Tanganda tea Company Limited

ANNUAL REPORT
2024

ABOUT OUR REPORT

Tanganda Tea Company Limited, a public company listed on the Zimbabwe Stock Exchange ("ZSE"), is pleased to present its annual report for the year ended 30 September 2024. The 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.
- IFRS International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).
- Global Reporting Initiative (GRI) Standards.

SUSTAINABILITY DATA

This report was prepared using both quantitative and qualitative data extracted from company records, policies and personnel responsible in the Key Result 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 Axcentium in accordance with the International Standards of Auditing ("ISA"). The independent auditor's report is found on pages 62 to 63. 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, some of which may be 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
20 February 2025

CONTENTS

TANGANDA TEA COMPANY LIMITED AT A GLANCE (continued)

OUR JOURNEY OVER THE YEARS

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 Years' 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 took majority and controlling stake.

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

1976 The Company 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 Tingamira 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 Acquisition of new packaging equipment for Mutare blending and packaging factory.

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

2024 Tanganda reached a milestone of a hundred years in existence.

OUR BUSINESS VALUE SYSTEMS

VISION

Become the leading blue-chip agri-business in Africa in the next five years.

MISSION

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.

VALUES

Hard working

Focused Growth

Teamwork

Innovation

Dependability

Frugality

Responsibility

Leadership

Centricity of Customer Satisfaction

TANGANDA TEA COMPANY LIMITED AT A GLANCE (continued)

OUR BUSINESS VALUE SYSTEMS (continued)

AWARDS, BUSINESS ASSOCIATIONS MEMBERSHIP AND CERTIFICATIONS

Awards and recognitions

The Company received the following awards during the 2024 financial year:

Megafest Business Awards
Manufacturer Award of the Year

Manicaland Agri Show Society
Best Agro Processing and Food Sector Stand

Zimbabwe Trade Fair
Best Zimbabe Food Group Exhibit

Zimbabwe International Trade Fair
Best Zimbabwean Exhibit: Food Group

ZimTrade
Best Runner-up: Processed Foods

Zimbabwe National Chamber of Commerce
Best Exporter of the Year

Exhibition Awards
Tanganda exhibits its products on the domestic and regional arena. In 2024 the Company was awarded the following;

Zimbabwe International Trade Fair (ZITF): Silver Medal Award for the Best Zimbabwe Food Group Exhibit.
Midlands Show Society: First Position for the Food & Related Product Processing Category.
Manicaland Show Society: Best Agro Processing and Food sector stand.
Masvingo Show Society: 3rd Prize for the Best Stand.

BUSINESS ASSOCIATIONS MEMBERSHIP
The Company is a member of the following associations:

- Business Council for Sustainable Development Zimbabwe.
- Buy Zimbabwe.
- Confederation of Zimbabwe Industries.
- Employers' Confederation of Zimbabwe Industries.
- Marketers Association of Zimbabwe.
- National Employment Council for Agriculture.
- National Employment Council for Food processing.
- PETRECOZIM.
- Zimbabwe National Chamber of Commerce.
- Zimbabwe Tea Growers Association.
- ZimTrade.

CERTIFICATIONS
The Company is certified to the following standards:

- Albert Heijns Certification.
- Global Good Agriculture Practices (GAP) Certification
- 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.
- Standards Association of Zimbabwe (SAZ) Product Mark.

TANGANDA TEA COMPANY LIMITED AT A GLANCE (continued)

OUR BUSINESS VALUE SYSTEMS (continued)

AWARDS, BUSINESS ASSOCIATIONS MEMBERSHIP AND CERTIFICATIONS (continued)

Consumer engagement and weaving into their lifestyles remain critical for brand recognition. Engagements are carried out at different platforms including trade fairs, exhibition shows, events and on social media. The Company is involved in various marketing activities that create lasting connections with consumers.

Engaging and educating customers about our brands and the derived benefits
Our engagements with our customers on the future of tea is guided by global markets trends and well documented benefits of tea. Tea remains one of the healthiest and affordable beverages in the world. Some of such activities are as detailed below:

The Zimbabwe International Trade Fair April 2024

TANGANDA TEA COMPANY LIMITED AT A GLANCE (continued)

OUR BUSINESS VALUE SYSTEMS (continued)

AWARDS, BUSINESS ASSOCIATIONS MEMBERSHIP AND CERTIFICATIONS (continued)

Our regional marketing drive took us to Zambia Agricultural and Commercial show and Mozambique Agricultural shows.

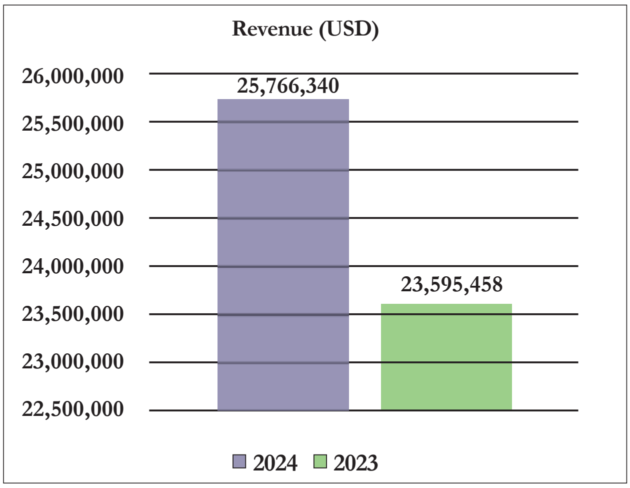
Tanganda exhibited at the Zambia Agricultural and Commercial show in 2024 where brands were received by many consumers and had opportunity to hand over hampers to officials who appreciated the brands.

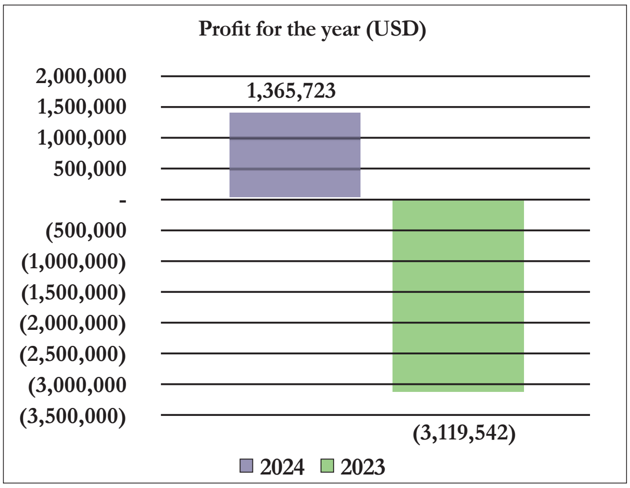
Tanganda stand at the Maputo Agricutural and Commercial Fair in 2024 had a lot of interest from consumers overcoming even the language barrier.

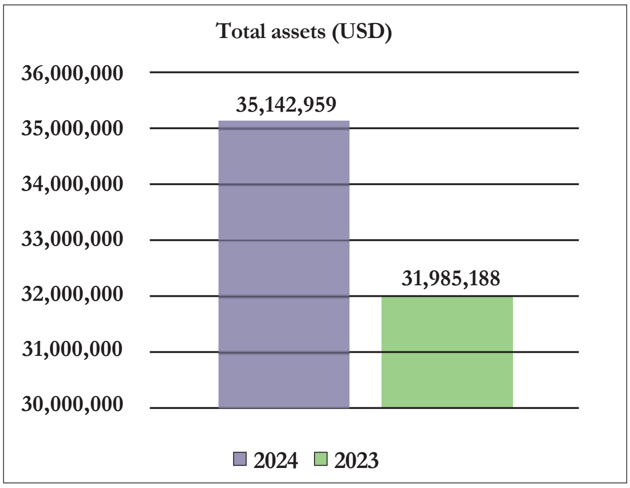
TANGANDA TEA COMPANY LIMITED AT A GLANCE (continued)

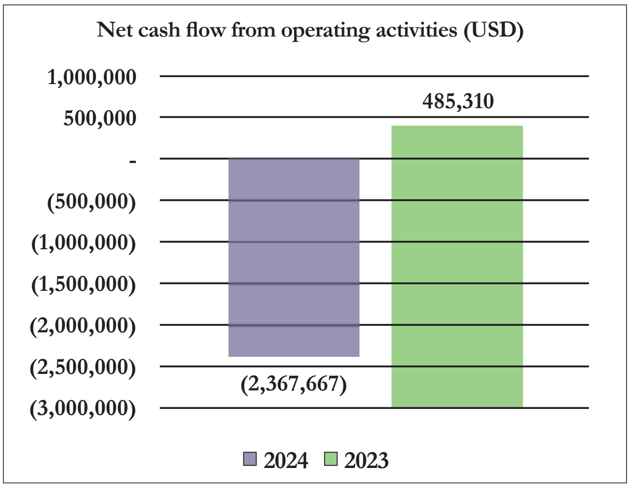
PERFORMANCE HIGHLIGHTS

FINANCIAL HIGHLIGHTS









SHARE PERFORMANCE

	30-Sep-24	30-Sep-23
	USD Cents	USD Cents
Share Price	0.15	0.16
Basic and Diluted Earnings Per Share	0.52	(1.19)

SUSTAINABILITY PERFORMANCE

	2024	2023
Tax Payments (USD)	2,052,720	2,704,716
Electricity (kWh)	7,155,469	7,693,471
Water Usage (m^3)	2,954,268	2,026,200
Staff Compliment (head count)	3,948	4,586

STRATEGIC REVIEW

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 per kg 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.

STRATEGIC REVIEW (continued)

CHAIRMAN'S STATEMENT (continued)

Review of Operations (continued)

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 1551 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 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

STRATEGIC REVIEW (continued)

OVERVIEW OF OPERATIONS

Tanganda Tea Company Limited is an agro-manufacturing concern, incorporated in Zimbabwe. Tanganda is the largest grower, packer and distributor of tea in Zimbabwe. The year 2024 marked the Company's hundred years in existence after the first commercial tea was planted at New Year's Gift Estate in 1924. Tanganda has to date developed the largest hectarage of tea, macadamia, avocado and coffee plantations to become the single largest producer of all four crops in Zimbabwe. Other business ventures carried out by the Company include coffee production, timber growing, spring water bottling and livestock rearing.

The Company comprises of 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. Three of the estates are intercropped with tea, coffee, macadamia and avocados while Zona is an entirely tea estate and New Year's Gift is a macadamia estate. Timber grown on the estates is used for firewood consumption, mainly providing energy for boilers in the tea factories. Livestock reared at the estates is primarily for employee consumption.

Tea and coffee are processed in bulk form for sale either on the international market or to the Beverage division for further value addition. Macadamia nuts are primarily exported as nut in shell. A proportion of the nuts are cracked and sold on the local market. Avocados are essentially exported onto the international markets with approximately fifteen percent channeled onto the local market. The Division has an active out-grower scheme supporting tea farmers covering about 1,000 hectares of land.

Tea

Tea production has remained the anchor of the Company since the planting of the first bush in 1924. Tea is grown on 2 010 hectares, across four of the estates. Each estate hosts its own factory to process green leaf into bulk made tea. Ratelshoek is the largest tea plantation with 808 hectares, followed by Jersey with 567 hectares. Zona, an entirely tea estate with 420 hectares is high yielding, achieving a world record yield of 5,428 kilograms per hectare in the 2002/03 season. Tingamira has 215 hectares of predominantly high value clonal teas. Tea plantations which are rain-fed and prone to unfavorable climatic conditions were impacted on by the late onset of the rains and its relatively uneven distribution during the first half of the year. However, production gradually improved over the winter months of the year resulting in a 3% increase in production to 8 113 tonnes from 7 894 tonnes in prior year. Green leaf quality was affected by the extreme hot temperatures that prevailed during the year, consequently, affecting the grade proportions and average selling price of the manufactured tea.

STRATEGIC REVIEW (continued)

OVERVIEW OF OPERATIONS (continued)

Tea (continued)

Bulk tea export volumes of 6 137 tonnes declined slightly by 2% from 6 238 tonnes achieved in the previous year. The stock pile of bulk tea in Kenya affected the average export prices which declined from USD1.44 per kg to USD1.34 per kg. The balance of the tea produced was blended and packed for final consumption in Zimbabwe and regional export markets.

Macadamia

Macadamia are grown on 876 hectares on New Year's Gift, Ratelshoek and Jersey. An additional 18 hectares are planted on a third-party farm on a joint venture arrangement bringing the total hectarage to 894 hectares. 80% of the plantations were mature as of 30 September 2024. Macadamia trees have a 40-year economic life span. The macadamia plantations age profile was an average of 10 years as of reporting date. Macadamia nuts are dehusked and processed at a plant situated at New Year's Gift estate. Production volumes of 1 626 tonnes grew with increased age profile by 77% over prior year production of 921 tonnes.

Volumes exported declined by 3% to 1 508 tonnes from 1 551 tonnes in the previous year due to logistical issues caused by rescheduled ships affecting a consignment of 286 tonnes. The consignment was subsequently shipped in ensuing financial year. Exports were primarily nut in shell to the Chinese market.

The impact of the shift in market preference from nut in shell to kernel was evident from the progressive price decline in the primary product. Global prices of nuts declined by 5% to USD1.84 per kg from USD1.93 per kg in prior year and USD3.26 per kg achieved in year ended 30 September 2022. To mitigate these developments, the Company's strategy is to invest in value addition which will facilitate market diversification.

Avocados

Avocado are grown under 541 hectares on Ratelshoek and Tingamira estates. The processing and packing facility at Tingamira estate has a capacity to pack over 7 000 tonnes per season and can be expanded with installation of additional lines in the existing facility. Avocado trees have a 30-year economic life span and the average years of the plantations is ten years. Plans to plant an additional 59 hectares in 2024 to cap off the total hectarage at 600ha were deferred to 2025 due to the extreme hot temperatures that prevailed in 2024. As of September 2024, 405 hectares were mature while the balance of 136 hectares were immature plantations.

Avocado production of 3 976 tonnes grew by 84% over prior year production of 2 156 tonnes as the plantations came out of the biennial bearing phenomenon coupled with increased maturity profile. Export volumes growth of 40% to 2 997 tonnes from 2 148 tonnes was achieved in the year.

STRATEGIC REVIEW (continued)

OVERVIEW OF OPERATIONS (continued)

Avocados (continued)

The variation in the growth trajectory between production and exports was a result of the Company selling 60% of its non-exportable as secondary grades for oil extraction and to the retail and the informal sector while the 40% balance could not find a market. In the ensuing year, the Company expects to construct an oil extraction plant through which the previously unsaleable grades will be channeled towards for oil extraction.

Export prices firmed up to an average of US75 cents per kg from US44 cents per kg that prevailed over the previous 2 consecutive years, following the easing of Covid-19 restrictions. The crop's certification to several accreditations (Rainforest Alliance, HACCP, Global GAP, Albert Heijn, Tesco Nurtures) continues to ensure a production cycle that is ethical, safe and sustainable. Avocado fruit was primarily exported to the European markets in the financial year. Going forward, following the signing of a trade agreement between China and Zimbabwe in September 2024 at the Forum on China and Africa Cooperation (FOCAC), in Beijing the Company expects to diversify its markets into China. This is expected to maximize avocado exports in the early parts of the harvesting season and reduce reliance on the European markets.

Coffee

Coffee is grown on 121 hectares at Jersey estate and on 60 hectares on a joint venture at a third-party farm. The coffee plantations at Jersey estate are all mature and are at the tail-off, of their productive capacity. Seventy percent of the coffee plantation at the joint venture is mature. Irrigation systems were installed at the joint venture post the reporting date and this is expected to improve yields compounded with maturity of the same plantations. Coffee production of 28 tonnes declined, compared to the previous output of 87 tonnes due to the natural yields decline in aging bearer coffee plants at Jersey estate. Replacement hectarage on Jersey estate will be planted in 2025 to augment production volumes from the joint venture. Price of coffee which is primarily exported under the Nespresso contract remained stable at an average price of USD6.61 per kg.

STRATEGIC REVIEW (continued)

OVERVIEW OF OPERATIONS (continued)

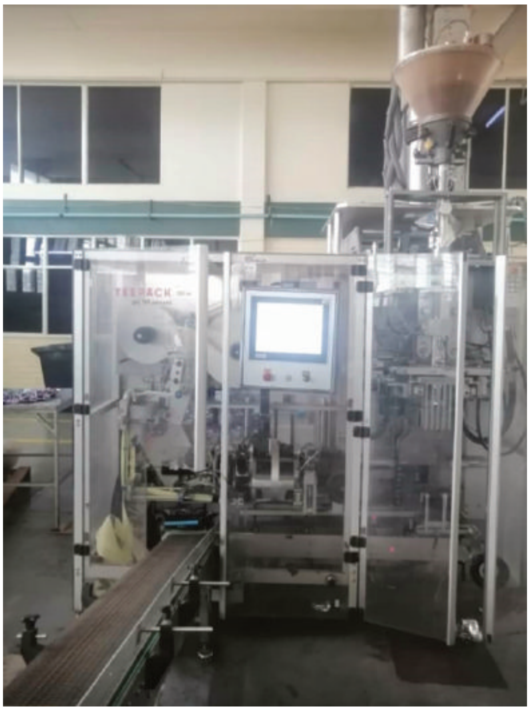
Beverage Division

The Beverage Division is focused on creating and developing brands mainly from but not limited to Tanganda primary agricultural products. The division 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. In diversifying regional market, noteworthy in this financial year were exports made to the Democratic Republic of Congo. Traditional regional market territory includes Zambia, Mozambique, South Africa, Botswana and Namibia.

The blending department is a primary unit where the raw materials are procured and stored before being blended to proprietary proportions. The blending process distinguishes Tanganda brands from any other brand. The uniqueness of taste, appearance, consistent characteristics and distinctiveness of each of the Tanganda brands is all artistically, scientifically and organoleptically maintained within the blending department. The staff in the blending department compliment the rich and unparalleled level of tea experience from Tanganda's rich and specific agronomic and geographic locations. The blends produced continue to enthuse customers over the years. The promise of Tanganda in its payoff line "*It lifts you up*" attests to the consistence and benefits of the distinct brands. The bright and fresh bags of flavor are made for the whole family to enjoy and to give a long lasting glow to consumers. The blends range suits consumers' preferences and choice in terms of strength of the cup, colour and taste.

Major brands are Tanganda, Stella, Silver, Special Blended Teabags, Tanganda Tips, Fresh Leaves, Healthi Green, Moringa, Zumbani, Natra, Nella, High Country Coffee, tinga mira mineral water, Makoni, Resurrection and Rosella herbal infusions.

In the financial year under review, installation of end of line technology on the Zenobia line was a key highlight to improve operational efficiency and reduce costs as the Company seeks to improve the division's perfomance while focusing on quality.



Zenobia Form, Fill and Seal Machine

The picture on the left is the primary form Fill and Seal Zenobia Machine supplied by Teepack for making packets of Tanganda branded loose leaf teas. The packets are then conveyed and moved through a quality checking process and then colllated and shrunk in the end of the line technology shown on the right. The whole processes ensures quality and efficiency which distinguishes Tanganda among any competing brands and consumers can be confident in the brands.

Wipotec and Zappe end of line technology installed to improve efficiency in 2024.

Factory efficiencies are translated into customer service focus as the sales and distribution team delivers products to the market. The well branded Tanganda delivery and selling vehicles are moving billboards spreading the century old tradition of excellence in customer satisfaction. Many of the customers and consumers testify to Tanganda's delivery of excellent services with the Tanganda team ever smiling. The ever smiling Tanganda face displayed on some Tanganda murals is befitting portrayal of the "*It lifts you up*" promise from Tanganda.

STRATEGIC REVIEW (continued)

OVERVIEW OF OPERATIONS (continued)

Beverage (continued)

The Tanganda distribution fleet ensures focused and prompt services to customers for excellence.

The year ending September 2024 saw most of the major formal Tanganda customers experiencing decline in sales volumes as they faced stiff competition from the informal markets. The division continued supporting all of its customers, however the depressed performance of the formal channels impacted the Company's sales volumes. To mitigate this development the Company diversified into alternative sales channels and maintained closer engagement with the formal sector to ensure continued servicing of the market and focus on the Company's growth aspirations. Further to the prevalent overall macro-economic dynamics, the Company experienced packing material supply constraints especially in the first half of year, however these were addressed resulting in the narrowing of the variance over prior year in the last quarter of the year. This resulted in a 7% decline in packed tea sales volumes to 1 733 tonnes declined by 7% from 1 873 tonnes achieved in the previous year.

Export volumes into the region continued to record sustainable growth with a 41% increase over the previous year. The growth was mainly driven by exports to Zambia, Mozambique and the Democratic Republic of Congo. Regional market growth remains one of the key strategies to increase sales volumes, diversify markets, manage currency risk on the local market and improve the performance of the Company.

The Division is focused on creating and sustaining resilient brands. To this end, the brands are produced in line with international standards attested by the division's certifications to internationally recognised standards such as FSSC 22000 and IS9001:2018. Pursuit of other quality management standards as well as environmental and sustainability management standards remain key focus for the division.

Tanganda partners with local communities in harnessing of local natural flora for the benefit of modern consumers. The communities benefit from Tanganda's purchase of the various herbal infusions as well as quality management systems monitoring, and evaluation. 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. The company reaches out to communities to preserve these natural and mainly indigenous heritages as they find economic benefit in partnering with Tanganda.

The company remains committed to supply and support the brands which have been accepted by the majority of Zimbabweans. Research carried out in this market as well as other markets across the world has shown that consumers are getting more and more health conscious. The division as the leading tea supplier in the market and in response to discernable consumer appetites for healthy lifestyles, continues to supply herbal infusions to support customers' expressed demand. Research is ongoing to broaden this range of products by bringing in flavored herbal infusions.

STRATEGIC REVIEW (continued)

OVERVIEW OF OPERATIONS (continued)

Beverage (continued)

tinga mira water

The tinga mira water brand was developed to meet the needs of discerning consumers and is positioned as a premium pristine brand. Apart from its unique geographical origin/source, tinga mira is unique in many respects. Besides the uniqueness of the brand and the exceptional taste of the water, tinga mira endears itself with consumers by weaving into their lifestyles. Beyond quenching thirst and satisfying the aspirational needs of consumers, tinga mira supports healthy lifestyles through sponsorship of various events. One such calendar event is the annual Victoria Falls Marathon and this past financial year the brand was again interacting with myriads of consumers and enthusiasts as shown in the picture collage below.

tinga mira sponsored the Victoria Falls Marathon. Athletes enjoy the support from the tinga mira water brand at this race which is one ofthe Zimbabwe's biggest races attracting athletes and tourists ofvarious ages and ethnicity.

STRATEGIC REVIEW (continued)

OVERVIEW OF OPERATIONS (continued)

Beverage (continued)

tinga mira water (continued)

While over the financial year there was an acute shortage of tinga mira on the market due to supply side constraints and machine challenges, the continued presence of tinga mira on calendar events allows the brand to continually exist in the minds of customers and consumers. This is in keeping with the brand positioning so that as the supply constraints are addressed, the brand loyalty and following will not be lost. Below is a collage of pictures of consumers enjoying tinga mira water at various events sponsored by the brand.

tinga mira with Junior Rugby tournament

tinga mira with Cimas

tinga mira with Great Zimbabwe Marathon

CORPORATE GOVERNANCE

Tanganda is committed to the highest standards of corporate governance which is one of the critical pillars that defines how we remain focused on the founding history of the business. The directors, executives and managers recognise the need to conduct the affairs of the Company with principles of transparency, integrity, accountability and in accordance with generally accepted good corporate practices, in the interests of its stakeholders. The Company is governed through its Articles of Association and continues to review and align 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 Responsibility
The Board of Directors' primary responsibility is to discharge its fiduciary responsibility to the shareholders and the Company. The Board is accordingly responsible for setting the overall strategic direction, determining risk tolerance levels and key policies to ensure sustainable business operation. The Board approves the Company budgets, major capital projects, financial reports and plays a pivotal role in managing strategic stakeholder relations. Additionally, the Board is responsible for all matters of corporate governance and statutory compliance adherence. The Board meets at least quarterly to monitor the performance of the Company and to deliberate on the strategic direction of its operations.

Board Composition
The Company continues to align the Board composition with its Articles of Association, COBE, ZSE Listing requirements and best practice. The Board currently comprise of three executive directors and seven independent non- executive directors. Our non-executive directors are from diverse professions and bring a significant amount of knowledge, expertise and experience to guide the executive management team. The Chairman of the Board is an independent non-executive director.

Board Committees
Summarised below is the Board structure and the members of the various Board committees and their responsibilities. All Board committees, except for the nominations committee which meets at least once a year, meet at least quarterly. The committees comprises of non-executive directors with executive and other management attending by invitation.

COMMITTEE	MEMBERS	RESPONSIBILITIES
Audit and Finance	**Mr. S.J. Hammond (Chairman)** Mr. L.T. Gwata Mr. B. H. Henderson Mr M.J.S. Moxon	The Audit and Finance 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 & Finance Committee also recommends the appointment and fees of external auditors. The internal and external auditors attend these meetings by invitation.
Risk	**Mr. L.T Gwata (Chairman)** Mr. S.J. Hammond Mr. B. H. Henderson Ms R.A. Maunze	The Risk Committee has, responsibility for the oversight of the Company's risk management framework including related policies and procedures.
Human Resources and Remuneration	**Mr M.J.S. Moxon (Chairman)** Mr. S.P. Cranswick Mr H. Nkala Mr. S.J. Hammond	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 (Chairman)** 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.

Directors 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 16.2 of the Company financial statements. During the year under review, no director had any material interests which could cause significant conflict of interest with the Company's objectives.

CORPORATE GOVERNANCE (continued)

Share Dealings

Directors, officers, or employees of the Company are not permitted to deal directly or indirectly in the Company shares during closed periods or based on unpublished price- sensitive information regarding its business or affairs. Closed periods are from the end of the interim and annual reporting periods to the announcement of the financial and operating results for the respective periods and while the Company is under a cautionary announcement.

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

HERBERT NKALA
Chairman

Herbert Nkala is a Businessman and a Marketing Consultant. Herbert holds 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.

Herbet is currently the Chairman of the boards of FBC Holdings Limited and OK Zimbabwe Limited, both ofwhich are listed on the Zimbabwe Stock Exchange. 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.

CORPORATE GOVERNANCE (continued)

DIRECTORATE (continued)

TIMOTHY J G FENNELL
Chief Executive Officer

HENRY NEMAIRE
Finance Director

KWIRIRAI CHIGERWE
Beverages and Marketing Director

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. 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 single crop tea Company to a diversified entity. He was also instrumental in transforming the Beverage division tea packaging by bringing in world class packaging machinery from Germany and Italy.

Henry is a Chartered Certified Accountant and a registered public accountant who served his articles with Deloitte and Touche. He holds 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. He is a non-executive director of listed Fidelity Life Assurance Company of Zimbabwe and a Trustee of the Development Trust of Zimbabwe.

Kwirirai holds a Bachelor of Science Honours Degree in Agricultural Engineering from University of Zimbabwe, Masters in Food Processing Systems Technology , Masters in Business Administration, Masters in Leadership and Management all three from the University of Zimbabwe. He also holds various quality management systems training certifications.

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.

CORPORATE GOVERNANCE (continued)

DIRECTORATE (continued)

STEWART 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. Stewart is a former director of Meikles Limited and African Sun Limited.

RUFARO A. MAUNZE
Non-Executive Director

Rufaro is a leadership coach, seasoned business leader, finance expert and executive management consultant with experience working in Zimbabwe, Australia, and several countries across Africa focusing on leadership development, 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 a qualified Chartered Accountant. She also holds a Certificate in Impact Investing from Oxford SAID Business School.

Rufaro is the Chairperson of Imara Fiduciary (Private) Limited and is a former Non-Executive Director of OK Zimbabwe Limited.

LIVINGSTONE T. GWATA
Non-Executive Director

Livingstone holds 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. 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.

CORPORATE GOVERNANCE (continued)

DIRECTORATE (continued)

SIMON 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. Simon is also a director Zimswitch Holdings Limited, Old Mutual Investment Group (Zimbabwe) and Border Timbers Limited and a former Director of Meikles Limited. Simon is a member of the Cicada Solar credit committee.

BRUCE H. HENDERSON
Non-Executive Director

Bruce is a Chartered Accountant (SA) with vast experience accumulated over various sectors of the economy which include finance, energy, FMCG, retail and manufacturing. Bruce started his career in audit and assurance with Ernst and Young South Africa. He worked for Clifford Chance and Deutsche Bank UK. He joined IDC Investment, South Africa in 2002 where he was seconded as Chief Executive Officer of the Investee Company for a period of nine years. Bruce moved back to Zimbabwe and continued his career as Chief Finance Officer of Zuva Petroleum from 2011 to 2014. He established the Willowton Group Zimbabwe as Chief Executive Officer in 2015 and was at the helm of the Company for seven years to 2022. Bruce is currently a Non-Executive Director for Dairibord Holdings Limited, Electrosales-Powerspeed and is a past Director of Truworths Limited.

MATTHEW J.S. MOXON
Non-Executive Director

Matthew holds a Bachelor of Arts Degree from Stellenbosch University, a Bachelor of Laws and a Masters in Business Administration, both from the University of Cape Town. He joined Shoprite Checkers (Proprietary) Limited in their Management Training programme and had a stint in project management and operations within their Mozambique Division

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

MEETING ATTENDANCE

DIRECTOR	Board (4 Meetings)	Audit Committee (4 Meetings)	Risk Committee (4 Meetings)	Remuneration Committee (4 Meetings)	Nomination Committee (1 Meeting)
H. Nkala	4	-	-	4	1
R. A. Maunze **	4	2	3	-	-
S. P. Cranswick	4	-	-		1
L. T Gwata****	4	4	4	-	-
S. J. Hammond	4	4	4	4	1
B. H. Henderson***	3	2	4		
M. J. S Moxon	4	4	-	4	-
T. J. G Fennell*	4	4	4	4	
H. Nemaire*	4	4	4	4	-
K. Chigerwe*	4	4	4	4	-

Committee reorganisation
* Messers T. J. G Fennell, H Nemaire and K. Chigerwe as executives attend committee meetings as ex-officios.
**R A Maunze stepped down from the Audit and Finance Committee effective July 2024 and S. J. Hammond replaced her as Chairperson of the Committee.
***Bruce Henderson was assigned to the Audit and Finance Committee effective August 2024.
**** L .T . Gwata was appointed Chairman of the Risk Committee Effective August 2024.

CORPORATE GOVERNANCE (continued)

SENIOR MANAGEMENT

SHARON NYASHA KODZANAI
Company Secretary

Sharon is an Associate of the Chartered Governance and Accountancy Institute in Zimbabwe (CGIZ) and is a certified Professional Director accredited by the Governance Solutions Inc, Canada in partnership with the Institute of Corporate Directors (Zimbabwe). She is member of the Public Accountancy and Auditors Board and holds a Masters in Business Administration from the University of Gloucestershire and a Bachelor of Commerce Honours Degree in Accounting from Great Zimbabwe University. Sharon has in excess of twenty years' experience in Finance and administration.

Since joining Tanganda in 2005, she held various accounting and management positions. Prior to joining Tanganda, Sharon worked for a horticultural Export Processing Zone registered enterprise, Kondozi Estate, and also worked in the hospitality industry at Leopard Rock Hotel.

MICHAEL ANTONY SAYWOOD
General Manager - Agriculture

Michael grew up in an agricultural environment in Mashonaland. He obtained a National Diploma in Mechanical Engineering from Cape Technikon South Africa. His experience includes production engineering and ISO 9001 Quality Management Certification in manufacturing in Canada, experience in large scale agriculture as General Manager of 3 000+ ha of tobacco, maize and timber production with Universal Tobacco in Malawi.

Prior to joining Tanganda he worked for Forrester Estates in Mvurwi and has had significant experience in horticultural and row cropping programs. He joined Tanganda in 2018 as Group Engineer and in 2020 moved into Macadamia and Coffee production. He was appointed General Manager for the Agriculture Division in 2024.

Michael is broad skilled, with exposure in sales, marketing, security and risk management.

TINASHE KAISA
Human Resources Executive

Tinashe is a seasoned Human Resources professional who started his Human Resources career in 2009. He worked as a Personnel Officer for Tanganda Tea Company before leaving in 2019. Prior to rejoining Tanganda in February 2024, he worked for Irvine's Zimbabwe as a Human Resources Manager. Tinashe holds a BSc Honors Degree in Human Resources Management from Midlands State University and a Diploma in Industrial Relations (IPMZ).

Tinashe is currently studying for a Masters Degree in Strategic Management with Chinhoyi University of Technology (CUT).

EXECUTIVE DIRECTORS AND SENIOR MANAGEMENT

Mr. Timothy James Graham Fennell	Chief Executive Officer
Mr. Henry Nemaire	Finance Director
Mr. Kwirirai Chigerwe	Beverages and Marketing Director
Mrs. Sharon Nyasha Kodzanai	Company Secretary
Mr. Michael Antony Saywood	General Manager- Agriculture
Mr. Tinashe Whitington Kaisa	Human Resources Executive
Mr. Samson Koshiwai Kandoko	Finance Manager
Mr. Lincoln Mushiwokufa	Agriculture Manager- Avocado
Mr. William David Stanley	Agriculture Manager- Tea
Mr. Farai Garayi	Beverage and Marketing Operations Manager
Mr. Julius Guni	Estates Administration Manager
Mr. Sherrington Kuyayabo Hlathswayo	Senior Estate Manager
Mr. Hillary Kufakunesu	Internal Audit Manager
Mrs. Thulani Masimba	Information Technology Manager
Mr. Tonderai Kennedy Mukwehwa	Procurement Manager
Mr. Alison Eight Tongoona	Factory Manager

BUSINESS ETHICS, COMPLIANCE & RISK MANAGEMENT

Business Ethics

The Company believes in strong business values which demonstrate moral practices of being fair, transparent, responsible in all reasonable circumstances and beyond reproach. Operating our business in an ethical manner is a shared responsibility among directors, management and staff 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.

Compliance

The Company complies with all applicable laws and regulations in every jurisdiction of our operations. 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's internal audit department carries out audit procedures to help identify instances of non-compliance with laws and regulations that may have a material effect on the operations of the business. During the financial year 2024, the Company complied with provisions of the following instruments among other relevant laws.

- Cyber and Data Protection Act [Chapter 12:07]
- Environment Management Act [Chapter 20:27]
- Factories and Workers Act [Chapter 14:08]
- Finance Act [Chapter 23:04]
- Forest Act [Chapter 19:05]
- International Financial Reporting Standards (IFRS)
- Labour Act [Chapter 28:01]
- NSSA Act of 1989, [Chapter 17: 04]
- Public Accountants and Auditors Board Pronouncements
- SI 134 of 2019 Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) Rules, 2019
- The Companies and Other Business Entities Act [Chapter 24:31]

During the period under review, the Company did not experience material fines for non-compliance with laws and regulations on social and economic norms.

Cybersecurity and Data Protection

The Company's approach is guided by its Cyber security and data protection policy and aligns its data management to the Data Protection Act (Chapter 12:07). Data security is of high priority and the Company has developed strategies to prevent security breaches, that may result in manipulation, abuse and potential financial loss and reputational damage to the Company. Controls are enforced to detect potential risks that may arise and to guard data confidentiality and integrity.

Anti-corruption

The Company has a zero tolerance to corruption and is committed to upholding the highest standards of integrity and ethical conduct through its Code of Ethics and Conflict of Interest policy. The Company recognises the impact that corrupt practises would have on its integrity, reputation and financial standing. Proactive procedures to prevent and detect corruption have been developed for effective reporting. Cases of alleged misconduct are investigated fairly without fear of victimisation and appropriate disciplinary action is taken.

Tanganda has in place an anonymous whistle blower and hotline facility which is manned by the internal audit department where suspected breaches are reported, investigated and appropriate action is taken.

RISK MANAGEMENT

The Board is ultimately responsible for risk management governance in the Company. The Board's Risk Committee provides oversight and guidance to monitor Enterprise Risk Management. The Committee consists of non-executive Directors who meet quarterly with senior management to review the Company's risk management practices. The Chief Risk Officer is an executive responsible for facilitating risk identification, assessment, prioritisation and monitoring by making use of a formalised risk register 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. The approach to risk management is structured on enterprise risks, financial risk and sustainability risk.

Enterprise Risk Management

Enterprise risk management hinges on effective leadership and governance. The Board has oversight over the affairs of the Company and reviews all material financial, operational and compliance risks. The Board has assigned to its committees, authority to review material issues of the business and it ultimately approves and makes informed decisions setting targets for implementation. Implementation is monitored and evaluated to assess progress towards minimizing and or managing the risk.

BUSINESS ETHICS, COMPLIANCE & RISK MANAGEMENT (continued)

RISK MANAGEMENT (continued)

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 32 of the Company financial statements.

Climate Change Risk

The effects of climate change are increasingly becoming a global concern for all businesses. Tanganda which is predominately an agricultural concern is susceptible to impact of climate change. The Company consistently reviews the climate risk exposure and has a risk management assessment profile in place that identifies, evaluates and addresses climate-related risks and opportunities that could reasonably affect its performance. Mitigatory measures and strategies are developed and implemented to manage and minimize the impact of the risk. Tanganda is committed to business practises and initiatives that protect the environment and is guided by the National Climate Policy, Climate Response Strategy and the United Nations Framework Convention on Climate Change (UNFCCC). Conservation of natural forests, plantation crops and development of timber plantations have positive contributions to slowing down the effects of climate change. Tanganda was affected by the late onset of the rain, hail and wind among unfavourable weather perils that impacted the performance of the business during the financial year.

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 SUSTANABILITY

Tanganda is committed to its sustainability agenda and adopts a long-term perspective to it through dedication to the environmental, social, and governance (ESG) principles. Conscious that our activities have a bearing on the current and next generations, Tanganda is committed to responsible business practices in every aspect of its operations and relationships with stakeholders acknowledging that sustainability is a shared responsibility. The Company recognizes that embracing sustainable practices, continued improvement and prioritizing the needs of stakeholders, including customers, shareholders, employees, regulators, and the broader community, create value for everyone concerned. The Company’s strategic approach recognizes that sustainability is a key driver to long term success of the business and it continuously assesses its operations to ascertain opportunities to make impactful positive changes. The sustainability approach is anchored on the principles of transparency, accountability, and stakeholder engagement.

The Company’s sustainability strategy is founded on the ESG pillars that are: economic, environmental, social, and governance. Business decisions incorporate these fundamental pillars in their execution. Sustainability strategy is informed by:

- Company sustainability, Environmental, Health, Safety and quality policies.
- Task Force on Climate-related Financial Disclosures (TCFD) Frameworks.
- The Global Reporting Initiative (GRI) standards.
- United Nations Sustainable Development Goals (SDGs).

This report is also guided by the Zimbabwe Stock Exchange Practice Note 16. In pursuit of sustainability, the Company’s adoption and implementation of international standards and various certifications in its business operations aid in continuous discharge of sustainability objectives. The company is accredited to the following standards:

- Global Good Agriculture Practices (Global GAP).
- HACCP-Hazard Analysis Critical Control Point.
- ISO 9001:2015- Quality Management System.
- ISO 22000: version vi-Food Safety Management System.
- ISO/IEC: 17065:2012 Rainforest Alliance certification.
- Nurtures and AH-DLL Grow (Albert Het ns) certification.
- Standards Association of Zimbabwe (SAZ) Product Mark.
- Tesco Minimum Packing Standards (TMPS) certification.

CORPORATE SUSTAINABILITY (continued)

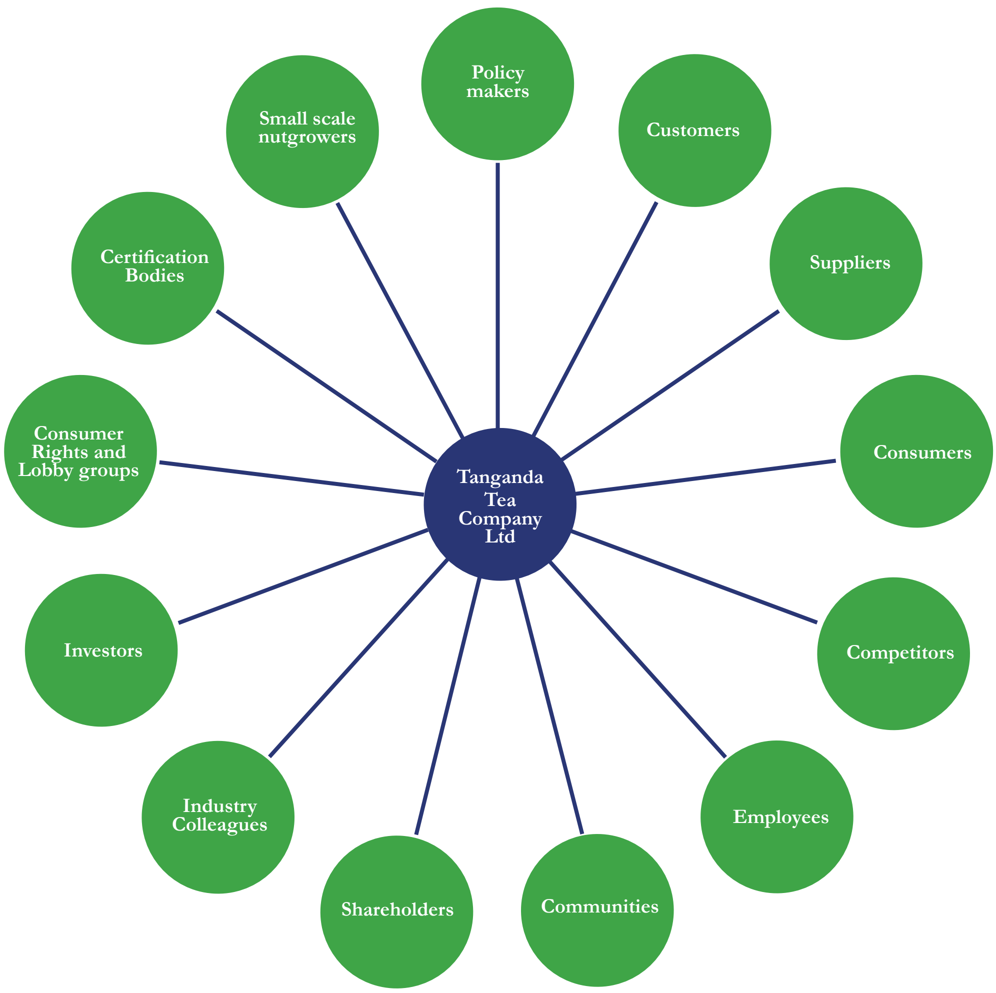
STAKEHOLDER RELATIONS AND ENGAGEMENTS

Stakeholders play a pivotal role in the way the Company operates. Engagements and consultations of stakeholders assist in identification of the impacts of the Company's decisions and activities on the stakeholders with a view to increasing positive impacts and lessen adverse impacts on the environment. Continuous engagements with stakeholders provide the company with diverse valuable insights and perspectives. The Company engagement process involves assessment of business activities and evaluation of its performance from the feedback received from its stakeholders. Engaging with stakeholders has facilitated establishment of trust and building of a positive reputation in the market. The Company actively attends to stakeholder concerns, addresses issues raised promptly and demonstrates a commitment to transparency, as well as ethical and responsible business practices.

Stakeholders Groups

Tanganda 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 license to operate including local communities around our business operating environment.



CORPORATE SUSTAINABILITY (continued)

STAKEHOLDER RELATIONS AND ENGAGEMENTS (continued)

Engagement activities for the year

Stakeholders	Material issues raised	Our Response	Engagement Methods	Engagement frequency
Customers and consumers	Product quality Consistent product supply Customer service New products Credit control risk	Quality controls Standards certification Advertising and promotions Anchored communication. Uphold customer centricity	Business reviews Instore merchandisers Customer satisfaction surveys Loyalty rewards and programs Exhibitions at shows Feedback platforms Customer complaints register Packaging labels	On- going process
Employees	Staff rewards and recognition Fair labor practice Equal nondiscriminatory opportunities Employee training and personal development Data protection	Incentive schemes Review of medical aid contributions Extension of provision of health facilities Skills audit Job restructuring	Employee engagements Works councils Staff meetings Employment surveys Training and skills development	Continuous engagement
Shareholders and investors	Sustained return on investment Market Share Growth Risk Management Climate change Corporate Governance Sound management team	Strategy execution Board and committee meetings Management meetings Budgets Internal and external audit	Annual General Meetings Investor and analyst briefings Quarterly updates Press releases Published results Shareholder Notices	Continuous engagement
Suppliers	Key supply elements, namely: • Price • Quality • Delivery lead times • Payment terms Currency issues Cyber security	Terms negotiations Sustainable product sourcing Diverse and broad supply base Providing samples for products required	Meetings and visits Written communication Verbal communication	On-going
Consumer Rights Lobby Groups	Product pricing Product quality Product returns	Quality controls Retain certifications Internal and external audits Clear product returns policy Complaints procedures and feedback policy	Meetings with Consumer council of Zimbabwe Evaluation exercises Social media platforms Written and verbal communication	Continuous engagement
Industry	Compliance with laws and regulations Agronomical practices	Engagements with authorities and governing bodies Use of designated chemicals and fertilizers	Participation in relevant industrial bodies such as CZI, ZNCC and NEC Engagement with government on policies that affect us as industry Industry seminars	On-going
Government and Regulators	Compliance with laws and regulations Payment of obligations Corporate and social responsibility	Payment of obligations Adherence to statutory and legislative requirements Compliance with laws and regulation Internal and external audits Knowledge of legislation	Engagement meetings Participation in business forums Written communication	On-going

CORPORATE SUSTAINABILITY (continued)

STAKEHOLDER RELATIONS AND ENGAGEMENTS (continued)

Engagement activities for the year (continued)

Stakeholders	Material issues raised	Our Response	Engagement Methods	Engagement frequency
Communities	Community involvement and support Infrastructure maintenance (road repairs) Provision of social amenities (schools and clinics) Out grower scheme	Assistance with road maintenance Corporate Social Responsibility Out grower support by providing loan guarantees, expertise and markets Provision of internet at schools on estates Supporting suppliers of herbal infusion range Sport support	Meetings with traditional leaders, district and government authorities Stella Netball Tournament Tanganda Half Marathon Partnership with other corporates in promoting environmental sustainability. Meetings with Chipinge Tea Growers Association Social media posts	Continuous engagement
Certification Bodies	Compliance with standards Adhering to regulatory law	Internal and external audits Address nonconformities Payment to certification bodies for services Surveillance audit	Effective communication channels Follow ups	Quarterly, Bi-annual and Annual

SUSTAINABILTY MATERIAL ASSESSMENT

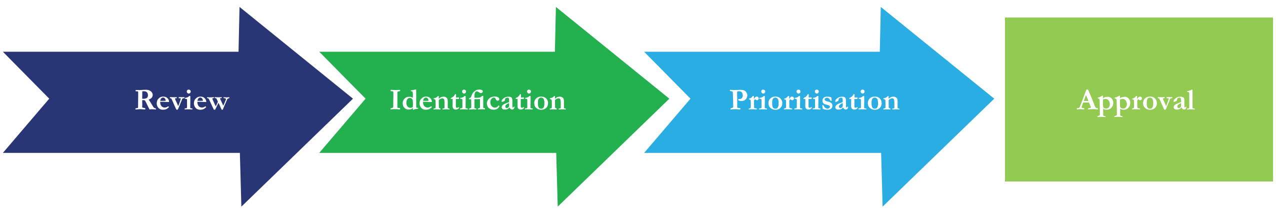
OUR BUSINESS CONTEXT

The Company recognizes the importance of understanding the sustainability context which helps with identification of material issues that affect both business and stakeholders. Material topics are considered for relevance based on the Company strategy, stakeholder engagements and the broader context. Materiality assessment is conducted annually to ascertain material issues specific to our operations. Measures to manage the impacts are implemented and continuously reviewed for alignment with set targets.

The materiality assessment process involves

i) Review of prior year material topics, measure performance and benchmarking after implementation of remediation measures.
ii) Identify current material issues based on the Company's value systems, and objectives.
iii) Prioritization and ranking of the identified aspects based on business strategy and stakeholder engagement feedback.
iv) Final assessment and verification of prioritized topics.

Materiality Assessment Process

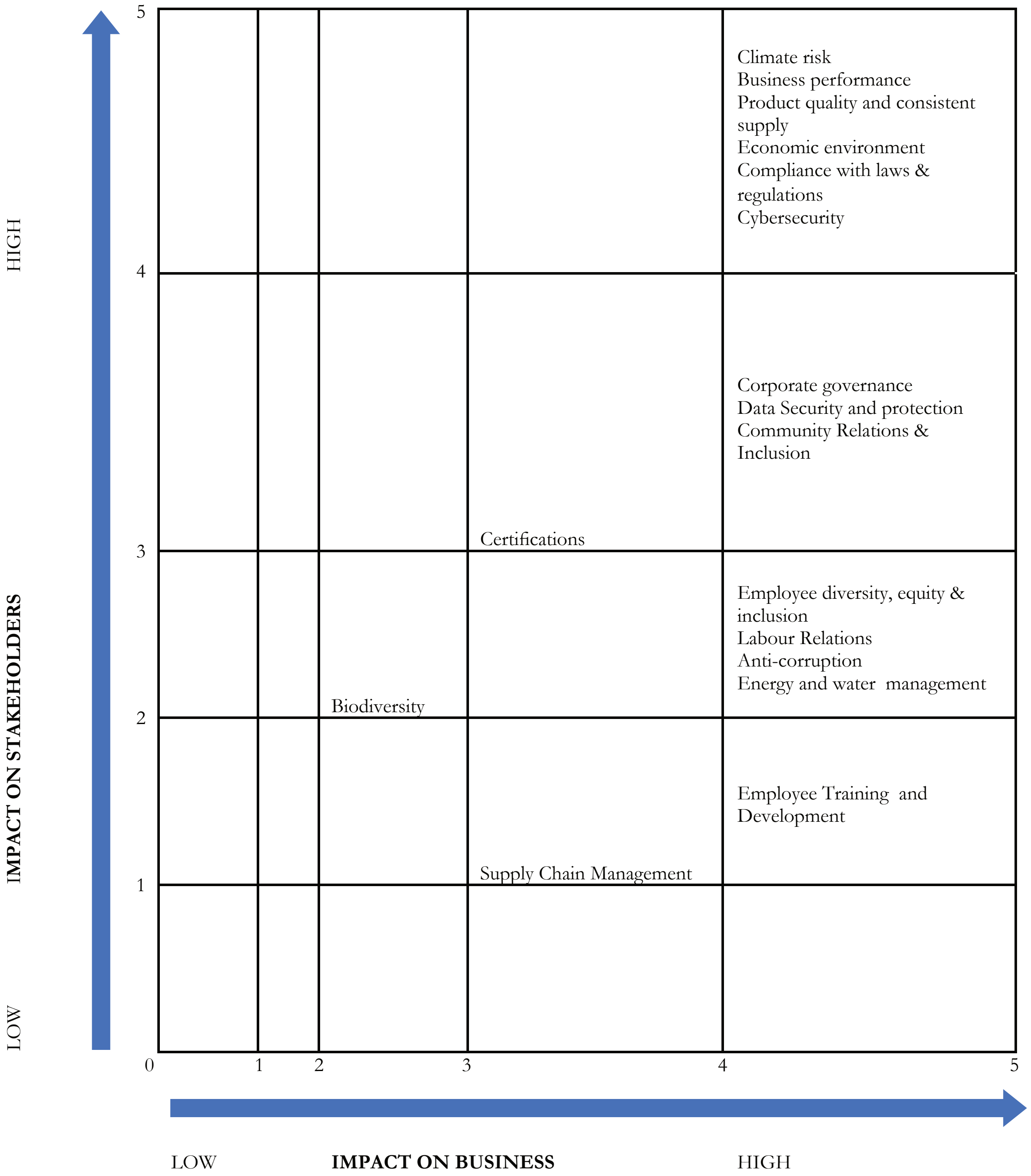


CORPORATE SUSTAINABILITY (continued)

SUSTAINABILITY MATERIAL ASSESSMENT (continued)

Materiality matrix

The matrix below depicts the outcome of the Company's materiality assessment showing the most significant sustainability issues and the level of impact to both business and the stakeholders. Tanganda acknowledges that its operations have social, environmental and economic impacts in areas it operates in. The identified matters in the materiality assessment process become central to the sustainability strategy.



CORPORATE SUSTAINABILITY (continued)

SUSTAINABILITY MATERIAL ASSESSMENT (continued)

Aspect	Mitigation
Climate risk Climate change is ever becoming a concern to business. Tanganda, as an an agro-based Company has faced impacts of climate risk. The El Nino induced drought impacted the production of plantation crops. Late onset of rain, hailstorms and wind were among unfavourable weather perils suffered over the years which affected business performance.	New irrigation systems were installed in coffee fields to supply water and improve yields. Additional reservoirs were constructed and boreholes drilled at the estates. Continuous improvements of existing irrigation systems on all estates were made.
Business performance A decline in agriculture commodity prices on the global market against a general increase in cost of production had an impact on the Company's performance	The company's strategy is investing in value addition processes for avocados and macadamia to reduce the risk of primary produce price fluctuations. Market diversification is a strategy to avert concentrating risk in few markets.
During the financial year, our major formal customers experienced decline in sales volumes as they faced stiff competition from the informal markets. This has in turn impacted the Company's sales volumes.	Diversification into alternative sales channels was pursued and maintenance of closer engagement with the formal sector to ensure continued servicing of the market.
Logistical challenges were encountered when exporting products and on importation of packaging material, spares and plucking machinery. The Company failed to timeously move some inbound and outbound cargo due to trans-shipment of containers leading to more transit time and costs.	Focus was on exploration of alternative route to market to reduce the logistical challenges encountered.
Product quality and consistent supply Primary grade composition of bulk tea was affected by excessive heat that prevailed.	Secondary teas produced were sold on the international market and to the beverage division for further value addition.
The heat also affected avocados fruit sizes resulting in smaller counts which could not be sold especially during the first quarter of the year.	An avocado oil extraction plant will be constructed in the ensuing year and the previously unsaleable grades will be channeled towards oil extraction.
Packed tea supply on the market was affected by packaging material constraints.	Packaging material constraints were addressed in the second half of the year.
tinga mira water was in short supply on the market.	The tinga mira water plant will be replaced in the ensuing year and this will address product supply.
Economic environment The El Nino-induced drought negatively impacted national hydro-power generation, resulting in persistent power shortages, stifling business operations as the company resorted to expensive alternative power sources. The prolonged use of generators for production both in the Mutare factory and estates factories increased fuel costs and costs of production.	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.

CORPORATE SUSTAINABILITY (continued)

SUSTAINABILTY MATERIAL ASSESSMENT (continued)

The presentation below shows material topics classified into ESG categories aligned with their related Sustainable Development Goals (SDGs) for effective monitoring and addressing.

ESG	Dimension	Material Issues	Related SDG
Economic	Economic	• Product quality • Supply chain management • Business growth and performance • Responsible marketing • Business Environment • Taxes	8 DECENT WORK AND ECONOMIC GROWTH
Environmental	Environment	• Climate risk • Energy management • Water management • Emissions • Waste management • Biodiversity	7 AFFORDABLE AND CLEAN ENERGY 6 CLEAN WATER AND SANITATION 13 CLIMATE ACTION 14 LIFE BELOW WATER 15 LIFE ON LAND

CORPORATE SUSTAINABILITY (continued)

SUSTAINABILTY MATERIAL ASSESSMENT (continued)

Social	Human Capital	• Employment • Employee welfare and benefits • Labour relations • Occupational health and safety • Labour practices • Diversity, equity and inclusion • Training and Development	
	Social Capital	• Customer privacy • Data security • Community relations and inclusion • Cybersecurity	
Governance	Leadership and Governance	• Risk management • Anti-Corruption • Corporate Social Responsibility • Business Ethics • Legal and regulatory compliance • Business resilience	

CORPORATE SUSTAINABILITY (continued)

ENVIRONMENTAL STEWARDSHIP

The Company endeavors to be a good steward of the environment by protecting and using the natural environment responsibly, taking part in conservation efforts and using sustainable practices.

Conservation of natural forests and biodiversity - (Tanganda river flowing through New Year's Gift estate)

The Company's strategy of sustainable business practices has seen reforestation and restoration of riverines to natural vegetation in order to promote original ecosystems, animal habitation and corridors. Dotted around the estates are undisturbed natural forests covering over two thousand hectares ensuring biodiversity and contributing to carbon dioxide sink.

Tanganda demonstrates a deep respect for the local community's cultural heritage and biodiversity by preserving and conserving forests housing community heritages on its farms. This commitment aligns with the Kunming-Montreal Global Biodiversity Framework and showcases Tanganda's dedication to preserving the local community's unique cultural landscape and biodiversity.

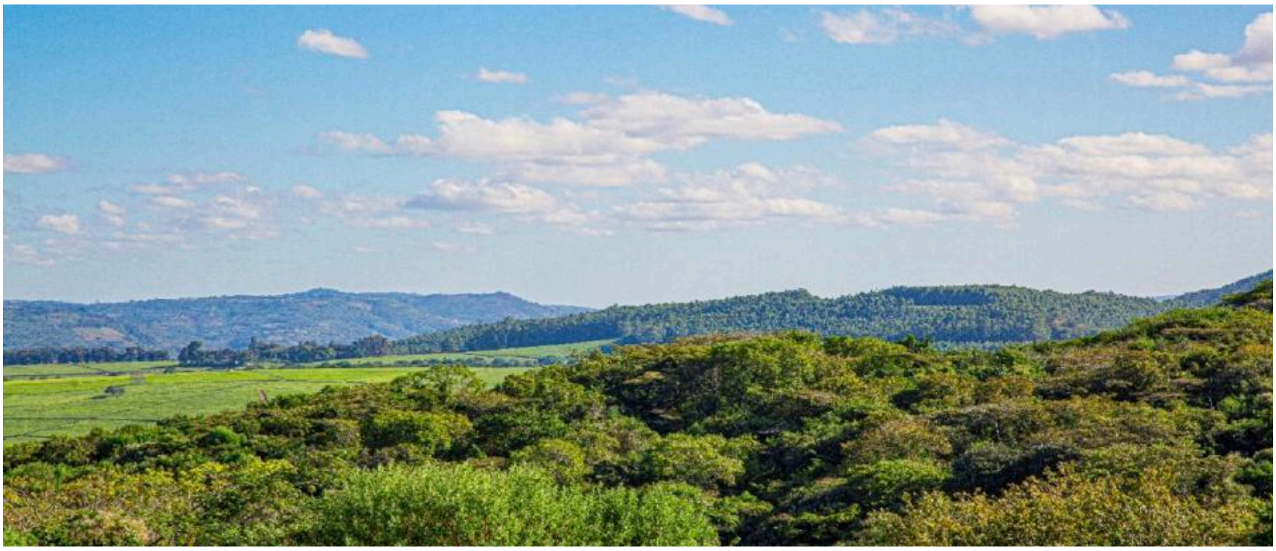
Conservation area on Jersey of the estates where the Muradzikwa headmen are interred.

CORPORATE SUSTAINABILITY (continued)

ENVIRONMENTAL STEWARDSHIP (continued)

Tanganda has taken a strong stance on protecting biodiversity by prohibiting hunting on its estates and closely monitors fishing activities on all water bodies within its estates to preserve the integrity of the aquatic ecosystems. This commitment to conservation and biodiversity highlights the Company's dedication to preserving and protecting wildlife on its estates, aligning with the principles of environmental stewardship. The practice of overfishing can have significant and detrimental effects on aquatic ecosystems. By removing large numbers of fish from their natural habitat, the delicate balance of species within the ecosystem is disrupted, leading to changes in the composition of species in the water. This disruption can have a ripple effect throughout the ecosystem, impacting food webs, biodiversity, and ultimately the health of the ecosystem as a whole.

The Company has implemented various initiatives to preserve the health of its natural forests and soil ecosystems. The Company prohibits the collection of firewood from these forests and the cutting down of trees. Agronomic practices are specifically designed to minimize the impact of fertilizers and pesticides on soil health by limiting their application to crops only. Additionally, natural vegetation is maintained along fields to prevent the drift and runoff of fertilizers and pesticides into surrounding ecosystems.



Conservation of natural forests within estates

Pest Control and management

The Company developed a comprehensive Integrated Pest Management system that optimizes pest control and minimizes negative impacts on the environment. Deliberate introduction of beehives in plantations to encourage pollination buttress efforts to conserve biodiversity. Native bees are used as a natural pollinator, protecting honey bee populations, which are under threat globally, and in turn protecting the Company's plantation long-term investment.

The guineafowl population is increasing and is used as a natural biological control of stink bugs which are a huge threat to macadamia quality.

Fire Controls

Constant security patrols coupled with fireguards to prevent fires in plantations and natural forests avert activities that may negatively impact on biodiversity. Plantations host a number of animals and birds including such as guineafowls, baboons, monkeys, bushbucks, wild pigs and jackals.

In order to protect ecosystems on our estates, the company complies with the Environmental Management Act that requires Environmental Impact Assessment on designated projects that may have an impact on biodiversity and local communities.

Materials used in manufacturing primary goods

Tanganda is an agribusiness and manufacturing concern that specializes in growing, manufacturing and distributing tea, macadamia, avocados and coffee. The Company also bottles tinga mira water. In line with GRI 301, materials used in production of primary goods in the year which are categorised into renewable and non- renewable are shown in tables overleaf.

CORPORATE SUSTAINABILITY (continued)

ENVIRONMENTAL STEWARDSHIP (continued)

Materials used in manufacturing primary goods (continued)

Renewable materials

Material	2023	2024
	tonnes	tonnes
Greenleaf	32 591	30 842
Macadamia	2 880	4 817
Avocados	2 113	3 991
Coffee cherry	620	269
Water	1 236	1 022
Packing materials	387	151
Firewood	21 039	19 748
Total	**60 866**	**60 840**

The renewable materials used were almost consistent over the two years due to drought conditions last season which saw other crops production going down hence a corresponding reduction in materials used.

Non -renewable materials

Material	2023 tonnes	2024 tonnes
Bulk tea packaging	179	158
Avocado packaging	83	90
Packed teas packaging	12	11
Total	**274**	**259**

Non-renewable materials used in 2024 were 5% lower than quantity used in 2023.

CORPORATE SUSTAINABILITY (continued)

ENVIRONMENTAL STEWARDSHIP (continued)

ENERGY SOURCES

Renewable energy

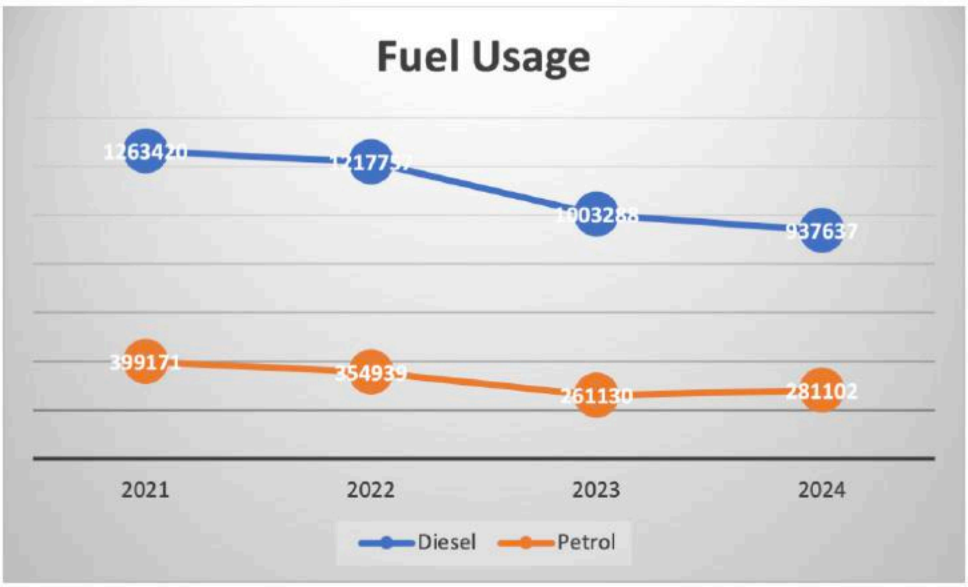
Solar plant at Ratelshoek estate

The Company is invested in green energy to mitigate electricity challenges faced over the years. The investment in clean energy buttresses the Company's commitment to reduce Greenhouse gases, contributing towards climatic change mitigation. Three independent battery supported solar plants on three of the five estates with an aggregate capacity of 4.4 Megawatts (MW) were installed.

The plan to grid tie the solar plants to the national grid on a net metering arrangement is in progress. Successful grid tying is expected to reduce energy costs in the long term.

Energy consumption

Due to improved fleet management systems and use of green energy, total diesel usage declined by 7% from 1 003 288 litres in 2023 to 937 637 litres in 2024. Petrol usage however increased by 8% over the same period due to increased mechanized harvesting.



CORPORATE SUSTAINABILITY (continued)

ENVIRONMENTAL STEWARDSHIP (continued)

ENERGY

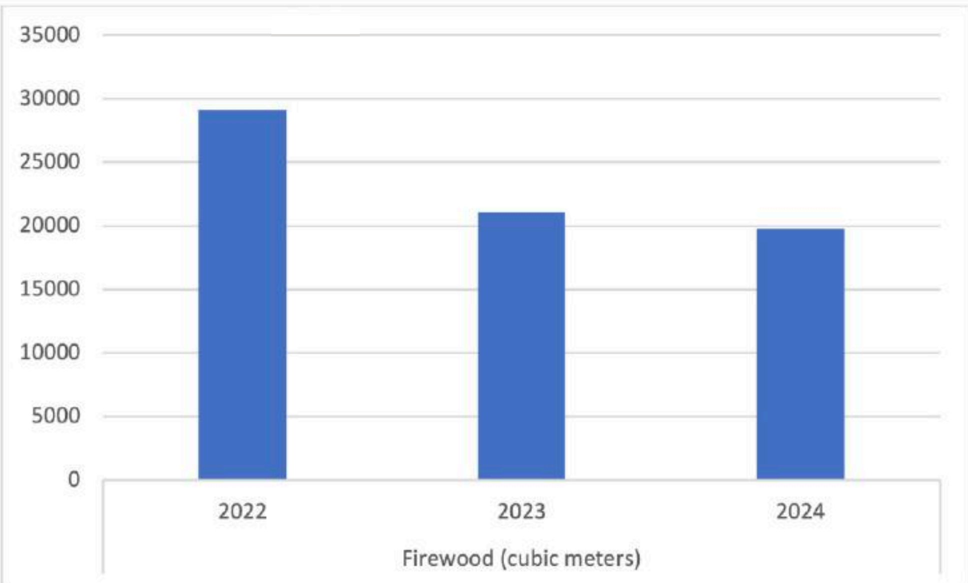
The Company uses three sources of power which are electricity supplied by ZETDC, solar PV and generators. The following table shows quantum of power drawn from each source during the period.

Energy source	2021 kWh	2022 kWh	2023 kWh	2024 kWh
Electricity (ZETDC)	9 440 832	6 685 189	7 693 471	7 155 469
Solar PV	271 043	1 936 880	2 396 897	2 091 242
Generators	398 618	801 200	1 430 104	1 427 714
	10 110 493	**9 423 269**	**11 520 472**	**10 674 425**

There was a 7.3% reduction in energy used from last season which is attributed to the energy efficiency management systems the Company is pursuing. The main source of energy used remained the ZETDC supplied electricity.

Firewood

The Company consumes firewood mainly in boilers used in tea manufacturing processes. Gum plantations covering 1 047 hectares supply firewood for both domestic and commercial use thereby allowing conservation of indigenous forests dotted around the plantations. The graph below shows a steady decline in firewood usage over the three years 2022, 2023 and 2024. The company realised a 6% reduction in firewood used in 2024 in line with the reduction in tea production.



CORPORATE SUSTAINABILITY (continued)

ENVIRONMENTAL STEWARDSHIP (continued)

Diesel used by generators

Generator fuel	2021	2022	2023	2024
Diesel (litres)	352 995	276 264	413 298	403 360

Whilst diesel used in generators slightly reduced by 2% from 2023, consumption remained high due to load shedding by ZETDC that necessitated the use of generators. Solar power is effective during the day on estates that have solar plants.

Energy consumed out of the Company

Activity	Type of fuel	2023 litres	2024 litres
Inputs transportation	Diesel	63 622	33 106
Finished product transportation	Diesel	160 819	166 424
Total		**224 441**	**199 530**

A total of 199 530 litres of diesel were used in transporting both inputs and output during year. Fuel used in 2024 was 11% less than the preceding year.

Energy conservation

The Company's strategy to reduce energy use in irrigation systems include building reservoirs on highlands and then pump water into the reservoirs which in turn uses gravity to irrigate. There are immense savings in energy as the need for continuous pumping is eliminated. However, the downside of the reservoirs is evaporation.

A reservoir on Jersey estate

CORPORATE SUSTAINABILITY (continued)

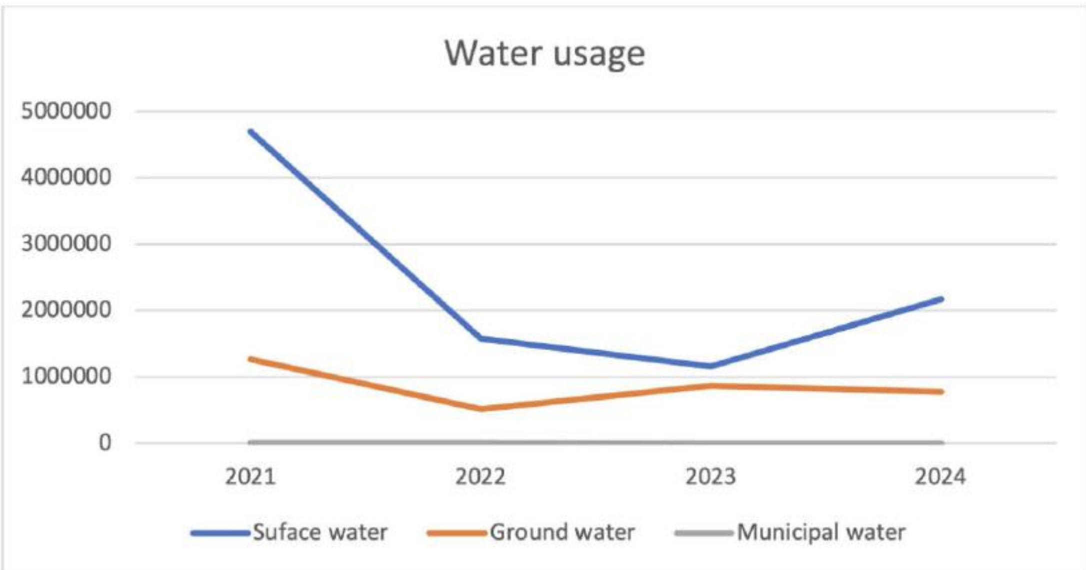
ENVIRONMENTAL STEWARDSHIP (continued)

Water Consumption

Water is a human right and essential for both human life, agricultural crops and various ecosystems subsisting within our lands. Successful agriculture depends on water availability for irrigation, pesticide application and other uses. Water resources both surface and underground are drawn according to abstraction and storage permits granted by water authorities in the country in line with the Water Act and other regulations governing water usage.

Vegetation around the dam prevents any drift of pesticides into the water bodies. Periodically the Company takes samples of water and send to Environmental Management Agency laboratory for analysis to ensure our activities do not impact the water ecosystems let alone those downstream.

Water extraction in cubic meters



The Company used 46% more water than the previous year largely because of the dry weather witnessed during the year. Municipal water usage remained constant.

CORPORATE SUSTAINABILITY (continued)

ENVIRONMENTAL STEWARDSHIP (continued)

Waste Generation and significant waste-related impacts

Tanganda's waste management system is thoughtfully designed to minimize the environmental impact of its operations. Processing waste from tea, macadamia, and coffee production is collected and composted, providing a source of organic manure for the fields. Avocados that aren't sold are also retained for manure. Inorganic waste, such as plastics and pesticide containers, are collected and sent for recycling or destruction. The Company further demonstrates its commitment to sustainability by segregating inorganic waste using separate bins, ensuring efficient recycling and minimizing negative impacts on the environment.

Tea waste compost

The Company utilizes a multi-step process to minimize the environmental impact of effluent from its factories. Solid waste is trapped from the cleaning and washdown activities, and the water is channeled through a series of ponds. Sediments in the wastewater settle at the bottom of the ponds, which are periodically cleaned and composted. The water from the final pond is sampled and analyzed in laboratories to ensure it meets environmental standards before disposal. As a company aware of the harmful effects of improper waste management on both the environment and human health and safety, Tanganda takes great care in meticulously managing its waste disposal, striving to minimize any negative impacts.

CORPORATE SUSTAINABILITY (continued)

ENVIRONMENTAL STEWARDSHIP (continued)

Waste Generation and significant waste-related impacts (continued)

During the year, a total of 2 923 tonnes of waste which was 51% higher than the preceding year was generated from the company's activities with 99% of it being composted for reuse as manure. The increase directly relates to the increase in harvested macadamia which was 77% higher than the previous year.

The Company's commitment to reduce waste and operate in a clean environment has seen the Company committing resources for post-product clean-up of the tinga mira water brand by collaborating with other companies within the beverages and allied industries to address environmental pollution caused by litter of PET bottles. Formation of PETRECOZIM (Pvt) Ltd, a company that recycles post-consumer polyethylene terephthalate (PCPET) bottles reduces negative impacts on both the environment and human health.

Emissions

Scope 1 direct GHG emissions

Source	2023 kgCO2e	2024 kgCO2e
Solar PV	98 273	85 741
Firewood	923 471	913 488
Diesel	2 518 253	2 495 568
Petrol	548 373	661 635
Total	**4 088 370**	**4 156 392**
Emissions in tCO2e	**4 088.37**	**4 156.39**

Conversion factors source: UK Government GHG Conversion Factors for Company Reporting 2024

The Company's business activities increased emissions by 1.67% over the previous year. Strategies to reduce GHG emissions are continually being explored to minimize impacts on the environment.

Scope 2 emissions (Energy indirect GHG emissions)

Source	2023 kgCO2e	2024 kgCO2e
Electricity from ZETDC	**1 593 118.23**	**1 481 711.59**

Conversion factor source: UK Government GHG Conversion Factors for Company Reporting 2024

There was a 7% reduction in kgCO2e over last year's emissions mainly due to erratic supply of electricity by ZETDC.

CORPORATE SUSTAINABILITY (continued)

ENVIRONMENTAL STEWARDSHIP (continued)

Emissions (continued)

Scope 3 emissions (Other indirect GHG emissions

Activity	2023 kgCO2e	2024 kgCO2e
Inputs transportation	159 691.22	88 113.27
Exports transportation	403 655.69	442 945.80
Total	**563 346.91**	**531 059.10**
Total tCO2e	**563.35**	**531.06**

Conversion factor source: UK Government GHG Conversion Factors for Company Reporting 2024

Emission from inputs and output transportation was 5.73% lower than last year's emissions.

SOCIAL

The Company's strategy is to grow the positive impacts on society that stretches beyond its products and services. The Company periodically engages with local communities in areas it operates to understand vulnerabilities caused by our activities and how they may be addressed. Our approach to addressing social responsibilities are guided by ISO 26 000's core issues as illustrated in the diagram below.

CORPORATE SUSTAINABILITY (continued)

HUMAN CAPITAL

The Company provides employment opportunities to a cross-section of human capital from communities it operates from, with the majority drawn from the Chipinge District. Employees are categorised as permanent, fixed term and contract employees. Equality, diversity, non-discrimination, fairness and inclusivity are our core values that we foster through ethical and transparent management guided by the Company's Code of Conduct, Collective Bargaining Agreements, Labour Act and the International Labour Organisation.

Employees in various factories.

The commitment to our values is buttressed by policies that relate to employee relations that include the following:

- Anti-harassment and Discrimination Policy;
- Child Labor Policy;
- Freedom of Association Policy;
- Gender Equality Policy;
- HIV, Aids & Wellness Policy;
- Human Resources Policy;
- Safety, Health and Environment Policy;
- Social Policy;
- Training & Development Policy and
- Worker Organisation Policy.

CORPORATE SUSTAINABILITY (continued)

HUMAN CAPITAL (continued)

In operation, also is a Supplier Code of Conduct that seeks to regulate suppliers who conduct business with Tanganda to be ethical in their trade. Frequent engagements with National Employment Councils and National Social Security Authority relating to employee welfare and safety reflect commitment towards employee welfare.

New employees hired

Gender	<30 years	30-50 years	>50 years	Total
Male	251	273	50	574
Female	65	107	35	207
Total	316	380	85	781

The rate of new employees for 2024 was 19% which is lower than 23% the previous year. The low employment rate was primarily due to streamlining in response to lower tea production experienced as a result of the El Nino induced drought. In alignment with the equal opportunity policy, a significant number of female employees were employed and 40% of the new employees were the youth.

Employee Turnover

Gender	<30 years	30-50 years	>50 years	Total
Male	187	173	33	393
Female	45	31	17	93
Total	232	204	50	486

Employee turnover ratio of 12% was slightly higher than previous year of 11% following a staff rationalisation exercise undertaken during the year.

Industrial Relations

Industrial Relations Climate

The industrial relations climate within the company was stable throughout the year despite the macro- economic pressures. Employee engagements at all levels were satisfactory, and proactive communication between management, members of the workers' committee, employees and key stakeholders at all levels was done to address concerns of all parties concerned. Interaction platforms in place are vital in ensuring continuity of cordial relations between management and employees.

Key Interaction Platforms

Joint consultative meetings: These are held at unit level where management and workers' representatives engage once every two months through joint consultative meetings. These meetings are held to discuss matters affecting both employees and the employer. Unresolved issues on these platforms are escalated for deliberations at Works council level.

Works Council Meetings: These are held every quarter between management and members of the central worker's committee to discuss matters of concern that may be impacting either party at Company level.

Human Resources and Central Workers Committee Meetings: These are held between Human Resources Department and members of central workers committee as and when urgent matters arise for discussion to avert negative impacts that may arise as a result of either party's activities.

CORPORATE SUSTAINABILITY (continued)

HUMAN CAPITAL (continued)

Trade Union/National Employment Council Engagement: Regular dialogues with union representatives and National employment council designated agents have also significantly helped maintain good industrial relation environment. No significant disputes arose during the course of the year. Negotiations on wage adjustments or work conditions progressed positively.

Leadership Engagement Meetings: The Company executive management also participate in dialogue with all levels of employees through leadership engagement meetings. These meetings are held once or twice a year and ensure top-down and bottom-up communication is regularly enhanced.

The Company has strong industrial relations with its employees. Proactive measures to address grievances, clear communication on business challenges and maintaining trust with all stakeholders remain critical for continued sustenance of this stability.

Occupational Health and Safety

The Company ascribes to the principle that human life is sacrosanct. Appropriate measures to prevent accidents, incidents, harm and diseases arising from the activities and operations of the company are in place and are constantly reviewed to ensure relevance and effectiveness. Various programmes that address occupational health and safety were rolled out during the season. The key objective of the safety management system remains zero harm to our people, stakeholders and property. Provision of a safe working environment is top priority. The Company adopted Vision ZERO as the safety management system.

Work -related injuries

Nature of injury	2023	2024
Fatalities	1	0
High-consequence work- related	19	10
Recordable work-related	241	107

Injuries declined during the year with a 47% reduction in high consequence injuries, a 56% reduction in recordable injuries and zero fatalities.

CORPORATE SUSTAINABILITY (continued)

HUMAN CAPITAL (continued)

Employee wellness

Safety awareness team on one such campaigns.

The Company partnered with different medical institutions to provide free and or subsidized health care on estates for both our employees and local communities. The outreach team visits the estates once every two months. Tanganda contributes to CIMAS medical aid society to assist employees with their heath requirements.

Positive collaboration with CIMAS Health Care on wellness awareness

In today's fast-pacing world, promoting wellness at the workplace and within communities continue to be essential. Tanganda continues to position itself as a leading advocate for health awareness and preventive care.

Further to provision of healthcare services to employees, their families and communities through the company run clinics at the five estates, management initiated collaboration with CIMAS Health Care in continued pursuit of wellness advocacy within the company and communities. The partnership focuses on educating workers, their dependants and willing community members on making healthier choices and understanding the importance of wellness in daily life. Through a proactive collaboration with CIMAS Health Care, the joint parties continue working towards fostering a culture of wellness that goes beyond physical health but encompass mental, emotional and social well-being.

The Tanganda and CIMAS partnership offer a range of health services, workshops, and resources aimed at promoting lifestyle adjustments that can prevent chronic diseases, reduce stress, and improve overall quality of life. The wellness programs emphasize on regular health checks, balanced nutrition, exercise and stress management, providing participants with the tools and support they need to make sustainable lifestyle changes.

Cimas Health Care Staff offering wellness consultation on estates

CORPORATE SUSTAINABILITY (continued)

HUMAN CAPITAL (continued)

Various employee wellness programs are in place to encourage non-medical health interventions and positive lifestyles. The Company sponsors and organizes inter-estates sports gala once a year which is restricted to employees and their families. Prizes are won for winners and outstanding performers.

Promotion of employee wellness and preventive healthcare. Employees participating in Sports gala organised by the employer.

Training and education

Training and development of employees plays an integral role in any learning and progressive organisation. The Company runs a fully -fledged training centre to support and run training requirements. Continuous identification of skills gaps and administering suitable training ensure the development and growth of both the Company and its employees.

Management training at the John Moxon Training Centre.

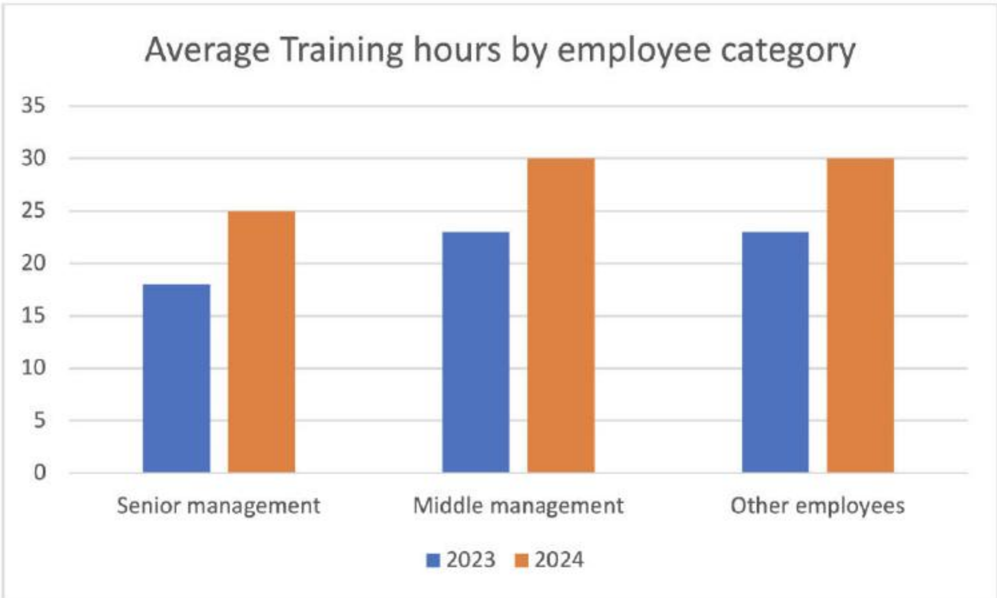
CORPORATE SUSTAINABILITY (continued)

HUMAN CAPITAL (continued)

Average training hours of employees by gender

Gender	2023 Training hours per person	2024 Training hours per person
Male	22	37
Female	20	30

Average training hours undertaken by male employees were 68% higher than in the year 2023 while female employees training hours increased by 50% compared to prior year.



The above table shows improvement of average training hours in 2024 over the previous year.

Gender diversity of governance bodies and employees

The Board of Directors comprises one female and nine male members. Age distribution is as illustrated in the below table.

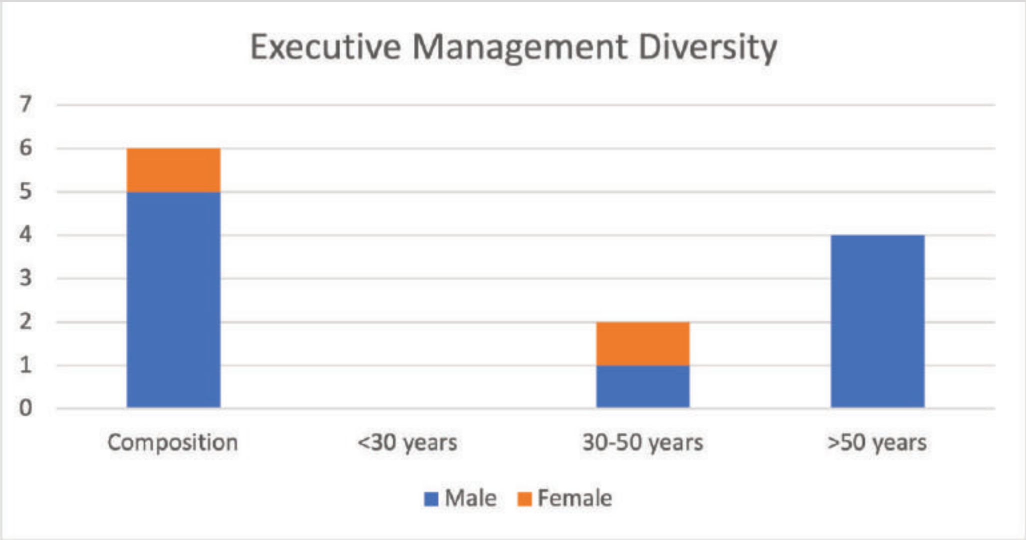
Gender	<30 years	30 – 50 years	>50 years	%of BoD
Male		22%	78%	90%
Female		100%		10%

There were no changes in Board composition in its diversity from 2023 with male directors constituting 90% with the remaining 10% being female. The age distribution of the directors is as follows:
- 78% of male directors are above 50 years old,
- 22 % of male directors are in 30 – 50 years range, and
- The only female director is in 30- 50 years range.

CORPORATE SUSTAINABILITY (continued)

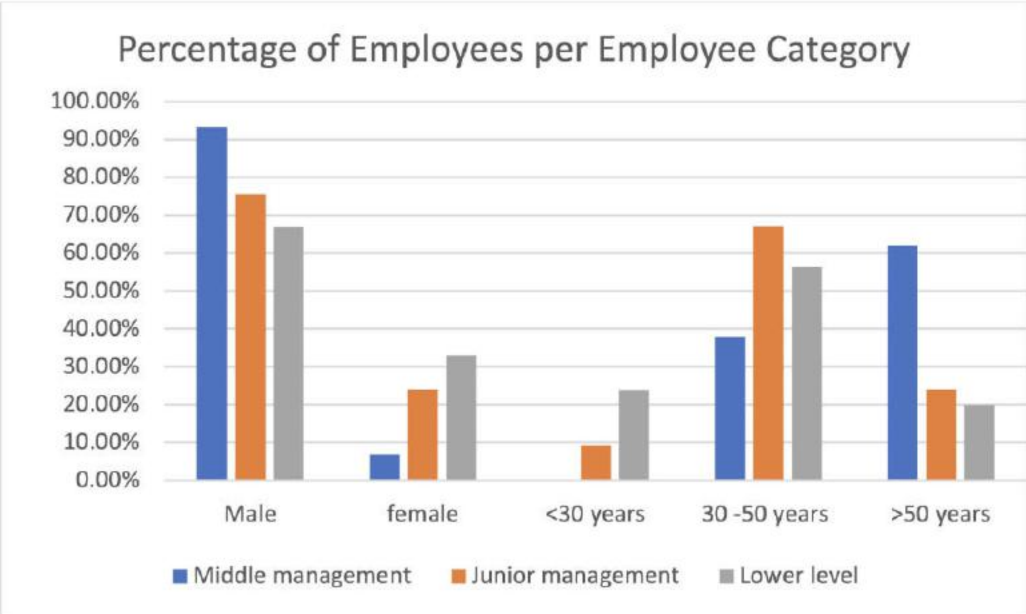
HUMAN CAPITAL (continued)

Executive management diversity



Executive management team comprises six senior managers and 83% of the team members are male with the remaining 17% being female. The female executive is in the 30-50- years category. Of the male executive managers, 20% are in the 30-50 years age range whilst 80% are above 50 years old.

Percentage of employees by employee category



The Agriculture industry is male dominated; however, the Company makes deliberate decisions to improve gender diversity by providing equal opportunities for employment, training and development, succession planning and promotions. 57% of all employees were in the 30-50 years range.

LOCAL COMMUNITY

Tanganda fosters and maintains sound relationships with communities in which it operates in recognising that its contribution to community development positively impacts the communities through poverty alleviation and improvement in quality of life. Whilst the Company does not discriminate when employing, the majority of employees are drawn from local communities.

CORPORATE SUSTAINABILITY (continued)

LOCAL COMMUNITY (continued)

Outgrowers

The Company supports Tea Outgrowers scheme which comprises of over a thousand small scale farmers dotted around the Estates. The farmers grow tea and supply the greenleaf to Tanganda factories. The Company therefore provides a ready market for Chipinge Tea Growers Association members. Extension workers are provided by the Company to oversee and support the Outgrowers and their tractor fleet is maintained by the Company in order to ensure a smooth operation. The Company provides financial guarantees to the Chipinge Growers Association to facilitate access to loan finance.

Inorder to mitigate against rampant destruction of natural forests in communities surrounding our operations, the Company intervened by giving communal farmers and Outgrowers free gum seedlings to plant and harvest for their consumption. The Company also buys mature gum trees from the communities for its firewood requirements further enriching and empowering local communities.

Engagement with local leaders

Stakeholder engagements are an essential component of successful operations, and Tanganda recognizes the importance of engaging with its local community leaders. Tanganda aims to create a mutually beneficial relationship that fosters trust, collaboration and sustainability. The Company has built and strengthened relationships with its local leadership by involving them in some decision-making processes.

Through these community engagements and partnerships, the Company leverages its resources and expertise to support local development initiatives. The Company contributes to economic growth, job creation, and poverty reduction by investing in local communities, supporting local businesses, and contributing to community development projects.

Local community engagement meetings

Actively involving stakeholders in decision-making processes has fostered trust, good reputation, improved decision-making, and enhanced corporate social responsibility.

The fight against drug and substance abuse has seen the Company partnering Zimbabwe Republic Police in raising awareness.

The Company supports four primary and four secondary schools within its estates. These cater for the education requirements of both our employees' children and those from the local communities. The Company provides Internet connectivity to all the eight schools.

Tanganda maintains state roads in areas surrounding or leading to our estates as part of community development programs.

The Company also donated 1 250 macadamia plants to Angel of Hope in support of the First Lady's philanthropic programs.

ZRP raising awareness on substance abuse.

CORPORATE SUSTAINABILITY (continued)

LOCAL COMMUNITY (continued)

Community road repair

Reaching out to communities through sport

The yearly Tanganda 21km Half marathon is a platform where the Company interacts and rewards customers and the public in general, while promoting health and wellness as a responsible corporate citizen.

The annual Tanganda Marathon event held in Mutare every last Sunday of the month of June is an important platform to engage health and running enthusiasts, including government stakeholders to witness Tanganda's commitment to grow and support talent as well as reward excellence. There was a 36% increase to 1500 participants at the 2024 edition of the Tanganda Half Marathon compared to the previous year.

Tanganda Marathon

CORPORATE SUSTAINABILITY (continued)

LOCAL COMMUNITY (continued)

Reaching out to communities through sport (continued)

Tanganda Marathon

Prize giving to wheelchair participants.

Stella Netball Tournament 2024
Tanganda supports the girl child through the Stella Netball Tournament sponsorship which sponsors the 17 years and under age group. The tournament is also used as the Confederation of Schools Sports Association of Southern Africa (COSSASA) selection qualifier.

In 2024 the finals were held in Mutare and the winning team received a commendable USD5,000. A team to represent the nation was selected and also partly sponsored by Tanganda.

Filchrist High School. The 2024 Champions.

CORPORATE SUSTAINABILITY (continued)

LOCAL COMMUNITY (continued)

Reaching out to communities through sport (continued)

Zimbabwe COSSASA selected team for 2024.

Partnering with Nyaradzo Group to sponsor Friends of the Environment walkathon in recognition of the environment.

CORPORATE SUSTAINABILITY (continued)

CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS (SDGS)

1 NO POVERTY	Tanganda contributes significantly to both Chipinge district and national economy by employing an average of 4 000 employees thereby reducing poverty. Our employees at the Estates are provided with a commodity basket to augment their basic wages. The support of over 1 000 small scale tea Outgrowers has seen an investment of USD276 864 in the 2024 financial year.
3 GOOD HEALTH AND WELL-BEING	All our employees have access to health care through clinics operated by the Company at the estates. The health facilities also cater for the surrounding local community. The Company contributes to CIMAS health care for provision of health services. Promotion of good health and wellness is also achieved through sports inter-estates sports galas and sporting events such as the annual Tanganda half marathon, NASH school's Stella Netball tournament. The Company invested USD111 989 in supporting health promotion and employee wellness programs.
4 QUALITY EDUCATION	Education is among children's basic rights. The Company invested in elementary, primary and secondary school education by provision of schools which benefit both employees' and the communities children. The Company invested in internet connectivity and subscriptions for the schools on its own estates. The internship for different training programs have assisted the community by providing training ground for future leaders.
5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH	The Company has a deliberate policy to promote gender equality in its labour force. Current labour ratio is 33% female and 67% male. Collective bargaining agreements with different National Employment Councils for employee benefits ensure fair growth of incomes. Training hours for both female and male employees are relatively the same as the Company promotes furtherance and upskilling of employees.
6 CLEAN WATER AND SANITATION	Safe drinking water is a basic human right. The Company constructed water processing and sanitation facilities to enhance safety and good health to both employees and local communities that access these services. Periodic portable water tests as a measure to monitor suitability of drinking water are done and recommendations implemented. Water bodies on our estates are always tested to detect any effects of eutrophication.

CORPORATE SUSTAINABILITY (continued)

CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS (SDGS) (continued)

7 AFFORDABLE AND CLEAN ENERGY	The Company is invested in green energy as a means to access cheaper energy that impacts less on greenhouse gas emissions and to mitigate increasing costs of both hydro and thermal power. The three solar plants constructed have reduced reliance on the national grid and reduced generator fuel consumption. Maintenance of these facilities cost the Company USD91 835 during the year.
13 CLIMATE ACTION	The Company recognizes the need to operate sustainably in order to protect the environment. Investment in green energy as a way of reducing greenhouse gases, reforestation and conservation of natural forests were activities that impact positively on climate change. The Company has 1 048 hectares of gum plantations across its 5 estates. The plantation crops on the estates enhances tree population which help absorb carbon dioxide from the atmosphere and helps slow global warming. The Company contributed USD9 006 towards disposal ofand recycling of PET bottles through PETRECOZIM during the year.
14 LIFE BELOW WATER	The removal of gum trees in riverines and around dams and the subsequent restoration of natural vegetation guarantees sustenance of different ecosystems. Prevention of chemical run off into dams, restricted fishing and hunting are activities that ensure safe aquatic life and life on land.
15 LIFE ON LAND	The Company implemented policies on conservation of natural forest and conservation of soils. Hunting is prohibited across all estates and fishing is restricted to promote biodiversity.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	The Company engages in sustainable agricultural practices in processing its products. Frequent audits by certification bodies on Sustainable Agriculture Standards, Food Safety and Quality Standards contribute to responsible production. Distribution of our products to the market are through reputable customers.

CORPORATE SUSTAINABILITY (continued)

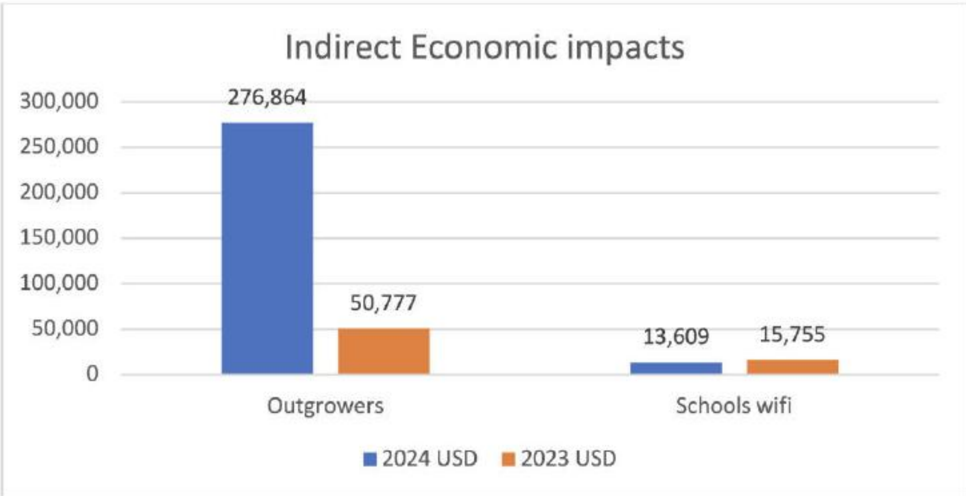
ECONOMIC CONTRIBUTIONS

The Company's approach is to harness resources at its disposal in the most sustainable manner to generate economic value that enhances stakeholder value. Compliance with business rules and regulations, ethical business practices, sustainable agricultural practices and continuous products innovation that are compatible with our markets are core to the company's strategy.

Direct economic value generated and distributed

Tanganda generated economic value to different stakeholders during the year through trade. Communities benefited from our operations through employment and social corporate responsibility activities. Government support through payment of taxes and duties contribute to provision of essential services to the country.

Indirect Economic Impacts



The Company spent USD276 864 (2023: USD 50 777) in supporting tea outgrowers. Outgrowers support directly benefit small scale farmers and their employees and further through the multiplier effect, the whole district. Tanganda identified the importance of internet in modern education and spent USD 13 609 (2023: USD 15 755) in information technology in schools which are accessible to the local community.

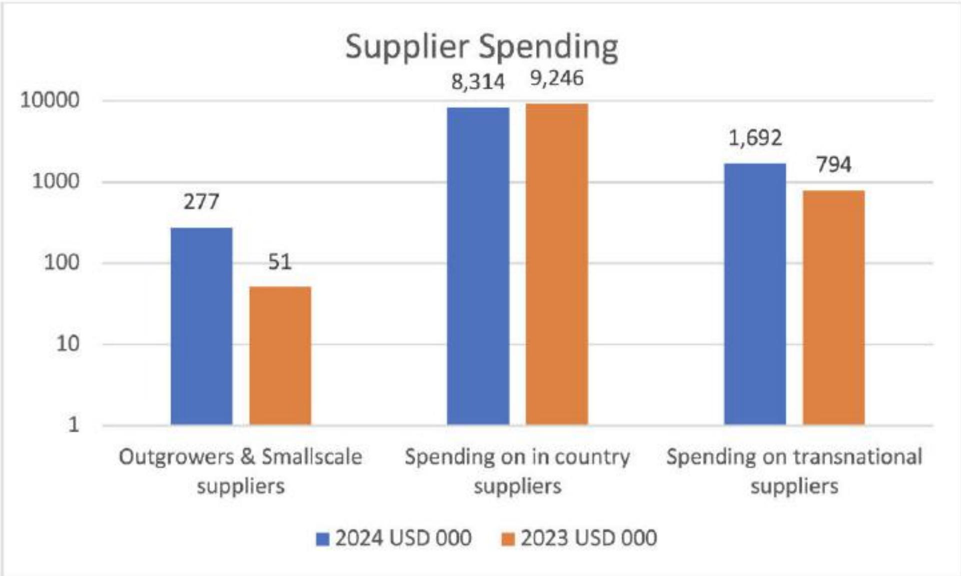
Defined Contribution Schemes

Pension type	2024 USD	2023 USD
National Social Security	79 604	157 496
Meikles Group Pension Fund	287 859	673 835
	367 463	**831 331**

CORPORATE SUSTAINABILITY (continued)

ECONOMIC CONTRIBUTIONS (continued)

Procurement



Local purchases constituted 81% of the total amount spent on suppliers with the remaining 9% were imports. There was a 11% decline in local purchases from 92% in the prior year due to non-availability and pricing of some product lines on the local market. Local purchases refer to purchases made from suppliers domiciled in Zimbabwe.

Tax payments and strategy

The Company complies with rules and regulations of the country which include payment of taxes due to Zimbabwe Revenue Authority (ZIMRA). The Board, as represented by the Finance Director is accountable and responsible for the execution of the tax strategy. The Finance Director impliments the approved annual tax strategy. As a company, values of honesty and integrity are upheld to ensure discharge of commitments to tax authorities for economic growth.

In order to manage effectively tax and related impacts, proactive actions are implemented to ensure compliance. Our employees are trained regularly to stay updated on tax regulations, and participate in seminars for continuous professional development in the tax field. Tax consultants are engaged to address areas of legislative interpretation that may be unclear.

In addressing any negative impacts, we communicate with tax authorities through written correspondence, and also utilise tax consultants to resolve any outstanding queries. We have implemented various processes to track the effectiveness of our tax management activities. These include ZIMRA ledger reconciliations to ensure timely submission of returns and payments, external audits of tax computations and health tax check reviews conducted by tax consultants to assess compliance and identification of risks. These processes assist in evaluation of the effectiveness of our tax management practices and identify areas for improvement. To evaluate our progress, we have set goals, targets, and key performance indicators (“KPIs”). Our goals include timely payment of taxes, correct calculation of taxes, and timely submission and filing of tax returns.

Key performance indicators such as the quantum of interest and penalties from regulatory authorities and any additional assessments from tax authorities help us assess our progress towards meeting these goals.

The Company recognise the importance of effective tax management practices and stakeholder engagement on tax matters. By adhering to tax laws, engaging with tax authorities, and continuously improving our tax management processes, we aim to contribute to the sustainable growth of our company and maintain positive relationships with all stakeholders.

CORPORATE SUSTAINABILITY (continued)

ECONOMIC CONTRIBUTIONS (continued)

Tax payments and strategy (continued)

The taxes remitted for the year ended 30 September 2024 are as enumerated in the table below:

Type of tax	2024 USD	2023 USD
Corporate tax	219 082	379 418
Value added tax	428 239	367 007
Import duty	49 405	196 594
Pay As You Earn	1 276 549	1 591 600
Withholding tax	41 151	122 260
Aids levy	38 294	47 837
	2 052 720	**2 704 716**

REPORT OF THE DIRECTORS

The Directors have the pleasure in presenting their report as well as the audited financial statements of the Company for the year ended 30 September 2024.

Financial results
The results for the year ended 30 September 2024 are set out in the attached.

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 16.1 to the financial statements.

Directors and their interests
The names of the Directors of the Company during the year are disclosed in note 16.2.

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 16.2. 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 16.2 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 2024:

REPORT OF THE DIRECTORS (continued)

Top ten shareholders

At 30 September 2024	Number of shares	Percentage shareholding (%)
Meikles Consolidated Holdings (Private) Limited	127,601,590	48.88
Mega Market (Private) Limited	24,111,316	9.24
Old Mutual Life Assurance of Zimbabwe Limited	15,769,797	6.04
Stanbic Nominees (Private) Limited-AC140043470003	6,892,818	2.64
London Register- Meikles Africa Limited	4,101,209	1.57
Stanbic Nominees 150045520001	3,226,222	1.24
Stanbic Nominees (Private) Limited NNR A/C 140043470002	2,949,075	1.13
Meikles Pension Fund-ABC	2,846,010	1.09
Old Mutual Zimbabwe Limited	2,467,965	0.95
Mundell Family Trust	2,466,231	0.94
Total for top ten shareholders	**192,432,233**	**73.72**
Other	68,632,357	26.28
Total	261,064,590	**100.00**

Dividend
The Board has recommended not to declare a dividend and profits will be reinvested into the business into the business.

Audit fees
Members will be asked to approve the remuneration of auditors for the past audit as set out below:

	2024 USD	2023 USD
Axcentium formerly Deloitte & Touche		
Financial statements audit fees	82 650	100 416
Non-assurance fees	10 107	7 000
Inflation adjustment	-	142 306
Total fees to Axcentium	**92 757**	**249 722**
Ernst and Young		
Half year review audit fees	31 114	-
Total remuneration to auditors for the year	**123 871**	**249 722**

Appointment of Auditors

Axcentium the successor firm to Deloitte & Touche Zimbabwe, who had been auditors of the Company for more than 10 years, will step down as the Auditors of the Company in view of the requirements of Section 69 (6) of the ZSE Listings Requirements. Shareholders will be asked to appoint BDO Chartered Accountants as the Auditors of the Company for the ensuing financial year.

H. Nkala
Chairman
11 December 2024

DIRECTOR’S 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, Axcentium, have audited the financial statements and their report appears on pages 62 to 63. 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 financial statements and accompanying accounting policies, which follow IFRS Accounting Standards as issued by the International Accounting Standards Board, 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 after approval of these financial statements 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 64 to 102 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
11 December 2024

T.J. G Fennell
Chief Executive Officer
11 December 2024

AUDITOR'S REPORT

Axcentium
West Block
Borrowdale Office Park
Borrowdale
Harare
Zimbabwe

AXCENTIUM

PO Box 267
Harare
Zimbabwe

Tel: +263 (0) 8677 000261
www.axcentium.co.zw

Independent Auditor's Report
To the Shareholders of Tanganda Tea Company Limited

Opinion

We have audited the financial statements of Tanganda Tea Company Limited ("the Company") set out on pages 64 to 102, which comprise the statement of financial position as at 30 September 2024, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30 September 2024, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31).

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 Financial Statements section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of 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.

Key audit matters

Key audit matters are those matters that, in our professional judgement, are of most significance in our audit of the financial statements of the current period. These matters are addressed in the context of our audit of the 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.

Other information

The directors are responsible for the other information. The other information comprises the Chairman's Statement, Corporate Information, the Report of the Directors, and the Statement of the Directors' Responsibility for Financial Reporting, as required by the Companies and Other Business Entities Act (Chapter 24:31), which we obtained prior to the date of this auditor's report and the Annual Report, which is expected to be made available to us after that date. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with 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), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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.

AUDITORS REPORT (continued)

Independent Auditor's Report
To the Shareholders of Tanganda Tea Company Limited (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 are 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.

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:

<u>Section 193 (1) (a)</u>

In our opinion, 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 its financial statements for its financial year ended on that date.

<u>Section 193 (2)</u>

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

Axcentium.

Axcentium
Per: Lawrence Nyajeka
Partner
PAAB Practice Certificate Number: 0598
Harare, Zimbabwe

12 December 2024

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2024

	Notes	30 September 2024 USD	Restated 30 September 2023 USD*
Revenue	22	25 766 340	23 595 458
Cost of sales		(16 974 532)	(17 240 818)
Gross profit	23	8 791 808	6 354 640
Other expenses		(3 561 154)	(4 313 412)
Selling and distribution expenses	28.1	(3 929 738)	(3 886 079)
Decrease / (increase) in expected credit losses	28.1	313 960	(445 117)
Other income	24	318 961	711 717
Operating profit / (loss)	26	1 933 837	(1 578 251)
Net finance costs	25	(777 256)	(931 358)
Monetary loss		-	(583 154)
Profit / (loss) before income tax		1 156 581	(3 092 763)
Income tax credit / (expense)	27	209 142	(26 779)
Profit / (loss) for the period		1 365 723	(3 119 542)
Other comprehensive income		-	-
Total comprehensive income / (loss)		1 365 723	(3 119 542)
Earnings per share (cents)			
Basic		0.52	(1.19)
Diluted		0.52	(1.19)

*Prior year amounts reported in ZWL now reported in USD, refer to note 2.3 on change in functional currency and note 28.1 for prior year profit or loss and other comprehensive income restatement.

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 SEPTEMBER 2024

ASSETS	Notes	30 September 2024 USD	Restated 30 September 2023 USD*	Restated 1 October 2022 USD*
Non-current assets				
Property, plant and equipment	7	20 034 801	20 283 842	19 808 621
Right of use assets	8	10 687	16 794	22 755
Intangible assets	9	-	-	33 470
Biological assets	12	1 645 154	1 163 106	1 482 554
Other financial assets	10	-	-	9 880
		21 690 642	21 463 742	21 357 280
Current assets				
Inventories	11	6 956 514	5 882 897	7 146 344
Produce on bearer plants	13	112 173	220 106	198 219
Trade and other receivables	14	6 159 017	4 266 194	5 150 170
Bank and cash balances		224 613	152 249	187 763
		13 452 317	10 521 446	12 682 496
Total assets		35 142 959	31 985 188	34 039 776
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	16.1	320 075	320 075	320 075
Share premium	16.3	7 675 801	7 675 801	7 675 801
Non-distributable reserve	16.4	2 599 156	2 599 156	2 599 156
Retained earnings		12 651 166	11 285 443	14 588 109
		23 246 198	21 880 475	25 183 141
Non-current liabilities				
Deferred tax	17	2 777 412	3 205 636	3 558 275
Lease liability	20	11 297	25 284	32 233
Long-term borrowings	18	2 937 639	1 267 716	-
		5 726 348	4 498 636	3 590 508
Current liabilities				
Trade and other payables	19	2 534 078	4 277 939	3 571 067
Lease liability	20	13 987	12 852	9 980
Current portion of long-term borrowings	18	3 093 792	1 216 981	1 321 851
Bank overdraft	18	498 041	93 373	-
Current tax liability	21	30 515	4 932	363 229
		6 170 413	5 606 077	5 266 127
Total liabilities		**11 896 761**	**10 104 713**	**8 856 635**
Total equity and liabilities		35 142 959	31 985 188	34 039 776

*Prior year amounts reported in ZWL now reported in USD, refer to note 2.3 on change in functional currency

The Company financial statements on pages 64 to 102 were approved by the Board of Directors and signed on its behalf by:

H. NKALA
Chairman
11 December 2024

T.J.G. FENNELL
Chief Executive Officer
11 December 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2024

	Share capital USD	Share premium USD	Non-distributable reserve USD	Retained earnings USD	Total USD
Balance as at 1 October 2022	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)
Balance as at 30 September 2023	**320 075**	**7 675 801**	**2 599 156**	**11 285 443**	**21 880 475**
Profit for the period	-	-	-	1 365 723	1 365 723
Balance as at 30 September 2024	**320 075**	**7 675 801**	**2 599 156**	**12 651 166**	**23 246 198**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2024

		30 September 2024 USD	Restated 30 September 2023 USD*
Cash flows from operating activities			
Cash (utilised in) / generated from operating activities	28	(2 367 667)	485 310
Cash flows from investing activities			
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 from disposal of biological assets		-	104 118
Interest received	25	282	1 032
Net cash utilised in investing activities		(678 659)	(1 543 273)
Cash flows from financing activities			
Proceeds from borrowings		7 154 864	5 575 798
Repayment of borrowings		(3 608 129)	(3 891 879)
Dividend paid		-	(183 124)
Interest paid	25	(774 790)	(928 761)
Lease payments		(15 600)	(14 472)
Net cash generated from financing activities		2 756 345	557 562
Net decrease in cash and cash equivalents		(289 981)	(500 401)
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
Cash and cash equivalents at the end of the period		(273 428)	58 876
Cash and cash equivalents comprise:			
Bank and cash balances		224 613	152 249
Bank overdraft		(498 041)	(93 373)
		(273 428)	58 876

*Prior year amounts reported in ZWL now reported in USD, refer to note 2.3 on change in functional currency

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

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.

2. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, ("IASB") and adopted by the Public Accountants and Auditors Board, ("PAAB") constituted under the Public Accountants and Auditors Act (Chapter 27:12) and the Companies and Other Business Entities Act ("Chapter 24:31") and the Zimbabwe Stock Exchange requirements except where otherwise stated.

2.1 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.

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.

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 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.

2.2 Basis of preparation

The Company's financial statements have been prepared based on the statutory records that are maintained under the historical cost basis except for biological assets and certain financial instruments which are measured at fair value. The financial statements are presented in United States Dollars (USD) and all values have been rounded to the nearest dollar, except where otherwise indicated.

The principal accounting policies of the Company are consistent with those applied in the previous year and conform to IFRS Accounting Standards as issued by the International Accounting Standards Board and all applicable amendments to IFRS Accounting Standards, except where otherwise stated.

2.3 Change in functional 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 ("The 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 the beginning of the current financial year (1 October 2023). The change in the Company's functional currency led to the Company changing its presentation currency from ZWL to USD.

2.3 Change in functional and presentation currency (continued)

Procedures to convert comparative financial statements 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 closing rate.

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 October 2023. Their adoption has not had any material impact on the amounts or disclosures reported in these financial statements.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures titled Supplier Finance Arrangements

The Company has adopted the amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures titled Supplier Finance Arrangements for the first time in the current year.

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The amendments contain specific transition provisions for the first annual reporting period in which the company applies the amendments. Under the transitional provisions an entity is not required to disclose:

- comparative information for any reporting periods presented before the beginning of the annual reporting period in which the entity first applies those amendments
- the information otherwise required by IAS 7:44H(b)(ii)–(iii) as at the beginning of the annual reporting period in which the entity first applies those amendments.

Amendments to IAS 1 Classification of Liabilities as Current or Non-current

The Company has adopted the amendments to IAS 1, published in January 2020, for the first time in the current year.

The amendments 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.

Amendments to IAS 1Presentation of Financial Statements—Non-current Liabilities with Covenants

The company has adopted the amendments to IAS 1, published in November 2022, for the first time in the current year.

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

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

Amendments to IAS 1Presentation of Financial Statements—Non-current Liabilities with Covenants (continued)

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

Amendments to IFRS 16 Leases—Lease Liability in a Sale and Leaseback

The company has adopted the amendments to IFRS 16 for the first time in the current year.

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15 is a lease liability.

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

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

At the date of authorisation of these financial statements, the company has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective. The directors do not expect that the adoption of the standards listed below will have a material impact on the financial statements of the company in future periods, except if indicated below.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability

The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not.

The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency.

The assessment of whether a currency is exchangeable into another currency depends on an entity's ability to obtain the other currency and not on its intention or decision to do so.

When a currency is not exchangeable into another currency at a measurement date, an entity is required to estimate the spot exchange rate at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

The amendments do not specify how an entity estimates the spot exchange rate to meet that objective. An entity can use an observable exchange rate without adjustment or another estimation technique. Examples of an observable exchange rate include:

- a spot exchange rate for a purpose other than that for which an entity assesses exchangeability
- the first exchange rate at which an entity is able to obtain the other currency for the specified purpose after exchangeability of the currency is restored (first subsequent exchange rate).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

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 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability (continued)

An entity using another estimation technique may use any observable exchange rate—including rates from exchange transactions in markets or exchange mechanisms that do not create enforceable rights and obligations—and adjust that rate, as necessary, to meet the objective as set out above.

When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, the entity is required to disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments add a new appendix as an integral part of IAS 21. The appendix includes application guidance on the requirements introduced by the amendments. The amendments also add new Illustrative Examples accompanying IAS 21, which illustrate how an entity might apply some of the requirements in hypothetical situations based on the limited facts presented.

In addition, the IASB made consequential amendments to IFRS 1 to align with and refer to the revised IAS 21 for assessing exchangeability.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025, with earlier application permitted. An entity is not permitted to apply the amendments retrospectively. Instead, an entity is required to apply the specific transition provisions included in the amendments.

The directors of the company do not anticipate that the application of these amendments may have an impact on the company's financial statements in future periods.

IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

The directors of the company anticipate that the application of these amendments may have an impact on the company's financial statements in future periods.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.

A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

An entity is only permitted to apply IFRS 19 if, at the end of the reporting period:

- it is a subsidiary (this includes an intermediate parent)
- it does not have public accountability, and
- its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

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

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

IFRS 19 Subsidiaries without Public Accountability: Disclosures (continued)

A subsidiary has public accountability if:

- its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets), or
- it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (for example, banks, credit unions, insurance entities, securities brokers/dealers, mutual funds and investment banks often meet this second criterion).

Eligible entities can apply IFRS 19 in their consolidated, separate or individual financial statements. An eligible intermediate parent that does not apply IFRS 19 in its consolidated financial statement may do so in its separate financial statements.

The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted. If an entity elects to apply IFRS 19 for a reporting period earlier than the reporting period in which it first applies IFRS 18, it is required to apply a modified set of disclosure requirements set out in an appendix to IFRS 19. If an entity elects to apply IFRS 19 for an annual reporting period before it applied the amendments to IAS 21, it is not required to apply the disclosure requirements in IFRS 19 with regard to Lack of Exchangeability.

The directors of the company do not anticipate that IFRS 19 will have any impact on the entity's future periods financial statements.

4. MATERIAL ACCOUNTING POLICY INFORMATION

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 with the exception of the change in functional and presentation currency as per note 2.3.

4.1 Foreign currency translation

Transactions incurred in other currencies other than the functional currency were recognised 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 translated 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 an indefinite useful life 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 years 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, an impairment is recognised to align the carrying amount to the recoverable amount.

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:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.2 Property, plant and equipment (continued)

Buildings and improvements	50 years
Dams	50 years
Motor vehicles	2 - 10 years
Tractors	6 - 10 years
Plant and machinery	15 - 25 years
Furniture and fittings	2 - 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 cost to sale. 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 an independent professional valuer.

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.

4.4.1 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 THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

4. MATERIAL ACCOUNTING POLICY INFORMATION (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 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.6 Financial instruments (continued)

4.6.3 Measurement (continued)

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.

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.

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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 sell at point of harvest in line with IAS 41. This is considered the cost of those inventories at that date for application of IAS 2.

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. The finished goods are accounted for using the weighted average method.

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 Bank and cash balances

Bank and cash balances 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.

4.10 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.

4.11 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.11 Current and deferred income tax (continued)

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.

4.12 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables 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.

4.13 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.

4.14 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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.15 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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.16 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, 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.

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 United Sates Dollars (USD) which is the functional currency of the Company. Adoption of the USD as a functional currency was done effective the 1st of October 2023.

The Directors assessed that the USD remained the functional currency of the entity as at 30 September 2024. Historic foreign currency-based transactions have been translated using the applicable spot 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(b) Financial Instruments (continued)

- **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 group 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) 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 2023:15.45%) 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.

(f) 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 interbank rate at the date of the transaction. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated 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 USD exchange rate at a rate of ZWL25: USD1, 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(f) Use of interbank spot rate (continued)

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.

Subsequent to the above developments, the Reserve bank of Zimbabwe governor announced the introduction of a new currency called the Zimbabwean Gold (ZWG) in his 2024 monetary policy statement. All banks were ordered to convert the Zimbabwean dollars into the new currency with effect from 5 April 2024. The introduction of this new currency did not impact the entity's functional currency and it still remains the USD.

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;
- Twenty five percent of export receipts are compulsorily liquidated at prevailing interbank 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 willing buyer willing seller market.

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, tinga mira water, 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

	30 September 2024 USD	Restated 30 September 2023 USD
Agriculture	15 660 822	13 511 064
Beverage	12 032 738	11 977 315
Inter-segment Revenue^	(1 927 220)	(1 892 921)
External Revenue	**25 766 340**	**23 595 458**

Depreciation and amortization expense

	30 September 2024 USD	Restated 30 September 2023 USD
Agriculture	719 777	512 699
Beverage	181 826	132 939
Total Depreciation for reportable segments	**901 603**	**645 638**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

6. SEGMENT INFORMATION (continued)

Operating profit/ (loss)

	30 September 2024 USD	Restated 30 September 2023 USD
Agriculture**	(565 747)	991 072
Beverage	6 736 987	1 276 419
Total Operating profit for reportable segments	**6 171 240**	**2 267 491**

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

Segment Assets^^

	30 September 2024 USD	Restated 30 September 2023 USD
Agriculture	29 334 137	24 091 875
Beverage	5 118 704	6 676 124
Total	**34 452 841**	**30 767 999**

Segment Liabilities^^

Restated

	30 September 2024 USD	30 September 2023 USD
Agriculture	1 520 446	2 352 866
Beverage	785 507	1 535 414
Total	**2 305 953**	**3 888 280**

^ 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

Restated
Revenue

	30 September 2024 USD	30 September 2023 USD
Total revenue for reportable segments	27 693 560	25 488 379
Elimination of Inter-segment revenue	(1 927 220)	(1 892 921)
Total revenue	**25 766 340**	**23 595 458**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

6. SEGMENT INFORMATION (continued)

Reconciliation of information on reportable segments to IFRS measures (continued)

Depreciation and amortization expense

	30 September 2024 USD	Restated 30 September 2023 USD
Total Depreciation expense for reportable segment	901 603	645 638
Depreciation on admin assets	31 170	348 904
Total depreciation expense	**932 773**	**994 542**

Operating profit	30 September 2024 USD	Restated 30 September 2023 USD
Total operating profit 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 (loss) / gains	(674 372)	364 747
Monetary loss	-	(583 154)
Total profit / (loss) before tax	**1 156 581**	**(3 092 763)**

The above income and costs are not monitored per reportable segment

	30 September 2024 USD	Restated 30 September 2023 USD
Assets		
Total assets for reportable segments	34 452 841	30 767 999
Admin assets	690 118	1 217 189
Total assets	**35 142 959**	**31 985 188**
Liabilities		
Total liabilities for reportable segments	2 305 953	3 888 280
Admin liabilities	9 590 808	6 216 433
Total liabilities	**11 896 761**	**10 104 713**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

7. PROPERTY, PLANT AND EQUIPMENT

Cost	buildings USD	equipment USD	vehicles USD	Plantations USD	Plantations USD	Plantations USD	Plantations USD	Total USD
Cost as at 1 October 2022	7 882 197	5 450 330	826 005	1 039 294	544 809	7 319 691	3 552 834	26 615 160
Additions	311 734	268 196	368 618	-	96 169	234 766	316 299	1 595 782
Disposals	(661)	(28 927)	(121 828)	(47 300)	(168 339)	-	-	(367 055)
Cost as at 30 September 2023	8 193 270	5 689 599	1 072 795	991 994	472 639	7 554 457	3 869 133	27 843 887
Additions	64 689	115 772	34 493	-	83 928	227 916	155 895	682 693
Disposals	(697)	(44 771)	(21 081)	-	-	-	-	(66 549)
Cost as at 30 September 2024	8 257 262	5 760 600	1 086 207	991 994	556 567	7 782 373	4 025 028	28 460 031
Accumulated depreciation								
Balance as at 1 October 2022	(1 047 370)	(2 776 732)	(721 590)	(158 294)	(474 023)	(795 652)	(832 877)	(6 806 538)
Elimination on disposal of assets	175	26 532	31 339	8 689	168 339	-	-	235 074
Charge for the year	(141 853)	(351 193)	(72 450)	(21 659)	(89 474)	(186 395)	(125 557)	(988 581)
Balance as at 30 September 2023	(1 189 048)	(3 101 393)	(762 701)	(171 264)	(395 158)	(982 047)	(958 434)	(7 560 045)
Elimination on disposal of assets	186	40 280	21 016	-	-	-	-	61 482
Charge for the year	(174 215)	(314 069)	(98 774)	(19 840)	(11 557)	(182 888)	(125 324)	(926 667)
Balance as at 30 September 2024	(1 363 077)	(3 375 182)	(840 459)	(191 104)	(406 715)	(1 164 935)	(1 083 758)	(8 425 230)
Carrying amount as at 30 September 2023	7 004 222	2 588 206	310 094	820 730	77 481	6 572 410	2 910 699	20 283 842
Carrying amount as at 30 September 2024	6 894 185	2 385 418	245 748	800 890	149 852	6 617 438	2 941 270	20 034 801

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

8. RIGHT OF USE ASSETS*

	30 September 2024 USD	Restated 30 September 2023 USD
Opening balance 1 October	16 794	22 755
Depreciation	(6 107)	(5 961)
Carrying amount 30 September	10 687	16 794
Comprising		
Cost	28 987	28 987
Accumulated Depreciation	(18 300)	(12 193)
	10 687	16 794

*The company only has property leases.

9. INTANGIBLE ASSETS

Trade and brand names	30 September 2024 USD	Restated 30 September 2023 USD
Balance as at 1 October	-	33 470
Impairment	-	(33 470)
	-	-

The directors re-assessed the useful lives of intangible assets and concluded that the intangible assets had come to the end of their useful life.

10. OTHER FINANCIAL ASSETS

	30 September 2024 USD	Restated 30 September 2023 USD
Cost or valuation		
Balance as at 1 October	-	9 880
Impairment	-	(9 880)
Balance as at 30 September	-	-

Management assessed the fair value of the investment and concluded that the asset should be fully impaired due to recurring losses being incurred by the entity with no prospects of generating profits in the short term.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

11. INVENTORIES

	30 September 2024 USD	Restated 30 September 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
	6 956 514	5 882 897

The cost of inventories recognised as an expense through the income statement was USD212 179 and in September 2023 cost of inventories expensed through the income statement was USD4 435. 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.

	30 September 2024 USD	Restated 30 September 2023 USD
Livestock	465 880	443 793
Timber plantations	1 179 274	719 313
	1 645 154	1 163 106

12.1 Timber plantations

	30 September 2024 USD	Restated 30 September 2023 USD
Valuation as at 1 October	719 313	1 026 129
Fair valuations	534 282	(297 410)
Additions	3 024	57 244
Disposals	(77 345)	(66 650)
Valuation as at 30 September	1 179 274	719 313

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

12. BIOLOGICAL ASSETS (continued)

12.2 Livestock

	30 September 2024 USD	Restated 30 September 2023 USD
Opening balance	443 793	456 425
Births	22 602	70 830
Recoveries	-	435
Promotions	91 935	187 687
Deaths	(7 076)	(23 842)
Donations	-	(1 632)
Transfers	410	(1 044)
Sales	(73 224)	(457 214)
Fair value adjustments	(12 560)	212 148
Closing balance	465 880	443 793

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.

13. PRODUCE ON BEARER PLANTS

Tea bushes on plantation*

	30 September 2024 USD	Restated 30 September 2023 USD
Balance as at 1 October	220 106	198 219
Movement in fair valuation	(107 933)	21 887
Balance as at 30 September	112 173	220 106

*The other crops that is macadamia, coffee and avocados had been harvested by 30 September 2024 as a result they had nil value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

14. TRADE AND OTHER RECEIVABLES

	30 September 2024 USD	Restated 30 September 2023 USD
Gross trade receivables	4 530 942	4 023 784
Less: expected credit loss	(199 665)	(513 625)
Trade receivables	4 331 277	3 510 159
Prepayments	1 512 379	631 067
Other receivable	315 361	124 968
	6 159 017	4 266 194

As of 30 September 2024, trade receivables of USD 199 665 (September 2023: 513 625) 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:

	30 September 2024 USD	Restated 30 September 2023 USD
Up to 6 months	27 437	25 050
Over 6 months	172 228	488 575
	199 665	513 625

As of 30 September 2024, Nil trade receivables (30 September 2023: Nil) were past due but not impaired.

The carrying amounts of the Company's trade and other receivables are denominated in the following currencies:	30 September 2024 USD	Restated 30 September 2023 USD
United States Dollars	5 868 060	3 613 205
ZWG	290 957	652 989
	6 159 017	4 266 194
Movement in allowance for doubtful debts		
Balance at the beginning of the year	513 625	68 508
Impairment(reversed) / recognised	(313 960)	445 117
Balance at the end of the year	199 665	513 625

- The average credit periods on sale of goods and services are 45 to 90 days for agriculture and 14 to 30 days for beverage.
- 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 THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

14. TRADE AND OTHER RECEIVABLES (continued)

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

30 September 2024	<30 USD		60 USD	90 USD	>120 USD	Total USD
Expected credit losses	0.48%	0.94%	1.42%	1.89%	100%	4.38%
Estimated carrying amount at default	2 418 289	821 836	497 924	626 238	166 655	4 530 942
Lifetime ECL	(11 557)	(7 756)	(7 049)	(11 820)	(166 655)	(204 837)
Adjustment for forward looking information	-	-	-	-	-	5 172
Balance	2 406 732	814 080	490 875	614 418	-	4 331 277

30 September 2023	<30 USD	30 USD	60 USD	90 USD	>120 USD	Total USD
Expected credit losses	0.42%	0.70%	1.05%	1.39%	100%	12.76%
Estimated carrying amount at default	1 012 170	1 462 922	997 143	47 755	503 794	4 023 784
Lifetime ECL	(4 228)	(10 201)	(10 430)	(666)	(503 794)	(529 319)
Adjustment for forward looking information	-	-	-	-	-	15 694
Balance	1 007 942	1 452 721	986 713	47 089	-	3 510 159

15. FINANCIAL INSTRUMENTS PER CATEGORY

	30 September 2024 USD	Restated 30 September 2023 USD
Financial assets as per statement of financial position		
Trade and other receivables excluding prepayments	4 646 638	3 635 126
Favourable cash and cash equivalents	224 613	152 249
Total	4 871 251	3 787 375
Financial liabilities as per statement of financial position		
Trade and other payables excluding provisions	2 337 272	3 927 327
Borrowings	6 031 431	2 484 697
Bank overdraft	498 041	93 373
Lease liability	25 284	38 136
Total	8 892 028	6 543 533

16. CAPITAL AND RESERVES

16.1 Share capital

	30 September 2024 USD	Restated 30 September 2023 USD
Authorised		
400 000 000 ordinary shares of USD 0.001 each	480 000	480 000
Issued and fully paid up		
261 064 590 (2023: 261 064 590) ordinary shares of USD 0.0012 each	320 075	320 075

The authorised share capital of the Company is USD 365 246 divided into 400 000 000 ordinary shares of USD 0.0012 each.

The issued share capital of the Company is USD 320 075 divided into 261 064 590 ordinary shares of USD 0.0012 each.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

16. CAPITAL AND RESERVES (continued)

16.1 Share capital (continued)

16.1.1 The Company's headline earnings per share 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. The basic and diluted earnings per share were 0.52 US cents (September 2023: 1.19 US cents)

16.2 Directors' beneficial interests

At 30 September 2024 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 2024**	**30 September 2023**
Hebert Nkala	-	-
Livingstone T. Gwata	-	-
Stewart P. Cranswick	85 184	85 184
Simon J Hammond	-	-
Bruce H. Henderson	-	-
Rufaro A. Maunze	-	-
Mathew J.S. Moxon	-	-
Timothy J.G. Fennell	-	-
Henry Nemaire	9 684	9 684
Kwirirai Chigerwe	864	864

16.3 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.

17. DEFERRED TAX

	30 September 2024 USD	**Restated 30 September 2023 USD**
The analysis of the deferred tax liability is as follows:		
Biological assets	182 198	112 687
Property, plant and equipment	2 678 607	2 794 254
Inventory	-	298 130
Expected credit losses and prepayments	(30 831)	(75 009)
Provisions	(47 625)	(54 170)
Right of use asset	1 651	2 595
Lease liability	(3 906)	(5 892)
Unrealized exchange gains	(2 682)	133 041
	2 777 412	3 205 636

The movement in deferred liability during the year is as follows:	**30 September 2024 USD**	**Restated 30 September 2023 USD**
Balance at the beginning of the year	3 205 636	3 558 275
(Credit) / debit to profit or loss	(428 224)	(352 639)
Balance at the end of the year	2 777 412	3 205 636

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

18. BORROWINGS

	30 September 2024 USD	Restated 30 September 2023 USD
Unsecured		
Bank overdraft	498 041	93 373
Secured		
Bank loans	6 031 431	2 484 697
Long term borrowings		
Bank loans	2 937 639	1 267 716
Short term borrowings		
Current portion of long-term borrowings	3 093 792	1 216 981
Bank overdraft	498 041	93 373
Total borrowings	6 529 472	2 578 070

Exposure per lender

	30 September 2024 USD	30 September 2023 USD	Terms and Conditions
Non-current portion of long term borrowings			
AFC Commercial Bank	-	183 333	a
Ecobank	1 375 000	-	b
ZB Bank	1 562 639	1 084 383	c
Total long-term borrowings	2 937 639	1 267 716	
Current portion of long term borrowings			
AFC Commercial Bank	166 667	116 667	a
Ecobank	1 125 000	-	b
ZB Bank	1 319 469	641 617	c
	2 611 136	758 284	
Short term borrowings			
Ecobank	980 697	552 070	
Overall effective interest rate			

The overall weighted average interest rate on the bank borrowings is 10.77% (September 2023: 11.79%) per annum.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

18. BORROWINGS (continued)

Terms and conditions

a. AFC Commercial Bank
The medium-term working capital loan owed to AFC Commercial Bank was USD166 667 as at 30 September 2024. The loan bears an all-inclusive interest of 11.00% per annum and matures on 30 July 2025.

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

- To channel at least USD500 000 proceeds per quarter through the bank over the tenor of the facility.

b. Ecobank Zimbabwe Limited
The composite amount owed to Ecobank Zimbabwe Limited was USD3 480 698. This was made up of the following loans:

- The USD 1 million working capital facility – This has an outstanding balance of USD482 657. The loan bears an all-inclusive interest rate of 12.5% per annum and has a maturity date of 31 December 2024.
- The USD500 000 Overdraft facility – The overdraft facility had an outstanding balance of USD498 041 as at 30 September 2024. The loan bears an all-inclusive interest rate of 12.5% per annum and matures on 31 August 2025.
- The USD2 500 000 Asset Finance facility – The outstanding balance as at 30 September 2024 was 2 500 000. The loan bears an all-inclusive interest rate of 11.25% per annum with a maturity date of 31 August 2026.
- The loan is guaranteed by:
- Registration of a Security Interest valued at USD3 Million over movable assets owned by the Company in terms of the Movable Property Security Interests Act [Chapter 14.35].
- Cession of insurance policy over the financed assets above.
- Negative Pledge Agreement executed by the Borrower in favour of the Bank.
- An irrevocable letter of undertaking to be executed by the Borrower wherein the Borrower undertakes to process CD1s with a minimum of USD2 million per quarter and receive export proceeds through Ecobank Zimbabwe Limited.

c. ZB Bank Limited
The composite amount owed to ZB Bank Limited was USD2 882 108. This was made up of the following loans:

- The USD2 million medium term asset finance facility – The loan had an outstanding balance of USD1 083 756. The loan bears an all-inclusive interest rate of 8.5% per annum with a maturity date of 31 January 2026.
- The USD2 million plantation development medium term facility – The loan had an outstanding balance of USD1 798 352 and bears an all-inclusive interest rate of 10.5% per annum. The facility matures on 31 March 2027.

The ZB Bank Limited loans are offered on an unsecured basis, however, the following conditions are applicable:

- The Borrower undertakes to cede export proceeds amounting to USD 1 million per month to the bank throughout the loans' tenure.

The loan bears an all-inclusive interest rate of 8.5% per annum with a maturity date of 31 January 2026.

19. TRADE AND OTHER PAYABLES

	30 September 2024 USD	Restated 30 September 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
	2 534 078	4 277 939

All trade and other payables are due within twelve months after the period end. The credit period on purchases ranges from 1 to 45 days and payments are made within the same time frames.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

20. LEASE LIABILITIES

	30 September 2024 USD	Restated 30 September 2023 USD
Opening balance	38 136	42 213
Additions	-	-
Interest expense	2 748	3 629
Rental payments	(15 600)	(14 472)
Revaluation adjustment	-	6 766
	25 284	38 136
Less current portion	(13 987)	(12 852)
Non current portion	11 297	25 284
Maturity profile		
On demand	13 987	12 852
Between one and two years	11 297	13 987
Between two and three years	-	11 297
	25 284	38 136

The total cash outflow for leases amounted to USD 234 055 (2023- USD 229 868)

20.1 Amounts recognised in profit or loss

	30 September 2024 USD	Restated 30 September 2023 USD
Depreciation on right of use asset	(6 107)	(5 961)
Interest expense on lease liabilities	2 748	3 629
Rental payments relating to short term leases	11 896	6 795
Rental payments relating to variable leases*	206 559	208 601

*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 no fixed payment terms. Overally the variable lease payments constitute approximately 90% of the total lease payments and the company expect this ratio to remain constant in future years.

21. Current tax liability

	30 September 2024 USD	Restated 30 September 2023 USD
Short term liability		
Zimbabwe Revenue Authority	30 515	4 932
Total current tax liability	30 515	4 932

The liability of USD 30 515 is in respect of corporate tax payable.

222. REVENUE

The following is an analysis of the Company's revenue for the year from continuing operations;

	30 September 2024	Restated 30 September 2023
Agricultural produce	13 733 602	11 643 389
Packed tea and coffee	11 558 315	11 241 806
Water	474 423	710 263
	25 766 340	23 595 458

22.1 Revenue per product

	30 September 2024 USD	Restated 30 September 2023 USD
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 and coffee	11 558 315	11 241 806
Water	474 423	710 263
	25 766 340	23 595 458

23. GROSS PROFIT

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

	30 September 2024 USD	Restated 30 September 2023 USD
Agricultural produce	(922 062)	4 896 452
Packed Tea and coffee	9 611 568	1 337 006
Water	102 302	121 182
	8 791 808	6 354 640

24. OTHER INCOME

	30 September 2024 USD	Restated 30 September 2023 USD
Profit / (Loss) on disposal of property, plant and equipment and Biological assets	1 708	(89 908)
Net livestock movement (note 12)	22 087	(12 632)
Net sundry income	543 189	46 647
Gain / (Loss)on fair value adjustments of biological assets (note 12)	534 282	(297 411)
(Loss) / gain on fair value for produce on bearer plants	(107 933)	700 274
Foreign exchange (losses) / gains	(674 372)	364 747
	318 961	711 717

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

25. NET FINANCE COSTS

	30 September 2024 USD	Restated 30 September 2023 USD
Interest expense:		
- Bank borrowings	(600 112)	(923 384)
- Accounts payable	(174 678)	(5 377)
- Lease liabilities	(2 748)	(3 629)
	(777 538)	(932 390)
Interest income:		
- Short-term bank deposits	282	1 032
	282	1 032
Net finance costs	(777 256)	(931 358)
Interest paid:		
- Bank borrowings	(600 112)	(923 384)
- Accounts payable	(174 678)	(5 377)
Interest paid	(774 790)	(928 761)

26. OPERATING PROFIT / (LOSS)

	30 September 2024 USD	Restated 30 September 2023 USD
Operating profit / (loss) before tax is after deducting the following:		
Audit fees	123 871	249 722
Depreciation	932 773	994 542
Employee costs- non-manufacturing	2 945 943	4 021 140
Expected credit loss (Note 14)	(313 960)	445 117

27. INCOME TAX (CREDIT) / EXPENSE

	30 September 2024 USD	Restated 30 September 2023 USD
Current income tax	219 082	379 418
Deferred tax credit	(428 224)	(352 639)
Total Income tax (credit) / expense	(209 142)	26 779

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:

	30 September 2024 USD	Restated 30 September 2023 USD
Profit / (loss) before income tax	1 156 581	(3 092 763)
Tax calculated at statutory Applicable rates (15.45%)	178 692	(477 832)
Effect of permanent differences :		
- Non deductible expenses	70 158	453 436
- Other permanent differences	(457 992)	51 175
	(209 142)	26 779

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

28. CASH (UTILISED IN) / GENERATED FROM OPERATING ACTIVITIES

	30 September 2024 USD	Restated 30 September 2023 USD
Profit / (loss) before income tax	1 156 581	(3 092 763)
Adjustment for non-cash items		
Depreciation	932 773	994 542
(Profit) / loss on disposal of biological assets, property, plant and equipment	(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) / gains	17 357	3 594 652
Cash generated from / (utilised in) operations before changes in working capital	**2 119 863**	**(1 864 540)**
Changes in working capital :		
(Increase) / decrease in inventories and produce in bearer plants	(996 273)	1 941 834
(Increase / decrease in trade and other receivables	(1 666 844)	438 859
(Decrease) / increase in trade and other payables	(1 630 915)	706 872
	(2 174 169)	**1 223 025**
Tax paid	(193 498)	(737 715)
Net cash (outflow) / inflow from Operating activities	**(2 367 667)**	**485 310**

28.1 RESTATEMENT OF SELLING AND DISTRIBUTION EXPENSES FOR THE YEAR ENDED 30 SEPTEMBER 2023

In the prior period, the Company did not disclose the expected credit loss on 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.

As previously reported	30 September 2023 USD	Restated 30 September 2023 USD
Selling and distribution expenses	4 331 196	3 886 079
Increase in expected credit losses	-	445 117

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

29. RELATED PARTY TRANSACTIONS

Related party transactions relate to transactions between the company and any associated entities. All transactions of the Company were incurred through the normal course of the business.

i) 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.

	30 September 2024 USD	Restated 30 September 2023 USD
Short-term benefits	1 484 567	3 256 732
	1 484 567	3 256 732

ii) Remuneration of directors

Directors fees and expenses	183 270	182 669

30. 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:

	30 September 2024 USD	Restated 30 September 2023 USD
Meikles Company Pension Fund	287 859	673 835
NSSA	79 604	157 496
	367 463	831 331
Number of employees at year end	3 948	4 586

31. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

31.1 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

31. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (continued)

31.1 Fair value hierarchy (continued)

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 2024	Level 1 USD	Level 2 USD	Level 3 USD	Total carrying amount
Assets				
Biological assets	-	-	1 645 154	1 645 154
Produce on bearer plants	-	-	112 173	112 173
September 2023	**Level 1 USD**	**Level 2 USD**	**Level 3 USD**	**Total carrying amount**
Assets				
Biological assets	-	-	1 163 106	1 163 106
Produce on bearer plants	-	-	220 106	220 106

Valuation technique

			2024	2023
Type	**Valuation technique**	**Significant unobservable inputs**	**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
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 USD 10 Maturity 7 years Discount rate 23.26% 1 chord has a volume of 3.47 cubic metres 25 trees per chord	1 cubic metre cost USD 10 Maturity 7 years Discount rate 71.3% 1 chord has a volume of 3.47 cubic metres 25 trees per chord
Produce on bearer plants	Fair market price	Weight, market price, tea plucking cycle	1-14 day plucking cycle	1-14 day plucking cycle

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

31. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (continued)

31.1 Fair value hierarchy (continued)

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

Restated

	30 September 2024 USD	30 September 2023 USD
Effect on profit before tax +10%		
Livestock	2 209	1 263
Timber plantations	53 428	29 741
Produce on bearer plants	10 793	2 189
Effect on profit before tax (-10%)		
Livestock	(2 209)	(1 263)
Timber plantations	(53 428)	(29 741)
Produce on bearer plants	(10 793)	(2 189)

32. 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:

32.1 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

32. FINANCIAL RISK MANAGEMENT (continued)

32.2 Interest rate risk

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

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

Effect on profit before tax	30 September 2024 USD	30 September 2023 USD
Increase of 3%	(23 326)	(27 972)
Decrease of 3%	23 326	27 972

32.3 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:

30 September 2024	Liabilities USD Equivalent	Assets USD Equivalent	Net position USD
Equivalent			
Zimbabwean Gold	(180 943)	385 920	204 977
South African Rand	(237 864)	-	(237 864)
Euro	(54 591)	-	(54 591)
	(473 398)	385 920	(87 478)

Restated 30 September 2023	Liabilities USD Equivalent	Assets USD Equivalent	Net position USD Equivalent
Zimbabwean Gold	(3 198 627)	1 102 694	(2 095 933)
	(3 198 627)	1 102 694	(2 095 933)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

32. FINANCIAL RISK MANAGEMENT (continued)

32.3 Foreign Currency risk (continued)

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

30 September 2024

Change in rate +10%	Effect on profit before tax USD	Effect on equity USD
Zimbabwean Gold	(20 498)	(17 331)
South African Rand	23 786	20 111
Euro	(5 459)	(4 616)
Change in rate -10%	**Effect on profit before tax USD**	**Effect on equity USD**
Zimbabwean Gold	20 498	17 331
South African Rand	(23 786)	(20 111)
Euro	5 459	4 616

Restated
30 September 2023

Change in rate +10%	Effect on profit before tax USD	Effect on equity USD
Zimbabwean Gold	209 593	177 211
Change in rate -10%	**Effect on profit before tax USD**	**Effect on equity USD**
Zimbabwean Gold	(209 593)	(177 211)

32.4 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 THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

32. FINANCIAL RISK MANAGEMENT (continued)

32.4 Liquidity Risk (continued)

Liquidity profiling as at 30 September 2024:	Up to 1 month USD	1 to 6 months USD	6 months to 1 year USD	1 to 5 years USD	Total USD
Liabilities					
Trade and other payables (excl provisions)	(714 158)	(1 508 958)	(114 156)	-	(2 337 272)
Borrowings	(353 152)	(1 537 865)	(1 703 933)	(3 124 030)	(6 718 980)
Bank Overdraft	-	-	(498 041)	-	(498 041)
Lease liability	(1 300)	(6 500)	(7 800)	(11 700)	(27 300)
Total liabilities	(1 068 610)	(3 053 323)	(2 323 930)	(3 135 730)	(9 581 593)
Assets					
Trade and other receivables (Excl prepayments)	1 142 435	3 504 203	-	-	4 646 638
Cash and bank	224 613	-	-	-	224 613
Total assets	1 367 048	3 504 203	-	-	4 871 251
Liquidity gap	298 438	450 880	(2 323 930)	(3 135 730)	(4 710 342)
Liquidity profiling as at 30 September 2023:					
Liabilities					
Trade and other payables (Inc tax liability excl provisions)	(734 400)	(2 962 625)	(230 302)	-	(3 927 327)
Borrowings	(510 115)	(279 270)	(427 595)	(1 267 716)	(2 484 696)
Bank Overdraft	(93 373)	-	-	-	(93 373)
Lease liability	(1 300)	(6 500)	(7 800)	(27 300)	(42 900)
Total liabilities	(1 339 188)	(3 248 395)	(665 697)	(1 295 016)	(6 548 296)
Assets					
Trade and other receivables (Excl prepayments)	1 043 761	2 591 365	-	-	3 635 126
Cash and bank	152 249	-	-	-	152 249
Total assets	1 196 010	2 591 365	-	-	3 787 375
Liquidity gap	(143 178)	(657 030)	(665 697)	(1 295 016)	(2 760 921)

33. 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 amounted 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.

34. SUBSEQUENT EVENTS

On 28 October 2024, a cautionary announcement was published notifying the Company's shareholders and the investing public of the Directors proposal to delist the Company from the Zimbabwe Stock Exchange (ZSE) and migrate to the Victoria Falls Stock Exchange and the subsequent intention to raise capital by way of a Renouncable Rights offer. A further amended cautionary announcement was subsequently published on 10 December 2024 advising that the Directors were alternatively, proposing creation of a new class of shares to be known as Class A ordinary shares which will be listed on the Victoria Fall Stock Exchange as a secondary listing as opposed to migration from ZSE to VFEX , with the same objective of raising fresh capital.

SHAREHOLDER INFORMATION

	Holders		Shares	
	Number	%	Number	%
Analysis of ordinary shareholdings at 30 September 2024				
Type of holder				
Non-taxable companies	1,632	13.49	194,016,980	74.32
Individuals	9,908	81.91	11,938,467	4.57
FCDA residents	53	0.44	5,659,484	2.17
Insurance companies	28	0.23	563,676	0.22
Nominee companies	228	1.88	22,177,398	8.49
Non-residents	23	0.19	4,275,221	1.64
Pension funds	225	1.86	22,433,364	8.59
Total	12,097	100	261,064,590	100.00
Size of holdings				
1 – 5 000	11,368	93.97	3,055,613	1.17
5 001 – 10 000	221	1.83	1,585,179	0.61
10 001 – 50 000	306	2.53	6,972,553	2.67
50 001 – 100 000	62	0.51	4,378,313	1.68
100 001 – 500 000	98	0.81	20,316,166	7.78
Exceeding 500 000	42	0.35	224,756,766	86.09
Totals	**12,097**	**100.00**	**261,064,590**	**100.00**

Top ten shareholders	**No. of shares**	**%**
At 30 September 2024		
Meikles Consolidated Holdings (Private) Limited	127,601,590	48.88
Mega Market (Private) Limited	24,111,316	9.24
Old Mutual Life Assurance Company Zimbabwe Limited	15,769,797	6.04
Stanbic Nominees (Private) Limited – account 140043470003	6,892,818	2.64
London Register- Meikles Africa Limited	4,101,209	1.57
Stanbic Nominees 150045520001	3,226,222	1.24
Stanbic Nominees (Private) Limited NNR A/C 140043470002	2,949,075	1.13
Meikles Pension Fund- ABC	2,846,010	1,09
Old Mutual Zimbabwe Limited	2,467,965	0.95
Mundell Family Trust	2,466,231	0.94
Total for top ten shareholders	**192,432,233**	**73.72**
Other	68,632,357	26.28
Total	**261,064,590**	**100.00**

Top ten shareholders	**No. of shares**	**%**
At 30 September 2023		
Meikles Consolidated Holdings (Private) Limited	127,601,590	48.88
Mega Market (Private) Limited	24,208,716	9.27
Old Mutual Life Assurance Company Zimbabwe Limited	18,824,127	7.21
Stanbic Nominees (Private) Limited – account 140043470003	6,892,818	2.64
Stanbic Nominees (Private) Limited – account 110008090011	5,507,355	2.11
London Register- Meikles Africa Limited	4,101,209	1.57
Stanbic Nominees 150045520001	3,743,649	1,43
Meikles Pension Fund – ABC	2,846,010	1.09
Old Mutual Zimbabwe Limited	2,467,965	0.95
Mundell Family Trust	2,466,231	0.94
Total for top ten shareholders	**198,659,670**	**76.10**
Other	62,404,920	23.90
Total	**261,064,590**	**100.00**

CORPORATE INFORMATION

Tanganda Tea Company Limited

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

Business Address
194 Mutare Road
P O Box 10078
Harare
Zimbabwe
Telephone:+263 (242) 447525
VOIP +263 (242) 8677447523

Transfer Secretaries
ZB Transfer Secretaries
21 Natal Road
Belgravia
P O Box 2540
Harare
Zimbabwe
Telephone: +263 (242) 759660/9

Auditors
Axcentium
West Block, Borrowdale Office Park
Borrowdale Road, Borrowdale
Harare
Zimbabwe
Telephone +263 (242) 8677000261
email: axcentium@axcentium.co.zw

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

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: customerserviceafcholdings.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
Tel: +263 (242) 858058
email: ecobankenquiries@ecobank.com

Principal Bankers
NMB Bank Limited
9 Plymouth Road
P.O. Box 2564
Southerton
Harare
Zimbabwe
Telephone:+263 (242) 8688 003347
email: enquries@nmbz.co.zw

Principal Bankers
Crown Bank
1st Floor, Africa Unity Square Building
68 Nelson Mandela Avenue
P.O. Box 373
Harare
Zimbabwe
Telephone: +263 (242) 758078
email: help@fbc.co.zw

Principal Bankers
ZB Bank Limited
Ist Floor, 21 Natal Road
Avondale
P.O. Box 3198
Harare
Zimbabwe
Telephone: +263 (242) 8677 002001
email: help@zb.co.zw

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

NOTICE OF MEETING

Notice is hereby given that the ninety-fifth Annual General Meeting of members of Tanganda Tea Company Limited will be convened at Sabre Business World, 146 Enterprise Road, Harare, on Thursday 6 March 2025 at 09.00 hours to transact the business below. 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 2024 together with reports of the Directors and Auditors thereon.

2. DIVIDEND

To confirm the Directors' resolution not to declare a dividend, considering the need to preserve cashflow and reinvest in the business.

3. DIRECTORATE

3.1 To retire the following Director by rotation, who does not offer himself for re-election: **Stewart Philip Cranswick**

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

4. DIRECTORS' FEES

To confirm Directors' fees amounting to USD183 270 for the year ended 30 September 2024.

5. AUDITORS' FEES AND APPOINTMENT OF AUDITORS

5.1 To approve the auditors' fees of USD123 871 for the Company for the year ended 30 September 2024.
5.2 To approve the appointment of Axcentium as the auditors of the Company for the year ended 30 September 2024.
5.3 To appoint BDO Chartered Accountants (Zimbabwe) as the auditors of the Company for the year ending 30 September 2025.

Note 1. The Company has adopted the requirements of the Companies and Other Business Entities Act [Chapter 24:31] Section 191(11) and the ZSE Listings requirements (Statutory Instrument 134/2019) Section 69(6) from the date of enactment. Axcentium (previously Messrs. Deloitte & Touche) have been the Company's independent auditors for more than ten years. Axcentium was reappointed the Company's auditors for the year ended 30 September 2024 after termination of the engagement agreement with Messrs. Ernst & Young Chartered Accountants (Zimbabwe) due to certain technical differences. The Company received approval from the Zimbabwe Stock Exchange to extend the audit services of Axcentium by one year after which new auditors were to be contracted. Axcentium stepped down as the auditors of the Company, in view of the requirements of Section 69(6) of the ZSE Listings Requirements. The Board of Directors recommends the appointment of Messrs. BDO Chartered Accountants (Zimbabwe) as the Company auditors for the ensuing financial year.

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 their 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.

By order of the Board

Sharon N Kodzanai
Company Secretary
13 February 2025

LOGIN INSTRUCTIONS

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

1. Meeting ID: 394 322 279 833
   Password: Shareholders to contact the Transfer Secretaries on the following numbers: +263 778 800 555 and +263 773 668 857.

2. Write your username on Microsoft Teams in the format below:

   XXXXXX SHAREHOLDER NAME

   Where XXXXXX is your shareholder number.

If you have any challenges kindly contact us on: +263 778 800 555 and +263 773 668 857.

FORM OF PROXY

For the ninety-fifth Annual General Meeting of the members of Tanganda Tea Company Limited to be convened at Sabre Business World, 146 Enterprise Road, Harare on Thursday 6 March 2025 at 09.00 hours to transact the business below. Shareholders will be asked to connect and attend the meeting virtually. The meeting login instructions are at the end of this notice.

I/We ____

(Name/s in block letters)

of ____

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 2024 together with the reports of the Directors and Auditors thereon.			
Ordinary Resolution number 2 To confirm Directors resolution not to declare a dividend, considering the need to preserve cashflow and reinvest in the business.			
Ordinary Resolution number 3 3.1 To retire the following Director by rotation, who does not offer himself for re-election: **Stewart Philip Cranswick**			
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: **Livingstone Takudzwa Gwata**			
Ordinary Resolution number 4 To confirm Directors' fees amounting to USD183 270 for the year ended 30 September 2024.			
Ordinary Resolution number 5 5.1 To approve the auditors' fees of USD123 871 for the Company for the year ended 30 September 2024.			
Ordinary Resolution number 5 5.2 To approve appointment of Axcentium as the auditors of the Company for the year ending 30 September 2024.			
Ordinary Resolution number 5 5.3 To appoint BDO Chartered Accountants (Zimbabwe) as the auditors of the Company for the year ending 30 September 2025.			

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 overleaf.

Signed at ______________________ on ______________________2025

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

NOTES

www.tangandatea.com