plant and equipment and tested the mathematical accuracy through recalculation. No material differences were noted.
- We evaluated the financial statement disclosures against the requirements of IAS 16, *Property, Plant and Equipment* and *IFRS 13 Fair Value Measurement* . No material inconsistencies were noted.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "*Ariston Holdings Limited Annual Report 2023* ". The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31), and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers

Esther Antonio
Registered Public Auditor

Partner for and on behalf of
PricewaterhouseCoopers Chartered Accountants (Zimbabwe)
Public Accountants and Auditors Board, Public Auditor Registration Number 0661
Institute of Chartered Accountants of Zimbabwe, Public Practice Certificate Number 255940

18 December 2023
Harare
Zimbabwe