TANGANDA tea

Company Limited

ANNUAL REPORT 2022

ABOUT OUR REPORT

Tanganda Tea Company Limited, a public company listed on the Zimbabwe Stock Exchange ("ZSE"), is pleased to present the annual report for the year ended 30 September 2022. This report integrates both financial and non-financial information.

SCOPE OF THE REPORT
This report contains information for Tanganda Tea Company Limited which is incorporated and domiciled in Zimbabwe. In this report, unless otherwise stated, references to "our", "we", "us", "the Company", "Tanganda" refers to Tanganda Tea Company Limited.

REPORTING FRAMEWORKS
This report was prepared with due consideration of the following reporting requirements:

- The Companies and Other Business Entities Act [Chapter 24:31].
- Statutory Instrument ("SI") 134 of 2019 Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) Rules, 2019.
- International Financial Reporting Standards (IFRS).
- Global Reporting Initiative (GRI) Standards.

SUSTAINABILITY DATA
This report was prepared using both quantitative and qualitative data extracted from company records, policies and persons responsible in the Key Results Areas ("KRA") of sustainability impacts for the Company. In some cases, assumptions are made and confirmed for consistency with business activities. The Company continues to review its measurement systems for consistency on sustainability data.

ASSURANCE
The annual financial statements were audited by Deloitte & Touche (Zimbabwe) in accordance with the International Standards of Auditing ("ISA"). The independent auditor's report is found on pages 34 to 36. Non-financial information and data used for sustainability reporting were internally validated by the Company's Internal Audit Department.

BOARD APPROVAL
The Board recognises its accountability for ensuring the integrity of this annual report. In the Board's opinion, the annual report fairly presents the overall performance of the Company and therefore approved it.

FORWARD LOOKING STATEMENTS
This report may contain forward looking statements. These statements are estimates and projections by Tanganda Tea Company Limited based on current available information. Forward looking statements are not statements of historical fact and may contain the terms "may", "will", "should", "continue", "aims", "estimates", "projects", "believes", "intends", "expects", "plans", "seeks" or "anticipates", or words of similar meaning. Forward looking statements are not guarantees of future developments and results outlined therein. These are dependent on several factors which may involve various risks and uncertainties, and they are based on assumptions beyond our control. Readers are cautioned not to place undue reliance on forward looking statements.

FEEDBACK ON THE REPORT
The Company values opinions and comments from all stakeholders which may assist in improving our reporting. We welcome your feedback on this report and any suggestions you may have. For feedback, please contact Sharon Nyasha Kodzanai (Mrs), Company Secretary, email: investorrelations@tangandatea.com .

H. Nkala
Chairman
13 February 2023

CONTENTS

TANGANDA TEA COMPANY LIMITED AT A GLANCE

OUR JOURNEY OVER THE YEARS

1893 The Moodie Trek which was part of the Pioneer Column focused on opening and settling in the Chipinga / Melsetter area camped and celebrated the New Year on the banks of Tanganda river.

Arthur Ward, a retired tea planter from Assam purchased the area along Tanganda river which is now the site of New Year's Gift Estate just before the start of the First World War.

1923 Arthur Ward was joined by his friend, Grafton Phillips another retired tea planter from Assam on New Year's Gift Estate.

1924 First commercial tea was planted at New Year's Gift Estate.

1928 Tea from the thriving irrigated fields on 3.5 hectares at New Year's Gift Estate was first processed under the supervision of Florence Phillips. Samples of processed teas were sent for tasting and evaluation by tea experts in London and Calcutta.

1930 Arthur Ward and Grafton Phillips formed a Company and registered it as Ward and Phillips (Pty) Ltd and acquired Ratelshoek Tea Estate which was owned by Noel Reid who became one of the directors of the company along with Grafton Phillips, Florence Phillips and Arthur Ward.

The Company expanded by purchasing Jersey Estate and Zona Estate.

1936 Significant exports to South Africa commenced.

1939 Exports to the United Kingdom grew significantly.

1943 The Meikles family acquired majority and controlling stake.

1963 Rhodesia Tea Estates Limited listed on the Rhodesia Stock Exchange.

1976 The Company's name was changed to Tanganda Tea Company Limited after the river from which the whole story of tea began.

2004 First 32 hectares of macadamia plantation were established at New Year's Gift Estate and further developed to 120 hectares by the year 2007.

2006 tinga mira water bottling commenced at Tingamira Estate.

2008 Tanganda was delisted from the Zimbabwe Stock Exchange after merger with Cotton Printers (Private) Limited, Meikles Africa Limited and Kingdom Financial Holdings Limited to become Kingdom Meikles Limited.

2010 Demerger of Kingdom Financial Holdings from Kingdom Meikles Limited and Tanganda Tea Company Limited remained a wholly owned subsidiary of Meikles Limited.

2011 Diversification into avocado, coffee and macadamia intensified.

2010 Refurbishment of the Mutare blending and packaging factory.

2022 Tanganda Tea Company Limited Relisted on the Zimbabwe Stock Exchange.

TANGANDA TEA COMPANY LIMITED AT A GLANCE (continued)

OUR BUSINESS VALUE SYSTEMS

VISION, MISSION AND VALUES

Tanganda' s vision is to become the leading blue-chip agri-business in Africa. In this regard the Company's mission is to:

- build a highly cohesive management team and systems to become a global, high yielding, high quality and efficient agricultural producer;
- build preferred, iconic and high-quality brands that satisfy global market expectations;
- maintain a high moral responsibility to staff, communities and the environment;
- pay a consistent and growing dividend to shareholders; and,
- benchmark itself against the top 20 African agri-business companies.

The Company's values are hard work, focused growth, teamwork, innovation, dependability, frugality and responsibility.

BUSINESS ASSOCIATIONS MEMBERSHIP

The Company is a member of the following associations:

- Buy Zimbabwe;
- Confederation of Zimbabwe Industries (CZI);
- Marketeers Association of Zimbabwe (MAZ);
- National Employment Council for Agriculture;
- National Employment Council for Food processing;
- Zimbabwe National Chamber of Commerce (ZNCC);
- Zimbabwe Tea Growers Association; and
- ZimTrade.

STANDARDS

The Company is certified to the following standards:

- Albert Heijns Certification;
- Global Good Agriculture Practices (GAP) Certification – SANAS South Africa;
- HACCP05: Grading and Packaging Avocados for Export Certification;
- ISO 22000 – Food Safety Management System;
- ISO 9001:2015 – Quality Management Systems;
- ISO /IEC: 17065:2012 – Rainforest Alliance Certification;
- Tesco Minimum Packaging Standards (TMPS) Certification; and
- Standards Association of Zimbabwe (SAZ) Product Mark.

AWARDS & RECOGNITIONS

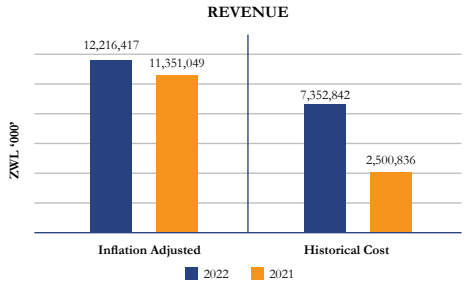
The Company received the following awards during the 2022 financial year:

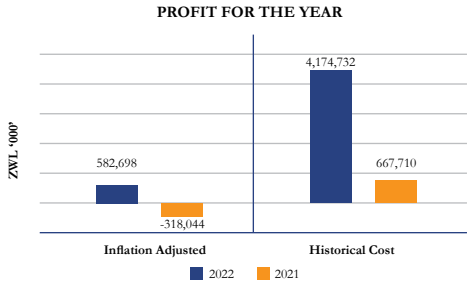
- Exporter of the year Agriculture- Manicaland Region: Zimbabwe National Chamber of Commerce (ZNCC);
- Sustainability Award in the Environmental Cluster: Zimbabwe Independent Quoted Company Survey 2022;
- Exporter of the year award in the Fresh Produce Sector and Processed Foods Sector: Zimtrade; and
- Top Exporting Company under Chairman's Award for Superbrand 2022: Marketers Association of Zimbabwe (MAZ).

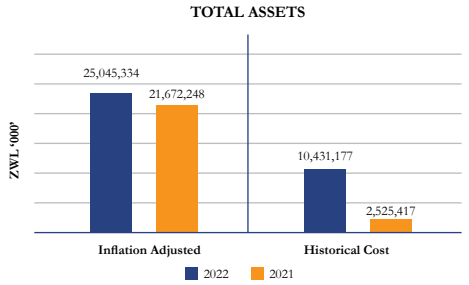
TANGANDA TEA COMPANY LIMITED AT A GLANCE (continued)

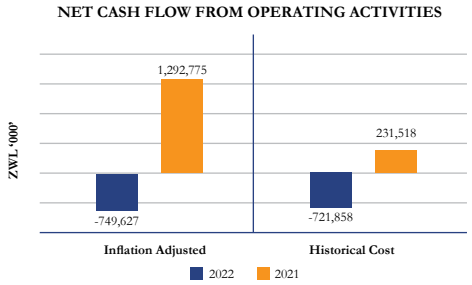
PERFORMANCE HIGHLIGHTS

FINANCIAL HIGHLIGHTS









SHARE PERFORMANCE

	INFLATION ADJUSTED		HISTORICAL COST	
	30 Sep 2022	30 Sep 2021	30 Sep 2022	30 Sep 2021
	ZWL cents	ZWL cents	ZWL cents	ZWL cents
Share Price	8,500	-	8,500	-
Basic and Diluted Earnings Per Share	223	(122)	1,599	256

SUSTAINABILITY PERFORMANCE

	2022	2021
Tax Payments (ZWL) (Historical cost)	954,225,439	186,778,673
Electricity (kWh)	6,685,189	9,440,832
Water Usage (m^3)	2,097,243	5,966,215
Total Employees (head count)	4,890	4,437

STRATEGIC REVIEW

CHAIRMAN'S STATEMENT

KEY DEVELOPMENTS

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

ENVIRONMENT OVERVIEW

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

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

FINANCIAL PERFORMANCE

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

Revenue for the year of ZWL 12.22 billion grew by 7.7% from prior year of ZWL 11.35 billion. In historical cost terms, a 194% growth from ZWL2.5 billion to ZWL 7.35 billion was achieved.

Profit after tax improved to ZWL 583 million from a loss of ZWL 318 million in the previous year. In historical cost terms it increased from a profit of ZWL 668 million to a profit of ZWL 4.2 billion.

REVIEW OF OPERATIONS

Agriculture

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

Bulk Tea

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

Avocado

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

STRATEGIC REVIEW (continued)

CHAIRMAN'S STATEMENT (continued)

REVIEW OF OPERATIONS (continued)

Macadamia

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

Coffee

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

Beverage

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

SUSTAINABILITY

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

OUTLOOK

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

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

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

DIVIDEND

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

DIRECTORATE

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

APPRECIATION

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

H. Nkala
Chairman
8 December 2022

STRATEGIC REVIEW (continued)

OVERVIEW OF OPERATIONS

Tanganda Tea Company Limited, incorporated in Zimbabwe, is in the agro-manufacturing sector. Tanganda is the largest packer and distributor of tea in Zimbabwe. The first commercial tea was planted at New Year's Gift Estate in 1924. Tanganda to date, has developed the largest hectarage of macadamia and avocado plantations to become the single largest producer of both crops in Zimbabwe. The Company is also involved in coffee production, timber growing, livestock rearing and spring water bottling.

The Company is divided into three main operating divisions, the Agriculture, the Beverage and the Corporate and Administration divisions.

The Corporate and Administration Division is responsible for the administration of finance, human resources, information technology and logistics among other support services given to the Agriculture and Beverage divisions.

Agriculture Division

The Agriculture Division is based in the Chipinge District of Eastern Zimbabwe and consists of five estates namely Ratelshoek, Jersey, Tingamira, Zona and New Year's Gift. Estates are intercropped with tea, coffee, macadamia and avocados. Timber is grown on the estates for firewood consumption. Tea and coffee are processed in bulk form for sale either on the international market or to the Beverage division for further processing. Macadamia nuts and avocados are primarily exported. The Division has an active out-grower scheme supporting tea farmers covering about 1,000 hectares of land.

Tea

Tea is grown on 2,106 hectares, across four of the estates. Each estate has its own factory to process green leaf into bulk made tea. Ratelshoek is the largest tea plantation with 808 hectares, followed by Jersey with 604 hectares. While Zona has a relatively small hectarage of 420 hectares, it is extremely high yielding, achieving a world record yield of 5,428 kilograms per hectare in the 2002/03 season. Tingamira has 274 hectares of predominantly high value clonal teas. Tanganda averaged 4,100 kilograms per hectare in the FY 2022, which compares favorably with yields in Kenya and India of 3,000 kilograms per hectare. Sri Lanka's high yielding clonal teas produce 3,800 kilograms per hectare. Tea production of 8,670 tonnes was achieved in the year to September 2022. Tea is a mature crop for Tanganda, and annual production is largely determined by climatic conditions. The Company's diversification programme over the last decade has seen active reduction of marginal tea hectarage in favour of macadamia and avocado plantations.

Bulk tea, exported to world markets through merchants, accounted for 7,125 tonnes (82%) in the year ended 30 September 2022, with the balance processed and packed for final consumption in Zimbabwe and regional export markets. Value added branded tea export is expected to grow as investment is made into both export and factory packaging capacity improvement. Bulk tea prices are market determined worldwide and are a significant driver of profitability. Prices in the year ended 30 September 2022 averaged US$1.42 per kilogram.

STRATEGIC REVIEW (continued)

OVERVIEW OF OPERATIONS (continued)

Macadamia

Macadamia nuts are grown on 848 hectares on Ratelshoek, New Year's Gift and Jersey estates as well as 18 hectares on a third-party farm. Hectarage has grown rapidly, from around 32 hectares in 2004 to 400 in 2019 and 848 currently. The average age of the plantations is eight years. While production volume has increased to 1076 tonnes in 2022, yields are expected to improve with the maturity profile. Macadamia trees have a 40-year economic life.

The macadamia product is exported to world markets through agents. Macadamia nuts are currently sold as nut in-shell, but the international trend is toward kernel product. Global prices of nuts declined from an average of USD 5.12 per kg achieved in the prior year to USD 3.26 per kg in the current year. To mitigate these developments, the Company has identified alternative markets and strategies that include exploring value addition options.

Avocados

The first 35 hectares were established at Tingamira Estate in 2011. Subsequent developments were made to reach the current 500 hectares on Ratelshoek and Tingamira Estates. Production in the year ended September 2022 was 4,321 tonnes. Yields are improving each year with fields reaching maturity age, and the average age is now eight years. Avocados are exported to markets in South Africa and Europe. Prices are volatile, and the Covid-19 impact of restrictions on the hospitality sector remain evident in 2022.

STRATEGIC REVIEW (continued)

OVERVIEW OF OPERATIONS (continued)

Coffee

Coffee is grown on 162 hectares at Jersey estate and also on 26 hectares on a joint venture at a third-party farm. The bulk of the coffee produced is marketed under a Nespresso contract, while the balance is roasted, ground and supplied into the local market under the High-Country brand. A total of 96 tonnes was exported in the year ended 30 September 2022 at an average price of US$6.56 per kilogramme.

Beverage

The Beverage Division is focused on creating and developing brands mainly from but not limited to the primary agricultural products and consists of the blending and packaging plant in Mutare, with sales and distribution depots in Harare, Bulawayo, Gweru and Mutare. The Division's market is mainly local but has a growing export market into the region. The regional market territory includes Zambia, Mozambique, South Africa, Botswana and Namibia.

The division combines the blending department which is the primary department where the raw materials are procured and stored before being blended to proprietary proportions. The blending process distinguishes Tanganda brands from the rest of all other brands. The uniqueness of taste and appearance and consistency characteristic and distinctive of Tanganda brands is all artistically, scientifically and organoleptically maintained within the blending department. The staff in the blending division compliment the rich and unparalleled level of tea experience from Tanganda's rich and specific agronomic and geographic indications to produce blends which can only rightly claim that it lifts up customers and consumers and that it is bright and fresh as the bags of flavor made for the whole family to enjoy and give lasting glow to consumers! The blends range and suits consumers' preference and choice in terms of strength of the cup, colour, taste and indeed as Healthi Green brand's promise is: "this is your moment: let yourself glow!"

Blended teas are packed in the factory whose equipment and ambience are all to internationally recognized and certified world standards. The suppliers of Tanganda tea packaging equipment are world leading brands. The packaging and blending systems are all certified to the Food Safety System Certification (FSSC 22000). This standard certification endorses the food safety culture which is in the DNA of Tanganda and the most recent passing of unannounced external audit on the system in December 2022, revealed consumers can always trust that the Tanganda system is planned to consistently deliver safe, reliable and trusted products all the time. The division always reviews its processes and renews its ability and capability to supply the market by upgrading its technology, upskilling itself technically, revamping its distribution fleet as well as connecting with consumers, stakeholders and market to remain appealing as well as to lead in the healthy provision of both hot and cold beverages.

Major brands are Tanganda, Stella, Silver, Joko, Special Blended Teabags, Tanganda Tips, Fresh Leaves, Healthi Green, Moringa, Zumbani, Natra, Nella, High Country Coffee and tinga mira mineral water. During the fourth quarter, the Company introduced Makoni, Resurrection and Rosella herbal infusions onto the market in response to customer preferences.

The herbal infusions are an expression of Tanganda's partnership and harnessing of local natural flora for the benefit of modern consumers. The benefits of these infusions have been known and passed on from generation to generation. Indeed, before the advent of modern-day pharmaceutical industries these have been the bulwark of human health! Tanganda brings these to modern consumers in trusted measured and convenient well researched ways in liaison with communities. A great outreach to communities to preserve these heritages as they find economic benefit in partnering with Tanganda to the benefit of society.

STRATEGIC REVIEW (continued)

OVERVIEW OF OPERATIONS (continued)

Over the financial period packed tea volumes into the regional market recorded a 57% growth from 218 tonnes in the prior year to 343 tonnes. Overall packed tea sales volumes of 1 994 tonnes were 9% below 2 191 tonnes in the prior year. Logistical delays arising from global supply chain disruptions resulted in a lower local packed tea order fulfilment percentage especially in the peak winter season but this has since improved significantly. Liquidity challenges affecting disposable income in the economy further impacted the level of sales volumes.

tinga mira water

The tinga mira water promise of "Your body is a temple – drink from a trusted source" is a hearty call of connection with consumers and market to take seriously their health. The promise recognizes the need to first reach out to the consumers that they value who they are and that they should value and take care of their own health. For sure in the process consumers should always trust that Tanganda and tinga mira in particular can be trusted to help them achieve this goal of taking care as good stewards of their precious bodies and health. The promise resonates with the tea promise that Tanganda lifts you up.

True to Tanganda's ethos, the Company nurtures and develops talent through partnering with schools in sponsoring the under 17 Stella Netball tournament, sponsoring and hosting annually the Tanganda half marathon as well as encouraging sports within the Tanganda family. These annual events are an indelible statement to the consumers and nation that Tanganda weaves itself in their lives, their dreams as well as in their personal development

CORPORATE GOVERNANCE

Corporate governance is a critical pillar that defines how Tanganda remains focused on the founding history of the business. The Company is governed through its Articles of Association. The Company continues to review and realign its corporate governance practices to satisfy the requirements of the Companies and Other Business Entities Act [Chapter 24:31], SI134 of 2019 – Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) Rules and the National Code of Corporate Governance in Zimbabwe (ZIMCODE).

BOARD STRUCTURE

Mr. John R. T Moxon retired from the Board of Directors after an illustrious service spanning over five decades. The reconstituted Board is comprised of an independent non-executive Chairman, five non-executive Directors and three executive Directors. The Board is made up of eight males and one female.

Committees

COMMITTEE	MEMBERS	RESPONSIBILITIES
Board	**Mr. H. Nkala (Chairperson)** Ms R. A. Maunze Mr. S.P. Cranswick Mr. L.T. Gwata Mr. S.J. Hammond Mr M.J.S. Moxon Mr. T. J. G Fennell Mr. K. Chigerwe Mr. H. Nemaire	The Board is responsible for matters such as Company strategy, approval of the Company budget and major capital projects, as well as general treasury and risk management policies. The Board approves all financial reports and plays a pivotal role in managing strategic stakeholder relations. In addition, the Board is responsible for all matters of corporate governance and statutory compliance adherence. The Board meets on a quarterly basis and when there are urgent matters requiring their attention and decision.
Audit and Finance	**Ms R.A. Maunze (Chairperson)** Mr. L.T. Gwata Mr. S.J. Hammond Mr M.J.S. Moxon	The Audit and Finance Committee meets at least quarterly. The internal and external auditors attend these meetings by invitation. The Audit Committee reviews the Company's financial statements before submission to the Board for approval. Its objectives are to ensure that the Board is advised on all matters relating to corporate governance and the creation and maintenance of effective internal controls, as well as advising the Board and management on measures which ensure that respect for both regulatory issues and internal controls is demonstrated and stimulated. Accordingly, it reviews the effectiveness of the internal audit function, its programme and reports, and also reviews all reports from the external auditors on accounting and internal control matters, and monitors action taken where necessary. The Audit Committee also recommends the appointment and fees of external auditors.
Risk	**Mr. S.J. Hammond (Chairperson)** Mr. S.P. Cranswick Mr. L.T. Gwata Ms R.A. Maunze	The Risk Committee has, responsibility for the oversight of the Company's risk management framework including related policies and procedures. The Risk Committee meets at least quarterly.
Human Resources and Remuneration	**Mr S.P. Cranswick (Chairperson)** Mr H. Nkala Mr. S.J. Hammond Mr M.J.S. Moxon	The Human Resources and Remuneration Committee meets quarterly. The committee's responsibility includes reviewing the organisational structure in line with the Company's strategy and makes recommendation to the Board. It also determines the Company's policy on the remuneration of executive directors and senior executives.
Nomination	**Mr. H. Nkala (Chairperson)** Mr. S.P. Cranswick Mr. S.J. Hammond	The Nomination Committee meets at least once a year. The committee's main focus is to consider the composition and structure of the Board and its committees. It has a mandate to recommend candidates to serve on the Board based on requirements, skills, experience, and diversity required for conducting the business of the Board.

Declaration of Interests

In line with the Company's Articles of Association and the Companies and Other Business Entities Act (24:31), Directors are required to declare their beneficial interest in the Company. The beneficial interests of the Directors for the year are presented in note 15.2 of the Company financial statements.

Business Ethics

Tanganda Tea Company Limited believes in strong business values which demonstrate moral practices of being fair, transparent, responsible and ethical. The Company participates and encourages all employees to uphold best practices of ethics to protect its reputation and values. The Company subscribes to a whistle-blower platform which provides a discrete reporting channel for unethical behaviour in the workspace.

CORPORATE GOVERNANCE (continued)

Stakeholder communication with the Board

The Company allows stakeholders to engage directly with the Board through various channels which include the Annual General Meetings (AGMs), Trading Updates and other meetings.

DIRECTORATE

H. Nkala
Chairman

Herbert Nkala is a Businessman and a Marketing Consultant with many local and international assignments. Herbert is a holder of a Bachelor of Science Honours Degree from the University of Wales (U.K.) and a Master of Business Administration Degree from the University of Zimbabwe. His leadership career in the corporate world began as a Technical Executive with Dairibord Zimbabwe and he subsequently became the Marketing Director for the same company and later joined Delta as Marketing Director for the National Breweries of Zimbabwe. He continued his leadership growth as Chief Executive Officer and led the transformation of the then Zimbabwe Tourism Investment Company to Rainbow Tourism Group Limited, culminating in its listing on the Zimbabwe Stock Exchange (ZSE) with Accor of France as the anchor shareholder.

He is currently the Chairman of the boards of FBC Holdings Limited and OK Zimbabwe Limited, both of which are listed on the Zimbabwe Stock Exchange (ZSE). Herbert is a former chairman of African Sun Limited, Industrial Development Corporation (IDC), Astra Holdings amongst many other Public and Private entities. He is also a trustee of the Joshua Mqabuko Nkomo Foundation.

R.A. Maunze
Non-Executive Director

Rufaro is a seasoned business leader, finance expert and executive management consultant with experience working in Zimbabwe, Australia, and several countries across sub-Saharan Africa focusing on inclusive finance, strategic operations, change management, and socio-economic development. She holds both a Specialized Masters' in Coaching & Consulting for Change from HEC Paris & Oxford SAID Business Schools and a Masters' in Development Finance from Stellenbosch Business School and is also a qualified Chartered Accountant. She also holds a Certificate in Impact Investing from Oxford SAID Business School.

Rufaro started her career in Assurance & Audit with Deloitte and worked for several global offices before moving into the Australian banking sector where she held various leadership roles. She has also held National and Regional leadership roles for international development organisations including TechnoServe and Financial Sector Deepening Africa (FSDA) focusing on entrepreneurship, inclusive finance, social enterprise and agriculture for the rural poor, women and youth. Rufaro is a Non-Executive Director for OK Zimbabwe Limited, Imara Fiduciary (Private) Limited, and is also the Chairperson for the Women's Chartered Accountants Network (WeCAN) in Zimbabwe. In the past she also sat on the board of directors of Imara Asset Management Zimbabwe (Private) Limited, Imara Edwards Securities (Private) Limited, Nedbank Zimbabwe Limited and Cold Storage Company of Zimbabwe.

S.P. CRANSWICK
Non-Executive Director

Stewart had a distinguished career as a stockbroker in Johannesburg. He brings a wealth of business insights having significant experience in a wide range of industries from travel and tourism to property and farming in various countries over 21 years including operating a successful hotel business in Africa and Australia. He is a director of Meikles Limited and was previously a director of African Sun Limited.

CORPORATE GOVERNANCE (continued)

DIRECTORATE (continued)

L.T. Gwata
Non-Executive Director

Livingstone is a holder of a Bachelor of Administration from the University of Zimbabwe and has thirty-seven years of regional and international banking experience, spanning all facets of Corporate, Retail and Merchant banking. He held various executive director positions within the Standard Chartered group in Zimbabwe, Europe, the Far East and several African countries. In 1998, Livingstone joined First Banking Corporation Limited as Managing Director and steered the privately-owned bank to a profitable public listed diversified financial services group, FBC Holdings Limited, from where he retired as Chief Executive Officer in 2011.

Livingstone was appointed to the board of ABC Holdings Limited, in September 2015, and became Chairman in December 2018. He is a member of the Risk Committee of the board. Livingstone was appointed as Chairman of Fidelity Assurance Company of Zimbabwe in 2022. He has held directorships and leadership positions in several Zimbabwean and multinational companies, including founder Chairmanship of the Rainbow Tourism Group Limited and University of Zimbabwe Council, Vice Chairman of MasterCard International Limited, Middle East and Africa and President of the Institute of Bankers of Zimbabwe. He was the Chairman of the Securities and Exchange Commission of Zimbabwe until April 2021 and is currently the Chairman of the Zimbabwe Open Golf Committee.

S.J. HAMMOND
Non-Executive Director

Simon is a Chartered Accountant and seasoned business leader. He joined the Old Mutual Company in 1999 and served in various positions including Company Finance Director for Zimbabwe, Chief Operating Officer for Old Mutual Africa and Managing Director for CABS, a position he held until retirement in March 2020. Prior to joining Old Mutual, Simon was a Partner at KPMG Zimbabwe from 1989 to 1999 and is a past President of the Institute of Chartered Accountants ("ICAZ").

Simon has held various positions of responsibility for ICAZ, is a past director of Delta Corporation Limited and is the chairman of the Executive Committee of Peterhouse Group of Schools. He is also a director of Meikles Limited, Zimswitch Holdings Limited, Old Mutual Insurance Company Limited and Border Timbers Limited.

M.J.S. MOXON
Non-Executive Director

Matthew is a holder of a Bachelor of Arts Degree from Stellenbosch University and a Bachelor of Laws from the University of Cape Town. He joined Shoprite Checkers (Proprietary) Limited in their Management Training programme and after a stint in project management and operations within their Mozambique Division. He joined Meikles Limited in 2017.

Matthew is the Managing Director of Thomas Meikle Properties. He is also a Director of Meikles Limited and TM Pick n Pay.

CORPORATE GOVERNANCE (continued)

DIRECTORATE (continued)

T.J.G. Fennell
Chief Executive Officer

Timothy is a highly trained and experienced farmer and business leader, with a passion for developing people and Zimbabwean agriculture. A product of Peterhouse, Timothy received tertiary education in Zimbabwe and South Africa. His father was instrumental in establishing the coffee research and the coffee mill in Chipinge and Mutare, and Timothy established his own farming operations in the Chipinge area growing Macadamia nuts and coffee.

Timothy was involved in consultancy work in various parts of the world and helped Tanganda establish its Macadamia and Avocado project initially as a consultant and then in a managerial role. He has led the transformation of Tanganda from a loss-making single crop tea Company to a profitable and diversified entity. He was also instrumental in transforming the beverage division tea packaging by bringing in world class packaging machinery from Germany and Italy.

H. Nemaire
Finance Director

Henry is a Chartered Certified Accountant and a registered public accountant who served his articles with Deloitte and Touche. He is also the holder of a Bachelor of Accountancy (Honours) Degree from the University of Zimbabwe and a Master of Professional Accountancy from the University of London. Prior to joining Tanganda, Henry worked at the Lonrho Agribusiness Unit, The Wattle Company and Manica Board & Doors both involved in exports of processed forestry products.

Henry has lectured Tax Law & Practice at Africa University and Zimbabwe Open University and is a non-executive director of listed Fidelity Life Assurance Company of Zimbabwe and a Trustee of the Development Trust of Zimbabwe.

K. Chigerwe
Beverages And Marketing Director

Kwirirai holds a Bachelor of Science Honours Degree in Agricultural Engineering from University of Zimbabwe, Masters in Business Administration from University of Zimbabwe, Masters in Leadership and Management from University of Zimbabwe and various quality management systems training certifications. He is currently studying for a Masters in Food Processing Systems Technology with University of Zimbabwe.

Kwirirai joined Tanganda as a Factory Manager in January 2002 and rose through the ranks to Director of Beverages & Marketing, where he has overseen the development of a diversified product range and modernisation of production. Prior to joining Tanganda, Kwirirai was involved in quality systems management as well as research and development in the engineering sector.

MEETING ATTENDANCE

DIRECTOR	Board (4 Meetings)	Audit Committee (4 Meetings)	Risk Committee (4 Meeting)	Remuneration Committee (4 Meetings)	Nomination Committee (1 Meeting)
H. Nkala	4	-	-	4	1
R. A Maunze	4	4	4	-	-
S. P. Cranswick	4	-	3	4	1
L. T Gwata	4	4	4	-	-
S. J. Hammond	4	4	4	4	1
M. J. S Moxon	4	4	-	4	-
T. J. G Fennell	4	-	-	-	-
H Nemaire	4	-	-	-	-
K. Chigerwe	4	-	-	-	-

CORPORATE GOVERNANCE (continued)

EXECUTIVE DIRECTORS AND SENIOR MANAGEMENT

Mr. T. J. G Fennell	Chief Executive Officer
Mr. H. Nemaire	Finance Director
Mr. K. Chigerwe	Beverages and Marketing Director
Mrs. S. N. Kodzanai	Company Secretary
Mr. F. Chingono	Group Human Resources Manager
Mr. S. K. Kandoko	Finance Manager
Mr. L. Mushiwokufa	Agriculture Manager- Avocado
Mr. M. A Saywood	Agriculture Manager- Macadamia and coffee
Mr. W. Stanley	Agriculture Manager- Tea
Mr F. Garayi	Beverage and Marketing Operations Manager
Mr. J. Guni	Estates Administration Manager
Mr. S. K Hlathswayo	Senior Estate Manager
Mr. H. Kufakunesu	Internal Audit Manager
Mrs. T. Masimba	Information Technology Manager
Mr. T.K. Mukwehwa	Procurement Manager
Mr. A. Tongoona	Factory Manager
Mr. D. Rogers	Group Engineer

COMPLIANCE

The Company complies with all applicable laws and regulations in every jurisdiction of operation. In addition, management takes cognisance of the obligation to comply with both mandatory and voluntary guidelines, standards and regulations governing sectors covering our business. The Company internal audit department carries out audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the operations of the business. During financial year 2022, the Company complied with provisions of the following instruments:

- The Companies and Other Business Entities Act [Chapter 24:31];
- SI 134 of 2019 Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) Rules, 2019;
- Public Accountants and Auditors Board Pronouncements;
- International Financial Reporting Standards (IFRS); and
- Other applicable laws and regulations.

During financial year 2022, the Company did not experience material fines for non-compliance with laws and regulations on social and economic norms.

RISK MANAGEMENT

The Company's Risk Committee is responsible for monitoring and managing risk. The Committee comprises non-executive Directors who meet quarterly with senior management to review the Company's risk management practices. The Company has a Chief Risk Officer responsible for facilitating risk identification, assessment, prioritisation and monitoring, by making use of risk registers to record identified risks and how they have been assessed in terms of impact and likelihood of occurrence. A high impact, high likelihood risk is prioritised and given more attention. In managing risks, the Company considers risk reduction, risk avoidance, risk sharing as well as risk retention.

Financial Risk Management

The Company manages its financial risks through capital management, credit management, liquidity management, market risk management, foreign currency risk management, interest rate risk management, insurance cover, budgeting, internal and external audit reviews, employing qualified finance personnel, and reviews by tax experts. More details on financial risk management are contained in note 31 of the Company financial statements.

Sustainability Risk

Our sustainability strategy rests upon minimising negative impacts while maximising business opportunities from sustainability issues. The Company has systems and procedures for identifying material economic, environmental, and social risks and opportunities for the business and stakeholders. Sustainability risks are included under the Strategy and Planning risk category and cover compliance, climate change, community investment, energy management and alternative sourcing, resource scarcity and waste reduction. The board is responsible for managing sustainability risks and has adopted the Global Reporting Initiatives (GRI) Standards in disclosing the Company's sustainability performance.

CORPORATE SUSTAINABILITY

This report signifies a milestone in sustainability reporting as the Company responds to evolving expectations for social, economic and environmental transparency and accountability. Our sustainability strategy anchors on reduction and in other instances, eliminating negative impacts whilst maximizing business opportunities therefrom.

Tanganda Tea Company Limited conforms to international standards and certifications thus: ISO 9001:2015- Quality Management System, ISO 22000 v 5 - Food Safety Management System, GlobalGAP, Rainforest Alliance, HACCP-Hazard Analysis Critical Control Point, Nurtures and AH-DLL Grow (Albert Heijns) and Tesco Minimum Packing Standards (TIMPS). In addition to other laws and regulations governing the operations of industries, the Company complies with and upholds the dictates of the Labour Act {28:01} which allows employees freedom of association. Continuous engagement with both internal and external stakeholders provides checks and balances in the way we operate, perform and identify areas of improvement.

CORPORATE SUSTAINABILITY (continued)

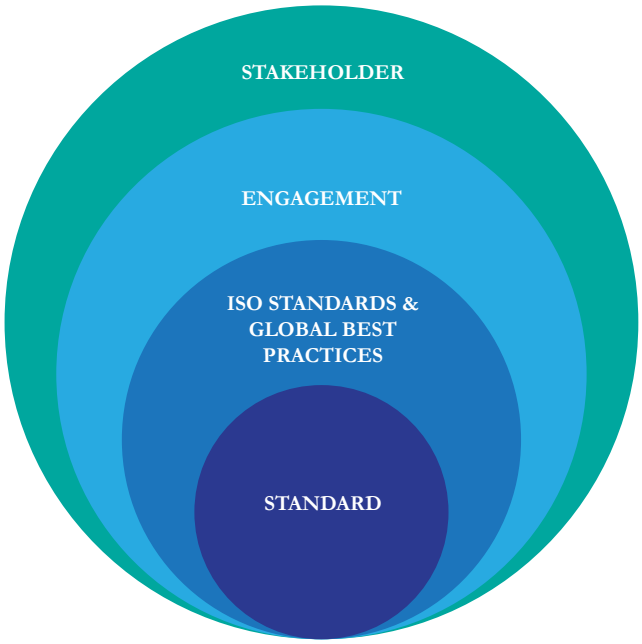
STAKEHOLDER RELATIONS AND ENGAGEMENTS

Stakeholders play a significant role in the way we operate hence their engagement helps us identify potential risks and opportunities in our environment. The Company recognizes that inclusive involvement and meaningful engagement of stakeholders emeliorates accountability, transparency, integrity, effectiveness and sustainability.

Engaging with our stakeholders helps us to:

- Appreciate their concerns and contributions;
- Identify potential risks both market and natural;
- Identify opportunities for new products;
- Respond to their needs and improving competitiveness;
- Establish sound sustainable relationships; and
- Enable continuous improvement.

Sustainability Management



RESPONSIBLE BUSINESS PRACTICES

The Company values sound business ethics and respects its business environment. Thus, apart from conforming to social and trade standards and complying with laws and regulations of the country, the Company addresses concerns by stakeholders that may have been channelled through other platforms.

Child Labour

The Company condemns employment of child labour in all its structures. In so doing, the Company has in place a policy that prohibits child labour in its employ.

Human Rights

Respecting and observing human rights is key to our brands and in all operations across the divisions of the Company. Human rights as espoused in the United Nations Declaration of Human Rights and employee rights as ascribed by the Labour Act {28.01} guide us in our day-to-day operations. The Company has policies on Human Rights, Child Labour and Sexual Harassment which are enforced by the Human Resources Department.

Anti-corruption

The Company has zero tolerance for corruption in all forms and is buttressed by the Code of Ethics and Conflict of Interest policy. These tools are used to protect the organisation from corrupt activities such as collusion and bribery that may taint the reputation and standing of the Company, its stakeholders and all concerned. Any unethical or corrupt practices are reported to Internal Audit via an internal hotline.

Environmental Stewardship

Tanganda Tea Company Limited is an agri-business entity which respects nature and the environment as evidenced by numerous accolades in environmental stewardship. The Company complies with the various environmental legislation and regulations in particular the Environmental Management Act {20:27} and conforms to the dictates of certifying bodies such as Rainforest Alliance and GlobalGAP whose standards are mainly anchored on sustainable agriculture practices. All aspects of the environment are tested quarterly in order to take measures that reduce negative impacts on the environment.

CORPORATE SUSTAINABILITY (continued)

RESPONSIBLE BUSINESS PRACTICES (continued)

Human Capital Management

The Company treasures its human resources and respects employees´ rights of association and rewards them for the unique skills and contributions. Human capital management is guided by the Labour Act {28:01}, respective collective bargaining agreements and international best practices.

Stakeholders Groups

Tanganda Tea Company Limited identifies individuals, groups and organisations who are affected by the activities or operations of the Company. These are grouped on their mutual interests as follows:

- **Business Stakeholders** - those we do business with who include customers, suppliers, banks and agents.
- **Capital Stakeholders** - those who provide financial and human capital who include investors, shareholders and employees.
- **Regulators** - those who set policies and laws that govern our business environment who include government and regulators.
- **Communities** - those who provide a social licence to operate and they include local communities around our business operating environment.

Engagement activities for the year

Stakeholder	Material Issues Raised for Stakeholder Concerns	Mitigation Measures	Communication Channels	Frequency of Engagement
CUSTOMERS	Quality they deserve	Customer surveys	Customer surveys	An ongoing process
	Their satisfaction	Marketing promotions	Marketing promotions	
	Understanding their needs & wants	Advertising and promotions	Advertising and promotions Social media platforms	
	Explaining products	Regular review of the customer complaints register	Customer complaints register	
	Credit control risk	Regular reviews of credit terms	Board meetings	
	Certification by international standards bodies such as rainforest alliance and ISO	Ensure all complains are responded to	Packaging labels	
EMPLOYEES	Wages versus inflation	Inflation and exchange rate indexed wage reviews	Works Councils	Quarterly
		Provision of subsidised groceries	Zimbabwe Tea Growers Association	
SUPPLIERS	Consistency of supply and quality	Paying fair price for fair quality	Emails	An ongoing process
	Compliance to standards	Giving clear standards and providing samples of standards	Emails	
	Payments	Working closely to procure raw materials	Direct verbal communication	
		Paying on time, advance payments	Meetings and visits	
GOVERNMENT	Compliance to standards	Self internal audits	Attending Government meetings	Ongoing
		Knowledge of current legislation	Impromptu visits and engagements	
		Buying Government gazettes	Emails	
SHAREHOLDERS AND INVESTORS	Profits	Management and strategy meetings	Website, Press publications, Emails, Social media platforms and Shareholders' meetings	Ongoing
	Market share growth and dividend	Strategy execution	Board meetings	Quarterly
	Value addition & shareholder value	Budgets		
SMALL HOLDERS/ OUT GROWER SUPPLIERS	Rainforest Alliance certification	Existence of a dedicated Outgrowers extension officer	Meetings with outgrowers	Ongoing
	Green leaf pricing	Regular pricing reviews		
	Infrastructure development (roads repairs & maintenance)	Assistance with road servicing equipment		
	Loans for inputs	Loan guarantees		

CORPORATE SUSTAINABILITY (continued)

RESPONSIBLE BUSINESS PRACTICES (continued)

Engagement activities for the year (continued)

Stakeholder	Material Issues Raised for Stakeholder Concerns	Mitigation Measures	Communication Channels	Frequency of Engagement
LOCAL COMMUNITIES	Infrastructure development (roads repairs & maintenance)	Assistance with road servicing equipment	Meetings with traditional leaders, District and Government authorities	An ongoing process
	Provision of social amenities (Schools, clinics)	Provision of schools' infrastructure		
		Access to clinics at minimal charges		
INDUSTRY	Foreign currency mandatory liquidation on export proceeds	Lobby by industry bodies such as CZI and ZNCC	Meetings with Government officials	An ongoing process

OUR BUSINESS CONTEXT

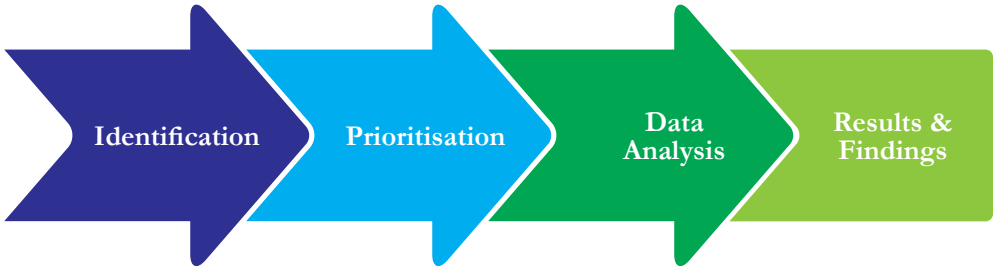
Tanganda Tea Company Limited recognizes the importance of understanding the sustainability context that assists the identification of material issues that affect both business and stakeholders. Management, therefore identified material topics and their places of occurrence which are reported as below.

Materiality Assessment Process

The materiality assessment was conducted through a questionnaire survey. Data collected from the survey was processed in four phases, thus;

i. Identifying issues impacting the nature of operations through stakeholder assessment and benchmarking;
ii. Prioritization of the identified issues is done by senior management;
iii. Data was collated and analysed to give a scoring on both the business and stakeholders on issues considered material and
iv. Final assessment presented results and findings.

Identified issues were classified into categories thus: economic, environmental and social.



Economic Topics	Environmental Topics	Social Topics
• Business environment • Anti-corruption • Tax payments and strategy • Economic performance • Supply chain management • Covid-19 pandemic	• Water management • Energy management • Conservation • Biodiversity impacts • Emissions, effluent and Waste • Compliance	• Employment • Labour relations • Training and Education • Occupational Health and Safety • Labour practices • Local communities • Customer Welfare • Customer privacy • Corporate Social Responsibility

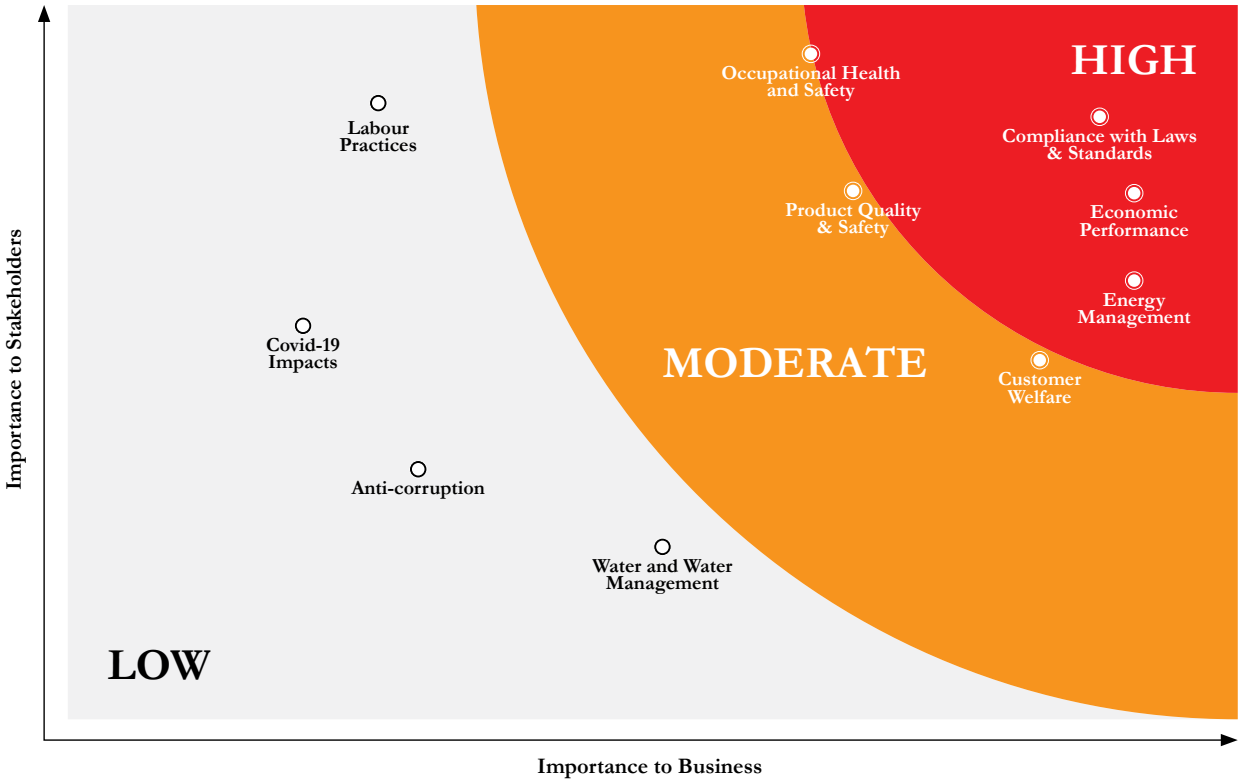
CORPORATE SUSTAINABILITY (continued)

OUR BUSINESS CONTEXT (continued)

Materiality Matrix

The matrix below illustrates the outcomes of our materiality assessment. It points out the most significant sustainability issues and their relative significance to the business and stakeholders. The material topics ranked as 'very high' reflect those which had material impacts and opportunities for business and stakeholders, while those regarded as 'high' represent issues with significant impacts and will require ongoing monitoring and management. Those regarded as 'moderate' represent issues which have been managed to reduce impacts.

Tanganda acknowledges that its operations have significant social, economic and environmental impacts, however, the magnitude of these impacts is variable. The business through the materiality assessments monitors the significance of these impacts to the business and its stakeholders. Management approaches continuously evolve to ensure the organisation is effectively enhancing positive impacts while reducing negative impacts.



CORPORATE SUSTAINABILITY (continued)

SUSTAINABILITY IMPACTS

Our Customers

Customers are key to our business. We therefore interact and interface with our customers on a day-to- day basis as we push our products in various markets. As a customer centric company, we endeavour to achieve unparalleled customer service as we listen and address customer needs. The diagram below summarizes Tanganda Tea Company Limited's approach to customer handling.

Customer Privacy and Data Security

Customer privacy and data security is very important to Tanganda Tea Company Limited as it prevents manipulation and misuse of customer information. The Company has policies in place that buttress customer privacy and data security against unauthorised access. The Company complies with the Cyber and Data Protection Act (Chapter 12.07).

Customer Welfare

Tanganda Tea Company Limited treasures customer welfare and continues to value their input in the business. The Company is cognisant of the fact that sound customer welfare potentially translates to growth in sales and improvement of our products. ISO 9001:2015 and ISO 22000:2018 certifications help us achieve this goal.

Our aim is to manage customer welfare in the following ways:

- Ethical pricing that helps bring confidence to customers,
- To be courteous to all our customers at all contact points in a way that connects with customers,
- To provide world class packaged products that raise the profile of our customers, and
- Participation in the endorsement of customer driven corporate social responsibility and wellness programmes.
- Engagement of customers to give feedback on quality of both products and service we offer to enable continuous improvement.

Products Responsibility and Communication

The Company seeks to ensure that products and services available are consistent with customer expectations quality wise. Merchandisers in most retail shops remove near expiry products and replenish with current stocks.

Product Quality and Safety

Product quality and safety are key components in customer satisfaction. Tanganda Tea Company Limited conforms with the dictates of ISO 9001:2015 - Quality Management Systems and ISO 22000:2018 - Food Safety Management Systems to ensure and uphold safe, healthy and quality products that guarantee customer safety and satisfaction.

Customer Grievance Management

Grievances concerning our products or services can be reported via our website or telephone numbers stated therein. This applies to both customers and other stakeholders who may not have been satisfied with our products. The Company, upon receiving the grievances shall investigate the root cause to prevent recurrent and improve.

CORPORATE SUSTAINABILITY (continued)

OUR EMPLOYEES

Our Impacts

The Company provides employment opportunities to a cross-section of human capital drawn from communities it operates from. There has been a positive human capital impact in the year on all employee categories which include permanent, fixed term and contract employees.

Staff Recruitment and Turnover

During the financial year 2022, employee movement was as below:

Employment Activity	2022
Recruitment	1205
Turnover	726
Net Impact	479

Employment Activity	2022	
	Recruitment	Turnover
Under 30 years	658	450
30 - 50 years	482	239
Over 50 years	65	37
Total	1205	726

The high turnover was mainly due to the effects of Covid-19. Migrant workers from neighbouring Mozambique find the Zimbabwe dollars not palatable. The challenging economy has also driven labour to South Africa and other better performing sectors.

Key Skills Base

Our employees subscribe to the following professional bodies;

- Zimbabwe Institute of Management,
- Institute of Chartered Accountants Zimbabwe (ICAZ),
- Association of Chartered Certified Accountants (ACCA),
- Institute of Chartered Secretaries and Administrators (ICSAZ),
- Chartered Institute of Purchasing and Supply (CIPS),
- Nurses Council of Zimbabwe, and
- Institute of Corporate Directors Zimbabwe (ICDZ).

Occupational Health and Safety (OHS)

Health and safety of our employees and other stakeholders who visit or are contracted by the Company to carry out work are always key to how we operate. Tanganda Tea Company Limited is committed to reducing injuries to minimum levels and eliminating fatalities. The Company has policies and procedures on the management of occupational health and safety. Every workplace has a health and safety representative who is well trained on safety and health issues. Health and safety committees are established on every unit to manage safety and health issues.

The Company ensures all employees are inducted on safety and health upon employment. Each estate has a company run clinic managed by qualified medical personnel to deal with health aspects of both our employees and the local communities. A visiting medical doctor attends to all cases that would ordinarily require a doctor.

Jersey Clinic

CORPORATE SUSTAINABILITY (continued)

OUR EMPLOYEES (continued)

Occupational Health and Safety (OHS) (continued)

The Safety, Health and Environment department periodically carries out awareness campaigns on safety and health issues. One such campaign is as below by the SHE officer.

During the financial year 2022, occupational health and safety incidents were as below:

Attribute	2022
Total work-related injuries	412
Number of lost days due to injuries	1931
Work related fatalities	None

Work related injuries were mainly caused by wet and slippery ground during tea harvesting and firewood harvesting.

CORPORATE SUSTAINABILITY (continued)

OUR EMPLOYEES (continued)

Training and Education

Continuous development of staff is key to continued competitiveness of the organisation through acquisition of critical skills and knowledge by employees. Identification of training needs to suit the Company's skills base is continuously carried out and suitable training is designed to meet such needs. Evaluation of training sessions is collated and analysed by Human Resources department for effectiveness.

The Company has a Training Centre on New Year's Gift estate called John Moxon Conference Centre where most trainings are conducted.

John Moxon Conference Centre

Freedom of Association and Collective Bargaining

The Company respects the right to freedom of association and collective bargaining by employees as enshrined in the Universal Bill of Rights and International Labour Organisation (ILO) Standards and certification standards that we conform to such as Rainforest Alliance Sustainable Agriculture Standard and SMETA. Employees are free to join or form associations, trade unions and the national employment councils. National Employment Councils (NEC) and trade unions negotiate terms and conditions of employment in a collective bargaining process. The trade unions that represent most employees are General Agriculture and Plantation Workers Union of Zimbabwe and Food and Agriculture Workers Union of Zimbabwe.

Covid-19 Response

The impacts of Covid-19 were severe as business was disrupted through absenteeism by employees, disruption of supplies and a slowdown in global economy. Health and safety of both our employees and customers were under threat. The Company contributed resources to Chipinge District hospital and Victoria Chitepo Hospital to help fight the pandemic.

A total of 4256 employees (82% of the workforce) were vaccinated against Covid-19. The following table illustrates cumulative Covid -19 related activities:

Activity	2022
Tests	1345
Positive cases	319
Recoveries	All
Deaths	Nil

ENVIRONMENTAL STEWARDSHIP

Tanganda Tea Company Limited is an agriculture-based company specialising in plantation cropping namely macadamia, avocados, tea and coffee. The Company also has 1025 hectares under gum and wattle plantations and indigenous forest totalling 2320 hectares. The number of plantation trees for the year 2022 were more than 27 million which no doubt, have a significant contribution to biological carbon sequestration.

Environmental management is key to our operations with conservation of natural forests, waste management and greenhouse gas emissions being religiously monitored. The Company conforms with various certification standards which focus on environmental performance in part and comply with legislation on environmental management. In recognition of our efforts, the Company was a Winner of the Environment Cluster Award in the Zimbabwe Independent Quoted Companies Survey 2022.

CORPORATE SUSTAINABILITY (continued)

ENVIRONMENTAL STEWARDSHIP (continued)

Coffee, Macadamia and Tea Plantation

Energy Management

Energy plays an important role in our operations and business value chains. Efficient and effective use of energy is a key objective. The Company, in order to reduce greenhouse gas emissions and impact of curtailments in the supply of electricity by ZETDC, constructed and completed the installation of a 1.8 MW solar plant at Ratelshoek estate, a 1.2 MW solar plant at Tingamira estate and a 1.4MW solar plant at Jersey estate. The green energy is in line with the Company's policy on fighting climate change. The introduction of green energy resulted in a reduction of generator fuel usage of 22% as illustrated in the table below.

Generator Fuel	2022	2021	Variance	Percentage decline
Diesel (litres)	276 264	352 995	76 731	21.74

Total fuel used for the year 2022 saw a 3.6% reduction in diesel use and 8.3% in petrol usage over the previous period. The table below shows fuel used.

Fuel Type	2022	2021	Percentage decline
Diesel (litres)	1 217 757	1 263 420	3.6
Petrol (litres)	364 939	398 171	8.3

CORPORATE SUSTAINABILITY (continued)

ENVIRONMENTAL STEWARDSHIP (continued)

Energy Management (continued)

Electricity and Solar power

Jersey 1.4 Megawatt Solar Plant

Tanganda Tea Company Limited invested in solar power plants in order to reduce dependency on both thermal and hydro power from ZETDC which over the years has been erratic and costly. Renewable energy use has steadily grown to 20.55% of the total energy used in 2022. The use of renewable energy is expected to grow as the Company works on three remaining solar power sites. ZETDC supplied electricity consumed declined by 29.19% over the last period with generator power increasing by 8.5% attributed mainly to periods of bad weather. Improved energy management methods led to an overall decline of 6.8% in power usage. See table below.

Source of power	2022	2021
ZETDC (kWh)	6 685 189	9 440 832
PV Solar (kWh)	1 936 880	271 043
DG (Generator) (kWh)	801 200	398 618
Total energy	9 423 269	10 110 493

Water and Waste Management

Water is critical to agriculture as it is the largest consumer of fresh water resources. The Company manages its water resources by optimizing its uses, preserving and conserving the resource. Consumption of water is mainly in irrigation of plantation crops, cleaning or washdown of factories, cooling and portable water. Our sources of water are dams, boreholes, rivers and municipal supplies in urban centres where we operate in. Water conservation is at the centre of our business as the requirement is enforced by Sustainable Agriculture Network (SAN) Standard we conform to.

Jersey Dam

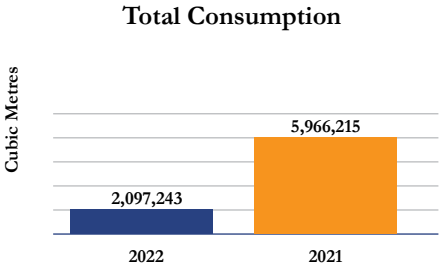
CORPORATE SUSTAINABILITY (continued)

ENVIRONMENTAL STEWARDSHIP (continued)

Water and Waste Management (continued)

The introduction of microjet irrigation system is meant to improve on water conservation by ensuring that only water required by the plant is applied to the plant. This irrigation system implemented by the Company waters at a lower pressure and low volume, thus less water is used. The water is concentrated over a small area for more efficient watering around the plant root zone. Watering closer to the ground and the plant also means less water is lost to evaporation.

Total water used:



Water Source	2022 (m3)	2021 (m3)
Dams	1,576,731	4,694,902
Borehole	515,446	1,266,247
Municipal Water	5,066	5,066
Total (m3)	**2,097,243**	**5,966,215**

There was significant reduction of water used in 2022. This was mainly due to controlled irrigation of avocado plantations, the roll out of microjet irrigation technology and the discontinuation of tea plantations irrigation.

Waste Water

Tanganda Tea Company Limited generates waste water from cleaning factories. Wash down water carries solid matter which is trapped and the water goes into a series of ponds generally referred to as wetlands. Sediment in waste water settles at the bottom of the ponds which are occasionally cleaned and the solid waste composted. The water in the last pond is sent for tests to check quality of water. The ponds have aquatic life that live in it.

The Company conforms with the requirements of Rainforest Alliance on waste water management that the water should be dammed and habitation of aquatic life in such ponds is evidence of safe water. In order to protect natural river systems and other water bodies, the resultant water from the effluent ponds does not flow into such water bodies. Periodically river water samples are taken from where the river enters the estate and where the river exits the estate in order to manage pollution from our operations. Below is a wetland pond that traps waste water from the factory.

Ratelshoek Wetland Pond

Solid Waste

The Company is committed to operate in a clean environment by reducing waste generated as a result of its business operations. The tinga mira water brand produces waste as a post-consumer activity. In compliance with Environmental Management Act, Tanganda Tea Company Ltd joined hands with other companies within the beverage and allied industries to address environmental pollution related to PET bottles and formed PetrecoZim (Pvt) Ltd a company that recycles post-consumer polyethylene terephthalate (PCPET) bottles.

Tea and coffee waste is composted and the manure is used in plantations. Macadamia shells are also composted and used as mulch that conserves moisture in plantations.

CORPORATE SUSTAINABILITY (continued)

ENVIRONMENTAL STEWARDSHIP (continued)

Solid Waste (continued)

Tea and coffee waste composts.

Emissions

The roll out of solar plants have significantly reduced our dependency on generator power which use diesel. Air pollution from operating generators was cut down in tandem with the reduced hours of generator usage. Air quality tests are done quarterly on all generators and chimneys in line with the Environmental Management Act. Our emission licenses are renewed annually.

Agriculture is very sensitive to climate induced water stress due to climate change hence the need for proactive mitigation measures. Tanganda Tea Company Limited is an agriculture-based company and therefore its operations are not spared by climate change effects. Conservation of natural forests and plantation crops have positive contributions to the slow down effects of climate change.

The Company recognises the significance of biodiversity hence takes reasonable care on natural settings that include forests and rivers to preserve ecosystems. Controlled use of herbicides and pesticides in plantations, prohibition of hunting within estates, preservation of sacred sites, controlled fishing in dams and protection of indigenous forests are measures taken to promote biodiversity in our operations.

ECONOMIC CONTRIBUTIONS

Economic Performance analysis ensures Tanganda Tea Company Limited is in the right direction in terms of continuous economic value addition. High net profits, fair employee rewards, real value of goods and services and ability of the Company to meet all tax obligations are associated with good economic performance.

The Company monitors economic performance through monthly management accounts and quarterly board meetings where financial reports are analysed. The Company constantly keeps abreast and adjusts business models to prevent material loss. We respond and mitigate economic dynamics quickly and anticipate these in advance.

Tanganda Tea Company Limited aims to have healthy financial ratios and be consistently profitable. Budget targets are done per division and operational department. Financial ratios are used as key performance indicators in the management of economic performance within the business. Performance of the business has been stable and steadily improving, with all divisions reporting operational profits. Internal audit report follow ups have also been very effective in managing economic performance.

There is need for engagements and exchanging of information to remain abreast with economic factors that directly or indirectly affect the business performance. This is done through involvement in various arms and associations that operate within our environment. Negotiating and sharing of information has resulted in best buy and response to market forces.

TAX PAYMENTS AND STRATEGY

The Company makes a significant contribution to the national economy through payment of taxes. Payment of taxes is key to Tanganda Tea Company Limited as it defines how we balance tax compliance with business activities and ethical, societal, and sustainable development-related expectations. Tanganda's tax strategy seeks to adhere to all tax laws and pay relevant taxes in line with prevailing tax legislation. It aims to capitalise on the available legislation by claiming the maximum possible allowances while ensuring it pays what is due to the tax authorities.

Management Approach

The Board through the Finance Director is accountable for compliance with the tax strategy. Every year, the finance management formally reviews and approves the tax plan through numerous engagements with our tax consultants. The Company regularly engages tax consultants, to carry out tax health checks to determine whether there are incidences of non-compliance with tax regulations. Employees assigned tax compliance duties attend tax training and updates seminars from third parties. As a Company, we uphold our values of honesty and integrity to ensure that we pay what is required to the authorities for the growth of the economy. Reconciliations against Zimbabwe Revenue Authority (ZIMRA) ledgers are carried out monthly, to determine the taxes payable to the authorities, thus in so doing any deviations from the norm are identified early. Concerns about legal or illegal tax-related behaviour are reported both internally to the Finance Director and outside to the ZIMRA Liaison Officer.

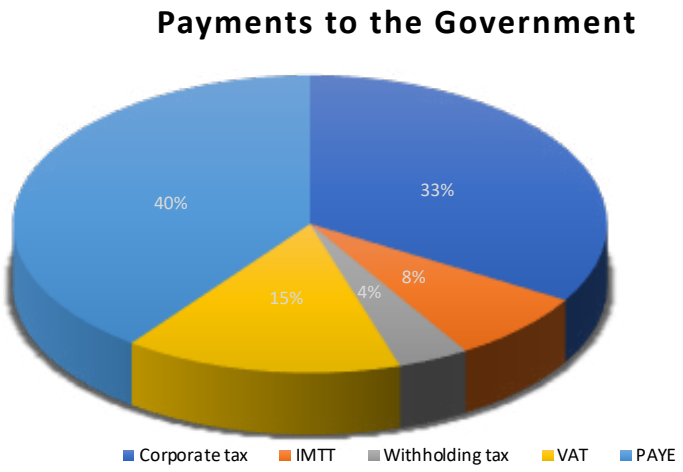
CORPORATE SUSTAINABILITY (continued)

TAX PAYMENTS AND STRATEGY (continued)

Management Approach (continued)

Our goals are to timely pay taxes that are due and file related returns by the due dates established by the revenue authorities. Meeting deadlines for tax remittance and return submission are among the key performance indicators used to gauge our practices. Engagement with authorities has kept us up to date with the ever-changing environment in the legislation and legal framework driven by the current inflationary environment.

The Company's total payments to the Zimbabwean Government for 2022 amounted to ZWL 954 225 439. Key contributions to the fiscal revenue in 2022 were as detailed below:



INVESTING IN OUR COMMUNITY

Supporting communities is an integral component of building shared vision and values for Tanganda Tea Company Limited which bring good publicity for the business. How we conduct business in the community impacts social economic dynamics through Corporate Social Responsibility (CSR) projects and downstream incomes. Our corporate responsibility is about being a good corporate citizen. This is often done by identifying and supporting the less privileged members of society. The Company seeks to support as many people as possible through donations and other initiatives. We recognise that the success of Tanganda Tea Company Limited is dependent on the wellbeing of the communities. Therefore, we contribute towards transforming people's lives in ways that promote business continuity and sustainable development.

The business is involved in positive community impacts in the following ways:

- Assisting the local schools through the provision of internet.
- Assisting the Chipinge rural district hospital with fuel for its ambulance.
- Supporting the elderly with cash and groceries.
- Supporting national sporting activities.

The Company uses various indicators to track the impacts of our initiatives. These include monthly and quarterly reviews, budgets of planned activities, internal audit checks and follow ups on completed projects.

During FY2022, the Company was involved in the following initiatives: [Historical cost].

			Historical Cost
Thematic Need	**Purpose**	**Material/Support**	**(ZWL) '000'**
Education	Enabling access to education and learning.	Cash, internet	4,240
Health	Supporting and improving the health system and access by society.	Fuel	24,446
Old People's Homes	Supporting the elderly.	Cash, groceries	0,238
Sports	Support sporting activities and social cohesion	Tanganda Half Marathon	27,402
Community Development	Improving social development in local communities.	Groceries, firewood, fuel and cash	2,788
		Total	**59,114**

CORPORATE SUSTAINABILITY(continued)

CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The Sustainable Development Goals (SDGs) launched by the United Nations are a critical pillar to how business ought to thrive in healthy societies and sustainable economies. In this regard, Tanganda Tea Company Limited believes that it has a role to play.

During the year, our business actions contributed to the following SDGs:

OUR ACTIONS:

Tanganda Tea Company Limited created economic opportunities for 780 small scale growers. The Company invested over ZWL59,11 million uplifting the lives of local communities

OUR ACTIONS:

The Company maintains and runs clinics on its estates which also help communities around its operations. The Company invested ZWL24 million in supporting health initiatives.

OUR ACTIONS:

The Company contribution towards the education of the local community children and helping those living with disabilities amounting to ZWL4,24 million. The Company built and maintains primary and secondary schools on its estates in Chipinge.

OUR ACTIONS:

To be an employer of choice, we must provide good jobs, effective training and development initiatives, fair remuneration, good working conditions and an opportunity to progress. The Company prioritises employing people from local communities around its operations and provides diversity and equal opportunities for all. Our staff compliment is composed of 35% Female and 65% Male, and we continue to make progress towards gender equity. 96% of our employees are covered under collective bargaining agreements.

OUR ACTIONS:

Access to safe water and sanitation are basic human needs for health and well-being. The Company has drilled fifteen boreholes across the estates to ensure our workforce has access to potable water and periodic potability tests are carried. Investment has been made to manage discharge of factory effluent and eliminate contamination of natural river systems.

OUR ACTIONS:

Efficient and effective use of energy is a key objective in our operations. We have invested in solar power plants to reduce dependency on both thermal and hydro power, which over the years has been erratic and costly. The introduction of green energy was also in line with the Company's policy on fighting climate change. There was a resultant 3.6% reduction in diesel use and 8.3% in petrol usage while overall electricity consumption declined by 29.19%

OUR ACTIONS:

We are mindful of environmental impacts across our operations. We are working on a set of solutions and targets to reduce the impact of our operations to the environment with a particular focus on green energy, use of green chemicals, water and waste management.

OUR ACTIONS:

The Company supports conservation of indigenous flora and fauna through protection of indigenous trees on the estates and restricted fishing on the estate dams and does not allow hunting on any of its estates.

REPORT OF THE DIRECTORS

The Directors have the pleasure in presenting their report and the audited inflation adjusted financial statements of the Company for the year ended 30 September 2022.

Financial results

The results for the year ended 30 September 2022 are set out in the attached inflation adjusted financial statements.

Principal activities

Tanganda Tea Company Limited, ("the Company") is incorporated in Zimbabwe, listed on the Zimbabwean stock exchange and is in the agro-manufacturing sector. Tanganda has the largest hectarage in the country of macadamia and avocado plantations and is the largest producer, packer and distributor of tea and coffee products.

Share capital

Details of the authorised and issued share capital are set out in note 15.1 to the financial statements.

Directors and their interests

The names of the Directors of the Company during the year are set out under the Corporate Governance section.

As provided by the Companies and Other Business Entities Act (Chapter 24:31) and the Zimbabwe Stock Exchange Listings Requirements, the Directors are bound to declare at any time during the year, in writing, whether they have any interest in any contract of significance with the Company. No Director confirmed having, during or at the end of the year, any material interest in any contract of significance in relation to the Company's businesses except as disclosed in note 28. Executive Directors have employment contracts with the Company.

The direct and indirect beneficial interests of the Directors in the shares of the Company are given in note 15.2 to the financial statements.

Substantial shareholdings

According to the information received by the Directors, the following were the top ten shareholders of the Company as at 30 September 2022:

Top ten shareholders **At 30 September 2022**	**Number of shares**	**Percentage shareholding (%)**
Meikles Consolidated Holdings (Pvt) Ltd	127 601 590	48.88
Mega Market (Pvt) Ltd	24 271 116	9.30
Old Mutual Life Assurance of Zimbabwe Limited	21 876 397	8.38
Stanbic Nominees (Pvt) Ltd-AC140043470003	6 794 718	2.60
London Register- Meikles Africa Limited	4 101 209	1.57
Old Mutual Zimbabwe Limited	2 966 684	1.14
Meikles Pension Fund-ABC	2 846 010	1.09
Stanbic Nominees (Pvt) Ltd NNR AC 140043470002	2 528 575	0.97
Mundell Family Trust	2 466 231	0.94
Meikles Limited Demerger Tax	2 094 868	0.80
Total for top ten shareholders	197 547 398	75.67
Other	63 517 192	24.33
Total	**261 064 590**	**100.00**

Dividend

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

Independent auditors

Messrs. Deloitte & Touche offer themselves for re-election as auditors for the year ending 30 September 2023 and shareholders will be asked to reappoint them, and to approve their fees for the year ended 30 September 2022, at the Annual General Meeting.

H. Nkala
Chairman
8 December 2022

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Directors of the Company are responsible for the maintenance of adequate accounting records and preparation of the financial statements and related information. The Company's independent auditors, Deloitte & Touche, have audited the financial statements and their report appears on pages 34 to 36. The auditors are responsible for independently auditing and reporting on these financial statements in conformity with International Standards on Auditing.

The Directors are required by the Companies and other Business Entities Act (Chapter 24:31) and relevant statutory instruments 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 Company at the end of the financial period and of the performance and cash flows for the period.

The inflation adjusted financial statements and accompanying accounting policies, which follow International Financial Reporting Standards ("IFRS"), have been consistently applied, where practicable.

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 financial statements, and to safeguard, verify and maintain accountability of assets, and to prevent and detect material misstatements and losses. 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 financial statements have been prepared on the going concern basis. This has been assessed as appropriate. The Directors have reviewed the budgets and cashflow forecasts for the twelve months ending 30 September 2023 and are satisfied of the Company's ability to continue in existence for the foreseeable future. The directors however believe that under the current economic environment a continuous assessment of the ability of the Company to continue as a going concern will be performed.

Preparer of financial statements

The annual financial statements set out on pages 37 to 79 were prepared under the supervision of Henry Nemaire Chartered Certified Accountant, the Finance Director of the Company.

H. Nemaire
Chartered Certified Accountant
Registered Public Accountant number 04741

H. Nkala
Chairman
8 December 2022

R. A. Maunze
Non-executive Director
8 December 2022

Deloitte.

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Independent Auditor's Report

To the Shareholders of Tanganda Tea Company Limited

Opinion

We have audited the inflation adjusted financial statements of Tanganda Tea Company Limited set out on pages 37 to 79, which comprise the inflation adjusted statement of financial position as at 30 September 2022, and the inflation adjusted statement of profit or loss and other comprehensive income, the inflation adjusted statement of changes in equity and the inflation adjusted statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying inflation adjusted financial statements present fairly, in all material respects, the inflation adjusted financial position as at 30 September 2022, and its inflation adjusted financial performance and inflation adjusted cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Other Businesses Entities Act (Chapter 24:31) and the relevant Statutory Instruments ("SI") 33/99, and SI 62/96.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the inflation adjusted financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA) Code, together with the ethical requirements that are relevant to our audit of inflation adjusted financial statements in Zimbabwe. We have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Corporate Information and Directors' Responsibility Statement as required by the Companies and Other Business Entities Act (Chapter 24:31) and the historical cost financial information which we obtained prior to the date of this auditor's report. The other information does not include the inflation adjusted financial statements and our auditor's report thereon.

Our opinion on the inflation adjusted 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 inflation adjusted financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the inflation adjusted financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, are of most significance in our audit of the inflation adjusted consolidated financial statements of the current period. These matters are addressed in the context of our audit of the inflation adjusted consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have not determined any key audit matters to be communicated in our report.

Independent Auditor's Report (continued)

To the Shareholders of Tanganda Tea Company Limited (continued)

Responsibilities of the Directors for the Inflation Adjusted Financial Statements

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

In preparing the inflation adjusted financial statements, the directors are responsible for assessing 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Inflation Adjusted Financial Statements

Our objectives are to obtain reasonable assurance about whether the inflation adjusted financial statements as a whole are free from material misstatements, 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 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 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 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 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 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Independent Auditor's Report (continued)

To the Shareholders of Tanganda Tea Company Limited (continued)

Report on Other Legal and Regulatory Requirements

In fulfilment of the requirements of Section 193 of the Companies and Other Business Entities Act (Chapter 24:31) ("the Act"), we report to the shareholders as follows:

Section 193 (1) (a)

The financial statements of the Company are properly drawn up in accordance with this Act so as to give a true and fair view of the state of the Company's affairs at the date of the financial statements for the year ended 30 September 2022.

Section 193 (2)

We have no matters to report in respect of section 193 (2) requirements of the Act.

The engagement partner on the audit resulting in this independent auditor's opinion is Lawrence Nyajeka.

Deloitte & Touche

Deloitte & Touche
Chartered Accountants (Zimbabwe)
Per: Lawrence Nyajeka
Partner
PAAB Practice Certificate Number: 0598

Harare
Zimbabwe

Date: 9 December 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER 2022

		INFLATION ADJUSTED		HISTORICAL COST*	
		12 months ended 30 September 2022	6 months ended 30 September 2021**	12 months ended 30 September 2022	6 months ended 30 September 2021**
	Notes	ZWL	ZWL	ZWL	ZWL
Revenue	21	12 216 416 911	5 854 434 322	7 352 841 763	1 412 110 323
Cost of sales		(8 150 041 808)	(4 482 766 544)	(2 588 582 405)	(917 369 732)
Gross profit	22	4 066 375 103	1 371 667 778	4 764 259 358	494 740 591
Other expenses		(1 915 668 351)	(695 012 596)	(1 107 666 134)	(162 809 154)
Selling and distribution expenses		(1 945 692 873)	(652 043 060)	(1 113 485 971)	(156 857 441)
Other income	23	2 869 902 036	(476 641 210)	2 434 524 464	(349 090 170)
Operating profit/(loss)		**3 074 915 915**	**(452 029 088)**	**4 977 631 717**	**(174 016 174)**
Net finance costs	24	(179 100 202)	(170 929 131)	(121 221 915)	(41 082 797)
Monetary loss		(1 054 081 469)	(1 647 554 393)	-	-
Profit/(loss) before income tax		**1 841 734 244**	**(2 270 512 612)**	**4 856 409 802**	**(215 098 971)**
Income tax (expense)/ credit	26	(1 259 036 458)	249 684 887	(681 677 907)	58 374 030
Profit/(Loss) for the period		**582 697 786**	**(2 020 827 725)**	**4 174 731 895**	**(156 724 941)**
Other comprehensive income		-	-	-	-
Total comprehensive income/(loss)		**582 697 786**	**(2 020 827 725)**	**4 174 731 895**	**(156 724 941)**
Number of issued shares at reporting date		261 064 590	261 064 590	261 064 590	261 064 590
Weighted average number of shares		261 064 590	261 064 590	261 064 590	261 064 590
Earnings per share (cents)					
Basic		223	(1 746)	1 599	(135)
Diluted		223	(1 746)	1 599	(135)

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

**The financial statements are not comparable as the comparative financial statements are for a period of 6 months (1 April 2021 to 30 September 2021) whilst the current financial statements are for a period of 12 months (1 October 2021 to 30 September 2022), this is as a result of a change in the financial year end of Tanganda Tea Company Limited from 31 March to 30 September which resulted in the first audited financial results for a 6 month period which ended 30 September 2021.

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

		INFLATION ADJUSTED		HISTORICAL COST*	
	Notes	12 months ended 30 September 2022 ZWL	6 months ended 30 September 2021** ZWL	12 months ended 30 September 2022 ZWL	6 months ended 30 September 2021** ZWL
ASSETS					
Non-current assets					
Property, plant and equipment	7	14 574 523 741	14 347 643 175	1 146 235 775	654 480 571
Right of use assets	8	16 742 142	-	4 033 635	-
Intangible assets	9	24 625 774	24 625 774	124 141	124 141
Biological assets	12	1 090 814 152	640 004 861	1 090 814 152	168 244 291
Other financial assets	10	7 269 137	2 633 675	7 269 137	692 340
		15 713 974 946	15 014 907 485	2 248 476 840	823 541 343
Current assets					
Inventories	11	5 258 042 012	3 320 888 655	4 261 187 616	845 263 945
Produce on bearer plants	12	145 843 170	105 966 882	145 843 170	27 856 543
Trade and other receivables	13	3 789 323 622	2 787 348 026	3 637 519 333	712 263 658
Bank and cash balances		138 149 751	443 136 597	138 149 751	116 491 619
		9 331 358 555	6 657 340 160	8 182 699 870	1 701 875 765
Total assets		**25 045 333 501**	**21 672 247 645**	**10 431 176 710**	**2 525 417 108**
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	15.1	235 500 688	235 500 688	2 610 646	2 610 646
Share premium	15.3	5 647 598 750	5 037 025 535	461 663 709	286 344 708
Non-distributable reserve	15.4	1 912 372 174	1 912 372 174	9 640 456	9 640 456
Retained earnings		10 733 445 155	10 399 836 219	5 682 264 934	1 638 065 334
		18 528 916 767	17 584 734 616	6 156 179 745	1 936 661 144
Non-current liabilities					
Deferred tax	16	2 618 060 120	1 905 741 982	376 640 351	15 212 629
Long-term borrowings	17	-	76 331 575	-	20 066 022
Lease liability	19	23 715 969	-	23 715 969	-
		2 641 776 089	1 982 073 557	400 356 320	35 278 651
Current liabilities					
Trade and other payables	18	2 627 472 023	1 236 322 404	2 627 472 023	325 004 072
Lease liability	19	7 343 194	-	7 343 194	-
Current portion of long-term borrowings	17	972 573 698	632 158 532	972 573 698	166 181 650
Other financial liabilities	20	267 251 730	236 958 536	267 251 730	62 291 591
		3 874 640 645	2 105 439 472	3 874 640 645	553 477 313
Total equity and liabilities		**25 045 333 501**	**21 672 247 645**	**10 431 176 710**	**2 525 417 108**

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

The Company financial statements on pages 37 to 79 were approved by the Board of Directors and signed on its behalf by:

H. Nkala
8 December 2022

R.A. Maunze
8 December 2022

STATEMENT OF CHANGES IN EQUITY
FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER 2022

INFLATION ADJUSTED	Share capital ZWL	Share premium ZWL	Non-distributable reserve ZWL	Retained earnings ZWL	Total ZWL
Balance as at 1 April 2021	**229 711 513**	**4 516 245 136**	**1 912 372 174**	**12 420 663 944**	**19 078 992 767**
Total comprehensive loss for the period	-	-	-	(2 020 827 725)	(2 020 827 725)
Issue of share capital	5 789 175	520 780 399	-	-	526 569 574
Balance as at 30 September 2021**	**235 500 688**	**5 037 025 535**	**1 912 372 174**	**10 399 836 219**	**17 584 734 616**
Total comprehensive income for the period	-	-	-	582 697 786	582 697 786
Dividend paid	-	-	-	(10 856 355 263)	(10 856 355 263)
Transfer to distributable reserves	-	(10 607 266 413)	-	10 607 266 413	-
Capital injection****	-	11 217 839 628	-	-	11 217 839 628
Balance as at 30 September 2022	**235 500 688**	**5 647 598 750**	**1 912 372 174**	**10 733 445 155**	**18 528 916 767**

HISTORICAL COST*	Share capital ZWL	Share premium ZWL	Non-distributable reserve ZWL	Retained earnings ZWL	Total ZWL
Balance as at 1 April 2021	**1 157 473**	**159 425 022**	**9 640 456**	**1 794 790 275**	**1 965 013 226**
Total comprehensive loss for the period	-	-	-	(156 724 941)	(156 724 941)
Issue of share capital	1 453 173	126 919 686	-	-	128 372 859
Balance as at 30 September 2021**	**2 610 646**	**286 344 708**	**9 640 456**	**1 638 065 334**	**1 936 661 144**
Total comprehensive Income for the period	-	-	-	4 174 731 895	4 174 731 895
Dividend paid	-	-	-	(3 097 414 468)	(3 097 414 468)
Transfer to distributable Reserves	-	(2 966 882 173)	-	2 966 882 173	-
Capital injection****	-	3 142 201 174	-	-	3 142 201 174
Balance as at 30 September 2022	**2 610 646**	**461 663 709**	**9 640 456**	**5 682 264 934**	**6 156 179 745**

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

**The financial statements are not comparable as the comparative financial statements are for a period of 6 months (1 April 2021 to 30 September 2021) whilst the current financial statements are for a period of 12 months (1 October 2021 to 30 September 2022), this is as a result of a change in the financial year end of Tanganda Tea Company Limited from 31 March to 30 September which resulted in the first audited financial results for a 6 month period which ended 30 September 2021.

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

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

STATEMENT OF CASH FLOWS
FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER 2022

		INFLATION ADJUSTED		HISTORICAL COST*	
		12 months ended 30 September 2022	6 months ended 30 September 2021**	12 months ended 30 September 2022	6 months ended 30 September 2021**
Cash flows from operating activities	**Notes**	**ZWL**	**ZWL**	**ZWL**	**ZWL**
Cash generated from / (utilized in) operations	27	**(749 626 669)**	**313 203 818**	**(721 857 902)**	**56 862 370**
Cash flows from investing activities					
Purchase of property, plant and equipment		(943 473 893)	(454 924 322)	(524 939 499)	(111 265 164)
Expenditure on biological assets		(26 363 249)	(8 797 218)	(11 306 399)	(2 002 392)
Proceeds on disposal of property, plant and equipment		230 584	25 545 752	220 108	6 409 591
Investment in other financial assets	10	(6 805 293)	-	(6 576 797)	-
Interest received	24	6 300	1 982	2 840	479
Net cash utilised in investing activities		**(976 405 551)**	**(438 173 806)**	**(542 599 747)**	**(106 857 486)**
Cash flows from financing activities					
(Decrease)/increase in borrowings	17.1	264 083 591	(46 566 924)	786 326 026	22 335 843
Capital injection		610 573 215	526 569 574	175 319 000	128 372 859
Dividend paid		(249 088 850)	-	(130 532 295)	-
Interest paid	24	(177 023 882)	(170 931 111)	(120 027 026)	(41 083 276)
Lease payments		(6 779 996)	-	(3 994 256)	-
Net cash generated / (utilized) in financing activities		441 764 078	309 071 539	707 091 449	109 625 426
Net (decrease)/ increase in cash and cash equivalents		**(1 284 268 142)**	**184 101 551**	**(557 366 200)**	**59 630 310**
Cash and cash equivalents at the beginning of the period		443 136 597	237 565 419	116 491 619	51 571 975
Net effect of exchange rates on cash and bank balances		979 281 296	21 469 627	579 024 332	5 289 334
Cash and cash equivalents at the end of the period		138 149 751	443 136 597	138 149 751	116 491 619
Cash and cash equivalents comprise:					
Bank and cash balances		138 149 751	443 136 597	138 149 751	116 491 619
		138 149 751	443 136 597	138 149 751	116 491 619

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

**The financial statements are not comparable as the comparative financial statements are for a period of 6 months (1 April 2021 to 30 September 2021) whilst the current financial statements are for a period of 12 months (1 October 2021 to 30 September 2022), this is as a result of a change in the financial year end of Tanganda Tea Company Limited from 31 March to 30 September which resulted in the first audited financial results for a 6 month period which ended 30 September 2021.

NOTES TO FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER 2022

1. GENERAL INFORMATION

Tanganda Tea Company Limited, (the Company) is a limited liability company incorporated in Zimbabwe and is listed on the Zimbabwe stock exchange. The financial statements are presented in the Zimbabwe Dollar (ZWL), the functional currency of the Company.

The financial statements and comparatives have been restated in line with International Accounting Standard ("IAS") 29 – Financial Reporting in Hyperinflationary economies.

2. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by International Accounting Standards Board("IASB") and interpretations issued by the IFRS interpretations Committee. In addition, the financial statements have also been prepared in accordance with the requirements of the Companies and Other Business Entities Act (Chapter 24:31) and the Zimbabwe Stock Exchange requirements.

2.1 Going Concern

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

2.2 Basis of preparation

The financial statements are prepared from statutory records that are maintained under the historical cost basis except for biological assets and certain financial instruments which are measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The Company adopted IAS 29 following the pronouncement by the local accounting regulatory board, Public Accountants and Auditors Board ("PAAB") on 11 October 2019 requiring entities operating in Zimbabwe with financial periods ending on or after 1 July 2019 to prepare and present financial statements in line with requirements of IAS 29. The financial statements have been prepared under the current cost basis as per the provisions of IAS 29.

`Effective 1 July 2019, Zimbabwe was considered to be a hyperinflationary economy as the three-year cumulative inflation figure was above 100%. IAS 29 (Financial Reporting in Hyperinflationary Economies) requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the statement of financial position date.

Hyperinflation adjustments

The financial statements and the comparative figures for the previous period have been restated to take account of the changes in the general purchasing power of the Zimbabwe dollar and as a result are stated in terms of the measuring unit current at the statement of financial position date. The restatement is based on conversion factors derived from the Zimbabwe Consumer Price Index ("CPI") compiled by the Zimbabwe Central Statistical Office. The indices and conversion factors used were as follows:

Date	Indices	Conversion factors
September 2022	12 713.12	1.00
September 2021	3 342.02	3.80
March 2021	2 759.83	4.61

The main procedures applied in the above-mentioned restatement of transactions and balances are as follows:

- All comparative figures as of and for the period ended 30 September 2021 are restated by applying the change in the index from 30 September 2021 to 30 September 2022;
- Monetary assets and liabilities are not restated because they are already stated in terms of the measuring unit current at the statement of financial position date;
-
- Non-monetary assets and liabilities that are not carried at amounts current at the financial reporting date and components of shareholders' funds are restated by applying the change in index from the date of transaction, or if applicable, from the date of their most recent revaluation to the statement of financial position date, 30 September 2022;
-
- Biological assets and produce on bearer plants were not restated as they are fair valued;
-
- Depreciation is based on the restated amounts and inflation adjusted assets are assessed for impairment;

NOTES TO FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER 2022

2. STATEMENT OF COMPLIANCE (continued)

Hyperinflation adjustments (continued)

- All trading stocks are valued at Net Realisable Value which is the current unit of measurement;
- Consumable stocks and prepayments were aged using date of purchase and then restated by applying the respective monthly indices;
- Income statement transactions, except for depreciation charge explained above, are restated by applying the change in the index from the month of the transactions to the statement of financial position date;
- Cost of sales in comprehensive income for the current year are restated by applying the change in the general price index from the dates when opening inventory and purchases occurred and all product stocks are stated at net realizable value which represent the current measuring unit;
- Expense line items (which consists of employee costs, occupancy costs and other operating costs were segregated into monthly totals and then the applicable monthly adjustment factor was used to hyper inflate the amount;
- Net gain or loss arising from the net monetary asset or liability positions are included in the statement of comprehensive income;
- Deferred tax is recomputed based on restated balances and current income tax expenses are restated for movements in the general price index on a monthly basis; and
- All items in the cash flow statement are expressed in terms of the measuring unit current at the statement of financial position date.

Fair value

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 Company, considers 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 financial statements is determined on such a basis, 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, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

3. ADOPTION OF NEW AND REVISED STANDARD AND INTERPRETATIONS

3.1 New and amended IFRS standards that are effective for the current year

In the current year, the Company adopted new or revised accounting standards or interpretations that are mandatorily effective for an accounting period that begins on or after 1 January 2022. Their adoption has not had any material impact on the amounts or disclosures reported in these financial statements.

Amendments to IFRS 3 Business Combinations – *Reference to the Conceptual Framework*

The amendments update IFRS 3 so that it refers to the 2018 *Conceptual Framework* instead of the 1989 *Framework*. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 *Levies*, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Amendments to IAS 16 – *Property, Plant and Equipment—Proceeds before Intended Use*

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 *Inventories*.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

NOTES TO FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER 2022

3. ADOPTION OF NEW AND REVISED STANDARD AND INTERPRETATIONS (continued)

3.1 New and amended IFRS standards that are effective for the current year (continued)

Amendments to IAS 16 – *Property, Plant and Equipment—Proceeds before Intended Use* (continued)

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

IFRS 1 ***First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter***

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1: D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1: D16(a).

IFRS 9 ***Financial Instruments - Fees in the 10 per cent test for derecognition of financial liabilities***

The amendment clarifies that in applying the '10 per cent' test to assess whether to de-recognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf

IAS 41 Agriculture - Taxation in fair value measurements

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 *Fair Value Measurement* to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement. The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

3.2 New and revised IFRS Standards in issue but not yet effective

IFRS 17 *Insurance Contracts*

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 *Insurance Contracts*.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It considers market interest rates and the impact of policyholders' options and guarantees.

In June 2020, the IASB issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023. At the same time, the IASB issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023.

The Directors have done an assessment and concluded that this new standard does not have any impact on the entity's financial statements.

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method are recognised in the parent's profit

NOTES TO FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER 2022

3. ADOPTION OF NEW AND REVISED STANDARD AND INTERPRETATIONS (continued)

3.2 New and revised IFRS Standards in issue but not yet effective (continued)

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (contined)

or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the re-measurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted. The amendments are not expected to have any impact on the entity's financial statements.

Amendments to IAS 1 Presentation of Financial Statements – *Classification of Liabilities as Current or Non-current*

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted. The IASB is currently considering further amendments to the requirements in IAS 1 on classification of liabilities as current or non-current, including deferring the application of the January 2020 amendments. The amendments are not expected to have a material impact on the entity's financial statements.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements. The amendments are not expected to have a material impact on the entity's financial statements.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors

The IASB added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The IASB has deleted one example (Example 3) as it could cause confusion in light of the amendments.

The amendments are effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted. The amendments are not expected to have a material impact on the entity's financial statements.

NOTES TO FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER 2022

3. ADOPTION OF NEW AND REVISED STANDARD AND INTERPRETATIONS (continued)

3.2 New and revised IFRS Standards in issue but not yet effective (continued)

Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The IASB also adds an illustrative example to IAS 12 that explains how the amendments are applied

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:
  - Right-of-use assets and lease liabilities
  - Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset

- The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted. The amendments are not expected to have a material impact on the entity's financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The policies adopted in the preparation of these financial statements are shown below and are consistent with those of the previous year, unless otherwise stated.

4.1 Foreign currency translation

Transactions incurred in other currencies other than the functional currency were recognised at the prevailing auction rate from 1 October 2021 to 9 May 2022 and subsequently at the prevailing interbank rate at the date of the transaction. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are retranslated at the rates prevailing at that date. Gains and losses arising on exchange are recognised in the statement of profit or loss and other comprehensive income.

4.2 Property, plant and equipment

Property, plant and equipment are carried at original or deemed cost less accumulated depreciation and any recognised 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 Company 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 the income statement during the financial period in which they are incurred.

Bearer plants are included in plant property and equipment. Before maturity, bearer plants are measured at their accumulated cost. Plantation development expenditure on bearer plants is capitalized until maturity at which point depreciation commences. Income recognized from produce from immature plantation is accounted for in other income. After maturity bearer plants are measured at cost less accumulated depreciation and any impairment losses. Any impairment loss is 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 Company's bearer plants comprise avocado, coffee, macadamia and tea. Avocado trees have expected useful lives of 30 years. Macadamia trees have expected useful lives of 40 years, while coffee bushes have expected useful lives of 5 years. The tea bushes have indefinite useful lives but this has been limited to 50 years for the purpose of depreciation. The useful lives are reviewed at the end of each reporting period to determine whether events and circumstances continue to support these useful lives. Avocados take on average 5 years to mature, Macadamia nuts take 7 year on average to mature and coffee take on average 3 years to mature.

At the end of each reporting date an impairment test is performed on all Bearer plants to assess whether the carrying amount will be recoverable and in instances where the amount is not recoverable and impairment is recognised to align the carrying amount to the recoverable amount.

NOTES TO FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER 2022

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Property, plant and equipment (continued)

Depreciation is not provided on freehold land. Depreciation on other assets is calculated on a straight-line basis with the exception of motor vehicles, furniture and fittings which is calculated using the reducing balance method so as to allocate their cost to their residual values over their estimated useful lives as follows:

Buildings and improvements	50 years
Dams	50 years
Motor vehicles	1 - 10 years
Tractors	6 - 10 years
Plant and machinery	15 - 25 years
Furniture and fittings	1 - 10 years
Office and computer equipment	2 - 5 years
Tea plantations	50 years
Macadamia plantations	40 years
Avocado plantations	30 years
Coffee plantations	5 years

For financial reporting purposes dams are reported under land and buildings on the PPE note, plant and machinery, furniture and fittings, office equipment and computer equipment are classified under furniture and equipment whilst tractors are combined and reported under the motor vehicles category

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each financial period.

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.

Gains and losses on disposal of assets are determined by comparing the proceeds with the carrying amount. These are included in the statement of comprehensive income.

4.3 Biological assets

The Company's biological assets comprise of gum and wattle plantations, livestock and produce growing on the bearer plants. Gum and wattle plantations are measured at their fair value less point of sale costs. Where there is no market determined prices for the plantation or produce to determine the fair value, the present value of expected net cash flows from plantations, discounted at a current market determined pre-tax rate, are used to determine fair value.

Produce growing on bearer plants is measured at fair value less costs to sell with changes recognised in profit or loss.

Livestock is measured at fair value. Fair value is determined by reference to the market price and these valuations were carried out by a professional valuator.

4.4 Intangible assets

These comprise of trademarks which are valued at historical cost less accumulated impairment losses. Trademarks have an indefinite useful life and are therefore not amortised. Events and circumstances are evaluated at the end of each reporting period to determine whether an indefinite useful life is supported.

4.41 Internally generated intangible assets – Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell
- the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred. Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated impairment losses.

NOTES TO FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER 2022

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 Impairment of non-financial assets

Assets that have an indefinite useful life, for example land, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Non-financial assets, affected by impairment, are reviewed for possible reversal of impairment at each reporting date.

4.6 Financial instruments

4.6.1 Initial recognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Recognised 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 FVTPL) 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 FVTPL are recognised immediately in profit or loss.

If the transaction price differs from fair value at initial recognition, the Company will account for such difference as follows:

- If fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in profit or loss on initial recognition (i.e. day 1 profit or loss);

- In all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to profit or loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would consider when pricing the asset or liability.

4.6.2 Classification of financial assets and financial liabilities

The Company classifies its financial instruments in the following categories:
- At fair value through profit and loss ("FVTPL"),
- At fair value through other comprehensive income ("FVTOCI")
- At amortized cost.

The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Equity instruments that are held for trading are classified as FVTPL, for other equity instruments, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

4.6.3 Measurement

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive (loss) income.

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of comprehensive income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of comprehensive income in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the SED's own credit risk will be recognized in other comprehensive (loss) income.

NOTES TO FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER 2022

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6 Financial instruments (continued)

4.6.3 Measurement (continued)

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses.

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

For trade receivables, the Company applies the simplified approach as permitted by IFRS 9 which requires expected lifetime losses to be recognized from initial recognition of receivables.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

Definition of default

Critical to the determination of Expected Credit Loss (ECL) is the definition of default. The definition of default is used in measuring the amount of the lifetime ECL. ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Company considers the following as constituting an event of default:

- The financial asset that are at least 120 days past due on any material credit obligation to the Company; or
- The financial asset is unlikely to pay its credit obligations to the Company in full.

The definition of default is appropriately tailored to reflect different characteristics of different types of assets. When assessing if the borrower is unlikely to pay its credit obligation, the Company considers both qualitative and quantitative indicators. The information assessed depends on the type of the asset and sources of information to assess default which are either developed internally or obtained from external sources.

Significant increase in credit risk

The Company monitors all financial assets, contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on lifetime rather than 12-month ECL.

The Company's accounting policy is to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company 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, based on the Company's historical experience and expert credit assessment including forward-looking information.

Multiple economic scenarios form the basis of determining the probability of default at initial recognition and at subsequent reporting dates. Different economic scenarios will lead to a different probability of default. It is the weighting of these different scenarios that forms the basis of a weighted average probability of default that is used to determine whether credit risk has significantly increased.

Write-off

Financial assets are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event.

Presentation of allowance for ECL in the statement of financial position
Loss allowances for ECL are presented in the statement of financial position for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets.

NOTES TO FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER 2022

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6 Financial instruments (continued)

4.6.3 Measurement (continued)

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statement of comprehensive income. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within the accumulated other comprehensive (loss) income.

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of comprehensive income.

4.7 Inventories

Inventories are stated at the lower of cost or net realisable value, with the exception of agricultural produce which is valued at net realisable value. The cost of the finished goods and work in progress comprises raw materials, direct labour, and other direct costs related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses. The methods of valuation are as follows:

Agricultural produce

Agricultural produce is valued at fair value less costs to sale.

Finished goods

The cost in relation to finished goods for resale includes the cost of agricultural produce, (as disclosed above), and the cost of packaging materials, direct labour and an appropriate portion of factory overheads.

Other inventories

All other inventories are valued at the lower of cost, taken on a weighted average basis, and net realisable value.

4.8 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income.

When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against the statement of comprehensive income.

4.9 Advance crop expenditure

Certain costs in respect of crops, incurred on subsequent seasonal yields are deferred to the Statement of financial position or set off against revenue realised in matching periods.

4.10 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held with financial institutions, short term highly liquid investments with short term maturities of three months or less and bank overdrafts.

4.11 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

NOTES TO FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER 2022

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.12 Current and deferred income tax

The tax expense comprises current and deferred tax. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

4.13 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

4.14 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required and a reliable estimate of the amount can be made. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

4. 15 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost and any difference between the proceeds and the redemption value is recognised in the Statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fees are deferred until the draw-down occurs.

To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

4.16 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods, in the ordinary course of the Company's activities. Revenue is shown net of value added tax, rebates and discounts. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefit will flow to the entity and specific criteria have been met for each of the Company's activities as described below:

Sale of goods

Sales of goods are recognised when the Company has delivered products to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of these products. Delivery does not occur until the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the product in accordance with sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

NOTES TO FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER 2022

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.16 Revenue recognition (continued)

Sale of goods (continued)

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when the revenue has met the criteria specified within IFRS 15 with specific reference to the five-step model for each of the Company's activities.

Right of return

Revenue from expected returns is not recognised until it is certain that no returns will be made. IFRS 15 requires that revenue for expected returns only be recognised when the period ends and no returns are made. Thus, this qualifies as a sale with a right of return, as the customer has the right to return the goods and in return receive a full refund of the consideration paid. This only applies to domestic sales as export sales do not have any returns.

The Company updates the measurement of the refund liability at the end of each reporting period for changes in expectations about the amount of refunds and recognises corresponding adjustments as revenue or reductions of revenue. The asset is presented separately from the liability. An asset recognised for an entity's right to recover products from a customer on settling a refund liability are initially measured by reference to the former carrying amount of the product less any expected costs to recover those products.

At year end the entity recognises a refund liability by creating a provision of returns based on the expected rate of return based on history relating to the year-end sales.

Interest income
Interest income is recognised on a time apportionment basis using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

4.17 Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases which are defined as leases with a lease term of 12 months or less. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:
- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease liability is presented as a separate line in the Company's statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used)
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

NOTES TO FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER 2022

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.17 Leases (continued)

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the Company's statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

The Company entered into a long-term lease for the rental of premises during the current year under review and a Right of use asset and lease liability was recognised for the rented premises with short term and low value lease assets continuing to be accounted for through profit and loss as per the recognition exemption under IFRS 16.

4.18 Employee benefits

Pension obligations
The Company operates a defined contribution plan. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The contributions are recognised as employee benefit expense
when due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. The Company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient amounts to pay all employees the benefits relating to employee service in the current and prior periods.

National Social Security Authority Pension Fund

The Company and its employees also contribute to the National Social Security Authority Scheme. This is a defined benefit social security scheme which was promulgated under the National Social Security statutory instrument. The Company obligations under the scheme are limited to specific contributions as legislated from time to time.

The Company's contributions to the pension plans are charged to the statement of comprehensive income.

Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or, whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

The Company's senior executives analyse, on a regular basis, currency and interest rate exposures and re-evaluate financial risk management strategies against regularly revised economic forecasts. Compliance with exposure limits is reviewed at the Board of Directors' meetings.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the ¬financial statements in accordance with IFRS requires the Company to make estimates and assumptions that affect the reported amounts of assets, liabilities, fund income and expenses and disclosure of contingent resources and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. While the estimates are based on the most reliable data available, actual results, in the near term, could differ significantly from those estimates depending upon certain events and uncertainties, including:

The timing and extent of losses the Company incurs as a result of future failures of
- entities that are closed;
- The ability to recover receivables based on the trends;
- Expectations of the liquidation of entities and
- The probability of recovery through successful lawsuits as appropriate against relevant parties.

NOTES TO FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER 2022

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

The following are the critical judgements, apart from those involving estimations, that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements:

(a) Functional currency

The financial statements are presented in Zimbabwe Dollar (ZWL) which is the functional currency of the Company. Adoption of the ZWL as a functional currency was done effective the 22nd of February 2019 following the promulgation of Statutory Instrument 33 of 2019 (SI 33/19).

Significant developments during the 2022 reporting period

In his mid-term monetary policy review of 11 August 2022, the Governor of the Reserve Bank of Zimbabwe increased the exports retention percentage from 60% to 75% for the Agriculture sector that is those in tobacco, cotton, tea, coffee and horticulture. The changes do not have an impact on the functional currency as most of its transactions are in the local currency.

For the purpose of the financial statements, the Directors assessed that the ZWL remained the functional currency of the entity. Historic foreign currency-based transactions have been translated using the applicable interbank rate.

(b) Financial Instruments

- Significant increase of credit risk: ECL is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company considers qualitative and quantitative reasonable and supportable forward-looking information. Refer to note 1 and note 3 for more details.

- Establishing Company assets with similar credit risk characteristics: When ECLs are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics. The Company monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflect the similar credit risk characteristics of that Company of assets. Re segmentation of portfolios and movement between portfolios is more common when there is a significant increase in credit risk (or when that significant increase reverses) and so assets move from 12-month to lifetime ECLs, or vice versa, but it can also occur within portfolios that continue to be measured on the same basis of 12-month or lifetime ECLs but the amount of ECL changes because the credit risk of the portfolios differ.

- Models and assumptions used: The Company uses various models and assumptions in measuring fair value of financial assets as well as in estimating ECL. Judgement is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.

(c) Useful lives and residual values of property, plant and equipment

The Company's management determines the estimated useful lives and residual values for its property, plant and equipment at the end of each reporting period. The remaining useful lives and residual values are reassessed based on business trends, technological developments, asset condition and management's plans. The useful lives and residual values so determined involved the exercise of significant levels of judgement based on data that is not readily observable.

(d) Valuation of biological assets

Biological assets are based on estimated fair values. Fair value is based on expected future cash flows discounted at internal cost of borrowings adjusted for inherent risks associated with Company operations. Discounted net cash flows for gum and wattle are limited to 7 years. Fruit on the tree is valued at fair value less cost to sale after also considering maturity status of the fruit growing on the bearer plant.

The entity's agricultural operations are subject to the usual agricultural hazards such as fire, wind, insects and other natural phenomena/ occurrences. Management considers adequate preventive measures are in place to mitigate against the hazards. Forces of nature such as temperature and rainfall may also affect yields. Nevertheless, unexpected factors affecting harvestable agricultural produce may result in re-measurement or changes in harvests in future accounting periods. Management therefore tests biological assets for impairment at each reporting date and estimates may differ from actual results.

(e) Deferred tax assets

Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences will be utilised. The directors have assessed and are satisfied with the probability of the entity to earn taxable profits in the 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 profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

NOTES TO FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER 2022

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(f) Income tax

The Company is subject to income taxes in Zimbabwe. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of the business. The Company recognizes liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

During the current year, the entity applied a tax rate of 15.45% (September 2021:15.45%) in line with the provisions of Section 14(3) (c) of the Income Tax Act which allows a reduced tax rate for exporters of more than 51% of production.

(g) Hyperinflation accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), and in the manner required by the Companies and other Business Entities Act (Chapter 24:31). The financial statements are based on the statutory records, which are maintained under the historical cost convention, these are restated to take account of the effects of inflation in accordance with International Accounting Standard 29, 'IAS 29' (Financial Reporting in Hyperinflationary Economies). Refer to note 3.2, 'Basis of preparation' for judgements used.

(h) Use of interbank spot rate

In preparing the financial statements, transactions incurred in other currencies other than the functional currency were recognised at the prevailing auction rates from 1 October 2021 to 9 May 2022 and interbank rates at the date of the transaction subsequently. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are retranslated at the rates prevailing at that date. Gains and losses arising on exchange are recognised in the statement of profit or loss and other comprehensive income.

On 26 March 2020, the Reserve Bank of Zimbabwe (RBZ), fixed the ZWL to US$ exchange rate at a rate of ZWL25: US$1, to provide for greater certainty in the pricing of goods and services in the economy.

Subsequently, in June of 2020, the Monetary Policy Committee announced the introduction of a formal market-based foreign exchange trading system (the foreign exchange auction trading system).

Exchange control circular no. 3 of 2022 dated 9 May 2022 was issued by the Reserve bank of Zimbabwe. The circular highlighted that all surrender of export and domestic sales in foreign currency shall be sold to the Reserve Bank of Zimbabwe at the prevailing interbank rate as determined by the willing buyer willing seller mechanism and prior to this announcement all export receipts were being liquidated at the auction rate.

The mid-term monetary policy of August 21, 2020 standardized export earnings retention to seventy percent across all sectors. The Company's retention was eighty percent prior to this announcement. Local sales in foreign currency were subject to twenty percent mandatory liquidation at point of sale. Retention was reduced from seventy percent to sixty percent effective 8 January 2021.

In his mid-term monetary policy review of 11 August 2022, the Governor of the Reserve Bank of Zimbabwe increased the exports retention percentage from 60% to 75% for the Agriculture sector that is those in tobacco, cotton, tea, coffee and horticulture.

Determining appropriateness of use of interbank spot rate

In determining the appropriateness of use of the interbank rate of exchange to translate transactions incurred in other currencies other than the functional currency, the Company considered the following factors;

- The Company is a net exporter and has not accessed foreign currency from any other market except from own generated resources;
- Forty percent of export receipts are compulsorily liquidated at prevailing auction market rates;
- Imports and other operational requirements are funded from own generated funds; and
- The Company's operations are considered essential services and, in the event own generated resources would have been inadequate, it would have participated on the auction market for allocation.

NOTES TO FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER 2022

6. SEGMENT INFORMATION

For purposes of resource allocation and assessment of segment performance in line with IFRS 8 Operating segments, the Company is organized into two operating segments as detailed below:

Agriculture – The division based in the Chipinge district, consist of five estates inter-cropped with tea, coffee, avocados and macadamia nuts. Tea and coffee are processed in bulk form for sale, either on the international market or to the Beverage Division for local and regional packed tea sales.

Beverage – The division consists of a tea blending and packaging plant as well as a distribution warehouse in Mutare. Packed tea from the factory is sold and distributed through distribution depots in Harare, Bulawayo, Gweru and Mutare. Packed tea is also exported into various regional markets. Major Company brands include Tanganda, Stella, Silver, Joko, Tanganda special blend, Tanganda Tips, Fresh leaves, Tanganda Healthi Green, Nella Rooibos bags, Natra Fresh Rooibos (leaf and bags) and High Country Coffee.

Segment Revenue

	INFLATION ADJUSTED		HISTORICAL COST*	
	12 months ended 30 September 2022 ZWL	6 months ended 30 September 2021** ZWL	12 months ended 30 September 2022 ZWL	6 months ended 30 September 2021** ZWL
Agriculture	6 712 332 799	3 636 024 458	4 383 397 974	884 415 930
Beverage	6 308 973 478	2 643 049 473	3 418 181 915	631 138 197
Intersegment Revenue^	(804 889 366)	(424 639 609)	(448 738 126)	(103 443 804)
External Revenue	**12 216 416 911**	**5 854 434 322**	**7 352 841 763**	**1 412 110 323**

Depreciation and ammortisation expense

	INFLATION ADJUSTED		HISTORICAL COST*	
	12 months ended 30 September 2022 ZWL	6 months ended 30 September 2021** ZWL	12 months ended 30 September 2022 ZWL	6 months ended 30 September 2021** ZWL
Agriculture	525 311 719	282 398 403	25 322 687	6 596 337
Beverage	142 052 743	17 872 282	7 538 253	395 508
Total Depreciation for reportable segments	**667 364 462**	**300 270 684**	**32 860 941**	**6 991 845**

Operating profit

	INFLATION ADJUSTED		HISTORICAL COST*	
	12 months ended 30 September 2022 ZWL	6 months ended 30 September 2021** ZWL	12 months ended 30 September 2022 ZWL	6 months ended 30 September 2021** ZWL
Agriculture**	1 090 609 342	(949 156 311)	3 147 119 146	(319 191 414)
Beverage	2 202 878 832	922 755 136	1 580 758 599	239 778 580
Total Operating profit /(loss) for reportable segments	**3 293 488 174**	**(26 401 175)**	**4 727 877 745**	**(79 412 834)**

**Operating profit /(loss) includes fair value adjustments on biological assets

Segment Assets^^

	INFLATION ADJUSTED		HISTORICAL COST*	
	12 months ended 30 September 2022 ZWL	6 months ended 30 September 2021** ZWL	12 months ended 30 September 2022 ZWL	6 months ended 30 September 2021** ZWL
Agriculture	21 654 559 192	19 029 994 304	8 470 619 846	1 918 230 416
Beverage	3 063 805 262	2 056 620 457	1 782 086 383	475 978 324
Total	**24 718 364 454**	**21 086 614 761**	**10 252 706 229**	**2 394 208 740**

NOTES TO FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER 2022

6. SEGMENT INFORMATION

Segment Liabilities^^

	INFLATION ADJUSTED		HISTORICAL COST*	
	12 months ended 30 September 2022 ZWL	6 months ended 30 September 2021** ZWL	12 months ended 30 September 2022 ZWL	6 months ended 30 September 2021** ZWL
Agriculture	1 607 055 098	556 590 459	1 607 055 098	146 316 337
Beverage	304 939 459	219 893 123	304 939 459	57 805 440
Total	**1 911 994 557**	**776 483 582**	**1 911 994 557**	**204 121 777**

^ Inter -segment revenue represents unprocessed agriculture produce transferred to the beverage division for further processing and sale that is bulk tea before its blended into the various brands sold by Tanganda.

^^Excluded from Segment assets and liabilities are centrally administered assets such as bank and cash balances, tax assets and balances and other assets and liabilities which are centralized.

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

Reconciliation of information on reportable segments to IFRS measures

Segment Liabilities^^

	INFLATION ADJUSTED		HISTORICAL COST*	
	12 months ended 30 September 2022 ZWL	6 months ended 30 September 2021** ZWL	12 months ended 30 September 2022 ZWL	6 months ended 30 September 2021** ZWL
Total revenue for reportable segments	13 021 306 277	6 279 073 931	7 801 579 889	1 515 554 127
Elimination of Intersegment revenue	(808 889 366)	(424 639 609)	(448 738 126)	(103 443 804)
Consolidated revenue	**12 212 416 911**	**5 854 434 322**	**7 352 841 763**	**1 412 110 323**

Depreciation and ammortisation expense

	INFLATION ADJUSTED		HISTORICAL COST*	
	12 months ended 30 September 2022 ZWL	6 months ended 30 September 2021** ZWL	12 months ended 30 September 2022 ZWL	6 months ended 30 September 2021** ZWL
Total Depreciation expense for reportable segments	667 364 462	300 270 684	32 860 941	6 991 845
Other	16 442 202	17 493 062	1 239 799	405 291
Total depreciation expense	**683 806 664**	**317 763 746**	**34 100 740**	**7 397 136**

Reconciliation of information on reportable segments to IFRS measures

	INFLATION ADJUSTED		HISTORICAL COST*	
	12 months ended 30 September 2022 ZWL	6 months ended 30 September 2021** ZWL	12 months ended 30 September 2022 ZWL	6 months ended 30 September 2021** ZWL
Operating profit				
Total operating profit / (loss) for reportable segments	3 293 488 174	(26 401 175)	4 727 877 745	(79 412 834)
Finance Income	6 300	1 982	2 840	479
Administration and other operating costs	(2 504 769 247)	(517 008 721)	(1 102 246 831)	(117 116 242)
Finance costs	(179 106 502)	(170 931 113)	(121 224 755)	(41 083 276)
Exchange gains	2 286 196 988	91 380 808	1 352 000 803	22 512 902
Monetary loss	(1 054 081 469)	(1 647 554 393)	-	-
Consolidated profit/ (loss) before tax	**1 841 734 244**	**(2 270 512 612)**	**4 856 409 802**	**(215 098 971)**

The above income and costs are not monitored per reportable segment.

NOTES TO FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER 2022

6. SEGMENT INFORMATION (continued)

Reconciliation of information on reportable segments to IFRS measures

	INFLATION ADJUSTED		HISTORICAL COST*	
	12 months ended 30 September 2022 ZWL	6 months ended 30 September 2021** ZWL	12 months ended 30 September 2022 ZWL	6 months ended 30 September 2021** ZWL
Assets				
Total assets for reportable segments	24 718 364 454	21 086 614 761	10 252 706 229	2 394 208 740
Other assets	326 969 047	585 632 884	178 470 481	131 208 368
Consolidated total assets	**25 045 333 501**	**21 672 247 645**	**10 431 176 710**	**2 525 417 108**
Liabilities				
Total liabilities for reportable segments	1 911 994 557	776 483 582	1 911 994 557	204 121 777
Other liabilities	4 604 422 172	3 311 029 476	2 363 002 408	384 634 187
Consolidated total liabilities	**6 516 416 729**	**4 087 513 058**	**4 274 996 965**	**588 755 964**

7. PROPERTY, PLANT AND EQUIPMENT

Cost or valuation – INFLATION ADJUSTED

	Land & buildings ZWL	Furniture & equipment ZWL	Motor vehicles ZWL	Tea Plantations ZWL	Coffee Plantations ZWL	Macadamia Plantations ZWL	Avocado Plantations ZWL	Total ZWL
Cost as at 1 April 2021	5 355 495 134	3 317 083 079	721 995 512	766 410 876	329 643 881	4 380 234 056	3 378 462 115	18 249 324 653
Additions	299 472 647	30 629 340	2 960 369	-	19 404 651	79 510 504	22 946 811	454 924 322
Disposals	-	(1 156 677)	(13 015 596)	(724 537)	-	-	-	(14 896 810)
Cost as at 30 September 2021	5 654 967 781	3 346 555 742	711 940 285	765 686 339	349 048 532	4 459 744 560	3 401 408 926	18 689 352 165
Impairment reversal	-	-	-	-	-	7 142 160	-	7 142 160
Additions	165 699 927	523 408 750	20 389 190	-	52 635 392	84 133 606	97 207 028	943 473 893
Disposals	-	(28 545 422)	(322 894)	(87 322)	-	(29 063 203)	-	(58 018 841)
Reclassifications**	(21 387 028)	168 629 523	(124 278 236)	(944 623)	(844 194)	863 463 452	(884 638 894)	-
Transfer from biological assets	177 264	122 574	18 576	23 374	12 252	164 614	79 900	598 554
Cost as at 30 September 2022	5 799 457 944	4 010 171 167	607 746 921	764 677 768	400 851 982	5 385 585 189	2 614 056 960	19 582 547 931

**In the prior year, the general ledger was utilised in classifying property plant and equipment into the various categories. This resulted in errors in the classification. These errors are immaterial. The error did not impact the depreciation of assets or impairment considerations. In the current year, the fixed asset register is utilised in the classification of the property plant and equipment and aligning it to the general ledger thereby resulting in the reclassification adjustments. The balance of 598 554 was considered to form part of Property, plant and equipment and was subsequently transferred from biological assets.

NOTES TO FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER 2022

7. PROPERTY, PLANT AND EQUIPMENT (continued)

Cost or valuation – INFLATION ADJUSTED (continued)

	Land & buildings ZWL	Furniture & equipment ZWL	Motor vehicles ZWL	Tea Plantations ZWL	Coffee Plantations ZWL	Macadamia Plantations ZWL	Avocado Plantations ZWL	Total ZWL
Accumulated depreciation and impairment								
Balance as at 1 April 2021	(626 290 646)	(1 727 579 714)	(485 715 403)	(93 595 376)	(240 974 572)	(419 042 417)	(443 678 339)	(4 036 876 467)
Elimination on disposal of assets	-	701 983	12 125 048	104 192	-	-	-	12 931 223
Charge for the year	(41 720 386)	(103 170 082)	(19 976 768)	(7 671 806)	(34 180 459)	(55 184 594)	(55 859 651)	(317 763 746)
Balance as at 30 September 2021	(668 011 032)	(1 830 047 813)	(493 567 123)	(101 162 990)	(275 155 031)	(474 227 011)	(499 537 990)	(4 341 708 990)
Elimination on disposal of assets	-	11 604 520	319 926	12 900	-	968 681	-	12 906 027
Charge for the year	(102 609 131)	(224 583 860)	(37 674 566)	(15 317 575)	(73 615 120)	(112 155 659)	(113 265 316)	(679 221 227)
Balance as at 30 September 2022	(770 620 163)	(2 043 027 153)	(530 921 763)	(116 467 665)	(348 770 151)	(585 413 989)	(612 803 306)	(5 008 024 190)
Carrying amount as at 30 September 2021	4 986 956 749	1 516 507 929	218 373 162	664 523 349	73 893 501	3 985 517 549	2 901 870 936	14 347 643 175
Carrying amount as at 30 September 2022	5 028 837 781	1 967 144 014	76 825 158	648 210 103	52 081 831	4 800 171 200	2 001 253 654	14 574 523 741

Cost or valuation - HISTORICAL

	Land & buildings ZWL	Furniture & equipment ZWL	Motor vehicles ZWL	Tea Plantations ZWL	Coffee Plantations ZWL	Macadamia Plantations ZWL	Avocado Plantations ZWL	Total ZWL
Cost as at 1 April 2021	362 289 943	75 650 756	13 380 534	3 863 663	5 183 570	64 777 425	48 494 556	573 640 447
Additions	73 610 723	7 491 221	652 838	-	4 483 890	19 404 846	5 621 646	111 265 164
Disposals	-	(102 247)	(65 583)	(3 651)	-	-	-	(171 481)
Cost as at 30 September 2021	435 900 666	83 039 730	13 967 789	3 860 012	9 667 460	84 182 271	54 116 202	684 734 130
Impairment reversal	-	-	-	-	-	35 988	-	35 988
Additions	110 935 201	258 852 183	11 853 410	-	38 879 254	54 430 816	49 988 635	524 939 499
Disposals	-	(143 835)	(1 627)	(440)	-	(146 444)	-	(292 346)
Reclassifications	(106 135)	850 310	(626 121)	(4 642)	(4 929)	4 351 659	(4 457 126)	3 016
Cost as at 30 September 2022	546 729 732	342 598 388	25 193 451	3 854 930	48 541 785	142 854 290	99 647 711	1 209 420 287
Accumulated depreciation and impairment								
Balance as at 1 April 2021	(3 479 398)	(10 646 005)	(3 809 497)	(470 651)	(1 122 864)	(1 552 948)	(1 840 218)	(22 921 581)
Elimination on disposal of assets	-	3 537	61 096	525	-	-	-	65 158
Charge for the year	(2 667 295)	(2 383 591)	(1 077 573)	(38 848)	(147 801)	(599 736)	(482 292)	(7 397 136)
Balance as at 30 September 2021	(6 146 693)	(13 026 059)	(4 825 974)	(508 974)	(1 270 665)	(2 152 684)	(2 322 510)	(30 253 559)
Elimination on disposal of assets	-	58 473	1 612	65	-	4 881	-	65 031
Charge for the year	(14 598 872)	(12 870 461)	(2 656 530)	(77 634)	(177 549)	(1 650 354)	(964 584)	(32 995 984)
Balance as at 30 September 2022	(20 745 565)	(25 838 047)	(7 480 892)	(586 543)	(1 448 214)	(3 798 157)	(3 287 094)	(63 184 512)
Carrying amount as at 30 September 2021	429 753 973	70 013 671	9 141 815	3 351 038	8 396 795	82 029 587	51 793 692	654 480 571
Carrying amount as at 30 September 2022	525 984 167	316 760 341	17 712 559	3 268 387	47 093 571	139 056 133	96 360 617	1 146 235 775

NOTES TO FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER 2022

8. RIGHT OF USE ASSETS*

	INFLATION ADJUSTED		HISTORICAL COST*	
	30 September 2022 ZWL	30 September 2021 ZWL	30 September 2022 ZWL	30 September 2021 ZWL
Opening balance 1 October 2021	-	-	-	-
Additions	21 327 579	-	5 138 391	-
Depreciation	(4 585 437)	-	(1 104 756)	-
Carrying amount 30 September 2022	16 742 142	-	4 033 635	-
Comprising:				
Cost	21 327 579	-	5 138 391	-
Accumulated Depreciation	(4 585 437)	-	(1 104 756)	-
	16 742 142	-	4 033 635	-

*The Company only has got property leases.

9. INTANGIBLE ASSETS

Trade and brand names

	INFLATION ADJUSTED		HISTORICAL COST*	
	30 September 2022 ZWL	30 September 2021 ZWL	30 September 2022 ZWL	30 September 2021 ZWL
Balance as at 1 April 2021	24 625 774	24 625 774	124 141	124 141
Balance as at 30 September 2021	24 625 774	24 625 774	124 141	124 141
Balance as at 30 September 2022	24 625 774	24 625 774	124 141	**124 141**

The directors have re-assessed the useful lives of intangible assets and the value in use of intangible assets and have deemed them to be appropriate (refer to Note 4.4).

10. OTHER FINANCIAL ASSETS

The Company entered into a Memorandum of Understanding with various bottlers who utilise Post Consumer polyethylene terephthalate (PC-PET) to invest in Zimbabwe PET Recycling Company Limited, whose main objective is to institutionalise the collection and recycling of PC-PET on an industry-wide basis. Each company holds an equal shareholding in the Company. The Company's main objective is to collect and recycle of the PC-PET with each company to the agreement responsible for the contribution of an agreed amount toward financing the operations of the Company. This investment is classified as a financial asset accounted for under IFRS 9 Fair value through profit and loss investment since its part to the agreement holds less than 10% of the shareholding. Its fair value is determined using level 3 inputs. The value of the investment is:

Cost or valuation

	INFLATION ADJUSTED		HISTORICAL COST*	
	30 September 2022 ZWL	30 September 2021 ZWL	30 September 2022 ZWL	30 September 2021 ZWL
Balance as at 1 October 2021	2 633 675	19 307 575	692 340	692 340
Cash contribution	6 805 293	-	6 576 797	-
Fair value loss	(2 169 831)	(16 673 900)	-	-
Balance as at 30 September 2022	**7 269 137**	**2 633 675**	**7 269 137**	**692 340**

Management assessed the fair value of the investment and is satisfied that the balance adequately represents the value of the asset.

11. INVENTORIES

	INFLATION ADJUSTED		HISTORICAL COST*	
	30 September 2022 ZWL	30 September 2021 ZWL	30 September 2022 ZWL	30 September 2021 ZWL
Raw and packaging materials	755 758 672	568 441 776	570 669 876	141 994 730
Finished goods	221 426 518	138 959 231	221 426 518	36 529 562
Consumables	1 991 850 229	1 308 101 599	1 180 084 628	323 580 150
Agricultural produce	2 289 006 593	1 305 386 049	2 289 006 594	343 159 503
	5 258 042 012	**3 320 888 655**	**4 261 187 616**	**845 263 945**

NOTES TO FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER 2022

11. INVENTORIES (continued)

Inflation adjusted cost of inventories recognised as an expense through the income statement was ZWL 9 478 867 and in September 2021 cost of inventories reversed through the income statement was ZWL 8 178 535. There were no write offs recognised as an expense due to shrinkage for both periods.

Historic cost of inventories recognised as an expense through the income statement was ZWL 1 778 149 and in September 2021 cost of inventories reversed through the income statement was ZWL 1 775 440. There were no write offs recognised as an expense due to shrinkage for both periods.

12. BIOLOGICAL ASSETS

Biological assets comprise of gum and wattle plantations, livestock and produce growing on the bearer plants. The present value of expected net cash flows from plantations, discounted at the cost of capital, was used to determine fair value of timber plantations. The fair value for livestock was determined by reference to the market price and these valuations were carried out by a professional valuer independent to the Company.

Produce growing on bearer plants is measured at fair value less costs to sell with changes recognised in profit or loss as the produce grows. As for tea, the 14 day round green leaf plucking cycle was applied, as 14 days' green leaf is deemed to be growing on the bearer plant as at reporting date. Average selling prices are discounted in line with maturity profile.

	INFLATION ADJUSTED	
	30 September 2022 ZWL	30 September 2021 ZWL
Carrying amounts of:		
Livestock	335 822 500	142 316 835
Timber plantations	754 991 652	497 688 026
	1 090 814 152	640 004 861

Valuation

	Livestock ZWL	Timber Plantations ZWL	Total ZWL
Valuation as at 1 April 2021	166 082 405	179 683 184	345 765 589
Fair valuations	-	315 359 617	315 359 617
Additions	-	8 797 218	8 797 218
Disposals	-	(6 151 993)	(6 151 993)
Net livestock movement	(23 765 570)	-	(23 765 570)
Valuation as at 30 September 2021	142 316 835	497 688 026	640 004 861
Transfer to Property, plant and equipment	-	(598 554	(598 554)
Fair valuations	-	800 103 370	800 103 370
Additions	-	17 868 899	17 868 899
Disposals	-	(560 070 089)	(560 070 089)
Net livestock movement	193 505 665	-	193 505 665
Valuation as at 30 September 2022	**335 822 500**	**754 991 652**	**1 090 814 152**

NOTES TO FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER 2022

12. BIOLOGICAL ASSETS (continued)

	HISTORIC COST	
	30 September 2022 ZWL	30 September 2021 ZWL
Carrying amounts of:		
Livestock	335 822 500	37 412 208
Timber plantations	754 991 652	130 832 083
	1 090 814 152	168 244 291

Valuation

	Livestock ZWL	Timber Plantations ZWL	Total ZWL
Valuation as at 1 April 2021	36 054 060	39 006 589	75 060 649
Fair valuations	-	91 158 609	91 158 609
Additions	-	2 002 392	2 002 392
Disposals	-	(1 335 507)	(1 335 507)
Net livestock movement	1 358 148	-	1 358 148
Valuation as at 30 September 2021	37 412 208	130 832 083	168 244 291
Transfer to Property, plant and equipment	-	(3016)	(3 016)
Fair valuations	-	616 499 856	616 499 856
Additions	-	10 980 424	10 980 424
Disposals	-	(3 317 695)	(3 317 695)
Net livestock movement	298 410 292	-	298 410 292
Valuation as at 30 September 2022	335 822 500	754 991 652	1 090 814 152

The entity is exposed to financial risks arising from changes in commodity prices. The entity 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 entity reviews its outlook for commodity prices regularly in considering the need for active financial risk management.

Fair values of green tea leaf, macadamia nuts, coffee beans and avocado fruit on bearer plants is determined using Level 2 inputs on the fair value hierarchy, whilst fair values for timber plantations and livestock is determined using level 3 inputs. For livestock, the entity engages third party qualified valuers to perform the valuation.

During the dry season the risk of damage from fire is significant. The entity 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. Nurseries and young plantations are covered in winter to minimise frost damage. Other mitigating measures include irrigation and other good agricultural practices such as pruning and fertilisation depending on seasons. In addition, nurseries are insured. The entity has not obtained insurance coverage for the plantations as the premium will be excessive in relation to the expected losses.

Produce on bearer plants comprise of green leaf on the tea bushes as at year end as all the other crops that is macadamia, coffee and avocados had been harvested by 30 September. Produce growing on bearer plants is measured at fair value less cost to sell.

NOTES TO FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER 2022

13. PRODUCE ON BEARER PLANTS

	INFLATION ADJUSTED		HISTORICAL COST*	
	30 September 2022 ZWL	30 September 2021 ZWL	30 September 2022 ZWL	30 September 2021 ZWL
Produce on bearer plants	**145 843 170**	**105 966 882**	**145 843 170**	**27 856 543**

INFLATION ADJUSTED

Produce on bearer plants

	Tea bushes on plantation ZWL	Coffee beans on plantation ZWL	Macadamia nuts on plantation ZWL	Avocado fruit on plantation ZWL	Total ZWL
Balance as at 1 April 2021	81 949 954	140 838 482	2 135 749 572	947 128 583	3 305 666 591
Advance crop expenditure	-	(271 620 741)	(1 353 161 361)	(549 142 969)	(2 173 925 071)
Movement in fair valuation	24 016 928	130 782 259	(782 588 211)	(397 985 614)	(1 025 774 638)
Balance as at 30 September 2021	105 966 882	-	-	-	105 966 882
Movement in fair valuation	39 876 288	-	-	-	39 876 288
Balance as at 30 September 2022	**145 843 170**	**-**	**-**	**-**	**145 843 170**

*The other crops that is macadamia, coffee and avocados had been harvested by 30 September 2022 as a result they had nil value.

HISTORICAL COST

Produce on bearer plants

	Tea bushes on plantation ZWL	Coffee beans on plantation ZWL	Macadamia nuts on plantation ZWL	Avocado fruit on plantation ZWL	Total ZWL
Balance as at 1 April 2021	17 790 135	30 573 973	463 639 970	205 607 752	717 611 830
Advance crop expenditure	-	(23 796 234)	(110 063 036)	(47 732 038)	(181 591 308)
Movement in fair valuation	10 066 408	(6 777 739)	(353 576 934)	(157 875 714)	(508 163 979)
Balance as at 30 September 2021	27 856 543	-	-	-	27 856 543
Movement in fair valuation	117 986 627	-	-	-	117 986 627
Balance as at 30 September 2022	**145 843 170**	**-**	**-**	**-**	**145 843 170**

*The other crops that is macadamia, coffee and avocados had been harvested by 30 September 2022 as a result they had nil value.

NOTES TO FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER 2022

13. TRADE AND OTHER RECEIVABLES

	INFLATION ADJUSTED		HISTORICAL COST*	
	30 September 2022 ZWL	30 September 2021 ZWL	30 September 2022 ZWL	30 September 2021 ZWL
Trade receivables	3 467 007 931	1 438 845 967	3 467 007 931	378 243 407
Less: expected credit loss	(50 406 022)	(27 569 895)	(50 406 022)	(7 247 566)
Trade receivables-net	3 416 601 909	1 411 276 072	3 416 601 909	370 995 841
Prepayments	270 995 750	1 077 337 340	119 191 461	262 736 549
Receivables from related parties	-	86 739 590	-	22 802 078
Advance crop expenditure	-	188 191 574	-	49 471 746
Other receivable	101 725 963	23 803 450	101 725 963	6 257 444
	3 789 323 622	**2 787 348 026**	**3 637 519 333**	**712 263 658**

As of 30 September 2022, trade receivables of ZWL 50 406 022 (September 2021: Inflation adjusted ZWL 27 569 895: Historic ZWL 7 247 566 were past due and were impaired. The impaired receivables were in respect of various local customers facing liquidity challenges. The ageing of these receivables is as follows:

	INFLATION ADJUSTED		HISTORICAL COST*	
	30 September 2022 ZWL	30 September 2021 ZWL	30 September 2022 ZWL	30 September 2021 ZWL
3 to 6 months	10 335 640	16 434 414	10 335 640	4 320 274
Over 6 months	40 070 382	11 135 481	40 070 382	2 927 292
	50 406 022	**27 569 895**	**50 406 022**	**7 247 566**

As of 30 September 2022, Nil trade receivables (30 September 2021: historic Nil: Inflation adjusted ZWL Nil) were past due but not impaired.

The carrying amounts of the Company's trade and other receivables are denominated in the following currencies:

	INFLATION ADJUSTED		HISTORICAL COST*	
	30 September 2022 ZWL	30 September 2021 ZWL	30 September 2022 ZWL	30 September 2021 ZWL
United States Dollars	2 706 016 884	896 954 436	2 706 016 884	235 791 120
ZWL	895 208 734	1 890 393 590	882 055 301	476 472 538
	3 601 225 618	**2 787 348 026**	**3 588 072 185**	**712 263 658**
Movement in allowance for doubtful debts				
Balance at the beginning of the year	27 569 895	28 106 073	7 247 566	6 101 417
Impairment(reversed)/ recognised	22 836 127	(536 178)	43 158 456	1 146 149
Balance at the end of the year	**50 406 022**	**27 569 895**	**50 406 022**	**7 247 566**

- The average credit periods on sale of goods and services are 45 to 90 days for agriculture.

- The entity measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade 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 various subsidiaries' industries, and forecast conditions at the reporting date. The entity has recognised a loss allowance of 100% against all receivables over 120 days past due, unless under exceptional circumstance, as these are generally irrecoverable.

NOTES TO FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER 2022

13. TRADE AND OTHER RECEIVABLES (continued)

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

INFLATION ADJUSTED SEPTEMBER 2022

30 September 2022	<30	30	60	90	>120	Total
	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Expected credit losses	0.22%	0.45%	0.67%	0.89%	100%	1.45%
Estimated carrying amount at default	2 412 633 609	711 095 600	266 800 061	34 282 980	42 195 681	3 467 007 931
Lifetime ECL	(5 378 262)	(3 170 360)	(1 784 258)	(305 696)	(42 195 681)	(52 834 257)
Adjustment for forward looking information						2 428 235
Balance	**2 407 255 347**	**707 925 240**	**265 015 803**	**33 977 284**	**-**	**3 416 601 909**

INFLATION ADJUSTED SEPTEMBER 2021

30 September 2021	<30	30	60	90	>120	Total
	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Expected credit losses	0.64%	1.29%	2.58%	5.15%	100%	1.81%
Estimated carrying amount at default	966 217 181	266 886 173	271 064 726	8 384 786	13 032 691	1 525 585 557
Lifetime ECL	(6 220 134)	(3 436 222)	(6 980 044)	(431 825)	(13 032 691)	(30 100 916)
Adjustment for forward looking information						2 531 021
Balance	**959 997 047**	**263 449 951**	**264 084 682**	**7 952 961**	**-**	**1 498 015 662**

HISTORIC COST SEPTEMBER 2022

30 September 2022	<30	30	60	90	>120	Total
	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Expected credit losses	0.22%	0.45%	0.67%	0.89%	100%	1.45%
Estimated carrying amount at default	2 412 633 609	711 095 600	266 800 061	34 282 980	42 195 681	3 467 007 931
Lifetime ECL	(5 378 262)	(3 170 360)	(1 784 258)	(305 696)	(42 195 681)	(52 834 257)
Adjustment for forward looking information						2 428 235
Balance	**2 407 255 347**	**707 925 240**	**265 015 803**	**33 977 284**	**-**	**3 416 601 920**

HISTORIC COST SEPTEMBER 2021

30 September 2021	<30	30	60	90	>120	Total
	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Expected credit losses	0.64%	1.29%	2.58%	5.15%	100%	1.81%
Estimated carrying amount at default	253 998 890	70 158 959	71 257 416	2 204 190	3 426 030	401 045 485
Lifetime ECL	(1 635 147)	(903 313)	(1 834 912)	(113 518)	(3 426 030)	(7 912 920)
Adjustment for forward looking information						665 354
Balance	**252 363 743**	**69 255 646**	**69 422 504**	**2 090 672**	**-**	**393 797 919**

NOTES TO FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER 2022

14. FINANCIAL INSTRUMENTS PER CATEGORY

	INFLATION ADJUSTED		HISTORICAL COST*	
	30 September 2022 ZWL	30 September 2021 ZWL	30 September 2022 ZWL	30 September 2021 ZWL
Assets as per statement of financial position				
Trade and other receivables excluding prepayments and advance crop expenditure	3 518 327 872	1 521 819 112	3 518 327 872	400 055 363
Favourable cash and cash equivalents	138 149 751	443 136 597	138 149 751	116 491 619
Total	**3 656 477 623**	**1 964 955 709**	**3 656 477 623**	**516 546 982**
Liabilities as per statement of financial position				
Trade and other payables including other financial liabilities	2 894 723 753	1 473 280 940	2 894 723 753	387 295 663
Borrowings	972 573 698	708 490 107	972 573 698	186 247 672
Total	**3 867 297 451**	**2 181 771 047**	**3 867 297 451**	**573 543 335**

15. CAPITAL AND RESERVES

15.1 Share capital

	INFLATION ADJUSTED		HISTORICAL COST*	
	30 September 2022 ZWL	30 September 2021 ZWL	30 September 2022 ZWL	30 September 2021 ZWL
Authorised				
400 000 000 ordinary shares of ZWL0.01 each	268 735 665	268 753 665	4 000 000	4 000 000
Issued and fully paid up				
261 064 590 (2021: 261 064 590) ordinary shares of ZWL0.01 each	235 500 688	235 500 688	2 610 646	2 610 646

The authorised share capital of the Company is ZWL4 000 000 divided into 400 000 000 ordinary shares of ZWL0.01 each.

The issued share capital of the Company is ZWL2 610 646 divided into 261 064 590 ordinary shares of ZWL 0.01 each.

15.2 Directors' beneficial interests

At 30 September 2022 the direct and indirect beneficial interests of the Directors in the ordinary shares of the Company are shown below:

	Fully paid ordinary shares	
	30 September 2022	30 September 2021
Hebert Nkala	-	-
Livingstone T. Gwata	-	-
Stewart P. Cranswick	85 184	85 184
Simon J Hammond	-	-
Rufaro A. Maunze	-	-
Mathew J.S. Moxon	-	-
Timothy J.G. Fennell	-	-
Henry Nemaire	9 684	9 684
Kwirirai Chigerwe	864	864

15.3 Share premium

Share premium arose from the difference between consideration and nominal value of shares issued.

15.4 Non-distributable reserve

The non-distributable reserve arose as a net effect of the restatement of assets and liabilities previously denominated in Zimbabwean Dollars on 1 February 2009.

NOTES TO FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER 2022

16. DEFERRED TAX

	INFLATION ADJUSTED		HISTORICAL COST*	
	30 September 2022 ZWL	30 September 2021 ZWL	30 September 2022 ZWL	30 September 2021 ZWL
Net deferred tax liability to be recovered after more than 12 months	**2 618 060 120**	**1 905 741 982**	**376 640 351**	**15 212 629**
The analysis of the net deferred tax liabilities is as follows:				
Non-current assets	2 293 055 907	1 982 312 632	207 060 803	(35 519 720)
Other assets	325 878 509	6 808 696	165 655 203	72 649 559
Provisions	(91 079 918)	(86 218 523)	(86 281 277)	(22 663 567)
Unrealized exchange gain	90 205 622	2 839 177	90 205 622	746 357
	2 618 060 120	**1 905 741 982**	**376 640 351**	**15 212 629**

The movement in deferred tax assets and liabilities during the year is as follows:

	INFLATION ADJUSTED		HISTORICAL COST*	
	30 September 2022 ZWL	30 September 2021 ZWL	30 September 2022 ZWL	30 September 2021 ZWL
Balance at the beginning of the year	**1 905 741 982**	**2 213 698 937**	**15 212 629**	**87 738 247**
Debit /(Credit) to profit or loss	712 318 138	(307 956 955)	361 427 722	(72 525 618)
Balance at the end of the year	**2 618 060 120**	**1 905 741 982**	**376 640 351**	**15 212 629**

17. BORROWINGS

	INFLATION ADJUSTED		HISTORICAL COST*	
	30 September 2022 ZWL	30 September 2021 ZWL	30 September 2022 ZWL	30 September 2021 ZWL
Secured				
Bank loans	972 573 698	708 490 107	972 573 698	186 247 672
Long term borrowings				
Bank loans	-	76 331 575	-	20 066 022
Short term borrowings				
Current portion of long-term borrowings	972 573 698	632 158 532	972 573 698	166 181 650
Total borrowings	**972 573 698**	**708 490 106**	**972 573 698**	**186 247 672**

Exposure per lender

	Interest rate	30 September 2022 ZWL	Terms and Conditions
Non-current portion of long term borrowings			
Steward Bank	-	-	c
Total long-term borrowings		-	
Current portion of long term borrowings			
Ecobank	7.92%	-	b
Steward Bank	-	-	c
		-	
Short term borrowings			
AFC Commercial Bank	188.00%	220 000 000	a
Ecobank	7.92%	752 573 698	b
		972 573 698	

NOTES TO FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER 2022

17. BORROWINGS (continued)

Overall effective interest rate

The overall weighted average interest rate on the bank borrowings is 48.66% (September 2021: 46.10%) per annum.

Terms and conditions
Bank Loans

a. AFC Commercial Bank

The short-term working capital loan owed to AFC Commercial Bank was ZWL 220 000 000. The loan bears an all- inclusive interest of 188.00% per annum and matures on 18 August 2023.

The facility is unsecured however, the following conditions are applicable:

- Monthly deposits between ZWL100 000 000 and ZWL150 000 000 to be channeled through the bank.
- Channel all nostro domestic sales through the bank.
- To channel monthly minimum of USD40 000 export deposits after Afreximbank onboarding.

b. Ecobank Zimbabwe Limited

The composite amount owed to Ecobank Zimbabwe Limited was USD 1 499 609 converting to ZWL 752 573 698 at interbank rate. This was made up of the following loans:

The USD 1 million Asset Finance facility - This has an outstanding balance of USD698 598 converting to ZWL 434 452 796 at interbank rate with a maturity date of 31 December 2022. The loan bears an all-inclusive interest rate of 7.5% per annum.
The USD 2 million working capital facility – This has an outstanding balance of USD511 537 converting to ZWL 318 120 901 at interbank rate with a maturity date of 31 December 2022. The loan bears an all-inclusive interest rate of 8.5% per annum.

The loan is guaranteed by:

- Registration of a Notarial Special Covering Bond valued at USD1 Million over equipment financed by the Bank.
- Cession of insurance policy over the financed assets above.
- An irrevocable letter of undertaking to be executed by the Borrower wherein the Borrower undertakes to process CD1s with a minimum of USD2 million and receive export proceeds through Ecobank Zimbabwe Limited.

17.1 Interest bearing borrowings reconciliation

The movement in interest bearing borrowings included under financing activities are as follows:

	INFLATION ADJUSTED		HISTORICAL COST*	
	30 September 2022 ZWL	30 September 2021 ZWL	30 September 2022 ZWL	30 September 2021 ZWL
Opening balance	**708 490 107**	**755 057 031**	**186 247 672**	**163 911 829**
Drawdowns	1 825 064 060	406 722 741	1 044 190 628	100 000 000
Repayments	(1 482 455 101)	(322 777 839)	(885 715 403)	(77 664 157)
Exchange rate movements	949 663 260	-	627 850 801	-
Monetary adjustments	(1 028 188 628)	(130 511 826)	-	-
Closing balance	**972 573 698**	**708 490 107**	**972 573 698**	**186 247 672**

NOTES TO FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER 2022

18. TRADE AND OTHER PAYABLES

	INFLATION ADJUSTED		HISTORICAL COST*	
	30 September 2022 ZWL	30 September 2021 ZWL	30 September 2022 ZWL	30 September 2021 ZWL
Trade payables	1 532 344 936	468 138 021	1 532 344 936	123 063 986
Social security and other taxes	173 782 471	46 396 989	173 782 471	12 196 827
Accrued expenses	921 344 616	657 882 332	921 344 616	172 943 915
Amounts due to related parties (note 25)	-	63 905 062	-	16 799 344
	2 627 472 023	**1 236 322 404**	**2 627 472 023**	**325 004 072**

All trade and other payables are due within twelve months after the period end. The credit period on purchases ranges from 1 to 30 days and payments are made the same time frames.

19. LEASE LIABILITIES

	INFLATION ADJUSTED		HISTORICAL COST*	
	30 September 2022 ZWL	30 September 2021 ZWL	30 September 2022 ZWL	30 September 2021 ZWL
Opening balance	-	-	-	-
Additions	21 582 437	-	5 190 514	-
Interest Expense	2 082 621	-	1 197 729	-
Rental Payments	(6 779 996)	-	(3 994 256)	-
Revaluation adjustment	14 174 101	-	28 665 176	-
	31 059 163	-	31 059 163	-
Less current portion	(7 343 194)	-	(7 343 194)	-
Non current portion	**23 715 969**	**-**	**23 715 969**	**-**
Maturity profile				
On demand	7 343 194	-	7 343 194	-
Between one and two years	7 992 265	-	7 992 265	-
Between two and three years	8 698 709	-	8 698 709	-
Between three and four years	7 024 995	-	7 024 995	-
	31 059 163	**-**	**31 059 163**	**-**

The total cash outflow for leases amounted to ZWL 47 519 807 (2021- ZWL 3 755 267).

19.1 Amounts recognised in profit or loss

	INFLATION ADJUSTED		HISTORICAL COST*	
	30 September 2022 ZWL	30 September 2021 ZWL	30 September 2022 ZWL	30 September 2021 ZWL
Depreciation on right of use asset	(4 585 437)	-	(1 104 756)	-
Interest expense on lease liabilities	2 082 621	-	1 197 729	-
Rental payments relating to short term leases	3 663 738	1 120 210	1 956 074	270 000
Rental payments relating to variable leases*	60 574 058	14 449 220	41 569 476	3 485 267

*Some lease of premises to which the Company is a lessee contain variable lease payment terms that require payments to be agreed each month and has go no fixed payment terms. Overally the variable lease payments constitute approximately 88% of the total lease payments and the Company expect this ratio to remain constant in future years.

NOTES TO FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER 2022

20. OTHER FINANCIAL LIABILITIES

	INFLATION ADJUSTED		HISTORICAL COST*	
	30 September 2022 ZWL	30 September 2021 ZWL	30 September 2022 ZWL	30 September 2021 ZWL
Short term liability				
Zimbabwe Revenue Authority	267 251 730	236 958 536	267 251 730	62 291 591
Total other financial liability	267 251 730	236 958 536	267 251 730	62 291 591

The liability of ZWL 267 251 730 is in respect of corporate tax payable.

21. REVENUE

	INFLATION ADJUSTED		HISTORICAL COST*	
	12 months ended 30 September 2022 ZWL	6 months ended 30 September 2021 ZWL	12 months ended 30 September 2022 ZWL	6 months ended 30 September 2021 ZWL
Agricultural produce	5 907 443 433	3 211 384 848	3 934 659 848	780 972 126
Packed tea and coffee	5 814 351 955	2 439 541 202	3 175 994 398	582 238 718
Water	494 621 523	203 508 272	242 187 517	48 899 479
	12 216 416 911	**5 854 434 322**	**7 352 841 763**	**1 412 110 323**

21.1 Revenue per product

	INFLATION ADJUSTED		HISTORICAL COST*	
	12 months ended 30 September 2022 ZWL	6 months ended 30 September 2021 ZWL	12 months ended 30 September 2022 ZWL	6 months ended 30 September 2021 ZWL
Bulk tea	3 791 046 943	1 550 308 209	2 031 732 891	363 544 257
Macadamia	1 049 883 687	975 017 585	993 161 588	238 937 799
Avocados	836 664 544	685 500 712	829 454 357	178 354 155
Coffee	229 848 259	558 343	80 311 012	135 915
Packed tea	5 814 351 955	2 439 541 201	3 175 994 398	582 238 718
Water	494 621 523	203 508 272	242 187 517	48 899 479
	12 216 416 911	**5 854 434 322**	**7 352 841 763**	**1 412 110 323**

22. GROSS PROFIT

The following is an analysis of the Company's gross profit for the year from continuing operations:

	INFLATION ADJUSTED		HISTORICAL COST*	
	12 months ended 30 September 2022 ZWL	6 months ended 30 September 2021 ZWL	12 months ended 30 September 2022 ZWL	6 months ended 30 September 2021 ZWL
Agricultural produce	1 911 791 220	332 320 694	2 205 881 904	119 863 235
Packed Tea and coffee	2 080 735 472	1 031 052 769	2 470 689 009	371 885 718
Water	73 848 411	8 294 315	87 688 445	2 991 638
	4 066 375 103	**1 371 667 778**	**4 764 259 358**	**494 740 591**

NOTES TO FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER 2022

23. OTHER INCOME

	INFLATION ADJUSTED		HISTORICAL COST*	
	12 months ended 30 September 2022 ZWL	6 months ended 30 September 2021 ZWL	12 months ended 30 September 2022 ZWL	6 months ended 30 September 2021 ZWL
Loss on disposal of property, plant and equipment and Biological assets	(613 446 663)	17 428 154	(3 650 880)	4 967 760
Other fair value adjustments	(50 832 125)	-	(14 287 047)	-
Net livestock movement (note 12)	193 505 665	(23 765 570)	298 410 292	1 358 148
Net sundry income	214 498 513	148 730 419	67 564 813	39 076 390
Gain on fair value adjustments of biological assets (note 12)	800 103 370	315 359 617	616 499 856	91 158 609
Gain on fair value adjustments on bearer plants	39 876 288	(1 025 774 638)	117 986 627	(508 163 979)
Foreign exchange gains	2 286 196 988	91 380 808	1 352 000 803	22 512 902
	2 869 902 036	**(476 641 210)**	**2 434 524 464**	**(349 090 170)**

24. NET FINANCE COSTS

	INFLATION ADJUSTED		HISTORICAL COST*	
	12 months ended 30 September 2022 ZWL	6 months ended 30 September 2021 ZWL	12 months ended 30 September 2022 ZWL	6 months ended 30 September 2021 ZWL
Interest expense:				
- Bank borrowings	(176 405 009)	(170 755 854)	(119 656 233)	(41 041 440)
- Accounts payable	(618 873)	(175 259)	(370 793)	(41 836)
- Lease liabilities	(2 082 620)	-	(1 197 729)	-
	(179 106 502)	(170 931 113)	(121 224 755)	(41 083 276)
Interest income:				
- Short-term bank deposits	6 300	1 982	2 840	479
	6 300	1 982	2 840	479
Net finance costs	**(179 100 202)**	**(170 929 131)**	**(121 221 915)**	**(41 082 797)**

25. OPERATING PROFIT

	INFLATION ADJUSTED		HISTORICAL COST*	
	12 months ended 30 September 2022 ZWL	6 months ended 30 September 2021 ZWL	12 months ended 30 September 2022 ZWL	6 months ended 30 September 2021 ZWL
Operating profit before tax is after deducting the following:				
Audit fees	116 181 534	28 616 655	68 989 023	5 696 703
Depreciation (Note 7)	679 221 226	317 763 736	34 100 740	7 397 136
Employee costs- non-manufacturing	1 837 236 500	727 933 288	1 086 307 094	175 506 903
Expected credit loss (Note 13)	**22 836 127**	**(536 177)**	**43 158 456**	**1 146 149**

26. INCOME TAX CHARGE

	INFLATION ADJUSTED		HISTORICAL COST*	
	12 months ended 30 September 2022 ZWL	6 months ended 30 September 2021 ZWL	12 months ended 30 September 2022 ZWL	6 months ended 30 September 2021 ZWL
Current income tax	546 718 324	58 272 063	320 250 191	14 151 588
Deferred tax expense/credit	712 318 134	(307 956 950)	361 427 716	(72 525 618)
Total Income tax expense/(credit)	**1 259 036 458**	**(249 684 887)**	**681 677 907**	**(58 374 030)**

NOTES TO FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER 2022

26. INCOME TAX CHARGE (continued)

The tax on the Company's profit before income tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	INFLATION ADJUSTED		HISTORICAL COST*	
	12 months ended 30 September 2022 ZWL	6 months ended 30 September 2021 ZWL	12 months ended 30 September 2022 ZWL	6 months ended 30 September 2021 ZWL
Profit/ (loss) before income tax	1 636 798 257	(2 270 512 633)	4 651 271 084	(215 098 971)
Tax calculated at statutory applicable rates (15.45%)	252 885 331	(350 794 202)	718 621 382	(33 232 791)
Effect of permanent differences :				
- Disallowed expenses	37 294 106	17 430 908	21 845 700	4 158 099
- Other permanent différences	968 857 021	83 678 407	(58 789 175)	(29 299 338)
	1 259 036 458	**(249 684 887)**	**681 677 907**	**(58 374 030)**

27. CASH GENERATED FROM OPERATIONS

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

28. RELATED PARTY TRANSACTIONS

Related party transactions relate to transactions between the Company and fellow Company companies in the Meikles Company prior to the unbundling of Tanganda Tea Company Limited as at 31 January 2022. These transactions were incurred during the normal course of business.

The following transactions were carried out with related parties:

	INFLATION ADJUSTED		HISTORICAL COST*	
	12 months ended 30 September 2022 ZWL	6 months ended 30 September 2021 ZWL	12 months ended 30 September 2022 ZWL	6 months ended 30 September 2021 ZWL
i) Sales of goods:				
TM Supermarkets	320 990 458	681 624 723	98 114 885	171 057 548
Meikles Limited	541 225	429 181	164 570	103 592
	321 531 683	682 053 904	98 279 455	171 161 140

NOTES TO FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER 2022

28. RELATED PARTY TRANSACTIONS (continued)

	INFLATION ADJUSTED		HISTORICAL COST*	
	12 months ended 30 September 2022 ZWL	6 months ended 30 September 2021 ZWL	12 months ended 30 September 2022 ZWL	6 months ended 30 September 2021 ZWL
ii) Purchases of goods and services:				
Meikles Guard Services	10 323 619	13 151 768	3 152 942	3 155 769
Thomas Meikle Properties	1 815 247	1 994 049	552 731	485 090
	12 138 866	15 145 817	3 705 673	3 640 859
iii) Management fees				
Meikles Limited	-	5 173 621	-	1 241 774

iv) Compensation of Executive Directors and key management personnel

The short-term benefits represent remuneration of executive Directors and other members of key management for continuing operations during the year.

	INFLATION ADJUSTED		HISTORICAL COST*	
	12 months ended 30 September 2022 ZWL	6 months ended 30 September 2021 ZWL	12 months ended 30 September 2022 ZWL	6 months ended 30 September 2021 ZWL
Short-term benefits	1 170 413 414	420 366 444	509 546 312	100 277 357
	1 170 413 414	420 366 444	509 546 312	100 277 357
v.) Outstanding balances arising from sales of goods and services:				
TM Supermarkets (Private) Limited	-	86 693 331	-	22 789 918
Meikles Limited	-	46 258	-	12 160
	-	86 739 589	-	22 802 078
vi.) Outstanding balances arising from purchase of goods and services:				
Meikles Limited	-	50 596 675	-	13 300 839
Thomas Meikle Properties	-	488 162	-	128 328
Meikles Guard Services	-	8 954 335	-	2 353 913
TM Supermarkets (Private) Limited	-	3 865 890	-	1 016 264
	-	63 905 062	-	16 799 344
viii.) Remuneration of directors				
Directors fees and expenses	48 167 745	9 067 505	28 369 286	2 336 975

29. RETIREMENT BENEFITS OBLIGATIONS

Meikles Limited Pension Fund

The Company and its employees contribute to a defined contribution plan which is administered by a separate board of trustees. This fund is subject to the Pension and Provident Funds Act (Chapter 24:09).

National Social Security Authority (NSSA) Scheme

The Company and its employees also contribute to the National Social Security Authority Scheme. This is a social security scheme which was promulgated under the National Social Security Act. The Company's obligations under the scheme are limited to specific contributions legislated from time to time. Contributions to the schemes recognised in the income statement are as follows:

NOTES TO FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER 2022

29. RETIREMENT BENEFITS OBLIGATIONS

	INFLATION ADJUSTED		HISTORICAL COST*	
	30 September 2022 ZWL	30 September 2021 ZWL	30 September 2022 ZWL	30 September 2021 ZWL
Meikles Company Pension Fund	213 820 434	65 056 292	93 087 974	15 519 015
NSSA	46 404 152	23 978 549	20 202 318	5 720 023
	260 224 586	89 034 841	113 290 292	21 239
Number of employees at year end	4 890	4 437	4 890	4 437

30. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

30.1 Fair value hierarchy

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities traded on the Zimbabwe Stock Exchange.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This level includes non-listed equity investments.

The determination of fair values of quoted financial assets and financial liabilities in active markets are based on quoted market prices or dealer price quotations. If the market for a financial asset or financial liability is not actively traded, the Company establishes fair value by using valuation techniques. These techniques include the use of arms' length transactions, discounted cash flow analysis, and valuation models and techniques commonly used by market participants.

For complex instruments, the Company may use proprietary models, which are usually developed from recognised valuation models. Some or all the inputs into these models may be derived from market prices or rates or are estimates based on assumptions.

The value produced by a model or other valuation technique may be adjusted to allow for a number of factors as appropriate, because valuation techniques cannot appropriately reflect all factors market participants consider when entering into a transaction. Management believes that these valuation adjustments are necessary and appropriate to fairly state financial instruments carried at fair value on the statement of financial position.

The following table represents assets and liabilities recognised at fair value in the statement of financial position of the Company.

	September 2022			
	Level 1 ZWL	Level 2 ZWL	Level 3 ZWL	Total carrying amount ZWL
Assets				
Biological assets	-	1 090 814 152	-	**1 090 814 152**
Other financial assets	-	-	7 269 137	**7 269 137**
Produce on bearer plants	-	145 843 170	-	**145 843 170**

	Inflation Adjusted September 2021			
	Level 1 ZWL	Level 2 ZWL	Level 3 ZWL	Total carrying amount ZWL
Assets				
Biological assets	-	640 004 861	-	**640 004 861**
Other financial assets	-	-	2 633 675	**2 633 675**
Produce on bearer plants	-	105 966 882	-	**105 966 882**

NOTES TO FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER 2022

30. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

30.1 Fair value hierarchy (continued)

	Historical Cost September 2021			
	Level 1 ZWL	Level 2 ZWL	Level 3 ZWL	Total carrying amount ZWL
Assets				
Biological assets	-	168 244 291	-	**168 244 291**
Other financial assets	-	-	692 340	**692 340**
Produce on bearer plants	-	27 856 543	-	**27 856 543**

Valuation technique

			Inflation adjusted		Historical	
			2022	2021	2022	2021
Type	Valuation technique	Significant unobservable inputs	Significant unobservable inputs range	Significant unobservable inputs range	Significant unobservable inputs range	Significant unobservable inputs range
Cattle- which comprise of bulls, cows, heifers, steers and claves	Fair market price	Age, weight	1-8 years	1-8 years	1-8 years	1-8 years
Gum and wattle	Cost approach - The valuation is based on cost per cubic metre of wood	Cost per cubic metre Average life cycle of the tree Discounting factor Volume per chord Chords per hectare Number of trees per chord	1 cubic metre cost ZWL 7 000 Maturity 7 years Discount rate 21.8% 1 chord has a volume of 3.47 cubic metres 25 trees per chord	1 cubic metre cost ZWL 1 450 Maturity 7 years Discount rate 46.1% 1 chord has a volume of 3.47 cubic metres 25 trees per chord	1 cubic metre cost ZWL 7 000 Maturity 7 years Discount rate 21.8% 1 chord has a volume of 3.47 cubic metres 25 trees per chord	1 cubic metre cost ZWL 1 450 Maturity 7 years Discount rate 46.1% 1 chord has a volume of 3.47 cubic metres 25 trees per chord
Other financial assets	Net Assets value	Asset and liabilities carrying amounts	-	-	-	-
Produce on bearer plants	Fair market price	Weight, market price, tea plucking cycle	1-14 day plucking cycle	1-14 day plucking cycle	1-14 day plucking cycle	1-14 day plucking cycle

The table below presents the sensitivity of profit or loss before tax due to changes in inputs to the valuation of biological assets (livestock and timber plantations) and produce on bearer plants.

	INFLATION ADJUSTED		HISTORICAL COST*	
	30 September 2022 ZWL	30 September 2021 ZWL	30 September 2022 ZWL	30 September 2021 ZWL
Effect on profit before tax +10%				
Livestock	19 350 567	2 376 557	29 841 029	133 551
Timber plantations	80 010 337	31 535 962	61 649 986	9 115 861
Produce on bearer plants	3 987 629	102 577 464	11 798 663	50 816 398
Effect on profit before tax (-10%)				
Livestock	(19 350 567)	(2 376 557)	(29 841 029)	(133 551)
Timber plantations	(80 010 337)	(31 535 962)	(61 649 986)	(9 115 861)
Produce on bearer plants	(3 987 629)	(102 577 464)	(11 798 663)	(50 816 398)

NOTES TO FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER 2022

30. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

30.1 Fair value hierarchy (continued)

The table below presents the sensitivity of fair values due to changes in inputs to the valuation of other financial assets.

	INFLATION ADJUSTED		HISTORICAL COST*	
	30 September 2022 ZWL	30 September 2021 ZWL	30 September 2022 ZWL	30 September 2021 ZWL
Effect on fair value +5%				
Other financial assets	363 457	131 684	363 457	34 617
Effect on fair value (-5%)				
Other financial assets	(363 457)	(131 684)	(363 457)	(34 617)

31. FINANCIAL RISK MANAGEMENT

The Company's principal financial instruments comprise interest-bearing borrowings, financial assets, cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Company's operations. The Company has various other financial assets and financial liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Company's financial instruments are credit risk, interest rate risk, foreign currency risk, and liquidity risk. The Board reviews and agrees policies for managing each of these risks and the Company's management of these are summarised below:

31.1 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or a customer contract, leading to a financial loss.

The Company trades only with recognised, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to debt impairment is managed within acceptable levels. For transactions that are not denominated in the functional currency of the relevant operating unit, credit terms are specified contractually within the regulations laid down by the Reserve Bank of Zimbabwe.

There is no concentration risk as the Company trades with a wide range of customers with different risk profiles. Credit limits are set by the Company to avoid exposure to a single customer.

Where it sees fit, the Company can from time to time ask for collateral security from debtors. This is done after assessing the customers' ability to honour their obligations and the level of exposure. Collateral can be bank guarantees, properties or other assets.

With respect to credit risk arising from the other financial assets of the Company, which comprise cash and cash equivalents, the Company's Audit and Finance Committee approves all counterparties, sets and monitors exposure limits and terms of engagement.

Trade Receivables

Customer credit risk is managed by each division subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits defined in accordance with this assessment.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customers with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are granted short term credit terms.

31.2 Interest rate risk

The Company's exposure to the risk of changes in market interest rates relates primarily to variable short-term borrowing rates. The Company's policy is to manage its interest cost by limiting exposure to short term borrowings and where borrowings are required, to borrow at favourable and fixed rates of interest.

NOTES TO FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER 2022

31. FINANCIAL RISK MANAGEMENT

31.2 Interest rate risk (continued)

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on short-term borrowings. There is no material impact on the Company's equity.

	INFLATION ADJUSTED		HISTORICAL COST*	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
Effect on profit before tax	**ZWL**	**ZWL**	**ZWL**	**ZWL**
Increase of 3%	(5 373 195)	(5 127 933)	(3 636 743)	(1 232 498)
Decrease of 3%	5 373 195	5 127 933	3 636 743	1 232 498

31.3 Foreign Currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As a result of significant imports and exports, the Company's statement of financial position can be affected significantly by movements in foreign currency exchange rates. The Company also has transactional currency exposures. Such exposure arises from the sale or purchase by an operating unit in currencies other than the unit's functional currency. The Company's limits exposure to exchange rate fluctuations by either pre-paying for purchases or retaining stock until the foreign currency to settle the related liability has been secured.

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

Inflation adjusted 30 September 2022

	Liabilities ZWL Equivalent	Assets ZWL Equivalent	Net position ZWL Equivalent
South African Rand	(200 374 865)	-	(200 374 865)
USD	(1 648 753 463)	2 724 011 715	1 075 258 252
Great Britain Pound	(4 965 942)	-	(4 965 942)
	(1 854 094 270)	2 724 011 715	869 917 445

Inflation adjusted 30 September 2021

	Liabilities ZWL Equivalent	Assets ZWL Equivalent	Net position ZWL Equivalent
South African Rand	-	-	-
USD	-	1 196 894 389	1 196 894 389
Great Britain Pound	-	-	-
	-	1 196 894 389	1 196 894 389

Historical Cost 30 September 2021

	Liabilities ZWL Equivalent	Assets ZWL Equivalent	Net position ZWL Equivalent
South African Rand	-	-	-
USD	-	314 639 247	314 639 247
Great Britain Pound	-	-	-
	-	314 639 247	314 639 247

NOTES TO FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER 2022

31. FINANCIAL RISK MANAGEMENT

31.3 Foreign Currency risk (continued)

The following table demonstrates the sensitivity of the Company's results to a reasonably possible change in the ZWL closing exchange rate against the following currencies, with all other variables held constant.

Inflation adjusted 30 September 2022

	Change in rate	Effect on profit before tax ZWL	Effect on equity ZWL
South African Rand	+10%	(20 037 487)	(16 941 695)
	-10%	20 037 487	16 941 695
USD	+10%	107 525 825	90 913 085
	-10%	(107 525 825)	(90 913 085)
Great Britain Pound	+10%	(496 594)	(419 870)
	-10%	496 594	419 870

Inflation adjusted 30 September 2021

	Change in rate	Effect on profit before tax ZWL	Effect on equity ZWL
South African Rand	+10%	-	-
	-10%	-	-
USD	+10%	119 689 439	101 197 420
	-10%	(119 689 439)	(101 197 420)
Great Britain Pound	+10%	-	-
	-10%	-	-

Historic 30 September 2021

	Change in rate	Effect on profit before tax ZWL	Effect on equity ZWL
South African Rand	+10%	-	-
	-10%	-	-
USD	+10%	31 463 925	26 602 748
	-10%	(31 463 925)	(26 602 748)
Great Britain Pound	+10%	-	-
	-10%	-	-

31.4 Liquidity risk

Liquidity risk is the risk that the Company may fail to meet its payment obligations when they fall due. 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. The table below analyses the Company's non-derivative financial assets and liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual un-discounted cash flows;

NOTES TO FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER 2022

31. FINANCIAL RISK MANAGEMENT

Liquidity risk (continued)

Inflation Adjusted Liquidity profiling as at 30 September 2022:

Liabilities	Up to 1 month ZWL	1 to 6 months ZWL	6 months to 1 year ZWL	1 to 5 years ZWL	Total ZWL
Trade and other payables (Inc other financial liabilities)	(997 705 067)	(1 426 874 621)	(202 892 335)	-	(2 627 472 023)
Borrowings	(234 693 852)	(593 816 062)	(144 063 784)	-	(972 573 698)
Total liabilities	(1 232 398 919)	(2 020 690 683)	(346 956 119)	-	(3 600 045 721)
Assets					
Trade and other receivables (Excl prepayments and advance crop expenditure)	607 122 355	2 911 205 517	-	-	3 518 327 872
Cash and bank	138 149 751	-	-	-	138 149 751
Total assets	745 272 106	2 911 205 517	-	-	3 656 477 623
Liquidity gap	**(487 126 813)**	**890 514 834**	**(346 956 119)**	**-**	**56 431 902**

Liquidity profiling as at 30 September 2021:

Liabilities	Up to 1 month ZWL	1 to 6 months ZWL	6 months to 1 year ZWL	1 to 5 years ZWL	Total ZWL
Trade and other payables (Inc other financial liabilities)	(326 599 537)	(938 717 921)	(207 963 468)	-	(1 473 280 926)
Borrowings	(107 617 778)	(345 052 777)	(179 487 977)	(76 331 573)	(708 490 105)
Total liabilities	(434 217 315)	(1 283 770 698)	(387 451 445)	(76 331 573)	(2 181 771 031)
Assets					
Trade and other receivables (Excl prepayments and advance crop expenditure)	196 263 477	1 325 555 632	-	-	1 521 819 109
Cash and bank	443 136 597	-	-	-	443 136 597
Total assets	639 400 074	1 325 555 632	-	-	1 964 955 706
Liquidity gap	**205 182 759**	**41 784 934**	**(387 451 445)**	**(76 331 573)**	**(216 815 325)**

NOTES TO FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER 2022

31. FINANCIAL RISK MANAGEMENT

Liquidity risk (continued)

Historical Liquidity profiling as at 30 September 2022:

	Up to 1 month	1 to 6 months	6 months to 1 year	1 to 5 years	Total
Liabilities					
Trade and other payables (Inc Other financial liabilities)	(997 705 067)	(1 426 874 621)	(202 892 335)	-	(2 627 472 023))
Borrowings	(234 693 852)	(593 816 062)	(144 063 784)	-	(972 573 698)
Total liabilities	(1 232 398 919)	(2 020 690 683)	(346 956 119)	-	(3 600 045 721)
Assets					
Trade and other receivables (Excl Prepayments and advance crop expenditure)	607 122 355	2 911 205 517	-	-	3 518 327 872
Cash and bank	138 149 751	-	-	-	138 149 751
Total assets	745 272 106	2 911 205 517	-	-	3 656 477 623
Liquidity gap	**(487 126 813)**	**890 514 834**	**(346 956 119)**	**-**	**56 431 902**

Liquidity profiling as at 30 September 2021:

	Up to 1 month	1 to 6 months	6 months to 1 year	1 to 5 years	Total
Liabilities					
Trade and other payables (Inc Other financial liabilities)	(85 856 390)	(246 769 893)	(54 669 380)	-	(387 295 663)
Borrowings	(28 290 530)	(90 707 373)	(47 183 747)	(20 066 022)	(186 247 672)
Total liabilities	(114 146 920)	(337 477 266)	(101 853 127)	(20 066 022)	(573 543 335)
Assets					
Trade and other receivables (Excl Prepayments and advance crop expenditure)	51 593 685	348 461 677	-	-	400 055 362
Cash and bank	116 491 619	-	-	-	116 491 619
Total assets	168 085 304	348 461 677	-	-	516 546 981
Liquidity gap	**53 938 384**	**10 984 411**	**(101 853 127)**	**(20 066 022)**	**(56 996 354)**

32. CONTINGENT EVENT

Land tenure

According to the Constitution Amendment Act, all agricultural land properties that were gazetted with a Section 5 notice since June 2000 became State land. In the case of Tanganda Tea Company Limited this amount to approximately 76.7% of the Company's estates. The government is yet to formally adopt a land policy that governs the future of land tenure with respect to corporate agriculture. The new policy will determine whether the Company will have to apply for long term leases or revert to use of title deeds. The risk that government will designate and allocate the remaining Tanganda Tea Company Limited land to other farmers is mitigated significantly by the agreement between Tanganda Tea Company Limited and the Government of Zimbabwe and court orders issued in this regard.

Agricultural wages

The National Employment Council for Agricultural industry signed a collective bargaining agreement awarding a ZWL90 minimum wage as per Statutory Instrument 130 of 2012 with effect from the 1st of June 2012. This award is being challenged by the Tea and Coffee sector in the court of law on the basis of their exclusion from the negotiations. A possible but not probable liability of ZWL3 059 728 may arise in the event that the determination is in the favor of the employees.

33. SUBSEQUENT EVENTS

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

SHAREHOLDER INFORMATION

	Holders		Shares	
	Number	%	Number	%
Analysis of ordinary shareholdings at 30 September 2022				
Type of holder				
Non-taxable companies	1,627	13.00	200,919,227	77.00
Individuals	9,858	82.51	13,103,313	5.02
FCDA residents	50	0.40	5,634,398	2.16
Insurance companies	27	0.21	507,815	0.19
Nominee companies	252	2.29	17,754,798	6.40
Non-residents	23	0.18	4,274,063	2.00
Pension funds	178	1.41	18,870,976	7.23
Total	12,015.00	100	261,064,590	100.00
Size of holdings				
1 – 5 000	11,327	94.55	3,045,599	1.17
5 001 – 10 000	209	1.66	1,496,855	0.57
10 001 – 50 000	290	2.30	6,550,690	2.51
50 001 – 100 000	66	0.52	4,729,136	1.81
100 001 – 500 000	85	0.67	17,350,135	6.65
Exceeding 500 000	38	0.3	227,892,175	87.29
Totals	**12 015**	**100.00**	**261,064,590**	**100.00**

Top ten shareholders	**No. of shares**	**%**
At 30 September 2022		
Meikles Consolidated Holdings (Private) Limited	127,601,590	48.88
Mega Market (Private) Limited	24,271,116	9.30
Old Mutual Life Assurance Company Zimbabwe Limited	21,876,397	8.38
Stanbic Nominees (Private) Limited – account 140043470003	6,794,718	2.60
London Register- Meikles Africa Limited	4,101,209	1.57
Old Mutual Zimbabwe Limited	2,966,684	1.14
Meikles Pension Fund – ABC	2,846,010	1.09
Stanbic Nominees (Private) Limited – NNR account 140043470002	2,528,575	0.97
Mundell Family Trust	2,466,231	0.94
Meikles Limited Demerger Tax	2,094,868	0.80
Total for top ten shareholders	**197,547,398**	**75.67**
Other	63,517,192	24.33
Total	**261,064,590**	**100.00**

CORPORATE INFORMATION

Tanganda Tea Company Limited

Registration Number 742/30

Registered Office
Physical Address
15 Vumba Road
Mutare
Zimbabwe
Tel: +263 (2020) 60831
VOIP: +263 (242) 8677447521
email: letstalktea@tangandatea.com
Website: www.tangandatea.com

Business Address
194 Mutare Road
Msasa
P.O. Box 10078
Harare
Zimbabwe
+263 (242) 447525
+263 (242) 8677447523

Transfer Secretaries
ZB Transfer Secretaries
21 Natal Road
Belgravia
P. O Box 2540
Harare
Zimbabwe
Telephone 263-242-759660/9
email: rmutakwa@zb.co.zw

Auditors
Deloitte & Touche (Chartered Accountants)
West Block, Borrowdale Office Park
Borrowdale Road
Borrowdale
P.O Box 267
Harare
Zimbabwe
Telephone +263 (0)8677 0000261
email: deloitte@deloitte.co.zw

Legal Practitioners
Bere Brothers
Suite No. 3 Manica Centre
P O Box 365
Mutare
email: mail@berebrothers.co,

Legal Practitioners
Scanlen & Holderness
CABS Centre, 74 Jason Moyo Avenue
P O Box 155 & 631
Harare
email scanlen@mweb.co.zw

Principal Bankers
AFC Commercial Bank
Hurudza House
14-16 Nelson Mandela Avenue
P.O. Box 369
Harare
Zimbabwe
Telephone +263-242-774400
email: customerservice@afcholdings.co.zw

Principal Bankers
Ecobank Zimbabwe Limited
Block A Sam Levy's Office Park
2 Piers Road
P.O. Box Bw 1464, Borrowdale
Harare
Zimbabwe
Telephone +263-242-858058
email: ecobankenquiries@ecobank.com

Principal Bankers
NMB Bank Limited
9 Plymouth Road
P.O.Box 2564,
Southerton
Harare
Zimbabwe
Telephone +263-8688003347
email: enquiries@nmbz.zo.zw

Principal Bankers
Standard Chartered Bank Zimbabwe Limited
1st Floor, Africa Unity Square Building
68 Nelson Mandela Avenue
P.O. Box 373
Harare
Zimbabwe
Telephone +263-242-758078
email: contactus.zw@sc.com

Company Secretary
Sharon Nyasha Kodzanai
email: investorrelations@tangandatea.com

NOTICE OF MEETING

For the Ninety -Third Annual General Meeting of the Members of Tanganda Tea Company Limited to be convened at Sabre Business World, 146 Enterprise Road, Harare on 28 February 2023 at 09.00 hours. Shareholders will be asked to connect and attend the meeting virtually. The meeting login instructions are at the end of this notice.

ORDINARY BUSINESS

1. ANNUAL FINANCIAL STATEMENTS AND REPORTS

To receive, consider and adopt the Company Financial Statements for the year ended 30 September 2022 together with reports of the Directors and Auditors thereon.

2. DIVIDEND

To confirm a final dividend of 0.06 US$ cents per share following an interim dividend of 50 ZWL cents per share for the year ended 30 September 2022.

3. DIRECTORATE

3.1 To consider the re-appointment of the following Director who retires by rotation and being eligible offers himself for re-election:
- Herbert Nkala

3.2 To consider the re-appointment of the following Director who retires by rotation and being eligible offers himself for re-election:
- Stewart Phillip Cranswick

3.3 To consider the re-appointment of the following Director who retires by rotation and being eligible offers himself for re-election:
- Livingstone Takudzwa Gwata

3.4 To consider the re-appointment of the following Director who retires by rotation and being eligible offers himself for re-election:
- Simon James Hammond

3.5 To consider the re-appointment of the following Director who retires by rotation and being eligible offers herself for re-election:
- Rufaro Audrey Maunze

3.6 To consider the re-appointment of the following Director who retires by rotation and being eligible offers himself for re-election:
- Matthew John Stewart Moxon

4. DIRECTORS FEES

4.1 To confirm Directors' fees amounting to ZWL 28,369,286 for the year ended 30 September 2022.

5. AUDITORS' FEES AND APPOINTMENT OF AUDITORS

5.1 To approve the auditors' fees of ZWL 68,989,023 for the Company for the year ended 30 September 2022.

5.2 To reappoint Messrs. Deloitte & Touche as the auditors of the Company for the year ending 30 September 2023 who have indicated their willingness to continue in office.

Note 1. Deloitte & Touche have acted as the Company's independent auditors for more than ten years when the Company was a subsidiary of Meikles Limited before listing on the Zimbabwe Stock Exchange in February 2022.

Note 2. In terms of the Companies and Other Business Entities Act [Chapter 24:31] a member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote on a poll and speak in his stead. A proxy need not to be a member of the Company and shall not be a director or officer of the Company. Proxy forms must be lodged with the secretary not less than forty-eight (48) hours before the time of holding of the meeting.

SPECIAL BUSINESS

1. SHARE INCENTIVE SCHEMES

To consider, and if deemed fit to pass, with or without modification, the resolutions to establish Share Incentive Schemes for management and employees as set out below:

1.1 That 13,053,230 unissued shares (approximately five percent (5%) of the current total issued shares) of the Company be placed under the control of the Directors who shall have the authority to issue the shares to executive and senior management employees over a five-year period on such terms and conditions they deem fit as an incentive to attract, retain, and reward executive and senior management.

1.2 That a further 13,053,230 unissued shares of the Company be placed under the control of Directors who shall have authority to issue the shares to an Employee Share ownership Trust on such terms and conditions they deem fit, provided that the shares be issued at a price calculated on the basis of the weighted average price of the Company over forty-five (45) days prior to the date of issue.

1.3 That the Directors of the Company be and are hereby authorised to do all such things required to implement the Share Incentive schemes.

Note 3. The Incentive Schemes rules and the Zimbabwe Stock Exchange letter approving the schemes are available for inspection at the Company registered offices at 194 Mutare Road, Harare and 15 Vumba Road, Mutare.

By order of the Board

S. N. Kodzanai
Company Secretary
06 February 2023

LOGIN INSTRUCTIONS

May you please ensure that you have downloaded the ZOOM application and follow the login instructions below:

Meeting ID: 885 9789 7109

1. Password: Shareholders to contact the Transfer Secretaries on the following numbers +263 772 862 956 and +263 773 668 857.
2. Write your username on Zoom in the format below:

   XXXXXX SHAREHOLDER NAME

   Where XXXXXX is your shareholder number.

If you have any challenges, kindly contact us on +263 772 862 956 and +263 773 668 857.

FORM OF PROXY

For the Ninety -Third Annual General Meeting of the Members of Tanganda Tea Company Limited to be convened at Sabre Business World, 146 Enterprise Road, Harare on 28 February 2023 at 09.00 hours. Shareholders will be asked to connect and attend the meeting virtually.

I/We _____
(Name/s in block letters)
being a member of Tanganda Tea Company Limited

being the holder of _____ shares in the Company hereby appoint

1. _____ of _____
or failing him/her
2. _____ of _____

As my/our proxy to act for me/us at the AGM for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat, and at each adjournment thereof, and to vote for and/or against the resolutions and/or abstain from voting in respect of the shares in the issued share capital of the Company registered in my/our name (see note 2) in accordance with the following instructions:

Resolution	For	Against	Abstain
Ordinary Resolution number 1 To receive, consider and adopt the financial statements for the year ended 30 September 2022 together with the reports of the Directors and Auditors thereon.			
Ordinary Resolution number 2 To confirm a final dividend of 0.06 US$ cents per share following an interim dividend of 50 ZWL cents per share for the year ended 30 September 2022.			
Ordinary Resolution number 3 3.1 To consider the re-appointment of the following Director who retires by rotation and being eligible offers himself for re-election: **Herbert Nkala**			
Ordinary Resolution number 3 3.2 To consider the re-appointment of the following Director who retires by rotation and being eligible offers himself for re-election: **Stewart Philip Cranswick**			
Ordinary Resolution number 3 3.3 To consider the re-appointment of the following Director who retires by rotation and being eligible offers himself for re-election: **Livingstone Takudzwa Gwata**			
Ordinary Resolution number 3 3.4 To consider the re-appointment of the following Director who retires by rotation and being eligible offers himself for re-election: **Simon James Hammond**			
Ordinary Resolution number 3 3.5 To consider the re-appointment of the following Director who retires by rotation and being eligible offers herself for re-election: **Rufaro Audrey Maunze**			
Ordinary Resolution number 3 3.6 To consider the re-appointment of the following Director who retires by rotation and being eligible offers himself for re-election: **Mathew John Stewart Moxon**			
Ordinary Resolution number 4 4.1 To confirm Directors' fees amounting to ZWL 28,369,286 for the year ended 30 September 2022.			
Ordinary Resolution number 5 5.1 To approve the auditors' fees of ZWL 68,989,023 for the Company for the year ended 30 September 2022.			
Ordinary Resolution number 5 5.2 To reappoint Messrs. Deloitte & Touche as the Auditors of the Company for the year ending 30 September 2023 who have indicated their willingness to continue in office.			
Special Business ***Establishment of Share Incentive Schemes*** 1.1 That 13,053,230 unissued shares (approximately five percent (5%) of the current total issued shares) of the Company be placed under the control of the Directors who shall have the authority to issue the shares to executive and senior management employees over a five-year period on such terms and conditions they deem fit as an incentive to attract, retain, and reward executive and senior management. 1.2 That a further 13,053,230 unissued shares of the Company be placed under the control of Directors who shall have authority to issue the shares to an Employee Share ownership Trust on such terms and conditions they deem fit, provided that the shares be issued at a price calculated on the basis of the weighted average price of the Company over forty-five (45) days prior to the date of issue. 1.3 That the Directors of the Company be and are hereby authorised to do all such things required to implement the Share Incentive schemes.			

Every person present and entitled to vote at the AGM shall, on a show of hands, have one vote only, but in the event of a poll, every share shall have one vote.

Please read the notes appearing on the reverse hereof.

Signed at _____ on _____ 2023

Signature(s) _____

Assisted by me _____

Full name(s) of signatory/ies if signing in a representative capacity (see note 2) (please use block letters).

INSTRUCTIONS FOR SIGNING AND LODGING THIS FORM OF PROXY

1. In terms of the Companies and Other Business Entities Act, a Member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote on a poll and speak in his or her stead. No Director or Officer of the Company may be appointed as a proxy for a Member. A proxy need not be a member of the Company

2. A deletion of any printed matter and the completion of any blank spaces need not be signed or initialled. Any alteration or correction must be initialled by the signatory/ies.

3. The Chairman shall be entitled to decline to accept the authority of a person signing the proxy form:
   i. Under a power of attorney
   ii. On behalf of a company
   unless that person's power of attorney or authority is deposited at the offices of the Company's Zimbabwe transfer secretaries, not less than forty-eight (48) hours before the meeting.

4. If two or more proxies attend the meeting then that person attending the meeting whose name appears first on the proxy form and whose name is not deleted, shall be regarded as the validly appointed proxy.

5. When there are joint holders of shares, any one holder may sign the form of proxy. In the case of joint holders, the senior who tenders a vote will be accepted to the exclusion of other joint holders. Seniority will be determined by the order in which names stand in the register of members.

6. The completion and lodging of this form of proxy will not preclude the member who grants this proxy form from attending the meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof should such member wish to do so.

7. In order to be effective, completed proxy forms must reach the Company's transfer secretaries not less than 48 hours before the time appointed for the holding of the meeting.

8. Please ensure that name(s) of the member(s) on the form of proxy and the voting form are the same as those on the share register.

9. Please be advised that the number of votes to which a member is entitled is determined by the number of shares recorded in the share register 48 hours before the time appointed for the holding of the meeting.

OFFICE OF THE ZIMBABWE TRANSFER SECRETARIES
ZB Transfer Secretaries
21 Natal Road
Avondale
P O Box 2540
Harare
Zimbabwe
Telephone 263 242 759660/9

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