



SALIENT FEATURES EOR THE YEAR ENDED 30 SEPTEMBER 2023

	INFLATION ADJUSTED	HISTORIC COST
Revenue	Increased by 42% to ZWL 128.99 billion	Increased by 679% to ZWL 57.24 billion
Export sales	Increased by 48% to ZWL 69.61 billion	Increased by 749% to ZWL 35.54 billion
Local sales	Increased by 36% to ZWL 59.38 billion	Increased by 585% to ZWL 21.70 billion
Operating profit	Decreased by 138% to negative ZWL 8.63 billion	Increased by 271% to ZWL 18.51 billion

CHAIRMAN'S STATEMENT

It gives me pleasure to present the Chairman's Report for the year ended 30 September 2023.

Environmental overview

The operating environment was characterized by exchange rate volatility, which increased upward inflationary pressures and coupled with frequent electricity outages resulted in high production costs. This effect, combined with climatic changes particularly, extreme temperature fluctuations, hailstorms and erratic rainfall which affected yields, further weighed down performance during the financial year. Notwithstanding the operating environment challenges, the company remains focused on its value-addition prospects and cost management strategy.

Key upcoming developments

The Company will reach a hundred years of existence in the year 2024. This is a milestone achievement for the Company and its stakeholders. At this important juncture we will not only celebrate the growth and resilience of the business over the years, but also reposition the iconic brands within our stable

Financial performance

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

 $Revenue\ for\ the\ year\ of\ ZWL128.99\ billion\ grew\ by\ 42\%\ from\ the\ prior\ year\ of\ ZWL90.77\ billion.\ In\ historical\ cost\ terms,\ a\ 678\%\ growth$ from ZWL7.35 billion to ZWL57.24 billion was achieved.

The Company suffered an inflation-adjusted loss after tax of ZWL17.05 billion compared with a profit after tax of ZWL4.33 billion in the previous year. In historical cost terms, the profit after tax of ZWL15.45 billion grew by 270% over ZWL4.17 billion in the previous year.

Review of operations

Agriculture

Bulk tea

The late onset of the rain and its relatively uneven distribution led to a decline in bulk tea production. The volume of 7 894 tonnes was 9% below 8 670 tonnes produced in the prior season. In turn, following the production trend, bulk tea exports of 6 238 tonnes were 12% below the previous year of 7 125 tonnes. The export average selling price increased slightly to USD1.44 per kg from the prior season's average selling price of USD1.42 per kg.

Avocado

As a result of the biennial bearing phenomenon coupled with the impact of the extensive pruning carried out on 55 hectares of mature trees to rejuvenate them, avocado exports of 2 148 tonnes were 50% below the prior year of 4 321 tonne

The average export price remained at 44 US cents per kg, as achieved in the prior year. Forty-four additional hectares of avocado plantation were established during the financial year, bringing the total hectarage under avocado to 541 hectares.

The Company exported 1 551 tonnes of macadamia (nut-in-shell) compared to 621 tonnes sold in the prior year. The unsold balance of 350 tonnes from the preceding year's stocks was exported during the financial year. The impact of the shift in market preference, from nut-in-shell to kernel, was evident as the prices realized declined by 41% to USD1.93 from USD3.26 per kg realized to September 2022.

The company strategy is to invest in value addition options to mitigate primary produce price fluctuations and to diversify markets into Europe and America

Beverage

Coffee production of 87 tonnes was 28% above the 68 tonnes achieved in the prior season. The current year's crop will be sold in the ensuing financial year

The decline in packed tea sales volumes of 6% from 1 994 tonnes achieved in the prior year to 1 873 tonnes sold in this financial year was mainly due to logistical global challenges in sourcing inputs. Plans are in place to clear unfulfilled orders, which will see volumes of our brands

In response to discernable consumer appetites for healthy lifestyles, the company continues supplying herbal infusions to support our customers' expressed demand. Research is ongoing to broaden this range of products by bringing in flavored herbal infusions.

 $To \ hedge \ against \ local \ currency \ inflationary \ pressures \ and \ devaluation, \ the \ percentage \ of \ domestic \ sales \ made \ in \ United \ States \ Dollars \ has \ been$ pushed up to 70% from less than 2% in the previous year.

Sustainable business priorities

The Company remains committed to its sustainability agenda with increased activities in environmental stewardship, optimal resource utilization, out-grower scheme oversight, and community involvement

In pursuit of quality management systems, the Company has retained its accreditation to various certifications that demand attention to

The predicted El Nino is not expected to significantly impact avocado and macadamia yields as the Company is invested in dams, reservoirs and high-technology precision irrigation to mitigate the impact of a drought. Yields of avocado and macadamia are expected to increase with enhanced maturity profiling of plantations over the next three to five years.

The demand for our products remains relatively strong despite the impact of complex macro-economic factors on the local and regional markets. The growth strategy is to diversify the regional market further. The confidence from our customers and their support, including the value addition projects in the pipeline for our plantation crops, will increase profitability mainly as management focuses on efficiency in

Dividend

The Board has recommended not to declare a dividend following the depressed performance of macadamia and avocado crops during the financial year

The Board welcomed Mr Bruce Hendrik Henderson, appointed as an independent non-executive director of the Company, effective 1 June

Appreciation

I would like to extend my appreciation to our customers and suppliers for their continued support and to our shareholders, other stakeholders, including regulatory authorities, for their assistance and guidance. I would also like to extend my gratitude and appreciation to fellow Board members, management and staff for their dedication and commitment to sustaining the business in challenging times.

H. Nkala Chairman 29 January 2024 ABRIDGED AUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2023

	INFLATION	INFLATION ADJUSTED		HISTORICAL*		
Note	AUDITED 30 Sept 2023 ZWL	AUDITED 30 Sept 2022 ZWL	UNAUDITED 30 Sept 2023 ZWL	UNAUDITED 30 Sept 2022 ZWL		
Revenue 4	128,990,389,473	90,767,977,649	57,242,500,730	7,352,841,763		
Cost of sales	(94,251,184,095)	(60,554,810,633)	(24,497,010,681)	(2,588,582,405)		
Gross profit	34,739,205,378	30,213,167,016	32,745,490,049	4,764,259,358		
Other expenses	(23,580,331,479)	(14,233,415,848)	(9,053,656,786)	(1,107,666,134)		
Selling and distribution expenses	(23,677,550,502)	(14,456,498,046)	(11,866,260,331)	(1,113,485,971)		
Other income	3,890,776,648	21,323,372,127	6,684,434,278	2,434,524,464		
Operating (loss) / profit	(8,627,899,955)	22,846,625,249	18,510,007,210	4,977,631,717		
Net finance costs	(5,091,495,975)	(1,330,714,501)	(1,594,626,424)	(121,221,915)		
Net monetary loss	(3,187,957,107)	(7,831,825,315)	-	-		
(Loss) / profit before tax	(16,907,353,037)	13,684,085,433	16,915,380,786	4,856,409,802		
Income tax credit/(expense) 6	(146,394,842)	(9,354,640,883)	(1,463,731,382)	(681,677,907)		
(Loss) / profit for the period	(17,053,747,879)	4,329,444,550	15,451,649,404	4,174,731,895		
Other comprehensive income	-	-	-	-		
Total comprehensive (loss) / profit for the period	(17,053,747,879)	4,329,444,550	15,451,649,404	4,174,731,895		
Earnings per share (cents)						
Basic	(6,532)	1,658	5,919	1,599		
Diluted	(6,532)	1,658	5,919	1,599		
Diacca	(0,552)	1,000	3,525	1,555		

INFLATION ADJUSTED

HISTORICAL*

*Refer to note 2.3

ABRIDGED AUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023

		INFLATION	ADJUSTED	HISTORICAL*	
	Note	AUDITED 30 Sept 2023 ZWL	AUDITED 30 Sept 2022 ZWL	UNAUDITED 30 Sept 2023 ZWL	UNAUDITED 30 Sept 2022 ZWL
ASSETS					
Non-current assets					
Property, plant and equipment		110,886,623,835	108,288,711,396	4,822,005,495	1,146,235,775
Right of use asset		91,806,019	124,394,115	2,977,001	4,033,635,
Intangible assets		-	182,969,501	-	124,141
Biological assets		6,358,404,500	8,104,749,149	6,358,404,500	1,090,814,152
Other financial assets		-	54,009,688	-	7,269,137
		117,336,834,354	116,754,833,849	11,183,386,996	2,248,476,840
Current assets					
Inventories	9	32,160,305,706	39,067,252,149	23,894,595,184	4,261,187,616
Produce on bearer plants		1,203,265,950	1,083,614,753	1,203,265,950	145,843,170
Trade and other receivables	10	23,322,199,776	28,154,674,511	23,168,417,154	3,637,519,333
Bank and cash balances		832,304,881	1,026,452,650	832,304,881	138,149,751
		57,518,076,313	69,331,994,063	49,098,583,169	8,182,699,870
Total assets		174,854,910,667	186,086,827,912	60,281,970,165	10,431,176,710
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital		1,749,770,112	1,749,770,112	2,610,646	2,610,646
Share premium		41,961,658,713	41,961,658,713	461,663,709	461,663,709
Non-distributable reserve		14,208,925,253	14,208,925,253	9,640,456	9,640,456
Retained earnings		61,694,658,473	79,749,497,502	20,992,444,457	5,682,264,934
Total shareholders' equity		119,651,012,551	137,669,851,580	21,466,359,268	6,156,179,745
Non-current liabilities					
Deferred tax		17,524,398,134	19,452,186,692	1,100,110,915	376,640,351
Lease liability		138,219,302	176,209,650	138,219,302	23,715,969
Long-term borrowings	12	6,930,282,023	1,0,20,,0,0	6,930,282,023	23,7 13,303
zong term borrowings		24,592,899,459	19,628,396,342	8,168,612,240	400,356,320
Current liabilities		21,372,077,137	19,020,090,012	0,100,012,210	100,550,520
Trade and other payables	11	23,386,407,326	19,522,117,129	23,386,407,326	2,627,472,023
Lease liability		70,256,048	54,559,931	70,256,048	7,343,194
Current portion of long-term borrowings	12	6,652,924,644	7,226,222,576	6,652,924,644	972,573,698
Bank overdraft		510,446,637	,,223,222,7/0	510,446,637	
Other financial liabilities		26,964,002	1,985,680,354	26,964,002	267,251,730
mariona marinetto		30,646,998,657	28,788,579,990	30,646,998,657	3,874,640,645
Total liabilities		55,239,898,116	48,416,976,332	38,815,610,897	4,274,996,965
77 . L		17/05/05/05	10/ 00/ 227 2/	(0.201.272.1/2	10 (21 176 76
Total equity and liabilities		174,854,910,667	186,086,827,912	60,281,970,165	10,431,176,710
*Refer to note 2.3					

*Refer to note 2.3



ABRIDGED AUDITED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Share Capital	Share Premium	Non Distributable Reserves	Retained Earnings	Total Shareholders Equity
INFLATION ADJUSTED	ŻWL	ZWL	ZWL	ZWL	źwi
September					
Balance at 1 October 2021	1,749,770,112	37,425,099,725	14,208,925,253	77,270,783,107	130,654,578,197
Profit for the period	-	-	-	4,329,444,550	4,329,444,550
Issue of share capital	-	83,348,548,437	-	-	83,348,548,437
Transfer to distributable reserves	-	(78,811,989,449)	-	78,811,989,449	-
Dividend paid	-	-	-	(80,662,719,604)	(80,662,719,604)
Balance at 30 September 2022	1,749,770,112	41,961,658,713	14,208,925,253	79,749,497,502	137,669,851,580
Balance at 1 October 2022	1,749,770,112	41,961,658,713	14,208,925,253	79,749,497,502	137,669,851,580
Loss for the period	-	-	-	(17,053,747,879)	(17,053,747,879)
Dividend paid	-	-	-	(1,001,091,150)	(1,001,091,150)
Balance at 30 September 2023	1,749,770,112	41,961,658,713	14,208,925,253	61,694,657,473	119,615,012,551
HISTORICAL COST*					
Unaudited					
Balance at 1 October 2021	2,610,646	286,344,708	9,640,456	1,638,065,334	1,936,661,144
Profit for the period	-	-	-	4,174,731,895	4,174,731,895
Issue of share capital	-	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
Balance at 1 October 2022	2,610,646	461,663,709	9,640,456	5,682,264,934	6,156,179,745
Profit for the period	-	-	-	15,451,649,404	15,451,649,404
Issue of share capital	-	-	-	-	-
Dividend paid		-	-	(141,469,881)	(141,469,881)
Balance at 30 September 2023	2,610,646	461,663,709	9,640,456	20,992,444,457	21,466,359,268

^{*}Refer to note 2.3

ABRIDGED AUDITED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2023 INFLATION ADJUSTED HISTORICAL*					
	AUDITED	AUDITED	UNAUDITED	UNAUDITED	
Note	30 Sept 2023 ZWL	30 Sept 2022 ZWL	30 Sept 2023 ZWL	30 Sept 2022 ZWL	
Cash flows from operating activities					
Cashflow generated from / (utilised in) operations 14	2,653,068,875	(5,569,726,151)	7,816,747,791	(721,857,902)	
Cash flows from investing activities					
Purchase of property, plant and equipment	(8,723,742,178)	(7,010,011,025)	(3,874,199,594)	(524,939,499)	
Expenditure on biological assets	(312,937,473)	(195,878,940)	(165,975,383)	(11,306,399)	
Proceeds on disposal of property, plant and equipment	25,164,763	1,713,239	21,101,859	220,108	
Proceeds on disposal of biological assets	569,194,636	-	507,555,102	-	
Investment in other financial assets	-	(50,563,327)	-	(6,576,797)	
Interest received	5,643,222	46,809	3,074,173	2,840	
Net cash utilised in investing activities	(8,436,677,030)	(7,254,693,244)	(3,508,443,843)	(542,599,747)	
Cash flows from financing activities					
Proceeds from borrowings**	30,481,475,960	12,976,783,482	7,239,636,921	1 672 041 429	
Repayment of borrowings**	(21,275,918,149)	(11,014,641,400)	(9,070,510,218)	(885 715 403)	
Capital injection	-	4,536,558,987	-	175,319,000	
Dividend paid	(1,001,091,150)	(1,850,730,156)	(141,469,881)	(130,532,295)	
Interest paid	(5,077,299,318)	(1,315,287,443)	(1,589,187,121)	(120,027,026)	
Lease payments	(79,117,355)	(50,375,370)	(35,951,410)	(3,994,256)	
Net cash generated from financing activities	3,048,049,988	3,282,307,099	(3,606,481,709)	707,091,449	
Net (decrease) / increase in cash and cash equivalents	(2,735,558,167)	(9,542,112,296)	701,822,237	(557,366,200)	
Cash and cash equivalents at the beginning of the period	1,026,452,650	3,292,504,916	138,149,751	116,491,619	
Net effect of exchange rates on cash and bank balances	2,030,963,761	7,276,060,030	(518,113,746)	579,024,332	
Cash and cash equivalents at the end of the period	321,858,244	1,026,452,650	321,858,244	138,149,751	
Comprising of:					
Bank and cash balances	832,304,881	1,026,452,650	832,304,881	138,149,751	
Bank overdraft	(510,446,637)	-	(510,446,637)	-	
	321,858,244	1,026,452,650	321,858,244	138,149,751	

^{*}Refer to note 2.3

NOTES TO THE ABRIDGED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

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 2.3 for further details.

The abridged audited financial results have been 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 financial statements are showing both inflation adjusted and historical financial information with the inflation adjusted being the primary set, the historical cost financial statements have been provided as supplementary information and as a result the auditors have not expressed an opinion on them.

The abridged audited financial results 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 abridged audited financial results 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 estimated 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.

The historical amounts were restated at the end of the reporting period to reflect the general change in purchasing power of the reporting currency (ZWL). Professional judgement was used and appropriate adjustments were made to historical financial statements in preparing financial statements which are IAS 29 (Financial Reporting in Hyper Inflationary Economies) compliant. The conversion factors have been computed from the consumer price index (CPI) data prepared by the Zimbabwe Central Statistical Office as reported on the Reserve Bank of Zimbabwe website except the last 8 months from February to September 2023 which were estimated by the Directors in line with IAS 29.

 $Caution \ should be \ taken \ in \ considering \ the \ financial \ results \ due \ to \ the \ use \ of \ the \ estimated \ ZWL \ consumer \ price \ index \ for \ the \ month \ of \ February \ to \ September \ 2023 \ due \ to \ the \ absence \ of \ official \ government \ statistics \ on \ ZWL \ inflation.$

The restatement factors used to restate the financial results are as follows:

Month	СРІ	Adjustment factor
Estimated CPI as at 30 September 2023	94,465.26	1.00
CPI as at 30 September 2022	12,713.12	7.43
CPI as at 1 October 2018	64.06	1,474.64
Average CPI 2023	41,636.32	2.27
Average CPI 2022	6,795.18	13.90

3. Going concern

The Directors assess the ability of the Company to continue in operational existence in the foreseebale future at least twice per annum at each reporting date. As at 30 September 2023 and subsequently as at the date of reporting, the Directors assessed the Company's ability to continue operating as a going concern and believe that the preparation of these financial statements on a going concern basis is appropriate.

The Company's financial performance is considered positive in historic terms and reported a loss in inflation adjusted terms for the 12 months ended 30 September 2023 which is as a result of price distortions within the local economy arising from the continuous depreciation in the local currency in the 3rd quarter of the financial year before various measures by the government to manage liquidity through suppressing the supply of the local currency on the market. The accelerated depreciation of the ZWL in the various months during the year resulted in losses due to the indexing of expenditures recognised exceeding income recognised in those months. The various measures by the government resulted in mopping up excess liquidity which then brought sanity and demand for the local currency which then resulted in some stability in the exchange rate. In addition, the loss in the inflation adjustment terms is a result of the XS29 Monetary adjustment which are non-cash in nature. The method in determining the monetary adjustment is further detailed in note2.3: IAS 29 (Financial Reporting in Hyperinflationary Economies). The gross profit margin declined significantly in inflation adjusted terms due to the timing of sales for the company's Agriculture produce that is Macadamia and Avocados which are sold in the last 6 months of the financial year whilst cost of production mainly for the Agriculture inputs are incurred in the first 3 months of the financial year. The bulk of the production costs are inflated using a higher adjustment factor compared to the revenues thereby leading to a lower gross profit margin.

The Directors will continue to assess the impact of the volatile economic environment on the Company's operational and financial performance. This will be mainly focused on continuous assessment of exchange rate volatility, its impact on supplies, employees, lenders and other stakeholders as well as the impact of other micro and macro-economic indicators. The Directors are also looking at diversifying the markets for the Company's products.

The Company's projections show that the Company has sufficient capital, liquidity and positive future performance outlook to continue meeting its short-term obligations and as a result it is appropriate to prepare these financial statements on a going concern basis even considering the impact of the local economic volatility. The projections have been prepared, covering its future performance, capital and liquidity for a period of 12 months from the sign off date.

The Directors believe that under the current economic environment in Zimbabwe, a continuous assessment of such ability of the Company continue to operate as a going concern will need to be performed to determine the continued appropriateness of the going concern assumption.

4. Revenue by product

	INFLATION ADJUSTED		HISTORICAL*	
	AUDITED 30 Sept 2023 ZWL	AUDITED 30 Sept 2022 ZWL	UNAUDITED 30 Sept 2023 ZWL	UNAUDITED 30 Sept 2022 ZWL
Bulk tea	44,368,872,649	28,167,478,786	17,884,474,668	2,031,732,891
Macadamia	15,150,797,316	7,800,635,794	10,978,606,164	993,161,588
Avocados	2,783,946,327	6,216,417,562	2,613,414,970	829,454,357
Coffee	1,209,825,054	1,707,772,564	286,035,589	80,311,012
Packed tea	61,593,398,415	43,200,635,026	24,017,125,993	3,175,994,398
Water	3,883,549,711	3,675,037,917	1,462,843,346	242,187,517
	128,990,389,473	90,767,977,649	57,242,500,730	7,352,841,763

All revenue recognised at a point in time.

5. Depreciation, amortisation and impairment of non-current assets

	INFLATION ADJUSTED		HISTORICAL*	
	AUDITED 30 Sept 2023 ZWL	AUDITED 30 Sept 2022 ZWL	UNAUDITED 30 Sept 2023 ZWL	UNAUDITED 30 Sept 2022 ZWL
Property, plant and equipment excluding bearer plants	3,091,423,554	2,710,965,949	119,137,564	30,125,863
Bearer plants	2,312,897,459	2,335,647,768	7,615,652	2,870,121
Right of use asset	32,588,096	34,069,797	1,056,634	1,104,756
	5,436,909,109	5,080,683,514	127,809,850	34,100,740

6. Taxation HISTORICAL* INFLATION ADJUSTED AUDITED 30 Sept 2023 ZWL UNAUDITED 30 Sept 2023 ZWL AUDITED UNAUDITED 30 Sept 2022 ZWL 30 Sept 2022 ZWL 4.062.117.147 Current tax 2,074,813,400 740.260.819 320,250,191

(1,927,788,558)

146,394,842

5,292,523,736

9,354,640,883

723,470,563

1,463,731,382

Deferred tax

361,427,716

681,677,907

^{**}In the prior period the statement of cashflow presented the movement in borrowings as the net of proceeds and repayment of borrowings. In order to comply with IAS 7: Statement Of Cash Flows, the 2022 figures have been restated to show proceeds and repayments separately.





NOTES TO THE ABRIDGED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2023 - continued

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		HISTORICAL*	
	AUDITED 30 Sept 2023 ZWL	AUDITED 30 Sept 2022 ZWL	UNAUDITED 30 Sept 2023 ZWL	UNAUDITED 30 Sept 2022 ZWL
Revenue				
Agriculture	73,861,559,601	49,872,632,697	35,530,865,826	4,383,397,974
Beverage	65,476,948,127	46,875,672,942	25,601,333,957	3,418,181,915
Inter-segment revenue^	(10,348,118,255)	(5,980,327,990)	(3,889,699,053)	(448,738,126)
External revenue	128,990,389,473	90,767,977,649	57,242,500,730	7,352,841,763
Operating profit				
Agriculture	5,417,941,460	8,103,227,411	30,510,892,252	3,147,119,146
Beverage	6,977,858,982	16,367,389,722	(3,100,879,495)	1,580,758,599
Total operating profit for reportable segments	12,395,800,442	24,470,617,133	27,410,012,757	4,727,877,745

	INFLATION	ADJUSTED	HISTORICAL*	
	AUDITED 30 Sept 2023 ZWL	AUDITED 30 Sept 2022 ZWL	UNAUDITED 30 Sept 2023 ZWL	UNAUDITED 30 Sept 2022 ZWL
Segment assets^^				
Agriculture	131,704,175,671	160,893,374,797	40,602,527,096	8,470,619,846
Beverage	36,496,675,588	22,764,073,097	18,344,790,346	1,782,086,383
Total	168,200,851,259	183,657,447,893	58,947,317,442	10,252,706,229
Segment liabilities^^				
Agriculture	12,862,524,028	11,940,419,378	12,862,524,028	1,607,055,098
Beverage	8,393,717,914	2,265,700,180	8,393,717,914	304,939,459
Total	21,256,241,942	14,206,119,559	21,256,241,942	1,911,994,557
		•	`	

- ^ 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

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

Reconciliation of information on reportable segments to IFRS measures

	INFLATION ADJUSTED		HISTORICAL*	
	AUDITED 30 Sept 2023 ZWL	AUDITED 30 Sept 2022 ZWL	UNAUDITED 30 Sept 2023 ZWL	UNAUDITED 30 Sept 2022 ZWL
Revenue				
Total revenue for reportable segments	139,338,507,728	96,748,305,639	61,132,199,783	7,801,579,889
Elimination of inter-segment revenue	(10,348,118,255)	(5,980,327,990)	(3,889,699,053)	(448,738,126)
Consolidated revenue	128,990,389,473	90,767,977,649	57,242,500,730	7,352,841,763
Operating profit				
Total operating income for reportable segments	12,395,800,442	24,470,617,133	27,410,012,757	4,727,877,745
Finance income	5,643,222	46,809	3,074,173	2,840
Administration and other operating costs	(23,017,680,917)	(18,610,435,505)	(8,177,037,683)	(1,102,246,832)
Finance costs	(5,097,139,197)	(1,330,761,310)	(1,597,700,597)	(121,224,755)
Exchange gains / (losses)	1,993,980,520	16,986,443,621	(722,967,864)	1,352,000,804
Monetary gain / (loss)	(3,187,957,107)	(7,831,825,315)	-	-
Consolidated (loss)/ profit before tax	(16,907,353,037)	13,684,085,433	16,915,380,786	4,856,409,802

	INFLATION	INFLATION ADJUSTED		HISTORICAL*	
	AUDITED 30 Sept 2023 ZWL	AUDITED 30 Sept 2022 ZWL	UNAUDITED 30 Sept 2023 ZWL	UNAUDITED 30 Sept 2022 ZWL	
Assets					
Total assets for reportable segments	168,200,851,259	183,657,447,893	58,947,317,442	10,252,706,229	
Admin assets	6,654,059,408	2,429,380,019	1,334,652,723	178,470,481	
Consolidated total assets	174,854,910,667	186,086,827,912	60,281,970,165	10,431,176,710	
Liabilities					
Total liabilities for reportable segments	21,256,241,942	14,206,119,559	21,256,241,942	1,911,994,557	
Admin liabilities	33,983,656,174	34,210,856,773	17,559,368,955	2,363,002,408	
Consolidated total liabilities	55,239,898,116	48,416,976,332	38,815,610,897	4,274,996,965	

8.1 Fair value hierachy

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

• 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
- Level 3 inputs are unobservable inputs for the asset or liability.

8.2 Valuation of biological assets

Biological assets comprise of gum and wattle plantations, livestock and produce growing on the bearer plants. The present value of expected net cash flows from plantations, discounted at a current market determined pre-tax rate, was used to determine fair value of timber plantations. The fair value for livestock was determined by reference to the market price and these valuations were carried out by a professional valuer not connected to the Company. Produce growing on bearer plants is measured at fair value less costs to sell with changes recognised in profit or loss as the produce grows. Fair values of tea bushes on plantations, macadamia nuts on plantations, coffee beans on plantations and avocado fruit on plantations is determined using Level 2 inputs on the fair value hierarchy, whilst fair values for timber plantations and livestock is determined using level 3 inputs.

9. Inventories

	INFLATION ADJUSTED		HISTORICAL*	
	AUDITED 30 Sept 2023 ZWL	AUDITED 30 Sept 2022 ZWL	UNAUDITED 30 Sept 2023 ZWL	UNAUDITED 30 Sept 2022 ZWL
Raw and packaging materials	5,321,758,952	5,615,286,933	2,077,988,620	570,669,876
Finished goods	635,803,286	1,645,199,029	2,319,085,801	221,426,518
Consumables	13,754,529,878	14,799,447,201	7,049,307,173	1,180,084,628
Agricultural produce	12,448,213,590	17,007,318,986	12,448,213,590	2,289,006,594
	32,160,305,706	39,067,252,149	23,894,595,184	4,261,187,616

10. Trade and other receivables

	INFLATION	INFLATION ADJUSTED		HISTORICAL*	
	AUDITED 30 Sept 2023 ZWL	AUDITED 30 Sept 2022 ZWL	UNAUDITED 30 Sept 2023 ZWL	UNAUDITED 30 Sept 2022 ZWL	
Trade receivables	21,997,006,242	25,759,868,927	21,997,006,242	3,467,007,931	
Less:expected credit loss	(2,807,859,579)	(374,516,743)	(2,807,859,579)	(50,406,022)	
	19,189,146,663	25,385,352,184	19,189,146,663	3,416,601,909	
Prepayments	3,449,884,466	2,013,498,423	3,296,101,844	119,191,461	
Other receivables	683,168,647	755,823,905	683,168,647	101,725,963	
	23,322,199,776	28,154,674,511	23,168,417,154	3,637,519,333	
11. Trade and other payables					

	INFLATION ADJUSTED		HISTORICAL*	
	AUDITED 30 Sept 2023 ZWL	AUDITED 30 Sept 2022 ZWL	UNAUDITED 30 Sept 2023 ZWL	UNAUDITED 30 Sept 2022 ZWL
Trade payables	12,556,018,811	11,385,322,874	12,556,018,811	1,532,344,936
Social security and other taxes	826,632,357	1,291,203,760	826,632,357	173,782,471
Accrued expenses	8,087,050,170	2,696,270,834	8,087,050,170	362,889,749
Provisions	1,916,705,988	4,149,319,661	1,916,705,988	558,454,867
	23,386,407,326	19,522,117,129	23,386,407,326	2,627,472,023
12. Borrowings				

Interest-bearing borrowings constitute bank loans from various local financial institutions which accrue interest at a weighted average rate of 11.79% at the end of the period. The facilities have got different maturity dates and will be reviewed when they mature. Bank loans of ZWL14,093,653,304 (2022: ZWL 7,226,222,576) (inflation-adjusted) are secured by the assignment of export proceeds to various financial institutions in line with the level of indebtedness of the company to each of the financial institutions

13. Capital expenditure for the period INFLATION ADJUSTED HISTORICAL* AUDITED 30 Sept 2023 ZWL AUDITED 30 Sept 2022 ZWL UNAUDITED 30 Sept 2023 ZWL UNAUDITED 30 Sept 2022 ZWL Purchase of property, plant and equipment excluding bearer plants 5,185,473,072 5,271,569,152 2,742,853,082 381,640,794 3,538,269,107 1,131,346,512 143,298,705 Capital expenditure incurred on bearer plants 1,738,441,873 8,723,742,179 7,010,011,025 3,874,199,594 524,939,499

14 Cashflow information

	INFLATION ADJUSTED		HISTORICAL*	
	AUDITED 30 Sept 2023 ZWL	AUDITED 30 Sept 2022 ZWL	UNAUDITED 30 Sept 2023 ZWL	UNAUDITED 30 Sept 2022 ZWL
Cash generated from operations				
(Loss) / profit before tax	(16,907,353,037)	13,684,085,433	16,915,380,786	4,856,409,802
Adjustment for non-cash items:				
Depreciation	5,436,909,109	5,080,683,514	127,809,850	34,100,740
Profit or (loss) on disposal of property, plant and equipment including biological assets	491,505,591	4,557,908,706	(407,941,789)	3,650,880
Net fair value adjustments	(2,133,291,772)	(7,301,113,261)	(6,739,560,258)	(1,018,609,728)
Impairment of non current assets	236,979,195	(36,944,412)	7,393,256	(35,988)
Net finance costs	5,091,495,975	1,330,714,501	1,594,626,424	121,221,915
Other non-cash movements	(24,493,606,478)	-	-	-
Net exchange (gains) / losses	19,651,052,292	(7,168,852,819)	15,173,474,131	550,307,304
Cash (utilised) / generated from operations before working capital changes	(12,626,309,125)	10,146,481,662	26,671,182,400	3,446,430,587
Changes in working capital:				
Decrease / (increase) in inventories	10,615,513,053	(14,393,049,443)	(19,633,407,569)	(3,415,923,670)
Decrease / (increase) in trade and other receivables	4,832,474,734	(7,822,361,434)	(18,999,413,826)	(2,939,542,722)
Increase in trade and other payables	3,864,290,193	10,336,241,788	20,758,935,302	2,302,467,955
	6,685,968,855	(1,732,687,427)	8,797,296,307	(606,567,850)
Tax paid	(4,032,899,980)	(3,837,038,723)	(980,548,516)	(115,290,052)
Cashflow generated from / (utilised in) operations	2,653,068,875	(5,569,726,151)	7,816,747,791	(721,857,902)

The Company's headline earning per share in ZWL cents were (ZWL 6,811) (2022; ZWL3,390), whilst the headline earnings per share in historic terms were ZWL5,765 (2022; ZWL1,600). Inflation adjusted basic and diulted earnings per share in ZWL cents were (ZWL 6,532) (2022; ZWL 1,658), whilst in historic terms the basic and diluted earnings per share were ZWL5,919 (2022; ZWL1,599).

16. Subsequent events

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

17. Auditor's statement

The abridged audited financial results should be read in conjunction with the complete set of financial statements for the year ended 30 September 2023 which have been audited by Deloitte & Touche. An unmodified audit opinion was issued thereon. The Auditor's report is appended on these Company's abridged annual financial statements and is also available for inspection at the Company's registered office and on the Company and ZSE websites. The engagement partner responsible for this audit is Lawrence Nyajeka, PAAB number - 0598.



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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 which comprise the abridged inflation adjusted statement of financial position as at 30 September 2023, 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 of Tanganda Tea Company Limited for the year ended 30 September 2023.

In our opinion, the accompanying inflation adjusted financial statements are consistent, in all material respects, with the audited inflation adjusted financial statements of Tanganda Tea Company Limited, in accordance with the International Financial Reporting Standards (IFRS), requirements of Zimbabwe Stock Exchange (ZSE) Listings Requirements Rules for condensed financial statements as disclosed in the basis of preparation and the requirements of the Companies and Other Business Entities Act (Chapter 24:31) and the relevant statutory instruments (SI33/99 and SI62/96) as applicable to abridged inflation adjusted financial statements.

Inflation adjusted abridged financial statements of Tanganda Tea Company Limited

The inflation adjusted abridged financial statements 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 statements 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 29 January 2024.

Directors' responsibility for the inflation adjusted financial statements

The directors are responsible for the preparation and fair presentation of the inflation adjusted financial statements, in accordance with International Financial Reporting Standards (IFRS), and the requirements of the Companies and Other Business Entities Act (Chapter 24:31), the relevant statutory instruments (SI 33/99, SI 33/19 and SI 62/96) and for such internal control as the directors determine is necessary to enable the preparation of inflation adjusted financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on whether the Inflation adjusted abridged financial statements 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
PER: LAWRENCE NYAJEKA

PARTNER

REGISTERED AUDITOR

PAAB PRACTICE CERTIFICATE NUMBER: 0598

Deloitte & Touche

29 JANUARY 2024

