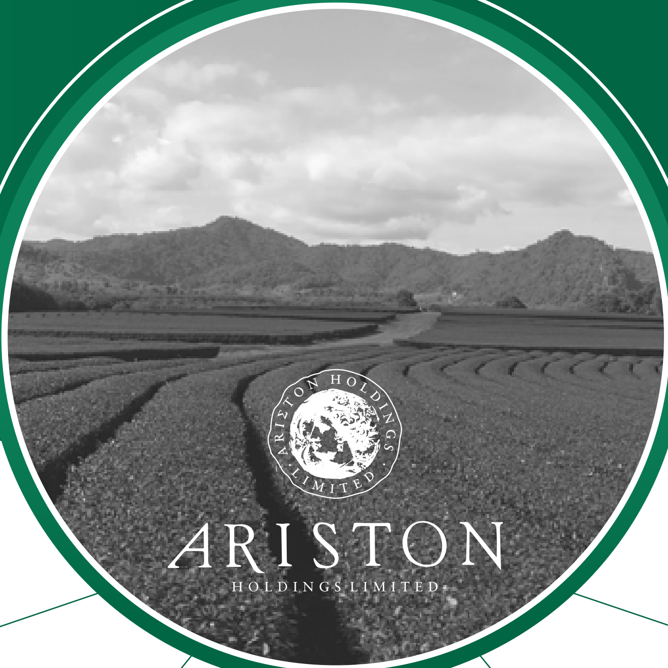
ARISTON
HOLDINGS LIMITED

ANNUAL REPORT 2020

Contents

Corporate
Structure



100%
ARISTON MANAGEMENT SERVICES (PRIVATE) LIMITED

100%
CLAREMONT ORCHARDS HOLDINGS (PRIVATE) LIMITED

Property owning company.

100%
SOUTHDOWN HOLDINGS (PRIVATE) LIMITED

Property owning company.

100%
CLAREMONT ORCHARDS 1988 (PRIVATE) LIMITED

Property owning company.

100%
CLAREMONT ESTATE

A division of Ariston Management Services (Private) Limited

Situated in the Nyanga area with a unique micro climate for horticultural production. Claremont Estate is one of country's major producers of pome and stone fruit.

100%
SOUTHDOWN ESTATE

A division of Ariston Management Services (Private) Limited

Comprises three estates in the picturesque Chipinge and Chimanimani areas of Zimbabwe with 1,200 hectares of tea, 450 hectares of macadamia nuts, 60 hectares of bananas and 12 hectares of avocados. This division is also involved in the packaging of tea for the domestic market. Infrastructural development includes tea factories, schools, clinics and workers' housing.

100%
Kent ESTATE

A division of Ariston Management Services (Private) Limited

Situated in Norton with five hectares of greenhouse vegeta-bles. The estate has capacity to produce over one million broilers a year and has beef cattle, irrigated crops and dry land crops.

55%
CLAREMONT POWER STATION

Joint venture with Goldsaif (Private) Limited

A joint venture between Ariston Management Services (Private) Limited and Goldsaif (Private) Limited engaged in electricity generation at the micro-hydro facility located at Claremont Estate.

Financial Highlights

For the year ended 30 September 2020

	Inflation Adjusted		Historical Cost	
	2020	**2019**	**2020**	**2019**
GROUP SUMMARY (ZWL)				
Revenue	619,542,257	773,442,910	339,581,572	48,126,876
Earnings before interest, tax, depreciation and amortisation (EBITDA) excluding fair value adjustments	126,088,743	369,140,949	67,837,467	25,473,466
Finance costs	(22,565,319)	(36,693,226)	(14,293,212)	(3,334,979)
Profit before taxation	51,270,177	692,218,217	167,774,322	46,649,196
Profit attributable to shareholders	143,200,219	417,660,792	135,850,588	24,520,876
Cash generated from operating activities	199,087,960	295,953,696	(132,842,775)	16,492,113
Capital expenditure	(80,441,299)	(105,513,259)	(33,491,783)	(7,532,870)
Cash resources net of short-term borrowings and short-term lease liabilities	10,987,236	3,542,563	10,987,236	466,494
Total assets employed	1,957,626,534	2,046,071,818	708,455,479	145,169,413
ORDINARY SHARE PERFORMANCE				
Number of ordinary shares in issue	1,627,395,595	1,627,395,595	1,627,395,595	1,627,395,595
Weighted average number of shares in issue	1,627,395,595	1,627,395,595	1,627,395,595	1,627,395,595
Basic earnings per ordinary share (ZWL dollars)	0.0880	0.2566	0.0835	0.0151
Ordinary shareholders' equity per ordinary share (ZWL dollars)	0.7040	0.0580	0.1090	0.0260
Market price per ordinary share at year end (ZWL dollars)	1.37	0.19	1.37	0.19
FINANCIAL STATISTICS				
Interest cover (times)	3.27	19.87	12.74	14.99
Ordinary shareholders' equity to total assets (%)	58.56	49.03	25.04	28.62
Return on shareholders equity (%)	12.49	41.63	76.58	59.03

Directorate and Administration

DIRECTORS

Non-Executive

A.C. Jongwe	Chairman
I. Chagonda	
C.P. Conradie	
* Dr. A.J. Masuka	
T.C. Mazingi	
J.W. Riekert	

Executive

P.T. Spear	Group Chief Executive Officer

BOARD COMMITTEES

Audit and Risk Committee

I. Chagonda	Chairman
C.P. Conradie	
A.C. Jongwe	

Human Resources and Remuneration Committee

C.P. Conradie	Chairman
A.C. Jongwe	
T.C. Mazingi	
P.T. Spear	

Operations/Technical Committee

C.P. Conradie	Chairman
A.C. Jongwe	
P.T. Spear	

SENIOR MANAGEMENT

Head Office

P.T. Spear	Group Chief Executive Officer
R.A. Chinamo	Group Finance Director
B.T. Kagondo	Group Human Resources Executive

Operations

E. Chafewa	Safety, Health and Environment Manager	Southdown Estates
W. Chibonda	Estate Manager	Roscommon Estate
S. Dhliwayo	Estate Manager (Acting)	Clearwater Estate
E. Makandwa	Estate Manager	Claremont Estate
W. Mangezi	Manager	Blended Tea Factory
G. Manyukwa	Engineer	Southdown Estates
J. Mbewe	Operations Manager	Kent Estate
I. Mukandi	Estates General Manager	Southdown Estates

*Dr. Anxious Jongwe Masuka retired from the Board of Directors with effect from 15 August 2020, on appointment as Minister of Lands, Agriculture, Water and Rural Resettlement.

REGISTERED OFFICE
306 Hillside Road
Msasa Woodlands
P.O. Box 4019
Harare

COMPANY SECRETARY
R.A. Chinamo

SHARE TRANSFER SECRETARIES
ZB Transfer Secretaries (Private) Limited
21 Natal Road
P.O. Box 2540
Avondale
Harare

AUDITORS
PricewaterhouseCoopers Chartered Accountants
Arundel Office Park, Building 4
Norfolk Road, Mount Pleasant
P.O Box 453
Harare

BANKERS
CBZ Bank Limited
Nedbank Zimbabwe Limited
Stanbic Bank Limited

INTRODUCTION

The operating environment continued to be unstable in the year under review as characterised by significant local currency depreciation coupled with continued shortages of foreign currency and further decline in disposable income. The rains for the 2020 agricultural year were below normal and the weather was worsened by significantly high temperatures which adversely affected production. Whilst the Group relies extensively on its installed irrigation capacity, utilisation was adversely affected by incessant power outages experienced in the period to March 2020. During the period under review, COVID-19 was declared a global pandemic. Further, effective 30 March 2020, the Government of Zimbabwe proclaimed a lockdown in an effort to contain the spread of COVID-19 in the country. The agricultural sector was determined as an "essential service" and thus the Group was able to continue production on all its Estates. In order to ensure the safety of our employees and other stakeholders, various measures were implemented in line with the World Health Organisation guidelines. During the financial year, two new tea drying equipment were installed at Southdown and Roscommon in an effort to improve tea quality as well as manufacturing efficiencies. The macadamia drying facility's capacity was increased and further improved. Fencing of macadamia orchards commenced but is yet to be completed. All these projects were undertaken with internally generated funds.

GROUP PERFORMANCE

In October 2019, Zimbabwe adopted inflation adjusted financial statements in terms of IAS 29, Financial Reporting in Hyperinflationary Economies. Accordingly, the commentary on the performance of the business is based on the inflation adjusted accounts.

The Group's inflation adjusted revenue for the year reflects a 20% decrease to ZWL 619.54 million from ZWL 773.44 million realised during the comparative period. Revenue trailed inflation growth as the majority of the Group's revenue is from United States denominated exports which are converted to Zimbabwe dollars using the interbank rate which did not increase in line with inflation.Cost of production declined by 7% when compared with the prior comparative period as a result of sourcing and paying for the majority of the products in United States dollars as part of cost containment measure.Operating costs however increased by 49% from ZWL 143 million to ZWL 214 million due to local suppliers using an implied exchange rate greater than the interbank rate, thus driving costs upwards. The Group's current year operating profit before fair value adjustments, exchange gains and losses and monetary loss declined by 64% from ZWL 369 million to ZWL 132 million when compared with the prior comparative period, primarily due to the mismatch in exchange rates used to convert the export revenue streams and the underlying exchange rates carried in local costs.

Chairman's
Statement

MR. A.C. JONGWE
CHAIRMAN

The Group was largely unaffected by the global uncertainty brought about by the COVID-19 pandemic.

Borrowings were kept at a minimum in the period under review. However, the Group maintained its offshore long term loan which is the one generating the unrealised exchange losses. The Group continued to invest heavily in capital expenditure which were primarily funded from own internally generated funds. Significant investment was put into increasing the capacity of the macadamia drying facility, improving the dams and irrigation systems affected by cyclone Idai in 2019. Further, the tea factories were refurbished, with new equipment being installed at two of the three tea factories owned by the Group.

The group operated and thrived during a period of global uncertainty brought about by the COVID-19 pandemic,with 6 months of the year in a period after the declaration of the pandemic. The Group's operations and markets were largely unaffected.

DIVIDEND

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

OUTLOOK

Normal to above normal rainfall is predicted for the 2021 agricultural season. The start of the 2021 season in Chipinge and Chimanimani where the majority of our agricultural assets are located, has commenced on a good note. Cooler and wetter weather has been experienced. The extremely high temperatures experienced in 2020 and 2019 were not encountered. It is on this basis, that we believe 2021 season will bring improved yields across the group. Along with other operations located in the Eastern Highlands, it is hoped that no cyclones are encountered in 2021. The other operations located in Norton and Nyanga, are well prepared for the 2021 agricultural season. The COVID 19 pandemic had a minimal impact on the Group's market as the Estates remained operational during the lockdown. The Group does not anticipate that the pandemic will have an impact on future operations. Subsequent to year end,sales have remained firm and is stock holding has remained minimal.

DIRECTORATE

Dr Anxious Jongwe Masuka retired from the Board of Directors with effect from 15 August 2020, as he became the incoming Minister of Lands, Agriculture, Water and Rural Resettlement. The Board extends its gratitude to the Honourable Minister for his immense contribution to the Group.

There were no other changes to the Directorate during the financial year.

APPRECIATION

I wish to extend my appreciation to all our customers, suppliers, staff, shareholders and strategic partners and my fellow Board members for their unwavering support for the business, especially given the challenging business operating environment.

ALEXANDER CRISPEN JONGWE
CHAIRMAN

18 DECEMBER 2020

INTRODUCTION

The 2019/2020 was a challenging agricultural season. Rainfall remained lower than the previous year although there was an improvement in the distribution. The Group was particularly affected as this difficult season had been preceded by the destruction ensued on the operations by Cyclone Idai. Full habitation of irrigation infrastructure continued and is yet to be fully completed. Delays, have been due to the rehabilitation works being funded from operating cash flows as opposed to borrowings.

VOLUMES AND OPERATIONS

Tea

Production volume declined by 14% from 2,985 tonnes in prior year to 2,582 tonnes in the current year. Average selling price for export tea declined by 10% in the period under review. The current period was a record year globally for tea production. However, due to the economic slowdown induced by the COVID-19 pandemic, demand was subdued for the greater portion of the year, resulting in selling prices coming under tremendous pressure. This resulted in selling prices of tea declining as producers pushed to dispose of their positions before the new season. The Group closed the year with substantial tea stocks however subsequent to year end, demand for export tea improved resulting in the Group's stockholdings being depleted although pricing only improved marginally. Current year average selling price for local teas remained stable at prior year levels.

Macadamia

Production volume declined by 18% from prior year's volume of 1,301 tonnes to the current year volume of 1,063 tonnes. The Southern Africa macadamia nut production declined by 40% year on year and relative to this, the Group's volume decline was lower than the average suffered by growers in Southern Africa. Average selling price for export macadamia improved by 4% when compared to prior year average selling price.

Fruit

The fruit category comprises of stone fruit, pome fruit, and bananas. Pome fruit production improved by 5% whilst stone fruit, and banana declined by 5%, and 24% respectively when compared to the prior comparative period. Banana volumes declined as old orchards were uprooted, in readiness for planting new orchards.

Other crops

The crops described above contributed 74% (2019: 87% in inflation adjusted terms) to the Group's total revenue. Other crops, which include avocadoes, commercial maize, seed maize, seed sugar beans, soya beans, potatoes and

Group
Operational Review

MR. P.T. SPEAR
CHIEF EXECUTIVE OFFICER

The start of the 2021 season in Chipinge and Chimanimani where the majority of our agricultural assets are located, has commenced on a good note.The extremely high temperatures experienced in 2020 and 2019 were not encountered. It is on this basis, that we believe 2021 season will bring improved yields across the group.

poultry, representing 26% (2019: 13% in inflation adjusted terms) also contributed positively to the Group's overall performance.

OUTLOOK
Normal to above normal rainfall is predicted for the 2021 agricultural season. The start of the 2021 season in Chipinge and Chimanimani where the majority of our agricultural assets are located, has commenced on a good note. Cooler and wetter weather has been experienced. The extremely high temperatures experienced in 2020 and 2019 were not encountered. It is on this basis, that we believe 2021 season will bring improved yields across the group.

Whilst tea prices experienced in the 2020 year, were the lowest experienced in the last five years, activity post year end, showed that the decline had bottomed out as the world economies reopened industrial operations thus stimulating demand.Accordingly, the Group sold all the stocks which had been held allowing for the commencement of the 2021 season with no stocks on hand. So far, production volumes for the period subsequent to year end have been ahead of prior year due to the less extreme weather being experienced. Pricing of good quality macadamia is expected to at least hold at current year levels. It is thus imperative that the Group continues to produce macadamia that is of high quality so as to maintain the higher selling prices. Greater exports of the fruit category is being focused on so as to grow the Group's export revenues further.

The COVID-19 pandemic has had minimal impact on the group's performance post year end. This is also due to the fact that COVID restrictions on businesses have been relaxed and almost all sectors of the economy have opened up.

APPRECIATION
Management is grateful for the support given to the business by the Chairman, Board, shareholders, employees and other stakeholders.

PAUL TIMOTHY SPEAR
CHIEF EXECUTIVE OFFICER

18 DECEMBER 2020

Report of the Directors

The directors have pleasure in presenting their report, together with the audited financial statements of the Company for the year ended 30 September 2020.

Going concern considerations
The financial statements have been prepared on a going concern basis, which assumes that the company will continue in existence for the foreseeable future.

The directors have assessed the ability of the company to continue operating as a going concern and have concluded that the preparation of these financial statements on a going concern basis is appropriate. However, the directors believe that under the current economic environment a continuous assessment of the ability of the company to continue to operate as a going concern shall continuously be performed to determine the continued appropriateness of the going concern assumption that has been applied in the preparation of these financial statements.The directors have also considered the impact of the COVID-19 pandemic, noting no disruption in operations, some temporarily decreased demand for tea, which has subsequently picked up, allowing sales of all inventory that was held at year end and relatively no impact on other produce.

CAPITAL

Authorised
The authorised capital of the Company remained at 2,000,000,000 shares of ZWL0.001.

Issued
The issued share capital of the Company remained at 1,627,395,595 shares of ZWL0.001.

Unissued
At 30 September 2020 unissued share capital comprised of 372,604,405 (2019: 372,604,405) shares of ZWL0.001 each and of these, 29,370,286 (2019: 29,370,286) shares were under the control of directors, 23,075,000 (2019: 23,075,000) shares were set aside under the Senior Staff Share Option Scheme (2003, 2005 and 2011) and 320,159,119 (2019: 320,159,119) shares were set aside under the 2016 Ariston Share Ownership Trust.

Reserves
The movement in the reserves of the Group and the Company are shown on pages 20 to 21 of these financial statements.

GROUP FINANCIAL RESULTS
The results for the year were as follows:

	Inflation Adjusted	
All figures in ZWL	**2020**	**2019**
Profit before taxation	51,270,177	692,218,217
Income tax expense	91,930,042	(274,557,425)
Profit for the year	143,200,219	417,660,792

	Historical cost	
All figures in ZWL	**2020**	**2019**
Profit before taxation	167,774,322	46,649,196
Income tax expense	(31,923,734)	(22,128,320)
Profit for the year	135,850,588	24,520,876

DIVIDENDS
In view of the Group's need to generate and preserve the available cash, the Board has seen it prudent not to declare a dividend.

DIRECTORATE
In accordance with article 107 of the Company's Articles of Association, Mr. C. Conradie and Mr. A.C. Jongwe retire by rotation, and being eligible, offer themselves for re-election.

DIRECTORS' SHAREHOLDINGS
At 30 September 2020, the directors held directly and indirectly the following number of shares in the Company:

Director	At 30/09/20	At 30/09/19
Mr. I. Chagonda	-	-
Mr. C.P. Conradie	-	-
Mr. A. C. Jongwe	-	-
Mrs. T.C. Mazingi	658,870	658,870
Mr. J.W. Riekert	-	-
Mr. P.T. Spear	29,536,312	29,536,312

DIRECTORS' REMUNERATION
Non-executive directors' remuneration is subject to shareholder approval.

AUDITORS
At the forthcoming Annual General Meeting, as part of ordinary business, shareholders will be requested to approve fees for the auditors for the year ended 30 September 2020 and to appoint auditors for the ensuing year.

BY ORDER OF THE BOARD

MRS. R.A. CHINAMO
COMPANY SECRETARY

18 DECEMBER 2020

Directors' Responsibility for Financial Reporting

The directors of the Group are responsible for the maintenance of adequate accounting records and the preparation and integrity of the consolidated annual financial statements and related information. The Group's independent external auditors, PricewaterhouseCoopers, have audited the consolidated financial statements and their report appears on pages 13 to 16.

The directors are required by the Companies and Other Business Entities Act (Chapter 24:31), Zimbabwe Stock Exchange and Securities and Exchange Commission Of Zimbabwe to maintain adequate accounting records and to prepare financial statements for each financial year which present a true and fair view of the state of affairs of the Group at the end of the financial period and the performance and cash flows for the period.

In preparing the accompanying financial statements, International Financial Reporting Standards have been applied, reasonable, and prudent judgements and estimates have been made. The financial statements incorporate full and responsible disclosure in line with the accounting philosophy of the Group.

The directors are also responsible for the systems of internal control. These are designed to provide reasonable, but not absolute assurance as to the reliability of the consolidated financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and to detect material misstatement and loss. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties.

Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The directors have assessed the ability of the Group to continue operating as a going concern by reviewing the prospects of the Group. These assessments considered the Group's financial performance for the year ended 30 September 2020, the financial position as at 30 September 2020 and the current and medium term forecasts for the Group. 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.

The Group's financial statements have been prepared under the supervision of Mrs. R.A. Chinamo, CA(Z), and have been audited in terms of section 191 of the Companies and Other Business Entities Act (Chapter 24:31).

The financial statements set out on pages 17 to 81 were approved by the Board of Directors and are signed on their behalf by:

A.C. JONGWE
CHAIRMAN

P.T. SPEAR
CHIEF EXECUTIVE OFFICER

18 DECEMBER 2020

Ariston Holdings Limited ("the Group") is committed to maintaining the highest levels of integrity and accountability in all its business practices and its corporate governance policy is aimed at these objectives. This is achieved by ensuring the Group is correctly structured and appropriate reporting and control mechanisms are in place.

1. BOARD COMPOSITION AND APPOINTMENT

The Board of Directors ("the Board") is chaired by an independent non-executive director and comprises six non-executive directors (including the chairman) and one executive director.

The Board enjoys a strong mix of skills and experience. It is the primary governance organ. The role of the Board is to determine overall policies, plans and strategies of the Group and to ensure that these are implemented in an ethical and professional manner.

The Board meets regularly, at least four times a year, and guides corporate strategy, risk management practices, annual budgets and business plans.

Special board meetings may be convened on an adhoc basis when necessary to consider issues requiring urgent attention or decision.

The Company Secretary maintains an attendance register of directors for all scheduled meetings during the year through which directors can assess their devotion of sufficient time to the Group.

The Board has overall responsibility for ensuring the integrity of the Group's accounting and financial reporting systems including the independent audit, and that appropriate systems of control, risk management and compliance with laws are in place.

To ensure effectiveness, Board members have unfettered access to information regarding the Group's operations which is available through Board meetings, Board and Management Committees as well as strategic planning workshops organised by the Group.

The Board appointments are made to ensure a variety of skills and expertise on the Board. A third of the directors are required to retire on a rotational basis each year, along with any directors appointed to the Board during the year.

Executive directors are employed under performance-driven service contracts setting out responsibilities of their particular office.

2. BOARD ACCOUNTABILITY AND DELEGATED FUNCTIONS

The Board is supported by various committees in executing its responsibilities. The committees meet quarterly to assess, review performance and provide guidance to management on both operational and policy issues.

Each committee acts within certain written terms of reference under which certain functions of the Board are delegated with clearly defined purposes. The Board may take independent professional advice at the Group's expense where necessary. The Board monitors the effectiveness of controls through reviews by the Audit & Risk Committee, the Group Internal audit function and independent assessments by the independent external auditors.

Attendance of Directors at board and committee meetings during the year ended 30 September 2020

Director	Board	Audit and Risk Committee	Human Resources and Remuneration Committee	Operations/ Technical Committee
I. Chagonda	3/3	3/3	-	-
C.P. Conradie	3/3	3/3	3/3	3/3
A. C. Jongwe	3/3	3/3	3/3	-
Dr. A. Masuka	2/3	-	-	2/3
T. C. Mazingi	3/3	-	3/3	-
J.W. Riekert	3/3	3/3	-	-
P.T. Spear	3/3	-	3/3	3/3

Due to the effect of the Lockdown in response to the COVID-19 pandemic, each Function held 3 meetings during the year instead of 4.

3. BOARD COMMITTEES

3.1 Audit & Risk Committee

The Audit & Risk Committee is chaired by a non-executive director and the independent external auditors and the Group's internal auditor have unrestricted access to the committee and attend all meetings. It reviews the interim and annual financial statements, the Group systems and controls and ensures that audit recommendations are considered and where appropriate, implemented.

3.2 Human Resources and Remuneration Committee

The Human Resources and Remuneration Committee is chaired by a non-executive director and reviews remuneration levels of members of staff throughout the Group.

This Committee comprises three (3) non-executive directors (one of whom is the Chairperson) and one executive director. This Committee is mandated to deal with staff development and formulate remuneration policies as well as approve remuneration packages for executive directors and senior executives.

The remuneration policy is designed to reward performance, to attract, motivate and retain high calibre individuals who will contribute fully to the success of each of the businesses in which Ariston Holdings Limited operates. The committee draws on external market survey data from independent advisors to ensure that the remuneration policy is appropriate and relevant to the prevailing times.

3.3 Operations/Technical Committee

It is chaired by a non-executive director. The Operations/Technical Committee comprises of two (2) non-executive directors and one executive director. The purpose of the Committee is to assist the Board in its oversight of the technical and operational risks of the Group in delivering its business plans.

The Committee assesses management's operational policies, strategies, budgets and action plans, reviews implementation or execution and makes recommendations to the Board.

4. FINANCIAL STATEMENTS AND MANAGEMENT REPORTING

A decentralised management structure exists with business unit management attending to the daily activities of individual business units.

Annual budgets and plans are compiled by each business unit and reviewed and agreed by the Board.

Each business unit has comprehensive management and financial reporting disciplines, which include monthly management accounts, physical and financial expenditure controls, planned capital expenditure programmes and detailed operating budgets.

The Group maintains internal controls and systems to support these disciplines, and the results of each operation are approved by the Board. Financial progress is monitored monthly and annual forecasts are reviewed quarterly.

The annual financial statements are prepared on a going concern basis, as the directors are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future. The statements are prepared in accordance with International Financial Reporting Standards (IFRS) and are based on policies which are reasonable and prudent. The independent auditors are responsible for carrying out independent examination of the financial statements in accordance with International Standards on Auditing (ISA) and the directors accept responsibility for the preparation of and information presented in the financial statements.

5. OTHER CORPORATE GOVERNANCE MEASURES

5.1 Worker Participation

Worker participation and employer/employee relations are handled through regular works councils and worker committee meetings in each operating division. Regular meetings ensure information dissemination, consultation and resolution of conflict areas timeously and to the benefit of all parties.

5.2 Environment

The Group adopts a responsible approach and complies with all regulatory and legislative requirements to ensure the protection and maintenance of the environment in which it operates.

5.3 Social Responsibility

The Group contributes to the social well-being of its employees and their dependents within the communities in which the Group's operations are located. Provision of health, educational, recreational and sporting facilities on the Group's estates provides amenities for employees as well as members of the surrounding communities.

The Group participates in fair trade label programmes and subjects its operations to audit by international organisations, to ensure compliance with the highest standards in its respective operations.

5.4 Related Party Transactions

The Company has a process in place whereby the directors and key management have confirmed that, to the best of their knowledge, the information disclosed in the Group's consolidated financial statements fairly represents their shareholding in the Company, both beneficial and indirect, interest in share options of the Company and the compensation earned from the Company for the financial year. In addition, the directors and key management have confirmed that all interests have been declared.

5.5 Insider Trading

No director, officer or employee of the Company may deal directly or indirectly in the Company's shares on the basis of unpublished price-sensitive information regarding its business or affairs. In addition, no director, officer or employee may trade in the Company's shares during closed periods. Closed periods are from the end of the interim and annual reporting periods to the announcement of financial and operating results for the respective periods, and while the Company is under a cautionary announcement.

ALEXANDER CRISPEN JONGWE
CHAIRMAN

PAUL TIMOTHY SPEAR
CHIEF EXECUTIVE OFFICER

18 DECEMBER 2020

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 2020, 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 17 to 81 comprise:
- the consolidated and separate statements of financial position as at 30 September 2020;
- 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.

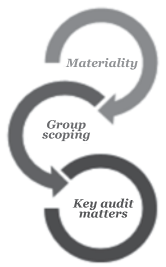
Basis for opinion
We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report.

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.

Our audit approach

Overview

	**Overall Group materiality** • Overall group materiality: ZWL 5 073 300 which represents 5% of consolidated profit before taxation, adjusted for foreign exchange gain movements.
	Group audit scope • We conducted full scope audits on the financial statements of the Company and all of the subsidiaries due to their financial significance as well as to meet statutory audit requirements.
	Key audit matters • Monetary loss; and • Valuation of biological assets

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the 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.

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

T I Rwodzi – Senior Partner
The Partnership's principal place of business is at Arundel Office Park, Norfolk Road, Mount Pleasant, Harare, Zimbabwe where a list of the Partners' names is available for inspection

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 materiality for the 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 materiality	ZWL5,07, 300.
How we determined it	5% of consolidated profit before taxation, adjusted for foreign exchange gain movements.
Rationale for the materiality benchmark applied	We chose consolidated profit before taxation as indicated on page 17 of the consolidated financial statements 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. The consolidated profit before taxation was adjusted for the significant movements related to foreign exchange gains, which were unusual given the significant deterioration in the ZWL. We chose 5% which is consistent with quantitative materiality thresholds used for profit-oriented companies in this sector.

How we tailored 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 the subsidiaries due to their financial significance, as well as to meet statutory 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 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***
Monetary loss This key audit matter relates to the separate financial statements only. Monetary loss is accounted for in accordance with International Accounting Standard (IAS) 29, Financial Reporting in Hyperinflationary Economies. The Company had a monetary loss of ZWL80 661 772 for the year ended 30 September 2020 (2019 - ZWL331 009 743). Other than operating expenses, this is the only other movement in the separate statement of comprehensive income for the Company as it is a non-trading holding company and this monetary loss effectively results in the comprehensive loss for the year for the Company of ZWL81 446 297 (2019 - ZWL332 207 327). Whilst this is the second year of applying IAS 29 and the balances resulting in the significant movements are equity accounts, this matter has been considered a key audit matter due to the quantitative significance of its contribution to the comprehensive loss for the year. The application of IAS 29 to determine the monetary loss is described in note 3.2.1 to the separate financial statements - Hyperinflation in the financial statements.	We performed the following procedures to audit the monetary loss: • Agreed the historical amounts for the significant balances driving the monetary loss, specifically share capital and share premium, to Company regulatory filings. No exceptions were noted. • Agreed the inflation index used, the Consumer Price Index (CPI), to independent records from the Central Statistical Office. No exceptions were noted. • Reperformed the mathematical calculation to determine the inflation-adjusted balances, noting no material differences. • Recomputed the monetary loss in line with the guidance in IAS 29 and compared it to the monetary loss in the Company's separate financial statements, noting no material differences.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>

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 of the Group’s biological assets amounted to ZWL 383.8 million as at 30 September 2020.

The value of biological assets is measured at fair value less costs to sell.

The values of livestock, poultry and timber are determined upon the age, size and relevant market prices.

The values of produce growing on bearer plants, which includes macadamia on tree, tea on bush, fruits on tree and seasonal crops (“produce”) are based on the estimated yield (tonnes) from the current crop of unpicked 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.

Refer to notes 3.6 - Biological assets, 4.1 - Biological assets and 11 - Biological assets to the consolidated financial statements.

Due to the level of judgment 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.

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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, we assessed the reasonableness of estimated yields, forecast prices and selling costs by comparing prior year estimates to 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 verified 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 forecasted 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 accepted 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.

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</table>

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 2020”. The other information does not include the consolidated and 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.

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

Harare
Zimbabwe

30 December 2020

Consolidated Statements of Profit or Loss and other Comprehensive Income

For the year ended 30 September 2020

INFLATION ADJUSTED

		Company		Consolidated	
All figures in ZWL	**Notes**	**2020**	**2019**	**2020**	**2019**
Revenue from contracts with customers	5.1	-	-	619,542,257	773,442,910
Cost of production	3.20	-	-	(280,077,797)	(301,634,826)
Gross profit		**-**	**-**	**339,464,460**	**471,808,084**
Other operating income		-	-	6,379,915	40,981,499
Operating expenses		(804,525)	(1,197,584)	(213,993,260)	(143,648,634)
(Loss)/profit from operations	7	**(804,525)**	**(1,197,584)**	**131,851,115**	**369,140,949**
Fair value adjustments	11	-	-	(144,315,581)	344,486,738
Exchange differences	7.2	-	-	(187,056,292)	(306,519,206)
Monetary (loss)/gain		(80,661,772)	(331,009,743)	262,619,448	309,233,862
Share of net profit of a joint venture accounted for using the equity method	12	-	-	10,736,806	12,569,100
(Loss)/profit before interest and taxation		**(81,466,297)**	**(332,207,327)**	**73,835,496**	**728,911,443**
Finance costs	7.1	-	-	(22,565,319)	(36,693,226)
(Loss)/profit before taxation		**(81,466,297)**	**(332,207,327)**	**51,270,177**	**692,218,217**
Income tax credit/(expense)	8	-	-	91,930,042	(274,557,425)
(Loss)/profit for the year		**(81,466,297)**	**(332,207,327)**	**143,200,219**	**417,660,792**
Other comprehensive income (net of tax)		-	-	-	-
Total comprehensive (loss) /income for the year		**(81,466,297)**	**(332,207,327)**	**143,200,219**	**417,660,792**
Earnings per share (ZWL dollars)					
Basic earnings per share	9			0.0880	0.2566
Diluted earnings per share	9			0.0880	0.2566

HISTORICAL COST

		Company		Group	
All figures in ZWL	**Notes**	**2020**	**2019**	**2020**	**2019**
Revenue	5.1	-	-	339,581,572	48,126,876
Cost of production	3.20	-	-	(141,712,154)	(18,223,369)
Gross profit		**-**	**-**	**197,869,418**	**29,903,507**
Other operating income		-	-	3,722,015	1,488,658
Operating expenses		(290,555)	(63,976)	(133,753,967)	(5,918,699)
(Loss)/profit from operations	7	**(290,555)**	**(63,976)**	**67,837,466**	**25,473,466**
Fair value adjustments	11	-	-	314,229,100	64,202,507
Exchange differences	7.2	-	-	(204,815,109)	(40,363,251)
Share of net profit of a joint venture accounted for using the equity method	12	-	-	4,816,077	671,453
(Loss)/Profit before interest and taxation		**(290,555)**	**(63,976)**	**182,067,534**	**49,984,175**
Finance costs	7.1	-	-	(14,293,212)	(3,334,979)
(Loss)/Profit before taxation		**(290,555)**	**(63,976)**	**167,774,322**	**46,649,196**
Income tax expense	8	-	-	(31,923,734)	(22,128,320)
(Loss)/Profit for the year		**(290,555)**	**(63,976)**	**135,850,588**	**24,520,876**
Other comprehensive income (net of tax)		-	-	-	-
Total comprehensive (loss)/income for the year		**(290,555)**	**(63,976)**	**135,850,588**	**24,520,876**
Earnings per share (ZWL dollars)					
Basic earnings per share	9			0.0835	0.0151
Diluted earnings per share	9			0.0835	0.0151

The above consolidated statements of profit or loss should be read in conjuction with the accompanying notes

Statements of Financial Position

As at 30 September 2020

INFLATION ADJUSTED

All figures in ZWL	Notes	Company 30-Sep-20	Company 30-Sep-19	Group 30-Sep-20	Group 30-Sep-19
ASSETS					
Non-current assets					
Property, plant and equipment	10	-	-	1,178,090,588	1,174,155,081
Biological Assets	11	-	-	15,136,704	21,585,089
Right of Use Assets	20	-	-	22,098,300	-
Investment in joint venture	12	-	-	25,632,440	14,895,634
Investment in subsidiaries	13	309,570	309,570	-	-
		309,570	**309,570**	**1,240,958,032**	**1,210,635,804**
Current assets					
Biological assets	11	-	-	368,631,898	506,499,095
Inventories	14	-	-	146,079,529	79,028,587
Trade and other receivables	15	12,093,729	94,046,453	184,044,843	214,989,099
Cash and cash equivalents	6.5	-	-	17,912,232	34,919,233
		12,093,729	**94,046,453**	**716,668,502**	**835,436,014**
TOTAL ASSETS		**12,403,299**	**94,356,023**	**1,957,626,534**	**2,046,071,818**
EQUITY					
Share capital and reserves					
Share capital	16	55,983,844	55,983,844	55,983,844	55,983,844
Share premium		375,736,634	375,736,634	375,736,634	375,736,634
(Accumulated losses)/distributable reserves		(419,435,083)	(337,968,786)	714,687,680	571,487,461
		12,285,395	**93,751,692**	**1,146,408,158**	**1,003,207,939**
LIABILITIES					
Non-current liabilities					
Borrowings	19	-	-	220,342,572	326,776,899
Deferred tax	17	44,136	44,136	332,908,005	424,838,050
Lease Liabilities	20	-	-	197,375	4,965,037
		44,136	**44,136**	**553,447,952**	**756,579,986**
Current liabilities					
Trade and other payables	18	73,768	560,195	250,845,429	254,907,223
Borrowings	19	-	-	6,544,509	28,703,189
Lease Liabilities	20	-	-	380,486	2,673,481
		73,768	**560,195**	**257,770,424**	**286,283,893**
TOTAL EQUITY AND LIABILITIES		**12,403,299**	**94,356,023**	**1,957,626,534**	**2,046,071,818**

The above consolidated statements of financial position should be read in conjuction with accompanying notes.

A.C. JONGWE
CHAIRMAN

18 DECEMBER 2020

P.T. SPEAR
CHIEF EXECUTIVE OFFICER

18 DECEMBER 2020

Statements of Financial Position - Continued

As at 30 September 2020

HISTORICAL COST

		Company		Group	
All figures in ZWL	**Notes**	**30-Sep-20**	**30-Sep-19**	**30-Sep-20**	**30-Sep-19**
ASSETS					
Non-current assets					
Property, plant and equipment	10	-	-	67,517,701	38,457,898
Biological assets	11	-	-	15,136,705	2,842,381
Right of use assets	20	-	-	1,007,462	-
Investment in joint venture	12	-	-	5,555,160	739,083
Investment in subsidiaries	13	8,999	8,999	-	-
		8,999	**8,999**	**89,217,028**	**42,039,362**
Current assets					
Biological assets	11	-	-	368,631,898	66,697,122
Inventories	14	-	-	55,449,778	6,084,110
Trade and other receivables	15	12,093,729	12,384,283	177,244,543	25,750,563
Cash and cash equivalents	6.5	-	-	17,912,232	4,598,256
		12,093,729	**12,384,283**	**619,238,451**	**103,130,051**
TOTAL ASSETS		**12,102,728**	**12,393,282**	**708,455,479**	**145,169,413**
EQUITY					
Share capital and reserves					
Share capital	16	1,627,395	1,627,395	1,627,395	1,627,395
Share premium		10,922,292	10,922,292	10,922,292	10,922,292
(Accumulated losses)/distributable reserves		(522,010)	(231,456)	164,843,053	28,992,465
		12,027,677	**12,318,231**	**177,392,740**	**41,542,152**
LIABILITIES					
Non-current liabilities					
Borrowings	19	-	-	220,342,572	43,030,837
Deferred tax	17	1,283	1,283	57,607,967	25,684,234
Lease Liabilities	20	-	-	197,375	653,809
		1,283	**1,283**	**278,147,914**	**69,368,880**
Current liabilities					
Trade and other payables	18	73,768	73,768	245,989,829	30,126,619
Borrowings	19	-	-	6,544,509	3,779,711
Lease Liabilities	20	-	-	380,487	352,051
		73,768	**73,768**	**252,914,825**	**34,258,381**
TOTAL EQUITY AND LIABILITIES		**12,102,728**	**12,393,282**	**708,455,479**	**145,169,413**

The above consolidated statement of financial position should be read in conjuction with accompanying notes.

A.C. JONGWE
CHAIRMAN

18 DECEMBER 2020

P.T. SPEAR
CHIEF EXECUTIVE OFFICER

18 DECEMBER 2020

Statements of Changes in Shareholders' Equity
For the year ended 30 September 2020

INFLATION ADJUSTED

COMPANY

All figures in ZWL	Share capital	Share premium	Accumulated losses	Total
Balance at 30 September 2018	**55,983,844**	**375,736,634**	**(5,761,459)**	**425,959,019**
Total comprehensive income for the year	-	-	(332,207,327)	**(332,207,327)**
Balance at 30 September 2019	**55,983,844**	**375,736,634**	**(337,968,786)**	**93,751,692**
Total comprehensive loss for the year	-	-	(81,466,297)	**(81,466,297)**
Balance at 30 September 2020	**55,983,844**	**375,736,634**	**(419,435,083)**	**12,285,395**

GROUP

All figures in ZWL	Share capital	Share premium	Distributable reserves	Total
Balance at 30 September 2018	**55,983,844**	**375,736,634**	**154,637,292**	**586,357,770**
IFRS 9 adoption	-	-	(810,623)	**(810,623)**
Total comprehensive income for the year	-	-	417,660,792	**417,660,792**
Balance at 30 September 2019	**55,983,844**	**375,736,634**	**571,487,461**	**1,003,207,939**
Total comprehensive income for the year			143,200,219	**143,200,219**
Balance at 30 September 2020	**55,983,844**	**375,736,634**	**714,687,680**	**1,146,408,158**

The above consolidated statements of changes in equity should be in conjuction with the accompanying notes.

Statements of Changes in Shareholders' Equity - Continued
For the year ended 30 September 2020

HISTORICAL COST

COMPANY

All figures in ZWL	Share capital	Share premium	Accumulated losses	Total
Balance at 30 September 2018	**1,627,395**	**10,922,292**	**(167,480)**	**12,382,207**
Total comprehensive income for the year	-	-	(63,975)	(63,975)
Balance at 30 September 2019	**1,627,395**	**10,922,292**	**(231,455)**	**12,318,232**
Total comprehensive loss for the year	-	-	(290,555)	(290,555)
Balance at 30 September 2020	**1,627,395**	**10,922,292**	**(522,010)**	**12,027,677**

GROUP

All figures in ZWL	Share capital	Share premium	Distributable reserves	Total
Balance at 30 September 2018	**1,627,395**	**10,922,292**	**4,495,153**	**17,044,840**
IFRS 9 adoption	-	-	(23,564)	(23,564)
Total comprehensive income for the year	-	-	24,520,876	24,520,876
Balance at 30 September 2019	**1,627,395**	**10,922,292**	**28,992,465**	**41,542,152**
Total comprehensive income for the year	-	-	135,850,588	135,850,588
Balance at 30 September 2020	**1,627,395**	**10,922,292**	**164,843,053**	**177,392,740**

The above consolidated statements of changes in equity should be in conjuction with the accompanying notes.

Statements of Cashflows

For the year ended 30 September 2020

INFLATION ADJUSTED

All figures in ZWL	Notes	Company 2020	Company 2019	Group 2020	Group 2019
Cash flows from operating activities					
(Loss)/Profit before taxation		(81,466,297)	(332,207,327)	73,835,496	728,911,443
Monetary (loss)/gain		80,661,772	331,009,743	(262,619,448)	(309,233,862)
		(804,525)	(1,197,584)	(188,783,952)	419,677,581
Non-cash items		(80,661,772)	(332,987,225)	450,605,712	(29,109,400)
Changes in working capital	6.1	81,466,297	334,184,809	(40,168,481)	(66,126,412)
Cashflows from operations		-	-	221,653,279	324,441,769
Finance costs paid		-	-	(22,565,319)	(28,488,073)
Net cash inflow from operating activites		**-**	**-**	**199,087,960**	**295,953,696**
Cash flows from investing activities					
Purchase of property, plant and equipment	10	-	-	(71,155,900)	(96,569,998)
Cash outflow on bearer plants	10	-	-	(9,285,399)	(8,943,261)
Proceeds from sale of property, plant and equipment		-	-	-	146,990
Cash generated from/(utilised in) investing activities		**-**	**-**	**(80,441,299)**	**(105,366,269)**
Cash flows from financing activities					
Proceeds from borrowings	6.2	-	-	7,779,975	75,070,592
Repayment of borrowings	6.2	-	-	(136,372,981)	(245,988,809)
Proceeds from lease arrangements	6.3	-	-	-	20,969,253
Repayment of lease arrangements	6.3	-	-	(7,060,656)	(8,934,407)
Cash (utilised in)/generated from financing activities		**-**	**-**	**(135,653,662)**	**(158,883,371)**
Net cash inflow/(outflow)		-	-	(17,007,001)	31,704,056
Cash and cash equivalents at beginning of year		-	-	34,919,233	3,215,177
Cash and cash equivalents at end of year		**-**	**-**	**17,912,232**	**34,919,233**
Cash and cash equivalents at end of year comprising:					
Cash and cash equivalents	6.4	-	-	17,912,232	34,919,233
Cash and cash equivalents at the end of year		**-**	**-**	**17,912,232**	**34,919,233**

The above statements of cash flows should be read in conjuction with the accompanying notes.

Statements of Cashflows - Continued

For the year ended 30 September 2020

HISTORICAL COST

All figures in ZWL	Notes	Company 2020	Company 2019	Group 2020	Group 2019
Cash flows from operating activities					
(Loss)/Profit before taxation		(290,555)	(63,976)	182,067,534	49,984,175
Non-cash items		-	-	(315,620,659)	(28,308,311)
Changes in working capital	6.1	290,555	63,976	15,003,562	(2,493,381)
Cashflows from operations		**-**	**-**	**(118,549,563)**	**19,182,483**
Finance costs paid		-	-	(14,293,212)	(2,690,370)
Cash (utilised in)/generated from operating activities		**-**	**-**	**(132,842,775)**	**16,492,113**
Cash flows from investing activities					
Purchase of property, plant and equipment		-	-	(27,676,351)	(7,055,113)
Cash outflow on bearer plants	10	-	-	(5,815,432)	(477,757)
Proceeds from sale of property, plant and equipment	10	-	-	-	8,837
Cash generated from/(utilised in) investing activities		**-**	**-**	**(33,491,783)**	**(7,524,033)**
Cash flows from financing activities					
Proceeds from borrowings	6.2	-	-	182,037,228	5,349,128
Repayment of borrowings	6.2			(1,960,696)	(10,445,222)
Proceeds from lease arrangements	6.3	-	-	-	1,000,466
Repayment of lease arrangements	6.3	-	-	(427,999)	(367,658)
Cash (utilised in)/generated from financing activities		**-**	**-**	**179,648,534**	**(4,463,286)**
Net cash inflow/(outflow)		-	-	13,313,976	4,504,794
Cash and cash equivalents at beginning of year		-	-	4,598,256	93,462
Cash and cash equivalents at end of year		**-**	**-**	**17,912,232**	**4,598,256**
Cash and cash equivalents at end of year comprising:					
Cash and cash equivalents	6.4	-	-	17,912,232	4,598,256
Cash and cash equivalents at the end of year		**-**	**-**	**17,912,232**	**4,598,256**

The above statements of cash flows should be read in conjuction with the accompanying notes.

1. GENERAL DISCLOSURES

1.1. Country of incorporation and main activities

Ariston Holdings Limited (“the Company”), an investment holding company, its subsidiaries and joint venture company (“the Group”) are incorporated in Zimbabwe. The principal activities of the Group are farming operations which include tea, macadamia, avocados, bananas, stone fruit, pome fruit, livestock, poultry and horticulture. The ultimate holding company of the Group is Afrifresh Group (Properietary) Limited, a South African company.

Basis of Preparation

(i) Compliance relevant regulations

The consolidated financial statements of the group have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB). The financial statements have also been prepared in terms of section 183 of the Companies and Other Business Entities Act (Chapter 24:31), Zimbabwe Stock Exchange Requirements and the relevant statutory instruments.

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1.2 Functional and presentation currency

"These financial statements are presented in Zimbabwe Dollars (ZWL) which is the functional and presentation currency of the Company and the Group as this is the currency of the primary economic environment in which the Company and Group operate.

As a result of changes announced by the monetary authorities, the directors in 2019 assessed as required by IAS 21 and consistent with the guidance issued by the Public Accountants and Auditors Board (PAAB) whether the use of US$ as functional currency remained appropriate, the directors concluded that the use of the group's functional currency became ZWL with effect from 1 October 2018. So this is their second year using ZWL as their functional currency.

The group and company complied with all relevant statutory instruments and Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) in the financial statements preparation in historical cost purposes in that all foreign currency transactions during the year were translated using the Reserve Bank of Zimbabwe Auction rate. The Auction rate as at 30 September was USD 1: ZWL 81,5.

1.3 Borrowing powers

The directors may, at their discretion, borrow an amount equal to double the aggregate of shareholders' funds of the Group.

1.4 Preparer of financial statements

These financial statements have been prepared under the supervision of Mrs R.A. Chinamo, CA (Z), and have been audited in terms of section 183 of the Companies and Other Business Entities Act (Chapter 24:31).

2. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

2.1 International Financial Reporting Standards and amendments effective for the first time for September 2020 year-end

IFRS 16 – Leases
Annual periods beginning on or after 1 January 2019 – earlier application permitted if IFRS 15 is also applied. (published January 2016)

This standard replaces the current guidance in IAS 17 and is a far reaching change in accounting by lessees in particular. Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a ‘right-of-use asset’ for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard.

2. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS - CONTINUED

2.1 International Financial Reporting Standards and amendments effective for the first time for September 2020 year-end - continued

IFRS 16 – Leases
Annual periods beginning on or after 1 January 2019 – earlier application permitted if IFRS 15 is also applied. (published January 2016) - continued

At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. IFRS 16 supersedes IAS 17, 'Leases', IFRIC 4, 'Determining whether an Arrangement contains a Lease', SIC 15, 'Operating Leases – Incentives' and SIC 27, 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'.

The group has applied IFRS 16 - Leases for the first time for the annual reporting period commencing 1 October 2019. The group elected to use the Modified retrospective method Under this approach, a lessee does not restate comparative information. Consequently, the date of initial application is the first day of the annual reporting period in which a lessee first applies the requirements of the new leases standard. At the date of initial application of the new leases standard, lessees recognise the cumulative effect of initial application as an adjustment to the opening balance of equity as of 1 October 2019.

Until 30 September 2019, leases of property, plant and equipment where the group, as lessee, had substantially all the risks and rewards of ownership were classified as finance leases. Leases were capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. Each lease payment was allocated between the liability and finance cost. The finance cost was charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases was depreciated over the asset's useful life. The group did not have any operating leases during the period under review.

Upon adoption of IFRS 16, on 1 October 2019, the Group recognised a Right of Use asset of ZWL22,098,000 (inflation adjusted) ZWL1,304,688 (historical cost) which was the carrying amount of the assets under Property, Plant and Equipment.The carrying amount was reclassified from Property and Equipment to Right of Use Asset.

	Inflation Adjusted	Historical Cost
All figures in ZWL	**2020**	**2020**
Lease liabilities recognised as at 1 October 2019	7,638,518	1,005,860
Lease liability recognised as at 1 October 2019		
Non-current liabilities	4,965,037	653,809
Current liabilities	2,673,481	352,051

Assumptions made in adopting IFRS 16.Adjustments recognised in the balance sheet on 1 October 2019.The change in accounting policy affected the following items in the balance sheet on 1 October 2019.

	Inflation Adjusted	Historical Cost
Property, plant and equipment – decrease	(22,098,300)	(1,304,688)
Right-of-use assets-increase	22,098,300	1,304,688

2. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS - CONTINUED

2.1 International Financial Reporting Standards and amendments effective for the first time for September 2020 year-end - continued

Financial instruments' on prepayment features with negative compensation and modification of financial liabilities. Annual periods beginning on or after 1 January 2019

The narrow-scope amendment covers two issues: The amendments allow companies to measure particular prepayable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met—instead of at fair value through profit or loss. It is likely to have the biggest impact on banks and other financial services entities. How to account for the modification of a financial liability. The amendment confirms that most such modifications will result in immediate recognition of a gain or loss. This is a change from common practice under IAS 39 today and will affect all kinds of entities that have renegotiated borrowings.

IFRS 9 – Financial Instruments (2009 &2010)
- Financial liabilities
- Derecognition of financial instruments
- Financial assets

This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment modelThe IASB has amended IFRS 9 to align hedge accounting more closely with an entity's risk management. The revised standard also establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39.

Early adoption of the above requirements has specific transitional rules that need to be followed. Entities can elect to apply IFRS 9 for any of the following:
- The own credit risk requirements for financial liabilities.
- Classification and measurement (C&M) requirements for financial assets.
- C&M requirements for financial assets and financial liabilities.
- The full current version of IFRS 9 (that is, C&M requirements for financial assets and financial liabilities and hedge accounting).

The transitional provisions described above are likely to change once the IASB completes all phases of IFRS 9.

This standard had no significant impact on the financial statements of the Group.

Amendments to IAS 19Amendments to IAS 19, 'Employee benefits' on plan amendment, curtailment or settlement. Annual periods on or after 1 January 2019

(issued February 2018)
These amendments require an entity to: Use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and Recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus (recognised or unrecognised). This reflects the substance of the transaction, because a surplus that has been used to settle an obligation or provide additional benefits is recovered. The impact on the asset ceiling is recognised in other comprehensive income, and it is not reclassified to profit or loss. The impact of the amendments is to confirm that these effects are not offset.

This standard had no significant impact on the financial statements of the Group.

Amendments to IAS 28, 'Investments in associates and joint ventures' – long-term interests in associates and joint ventures. Annual periods beginning on or after 1 January 2019

The amendments clarified that companies account for long-term interests in an associate or joint venture, to which the equity method is not applied, using IFRS 9. The amendments are effective from 1 January 2019, with early application permitted

This standard had no significant impact on the financial statements of the Group.

2. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS - CONTINUED

2.1 International Financial Reporting Standards and amendments effective for the first time for September 2020 year-end - continued

Annual improvements cycle 2015-2017 Annual periods beginning on or after 1 January 2019
These amendments include minor changes to:
IFRS 3, 'Business combination' - a company remeasures its previously held interest in a joint operation when it obtains control of the business.

IFRS 11,'Joint arrangements', - a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

IAS 12,' Income taxes' -The amendment clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

IAS 23,' Borrowing costs' - a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

IFRIC 23, 'Uncertainty over income tax treatments' Annual periods beginning on or after 1 January 2019

IFRIC 23 provides a framework to consider, recognise and measure the accounting impact of tax uncertainties. The Interpretation provides specific guidance in several areas where previously IAS 12 was silent. The Interpretation also explains when to reconsider the accounting for a tax uncertainty. Most entities will have developed a model to account for tax uncertainties in the absence of specific guidance in IAS 12. These models might, in some circumstances, be inconsistent with IFRIC 23 and the impact on tax accounting could be material. Management should assess the existing models against the specific guidance in the Interpretation and consider the impact on income tax accounting.

This standard had no significant impact on the financial statements of the Group.

Amendments to IFRS 2, 'Share-based payments' :Clarifying how to account for certain types of share-based payment transactions. Annual periods beginning on or after Annual periods beginning on or after 1 January 2018.

This amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority.

Amendment to IFRS 4, 'Insurance contracts'Regarding the implementation of IFRS 9, 'Financial instruments'

These amendments introduce two approaches: an overlay approach and a deferral approach. The amended standard will: Give all companies that issue insurance contracts the option to recognise in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts standard is issued; and Give companies whose activities are predominantly connected with insurance an optional exemption from applying IFRS 9 until 2021. The entities that defer the application of IFRS 9 will continue to apply the existing financial instruments standard – IAS 39.

This standard had no significant impact on the financial statements of the Group.

Amendment to IAS 40, 'Investment property:'Transfers of investment property
These amendments clarify that to transfer to, or from, investment properties there must be a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition. This change must be supported by evidence

This standard had no significant impact on the financial statements of the Group.

2. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS - CONTINUED

2.1 International Financial Reporting Standards and amendments effective for the first time for September 2020 year-end - continued

IFRIC 22, 'Foreign currency transactions and advance consideration'

This IFRIC addresses foreign currency transactions or parts of transactions where there is consideration that is denominated or priced in a foreign currency. The interpretation provides guidance for when a single payment/receipt is made as well as for situations where multiple payment/receipts are made. The guidance aims to reduce diversity in practice.

This standard had no significant impact on the financial statements of the Group.

Amendment to IAS 1, 'Presentation of financial statements' and IAS 8, 'Accounting policies, changes in accounting estimates and errors' on the definition of material. Annual periods beginning on or after 1 January 2020

These amendments to IAS 1 and IAS 8 and consequential amendments to other IFRSs: use a consistent definition of materiality through IFRSs and the Conceptual Framework for Financial Reporting; clarify the explanation of the definition of material; and incorporate some of the guidance in IAS 1 about immaterial information. The amended definition is: "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

2.2 New and revised IFRS in issue but not yet effective

IFRS 17 Insurance Contracts

Issued: 18 May 2017
Effective date: Applicable to annual reporting periods beginning on or after 1 January 2021

IFRS 17 requires insurance liabilities to be remeasured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as of 1 January 2021.

The directors anticipate that this standard, in future periods, will have no significant impact on the financial statements of the Group.

Definition of a Business (Amendments to IFRS 3)

Issued: 22 October 2018
Annual periods beginning on or after 1 January 2020

The amendments in Definition of a Business (Amendments to IFRS 3) are changes to Appendix A Defined terms, the application guidance, and the illustrative examples of IFRS 3 only. They:
- clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs;
- narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs;
- add guidance and illustrative examples to help entities assess whether a substantive process has been acquired;
- remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs; and
- add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

The directors anticipate that this amendment, in future periods, will have no significant impact on the financial statements of the Group.
Business Combination- a company remeasures its previously held interest in a joint operation when it obtains control in the Business .

2. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS - CONTINUED

2.2 New and revised IFRS in issue but not yet effective - continued

Definition of Material (Amendments to IAS 1 and IAS 8)

Issued: 31 October 2018
Annual periods beginning on or after 1 January 2020

The amendments in Definition of Material (Amendments to IAS 1 and IAS 8) clarify the definition of 'material' and align the definition used in the Conceptual Framework and the standards.

The directors anticipate that this amendment, in future periods, will have no significant impact on the financial statements of the Group.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of compliance
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, (IFRS), as issued by the International Accounting Standards Board (IASB).

3.2 Basis of preparation
The consolidated financial statements 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 reflect the effects of the application of International Accounting Standard (IAS) 29 ""Financial Reporting in Hyperinflationary Economies"" as more fully described on Note 3.2.1.

Historical cost financial statements are presented in compliance with the requirements of the Companies and Other Business Entities Act (Chapter 24:31).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, and in accordance with the guidance provided by IFRS13, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

The directors have assessed the ability of the Group to continue as a going concern and believe that the preparation of the financial statements on a going concern basis is appropriate.

3.2.1 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3.2.1 Hyperinflation - continued

This is the second year of application of IAS 29.

The financial statements prepared on the historical cost basis have been adjusted to fully comply with IFRS; these adjustments include the restatement of current financial information to comply with IAS 29 which requires that financial statements 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 Central Statistical Office, which are shown below:

Month	2020	2019	2020	2019
	Monthly Indices	Monthly Indices	Conversion Factors	Conversion Factors
September	290.39	64.06	7.59	4.53
October	402.92	74.59	5.47	3.89
November	473.28	81.45	4.66	3.56
December	551.63	88.81	4.00	3.27
January	563.90	98.35	3.91	2.95
February	640.16	100.00	3.44	2.90
March	810.40	104.38	2.72	2.78
April	953.36	110.14	2.31	2.64
May	1,097.65	123.95	2.01	2.34
June	1,445.21	172.61	1.53	1.68
July	1,958.72	208.92	1.13	1.39
August	2,123.97	246.68	1.04	1.18
September	2,205.24	290.34	1.00	1.00

The key procedures applied in the restatement processes are as follows:
- Biological assets, monetary assets and liabilities at the reporting date are not restated since they are already stated in terms of the monetary unit at reporting date
- Non-monetary assets and liabilities and components of shareholders' equity are restated by applying the relevant monthly conversion factors.
- Comparative information is restated using the inflation indices, in terms of the measuring unit current at the reporting date.
- The net effect of the inflation adjustments on the net monetary position of the Group is included in the income statement as a monetary gain or loss.

Upon applying the hyperinflation procedures stated above to the financial information of the Group and Company the following monetary (losses)/gains arose: Company ZWL80,661,772 (loss) (2019: ZWL 331,009,743 (loss)) and Group ZWL262,619,448 (gain) (2019: ZWL 309,233,862 gain). The monetary (loss)/gain for the Company and Group was derived as the difference between the amounts reported for historical cost purposes and the result from the restatement of non-monetary items, shareholders' equity, items in the statement of comprehensive income and the adjustment of index-linked items to year end purchasing power. The monetary (loss)/gain has been included in the Statements of profit or loss and other comprehensive income.

The principal accounting policies are set out below:

3.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries) made up to 30 September each year. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3.3 Basis of consolidation - continued

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.
All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

3.3.1 Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the noncontrolling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments, when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

3.4 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

(1) deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
(2) liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date and
(3) assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3.4 Business combinations - continued

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the ‘measurement period’ (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

3.5 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group’s share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group’s share of losses of an associate or a joint venture exceeds the Group’s interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group’s net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group’s share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group’s share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3.5 Investments in associates and joint ventures - continued

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

3.6 Biological assets

Biological assets exclude bearer plants and include the following:

Produce on bearer plants	Seasonal crops	Other
tea	potatoes	timber - gum and pine trees
macadamia	commercial maize	livestock
avocado fruit	seed maize	poultry
banana	sugar beans	
stone fruit	soya beans	
pome fruit	other fresh produce	

Biological assets are measured at fair value less cost to sell, see (iii) below for further information on determining the fair value.Costs to sell include the incremental selling costs, and estimated costs to the market, but exclude finance costs and income taxes.

Livestock held for slaughter or sale are classified as immature until they are ready for slaughter or sell. Livestock are classified as current assets if they are to be sold within one year.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3.6 Biological assets - continued

Bearer plants and are therefore presented and accounted for as property, plant and equipment, see note 10. However, the fruit growing on the trees are accounted for as biological assets until the point of harvest. Harvested fruits are transferred to inventory at fair value less costs to sell when harvested. Changes in fair value of are recognised in the statement of profit or loss.

Farming costs such as feeding, labour costs, pasture maintenance, and veterinary services and shearing are expensed as incurred. The cost of purchase of plus transportation charges are capitalised as part of biological assets.

The group does not have contract growers. All farming and breeding activities are done in house by the Group.

Produce growing on bearer plants and seasonal crops
These biological assets are measured at fair value less cost to sell on initial recognition and at fair values less costs to sell at each period end. Fair value is determined based on current estimated market prices, less estimated harvesting, transport and packaging costs. Other variables used in determining fair values include estimated yield and expected quality.

Livestock, poultry and timber
These biological assets are measured at fair value less costs to sell, fair value being determined upon the age, size and relevant market price.

Surpluses or deficits arising from the annual change in the valuation are taken to profit or loss as a fair value adjustment.

3.7 Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they occur.

3.8 Financial instruments
Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets
All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets."

Classification of financial assets
Debt instruments that meet the following conditions are measured subsequently at amortised cost:
- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3.8 Financial instruments - continued

Classification of financial assets - continued

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance. Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL, specifically bank and cash balances.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically;

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss; and
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3.8 Financial instruments - continued

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables and trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experiencei,rrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 90 days past due,unless the Group has reasonable and supportable information that demonstrates otherwise.

Dividend and interest income

Dividends are received from financial assets measured at fair value through profit or loss (FVPL) and at fair value through other comprehensive income (FVOCI). Dividends are recognised as other income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of an investment. In this case, the dividend is recognised in OCI if it relates to an investment measured at FVOCI.

Interest income from financial assets at FVPL is included in the net fair value gains/(losses) on these assets.Interest income on financial assets at amortised cost and financial assets at FVOCI calculated using the effective interest method is recognised in profit or loss as part of other income. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 90 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3.8 Financial instruments - continued

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:
(1) The financial instrument has a low risk of default;
(2) The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
(3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are no past due amounts. The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(i) Write-off policy
The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(ii) Measurement and recognition of expected credit losses
The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3.8 Financial instruments - continued

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. Financial liabilities that are not:

(i) contingent consideration of an acquirer in a business combination,
(ii) held-for-trading, or
(iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. Financial liabilities that are not:

(i) contingent consideration of an acquirer in a business combination,
(ii) held-for-trading, or
(iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3.8 Financial instruments - continued

When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognised in profit or loss as the modification gain or loss within other gains and losses.

3.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3.9 Taxation - continued

Current and deferred tax for the period
Current and deferred taxes are recognised in profit or loss, except when they relate to items recognised in other comprehensive income or directly in equity, in which case, the tax is also recognised directly in equity. In the case of a business combination, the tax effect is taken into account in calculating goodwill or in determining the excess of the acquiree's interest, in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the business combination.

3.10 Property, plant and equipment

Property, plant and equipment are carried at i cost less accumulated depreciation and any recognised accumulated impairment. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred. Fair value is almost equals to cost.

Costs capitalised include all directly attributable costs incurred in bringing the relevant assets to their fully productive state.

Bearer plants are included in property, plant and equipment as defined in IAS 41 Agriculture and are therefore accounted for under the rules for plant and equipment. Immature bearer plants are measured at accumulated cost. After maturity bearer plants are measured at indexed cost less accumulated depreciation and any recognised accumulated impairment recognised in profit or loss. The useful life of the bearer plants is determined in order to depreciate them and this is re-evaluated each year.

The Group’s bearer plants at year end comprise tea bushes, macadamia trees, avocado trees, banana trees, stone fruit trees and pome fruit trees. The useful lives and maturity profiles of bearer plants are as follows:

	Useful Life	Maturity Profile
Tea bushes	100 years	2 years
Macadamia trees	50 years	6 years
Avocado trees	40 years	5 years
Banana trees	10 years	1 year
Stone fruit trees	25 years	2 years
Pome fruit trees	25 years	5 years

The useful lives are reviewed at the end of each reporting period to determine whether events and circumstances continue to support these useful lives.

Depreciation is not provided on freehold land. Depreciation is calculated using the straight line method to allocate the cost ,net of their residual values, over their estimated useful lives as follows;

Plant and equipment	3 - 20 years
Motor vehicles	5 years
Freehold improvements	7 – 40 years
Leasehold improvements	10 – 40 years
Buildings	40 years

In 2019 :Assets held under finance lease were depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3.10 Property, plant and equipment - continued

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each financial period. For judgements relating to impairment of items of property, plant and equipment refer to Note 4.4.

An asset's carrying amount is immediately written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Derecognition of property, plant and equipment
An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.11 Intangible assets
Intangible assets with finite useful lives that are acquired separately are carried at indexed cost, less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at indexed cost less accumulated impairment losses.

Derecognition of intangible assets
An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

3.12 Impairment of tangible and intangible assets other than goodwill
At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3.13 Leasing

The Group as lessor
Amounts due from lessees under leases are recorded as receivables at the amount of the Group's net investment in the leases. Lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Group as lessee
Upon lease commencement the Group recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the lease liability plus any initial direct costs incurred by the Group. Adjustments may also be required for lease incentives, payments at or prior to commencement and restoration obligations or similar. After lease commencement, the Group shall measure the right-of-use asset using a cost model, unless:
(i) the right-of-use asset is an investment property and the Group fair values its investment property under IAS 40; or
(ii) the right-of-use asset relates to a class of PPE to which the Group applies IAS 16's revaluation model, in which case all right-of-use assets relating to that class of PPE can be revalued.

Under the cost model a right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the Group shall use their incremental borrowing rate. Variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability and are initially measured using the index or rate as at the commencement date. Amounts expected to be payable by the Group under residual value guarantees are also included. Variable lease payments that are not included in the measurement of the lease liability are recognised in profit or loss in the period in which the event or condition that triggers payment occurs, unless the costs are included in the carrying amount of another asset under another Standard.

The lease liability is subsequently re-measured to reflect changes in:
- the lease term (using a revised discount rate);
- the assessment of a purchase option (using a revised discount rate);
- the amounts expected to be payable under residual value guarantees (using an unchanged discount rate);
- or future lease payments resulting from a change in an index or a rate used to determine those payments (using an unchanged discount rate).

The re-measurements are treated as adjustments to the right-of-use asset.

Lease modifications may also prompt re-measurement of the lease liability unless they are to be treated as separate leases. The group did not have exposures in the areas noted above relating to remeasured of lease liabilities,all contracts had set expiry dates.

3.14 Provisions

Provisions are recognised when:
- the Group has a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the amount of the obligation; and
- a reliable estimate can be made of the amount of the obligation

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3.14 Provisions - continued

Onerous contract
Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Restructurings
A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Group.

3.15 Retirement benefit costs
The Ariston Holdings Limited Group contributes to a defined contribution plan for the benefit of certain eligible employees. The fund is administered by a life assurance society. In addition, all Group employees contribute to the defined contribution scheme established by the National Social Security Authority Act of 1989. Ariston currently has a "paid up" status and the pension fund is being reconstituted.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

3.16 Inventories
Inventories are stated at the lower of indexed cost and net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

The cost of inventories are determined as follows:
Farm produce - Deemed cost when transferred from biological assets to inventory.
Stores and materials - The lower of indexed cost and net realisable value with cost being calculated on a weighted average basis.

3.17 Revenue recognition

Revenue from contracts with customers
The group derives revenue from the transfer of goods at a point in time.

The Group revenue from contracts with customers is derived from the sale of tea, macadamia nuts, fruits and vegetables, poultry and other agricultural produce. Revenue is recognized upon the completion of the performance obligation when the customer collects from the farm.

Sale of goods
Revenue is recognised at a point when the performance obligation is satisfied when the customer collects from the farm. Customers are responsible for their own transportation from the farms. Once the goods leaves the farm gate all the performance obligations would have been satisfied. For international sales the performance obligation is satisfied when goods leave the estates.

There are no significant financing components expected as payment terms granted to customers do not exceed 90 days and accordingly the practical expedient in IFRS 15 has been applied. The transaction price is determined based on set internal standards. Payments is received on delivery. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. The group is in full control of the goods before they are collected by the customer.

Ariston does not make use of contract growers arrangements. All farming activities are done by the Group at their estates.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3.17 Revenue recognition - continued

Sale of goods - continued

Due to the perishable nature of the farm produces, the goods are inspected before being loaded to the transport provided by the customer. Once the goods leave the farm gate and delivery note is issued, there will be no returns to the farm

A contract liability for prepayments is recognised at the time of receipt of prepayments from the customer.A contract liability is recognised until the goods are collected by the customer. In the case of fixed-price contracts, the customer pays the fixed amount based on an agreed payment schedule. If the services rendered by Ariston exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

Management has determined that it is highly probable that there will be no rescission of the contracts with customers, and that a significant reversal in the amount of revenue recognised will not occur. It is therefore appropriate to recognise revenue on this transaction during 2020 where control of the products has transferred to the customer.

Financing components

The group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money. In most instances the timing of the delivery of goods is at the discretion of the customer, based on their own demand and capacity. There is no difference between the amount of contract consideration and the amount that would otherwise be paid in cash at the time of performance. Based on the factors noted above no significant financing component were identified in revenue from contract from customers.

3.18 Related party transactions

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation. Transactions with other related parties such as directors, key management and shareholders are made at arm's length. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the period for bad or doubtful debts, in respect of the amounts owed by related parties.

The directors have assessed the recoverability of the receivables and are confident that the related parties' balances are recoverable and expected credit losses are immaterial based on past experiences.

3.19 Share based payments

Equity settled share based payments to employees and other providing similar services are measured at the fair value of the equity instruments at the grant date using the intrinsic value method.

The establishment of the Share Options Plan was approved by shareholders at the 2011 annual general meeting. Participation in the plan is at the board's discretion, and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. Options are granted under the plan for no consideration and carry no dividend or voting rights.

The fair value determined at the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period the Group revises the estimate of the number of equity instruments expected to vest. The impact of this revision of the original estimates, it any is, recognised in the profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option reserve. The reserve created is transferred to share premium and share capital as options are exercised For options that expire or are for fortified the value relating to the expired or forfeited options is transferred to distributable reserves.

Equity-settled share based payment transactions with parties other than employees are measured at fair value, of the goods or services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date that the entity obtains the goods or the services the counter party renders the service.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3.19 Share based payments - continued

For cash-settled share based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled and the date of settlement, the fair value is remeasured, with any changes in fair value recognised in profit or loss for the year.

3.20 Cost of production

Cost of production is made up of cost of sales which include direct material and labour costs, but also includes indirect costs that can be directly attributed to generation of revenue; for example, depreciation of assets used in the production.

3.21 Foreign currencies

In preparing the financial statements of the Group, transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTIES

In the application of the Group's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The following are the critical judgements and key sources of estimation uncertainties, that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

4.1 Biological Assets

Estimate of biological produce quantities

The biological produce on bearer assets at year-end is based on the estimated production for the produce at the point of maturity and is adjusted accordingly based on the stage of maturity at year-end.

Selling prices

Average selling prices for agricultural produce are quoted in Zimbabwe dollars (ZWL) for locally sold produce and US$ translated to ZWL for exported produce. The current average selling prices at year end are used as the best estimate of future prices. Reference is also made to contracts post year-end which provide market-related information about pricing at year-end.

4.2 Inventories

Inventories are stated at the lower of indexed cost and net realisable value. Adjustments to reduce the cost of inventory to its net realisable value, if required, are made at the product level for estimated excess, obsolescence or damages. Factors influencing these adjustments include changes in demand, physical deterioration and quality issues.

4.3 Allowance for credit losses

When measuring expected credit losses (ECLs), the Group uses reasonable and supportable forward looking information, which is based on assumptions for future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cashflows due and those the lender would expect to receive, taking into account cashflows from collateral and integral credit enhancements. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTIES

4.4 Property, plant and equipment (impairment and depreciation)

The cost of property, plant and equipment is depreciated over the estimated useful life of the asset. The estimated useful life is based on expected usage of the asset and expected physical wear and tear, which depends on operational factors such as the number of shifts for which the asset is to be used and the repair and maintenance programme and technological obsolescence arising from changes and residual value. Management has assumed the residual value approximates nil due to the specialised nature and relative age of the property, plant and equipment with the exception of land and buildings.

Tea bushes, macadamia trees, avocado trees, banana trees, stone fruit trees and pome fruit trees are shown in the consolidated statement of financial position at indexed cost less accumulated depreciation and impairment charges under the 'bearer plants' category within property, plant and equipment. An assessment was made in order to determine whether the value of bearer plants were impaired at year-end.

Key assumptions in determining the value in use included:

Estimated annual production
This was based on historical average annual production adjusted for projected growth which provided the best possible estimate of the future generating capacity of the business.

Selling prices
The current average selling prices at year-end were used as the best estimate of future prices. Reference is also made to contracts post year-end which provide market related information about pricing at year-end. Fair value is in most cases almost equal to cost

Discount rate
The discount rate of 26.0% was based on the Group's weighted average cost of capital (WACC) determined basing on the Group's capital structure at year-end. Cost of borrowings was determined as the weighted average costs of the Group's borrowings at year-end. The cost of equity was determined using the capital asset pricing model (CAPM).

4.5 Land
The Group has not recognised the value of land because the current legislation in the country vests all the land in the State. However, the Group still holds title deeds to the land that it operates on. In 2003, the Group entered into an agreement with the Government where it ceded part of the land for resettlement and the Government undertook to preserve the Group's operations on the remaining land. To date, the Group's operations have largely not been affected and the Group is of the view that this will remain so, going forward.

4.6 Determination of the functional currency and exchange rates used
On 1 October 2018, the Reserves Bank of Zimbabwe (RBZ) directed all banks to ring-fence Nostro foreign currency accounts (FCAs) by separating them into two categories, namely Real Time Gross Settlement (RTGS) FCAs for local RTGS transactions and Nostro FCAs for foreign currencies. Consequently, there was also an increase in the practice of multi-tier pricing practices by suppliers of goods and services, indicating a significant difference in purchasing power between the RTGS FCA and Nostro FCA balances, despite a legislative framework manating parity. On 20 February 2019, it was announced that the RTGS Dollar would be recognised as the official currency and that an inter-bank foreign exchange market would be established to formalise trading in RTGS balances with other currencies. The exchange rate between the RTGS$ and the US$ was fixed at a rate of 1:1 for the period 1 October 2018 up to the effective date. However the official inter-bank exchange rate post 22 February 2019 was RTGS$2.5: US$1.

As a result of the lack of an observable legal exchange rate from 1 October 2018 to 20 February 2019, management have applied judgement in the estimation and application of the exchange rate of the RTGS Dollar to the US Dollar."

The Group and Company complied with SI (32) and SI (33) in the financial statements prepared for historical cost purposes in that all foreign currency transactions during the period between 1 October 2018 and 22 February 2019 were translated to ZWL at the mandated exchange of ZWL1:US$1. In the preparation of inflation-adjusted financial statements, the foreign currency transactions during the period 1 October 2018 and 22 February 2019 were translated to ZWL at a deemed foreign exchange rate of ZWL2.5 : US$1 before applying the IAS29 adjustment factors to the financial information for the Group and Company.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTIES

4.7 The use of Consumer Prices Indicies (CPI) to determine inflation adjustment factors for application of IAS 29

On application of the requirements of IAS 29, the Group used indices and conversion factors derived from the Consumer Price Index (CPI) information complied by the Central Statistical Office to restate financial information to cater for the changes in the General Purchasing Power of the Zimbabwean Dollalr (ZWL).

4.8 Classification of the Group's Investment in Claremount Power Station as a joint venture

Note 12 describes that Claremount Power Station is a 50% joint venture of the Group although the Group owns a 55% ownership interest in Claremont Power Station. The contractual agreement with Goldsaif (Private) Limited and other facts and circumstatnces that indicate both parties to the joint arrangement have 50% voting rights to the net assets of the joint arrangement . The contract arrangement establishes that the parties are liable to arrangment only to extent of their respective interests in arrangements, which includes any long term interests that, in substance, form part of the Group's net investment in the joint venture. Accordinly, Claremont Power Station is classified as a joint venture. See note 12 for details.

4.9 Critical judgements in determining the lease term

(i) Determining lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). For leases of motor vehicles and equipment, the following factors are normally the most relevant: If there are significant penalties to terminate (or not extend), the group is typically reasonably certain to extend (or not terminate). Otherwise, the group considers other factors including historical lease durations and the costs

The lease term is reassessed if an option is actually exercised (or not exercised) or the group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. During the current financial year, there were no events that had the financial effect of revising lease terms.

(ii) Estimating the amount payable under residual value guarantees

The group initially estimates and recognises amounts expected to be payable under residual value guarantees as part of the lease liability. Typically the expected residual value at lease commencement is equal to or higher than the guaranteed amount, and so the group does not expect to pay anything under the guarantees. At the end of each reporting period, the expected residual values are reviewed to reflect actual residual values achieved on comparable assets and expectations about future prices.

There were no such arrangements in the period under review.

4.10 Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period

5. SEGMENT REPORTING

Description of segments and principal activities

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker..The board of Ariston has appointed an executive committee which assesses the financial performance and position of the group, and makes strategic decisions. The executive committee, which has been identified as being the chief operating decision maker, consists of the chief executive officer,and the finance director.

5. SEGMENT REPORTING - CONTINUED

Description of segments and principal activities - continued

For management purposes, the Group is organised into three major operating business units from a product and services perspective. These are Southdown Estates, Claremont Estate and Kent Estate. These business units are the basis on which the Group reports its business segment information.

The principal products and services of each of these divisions are as follows:

1. Southdown Estates - the growing and manufacturing of tea, macadamia nuts, avocados, bananas and potatoes.
2. Claremont Estate - the growing of pome and stone fruit and potatoes.
3. Kent Estate - the growing of horticultural crops, and rearing of poultry and livestock.
4. Corporate Office -Ariston Management Services -which is responsible for corporate services which serves as the head office,joint venture operations and property owning companies (Claremont Orchards, Southdown Holdings and Claremont Orchards 1988).

The Group does not report by geographical segments as such a split would not be meaningful for the Group's operations and decision-making processes.

The executive committee primarily uses the following measures of profit before interest, revenue and assets to assess the performance of the operating segments. The information about the segments' revenue and assets is received on a monthly basis. Information about segment revenue is disclosed below:

5.1 Segment revenues

INFLATION ADJUSTED

	Revenue from external customers		Inter-segment revenue		Total revenue	
All figures in ZWL	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Southdown Estates	467,235,692	631,441,806	-	-	467,235,692	631,441,806
Claremont Estate	71,469,660	82,870,133	-	-	71,469,660	82,870,133
Kent Estate	80,836,905	59,130,971	-	-	80,836,905	59,130,971
Total	**619,542,257**	**773,442,910**	**-**	**-**	**619,542,257**	**773,442,910**

Segment revenue reported above represents revenue generated from external customers. There was no inter-segment revenue in the period under review (2020: ZWL nil) (2019: ZWL nil).

HISTORICAL COST

	Revenue from external customers		Inter-segment revenue		Total revenue	
All figures in ZWL	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Southdown Estates	258,905,298	36,311,318	-	-	258,905,298	36,311,318
Claremont Estate	35,239,467	5,122,118	-	-	35,239,467	5,122,118
Kent Estate	45,436,807	6,693,440	-	-	45,436,807	6,693,440
Total	**339,581,572**	**48,126,876**	-	-	**339,581,572**	**48,126,876**

Segment revenue reported above represents revenue generated from external customers. There was no inter-segment revenue in the period under review (2020: ZWL nil;) (2019: ZWL nil).

5. SEGMENT REPORTING - CONTINUED

5.2 Revenue from major products and services

The following is an analysis of revenue arising from the Group's major products and services.

	Inflation Adjusted		Historical Cost	
All figures in ZWL	**2020**	**2019**	**2020**	**2019**
Tea	230,629,822	236,005,304	138,753,548	15,107,379
Macadamia nuts	229,823,358	339,921,770	116,077,821	21,384,337
Vegetables and fruits	94,385,768	137,369,195	45,649,067	9,191,866
Poultry	22,311,450	18,351,602	10,415,477	1,174,739
*Other crops	42,391,859	41,795,039	28,685,659	1,268,555
Total	**619,542,257**	**773,442,910**	**339,581,572**	**48,126,876**

*Other crops include commercial maize, seed maize, seed sugar beans, soya beans and potatoes.

Timing of revenue recognition

	Inflation Adjusted		Historical Cost	
All figures in ZWL	**2020**	**2019**	**2020**	**2019**
At a point in time	**619,542,257**	**773,442,910**	**339,581,572**	**48,126,876**

Customers pay a fixed price based on the invoice raised. Payment is not variable. The goods sold by Ariston have been mentioned above and the customer is responsible for delivery of their own goods after they have left the estates.

Once the goods have left the estate, Ariston does not have any obligation or warranties to the customer.

Revenue from external customers comes from the sale of tea, macadamia nuts, fruits and vegetables, poultry and other agricultural produce is recognised at a point in time upon delivery, as management considers it as the point the control of the goods is transferred to the customers and the delivery obligation is fulfilled. Settlement of the transaction price is receivable at this point, after derecognising any existing contract liabilities recognised in the past in respect of a portion of the transaction price of such goods transferred.

Management expects that 100% of the transaction price allocated to all undelivered goods as of the year ended 30 September 2020 will be recognised as revenue during the next reporting period.

Information about major customers
Included in inflation-adjusted revenues arising from sales of tea of ZWL230,627,561 (2019: ZWL236,005,305) are revenues of approximately ZWL88,824,919 (2019: ZWL28,699,005) which arose from sales to the Group’s largest customer which operates in the retail market.

Included in inflation-adjusted revenues arising from sales of macadamia nuts of ZWL229,822,542 (2019: ZWL339,921,770) are revenues of approximately ZWL206,899,576 (2019: ZWL248,164,358) which arose from sales to two of the Group's foreign customers.

5.3 Major goods and services per primary geographical markets

	Inflation Adjusted		Historical Cost	
All figures in ZWL	**2020**	**2019**	**2020**	**2019**
Zimbabwe	305,548,801	275,119,078	169,267,496	17,119,068
Asia	91,464,393	272,089,614	49,611,459	16,930,562
United Kingdom	94,399,123	172,198,595	51,203,295	10,714,922
Rest of world	128,129,940	54,035,622	69,499,322	3,362,324
	619,542,257	**773,442,910**	**339,581,572**	**48,126,876**

5. SEGMENT REPORTING - CONTINUED

5.4 Liabilities related to contracts with customers

	Inflation Adjusted		Historical Cost	
All figures in ZWL	**2020**	**2019**	**2020**	**2019**
Macadamia Nuts	136,374,898	201,511,952	131,519,295	23,704,579
	136,374,898	**201,511,952**	**131,519,295**	**23,704,579**
Current	136,374,898	201,511,952	131,519,295	23,704,579
Non-current	-	-	-	-
	136,374,898	**201,511,952**	**131,519,295**	**23,704,579**

Contract liabilities arise from prepayment of macademia nuts. The reduction in contract liabilites in the period under review was due to a decline in macademia nut production across the region. The extremely high temperatures experienced in 2020 and 2019 had an impact on the crop. The interest charged on prefinancing is incldued under finance costs.

The following table shows how much of the revenue recognised in the current reporting period relates to brought-forward contract liabilities. There was no revenue recognised in the current reporting period that related to performance obligations that were satisfied in a prior year.

	Inflation Adjusted		Historical Cost	
All figures in ZWL	**2020**	**2019**	**2020**	**2019**
Revenue recognised	201,511,952	5,811,253	23,704,579	225,071
	201,511,952	**5,811,253**	**23,704,579**	**225,071**

5.5 Segment results

	Inflation Adjusted		Historical Cost	
All figures in ZWL	**2020**	**2019**	**2020**	**2019**
Segment profit/(loss) from operations excluding fair value adjustments				
Southdown Estates	167,570,253	310,411,876	91,292,113	23,458,485
Claremont Estate	7,463,864	7,216,063	(3,709,313)	(216,769)
Kent Estate	(3,017,922)	20,798,569	3,719,900	2,265,633
Ariston Corporate Office	(40,165,080)	30,714,441	(23,465,234)	(33,883)
	131,851,115	**369,140,949**	**67,837,466**	**25,473,466**
Segment fair value adjustments on biological assets				
Southdown Estates	(101,941,839)	273,414,366	221,965,585	48,887,603
Claremont Estate	(25,938,613)	62,699,012	56,478,081	13,761,617
Kent Estate	(16,435,129)	8,373,360	35,785,434	1,553,287
Ariston Corporate Office	-	-	-	-
	(144,315,581)	**344,486,738**	**314,229,100**	**64,202,507**
Segment share of profit (loss of a joint venture				
Southdown Estates	-	-	-	-
Claremont Estate	-	-	-	-
Kent Estate	-	-	-	-
Ariston Corporate Office	10,736,806	12,569,100	4,816,077	671,453
	10,736,806	**12,569,100**	**4,816,077**	**671,453**

5. SEGMENT REPORTING - CONTINUED

5.5 Segment results - continued

	Inflation Adjusted		Historical Cost	
All figures in ZWL	**2020**	**2019**	**2020**	**2019**
Segment finance costs				
Southdown Estates	(9,844,344)	(9,993,195)	(8,225,807)	(646,568)
Claremont Estate	(7,561,122)	(14,560,327)	(3,639,972)	(1,444,110)
Kent Estate	(5,159,853)	(12,139,704)	(2,427,433)	(1,244,301)
Ariston Corporate Office	-	-	-	-
	(22,565,319)	**(36,693,226)**	**(14,293,212)**	**(3,334,979)**
Segment income tax expense				
Southdown Estates	53,736,459	(161,404,357)	(18,773,772)	(13,008,598)
Claremont Estate	19,776,818	(59,402,215)	(6,909,377)	(4,787,600)
Kent Estate	10,481,197	(31,481,619)	(3,661,789)	(2,537,303)
Ariston Corporate Office	7,935,568	(22,269,234)	(2,578,796)	(1,794,819)
	91,930,042	**(274,557,425)**	**(31,923,734)**	**(22,128,320)**
Segment results before exchange differences and monetary adjustments	**67,637,063**	**414,946,136**	**340,665,697**	**64,884,127**
Exchange differences	(187,056,292)	(306,519,206)	(204,815,109)	(40,363,251)
Monetary adjustment	262,619,448	309,233,862	-	-
Profit for the year	**143,200,219**	**417,660,792**	**135,850,588**	**24,520,876**

The accounting policies of the reportable segments are the same as the Group's accounting policies described in notes 2 to 4. Segment results represents the profit or loss earned by each segment without allocation of inter-segment cost recoveries from the Corporate Office segment; this is the measure reported to the chief operating decision makers for the purposes of resource allocation and assessment of segment performance. Head office administration costs, investment income and other gains and losses are reported under the Ariston Corporate Office segment.

5.6 Segment assets and liabilities

INFLATION ADJUSTED

	Assets (excluding inter-segment balances)		Net inter-segment balances		Liabilities (excluding inter-segment balances)	
All figures in ZWL	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Southdown Estates	1,369,259,888	1,346,612,721	82,753,107	186,833,431	(179,321,895)	(225,462,136)
Claremont Estate	169,287,049	312,535,520	(20,413,003)	(88,585,740)	(23,593,947)	(12,498,476)
Kent Estate	156,273,766	133,822,189	(9,265,083)	(72,199,295)	(15,542,528)	(9,712,110)
Ariston Corporate Office	262,805,832	253,101,388	(53,075,021)	(26,048,396)	(259,896,138)	(370,353,106)
Adjustments and eliminations	-	-	-	-	(333,385,328)	(424,838,051)
	1,957,626,535	**2,046,071,818**	**-**	**-**	**(811,739,836)**	**(1,042,863,879)**

5. SEGMENT REPORTING - CONTINUED

5.6 Segment assets and liabilities - continued

HISTORICAL COST

All figures in ZWL	Assets (excluding inter-segment balances)		Net inter-segment balances		Liabilities (excluding inter-segment balances)	
	2020	2019	2020	2019	2020	2019
Southdown Estates	412,650,259	94,703,445	82,753,107	23,319,013	(174,466,297)	(26,868,939)
Claremont Estate	98,447,117	22,951,275	(20,413,003)	(11,659,344)	(23,593,944)	(1,645,834)
Kent Estate	63,763,590	8,252,702	(9,265,083)	(9,437,822)	(15,542,528)	(1,278,915)
Ariston Corporate Office	133,594,515	19,261,991	(53,075,021)	(2,221,847)	(259,853,284)	(48,149,339)
Adjustments and eliminations	-	-	-	-	(57,618,139)	(25,684,234)
	708,455,481	**145,169,413**	**-**	**-**	**(531,074,192)**	**(103,627,261)**

Segment assets and liabilities are measured in the same way as in the financial statements. These assets and liabilities are allocated based on the operations of the segment.

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than current and deferred tax assets; and
- all liabilities are allocated to reportable segments other than current and deferred tax liabilities; and
- liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

5.7 Other segment information

INFLATION ADJUSTED

All figures in ZWL	EBITDA excluding fair value adjustments		Depreciation and impairment losses		Additions to non-current assets	
	2020	2019	2020	2019	2020	2019
Southdown Estates	167,570,253	310,411,876	30,456,756	31,935,270	50,259,431	60,847,744
Claremont Estate	7,463,864	7,216,063	9,732,509	10,151,127	25,293,030	17,641,707
Kent Estate	(3,017,922)	20,798,569	5,793,011	11,761,545	4,498,697	16,813,232
Corporate Office	(45,927,452)	30,714,441	14,112,577	5,268,753	390,141	10,210,576
Total	**126,088,743**	**369,140,949**	**60,094,853**	**59,116,695**	**80,441,299**	**105,513,259**

HISTORICAL COST

All figures in ZWL	EBITDA excluding fair value adjustments		Depreciation and impairment losses		Additions to non-current assets	
	2020	2019	2020	2019	2020	2019
Southdown Estates	91,292,114	23,458,485	1,794,278	984,726	20,925,545	4,344,081
Claremont Estate	(3,709,313)	(216,769)	873,366	316,516	10,530,769	1,259,488
Kent Estate	3,719,900	2,265,633	215,150	396,018	1,873,035	1,200,341
Corporate Office	(23,465,234)	(33,883)	514,158	380,614	162,434	728,960
Total	**67,837,467**	**25,473,466**	**3,396,952**	**2,077,874**	**33,491,783**	**7,532,870**

6. CASH FLOW INFORMATION

All figures in ZWL	Inflation Adjusted 2020	Inflation Adjusted 2019	Historical Cost 2020	Historical Cost 2019
6.1 Change in working capital				
GROUP				
Movements in:				
Increase in inventories	(67,050,942)	(18,860,827)	(49,365,668)	(4,163,538)
(Increase)/decrease in trade and other receivables	30,944,256	(108,715,737)	(151,493,980)	(23,999,059)
Increase/(decrease) in trade and other payables	(4,061,794)	116,281,548	215,863,210	25,669,216
	(40,168,480)	**(11,295,016)**	**15,003,562**	**(2,493,381)**
COMPANY				
Decrease/(increase) in other receivables	81,952,724	334,184,809	290,554	63,976
Increase/(decrease) in trade and other payables	(486,427)	-	-	-
	81,466,297	**334,184,809**	**290,554**	**63,976**
6.2 Cashflows arising from borrowings				
Opening balance				
Short term	28,703,187	73,543,959	3,779,711	2,137,850
Long term	326,776,901	469,373,048	43,030,837	13,644,210
	355,480,088	**542,917,007**	**46,810,548**	**15,782,060**
Proceeds from borrowings				
Short term	1,428,860	64,382,910	3,347,731	4,080,000
Long term	6,351,114	10,687,682	178,689,497	1,269,128
	7,779,974	**75,070,592**	**182,037,228**	**5,349,128**
Repayments of borrowings				
Short term	(23,587,538)	(74,893,097)	(582,934)	(2,807,822)
Long term	(112,785,443)	(171,095,712)	(1,377,762)	(7,637,400)
	(136,372,981)	**(245,988,809)**	**(1,960,696)**	**(10,445,222)**
Non-cash movements				
Short term	-	(34,330,585)	-	369,683
Long term	-	17,811,883	-	35,754,899
	-	**(16,518,702)**	**-**	**36,124,582**
Closing balance				
Short term	6,544,509	28,703,187	6,544,509	3,779,711
Long term	220,342,572	326,776,901	220,342,572	43,030,837
	226,887,0821	**355,480,088**	**226,887,081**	**46,810,548**

6. CASH FLOW INFORMATION - CONTINUED

All figures in ZWL	Inflation Adjusted 2020	Inflation Adjusted 2019	Historical Cost 2020	Historical Cost 2019
6.3 Cashflows arising from financing activities				
Opening balance				
Short term	2,673,481	7,357,562	352,051	213,877
Long term	4,965,037	5,475,765	653,809	159,175
	7,638,518	**12,833,327**	**1,005,860**	**373,052**
***Proceeds from leases**				
Short term	-	-		-
Long term	-	20,969,252	-	1,000,466
	-	**20,969,252**	**-**	**1,000,466**
Repayments of leases				
Short term	(2,476,106)	(8,934,407)	(154,676)	(367,658)
Long term	(4,584,551)	-	(273,323)	-
	(7,060,657)	**(8,934,407)**	**(427,999)**	**(367,658)**
Non-cash movements				
Short term	-	409,029	-	-
Long term	-	(17,638,683)	-	-
	-	**(17,229,654)**	**-**	**-**
Reclassifications				
Short term	-	3,841,297	-	505,832
Long term	-	(3,841,297)	-	(505,832)
	-	**-**	**-**	**-**
Closing balance				
Short term	197,375	2,673,481	197,375	352,051
Long term	380,486	4,965,037	380,486	653,809
	577,861	**7,638,518**	**577,861**	**1,005,860**
* This represents proceeds from bank for finance lease additions funded upfront by the Group.				
6.4 Cash and cash equivalents are made up of:				
- cash at bank	17,912,232	34,919,233	17,912,232	4,598,256
	17,912,232	**34,919,233**	**17,912,232**	**4,598,256**

Classification as cash equivalents;

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours' notice with no loss of interest. See note 3.8 for the group's other accounting policies on cash and cash equivalents. The Group did not have any restricted cash and cash equivalents.

7 PROFIT FROM OPERATIONS

	Inflation Adjusted		Historical Cost	
All figures in ZWL	**2020**	**2019**	**2020**	**2019**
This is stated after charging and crediting:				
COMPANY				
- administration expenses	804 525	1 197 584	290 555	63 976
GROUP				
- auditors' fees	14,453,461	7,433,510	8,583,178	978,864
- allowance for credit losses	166,512	27,026,073	166,512	86,303
- depreciation charge on property,plant and equipment	54,332,482	59,116,695	3,099,728	1,857,796
- depreciation charge on right of use assets	5,762,371	-	297,223	-
- impairment losses recognised in property plant and equipment	-	7,570,847	-	220,078
- (profit)/loss on sale of property, plant and equipment	(75,008)	(66,091)	(27,564)	(7,365)
- selling and distribution expenses	5,455,384	28,374,307	2,736,824	1,515,782
- staff expenses				
* salaries and wages	32,405,411	124,257,343	17,526,055	9,596,793
* pensions (1)	394,373	633,197	242,692	48,904
- directors' emoluments				
* fees	1,283,208	1,151,238	800,947	61,500

(1) The pension expense incurred is in respect of mandatory contributions for employees of the Group towards a retirement benefit plan operated by the National Social Security Authority (NSSA).

7.1 FINANCE COSTS

Finance charges payable on borrowings	3,365,624	27,723,375	2,216,062	1,770,779
Finance costs payable on related pary borrowings-Origin Global	9,501,957	7,092,334	5,976,999	644,609
Contract liabilities finance charges	9,697,738	125,953	6,100,151	501 860
Finance Charges	-	1,751,564	-	417,731
Finance costs expensed	**22,565,319**	**36,693,226**	**14,293,212**	**3,334,979**

7.2 EXCHANGE DIFFERENCES

Realised	(32,205,187)	(74,760,034)	(49,964,004)	(9,846,489)
Unrealised exchange	(154,851,105)	(231,759,172)	(154,851,105)	(30,516,762)
	(187,056,292)	**(306,519,206)**	**(204,815,109)**	**(40,363,251)**

8 INCOME TAX

Below is an analysis of the group's income tax expense which. It also explains significant estimates made in relation to the group's tax position.

All figures in ZWL	Inflation Adjusted 2020	Inflation Adjusted 2019	Historical Cost 2020	Historical Cost 2019
Current tax	-	(7,299,908)	-	(961,271)
Deferred tax (note 17)	91,930,042	(267,257,517)	(31,923,734)	(21,167,049)
	91,930,042	**(274,557,425)**	**(31,923,734)**	**(22,128,320)**
Profit before tax	51,270,177	692,218,217	167,774,322	46,649,196
Reconciliation of income tax expense for the year:				
Notional tax at statutory rates	12,673,988	178,246,191	41,473,812	12,012,168
Adjustments relating to:				
Changes in tax rate	(16,993,522)	-	(1,027,369)	-
Assessed losses recognised	6,558,113	-	6,558,113	-
Monetary gain	(64,919,528)	(79,627,719)	-	-
Unrealised exchange losses	(38,279,193)	(67,499,919)	(38,279,193)	(8,888,566)
Fair value adjustments	35,674,812	(88,705,335)	(77,677,434)	(15,870,860)
Tax allowances	(1,958,525)	(19,653,308)	(1,958,525)	(2,587,999)
Non deductible expenses	159,173,897	78,026,381	38,986,862	10,274,718
Other non-taxable income	-	(238,131,257)	-	(12,167,547)
Assessed losses utilised	-	(37,212,459)	-	(4,900,234)
Actual income tax expense	**91,930,042**	**(274,557,425)**	**(31,923,734)**	**(22,128,320)**

* Non-deductible expenditure consist mainly of depreciation on assets (e.g.biological assets bought) and expenses which are not deductible for tax.

9. EARNINGS PER SHARE

(i) Basic earnings per share

	Inflation Adjusted 2020	Inflation Adjusted 2019	Historical Cost 2020	Historical Cost 2019
Profit for the period	143,200,219	417,660,792	135,850,588	24,520,876
Weighted average number of shares at year end	1,627,395,595	1,627,395,595	1,627,395,595	1,627,395,595
Basic earnings per share (ZWL)	0.0880	0.2566	0.0835	0.0151

(ii) Diluted earnings per share

	Inflation Adjusted 2020	Inflation Adjusted 2019	Historical Cost 2020	Historical Cost 2019
Weighted average number of shares used in the calculation of basic earnings per share	1,627,395,595	1,627,395,595	1627 395 595	1627 395 595
Weighted average number of shares at year end	1,627,395,595	1,627,395,595	1,627,395,595	1,627,395,595
Diluted earnings per share (ZWL)	0.0880	0.2566	0.0835	0.0151

10. PROPERTY, PLANT AND EQUIPMENT

All figures in ZWL	Inflation Adjusted 2020	Inflation Adjusted 2019	Historical Cost 2020	Historical Cost 2019
Land, buildings and leasehold improvements				
At cost	588,503,345	583,379,319	25,666,046	16,841,607
Accumulated depreciation	(415,009,263)	(400,588,115)	(12,041,306)	(11,617,161)
Net carrying amount	**173,494,082**	**182,791,204**	**13,624,740**	**5,224,446**
Plant and equipment				
At cost	1,063,717,147	999,573,905	49,876,144	31,602,590
Accumulated depreciation and impairment	(860,062,938)	(836,052,207)	(26,035,242)	(24,361,597)
Net carrying amount	**203,654,209**	**163,521,698**	**23,840,902**	**7,240,993**
Bearer plants				
At cost	863,669,282	854,383,883	30,875,702	25,060,271
Accumulated depreciation	(103,897,232)	(91,700,418)	(3,316,072)	(2,665,640)
Net carrying amount	**759,772,050**	**762,683,465**	**27,559,630**	**22,394,631**
Motor vehicles				
At cost	112,122,504	110,316,452	4,864,159	4,316,147
Accumulated depreciation	(70,952,257)	(67,256,038)	(2,371,731)	(2,023,007)
Net carrying amount	**41,170,247**	**43,060,414**	**2,492,428**	**2,293,140**
Assets held under finance lease				
At cost	-	34,284,328	-	1,705,860
Accumulated depreciation	-	(12,186,028)	-	(401,172)
Net carrying amount	**-**	**22,098,300**	**-**	**1,304,688**
Total property, plant and equipment				
At cost	2,628,012,278	2,581,937,887	111,282,051	79,526,475
Accumulated depreciation and impairment	(1,449,921,690)	(1,407,782,806)	(43,764,351)	(41,068,577)
Net carrying amount	**1,178,090,588**	**1,174,155,081**	**67,517,700**	**38,457,898**
Reconciliation of movements for the period				
Carrying amount at the beginning of period	1,174,155,081	1,135,380,106	38,457,898	33,004,376
Additions at cost				
Property plant and equipment excluding bearer plant				
- land, buildings and leasehold improvements	5,124,026	7,914,674	8,824,439	113,419
- plant and equipment	64,225,819	63,355,720	18,303,900	4,387,654
- motor vehicles	1,806,055	15,281,463	548,012	1,553,574
- right of use assets	-	10,018,141	-	1,000,466
	71,155,900	96,569,998	27,676,351	7,055,113
Bearer plants	9,285,399	8,943,261	5,815,432	477,757
Total additions	**80,441,299**	**105,513,259**	**33,491,783**	**7,532,870**
Disposals at carrying amount				
plant and equipment	(75,008)	-	(27,564)	-
- cost	(82,578)	-	(30,346)	-
- accumulated depreciation	7,570	-	2,782	-
motor vehicles	-	(50,743)	-	(1,475)
- cost	-	(1,014,826)	-	(29,500)
- accumulated depreciation	-	964,083	-	28,025
	(75,008)	**(50,743)**	**(27,564)**	**(1,475)**
Impairment loss for the year				
- plant and equipment	-	(7,570,847)	-	(220,077)
	-	(7,570,847)	-	(220,077)
Reclassification to Right of Use Assets				
Reclassification as at 1 October 2019	(22,098,300)	-	(1,304,688)	-
	(22,098,300)	**-**	**(1,304,688)**	**-**
Depreciation for the year				
- land, buildings and leasehold improvements	(14,421,148)	(12,156,447)	(424,145)	(399,754)
- plant and equipment	(24,018,300)	(14,689,129)	(1,676,427)	(483,039)
- bearer plants	(12,196,814)	(22,595,351)	(650,432)	(656,824)
- motor vehicles	(3,696,220)	(3,143,281)	(348,724)	(103,364)
- Right of use assets	-	(6,532,486)	-	(214,815)
	(54,332,482)	**(59,116,694)**	**(3,099,728)**	**(1,857,796)**
Carrying amount at end of the period	**1,178,090,588**	**1,174,155,081**	**67,517,701**	**38,457,898**

* Bearer plants are made up of

The Group's bearer plants at year end comprise tea bushes, macadamia trees, avocado trees, banana trees, stone fruit trees and pome fruit trees.

10. PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Assets pledged as security
Freehold land and buildings with a carrying amount of ZWL100,188,276 (2019: ZWL112,526,735) inflation adjusted have been pledged to secure borrowings of the Group (see note 19). The Group is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

Impairment loss recognised
The impairment loss recognised in the prior year relates to the Kent Estate operations. The impairment loss was determined on movable equipment which is classified under the plant and equipment category of property, plant and equipment whose value was determined to be below the carrying amount.

Accordingly the impairment loss was based on value in use at year end.

11. BIOLOGICAL ASSETS

INFLATION ADJUSTED

30 September 2020

	Produce growing on bearer plants						
All figures in ZWL	**Tea on bush**	**Macadamia on tree**	**Fruits on tree**	**Livestock and poutry**	**Timber**	**Seasonal crops**	**Total**
Fair value at the beginning of the year	17,133,795	351,900,352	134,777,639	17,175,914	6,988,774	107,710	**528,084,184**
Increase due to purchases / physical changes/establishment	159,927,789	145,553,542	78,064,572	951,120	-	215,228,629	**599,725,652**
Decrease due to harvest / physical changes	(54,967,484)	(29,458,402)	(41,296,978)	(719,922)	-	(49,068,560)	**(175,511,346)**
Decreases due to sales / write off	(104,960,305)	(116,095,141)	(36,767,594)	(231,198)	-	166,160,069)	**(424,214,307)**
Net change in fair value less estimated costs to sell	(7,220,129)	(99,176,021)	(58,008,383)	18,183,790	(2,053,800)	3,958,962	**(144,315,581)**
Fair value at the end of the year	**9,913,666**	**252,724,330**	**76,769,256**	**35,359,704**	**4,934,974**	**4,066,672**	**383,768,602**
Current	9,913,666	252,724,330	76,769,256	25,157,974	-	4,066,672	**368,631,898**
Non-current	-	-	-	10,201,730	4,934,974	-	15,136,704
	9,913,666	**252,724,330**	**76,769,256**	**35,359,704**	**4,934,974**	**4,066,672**	**383,768,602**

30 September 2019

	Produce growing on bearer plants						
All figures in ZWL	**Tea on bush**	**Macadamia on tree**	**Fruits on tree**	**Livestock and poutry**	**Timber**	**Seasonal crops**	**Total**
Fair value at the beginning of the year	7,342,936	107,145,342	57,511,729	4,868,281	6,331,831	397,327	**183,597,446**
Increase due to purchases / physical changes	137,552,348	112,107,441	80,311,902	1,155,974	-	117,916,954	**449,044,619**
Decrease due to harvest / physical changes	(52,452,782)	(44,251,520)	(42,863,165)	(887,052)	-	(25,910,323)	**(166,364,842)**
Decreases due to sales / write off	(85,099,566)	(67,855,921)	(37,448,736)	(268,919)	-	(92,006,635)	**(282,679,777)**
Net change in fair value less estimated costs to sell	9,790,859	244,755,010	77,265,909	12,307,630	656,943	(289,613)	**344,486,738**
Fair value at the end of the year	**17,133,795**	**351,900,352**	**134,777,639**	**17,175,914**	**6,988,774**	**107,710**	528,084,184
Current	17,133,795	351,900,352	134,777,639	2,579,599	-	107,710	**506,499,095**
Non-current	-	-	-	14,596,315	6,988,774	-	**21,585,089**
	17,133,795	**351,900,352**	**134,777,639**	**17,175,914**	**6,988,774**	**107,710**	528,084,184

11. BIOLOGICAL ASSETS - CONTINUED

HISTORICAL COST

30 September 2020

All figures in ZWL	Produce growing on bearer plants						
	Tea on bush	Macadamia on tree	Fruits on tree	Livestock and poutry	Timber	Seasonal crops	Total
Fair value at the beginning of the year	2,256,219	46,339,159	17,747,872	2,261,768	920,300	14,185	**69,539,503**
Increase due to purchases / physical changes	159,927,789	145,553,542	78,064,572	951,121	-	215,228,629	**599,725,653**
Decrease due to harvest / physical changes	(54,967,484)	(29,458,402)	(41,296,978)	(719,922)	-	(49,068,560)	**(175,511,346)**
Decreases due to sales / losses	(104,960,305)	(116,095,141)	(36,767,594)	(231,198)	-	(166,160,069)	**(424,214,307)**
Net change in fair value less estimated costs to sell	7,657,447	206,385,172	59,021,384	33,097,936	4,014,674	4,052,487	314,229,100
Fair value at the end of the year	**9,913,666**	**252,724,330**	**76,769,256**	**35,359,705**	**4,934,974**	**4,066,672**	**383,768,603**
Current	9,913,666	252,724,330	76,769,256	25,157,974	-	4,066,672	**368,631,898**
Non-current	-	-	-	10,201,731	4,934,974	-	**15,136,705**
	9,913,666	**252,724,330**	**76,769,256**	**35,359,705**	**4,934,974**	**4,066,672**	**383,768,603**

30 September 2019

All figures in ZWL	Produce growing on bearer plants						
	Tea on bush	Macadamia on tree	Fruits on tree	Livestock and poutry	Timber	Seasonal crops	Total
Fair value at the beginning of the year	213,452	3,114,609	1,671,809	141,516	184,060	11,550	**5,336,996**
Increase due to purchases / physical changes	18,113,253	14,762,601	10,575,681	152,222	-	15,527,613	**59,131,370**
Decrease due to harvest / physical changes	(6,907,120)	(5,827,156)	(5,644,334)	(116,809)	-	(3,411,939)	**(21,907,358)**
Decreases due to sales / write off	(11,206,133)	(8,935,445)	(4,931,348)	(35,412)	-	(12,115,674)	**(37,224,012)**
Net change in fair value less estimated costs to sell	2,042,767	43,224,550	16,076,063	2,120,252	736,240	2,635	**64,202,507**
Fair value at the end of the year	**2,256,219**	**46,339,159**	**17,747,872**	**2,261,768**	**920,300**	**14,185**	**69,539,503**
Current	2,256,219	46,339,159	15,825,791	2,261,768	-	14,185	**66,697,122**
Non-current	-	-	1,922,081	-	920,300	-	**2,842,381**
	2,256,219	**46,339,159**	**17,747,872**	**2,261,768**	**920,300**	**14,185**	**69,539,503**

Biological assets comprise of produce growing on the bearer plants, seasonal crops, livestock and poultry and timber. 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. The fair value was determined by the maturity profile of the produce on the bearer plant at time of reporting and the expected selling price of the produce less costs to sell. The fair value for livestock and poultry and gum trees was determined by reference to the market price.

11. BIOLOGICAL ASSETS - CONTINUED

The Group is exposed to financial risks arising from changes in commodity prices. The Group does not anticipate that commodity prices will decline significantly in the foreseeable future and, therefore, has not entered into derivative or other contracts to manage the risk of a decline in commodity prices. The Group reviews its outlook for commodity prices regularly in considering the need for active financial risk management. During the dry season the risk of damage from fire is significant. The Group reduces this risk in the best possible manner by implementing appropriate fire prevention measures such as clearing underbrush ahead of the dry season, constructing fire breaks and 24-hour surveillance. Climate and weather changes pose the risk of damage and affect productivity and quality. The Group has not obtained insurance coverage for the plantations as the premium will be excessive in relation to the expected losses. The Group is not involved in any contract farming initiatives. The farming activites are for the group by the group.

The valuation of biological assets is exposed to changes in sensitive parameters such as the average selling prices and mature units.

Below is an analysis of the degree of sensitivity of the profit or loss to a 1% movement in the average selling prices of produce.

	Inflation Adjusted		Historical Cost	
	30 September 2020		30 September 2020	
All figures in ZWL	**1% increase**	**1% decrease**	**1% increase**	**1% decrease**
Average selling price sensitivity				
Increase/(decrease) in profits	4,237,789	(4,237,789)	4,237,789	(4,237,789)

Below is an analysis of the degree of sensitivity of profit or loss to a 2% reduction in the estimated equivalent mature units of growing crops at year end.

	Inflation Adjusted		Historical Cost	
	30 September 2020		30 September 2020	
All figures in ZWL	**2% increase**	**2% decrease**	**2% increase**	**2% decrease**
Maturity sensitivity				
Increase/(decrease) in profits	6,869,474	(6,869,474)	6,869,474	(6,869,474)

Fair value hierarchy

The note below explains the judgements and estimates made in determining the fair values of the biological assets that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its non-financial and assets and liabilities into the three levels prescribed under the accounting standards.

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

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are the inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly;

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

In the prior year, livestock was classified in Level 1. This was restated in the current year to move it into Level 2 because of the existence of unobservable inputs as described in the table below. Similarly the remainder of the biological assets was moved from Level 2 to Level 3 given the significance of the unobservable inputs.

11. BIOLOGICAL ASSETS - CONTINUED

In determining the fair values of the biological assets as stated above, the Group used the Level 3 fair value hierarchy as shown below;

Level 3 inputs
Valuation inputs and relationships to fair value

All figures in ZWL	Inflation Adjusted 2020	Inflation Adjusted 2019	Historical Cost 2020	Historical Cost 2019						
Category	ZWL	ZWL	ZWL	ZWL	Observable Unit of measurement	Unobservable inputs Unit of measurement	Market price ZWL	Yield Range Unit of measurement	Maturity Range Percentage (%)	Relationship of unobservable inputs to fair value Fair value units
Tea on bush	9,913,666	17,133,795	9,913,666	2,256,219	Market price	Yield and maturity per bush in kgs	ZWL 120 - ZWL 150	3,438,575	45%	The higher the yield and maturity the higher the fair value
Macadamia on tree	252,724,330	351,900,352	252,724,330	46,339,159	Market price	Yield and maturity per tree in kgs	ZWL 350 - ZWL 370	1,306,597	56%	The higher the yield and maturity the higher the fair value
Fruits on tree	76,769,256	134,777,639	76,769,256	17,747,872	Market price	Yield and maturity per tree in kgs	ZWL 5 - ZWL 85	4,067,001	0% -92%	The higher the grade and maturity, the higher the market price
*Livestock and poultry	35,359,704	17,175,914	35,359,705	2,261,768	Market price	Grade and maturity	" Poultry ZWL 25 - ZWL 30 Livestock ZWL 12,000 - ZWL 40,000 "	882,355	100%	The higher the grade the higher the fair value
Timber	4,934,974	6,988,774	4,934,975	920,300	Market price	Grade and maturity	ZWL 250 - ZWL 270	36,812	100%	The higher the grade and maturity, the higher the market price
**Seasonal crops	4,066,672	107,710	4,066,672	14,185	Market price	Yield and maturity per hectare	ZWL 81 - ZWL 65197	145,317	0% - 100%	The higher the crop yield and maturity the higher the fair value
TOTAL	**383,768,602**	**528,084,184**	**383,768,603**	**69,539,503**						

* Livestock split into Poultry and livestock
** Seasonal crops are made up commercial maize, maize seed, sugar beans, potatoes, sunflower, soya beans and green mealies

11. BIOLOGICAL ASSETS - CONTINUED

Fair value less cost to sell are determined with reference to the market for similar produce

Valuation process

The group's executive management team comprising of the finance director and managing director perform the valuations of the group's biological assets for financial reporting purposes, including level 3 fair values.

This team reports directly to the Audit and Risk committee (ARC) and Operations and Technical Committees.

The valuations are reviewed every six months, as per the group's half-yearly reporting requirements.

The main level 3 inputs used by the group are derived and evaluated as follows, for the following inputs the higher the input the higher the market price:

- Yield is determined based on the age of the plantation, historical yields, climate-induced variations such as severe weather events, plant losses and new areas coming into production.
- Commodity prices that are quoted prices for the relevant produce.
- Maturity level of the asset whch is measure from a range of 0-100%
- Budgeted cost of production based on historical trends and market information
- Forecast market price

For incremental cost prices the higher cost the lower the fair value. Changes in level 3 fair values are analysed at the end of each reporting period.

Half-yearly valuation discussion between the Finance Director ,Managing Director and the relevant board committees. As part of this discussion a report that explains the reason for the fair value movements is presented.

The fair value estimation of the group's biological assets was not materially impacted by the COVID-19 pandemic due to the biological assets and its practice.

12. INVESTMENT IN JOINT VENTURE

Claremont Power Station is a joint venture of the Group although the Group owns a 55% ownership interest in Claremont Power Station. There is a contractual arrangement with Goldsaif (Private) Limited and other facts and circumstances that indicate that the parties to the joint arrangement have rights to the net assets of the joint arrangement. The contractual arrangement establishes that the parties are liable to the arrangement only to the extent of their respective interests in the arrangements, which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture. Accordingly, Claremont Power Station is classified as a joint venture of the Group.

Details of the Group's investments in joint ventures at the end of the reporting period are as follows:

Name of Joint venture	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interests held by the Group		Proportion of voting rights held by the Group	
			2020	2019	2020	2019
Bonemarrow Investments (Private) Limited trading as Claremont Power Station	Hydro Electricity Generation	Zimbabwe	55%	55%	50%	50%

The above joint venture is accounted for using the equity method in these consolidated financial statements.

	Inflation Adjusted		Historical Cost	
All figures in ZWL	**2020**	**2019**	**2020**	**2019**
Summarised financial information:				
Carrying amount at the beginning of the year	14,895,634	2,326,534	739,083	67,630
Group's share of profit for the year	10,736,806	12,569,100	4,816,077	671,453
Carrying amount of the Group's net interest in joint venture	**25,632,440**	**14,895,634**	**5,555,160**	**739,083**

13. INVESTMENT IN SUBSIDIARIES

COMPANY

	Inflation Adjusted		Historical Cost	
All figures in ZWL	**2020**	**2019**	**2020**	**2019**
Investments accounted for using the equity method	309,570	309,570	8,999	8,999
	309,570	**309,570**	**8,999**	**8,999**

* the investments are held in the form of unquoted shares in the subsidiaries

Details of the Group's principal subsidiaries, all incorporated or registered in Zimbabwe as their place of business at 30 September 2020 are as follows:

NAME OF SUBSIDIARY	OWNERSHIP INTEREST	PRINCIPAL ACTIVITY
Claremont Orchards 1988 (Private) Limited	100%	Property Company
Claremont Orchards Holdings (Private) Limited	100%	Property Company
Southdown Holdings (Private) Limited	100%	Property Company
Ariston Management Services (Private) Limited	100%	Owns the following divisions: Southdown Estate, Clearwater Estate, Roscommon Estate, Blended Tea Factory, Claremont Estate, Kent Estate, and Corporate Head Office

Unless otherwise stated, the above subisdiaries have share capital consisting solely of ordinary shares that are held directly by the group and the proportion of ownership interest held equals the voting rights held by the group.

14. INVENTORIES

	Inflation Adjusted		Historical Cost	
All figures in ZWL	**2020**	**2019**	**2020**	**2019**
Farm produce	44,279,662	20,990,556	16,807,950	1,615,983
Consumables and materials	101,799,867	58,038,031	38,641,828	4,468,127
	146,079,529	**79,028,587**	**55,449,778**	**6,084,110**

Materials refers to items such as pesticides.The cost of inventories recognised as an expense includes ZWLnil (2019: ZWLnil) in respect of write-downs of inventory to net realisable value. Inventory write-downs relate to products that would have gone wholly or partly unsalable and those whose selling prices have declined below the cost. There were no write downs during the period under review.

15. TRADE RECEIVABLES FROM CONTRACTS WITH CUSTOMERS AND OTHER RECEIVABLES

Classification

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 90 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the group’s impairment policies and the calculation of the loss allowance are provided below.

15. TRADE RECEIVABLES FROM CONTRACTS WITH CUSTOMERS AND OTHER RECEIVABLES - CONTINUED

Fair values of trade receivables

Due to the short term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

Impairment and risk exposure

Information about the impairment of trade receivables and The Group's exposure to credit risk and foreign currency risk can be found in note 22.5

INFLATION ADJUSTED

	Inflation Adjusted		Historical Cost	
All figures in ZWL	**2020**	**2019**	**2020**	**2019**
Trade receivables from contracts with customers	-	-	35,874,042	59,235,753
Allowance for credit losses	-	-	(2,886)	(61,595)
Net trade receivables	-	-	35,871,156	59,174,158
Other Receivables and Prepayments*	12,093,729	94,046,453	148,337,313	162,568,399
Allowance for credit losses	-	-	(163,626)	(5,942,835)
IFRS 9 adjustment on adoption	-	-		(810,623)
Net other receivables	12,093,729	94,046,453	148,173,687	155,814,941
Trade and other receivables	12,093,729	94,046,453	184,211,355	221,804,152
Allowance for credit losses	-	-	(166,512)	(6,815,053)
Net trade and other receivables	**12,093,729**	**94,046,453**	**184,044,843**	**214,989,099**

*Other Receivables of ZWL12,093,729 (2019: ZWL94,046,453) included under the Company relate to amounts receivable by the Company from Ariston Management Services (Private) Limited, a wholly owned subsidiary of the Company.

98% of the Trade receivables from contract with customers balance relates one major client. Invoices are settled with 21 days. To date, the customer has not failed to settle the date beyond current.

HISTORICAL COST

	Inflation Adjusted		Historical Cost	
All figures in ZWL	**2020**	**2019**	**2020**	**2019**
Trade receivables	-	-	35,874,042	7,800,319
Allowance for credit losses	-	-	(2,886)	(8,111)
Net trade receivables	-	-	35,871,156	7,792,208
Other Receivables and Prepayments*	12,093,729	12,384,283	141,537,013	18,847,669
Allowance for credit losses	-	-	(163,626)	(865,750)
IFRS 9 adjustment on adoption	-	-	-	(23,564)
Net other receivables	12,093,729	12,384,283	141,373,387	17,958,355
Trade and other receivables	12,093,729	12,384,283	177,411,055	26,647,988
Allowance for credit losses	-	-	(166,512)	(897,425)
Net trade and other receivables	**12,093,729**	**12,384,283**	**177,244,543**	**25,750,563**

15. TRADE AND OTHER RECEIVABLES - CONTINUED

(i) Classification of financial assets at amortised cost

The group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

(ii) Other receivables

These amounts generally arise from transactions outside the usual operating activities of the group. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained. The non-current other receivables are due and payable within three years from the end of the reporting period.

Further information relating to loans to related parties and key management personnel is set out in Note 24 Related parties

Included in Other receivables for the Group of ZWL148,173,687 (2019: ZWL 156,625,564) is an amount receivable from a related party of ZWL 118,128,018 (2019:ZWL 84,351,342) which pertains to funds received from customers in advance for macadamia sales. These funds are receivable on demand.

- Other receivables and prepayments for the Company of ZWL 12,093,729 (2019: ZWL 12,384,283) relates to an amount receivable from the Ariston Management Services (Private) Limited, a wholly owned subsidiary of the Company.

Allowance for credit losses

The Group always measures the loss allowance for trade and other receivables at an amount equal to lifetime ECL. The expected credit losses on trade and other receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Group writes off trade and other receivables when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

The following table details the risk profile of trade and other receivables based on the Company's provision matrix.

2020	Trade receivables			
		Not past due	Past due	
All figures in ZWL	Total	<30 days	31 - 90 days	>90 days
Expected credit loss rate		1%	1%	1%
Expected total gross carrying	35,874,042	32,553,621	3,287,836	32,585
Amount at default	-	-	-	-
Lifetime expected credit loss	(2,886)	-	-	(2,886)

15. TRADE AND OTHER RECEIVABLES - CONTINUED

Movement in allowance for credit losses

	GROUP			
	Inflation Adjusted		Historical Cost	
All figures in ZWL	**2020**	**2019**	**2020**	**2019**
Balance at beginning of the year	6,004,430	32,219,880	897,425	960,164
IFRS 9 adjustment	-	810,623	-	23,564
Impairment losses written back	(5,837,918)	(27,026,073)	(730,913)	(86,303)
Balance at the end of the year	**166,512**	**6,004,430**	**166,512**	**897,425**

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. Disclosure on concentration risk is shown on note 5 and note 22.

Trade and other receivables: The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 September 2020 or 1 October 2019 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade receivables and other receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables and other receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

16. SHARE CAPITAL

	NUMBER OF SHARES	
AUTHORISED SHARE CAPITAL	**2020**	**2019**
Issued shares at the end of the year	1,627,395,595	1,627,395,595
Unissued shares		
* Shares under the control of directors	29,370,286	29,370,286
** Shares allocated to share option scheme	23,075,000	23,075,000
*** Shares set aside under the 2016 Ariston Share Ownership Trust	320,159,119	320,159,119
	2,000,000,000	2,000,000,000

* This class of ordinary shares have been allocated towards a share option scheme which will come into effect when as at any time the Board of Directors resolves to grant Options to subscribe for such number of Ordinary Shares and to such Employee as it may think fit.

** The Ariston Share Ownership Trust was created in response to the Indigenous Act Laws enacted in 2016 which required companies different industries of which one of them is agriculture to set aside shares for employees and the community. Ariston allocated 16% its issued share capital towards this requirement.

*** There was no movement of shares during the year

16. SHARE CAPITAL - CONTINUED

GROUP

Share capital and share premium

All figures in ZWL	Inflation Adjusted 2020	Inflation Adjusted 2019	Historical Cost 2020	Historical Cost 2019
Share capital at par value	55,983,844	55,983,844	1,627,395	1,627,395
Share premium	375,736,634	375,736,634	10,922,292	10,922,292

(i) Debt is defined as long and short-term borrowings and finance lease liabilities.
(ii) Equity includes all capital and reserves of the Group that are managed as capital.

COMPANY

All figures in ZWL	Inflation Adjusted 2020	Inflation Adjusted 2019	Historical Cost 2020	Historical Cost 2019
Share capital at par value	55,983,844	55,983,844	1,627,395	1,627,395
Share premium	375,736,634	375,736,634	10,922,292	10,922,292

Movement in the number of ordinary shares

	2020	2019
Issued		
At beginning of year	1,627,395,595	1,627,395,595
Share issues	-	-
Share options exercised	-	-
At end of year	**1,627,395,595**	**1,627,395,595**
INFLATION ADJUSTED		
1,627,395,595 ordinary shares of ZWL0.08 cents each 2019 - 1,627,395,595 ordinary shares of ZWL0.26 cents each	1,627,395,595	1,627,395,595
HISTORICAL COST		
1,627,395,595 ordinary shares of ZWL0.08 cents each 2019 - 1,627,395,595 ordinary shares of ZWL0.2 cents each	1,627,395	1,627,395

17. DEFERRED TAX

COMPANY

All figures in ZWL	Inflation Adjusted 2020	Inflation Adjusted 2019	Historical Cost 2020	Historical Cost 2019
Deferred tax liability				
At the beginning of year	44,136	44,136	1,283	1,283
- income statement movement (credit) (i)	-	-	-	-
	44,136	**44,136**	**1,283**	**1,283**
Analysis of deferred tax liability				
Prepayments and receivables	44,136	44,136	1,283	1,283
	44,136	**44,136**	**1,283**	**1,283**

COMPANY

All figures in ZWL	Inflation Adjusted 2020	Inflation Adjusted 2019	Historical Cost 2020	Historical Cost 2019
Deferred tax liability				
At the beginning of year	44,136	44,136	1,283	1,283
- income statement movement	-	-	-	-
	44,136	**44,136**	**1,283**	**1,283**

17. DEFERRED TAX - CONTINUED

GROUP

All figures in ZWL	Inflation Adjusted 2020	Inflation Adjusted 2019	Historical Cost 2020	Historical Cost 2019
Deferred tax liability				
At the beginning of year	424,838,050	299,909,625	25,684,234	8,718,076
- income statement movement (credit)/debit (i)	(91,930,042)	124,928,425	31,923,734	16,966,158
	332,908,005	**424,838,050**	**57,607,967**	**25,684,234**
Analysis of deferred tax liability				
Property, plant and equipment	279,154,012	240,477,975	4,620,392	7,691,580
Biological assets	91,882,640	251,859,994	91,882,640	26,881,220
Right of Use	816,792	-	50,373	-
Prepayments and receivables	(41,162)	-	(41,162)	-
Provisions	(625,084)	-	(625,084)	-
Unrealised exchange loss	(38,279,193)	(67,499,919)	(38,279,193)	(8,888,566)
	332,908,005	**424,838,050**	**57,607,967**	**25,684,234**
Deferred tax asset				
At the beginning of the year	-	142,329,091	-	4,200,891
Deferred tax released to	-	-	-	-
- income statement movement (debit) (ii)	-	(142,329,091)	-	(4,200,891)
Deferred tax asset arising on assessed losses	-	-	-	-
Income tax movement (net of (i) and (ii))	**91,930,042**	**(267,257,517)**	**(31,923,734)**	**(21,167,049)**

18. TRADE AND OTHER PAYABLES

INFLATION ADJUSTED

All figures in ZWL	Inflation Adjusted 2020	Inflation Adjusted 2019	Historical Cost 2020	Historical Cost 2019
Trade	-	-	83,562,529	40,857,033
Other*	73,768	560,195	167,282,900	214,050,190
	73,768	**560,195**	**250,845,429**	**254,907,223**

* included in other payables are contract liabilities arising from transaction price received in advance for ZWL136,374,898 (2019: ZWL201,511,952).

HISTORICAL COST

All figures in ZWL	Inflation Adjusted 2020	Inflation Adjusted 2019	Historical Cost 2020	Historical Cost 2019
Trade	-	-	83,562,529	5,380,161
Other*	73,768	73,768	162,427,300	24,746,458
	73,768	**73,768**	**245,989,829**	**30,126,619**

* included in other payables are contract liabilities arising from transaction price received in advance for ZWL131,519,295 (2019: ZWL23,704,579).

18. TRADE AND OTHER PAYABLES - CONTINUED

Trade payables are unsecured and are usually settled on average 49 days from purchase (2019: 37 days). The carrying amounts of trade and other payables are considered to be the same as their fair values due to their short term nature. No interest is charged on the trade payables.

	Inflation Adjusted		Historical Cost	
All figures in ZWL	**2020**	**2019**	**2020**	**2019**
At 30 September the ageing analysis of trade payables was as follows:				
Current	42,945,296	29,521,680	42,945,296	3,887,492
30-120 days	29,093,021	10,033,815	29,093,021	1,321,279
Above 120 days	11,524,212	1,301,539	11,524,212	171,390
	83,562,529	**40,857,034**	**83,562,529**	**5,380,161**
Provisions				
Employee benefits (current)	4,043,360	4,917,840	4,043,360	647,594
	4,043,360	**4,917,840**	**4,043,360**	**647,594**

The provision for employee benefits represents all accrued annual leave. The entire amount of the provision is presented as current since the group does not have an unconditional right to defer settlement for any of these obligations.

19. BORROWINGS

	Inflation Adjusted		Historical Cost	
All figures in ZWL	**2020**	**2019**	**2020**	**2019**
Ariston Management Services (Private) Limited has borrowing facilities totalling ZWL 226,887,081 (2019: ZWL355,480,088). The utilised portion was:	**226,887,081**	**355,480,088**	**226,887,081**	**46,810,548**
Secured – at amortised cost				
Loans from banks	4,031,900	56,909,577	4,031,900	7,494,002
Bank overdrafts	6,544,509	10,033,610	6,544,509	1,321,252
Loans from related parties (note 24)	216,310,672	288,536,901	216,310,672	37,995,294
	226,887,081	**355,480,088**	**226,887,081**	**46,810,548**
Split by term				
Amount due for settlement within 12 months	6,544,509	28,703,189	6,544,509	3,779,711
Amount due for settlement after 12 months	220,342,572	326,776,899	220,342,572	43,030,837
	226,887,081	**355,480,088**	**226,887,081**	**46,810,548**
Split by currency				
Borrowings in ZWL	10,576,409	66,943,187	10,576,409	8,815,254
Borrowings in US$	216,310,672	288,536,901	216,310,672	37,995,294
	226,887,081	**355,480,088**	**226,887,081**	**46,810,548**

19. BORROWINGS - CONTINUED

Fair value

For the majority of the borrowings, the fair values are not materially different from their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

The other principal features of the Group's borrowings are as follows.

(i) Bank loans of ZWL 4,031,900 (2019: ZWL 56,909,577) (inflation-adjusted) have been secured by the following:
- Notarial General Covering Bonds covering all movable assets and cession of book debts;
- Joint and several guarantees;
- Mortgage bonds over Claremont Estate;
- Negative pledge on unencumbered assets; and
- Notes on hand registered over Southdown Estate.

The average effective interest rate on bank loans approximates 35% (2019: 7.5%) per annum."

(ii) Bank overdrafts are repayable on demand. Overdrafts of ZWL 6,544,509 (2019: ZWL 59,909,577) (inflation-adjusted) have been secured by joint and several guarantees. The average effective interest rate on bank overdrafts approximates 12% to 40% (2019: 12% to 35%) per annum.

(iii) Loans repayable to related parties of the Group are secured by inventories and a mortgage bond over Kent Estate and carry interest of 6% (2019: 6%) per annum charged on the outstanding loan balances. The loans are not payable in demand, they are due at the end of the loan agreement.

(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 debts convenants

20. LEASES

*Comparatives have not been restated in as the group applied the cumulative effect adjustment on adoption of IFRS 16

The Group procured motor vehicles, tea harvesting machinery and tractors under lease financing and hire purchase agreements during the year. Interest payable on the lease arrangements varies from 14% per annum to 40% per annum, based on the specific lease arrangement.

The Group will assume ownership of the motor vehicles, machinery and tractors at the end of the lease term and when all lease payments have been made.

For leases previously classified as finance leases the entity recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of IFRS 16 are only applied after that date.

This resulted in transfer of assets classied under Property, Plant and Equipment as noted in Note 10 and the resultant lease liabilities being recognised as right-of-use assets immediately after the date of initial application.

The statement of financial position shows the separate line item for the right-of-use assets where the group is a lessee. It comprises the following:

	Inflation Adjusted		Historical Cost	
All figures in ZWL	**2020**	**2019**	**2020**	**2019**
Right of Use Assets				
Motor Vehicles	7,513,422	-	342,538	-
Plant and equipment	14,584,878	-	664,924	-
	22,098,300	**-**	**1,007,462**	**-**

20. LEASES - CONTINUED

INFLATION ADJUSTED

All figures in ZWL	Motor Vehicles	Plant and Equipment	Total
Cost as at 30 September 2019	11,656,670	22,627,655	34,284,325
Accumulated Depreciation as at 30 September 2019	(2,184,042)	(4,239,612)	(6,423,654)
Transfer to Right of Use	**9,472,628**	**18,388,043**	**27,860,671**
Depreciation charge for the year recognised in Statement of Profit and Loss	(1,959,206)	(3,803,165)	(5,762,371)
Balance as at 30 September 2020	**7,513,422**	**14,584,878**	**22,098,300**

HISTORICAL

All figures in ZWL	Motor Vehicles	Plant and Equipment	Total
Cost as at 30 September 2019	579,991	1,125,867	1,705,858
Accumulated Depreciation as at 30 September 2019	(136,398)	(264,774)	(401,172)
Transfer to Right of Use	**443,593**	**861,093**	**1,304,686**
Depreciation charge for the year recognised in Statement of Profit and Loss	(101,055)	(196,169)	(297,224)
Balance as at 30 September 2020	**342,538**	**664,924**	**1,007,462**

Lease liabilities are as follows:

INFLATION ADJUSTED

	Minimum lease payments		Interest		Present value	
All figures in ZWL	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Not later than one year	556,386	3,075,645	175,899	402,164	380,487	2,673,481
Later than one year and not later than five years	288,621	5,858,743	91,246	893,707	197,375	4,965,037
	845,007	**8,934,388**	**267,145**	**1,295,871**	**577,862**	**7,638,518**

HISTORICAL COST

	Minimum lease payments		Interest		Present value	
All figures in ZWL	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Not later than one year	556,386	405,009	175,899	52,958	380,487	352,051
Later than one year and not later than five years	288,621	771,495	91,246	117,686	197,375	653,809
	845,007	**1,176,504**	**267,145**	**170,644**	**577,862**	**1,005,860**

	Inflation Adjusted		Historical Cost	
All figures in ZWL	**2020**	**2019**	**2020**	**2019**
Current liabilities	380,487	2,673,481	380,487	352,051
Non-current liabilities	197,375	4,965,037	197,375	653,809
	577,862	**7,638,518**	**577,862**	**1,005,860**

Lease liabilities are secured by the assets leased. The liabilities comprise of variable and fixed interest rate arrangements with repayment periods not exceeding five years.

Contracts may contain both lease and non-lease components. The group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for all leases which the group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

20. LEASES - CONTINUED

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:
- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- amounts expected to be payable by the group under residual value guarantees
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The lease payments are discounted using the interest rate implicit in the lease.

Right-of-use assets are measured at cost comprising the following:
- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

The Group is not exposed to any of the following which would have an impact on future cash outflows and will have an impact on the measurement of lease liabilites, the lease agreements does not contain;
a) extension or termination options
b) residual value guarantees
c) restrictions or convenants imposed by leases
d) sale and leaseback transactions
e) leases not yet commenced to which the lessee is committed

21. CAPITAL COMMITMENTS

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	Inflation Adjusted		Historical Cost	
All figures in ZWL	**2020**	**2019**	**2020**	**2019**
Commitments for capital expenditure approved by the directors:	13,138,545	156,879,538	13,138,545	20,658,308
- authorised but not contracted	**13,138,545**	**156,879,538**	**13,138,545**	**20,658,308**

The commitments will be financed from the Group's resources and existing facilities.

As at the date of this report, there are no agreements concluded in respect of any acquisitions.

22. FINANCIAL RISK MANAGEMENT

The group's risk management is predominantly controlled by the group finance function under policies approved by the board of directors. Group finance identifies and , evaluates financial risks in close co-operation with the group's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of financial instruments , and investment of excess liquidity.

22. FINANCIAL RISK MANAGEMENT - CONTINUED

The group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk, and liquidity risk. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's future financial performance. The primary objective of the financial risk management function are to establish risk limits and to ensure that risk stays within limits.

22.1 Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. Ultimate responsibility for market risk management rests with the Board of Directors, which has built an appropriate market risk management framework and the market risks are managed through observation of market trends in various factors noted below within approved monetary and exchange control authority parameters.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market prices. The company's market risks arise from open positions in (a) foreign currencies and (b) interest bearing assets and liabilities, to the extent that these are exposed to general and specific market movements.

The group operates internationally and is exposed to foreign exchange risk, primarily the US dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. The risk is measured through a forecast of highly probable US dollar expenditures.

The US dollar-denominated bank loans are expected to be repaid with receipts from US dollar-denominated sales. The foreign currency exposure of these loans has therefore not been hedged.

22.2 Foreign Currency Risk

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved exchange control policy parameters.

Foreign exchange risk is the risk arising from fluctuations in foreign exchange rates and their effect on future commercial transactions or recognised assets and liabilities denominated in a currency that is not the entity's functional currency.

The company enters into purchase agreements with foreign entities and is subject to risk from fluctuations in exchange rates. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities.

The company is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the United States dollar.

The primary currency giving rise to this risk is the Zimbabwe Dollar following the Mid-Term Monetary Policy issued in August 2020 .

The company does not hedge any of its trade receivables and trade payables that are denominated in foreign currency. Estimated foreign currency exposures in respect of sales and purchases over the following twelve months are also not hedged. Forward exchange contracts are not available in Zimbabwe to enable the hedging of foreign currency risk. Currency risk is, however, managed by ensuring, as far as possible, that available foreign currency denominated liquid assets are reserved for the payment of foreign currency denominated liabilities.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

22. FINANCIAL RISK MANAGEMENT - CONTINUED

22.2 Foreign Currency Risk - continued

MONETARY LIABILITIES

	Inflation Adjusted		Historical Cost	
All figures in ZWL	**2020**	**2019**	**2020**	**2019**
US$ - denominated interest bearing borrowings reported in ZWL	216,310,672	288,536,901	216,310,672	37,995,294
	216,310,672	**288,536,901**	**216,310,672**	**37,995,294**

MONETARY ASSETS

	Inflation Adjusted		Historical Cost	
All figures in ZWL	**2020**	**2019**	**2020**	**2019**
US$ - denominated cash and cash equivalents reported in ZWL	14,524,815	26,033,937	14,524,815	3,428,217
	14,524,815	**26,033,937**	**14,524,815**	**3,428,217**

MONETARY ASSETS

	Official exchange rates (Interbank)	
Exposure to currency risk	**2020**	**2019**
The following exchange rates applied during the year ended and as at 30 September:		
ZWL TO USD	**81.50**	**15.29**

Sensitivity analysis

A 2% movement in the ZWL of US$, exchange rates at 30 September would have affected equity and profit for the eriod by the amounts reflected below. This analysis assumes all other variables remain the same.

	Inflation Adjusted		Historical Cost	
All figures in ZWL	**Equity**	**Profit/(loss) for the period**	**Equity**	**Profit/(loss) for the period**
2% appreciation effect - 2020	1,123,479,995	700,393,926	173,844,885	161,546,192
2% appreciation effect - 2019	983,143,780	560,057,711	40,711,309	28,412,616
2% depreciation effect - 2020	1,169,336,321	728,981,433	180,940,595	168,139,914
2% depreciation effect - 2019	1,023,272,097	582,917,210	42,372,995	29,572,314

22.3 Price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk and currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer on factors affecting all financial instruments traded in the market. The trading environment has been characterised by liquidity challenges. Costs of inputs and manpower however, assume a rising trend resulting in the need to set competitive selling prices. Potential customer resistance to high prices and the reduction in sales transaction volumes are potential risks. This risk is mitigated by the fact the group agrees prices with clients before hand. Prices are affected mostly by factors such as quality.
those arising from interest rate risk and currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer on factors affecting all financial instruments traded in the market.

The group does not hold any equity security hence it is not affected by fluctuations in equity securities and thus bears no significant exposure to price risk.

22. FINANCIAL RISK MANAGEMENT - CONTINUED

22.4 Credit risk

This refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties. The Group conducts credit assessment on these counterparties based on publicly available information and the Group's own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread among approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved regularly. Ongoing credit evaluation is performed on the financial condition of accounts receivable. Apart from one customer in the retail market who is also the largest local customer of the Group, the Group does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk related to this retail market customer approximates 20% of gross monetary assets at any time during the year. Concentration of credit risk to any other counterparty did not exceed 20% of gross monetary assets at any time during the year. The entity does not hold any security from customers. Refer to Note 15 on Trade and other receivables. The entity has no exposure to credit risk in relation to debt investments.

	Inflation Adjusted		Historical Cost	
All figures in ZWL	**2020**	**2019**	**2020**	**2019**
Net Trade Receivables	184,044,843	214,989,099	177,244,543	25,750,563
Cash at bank	17,912,232	34,919,233	17,912,232	4,598,256
	201,957,075	**249,908,332**	**195,156,775**	**30,348,819**

The company had no exposure to credit risk arising from financial guarantees for the year 2020: ZWL nil

The fair value of cash and cash equivalents at 30 September 2020 approximates the carrying amount because of their short term nature. The credit quality of financial assets can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Trade receivables (excluding related parties receivables)

	Inflation Adjusted		Historical Cost	
All figures in ZWL	**2020**	**2019**	**2020**	**2019**
Counterparties without external credit rating:				
Group 1 - Existing customers with no defaults in the past.	35,515,330	54,742,054	35,515,330	7,208,577
Group 2 - Existing customers with some defaults in the past. All defaults were fully recovered	358,712	4,493,699	358,712	591,742
Group 3 - Existing customers with defaults not recovered.	-	-	-	-
Total trade receivables	**35,874,042**	**59,235,753**	**35,874,042**	**7,800,319**

Cash and cash equivalents
There are no significant concentrations of credit risk with respect to cash and cash equivalents as the company holds cash accounts with large financial institutions with sound financial and capital cover.

22.5 Interest rate risk

The Group's policy is to adopt an observation of market dynamics approach to manage interest rate risk while maximising profit.Ultimate responsibility for interest risk management rests with the Board of Directors, which has built an appropriate risk management framework to manage the interest risk through a non speculative approach within approved monetary control authority parameters. Interest rates are fixed per contract and are locked in for the duration of the borrowing contract. The risk is assessed before entering into any debt contract to ensure that the Group's cashflow is protected.

22. FINANCIAL RISK MANAGEMENT - CONTINUED

22.5 Interest rate risk - continued

	Inflation Adjusted		Historical Cost	
All figures in ZWL	**2020**	**2019**	**2020**	**2019**
Interest bearing borrowings	226,887,081	355,480,088	226,887,081	46,810,549

All figures in ZWL	**2020**	**2019**
Exposure to interest rate risk The following average interest rates applied during the year ended and as at 30 September:	35%	15%

	Inflation Adjusted		Historical Cost	
All figures in ZWL	**Equity**	**Profit/(loss) for the period**	**Equity**	**Profit/(loss) for the period**
10% appreciation effect - 2020	1,031,767,342	128,880,197	159,653,466	122,265,529
10% appreciation effect - 2019	902,887,145	375,894,713	37,387,937	22,068,788
10% depreciation effect - 2020	1,261,048,974	157,520,241	195,132,014	149,435,647
10% depreciation effect - 2019	1,103,528,733	459,426,871	45,696,367	26,972,964

Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interestThe company finances its operations through a mixture of retained earnings and borrowings from its holding company. The company borrows principally in United States dollars at fixed and floating interest rates. The interest rate characteristics of new borrowings and the refinancing of existing borrowings are positioned according to expected movements in interest rates. Borrowings from holding company have fixed interest rates as determined from time to time (see note 19) and bears no significant exposure to interest rate risk.

22.6 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities, based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Group may be required to pay.

Liquidity risk is the risk that the company may fail to meet its payment obligations when they fall due, the consequences of which may be the failure to meet the obligations to creditors. The company identifies this risk through periodic liquidity gap analysis and the maturity profile of assets and liabilities. Where major gaps appear, action is taken in advance to close or minimise the gaps. Cash flow forecasting is performed in the operating entity. The company monitors rolling forecasts of the company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the company does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the company's debt financing plans, covenant compliance and compliance with internal statement of financial position ratio targets

22. FINANCIAL RISK MANAGEMENT - CONTINUED

22.5 Interest rate risk - continued

All figures in ZWL	Weighted average effective interest rate %	1-3 months ZWL	3months to 1 year ZWL	1-5 years ZWL	5+ years ZWL	Total ZWL
INFLATION ADJUSTED						
2020						
Interest bearing borrowings	8%	6,544,509	-	220,342,572	-	**226,887,081**
Lease Liabilities	14% - 40%	114,625	265,861	197,375	-	**577,861**
Trade and other payables	0%	236,338,049	14,507,380	-	-	**250,845,429**
2019						
Interest bearing borrowings	8%	7,175,797	21,527,392	326,776,899	-	**355,480,088**
Lease Liabilites	18% - 26%	781,759	2,293,886	5,858,743	-	**8,934,388**
Trade and other payables	0%	246,786,918	8,120,305	-	-	**254,907,223**
HISTORICAL COST						
2020						
Interest bearing borrowings	8%	6,544,509	-	220,342,572	-	**226,887,081**
Lease Liabilities	14% - 40%	114,625	265,861	197,375	-	**577,861**
Trade and other payables	0%	231,482,449	14,507,380	-	-	**245,989,829**
2019						
Interest bearing borrowings	8%	944,928	2,834,783	43,030,838	-	**46,810,549**
Lease Liabilites	18% - 26%	88,013	264,038	653,809	-	**1,005,860**
Trade and other payables	0%	5,208,771	171,390	-	-	**5,380,161**

The Group has access to financing facilities amounting to ZWL227,464,942 (2019: ZWL364,471,476) and ZWLnil (2019: ZWLnil) were unused at the end of the reporting period. The Group expects to meet its obligations from cash flows and proceeds of maturing financial assets.

Surplus cash held by the operating entity over and above balance required for working capital management is invested in time deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom.

22.7 Financial risk management strategies for biological assets

The group is exposed to risks arising from environmental and climatic changes, commodity prices and financing risks. The group's geographic spread of farms allows a high degree of mitigation against adverse climatic conditions such as droughts and floods and disease outbreaks. The group has strong environmental policies and procedures in place to comply with environmental and other laws.

The group is exposed to risks arising from fluctuations in the price and sales volume of produce and livestock. Where possible, the group enters into supply contracts for peoduce and livestock to ensure sales volumes can be met by its customers. The group has long-term contracts in place for supply of produce to its major customers.

The seasonal nature of the business requires a high level of cash flow at different seasons in the year. The group actively manages the working capital requirements and has secured sufficient credit facilities to meet the cash flow requirements to manage this risk. The group has established environmental policies and procedures aimed at compliance with local environmental laws. The group follows prudent industry accepted care practices with respect to the use of fertilisers, insecticides and herbicides to control deseases and insect infestation. Refer to note 11 for detail on fair value determination and sensitivities.

22.8 Fair values

The carrying amounts of receivables, cash and short-term deposits, payables and accrued expenses, and short-term borrowings approximate their fair values due to the short-term maturities of these assets and liabilities.

23. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2018.

The capital structure of the Group consists of net debt and equity of the Group (comprising issued share capital, share premium, accumulated losses/distributable reserves).

The Group's Board reviews the capital structure of the Group regularly. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital. The gearing ratio at 30 September 2020 was 35% (2019: 182%).

	Inflation Adjusted		Historical Cost	
All figures in ZWL	**2020**	**2019**	**2020**	**2019**
Debt (i)	227,464,942	363,118,606	227,464,943	47,816,408
Cash and bank balances	(17,912,232)	(34,919,233)	(17,912,232)	(4,598,256)
Net debt	**209,552,710**	**328,199,373**	**209,552,711**	**43,218,152**
Equity (ii)	1,146,408,158	1,003,207,939	177,392,740	41,542,152
Net debt to equity ratio	**18%**	**33%**	**118%**	**104%**

(i) Debt is defined as long and short-term borrowings and lease liabilities.
(ii) Equity includes all capital and reserves of the Group that are managed as capital.

24. RELATED PARTY DISCLOSURES

Origin Global Holdings holds 71% of the Company Ordinary shares and the remaining 29% are widely held.
Interest in subsdiaries are disclosed in Note 13.
The following transactions were carried out with related parties.

INFLATION ADJUSTED

	Finance cost		Management fee expense	
All figures in ZWL	**2020**	**2019**	**2020**	**2019**
Group				
Origin Global Holdings Limited (major shareholder)	9,501,957	7,092,334	18,989,364	2,208,553

HISTORICAL

	Finance cost		Management fee expense	
All figures in ZWL	**2020**	**2019**	**2020**	**2019**
Group				
Origin Global Holdings Limited (major shareholder)	5,976,999	644,609	8,966,432	290,828

The following balances were outstanding at the end of the reporting period:

INFLATION ADJUSTED

	Receivables		Payables		Borrowings	
All figures in ZWL	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Company						
Ariston Management Services (Private) Limited	12,093,729	94,046,453	73,768	560,195	-	-
Group						
Origin Global Holdings Limited (major shareholder)	118,128,018	84,351,342	-	-	216,310,672	288,536,901
Directors and Key Management	-	-	765,523	999,980	-	-
Ariston Ownership Trust	-	-	-	-	-	-

24. RELATED PARTY DISCLOSURES - CONTINUED

HISTORICAL

	Receivables		Payables		Borrowings	
All figures in ZWL	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Company						
Ariston Management Services (Private) Limited	12,093,729	12,384,283	73,768	73,768	-	-
Group						
Origin Global Holdings Limited (major shareholder)	118,128,018	11,107,605	-		216,310,672	37,995,294
Directors and Key Management	-	-	765,523	131,680	-	-
Ariston Ownership Trust	-	-	-	-	-	-

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the current or prior years for bad or doubtful debts in respect of the amounts owed by related parties.

The weighted average interest rate on related party borrowings is 6% per annum (2019: 6% per annum). The related party borrowings are payable beyond 12 months from the reporting date, accordingly they are classified as non-current.

Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the year was as follows:

	Inflation Adjusted		Historical Cost	
All figures in ZWL	**2020**	**2019**	**2020**	**2019**
Short-term benefits	7,619,963	11,061,506	4,155,256	589,720
	7,619,963	**11,061,506**	**4,155,256**	**589,720**

The remuneration of directors and key executives is determined by the Human Resources and Remuneration Committee having regards to the performance of individuals and market trends.

25. DEFINED CONTRIBUTION PLANS

The employees of the Group are also members of a State-managed retirement benefit plan operated by the National Social Security Authority (NSSA). The Group is required to contribute a specified percentage of basic pay to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

The total expense recognised in profit or loss amounts to ZWL2,135,761 inflation adjusted (Historical: ZWL1,269,778) representing contributions payable by the Group at rates specified in the rules of the plan.

Due to lack of cash resources in prior periods, the Group accumulated benefit arrears in respect of both the defined contribution retirement plan and NSSA contributions. The Group applied for a 'paid-up' exemption for the defined contribution retirement plan so as to halt the increase in outstanding contributions as well as provide the Group an opportunity to clear its arrears.

26. GOING CONCERN

The Directors of the Group have reviewed the financial impact of the effects of COVID-19 and the related national and global lockdown orders on the business. They 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. These assessments considered the Group’s financial performance for the period ended 30 September 2020, the financial position as at 30 September 2020 and the current and medium term forecasts for the Group. 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.

26. GOING CONCERN - CONTINUED

26.1 Developments due to outbreak of COVID-19

The spread of COVID-19, since December 2019 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, include lockdowns, travel restrictions, enhanced hygiene standards and human interaction restrictions and closure of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Government of Zimbabwe and central bank across have responded with monetary and fiscal interventions to stabilise economic conditions. The directors have assessed these events and currently these have minimal disruption to the entity's operations.

During the period under review, COVID-19 was declared a global pandemic. Further, effective 30 March 2020, the Government of Zimbabwe proclaimed a lockdown in an effort to contain the spread of COVID-19 in the country. The agricultural sector was determined as an "essential service" and thus the Group was able to continue production and sales on all its Estates. In order to ensure the safety of our employees and other stakeholders, various measures were implemented in line with the World Health Organisation guidelines.

During the year the group did not receive any form of government grants directly or indirectly

COVID-19 FINANCIAL IMPACTS
We are continually monitoring the COVID-19 outbreak and associated developments following the declaration of a National State of Disaster and the enforcement of the national lockdown from 30 March 2020.

The Group followed guidance from the World Health Organization and complied with the requirements implemented by the government. We executed our own contingency plans to mitigate the potential impact of the pandemic and the lockdown on our employees and operations. The pandemic impacted our financial performance as detailed below;

Impact on operations
COVID-19 impacted Ariston's operations as noted below;
The agricultural sector was determined as an ""essential service"" and thus the Group was able to continue production and sales on all its Estates. In order to ensure the safety of our employees and other stakeholders, various measures were implemented in line with the World Health Organisation guidelines.

However, due to the economic slowdown induced by the COVID-19 pandemic, demand was subdued for the greater portion of the year, resulting in selling prices coming under tremendous pressure. This resulted in selling prices of tea declining as producers pushed to dispose of their positions before the new season. The Group closed the year with substantial tea stocks however subsequent to year end, demand for export tea improved resulting in the Group's stockholdings being depleted although pricing only improved marginally.

Production volume declined by 18% from prior year's volume of 1,301 tonnes to the current year volume of 1,063 tonnes. The Southern Africa macadamia nut production declined by 40% year on year and relative to this, the Group's volume decline was lower than the average suffered by growers in Southern Africa. Average selling price for export macadamia improved by 4% when compared to prior year average selling price. Other crops contributed 74% (2019: 87% in inflation adjusted terms) to the Group's total revenue. Other crops, which include avocadoes, commercial maize, seed maize, seed sugar beans, soya beans, potatoes and poultry, representing 12% (2019: 17% in inflation adjusted terms) also contributed positively to the Group's overall performance.

Reduced customer demand and the economic contraction exacerbated by COVID-19 led to a marked deterioration in forecast revenue for the 2021 financial year. Management proactively initiated a strategic review of Ariston Holdings to explore the opportunity of, to acquire two new tea drying equipment which were installed at Southdown and Roscommon in an effort to improve tea quality as well as manufacturing efficiencies. The macadamia drying facility's capacity was increased and further improved. This resulted in an improvement in quality. Fencing of macadamia orchards commenced but is yet to be completed. Old banana orchards were uprooted in in readiness for planting new orchards. Significant investment was put into increasing the capacity of irrigation systems and improving the dams.

26. GOING CONCERN - CONTINUED

26.1 Developments due to outbreak of COVID-19 - continued

Impact on short-term liquidity and working capital

All these projects were undertaken with internally generated funds. Borrowings were kept at a minimum in the period under review. However, the Group maintained its offshore long term loan which is the one generating the unrealised exchange losses. The Group continued to invest heavily in capital expenditure which were primarily funded from own internally generated funds. Cash generated from operations increased from ZWL199 million to ZWL295 million, reflecting an improvement in cash management. This allowed for sufficient liquid funds and access to overdraft facilities to enable the operating entities within the Group to meets their short-term obligations as they become due. The group did not obtain any government funding during the period. Debtors days remained fairly consistent with the prior year despite a slight increased credit risk resulting from COVID-19. The Group closed the year with substantial tea stocks however subsequent to year end, demand for export tea improved resulting in the Group's stockholdings being depleted although pricing only improved marginally. Supplier facilities were better utilised to improve overall working capital management. There was minimal impact on fair values based on market considerations.

Impact on solvency and going concern considerations

Net debt At 30 September 2020, the Group's financing arrangements consisted of term loan funding, asset-based finance facilities, overdraft facilities and undrawn forward exchange and general banking facilities totalling ZWL209 Million from ZWL328 million.

To ensure the Group has a comprehensive understanding of any potential impact of the COVID-19 pandemic on the entity's ability to continue as a going concern we performed a through forecasts and observations. Impacts on performance of possible future events were considered and corresponding implications through going through the risk management frameworks.

Based on the anticipated economic impacts of COVID-19, various triggers identified by management were considered and weighted as most likely to impact the operating entities depending on the duration of the lockdown. These triggers include, but are not limited to: Supply chain disruptions, availability of personnel/reduction in workforce, Reduction in orders and customer demand in industries in which we operate, inability to raise financing, Travel restrictions and the possible impact on international business opportunities and ability to recover from exposure to fluctuations in foreign currency.

Sustaining Ariston post-COVID-19. We are positioning the Group to do "business unusual" in unpredictable operating conditions.

27. EVENTS AFTER THE REPORTING DATE

There have been no significant events after the reporting date.

ANALYSIS OF SHAREHOLDERS

SIZE OF SHAREHOLDING	NUMBER OF SHAREHOLDERS	% NO. OF SHAREHOLDERS	SHARES HELD	% OF SHARES HELD
1-5,000	849	61.12	1,365,215	0.08
5,001-10,000	154	11.09	1,153,253	0.07
10,001-50,000	235	16.92	5,359,791	0.33
50,001-100,000	47	3.38	3,301,365	0.20
100,001- and over	104	7.49	1,616,215,971	99.32
	1,389	**100.00**	**1,627,395,595**	**100.00**

CATEGORIES OF SHAREHOLDERS

SHAREHOLDERS GROUP	NUMBER OF SHAREHOLDERS	% NO. OF SHAREHOLDERS	SHARES HELD	% OF SHARES HELD
COMPANIES	212	15.26	173,882,564	10.68
ESTATES	2	0.14	10,000	0.00061
INDIVIDUALS	1,021	73.51	49,420,293	3.04
INSURANCE COMPANIES	6	0.43	92,238,030	5.67
INVESTMENT, TRUST AND PROPERTY COMPANIES	13	0.94	682,340	0.04
NOMINEE COMPANY	48	3.46	96,019,981	5.90
NON RESIDENT TRANSFERABLE	62	4.46	1,196,508,732	73.53
PENSION FUNDS	25	1.80	18,633,655	1.14
	1,389	**100.00**	**1,627,395,595**	**100.00**

TOP TWENTY SHAREHOLDERS

HOLDER NAME	TOTAL HOLDING	% OF TOTAL ISSUED SHARES
ORIGIN GLOBAL HOLDINGS LIMITED	1,154,636,981	70.95
STANBIC NOMINEES (PRIVATE) LIMITED - NNR A/C 110008380002	82,314,586	5.06
BARATO INVESTMENTS LIMITED	70,324,454	4.32
NATIONAL SOCIAL SECURITY AUTHORITY-NPS	54,413,428	3.34
NATIONAL SOCIAL SECURITY AUTHORITY	49,922,208	3.07
OLD MUTUAL LIFE ASSURANCE OF ZIMBABWE LIMITED	32,023,477	1.97
SPEAR PAUL	29,470,712	1.81
NATIONAL SOCIAL SECURITY AUTHORITY (W.C.I.F.)	24,321,664	1.50
STANDARD CHARTERED NOMINEES (PVT) LTD-NNR	24,291,452	1.49
STANDARD CHARTERED NOMINEES (PVT) LTD -NNR	16,161,918	0.99
WORKERS COMPENSATION INSURANCE FUND	11,596,485	0.71
ECONET GROUP ZIMBABWE PENSION FUND-FML A/C 140043880025	6,250,000	0.39
STANBIC NOMINEES (PVT) LTD A/C 110008090011	5,812,036	0.36
ZB FINANCIAL HOLDINGS GROUP PENSION FUND	3,420,709	0.21
MIMOSA MINING PENSION FUND-IMARA	3,376,140	0.21
MUNSTER INVESTMENTS (PVT) LTD	2,481,060	0.15
GLOWSURGE ENTERPRISES (PVT) LTD	2,342,651	0.14
SCB NOMINEES 033667800001	2,156,922	0.13
KUHN RALP	1,940,712	0.12
ZB LIFE ASSURANCE LIMITED	1,734,842	0.11
TOTAL HOLDING OF TOP TWENTY SHAREHOLDERS	**1,578,992,437**	**97.03**
REMAINING HOLDING	**48,403,158**	**2.97**
TOTAL ISSUED SHARES	**1,627,395,595**	**100.00**

Notice To Shareholders

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the seventy-fourth (74th) Annual General Meeting ("AGM") of Ariston Holdings Limited ("the Company") will be held in the Centenary Room, Royal Harare Golf Club, 5th Street Extension, Harare, Zimbabwe on the 25 February 2021 at 15:000hrs to consider the following business.

ORDINARY BUSINESS

1. **Financial Statements**
   To receive, consider and adopt the audited financial statements for the year ended 30 September 2020, together with the reports of the directors and auditors thereon.

2. **Re-election of directors**
   To elect directors who retire by rotation, in accordance with the provisions of the Company's Articles of Association. In accordance with the provisions of the Companies and Other Business Entities Act (Chapter 24:31), the directors will be elected as separate resolutions;
   1.1 Messr A. Jongwe retires by rotation and being eligible offers himself for re-election.
   1.2 Messr C. Conradie retires by rotation and being eligible offers himself for re-election.

3. **Retirement of a Director**
   To note the retirement of Dr A. J. Masuka who retired from the Board with effect from 15 August 2020.

4. **Director's remuneration**
   To approve directors' fees for the year ended 30 September 2020.

5. **Auditors**
   To approve the remuneration of the independent auditors for the year ended 30 September 2020 and to appoint auditors for the ensuing year. The present auditors, Messrs PriceWaterhouseCoopers, offer themselves for re-appointment.

ANY OTHER BUSINESS

Proxies

A member entitled to attend and vote at the above meeting may appoint one or more proxies to attend, vote and speak on his/her behalf. A proxy need not be a member of the Company. A member wishing to appoint a proxy must lodge the completed proxy form at the registered office of the Company or the office of the Transfer Secretaries (ZB Transfer Secretaries (Private) Limited, 21 Natal Road, Avondale, Harare) not less than 48 hours before the appointed time for holding of the meeting.

By order of the Board

Chinamo

R.A. Chinamo
Company Secretary

REGISTERED OFFICE
306 Hillside Road
Msasa Woodlands
P.O. Box 4019
Harare

18 December 2020

ATTENDANCE OF THE ANNUAL GENERAL MEETING (AGM) BY WEBINAR

In the interest of health and safety considerations given Covid-19, Shareholders who prefer to attend the meeting by Webinar are welcome to do so. An electronic link will be sent to the registered Shareholder where email details have been made available to the Transfer Secretaries. For those shareholders who have not provided email details to the Transfer Secretaries, please may you ensure that you provide these details so that you are able to participate in the AGM via electronic means You may send your request to the following: *achinamo@ariston.co.zw* and/ or *tendaim@ariston.co.zw* no later than 23 February 2021, 14:00hrs. In order to utilise this facility. Shareholders are urged to send their requests to the above emails before the above noted deadline. Further, completed proxy forms can be sent to the same email and also to the Transfer Secretaries on *RMutakwa@zb.co.zw.*

ARISTON HOLDINGS LIMITED

Registered Office: 306 Hillside Road, Msasa Woodlands, P.O. Box 4019, Harare