



# TANGANDA TEA COMPANY LIMITED ABRIDGED AUDITED FINANCIAL RESULTS

## FOR THE YEAR ENDED 30 SEPTEMBER 2024



### CHAIRMAN'S STATEMENT

It gives me pleasure to present the Chairman's Report for the year ended 30 September 2024.

#### Environmental Overview

The operating environment was characterized by exchange rate volatility, depreciation of the local currency and upward inflationary pressures. Six months following the introduction of the ZWG local currency on 5 April 2024, the economy once again witnessed resurgence of exchange rate and inflationary pressures, forcing the monetary authorities to devalue the ZWG currency by 43% in September 2024, further weakening market confidence in the local currency. Despite the tightened fiscal and monetary policy by government, currency stability remains threatened by continued economic structural challenges amid faltering market confidence.

The El Nino climatic phenomenon impacted the agricultural sector and this came at a time when international commodity prices were subdued thereby undermining economic performance. Further, the El Nino-induced drought negatively impacted national hydro-power generation, resulting in persistent power shortages, stifling business operations which resorted to expensive alternative power sources. Fortunately, the investment in solar systems at three of the Company's five estates assisted in mitigating power supply challenges. Grid tying and net metering arrangements are strategies being pursued to leverage on excess power generated from solar plants which will in turn reduce the cost of power.

#### Change in functional and reporting currency

The Directors assessed the Company's functional currency and the requirements of IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and resolved to change the reporting currency to United States Dollars with effect from 1 October 2023. The process of changeover from reporting in Zimbabwe Dollars to United States Dollars was guided by IFRS Accounting Standards. In conforming with IFRS Accounting Standards, the inflation adjusted numbers reported in the prior year have been converted using the applicable exchange rates.

#### Financial Performance

Commentary on financial performance is based on United States Dollars following the change in functional and presentation currency on 1 October 2023.

Revenue for the year of USD25.7 million grew by 9% from the prior year of USD23.6 million primarily attributable to an increase in avocado export volumes and the recovery of their selling prices as Covid-19 pandemic restrictions eased.

The company achieved a profit after tax of USD1.4 million from a loss of USD3.1 million in the previous year.

### REVIEW OF OPERATIONS

#### Agriculture

##### Bulk Tea

The late onset, as well as the uneven distribution of the rains affected bulk tea production during the first half of the financial year. However, production gradually improved over the course of the year with 8 113 tonnes produced representing a 3% increase over the previous year's output of 7 894 tonnes. Tea quality was affected by the extreme hot temperatures that prevailed during the year and resulted in a slight decline in export volumes by 2% to 6 137 tonnes from 6 238 tonnes achieved in prior year. The stockpile of bulk tea in Kenya affected the export average selling price which declined from USD1.44 per kg in the previous year to USD1.34 per kg in the current financial year.

##### Avocado

Avocado production of 3 976 tonnes grew by 84% over prior year production of 2 156 tonnes due to the increased maturity profile of the plantations. The crop's exports grew by 40% to 2 997 tonnes from 2 148 tonnes achieved in the prior year. Growth in export volumes was buttressed by the firming of export prices to an average 75 US cents per kg from 44 US cents achieved in the prior year following global easing of Covid-19 imposed restrictions. The Company sold 60% of its non-exportable secondary grade for oil extraction and to the retail and informal sector, while 40% was unsaleable. In the ensuing financial year, it is expected that the previously unsaleable secondary grades will be channelled towards crude oil extraction.

##### Macadamia

Macadamia production of 1 626 tonnes increased by 77% over prior year production of 921 tonnes. Exports declined by 3% to 1 508 tonnes from 1 551 tonnes in the previous year, due to logistical issues caused by rescheduled ships, affecting the last consignment of 286 tonnes. The consignment was subsequently shipped in October 2024. The shift in market preference from nut-in-shell to kernel was evidenced by the decline in prices by 5% to USD1.84 per kg from USD1.93 per kg in the previous year, and USD3.26 per kg achieved in the year ended September 2022. The company plans to invest in value addition processes to reduce the risk of primary produce price fluctuations.

##### Coffee

The reduction in coffee production to 28 tonnes, compared to the previous year's output of 87 tonnes, was due to the natural decline in yields from aging bearer coffee plants. 60 hectares of coffee have been established on a joint venture at a third-party farm. Irrigation systems were installed at the joint venture farm after the reporting period and this, compounded with maturity of plants is expected to increase yields in the coming seasons.

##### Beverage

The decline in packed tea sales volumes of 7% from 1 873 tonnes in the prior year to 1 733 tonnes in this financial year was due to packaging material supply constraints, depressed performance from the traditional formal customers and overall macroeconomic dynamics. However, sustained export market development of packed tea into the region registered a 41% growth in volume over the prior year. The Company will continue to focus on increasing exports.

The Company continues to supply herbal infusions to support our consumers' expressed health and lifestyle preferences and will continue to broaden this range of products in line with global trends. Our existing packaging capacity and sector-specific expertise positions the company favourably to lead in this market.

#### Sustainable Business Priorities

The Company has retained its accreditation to various certifications, including those that relate to the environment, safety, health and sustainable business practices, as part of our continuous improvement efforts.

#### Outlook

The operating environment is expected to remain complex, largely influenced by adverse developments on currency and inflation. The effects of the El Nino-induced drought are likely to persist until the next harvesting period in April 2025. The power crisis is likely to endure until the first quarter of 2025, contributing to a continued increase in the cost of doing business. The agricultural sector is forecast to rebound on account of the anticipated La Nina, a weather phenomenon typically associated with normal to above normal rainfall.

Demand for our products remains relatively strong despite the impact of intricate macro-economic factors on the local, regional and international markets. The company will continue to pursue sustainable market diversification to expand the regional and international markets.

The Company has put in place mitigating strategies to enhance process efficiencies and manage costs in order to improve performance. Notwithstanding the operating environment challenges, the Company remains focused on adding value to its products.

#### Dividend


The Board does not recommend declaration of a dividend, considering the need to preserve cashflow and to reinvest into the business.

#### Directorate

There were no changes to the composition of the governance structures during the financial year. However, the Board committees were reorganized.

#### Appreciation

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

  
H. Nkala  
Chairman  
11 December 2024

### SALIENT FEATURES

	30 SEPTEMBER 2024, AUDITED USD
<b>Revenue</b>	Increased by 9% to USD25.7 million
<b>Export sales</b>	Increased by 39% to USD15.1 million
<b>Local sales</b>	Decreased by 16.5% to USD10.6 million
<b>Operating profit</b>	Increased by 223% to USD1.9 million

### ABRIDGED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Audited 30 September 2024 USD	Restated 30 September 2023 USD*
Revenue	4	25,766,340	23,595,458
Cost of sales		(16,974,532)	(17,240,818)
<b>Gross profit</b>		<b>8,791,808</b>	<b>6,354,640</b>
Other expenses		(3,561,154)	(4,313,412)
Selling and distribution expenses	15	(3,929,738)	(3,886,079)
Decrease/(Increase) in expected credit losses	15	313,960	(445,117)
Other income		318,961	711,717
Operating profit/(loss)		<b>1,933,837</b>	<b>(1,578,251)</b>
Net finance costs		(777,256)	(931,358)
Net monetary loss		-	(583,154)
<b>Profit/(loss) before tax</b>		<b>1,156,581</b>	<b>(3,092,763)</b>
Income tax credit/(expense)	6	209,142	(26,779)
<b>Profit/(loss) for the period</b>		<b>1,365,723</b>	<b>(3,119,542)</b>
Other comprehensive income		-	-
<b>Total comprehensive profit/(loss) for the period</b>		<b>1,365,723</b>	<b>(3,119,542)</b>
<b>Earning/(loss) per share (cents)</b>			
Basic		0.52	(1.19)
Diluted		0.52	(1.19)

\*Prior year amounts reported in ZWL now reported in USD, refer to note 2.2 on change in functional currency and note 15 for prior year statement of profit or loss and other comprehensive income restatement.

### ABRIDGED STATEMENT OF FINANCIAL POSITION

	Notes	Audited 30 Sep 2024 USD	Restated 30 Sept 2023 USD*	Restated 1 October 2022 USD*
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		20,034,801	20,283,842	19,808,621
Right of use asset		10,687	16,794	22,755
Intangible assets		-	-	33,470
Biological assets	8.2	1,645,154	1,163,106	1,482,554
Other financial assets		-	-	9,880
		<b>21,690,642</b>	<b>21,463,742</b>	<b>21,357,280</b>
<b>Current assets</b>				
Inventories	9	6,956,514	5,882,897	7,146,344
Produce on bearer plants		112,173	220,106	198,219
Trade and other receivables	10	6,159,017	4,266,194	5,150,170
Bank and cash balances		224,613	152,249	187,763
		<b>13,452,317</b>	<b>10,521,446</b>	<b>12,682,496</b>
<b>Total assets</b>		<b>35,142,959</b>	<b>31,985,188</b>	<b>34,039,776</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and reserves</b>				
Share capital		320,075	320,075	320,075
Share premium		7,675,801	7,675,801	7,675,801
Non-distributable reserve		2,599,156	2,599,156	2,599,156
Retained earnings		12,651,166	11,285,443	14,588,109
<b>Total shareholders' equity</b>		<b>23,246,198</b>	<b>21,880,475</b>	<b>25,183,141</b>
<b>Non-current liabilities</b>				
Deferred tax		2,777,412	3,205,636	3,558,275
Lease liability		11,297	25,284	32,233
Long-term borrowings	12	2,937,639	1,267,716	-
		<b>5,726,348</b>	<b>4,498,636</b>	<b>3,590,508</b>
<b>Current liabilities</b>				
Trade and other payables	11	2,534,078	4,277,939	3,571,067
Lease liability		13,987	12,852	9,980
Current portion of long-term borrowings	12	3,093,792	1,216,981	1,321,851
Bank overdraft		498,041	93,373	-
Other financial liabilities		30,515	4,932	363,229
		<b>6,170,413</b>	<b>5,606,077</b>	<b>5,266,127</b>
<b>Total liabilities</b>		<b>11,896,761</b>	<b>10,104,713</b>	<b>8,856,635</b>
<b>Total equity and liabilities</b>		<b>35,142,959</b>	<b>31,985,188</b>	<b>34,039,776</b>

\*Prior year amounts reported in ZWL now reported in USD, refer to note 2.2 on change in functional currency



# TANGANDA TEA COMPANY LIMITED ABRIDGED AUDITED FINANCIAL RESULTS

## FOR THE YEAR ENDED 30 SEPTEMBER 2024

### ABRIDGED STATEMENT OF CHANGES IN EQUITY

	SHARE CAPITAL USD	SHARE PREMIUM USD	NON-DISTRIBUTABLE RESERVES USD	RETAINED EARNING USD	TOTAL SHAREHOLDERS' EQUITY USD
<b>Balance at 1 October 2022</b>	320,075	7,675,801	2,599,156	14,588,109	25,183,141
Loss for the period	-	-	-	(3,119,542)	(3,119,542)
Dividend paid	-	-	-	(183,124)	(183,124)
<b>Balance at 30 September 2023</b>	320,075	7,675,801	2,599,156	11,285,443	21,880,475
<b>Balance at 1 October 2023</b>	320,075	7,675,801	2,599,156	11,285,443	21,880,475
Profit for the period	-	-	-	1,365,723	1,365,723
<b>Balance at 30 September 2024</b>	320,075	7,675,801	2,599,156	12,651,166	23,246,198

\*Prior year amounts reported in ZWL now reported in USD, refer to note 2.2 on change in functional currency

### ABRIDGED STATEMENT OF CASHFLOWS

Notes	Audited 30 September 2024 USD	Restated 30 September 2023 USD*
<b>Cash flows from operating activities</b>		
Cashflow (utilised in)/generated from operating activities	14 (2,367,667)	485,310
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(682,693)	(1,595,782)
Expenditure on biological assets	(3,024)	(57,244)
Proceeds on disposal of property, plant and equipment	6,776	4,603
Proceeds on disposal of biological assets	-	104,118
Interest received	282	1,032
<b>Net cash utilised in investing activities</b>	<b>(678,659)</b>	<b>(1,543,273)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	7,154,864	5,575,798
Repayment of borrowings	(3,608,129)	(3,891,879)
Dividend paid	-	(183,124)
Interest paid	(774,790)	(928,761)
Lease payments	(15,600)	(14,472)
<b>Net cash generated from financing activities</b>	<b>2,756,345</b>	<b>557,562</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(289,981)</b>	<b>(500,401)</b>
Cash and cash equivalents at the beginning of the period	58,876	187,763
Net effect of exchange rates on cash and cash equivalents	(42,323)	371,514
<b>Cash and cash equivalents at the end of the period</b>	<b>(273,428)</b>	<b>58,876</b>
<b>Comprising of</b>		
Bank and cash balances	224,613	152,249
Bank overdraft	(498,041)	(93,373)
	<b>(273,428)</b>	<b>58,876</b>

\*Prior year amounts reported in ZWL now reported in USD, refer to note 2.2 on change in functional currency

### NOTES TO THE ABRIDGED FINANCIAL STATEMENTS

#### 1 Corporate information

The Company is incorporated and domiciled in Zimbabwe.

#### 2 Basis of preparation

The Company's abridged financial statements for the year ended 30 September 2024 have been prepared in accordance with the requirements of the Zimbabwe Stock Exchange Listing Requirements and in a manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31), (COBE). The Listing Requirements require financial statements which are the basis of these abridged financial results to be prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). The abridged Company's financial statements have been prepared based on the statutory records that are maintained under the historical cost basis, except for biological assets which are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets. These financial results are presented in United States Dollars (USD).

The abridged financial statements have been prepared under the supervision of Henry Nemaire Chartered Certified Accountant, the Company Finance Director, registered public accountant, PAAB number 04741.

#### 2.1 Accounting policies

Accounting policies and methods of computation applied in the preparation of the condensed financial statements are consistent, in all material respects, with those used in the preparation of the latest annual report. New applicable standards and improvements which became effective in the current year have been complied with and have had no material impact on these financial statements unless otherwise stated.

#### 2.2 Change in functional currency and presentation currency

Following the promulgation of Statutory Instrument ("SI") 185 of 2020, issued on 24 July 2020, the Company has continued to see a steady increase in the use of foreign currency across its businesses and, in accordance with the requirements of IAS 21 (Effects of Changes in Foreign Exchange Rates), has been through a process of assessing its functional currency. In assessing functional currency, the following factors were considered:

- (i) the currency that mainly influences sales prices for goods and services (the currency in which sales prices for goods and services are denominated and settled).
- (ii) the currency which influences labour, material and other costs of providing goods and services.
- (iii) the currency in which funds from financing activities are generated.
- (iv) the currency in which receipts from operating activities are usually retained.

The Directors concluded that based on the above factors, there has been a change in the Company's functional currency from ZWL to United States Dollars ("USD") with effect from 1 October 2023 and the change in the functional currency led to the Company changing its presentation currency from ZWL to USD.

#### Procedures to convert comparative financial results to USD

In line with International Accounting Standards ("IAS") 21, "The Effects of Changes in Foreign Exchange Rates", the Company translated its last reported inflation adjusted financial statements using the closing exchange rate at the reporting date to derive and present comparative financial statements under the newly assessed functional currency.

All current year transactions were translated using the spot rate at the date of transaction and all monetary assets and monetary liabilities denominated in other currencies were translated to the presentation currency using the appropriate spot rate.

#### 3 Going Concern

The Directors assess the ability of the Company to continue in operational existence in the foreseeable future at least twice per annum at each reporting date. As at 30 September 2024 and subsequently as at the date of reporting, the Directors assessed the Company's ability to continue operating as a going concern and believe that the preparation of these financial statements on a going concern basis is appropriate.

In addition to the above the Directors decided to mobilise fresh equity capital which will enhance the business's working capital requirements and fund critical capital expenditure

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

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

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

	Audited 30 Sep 2024 USD	Restated 30 Sep 2023 USD
<b>4. Revenue by product</b>		
Bulk tea	8,219,295	8,116,139
Macadamia	2,783,117	2,771,447
Avocados	2,330,795	509,251
Coffee	400,395	246,552
Packed tea	11,558,315	11,241,806
Water	474,423	710,263
	<b>25,766,340</b>	<b>23,595,458</b>

All revenue is recognised at a point in time.

	Audited 30 Sep 2024 USD	Restated 30 Sep 2023 USD
<b>5. Depreciation and amortisation of non-current assets</b>		
Property, plant and equipment excluding bearer plants	587,058	565,496
Bearer plants	339,609	423,085
Right of use asset	6,107	5,961
	<b>932,773</b>	<b>994,542</b>

	Audited 30 Sep 2024 USD	Restated 30 Sep 2023 USD
<b>6. Taxation</b>		
Current Tax	219,082	379,418
Deferred Tax	(428,224)	(352,639)
	<b>(209,142)</b>	<b>26,779</b>

#### 7. Segment Information

For management purposes, the Company is organised into 2 operating segments and information relating to these two segments are as detailed below:

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

**Beverage** - The division consists of a tea blending and packaging plant, as well as a distribution warehouse in Mutare. Packed tea from this factory is sold and distributed through distribution depots in Harare, Bulawayo, Gweru, and Mutare. Depots handle product in a first in first out method. Packed tea is also exported into various regional markets. Major company brands include, Tanganda, Stella, Silver, Joko, Tanganda Special Blend, Tanganda Tips, Fresh Leaves, Tanganda Healthi Green, Nella Rooibos bags and Natra Fresh Rooibos (leaf and bags), Resurrection, Rosella, Makoni, tinga mira water and High Country Coffee.



# TANGANDA TEA COMPANY LIMITED ABRIDGED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

## NOTES TO THE ABRIDGED FINANCIAL STATEMENTS

### 7. Segment information continued

	Audited 30 Sept 2024 USD	Restated 30 Sept 2023 USD
<b>Revenue</b>		
Agriculture	15,660,822	13,511,064
Beverage	12,032,738	11,977,315
Inter-segment revenue <sup>^</sup>	(1,927,220)	(1,892,921)
<b>External revenue</b>	<b>25,766,340</b>	<b>23,595,458</b>
<b>Operating Profit</b>		
Agriculture	(565,747)	991,072
Beverage	6,736,987	1,276,419
<b>Total operating profit for reportable segments</b>	<b>6,171,240</b>	<b>2,267,491</b>

	Audited 30 Sept 2024 USD	Restated 30 Sept 2023 USD
<b>Segment assets</b>		
Agriculture	29,334,137	24,091,875
Beverage	5,118,704	6,676,124
<b>Total</b>	<b>34,452,841</b>	<b>30,767,999</b>

	Audited 30 Sept 2024 USD	Restated 30 Sept 2023 USD
<b>Segment Liabilities</b>		
Agriculture	1,520,446	2,352,866
Beverage	785,507	1,535,414
<b>Total</b>	<b>2,305,953</b>	<b>3,888,280</b>

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

	Audited 30 Sept 2024 USD	Restated 30 Sept 2023 USD
<b>Revenue</b>		
Total revenue for reportable segments	27,693,560	25,488,379
Elimination of inter-segment revenue	(1,927,220)	(1,892,921)
<b>Total revenue</b>	<b>25 766 340</b>	<b>23 595 458</b>
<b>Operating Profit</b>		
Total Operating income for reportable segments	6,171,240	2,267,491
Finance income	282	1,032
Administration and other operating costs	(3,563,030)	(4,210,489)
Finance Costs	(777,539)	(932,390)
Exchange (losses)/gains	(674,372)	364,747
Monetary loss	-	(583,154)
<b>Total profit/(loss) before tax</b>	<b>1,156,581</b>	<b>(3,092,763)</b>

	Audited 30 Sept 2024 USD	Restated 30 Sept 2023 USD
<b>Assets</b>		
Total assets for reportable segments	34,452,841	30,767,999
Other assets <sup>^^</sup>	690,118	1,217,189
<b>Total assets</b>	<b>35,142,959</b>	<b>31,985,188</b>

	Audited 30 Sept 2024 USD	Restated 30 Sept 2023 USD
<b>Liabilities</b>		
Total liabilities for reportable segments	2,305,953	3,888,280
Other liabilities <sup>^^</sup>	9,590,808	6,216,433
<b>Total liabilities</b>	<b>11,896,761</b>	<b>10,104,713</b>

<sup>^</sup> Inter-segment revenue represents unprocessed agriculture produce transferred to the beverages division for further processing and sale.

<sup>^^</sup> Excluded from Segment assets and liabilities are centrally administered assets such as bank and cash balances, tax assets and liabilities which are centralised.

### 8 Fair Value Measurement

#### 8.1 Fair Value Hierarchy

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

#### 8.2 Valuation of Biological Assets

Biological assets comprise of gum and wattle plantations, livestock and produce growing on the bearer plants. The present value of expected net cash flows from plantations, discounted at the weighted average 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 not connected to the Company. Produce growing on bearer plants is measured at fair value less costs to sell with changes recognised in profit or loss as the produce grows.

Fair values of tea bushes on plantations, macadamia nuts on plantations, coffee beans on plantations and avocado fruit on plantations is determined using Level 3 inputs on the fair value hierarchy, whilst fair values for timber plantations and livestock also determined using level 3 inputs.

### 9. Inventories

	Audited 30 Sep 2024 USD	Restated 30 Sept 2023 USD
Raw and packaging materials	711,878	973,478
Finished goods	364,275	116,304
Consumables	2,774,462	2,516,036
Agricultural produce	3,105,899	2,277,079
	<b>6,956,514</b>	<b>5,882,897</b>

### 10. Trade and other receivables

	Audited 30 Sep 2024 USD	Restated 30 Sept 2023 USD
Trade receivables	4,530,942	4,023,784
Less: expected credit loss	(199,665)	(513,625)
	<b>4,331,277</b>	<b>3,510,159</b>
Prepayments	1,512,379	631,067
Other receivables	315,361	124,968
	<b>6,159,017</b>	<b>4,266,194</b>

### 11. Trade and other payables

	Audited 30 Sep 2024 USD	Restated 30 Sept 2023 USD
Trade payables	1,852,070	2,296,799
Social security and other taxes	45,869	151,211
Accrued expenses	439,333	1,479,317
Provisions	196,806	350,612
	<b>2,534,078</b>	<b>4,277,939</b>

### 12. Borrowings

Interest-bearing borrowings constitute bank loans from various local financial institutions which accrue interest at a weighted average rate of 10.77% at the end of the period. The facilities have got different maturity dates and will be reviewed when they mature. Bank loans of USD 6.53 million are secured by the assignment of export proceeds to various financial institutions in line with the level of indebtedness of the Company to each of the financial institutions.

### 13. Capital expenditure for the period

	Audited 30 Sep 2024 USD	Restated 30 Sept 2023 USD
Purchase of property, plant and equipment excluding bearer plants	214,954	948,548
Capital Expenditure incurred on bearer plants	467,739	647,234
	<b>682,693</b>	<b>1,595,782</b>

### 14. Cashflow Information

	Audited 30 Sep 2024 USD	Restated 30 Sept 2023 USD
<b>Cash generated from operations</b>		
Profit/(loss) before tax	1,156,581	(3,092,763)
<b>Adjustment for non-cash items:</b>		
Depreciation	932,773	994,542
Profit/(loss) on disposal of property, plant and equipment including biological assets	(1,708)	89,908
(Decrease) or increase in expected credit losses	(313,960)	445,117
Net fair value adjustments	(448,436)	(390,231)
Impairment of non-current assets	-	43,349
Net finance costs	777,256	931,358
Other non-cash movements	-	(4,480,472)
Net exchange losses	17,357	3,594,652

	Audited 30 Sep 2024 USD	Restated 30 Sept 2023 USD
<b>Cash generated from/ (utilised in) operations before working capital changes</b>	<b>2,119,863</b>	<b>(1,864,540)</b>
(Increase)/decrease in inventories and produce in bearer plants	(996,272)	1,941,834
(Increase)/decrease in trade and other receivables	(1,666,844)	435,859
(Decrease)/increase in trade and other payables	(1,630,915)	706,872

	Audited 30 Sep 2024 USD	Restated 30 Sept 2023 USD
Tax paid	(193,499)	(737,715)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(2,367,667)</b>	<b>485,310</b>

### 15. Restatement of prior year

In the prior year, the Company did not disclose the expected credit losses on the face of the statement of profit or loss and other comprehensive income as per the requirements of IFRS Accounting Standards and consequently, in order to correct the presentation, prior year expected credit losses have been presented separately from selling and distribution expenses. The impact of the reclassification is shown below:

	Prior year after restatement 30 September 2023 USD	Prior year before restatement 30 September 2023 USD
Selling and distribution expenses	3,886,079	4,331,196
Decrease in expected credit losses	445,117	-

### 16. Earnings per share

Basic Earnings per share amounts are calculated by dividing profit attributable to ordinary equity holders for the period by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing profit attributable to ordinary equity holders for the period by the weighted average number of ordinary shares outstanding during the period plus weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

Headline Earnings of 0.52 US cents per share (September 2023: 1.23 US cents) were calculated by dividing net profit for the period attributable to ordinary equity holders adjusted for profit or loss on disposal of assets for the period.

### 17. Subsequent events

On 28 October 2024, a cautionary statement was issued notifying the Company's shareholders and the investing public of the Directors' intention to delist the Company from the Zimbabwe Stock Exchange (ZSE) and relist the Company on the Victoria Falls Stock exchange and the intention to raise fresh equity capital through a rights issue.

### 18. Auditor's statement

The abridged audited financial results should be read in conjunction with the complete set of financial statements for the year ended 30 September 2024 which have been audited by Axcantium. An unmodified audit opinion was issued thereon. The Auditor's report is appended on these Company's abridged annual financial statements and is also available for inspection at the Company's registered office, and on the Company and ZSE websites. The engagement partner responsible for this audit is Lawrence Nyajeka, PAAB practice certificate number - 0598.

**INDEPENDENT AUDITOR'S REPORT ON SUMMARY FINANCIAL STATEMENTS  
TO THE SHAREHOLDERS OF TANGANDA TEA COMPANY LIMITED**

**Opinion**

The summary financial statements of Tanganda Tea Company Limited, which comprise the summary statement of financial position as at 30 September 2024, the summary statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited financial statements of Tanganda Tea Company Limited for the year ended 30 September 2024. We expressed an unmodified opinion on those financial statements in our report dated 12 December 2024.

In our opinion, the summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with the requirements of the Companies and Other Business Entities Act (Chapter 24:31) and Zimbabwe Stock Exchange (ZSE) listing requirements as applicable to summary financial statements.

We have not audited future financial performance and expectations by management included in the accompanying summary financial statements and accordingly do not express any opinion thereon.

**Summary financial statements**

The summary financial statements do not contain all the disclosures required by the IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies and Other Business Entities Act (Chapter 24:31) as applicable to the financial statements of Tanganda Tea Company Limited. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effect of events that occurred subsequent to the date of our report on the audited financial statements.

**The audited financial statements and our report thereon**

We expressed an unmodified opinion on the audited financial statements in our report dated 12 December 2024.

**Directors' responsibility for the summary financial statements**

The directors are responsible for the preparation of the summary financial statements in accordance with the requirements of the Companies and Other Business Entities Act (Chapter 24:31) as applicable to annual financial statements.

The ZSE listings requirements require summary financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS Accounting Standards as issued by the International Accounting Standards Board.

**Auditor's responsibility**

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.



**Axcentium**  
**Per: Lawrence Nyajeka**  
**Partner**  
**PAAB Practice Certificate Number: 0598**

**Harare**  
**Zimbabwe**

**Date: 12 December 2024**