ARISTON HOLDINGS LIMITED

ARISTON

HOLDINGS LIMITED

ANNUAL REPORT

2011

E X C E L L E N C E

2011

ARISTON HOLDINGS LIMITED ANNUAL REPORT

ARISTON
HOLDINGS LIMITED

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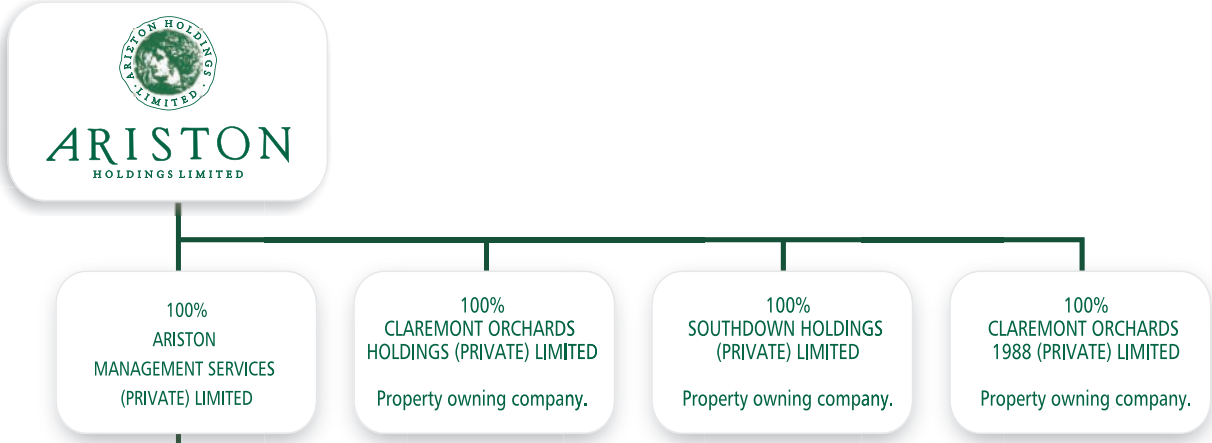
MISSION STATEMENT

VALUE:	To Our Customers	RESPECT:	To Our Community
CARE:	To Our Employees	WORTH:	To Our Shareholders
RESPONSIBILITY:	To Our Environment	INTEGRITY:	To Our Ourselves

CORPORATE STRUCTURE



Situated in the Nyanga area with a unique micro climate for horticultural production, Claremont Estate is the country's largest producer of pome and stone fruit and grows breeder protected exotic flowers and lilies. It is also the largest producer of trout in the country.

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

This division exclusively supplies leading supermarket chains with fresh fruit and vegetables at their retail outlets, as well as being wholesalers into a number of other chains and outlets. FAVCO is also one of the largest banana distributors in the country, with an extensive distribution network and coldroom facilities which are ideal for handling fresh produce.

Situated in Norton with 5ha of greenhouse vegetables. The estate has capacity to produce over one million broilers a year and has beef cattle, irrigated crops, and dry land crops.

FINANCIAL HIGHLIGHTS

FOR THE YEAR ENDED 25 SEPTEMBER 2011

CONSOLIDATED RESULTS

All figures in US$	2011	2010
Revenue	14,747,151	9,682,534
(Loss)/profit before taxation	(2,758,681)	893,253
(Loss)/profit attributable to shareholders	(2,002,727)	1,374,766
Total assets employed	21,348,256	20,449,835
Cash utilised in operating activities	(1,785,979)	(1,369,147)
Capital expenditure	626,892	135,224
Net finance charges	843,948	334,981
Cash resources net of borrowings (deficit)	(4,308,659)	(1,922,624)
ORDINARY SHARE PERFORMANCE		
Ordinary shares in issue	445,087,262	444,337,262
(Loss)/profit per ordinary share (dollars)	(0.0045)	0.0031
Ordinary shareholders' equity per ordinary share (dollars)	0.020	0.025
Market price at year-end (dollars)	0.0140	0.0150
Industrial Index - 24 September	157.94	131.69
FINANCIAL STATISTICS		
Interest cover (times)	(2.27)	3.67
Ordinary shareholders' equity to total assets	42.53%	54.19%
Return on shareholders equity	(22.06%)	12.41%

DIRECTORATE AND ADMINISTRATION

DIRECTORS

Non-Executive

Dr R.M. Mupawose	Chairman
C.J.W. Davidson	Vice Chairman (resigned 26 January 2012)
I. Chagonda	
S.G. Chella	
T.C. Mazingi	
S.K. Mutepfa	
S. Payne	(appointed 26 January 2012)

Executive

R.P. Kupara	Group Chief Executive Officer (resigned 30 September 2011)
P.T. Spear	Group Chief Executive Officer (appointed 1 October 2011)

BOARD COMMITTEES

Audit Committee

S.G. Chella	Chairman
C.J.W. Davidson	(resigned 26 January 2012)
S.K. Mutepfa	

Remuneration Committee

C.J.W. Davidson	Chairman (resigned 26 January 2012)
Dr R.M. Mupawose	
T.C. Mazingi	

Operations/ Technical Committee

S.K. Mutepfa	Chairman
C.J.W. Davidson	(resigned 26 January 2012)
S.G. Chella	

SENIOR MANAGEMENT

HEAD OFFICE

C.J. Connick	Group Financial Controller (resigned 31 October 2011)
F.V. Chingozho	Group Finance Executive (appointed 10 October 2011)
B.T. Kagondo	Group Human Resources Executive
T. Magutsa	Group Internal Auditor
T.B. Mukubvu	Managing Director - Trading Business

TRADING BUSINESS

T.B. Mukubvu	Managing Director
C. Dzvene	Finance Manager
M. Khumalo	Agronomist
W. Madzingauswa	Estate Manager (Kent)
A. Muranda	Estate Manager (Claremont)
G. Mushori	Commercial Manager (FAVCO)

TEA BUSINESS

P.T. Spear	Group Chief Executive Officer
D. Mafuvadze	Senior Estate Manager
W. Chibonda	Estate Manager
I. Makandi	Estate Manager
Dr M.S.D. Mutopo	Sales and Marketing Manager
L. Betah	Human Resources Manager
E. Chafewa	SHE Manager

REGISTERED OFFICE

306 Hillside Road
Msasa Woodlands
P O Box 4019, Harare

COMPANY SECRETARY

F.N. Musinga

SHARE TRANSFER SECRETARIES

ZB Bank Limited
Central Scrip Admin
Investment Banking, 1st Floor, ZB Centre
Corner Kwame Nkrumah Ave and First Street.
P.O.Box 2540, Harare

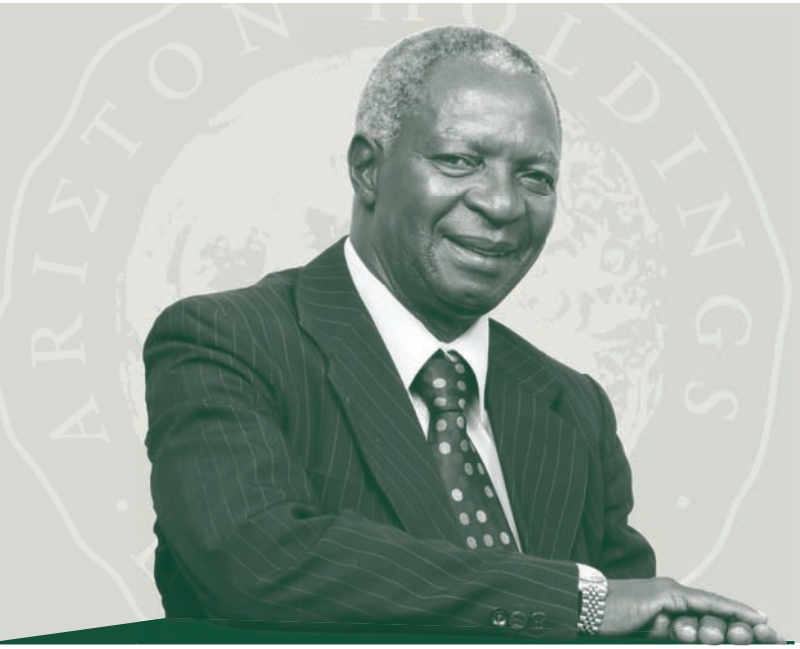
AUDITORS

Deloitte and Touche
Chartered Accountants (Zimbabwe)
Kenilworth Gardens, 1 Kenilworth Road
Newlands, P.O. Box 267, Harare

BANKERS

AgriBank Limited
BancABC Bank Limited
CABS Bank Limited
CBZ Bank Limited
IDBZ Bank Limited
Stanbic Bank Zimbabwe
Tetrad Bank Limited
ZB Bank Limited

CHAIRMAN'S STATEMENT



DR R.M. MUPAWOSE - CHAIRMAN

> **"Ariston Group has managed to keep its horticultural and plantation base intact and is poised for improved output."**

INTRODUCTION

Although the introduction of a multicurrency regime has made planning possible with some level of certainty, liquidity challenges continue to hamper the return to full production.

REVIEW OF OPERATIONS

During the period under review, the Group failed to perform to expectation largely as a result of the unavailability of long-term funding and working capital constraints. This has forced the Group to use expensive short-term money to fund operations of a long term nature, perpetuating the mismatch of cash flows.

It is pleasing to report that despite the challenges highlighted above, the Ariston Group has managed to keep its horticultural and plantation base intact and is poised for improved output.

As can be seen from the financial results presented in the annual report, activity continued to rise compared to the year ended 25 September 2010 in almost all areas. Despite this, the combination of high finance costs, low average prices for export tea and constrained throughput at FAVCO, the Group produced an after tax loss of $2 million for the year.

The Group entered into various financing arrangements during the year in an effort to improve profitability. As indicated previously, while there has been an increase in revenue, the short tenure of the loans and the uneconomical interest rates have had a negative impact on the Group.

The Group has struggled in meeting its obligations as they fall due as a result of limited working capital availability. Management have implemented strategies to remedy this situation in the short term which are discussed further on in my statement.

DIVIDEND

In view of the cash flow constraints and the current performance, the Board has once again decided that it is prudent not to declare a dividend.

DIRECTORATE

Mrs. Rachel Kupara resigned from the position of Chief Executive Officer with effect from 30 September 2011 to pursue other interests. On behalf of the board, I would like to thank her for her contribution to the Group over the last five years and the last one and half years being the Chief Executive Officer.

Paul Spear was appointed as the Chief Executive Officer with effect from 1 October 2011. Paul brings a wealth of experience in farming and has seven years service with the Ariston Group. On behalf of the Board, we pledge our support to him and wish him success in this challenging role.

Messrs Russell Du Preez and Deon Haasbroek resigned from the Board and I thank them for their contributions.

During the year, Mrs. Grace Slava Chella, Mr. Innocent Chagonda and Mr. Chris Davidson were appointed to the Board. On behalf of the Group, I wish to welcome our new members as well as thank them all for their contributions to Board activities.

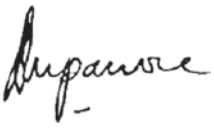
OUTLOOK

We remain grateful for the assistance from our shareholders who have and continue to extend financial support, a sign of confidence in the business. It has however, become evident to the board that the Group requires re-financing for it to achieve its maximum potential. This has been a result of high gearing and expensive funding that if not rectified may have a negative impact on the ability of the Group to continue as a going concern. To this end discussions are at an advanced stage with strategic partners to ensure that the Group accesses the much needed funding. We believe that these future strategic alliances will have a positive impact on the business by enabling a significant increase in output and improvement in quality for the agricultural operations, and at the same time increasing working capital in the trading business. In this regard significant shareholder changes are expected subsequent to year-end and will be followed by capital raising initiatives.

The Group remains well positioned to increase throughput across all production lines. Improvements in quality, output and cost reduction will be necessary to return the Group farming operations to profitability. The capital raising program will soon yield the necessary resources to fund all operations especially trading.

APPRECIATION

I would like to thank management and staff at all levels for their ongoing contribution. I also wish to thank my fellow Directors for their support during this recovery period.



DR. ROBBIE MATONGO MUPAWOSE
CHAIRMAN

Ariston Holdings Limited
Harare

17 February 2012

GROUP OPERATIONAL REVIEW

> **Considering the very limited resources available, staff at all levels continue to demonstrate commendable commitment and ingenuity in a very challenging operating environment.**

MR P.T. SPEAR - CHIEF EXECUTIVE OFFICER

INTRODUCTION

As predicted, operations in the year under review did demonstrate improved activity in many areas. Regrettably, this did not translate into increased margins in all product lines. Performance in the farming operations has highlighted the importance of product quality and focus on value addition in improving product margins. On the positive side, products once discontinued have been reintroduced and have been readily accepted by the market where demand is firm. Considering the very limited resources available, staff at all levels continue to demonstrate commendable commitment and ingenuity in a very challenging operating environment.

MACADAMIA AND TEA

Macadamia production volumes were a record high this season at 783 tonnes nut in shell, a 19% increase from 2010. Added to the very firm prices, the contribution from this crop was significant. Quality and yields are set to increase further next season as the market remains firm.

By year end, tea production volumes at 2,000 tonnes of made tea were slightly below forecast but nevertheless a 75% increase from 2010 production levels. In the year under review, a very severe frost slowed activity at the start of the new season. Quality and thus average prices were below expectation. In response, significant revision of the manufacturing process has taken place at all tea factories with the objective of increasing tea quality.

Blended tea sales grew by 16% year on year. Late season sales received an additional boost from the introduction of two new tea bag product lines namely Three Leaves tea and Mountain Dew.

HORTICULTURE

Preparations for the new season have gone well. Although erratic power supply has interrupted fruit set in certain orchards, early harvest quality is promising. All horticultural activities are under review in line with Group policy.

POULTRY

The first half of the poultry house upgrade is complete. Placements for the year at 740,000 birds represented a 243% increase from the previous year. Despite the increased activity, performance was lower than expected due to higher mortality hence the need to upgrade the houses, and pressure on pricing from imports.

RETAIL

Demand remains high for FAVCO's product range. Despite constraints in working capital, activity increased by 45% year on year. The appetite of the market indicates that significant increases in throughput can be expected for this division.

FINANCIAL PERFORMANCE

Group revenues grew by 52% to $14.7 million. The operating loss was $2.6 million before a fair value adjustment of $0,7 million which led to a loss before tax and interest of $1.9 million. Finance costs increased by 152% consistent with increased borrowings for working capital requirements of $2.3 million. Loss after interest of $2.8 million with a taxation credit largely driven by deferred tax of $0.8 million led to total comprehensive loss for the year under review to $2 million.

Southdown reported a turnover of $4,2 million which was a growth of 60% from prior year. The fair value adjustment resulted in Southdown reporting a profit before tax of $0.137 million (2010; $2.3 million).

FAVCO's turnover grew by 47% and contributed 48% to Group turnover due to increased activity. An operating loss before interest and tax of $ 0.292 million was recorded.

Claremont Estate's turnover of $0.979 million was 7% of Group turnover; a decline of 12% compared to 2010. An operating loss of $0.448 million was reported compared to a $0.144 million operating loss in 2010. Loss before interest and tax was $0.585 million compared to a loss of $0.126 million in the prior year.

Kent Estate achieved a turnover of $2.4 million driven largely by the resumption of poultry production. This was 17% of Group turnover showing a growth of 120% from 2010. An operating loss of $0.474 million was reported compared to $0.048 million in 2010. The loss before interest and tax was $0.621 million.

OUTLOOK

Overall prospects are positive with the 2011/12 season beginning with strong demand across the Ariston product range.

The macadamia forecast is for an earlier and slightly larger crop of improved quality which will have a positive influence on cash flows. Early season tea is of much improved quality. Local demand for the expanded range of blended tea continues to grow. Early stone fruit results are positive. The pome crop will exceed last year's yield and barring a repeat of last season's hail events, quality will also be much improved. Poultry production at Kent is set to stabilise with an emphasis on cost and waste reduction. Most significantly, FAVCO is poised to expand activities into a ready market. Much of management's attention remains focused on the critical issue of improving access to working capital and reducing the cost of borrowings. Once available, combined with the focus on product quality and cost management, these resources will unlock the potential of the group.

APPRECIATION

As management, we are grateful for the support given to us by the Chairman, Board, Shareholders, Employees and other Stakeholders during these difficult times.

PAUL TIMOTHY SPEAR
CHIEF EXECUTIVE OFFICER

17 February 2012

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their report, together with the audited financial statements of the Group for the year ended 25 September 2011.

CAPITAL

Authorised

The authorised capital of your Company remained at 700,000,000 shares of US$0.001 each.

Issued

Changes in the issued share capital are disclosed under note 16 to the Financial Statements.

Unissued

At 25 September 2011; 230,447,738 (2010; 447,738 shares) were under the control of directors; 23,250,000 shares were set aside under the Senior Staff Share Option Scheme (2000, 2003 and 2005).

Reserves

The movement in the reserves of the Group and the Company are shown on page 15 of the financial statements.

GROUP FINANCIAL RESULTS

The results for the year were as follows:

All Figures in US$	
Loss before taxation	(2,758,681)
Income tax expense paid	20,026
Deferred tax charge	735, 928
Loss attributable to shareholders	(2,002,727)

DIVIDENDS

In view of the present environment the board has considered it prudent not to declare a final dividend for the year ended 25 September 2011.

DIRECTORATE

Mr R. Du Preez and Mr Haasbroek, non-executive directors from Emvest resigned on 11 February 2011. Messrs C.J.W. Davidson and P.R. Cook replaced them as non-executive directors representing Emvest. Mr Cook later resigned from the Board on 12 July 2011. Mr Davidson has since resigned and was replaced by Mrs S. Payne.

Mrs S.G. Chella also joined the board as a non-executive director representing Imara Asset Management on 05 May 2011.

REPORT OF THE DIRECTORS

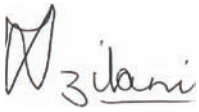
The directors who held office during the year ended 25 September 2011 held directly and indirectly the following shares in the Company:

	At 25/09/11	At 25/09/10
Dr R.M. Mupawose	-	-
Mr I. Chagonda	-	-
Mrs S.G. Chella	-	-
Mr C.J.W. Davidson (resigned)	-	-
Mrs R.P. Kupara (resigned)	1,204,175	454,175
Mrs T.C. Mazingi	216,290	216,290
Mr S.K. Mutepfa	91,000	-

AUDITORS

Messrs Deloitte and Touche retire and offer themselves for re-appointment.

By order of the Board



F.N. MUSINGA
COMPANY SECRETARY

17 February 2012

CORPORATE GOVERNANCE

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

1 BOARD COMPOSITION AND APPOINTMENT

The Board of Directors is chaired by a non executive director and comprises six non-executive and one executive director. The Board enjoys a strong mix of skills and experience. The Board is the primary governance organ. The role of the Board is to determine overall policies, plans and strategies of the Group and to ensure that these are implemented in an ethical and professional manner.

The Board meets regularly, at least three times a year, and guides corporate strategy, risk management practices, annual budgets and business plans. Special Board meetings may be convened on an ad-hoc basis when necessary to consider issues requiring urgent attention or decision. The Board Secretary maintains an attendance register of Directors for all scheduled meetings during the year through which Directors can assess their devotion of sufficient time to the Group.

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

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

The Board appointments are made to ensure a variety of skills and expertise on the Board. A third of the Directors are required to retire on a rotational basis each year along with any Directors appointed to the Board during the year. Executive directors are employed under performance driven service contracts setting out responsibilities of their particular office.

2 FINANCIAL STATEMENTS AND MANAGEMENT REPORTING

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

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

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

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

Internal auditors are tasked with ensuring adherence to internal controls and systems to minimise risk.

The annual financial statements are prepared on a going concern basis. The statements are prepared in accordance with generally accepted accounting practice and are based on policies which are reasonable and prudent. The external auditors are responsible for carrying out independent examination of the financial statements in accordance with International Financial Reporting Standards and the Directors accept responsibility for the preparation of and information presented in the annual report.

Attendance of Directors at board and committee meetings during the year ended 25 September 2011

Directors	Board	Audit and Risk Committee	Human Resources and Remuneration Committee	Operations/ Technical Committee
Dr R.M. Mupawose	4/4	-	4/4	-
I. Chagonda	4/4	1/2	-	-
S.G. Chella	2/2	1/1	-	2/2
P.R. Cook (resigned)	-	-	-	-
C.J.W. Davidson (resigned)	4/4	4/4	4/4	2/2
R. Du Preez (resigned)	2/2	-	2/2	-
D. Haasbroek (resigned)	1/2	1/2	-	-
R.P. Kupara (resigned)	4/4	2/2	4/4	1/2
T.C. Mazingi	4/4	1/2	2/2	-
S.K. Mutepfa	3/4	2/2	-	2/2

3 BOARD COMMITTEES

Board and accountability and delegated functions

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

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

3.1 Audit and Risk Committee

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

3.2 Human Resources and Remuneration Committee

Ariston's Human Resources and Remuneration Committee is chaired by a non-executive Director and reviews remuneration levels of members of staff throughout the Group.

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

The remuneration policy is designed to reward performance, attract, motivate and retain high caliber individuals who will contribute fully to the success of each of the businesses in which Ariston Holdings operates. Accordingly, a performance related profit share is offered in addition to a basic salary package whilst a discretionary share purchase scheme is in place for staff members who meet certain performance ratings. The committee draws on external market survey data from independent advisors to ensure that the remuneration policy is appropriate and relevant to the prevailing times.

3.3 Operations/Technical Committee

This is a new committee formed by the board on 11 May 2011. It is chaired by a non-executive Director.

The Operation/Technical Committee comprises of three (3) non-executive Directors and one executive Director. The purpose of the committee is to assist the Board in its oversight of the technical and operational risks of Ariston in delivering its business plans.

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

4 OTHER CORPORATE GOVERNANCE MEASURES

4.1 Internal Audit

The Internal Audit department is headed by the Group Internal Auditor. Its main activities are to address the following issues at each of the business units of the Group:

* Appraising of systems, procedures and management controls;
* Evaluating the integrity of management and financial information;
* Assessing the controls over the Group assets; and
* Reviewing compliance with applicable legislation, regulations, Group policies and procedures.

The Internal Audit function reports to the Audit and Risk Committee and has unrestricted access to this committee. Each company within the Group is audited regularly by the internal auditors based on the annual work plan and close communication is maintained between internal and external audit.

4.2 Worker Participation

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

4.3 Environment

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

4.4 Social Responsibility

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

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

4.5 Related Party Transactions

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

4.6 Insider Trading

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

DR. ROBBIE MATONGO MUPAWOSE
CHAIRMAN

PAUL TIMOTHY SPEAR
CHIEF EXECUTIVE OFFICER

17 February 2012

Deloitte.

Report of the Independent Auditors to the members of Ariston Holdings Limited

We have audited the accompanying financial statements for Ariston Holdings Limited the Company and its subsidiaries ('the Group') which comprise the statements of financial position as at 25 September 2011, statement of comprehensive income, the statements of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes set out on pages 13 to 45.

Directors' responsibility for the financial statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) and the Companies Act (Chapter 24:03) and the relevant statutory instruments (SI 33/99 and SI 62/96). This responsibility includes; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Ariston Holdings Limited as at 25 September 2011, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have, in all material respects, been properly prepared in compliance with the disclosure requirements of the Companies Act (Chapter 24:03) and the relevant Statutory instruments (SI 33/99 and SI 62/96).

Emphasis of matter

Going concern assumption

Without qualifying our opinion, we draw your attention to note 26, which indicates that the Group incurred an operating loss of US$2,631,512 (2010 US$ 1,758,576) during the year ended 25 September 2011 and as of that date the Group's current liabilities exceeded the current assets by US$ 4,853,983 (2010; 1,957,371).

These events, along with other matters as set out in note 26 indicate a material uncertainty that may cast significant doubt on the Groups ability to continue as a going concern and therefore the Group maybe unable to realize its assets and discharge its liabilities in the normal course of business. Such ability hinges on the Group's ability to successfully raise long term funding and additional equity as described in note 26.

Fair value determination for transactions, assets and liabilities

The determination of fair values presented in the financial statements is affected by the prevailing economic environment and may therefore be distorted. This may result in signification variations in fair values, depending on factors and assumptions used in the determination of the fair value. The significant assumptions and the estimation uncertainties have been disclosed in note 4 to these financial statements.

Deloitte & Touche

Deloitte & Touche
Chartered Accountants (Zimbabwe)
Harare, Zimbabwe

17 February 2012

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 25 SEPTEMBER 2011

All figures in US$	Notes	GROUP 2011	GROUP 2010
Revenue	6	14,747,151	9,682,534
Cost of production		(11,121,300)	(6,150,140)
Gross profit		3,625,851	3,532,394
Other operating income/(costs)		78,845	(180,749)
		3,704,696	3,351,645
Operating expenses		(6,336,208)	(5,120,221)
Loss from operations	8	(2,631,512)	(1,768,576)
Fair value adjustments	12	716,779	2,996,810
(Loss)/profit before interest and tax		(1,914,733)	1,228,234
Finance costs		(843,948)	(334,981)
(Loss)/profit before taxation		(2,758,681)	893,253
Income tax credit	9	755,954	481,513
(Loss)/profit for the year		(2,002,727)	1,374,766
Other comprehensive loss (net of tax)		-	-
Total comprehensive (loss)/income		**(2,002,727)**	**1,374,766**
Basic (loss)/earnings per share (dollars)	10	(0.0045)	0.0031
(based on shares in issue at year end)			
Diluted (loss)/earnings per share (dollars)	10	(0.0045)	0.0031

Statement of comprehensive income transactions for the Company were immaterial for separate disclosure in current year. Prior total comprehensive income for Ariston Holdings Limited from Ariston Management Services (Private) Limited a one hundred percent (100%) owned subsidiary was US$697,675 for the purpose of re-denomination of share capital.

STATEMENTS OF FINANCIAL POSITION

AS AT 25 SEPTEMBER 2011

All figures in US$	Notes	COMPANY			GROUP		
		2011	2010	2009	2011	2010	2009
ASSETS			(Restated)				
Non-current assets							
Property, plant and equipment	11	-	-	-	8,479,107	8,642,749	9,282,273
Biological assets	12	-	-	-	8,441,668	7,998,820	5,178,320
Deferred tax	17	-	-	-	1,345,547	638,093	378,814
Investments	13	34,649	34,649	34,649	25,650	25,650	25,650
		34,649	34,649	34,649	18,291,972	17,305,312	14,865,057
Current assets							
Biological assets	12	-	-	-	305,456	-	-
Inventories	14	-	-	-	961,802	1,538,229	846,771
Trade and other receivables	15	767,731	725,509	-	1,689,541	1,376,752	417,509
Cash and cash equivalents		-	-	-	99,485	229,542	73,215
		767,731	725,509	-	3,056,284	3,144,523	1,337,495
Total assets		**802,380**	**760,158**	**34,649**	**21,348,256**	**20,449,835**	**16,202,552**
EQUITY							
Share capital and reserves							
Share capital	16	445,087	444,337	-	445,087	444,337	-
Share premium		263,142	252,642	-	263,142	252,642	-
Share based payments reserve		19,100	30,350	-	19,100	30,350	-
Non-distributable reserves		-	-	43,774	10,998,626	10,998,626	11,728,455
Accumulated losses		-	-	(14,120)	(2,647,469)	(644,742)	(2,022,008)
		727,329	727,329	29,654	9,078,486	11,081,213	9,706,447
LIABILITIES							
Non-current liabilities							
Deferred tax	17	1,283	1,283	-	4,238,254	4,266,728	4,488,962
Borrowings	19	-	-	-	121,249	-	-
		1,283	1,283	-	4,359,503	4,266,728	4,488,962
Current liabilities							
Trade and other payables	18	73,768	31,546	4,995	3,623,372	2,949,728	1,497,223
Borrowings	19	-	-	-	4,286,895	2,152,166	509,920
		73,768	31,546	4,995	7,910,267	5,101,894	2,007,143
Total equity and liabilities		**802,380**	**760,158**	**34,649**	**21,348,256**	**20,449,835**	**16,202,552**

DR. R.M. MUPAWOSE
Chairman

P.T. SPEAR
Chief Executive Officer

F.N. MUSINGA
Company Secretary

17 February 2012

STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY

FOR THE YEAR ENDED 25 SEPTEMBER 2011

COMPANY

All figures in US$	Share Capital	Share Premium	Share Based Payment Reserve	Non - Distributable Reserves	Accumulated losses	Total
Balance at 25 September 2009	**-**	**-**	**-**	**43,774**	**(14,120)**	**29,654**
Total comprehensive Income (restated)	-	-	-	-	697,675	697,675
Transfer between reserves	-	-	-	686,055	(686,055)	-
Transfer to Share Capital	443,677	-	-	(443,677)	-	-
Transfer to Share Premium Reserve	-	252,642	-	(252,642)	-	-
Transfer to Share Based Payment Reserve	-	-	32,850	(32,850)	-	-
Transfer to Share Capital on Share options exercised	660	-	-	(660)	-	-
Transfer of reserve on Share options exercised	-	-	(2,500)	-	2,500	-
Balance at 25 September 2010	**444,337**	**252,642**	**30,350**	**-**	**-**	**727,329**
Total comprehensive income	-	-	-	-	-	-
Transfer to Share Capital on Share options exercised	750	-	(750)	-	-	-
Transfer to Share Premium Reserve on Share options exercised	-	10,500	(10,500)	-	-	-
Balance at 25 September 2011	**445,087**	**263,142**	**19,100**	**-**	**-**	**727,329**

GROUP

All figures in US$	Share Capital	Share Premium	Share Based Payment Reserve	Non - Distributable Reserves	Accumulated losses	Total
Balance at 25 September 2009	**-**	**-**	**-**	**11,728,455**	**(2,022,008)**	**9,706,447**
Transfer to Share Capital	443,677	-	-	(443,677)	-	-
Transfer to Share Premium Reserve	-	252,642	-	(252,642)	-	-
Transfer to Share Based Payment Reserve	-	-	32,850	(32,850)	-	-
Share options exercised	660	-	-	(660)	-	-
Transfer of reserve on Share options exercised	-	-	(2,500)	-	2,500	-
Total comprehensive income for the year	-	-	-	-	1,374,766	1,374,766
Balance at 25 September 2010	**444,337**	**252,642**	**30,350**	**10,998,626**	**(644,742)**	**11,081,213**
Transfer to Share Capital on Share options exercised	750	-	(750)	-	-	-
Transfer to Share Premium Reserve on Share options exercised	-	10,500	(10,500)	-	-	-
Total comprehensive loss for the year	-	-	-	-	(2,002,727)	(2,002,727)
Balance at 25 September 2011	**445,087**	**263,142**	**19,100**	**10,998,626**	**(2,647,469)**	**9,078,486**

Share options exercised relate to options issued prior to dollarisation.

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 25 SEPTEMBER 2011

All figures in US$	Notes	2011	2010
Cash flows from operating activities			
(Loss)/profit before taxation and interest		(1,914,733)	1,228,234
Net non-cash flow items	7.1	15,394	(2,064,204)
Cash outflow from operations		(1,899,339)	(835,970)
Finance costs		(843,948)	(334,981)
Income taxes paid		20,026	-
Change in working capital	7.2	937,282	(198,196)
Cash utilised in operating activities		(1,785,979)	(1,369,147)
Cash flows from investing activities			
Purchase of property, plant and equipment to maintain operations		(594,671)	(135,224)
Proceeds from sale of property, plant and equipment		26,836	18,452
Additions to biological assets		(32,221)	-
Cash utilised in investing activities		(600,056)	(116,772)
Cash flows from financing activities			
Increase in borrowings		2,255,978	1,642,246
Net cash (outflow)/inflow		(130,057)	156,327
Cash and cash equivalents at beginning of year		229,542	73,215
Cash and cash equivalents at end of year		**99,485**	**229,542**
Cash and cash equivalents at end of year comprising:			
Cash and cash equivalents		99,485	229,542
Cash and cash equivalents at end of year		**99,485**	**229,542**

There were no cash flow movements in the Company. All cash movements are held in Ariston Management Services (Private) Limited, a one hundred percent (100%) owned subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 25 SEPTEMBER 2011

1 GENERAL DISCLOSURES

1.1 Country of incorporation and main activities

Ariston Holdings Limited ("the Company"), an investment holding company, its subsidiaries and associated companies ("the Group") are incorporated in Zimbabwe. The main activity of the Group is horticulture, tea, macadamia nut production, fishery, poultry production and the supply of fresh farm produce

1.2 Currency

The financial statements are presented in United States dollars (US$) which is the functional currency of the Group.

1.3 Borrowing powers

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

1.4 Adoption of new and revised standards and interpretations

1.4.1 Standards affecting presentation and disclosures

The following new and revised IFRS have been applied in the current period and have a material effect on the amounts reported in these financial statements.

IFRS 1 First–time Adoption of International Financial Reporting Standards (IFRS) (issued December 2010 and effective for periods beginning on or after 1 July 2011). The revisions to this standard provide for certain exemptions for entities which cease to operate in an environment of severe hyperinflation. The revised standard accepts use of the fair values for assets and liabilities as the deemed values at the date of change of functional currency, and requires the following to be presented in the entity's first IFRS financial statements following severe hyperinflation; three statements of financial position, two statements of comprehensive income and two statements of changes in equity and related notes, including comparative information.

The Group has decided to adopt the amendments to this standard ahead of the effective date. This has had the effect in the current year financial reporting of disclosing three statements of financial position together with appropriate notes. The statements of financial position cover the opening position as at 25 September 2009 with deemed US$ balances, the closing position as at 25 September 2010 and the closing position as at 25 September 2011.

In preparing its opening IFRS statement of financial position, the Group has not adjusted amounts previously reported on the date of Change in Functional Currency in 2009 as the methods used in determining the amounts in those reports are in line with the amended IFRS 1. As amounts have not changed, reconciliations of changes to reported amounts as required by the standard have not been presented. Refer to Note 3 where the transition to IFRS is discussed in more detail.

1.4.2 Standards and Interpretations adopted with no effect on the financial statements

The following new and revised Standards and Interpretations have also been adopted in these financial statements. Their adoption has not had any significant impact on the amounts reported in these financial statements but may affect the accounting for future transactions or arrangements.

IFRS 1	IFRS 1 was amended as a result of Improvements to IFRSs 2010. The amendments relate to accounting policy changes in the year of adoption and additions to the deemed cost exemption. • Accounting policy changes in the year of adoption • Deemed cost exemption – Event-driven fair value measurements • Deemed cost exemption – Entities subject to Rate-regulation (Effective 1 January 2011)
IFRS 7	Disclosures – Transfers of Financial Assets - The amendments to IFRS 7 increase the disclosure requirements for transactions involving transfers of financial assets. (Effective for annual periods beginning on or after 1 July 2011)
IFRS 1 and IFRS 7	The IASB amended IFRS 1 to exempt first-time adopters of IFRSs from providing the additional disclosures introduced by the March 2009 amendments to IFRS 7 Improving Disclosures about Financial Instruments. The amendment gives first-time adopters the same transitional provisions that the amendments to IFRS 7 provide to current IFRS preparers.

1 GENERAL DISCLOSURES - continued

IFRS 1	(Revised) First time Adoption of IFRS – Amendments relating to oil and gas assets and determining whether an arrangement contains a lease (effective for annual periods beginning on or after January 1, 2010)
IFRS 2	(Revised) Share-based Payment- Amendment relating to Group cash-settled share based payment (effective for annual periods beginning on or after January 1, 2010);
Amendments to IFRS 3 (2008) as part of AIP	Three amendments to IFRS 3 (2008) were incorporated in Improvements to IFRSs 2010: • Measurement of non-controlling interests • Un-replaced and voluntarily replaced share-based payment awards • Transitional requirements for contingent consideration from a business combination that occurred before the effective date of IFRS 3 (2008)
Amendment to IAS 27 (2008) as part of AIP	Following the issuance of IAS 27 (2008), a number of consequential amendments were made to other IFRSs.The changes related to IAS 21, 28 and IAS 31 and are to be applied prospectively (with the exception of paragraph 35 of IAS 28 and paragraph 46 of IAS 31, which are to be applied retrospectively).
Amendments to IAS 32	Under the amendment to IAS 32 rights, options and warrants – otherwise meeting the definition of equity instruments in IAS 32.11 – issued to acquire a fixed number of an entity's own non-derivative equity instruments for a fixed amount in any currency are classified as equity instruments, provided the offer is made pro-rata to all existing owners of the same class of the entity's own non-derivative equity instruments.
IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments	The Interpretation addresses divergent accounting by entities issuing equity instruments in order to extinguish all or part of a financial liability (often referred to as "debt for equity swaps"). The Interpretation concludes that the issue of equity instruments to extinguish an obligation constitutes consideration paid.
Improvements to IFRSs (2009)	Amendments to IFRS 2, IFRS 8, IAS 1, IAS 7, IAS 17, IAS 36, IAS 38 and IAS 39 resulting from April 2009 Annual Improvements to IFRSs (Majority effective for annual periods beginning on or after January 1, 2010).

1.4.3 Standards and interpretations in issue but not yet effective

At the date of authorization of these financial statements, the following Standards and Interpretations were in issue but not yet effective:

IFRS 1	The amendments provide relief to first-time adopters of IFRSs by: • replacing the date of prospective application of the derecognition of financial assets and liabilities of '1 January 2004' with 'the date of transition to IFRSs' so that first-time adopters of IFRSs do not have to apply the derecognition requirements in IAS 39 restrospectively from an earlier date; and • relieving first-time adopters from recalculating 'day 1' gains and losses on transactions occurring before the date of transition to IFRSs. (Effective 1 January 2011)
IFRS 7	IFRS 7 was amended as part of Improvements to IFRSs 2010 in order to clarify the existing disclosure requirements. The effect of the amendment is to encourage qualitative disclosures in the context of the quantitative disclosure required to help users to form an overall picture of the nature and extent of risks arising from financial instruments. This amendment also clarifies the required level of disclosure around credit risk and collateral held and provides relief from disclosure of renegotiated loans. (Effective 1 January 2011)
IFRS 7	The IASB introduced enhanced disclosure requirements to IFRS 7 Financial Instruments as part of its comprehensive review of off-balance sheet activities. The amendments are designed to ensure that users of financial statements are able to more readily understand transactions involving the transfer of financial assets (for example, securitisations), including the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period.

1 GENERAL DISCLOSURES - continued

IFRS 9

Financial Instruments – Classification and Measurement (effective for annual periods beginning on or after January 1, 2013)

IFRS 10

- The objective of IFRS 10 is to have a single basis for consolidation for all entities regardless of the nature of the investee, and that basis is control.
- The definition of control includes 3 elements: power over an investee, exposure or rights to variable returns of the investee and the ability to use power over the investee to affect the investor's returns.
- IFRS 10 provides detailed guidance on how to apply the control principle in a number of situations, including agency relationships and holdings of potential voting rights.
- An investor would reassess whether it controls an investee if there is a change in facts and circumstances.
- IFRS 10 replaces those parts of IAS 27 that address when and how an investor should prepare consolidated financial statements and replaces SIC 12 in its entirety.

IFRS 11

- IFRS 11 classifies joint arrangements as either joint operations (combining the existing concepts of jointly controlled assets and jointly controlled operations) or joint ventures (equivalent to the existing concept of a jointly controlled entity).
  - Joint operation is a joint arrangement whereby the parties that have joint control have rights to the assets and obligations for the liabilities.
  - Joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.
- IFRS 11 requires the use of the equity method of accounting for interests in joint ventures thereby eliminating the proportionate consolidation method.
- The determination of as to whether a joint arrangement is a joint operation or a joint venture is based on the parties' rights and obligations under the arrangement, with the existence of a separate legal vehicle no longer being the key factor.

IFRS 12

- IFRS 12 applies to entities that have an interest in subsidiaries, joint arrangements, associates or unconsolidated structured entities.
- IFRS 12 establishes disclosure objectives and specifies minimum disclosures that an entity must provide to meet those objectives.
- An entity should disclose information that helps users of its financial statements evaluate the nature of and risks associated with its interests in other entities and the effects of those interests on its financial statements.

IFRS 13

- IFRS 13 establishes a single framework for measuring fair value where that is required by other standards. The standard applies to both financial and non-financial items measured at fair value.
- Fair value is defined as "the price that would be received to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date" (ie an exit price).

IAS 1

IAS 1 was amended as part of Improvements to IFRSs issued in May 2010. The amendment clarifies that an entity may present the analysis of other comprehensive income by item either in the statement of changes in equity or in the notes to the financial statements. (Effective 1 January 2011)

IAS 12

- The amendments provide an exception to the general principles of IAS 12 for investment property measured using the fair value model in IAS 40 Investment Property.
- For the purposes of measuring deferred tax, the amendments introduce a rebuttable presumption that the carrying amount of such an asset will be recovered entirely through sale.
- The presumption can be rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits over time, rather than through sale.
- The exception also applies to investment property acquired in a business combination if the acquirer applies the fair value model in IAS 40 subsequent to the business combination.

1 GENERAL DISCLOSURES - continued

- The amendments also incorporate the requirements of SIC-21 Income Taxes- Recovery of Revalued Non-Depreciable Assets into IAS 12, i.e., deferred tax arising on a non-depreciable asset measured using the revaluation model in IAS 16 should be based on the sale rate. (Effective 1 January 2012)

IAS 19	The amendments require the recognition of changes in the defined benefit obligation and in plan assets when those changes occur, eliminating the corridor approach and accelerating the recognition of past service costs. (Effective 1 January 2013)
IAS 24	(Revised) Related Party Disclosures – Amendment on disclosure requirements for entities that are controlled, jointly controlled or significantly influenced by a Government (effective for annual periods beginning on or after January 1, 2011);
IAS 27	Reissued as IAS 27 Separate Financial Statements (as amended in 2011). Consolidation requirements previously forming part if IAS 27 (2008) have been revised and are now contained in IFRS 10 Consolidated Financial Statements.
IAS 28	Investments in Associates- Reissued as IAS 28 Investments in Associates and Joint Ventures (as amended in 2011). This version supersedes IAS 28 (2008) Investments in Associates.
IAS 34	IAS 34 was amended to provide a clarification around significant events and transactions to be disclosed in interim financial reports. The amendment is intended to emphasise that these interim disclosures should update the relevant information presented in the most recent annual financial report. The amendment also clarifies how to apply this principle in respect of financial instruments and their fair values.
IFRIC 13	IFRIC 13 was amended in order to provide clarification on the measurement of the fair value of award credits under the interpretation.
IFRIC 14	Amendment to IFRIC 14: IAS 19 The limit on a Defined Benefit Asset - Minimum Funding Requirement and their interaction (effective for annual periods beginning on or after January 1, 2011);

The Directors are yet to assess the impact that the adoption of these Standards and Interpretations will have on the financial statements in the period of initial application.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain biological assets and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The principal accounting policies are set out below.

2.2 Statement of compliance

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards, (IFRS) and the International Financial Reporting Interpretations Committee (IFRIC) interpretations.

2.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

The financial statements have been prepared in conformity with International Financial Reporting Standards (IFRS), promulgated by the International Accounting Standards Board (IASB), which includes standards and interpretations approved by the IASB as well as International Accounting Standards and Standing Interpretations Committee (SIC) interpretations issued under previous constitutions (IFRS's).

The Directors have assessed the ability of the Group to continue as a going concern and believe that the preparation of these financial statements on a going concern basis is still appropriate. However, the Directors believe that under the current economic environment a continuous assessment of the economic environment will need to be performed to determine the continued appropriateness of this assumption.

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

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

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

3 TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The Group is resuming presentation of IFRS financial statements after early adoption of Revised IFRS 1 First-time Adoption of International Financial Reporting Standards issued on 20 December 2010. The Group failed to present IFRS financial statements for the financial year ended 25 September 2009 due to the effects of severe hyperinflation as defined in Revised IFRS 1.

The first amendment replaces reference to a fixed date of '1 January 2004' with 'the date of transition to IFRS', which eliminates the requirement to reconstruct transactions that occurred before the date of transition to IFRS. The second amendment provides guidance for entities emerging from severe hyperinflation to resume presenting IFRS financial statements. An entity can elect to measure assets and liabilities at fair value and to use the fair value as the deemed cost in its opening IFRS statement of financial position. The Group elected to use the severe hyperinflation exemption.

The effect of the application of this amendment is to render the opening statement of financial position, prepared on 1 January 2009 (date of transition to IFRS) IFRS compliant. The opening statement of financial position was reported in the prior year as not being compliant with International Accounting Standard (IAS) 21 The Effects of Changes in Foreign Exchange Rates and IAS 29 Financial Reporting in Hyperinflationary Economies.

The Group's previous functional currency, the Zimbabwe dollar (ZW$), was subjected to severe hyperinflation before the date of transition to IFRS because it had both of the following characteristics:
(a) a reliable general price index was not available to all entities with transactions and balances in the ZW$; and
(b) exchangeability between the ZW$ and a relatively stable foreign currency did not exist.

3 TRANSITION TO IFRS - continued

The Group changed its functional and presentation currency from the ZW$ to the United States dollar (US$) with effect from 25 September 2009.

Deemed cost exemption
Comparative financial information

The Group elected to measure certain items of property, plant and equipment, trade and other receivables, inventories and trade and other payables at fair value and to use the fair value as the deemed cost of those assets and liabilities in the opening IFRS statement of financial position. The determination of balances for the opening statement of financial position is summarised below:

Financial assets and liabilities	Fair value as agreed by the shareholders i.e. willing buyer willing seller
Trade and other payables	Settlement amounts agreed with creditors in United States dollars.
Property, plant and equipment	These were valued at gross replacement value and reassessed in line with subsequent market trends and necessary adjustments were made.
Investment property	Fair value as reassessed by the Directors in line with subsequent market trends
Investment in associates	Applied the percentage shareholding on the deemed opening reserves
Trade and other receivables	Settlement amounts agreed with debtors in United States dollars.
Bank balances	All ZW$ bank accounts were written off to zero. Opening balances represent actual United States dollars.
Shareholders' equity (NDR)	Difference between total assets and total liabilities

The financial statements comprise three statements of financial position, two statements of comprehensive income, changes in equity and cash flows as a result of the retrospective application of the Amendments to IFRS 1.

Reconciliation of previously prepared to IFRS compliant financial statements:

In preparing its opening IFRS statement of financial position, the Group has not adjusted amounts previously determined in accordance with the Guidance on Change in Functional Currency 2009. As amounts have not changed, reconciliations have not been presented.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Critical judgements in applying accounting policies

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

4.1 Biological Assets

The following assumptions have been used for the most material components of the valuation:

Biological Asset	Estimated Life	Valuation Period
Macadamia Nuts	15 years	10 years
Tea	100 years	10 years
Stone Fruits	15 years	10 years
Pome Fruits	15 years	10 years
Protea Bushes	20 years	10 years

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY - continued

Biological assets which take less than a year to mature are generally valued on the relative stage to maturity multiplied by the selling price less costs to sell at reporting date.

Estimated production per year

Production has been based on the average of the actual production for the past five years adjusted for projected growth. This provides the best possible estimate of the future generating capacities of the business.

Selling Prices

Selling prices for agricultural produce are quoted in US dollars. The best estimate of the future prices is based on an analysis of future price and production trends particularly for tea.

Agricultural and Country Risk Factor

An agricultural risk factor of 50% has been used. This risk is attributed to inherent farming uncertainties such as changing rainfall patterns in coming seasons and the effects of global warming.

Discount Factor

A discount factor of 17% per annum has been used. This discount factor has been derived from the weighted average cost of capital (WACC) using the capital pricing model for Ariston. The risk free premium used for the computation of this WACC was derived from the US government bond yield.

The US government bond 10 year government bond yield has been used due to the fact that the country is currently operating using a multi-currency system, and the Government of Zimbabwe has not issued any commercial paper. Refer to note 5.

4.2 Revenue recognition

Management has considered the detailed criteria for the recognition of revenue from the sale of goods set out in IAS 18 Revenue, and in particular whether the Group had transferred risks and rewards of ownership of the goods. Based on the acceptance by the customer of the liability of the goods sold, management is satisfied that the significant risks and rewards have been transferred and the recognition of the revenue is appropriate.

4.3 Inventories

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

4.4 Allowance for doubtful debts

Allowance for doubtful debts is determined based upon a combination of factors to ensure that the trade and other receivables are not overstated due to uncollectability. The allowance for doubtful debts for all customers is based on a variety of factors, including the overall quality and aging of the receivables and continuing credit evalution of the customers' financial circumstances. Also, specific provisions for individual accounts are recorded when the Group becomes aware of the customer's inability to meet its financial obligations such as in the case of deterioration in the customer's operating results or financial position.

4.5 Property, plant and equipment

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

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 Investments in associates

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

The results, assets, and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 Non- current Assets Held for Sale and Discontinued Operations. Under the equity method, investments in asssociates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includeds any long-term interests that, in substance, form part of the Group's net investment in the associate) are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associates.

5.2 Biological assets

Biological assets include the following:

- tea
- poultry
- macadamia
- bananas
- pome fruit
- stone fruit
- proteas
- livestock
- trout
- avocados
- potatoes

The method used to carry out the valuation of these assets is sumarised as follows:

i. Looking ahead for a period of 10 years for tea and macadamia and for less depending on the expected life and susceptibility of variety changes of biological assets.

ii. Calculating the present value of the net cashflow expected to arise from those assets over the periods stated in (i) above.

iii. The net cash flow being based on expected annual production levels, the selling price less point of sale costs for the agricultural produce, and deducting the variable costs of agricultural production.

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

5.3 Borrowing costs

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

5.4 Financial instruments

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

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Financial assets:

Trade receivables

Trade receivables are measured at initial recognition at fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposit and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Investments

Investments are recognised and derecognised on a trade basis where the purchase or sales of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned,and are initially measured at fair value, plus directly attributable transaction costs.

Subsequent to the reporting date, debt securities that the Group has the expressed intention and ability to hold to maturity (held-to-maturity debt securities) are measured at amortised cost using the effective interest rate method, less any impairment recognised to reflect irrecoverable amounts.

Impairment of financial assets

"Financial assets other than those at fair value through profit or loss, are assessed for indicators of impairment at each statement of financial position date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occured after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For all other financial assets, including redeemable notes classified as available for sale and finance lease receivables, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinqeuncy in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are susbsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the numberr of delayed payments in the portfolio, as well as observable changes in national or local economic conditions that correlate with default on receivables. For financial assets carried at armotised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cashflows, discounted at the financial asset's original effective interest rate. The carrying amount of the financial asset is reduced by the impairment directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account.

When a trade receivable is considered uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written of are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of available for for sale equity instruments, if, in a subsequent period, the amount of the impairment decreases and the decrease can be related objectively to an event occuring after the impairment was recognised, the previously recognised impairment is reversed through profit or loss to the extent that the carrying amount of the investment at the date of impairment is reversed does not exceed what the armotised cost would have been had the impairment not been recognised. In respect of available for sale equity securities, impairment previously recognised through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment is recognised directly in equity.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Derecognition of financial assets

"The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received."

Financial liabilities:

Trade and other payables

Trade payables are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest rate method,with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

5.5 Taxation

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

Current tax

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

Deferred tax

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

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

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

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

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Current and deferred tax for the period

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

5.6 Property, plant and equipment

Plant, equipment, motor vehicles, freehold and leasehold improvements are stated at cost less accumulated depreciation and accumulated impairment.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Plant and equipment	3 - 20 years
Motor vehicles	5 years
Freehold improvements	7 – 40 years
Leasehold improvements	10 – 40 years (See below)

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

No amortisation is provided on development expenditure incurred on tea crops, macadamia, trout, livestock, avocados, bananas, afforestation and water schemes.

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

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

5.7 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment.

5.8 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains and losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

5.9 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

The Group as lessor

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

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

The Group as lessee

Assets held under finance lease are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

5.10 Provisions

Provisions are recognised when:

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

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

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

Onerous contracts

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

Restructurings

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

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

5.11 Retirement benefit costs

The Ariston Holdings Limited Group contributes to a defined contribution Plan for the benefit of certain eligble employees. The fund is administered by a life assurance society. In addition all Group employees contribute to the benefit scheme established by the National Social Security Authority Act of 1989.

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

5.12 Inventories

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

The carrying value of inventories are determined as follows:

Farm produce	-Fair value based on market value less estimated point of sale expenses.
Stores and materials	-The lower of cost and net realisable value with cost being calculated on a weighted average or first-in first-out basis.

5.13 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue excludes value added and other taxes, and is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Rental income

The Group's policy for recognition of revenue from operating leases is described under "leasing" refer to note 5.9.

5.14 Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

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

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

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

5.15 Related party transactions

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

The directors have assessed the recoverability of the receivables and are confident that the related parties' balances are recoverable.

5.16 Foreign currencies

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

6 SEGMENT REPORTING

For management purposes, the Group is organised into four major divisions - Southdown Estate, Claremont Estate, Kent Estate, and FAVCO.

These divisions are the basis on which the Group reports its business segment information.

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

Southdown Estate	- the growing and processing of tea, macadamia nuts, avocados and bananas.
Claremont Estate	- the growing of pome and stone fruit, breeder protected field flowers and trout.
Kent Estate	- the growing of horticultural crops, poultry and livestock.
FAVCO	- the distribution of fresh fruit and vegetables

The Group does not report by geographical segments as such, a split would not be meaningful for our operations and decision making process.

6. SEGMENT REPORTING - continued

Segment Revenues

All Figures in US$	EXTERNAL SALES		INTER-GROUP SALES		TOTAL SALES	
	2011	2010	2011	2010	2011	2010
Southdown Estate	4,200,012	2,627,146	-	-	4,200,012	2,627,146
Claremont Estate	979,131	1,109,829	141,148	129,752	1,120,279	1,239,581
Kent Estate	2,448,349	1,110,511	47,554	68,609	2,495,903	1,179,120
FAVCO	7,119,659	4,835,048	-	7,759	7,119,659	4,842,807
Total	14,747,151	9,682,534	188,702	206,120	14,935,853	9,888,654
Elimination					(188,702)	(206,120)
					14,747,151	**9,682,534**

All revenue generated was from the sale of goods.

Segment results

All Figures in US$	2011	2010
Southdown Estate	137,393	2,298,760
Claremont Estate	(671,109)	114,943
Kent Estate	(671,198)	(29,982)
FAVCO	(440,950)	(245,706)
Ariston Corporate Office	(1,112,817)	(1,244,762)
(Loss)/profit before taxation	(2,758,681)	893,253
Income tax credit	755,954	481,513
(Loss)/profit for the year	**(2,002,727)**	**1,374,766**

The accounting policies of the reportable segments are the same as the Group's accounting policies described in notes 2 to 5. Segment profit represents the profit earned by each segment without allocation of central administration costs and directors' salaries, investment income, other gains and losses and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities

All Figures in US$	Assets			Liabilities		
	2011	2010	2009	2011	2010	2009
Southdown Estate	8,686,378	7,900,961	4,263,229	(2,782,824)	(2,154,801)	(815,829)
Claremont Estate	2,562,073	2,822,958	2,486,732	(759,407)	(370,118)	(148,835)
Kent Estate	1,369,754	1,495,824	1,465,745	(746,107)	(200,979)	(176,860)
FAVCO	1,084,519	908,546	304,396	(1,957,832)	(1,340,934)	(491,078)
Ariston Corporate Office	7,645,532	7,321,546	7,682,450	(6,023,600)	(5,301,790)	(4,863,503)
	21,348,256	**20,449,835**	**16,202,552**	**(12,269,770)**	**(9,368,622)**	**(6,496,105)**

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

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

6. SEGMENT REPORTING - continued

Other segment information

	Depreciation and amortisation		Additions to non-current assets	
All Figures in US$	**2011**	**2010**	**2011**	**2010**
Southdown Estate	142,585	123,211	152,725	54,757
Claremont Estate	75,770	86,700	61,906	22,178
Kent Estate	62,898	69,932	158,904	3,916
FAVCO	72,015	67,440	198,001	23,960
Ariston Corporate Office	397,329	408,030	55,356	30,433
Total	**750,597**	**755,313**	**626,892**	**135,244**

Revenue from major products and services

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

All Figures in US$	2011	2010
Tea	2,818,000	1,947,100
Macadenia nut	1,382,012	680,046
Vegetables and fruits	7,897,000	5,672,032
Poultry	2,022,159	659,956
Other	627,980	723,400
Total	**14,747,151**	**9,682,534**

Information about major customers

Included in revenues arising from direct sales of vegetables and fruits of US$7,897,000 (2010; US$5,672,000) (above) are revenues of approximately US$6,436,000 (2010; US$4,183,000) which arose from sales to the Group's largest customer. No other single customers contributed 10% or more to the Group's revenue for both 2011 and 2010.

7 CASH FLOW INFORMATION

All Figures in US$	2011	2010
7.1 Non-cash items		
Depreciation (including biological assets)	750,597	755,313
Fair value adjustments in accordance with IAS 41	(716,779)	(2,996,810)
(Profit)/loss on sale of property, plant and equipment	(18,424)	983
Other non-cash items	-	176,310
	15,394	**(2,064,204)**
7.2 Change in working capital		
Movements in:		
Decrease/(increase) in inventories	576,427	(691,458)
Increase in trade and other receivables	(312,789)	(959,243)
Increase in trade and other payables	673,644	1,452,505
	937,282	**(198,196)**

8 LOSS FROM OPERATIONS

This is stated after charging and crediting:		
- auditors' remuneration	70,000	70,000
- depreciation (including biological assets)	750,597	755,313
- (Profit)/loss on disposal of property, plant and equipment	(18,424)	983
- selling and distribution expenses	1,860,635	883,092
- staff costs		
• salaries and wages	2,455,182	2,055,304
• pensions	199,848	97,083
• equity settled share based payments	-	27,850
Directors' emoluments		
- fees	13,880	13,880
- in connection with management	155,829	192,053
	169,709	**205,933**

9 INCOME TAX CREDIT

Income tax	20,026	-
Deferred tax charge	735,928	481,513
	755,954	**481,513**
Reconciliation of income tax credit for the year		
Notional tax at statutory rates	(0.26)	(0.26)
Adjustments relating to:		
- Non-taxable/non deductible items	(0.01)	(0.13)
- change in tax rate	-	0.93
Actual income tax (credit)/charge	**(0.27)**	**0.54**

10 EARNINGS PER SHARE

All Figures in US$	2011	2010
(Loss)/profit after tax	(2,002,727)	1,374,766
(i) Shares in issue at year end	445,087,262	444,337,262
(Loss)/earnings per share (dollars)	(0.0045)	0.0031
(ii) Weighted average number of shares during the year (including share options)	444,530,412	444,007,262
Diluted (loss)/earnings per share (dollars)	(0.0045)	0.0031

11 PROPERTY, PLANT AND EQUIPMENT

All Figures in US$	2011	2010	2009
Land, buildings and leasehold improvements			
At cost/valuation	15,922,452	15,831,571	15,831,571
Accumulated depreciation	(9,010,015)	(8,611,321)	(8,197,957)
Net carrying amount	6,912,437	7,220,250	7,633,614
Plant, furniture and fittings			
At cost/valuation	22,071,155	21,814,699	21,721,640
Accumulated depreciation	(20,759,398)	(20,483,012)	(20,239,139)
Net carrying amount	1,311,757	1,331,687	1,482,501
Motor vehicles			
At cost/valuation	1,984,308	1,907,589	2,046,501
Accumulated depreciation	(1,729,395)	(1,816,777)	(1,880,343)
Net carrying amount	254,913	90,812	166,158
Total property, plant and equipment			
At cost/valuation	39,977,915	39,553,859	39,599,712
Accumulated depreciation	(31,498,808)	(30,911,110)	(30,317,439)
Net carrying amount	8,479,107	8,642,749	9,282,273

11 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

All Figures in US$	2011	2010	2009
Reconciliation of movements for the year			
Carrying amount at beginning of year	8,642,749	9,282,273	10,626,301
Additions at cost			
- plant and equipment	257,195	118,044	63,407
- land, buildings and leasehold improvements	90,881	-	-
- motor vehicles	246,595	17,180	26,887
	594,671	135,224	90,294
Disposals at carrying amount			
- land, buildings and leasehold improvements	-	-	(544,146)
- plant, furniture and fittings	(696)	(10,131)	(20,937)
- motor vehicles	(7,716)	(9,304)	(70,843)
	(8,412)	(19,435)	(635,926)
Depreciation for the year			
- land, buildings and leasehold improvements	(398,694)	(413,364)	(378,237)
- plant and equipment	(276,429)	(258,727)	(319,955)
- motor vehicles	(74,778)	(83,222)	(100,204)
	(749,901)	(755,313)	(798,396)
Carrying amount at end of year	**8,479,107**	**8,642,749**	**9,282,273**

12 BIOLOGICAL ASSETS

All Figures in US$	2011	2010	2009
At cost/valuation	-	-	-
Fair valuation (IAS 41)	8,747,124	7,998,820	5,178,320
Carrying amount	**8,747,124**	**7,998,820**	**5,178,320**
Current	305,456	-	-
Non-current	8,441,668	7,998,820	5,178,320
	8,747,124	**7,998,820**	**5,178,320**
RECONCILIATION OF MOVEMENTS FOR THE YEAR			
Carrying amount at beginning of year	7,998,820	5,178,320	5,041,793
Additions	32,221	-	-
Depreciation	(696)	-	-
Transfers to inventories	-	(176,310)	-
Fair value adjustments	716,779	2,996,810	136,527
Carrying amount at end of year	**8,747,124**	**7,998,820**	**5,178,320**

13 INVESTMENTS

	Company			Group		
All Figures in US$	2011	2010	2009	2011	2010	2009
Unquoted shares in subsidiaries	8,999	8,999	8,999	-	-	-
Unquoted - Europi	25,650	25,650	25,650	25,650	25,650	25,650
	34,649	**34,649**	**34,649**	**25,650**	**25,650**	**25,650**

Details of the Group's principal subsidiaries, all incorporated in Zimbabwe, at 25 September 2011 are as follows:

NAME OF SUBSIDIARY	OWNERSHIP INTEREST	PRINCIPAL ACTIVITY
Claremont Orchards (Private) Limited	100%	Property Company
Claremont Holdings (Private) Limited	100%	Property Company
Southdown Holdings (Private) Limited	100%	Property Company
Ariston Management Services (Private) Limited	100%	Owns Claremont Estate, FAVCO, Southdown Estate and Kent Estate.

14 INVENTORIES

All Figures in US$	2011	2010	2009
Farm produce	580,104	756,064	350,960
Stores and materials	381,698	782,165	495,811
	961,802	**1,538,229**	**846,771**

The cost of inventories recognised as an expense includes US$215,712 (2010; US$64,183) in respect of write-downs of inventory to net realisable value. The significant portion of this write down relates to fresh produce that would have gone beyond its useful life.

15 TRADE AND OTHER RECEIVABLES

All Figures in US$	Company			Group		
	2011	2010	2009	2011	2010	2009
Trade	-	-	-	1,689,541	1,131,684	141,005
Other	767,731	725,509	-	-	245,068	276,504
	767,731	**725,509**	**-**	**1,689,541**	**1,376,752**	**417,509**

The average credit period for trade receivables is 42 days (2010; 14 days). No interest is charged on overdue trade receivables. The Group provides fully for all receivables outstanding over 365 days because historical experience is such that the receivables that are aged beyond 365 days are generally not recoverable. The Group provides for receivables aged between 90 days and 365 days on a case by case basis where subsequent developments suggest that recovery of the amounts is doubtful.

Trade receivables disclosed above include amounts (see below for aged analysis) that are past due at the end of the reporting period for which the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Group to the counterparty. The past due but not impaired balances amount to US$361,498. (2010; US$293,067)

All Figures in US$	2011	2010	2009
Current	-	-	-
30 - 90 days	1,328,043	425,177	249,877
91 - 120 days	361,498	293,067	15,275
	1,689,541	**718,244**	**265,152**

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, management believes that there is no further credit provision required in excess of the allowance for doubtful debts.

The allowance for doubtful debts does not include any individually impaired trade receivables which have been placed under liquidation.

All Company trade receivables are deemed to be current and owed by subsidiary companies.

16 SHARE CAPITAL

All Figures in US$	2011	2010	2009
Authorised			
700,000,000 ordinary shares of US0.1 cents each (2010; 450,000,000 ordinary shares of US0.1 cents each)	700,000	450,000	-
Issued			
At 25 September 2011; 445,087,262 ordinary shares of US0.1 cents each (2010; 444,337,262 ordinary shares of US0.1 cents each)	445,087	444,337	-
Share Options exercised -750 000 ordinary shares of US0.1 cents each (2010; 660,000 ordinary shares of US0.1 cents each)	750	660	-

Movement in the number of ordinary shares

	2011	2010	2009
At beginning of year	444,337,262	443,677,262	439,757,262
Share options exercised	750,000	660,000	3,920,000
At end of year	**445,087,262**	**444,337,262**	**443,677,262**

The details of options outstanding under the new schemes are as follows:

		Actual No. of shares 2011	Actual No. of shares 2010	Actual No. of shares 2009
(2000) scheme				
Date of grant	**Price**			
5 June 2000	ZW$ 0.0031	50,000	50,000	50,000
30 August 2001	ZW$ 0.0013	100,000	100,000	100,000
23 September 2002	ZW$ 0.0291	100,000	100,000	100,000
		250,000	250,000	250,000
Movements for the year				
Options outstanding beginning of year		250,000	250,000	250,000
- options exercised		-	-	-
- options cancelled		-	-	-
Options outstanding end of year		**250,000**	**250,000**	**250,000**

16 SHARE CAPITAL - continued

		Actual No. of shares 2011	Actual No. of shares 2010	Actual No. of shares 2009
(2003) scheme				
Date of grant	**Price**			
28 March 2003	ZW$ 0.09	785,000	785,000	785,000
18 August 2003	ZW$ 0.40	1,200,000	1,200,000	1,200,000
5 November 2004	ZW$ 0.20	2,510,000	2,510,000	2,510,000
		4,495,000	**4,495,000**	**4,495,000**
Movements for the year				
Options outstanding beginning of year		**1,720,000**	**1,720,000**	**1,720,000**
- new options granted		-	-	-
- options exercised		-	-	-
- options cancelled		-	-	-
Options outstanding end of year		**1,720,000**	**1,720,000**	**1,720,000**
(2005) scheme				
Date of grant	**Price**			
23 May 2003	Z$6.80	4,135,000	4,135,000	4,135,000
27 February 2007	Z$110	6,000,000	6,000,000	6,000,000
02 May 2008	Z$4 500 000	820,000	820,000	820,000
		10,955,000	**10,955,000**	**10,955,000**
Movements for the year				
Options outstanding beginning of year		2,030,000	2,690,000	6,930,000
- new options granted		-	-	-
- options exercised		(750,000)	(660,000)	3,920,000
- options cancelled		-	-	320,000
Options outstanding end of year		1,280,000	2,030,000	2,690,000
Total outstanding		**3,250,000**	**4,000,000**	4,660,000

17 DEFERRED TAX

All Figures in US$	2011	2010	2009
At the beginning of year	4,266,728	4,488,962	4,398,569
Deferred tax released to			
- income statement	(28,474)	(222,234)	(9,393)
	4,238,254	**4,266,728**	**4,488,962**
Analysis of deferred tax			
Deferred tax asset arising from tax loss	1,345,547	638,093	378,814
Deferred tax liability			
Property, plant and equipment	2,047,968	2,194,731	2,854,438
Biological assets	2,189,004	2,039,572	1,600,101
Prepayments and receivables	1,282	32,425	34,467
Unrealised foreign exchange loss	-	-	(44)
	4,238,254	**4,266,728**	**4,488,962**

18 TRADE AND OTHER PAYABLES

All Figures in US$	Company			Group		
	2011	2010	2009	2011	2010	2009
Trade	-	-	-	3,517,814	1,309,712	759,862
Other	73,768	31,546	4,995	105,558	1,640,016	737,361
	73,768	**31,546**	**4,995**	**3,623,372**	**2,949,728**	**1,497,223**

The average credit period on purchases is 87 days. No interest is charged on the trade payables. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

At 25 September 2011 the ageing of trade payables was as follows:

Current	-
30 90 days	1,397,310
91 - 120 days	1,239,820
Above 120 days	986,242
	3,623,372

Provisions

All Figures in US$	2011	2010	2009
Employee benefits	192,348	130,157	60,075
Current	192,348	130,157	60,075

The provision for employee benefits represents annual leave.

19 BORROWINGS

All Figures in US$	2011	2010	2009
Ariston Management Services (Private) Limited has borrowings facilities totaling US$6,076,000 which are secured by unlimited guarantee of Southdown Holdings Limited and Claremont Holdings Limited. The utilised portion was:	**4,408,144**	**2,152,166**	**509,920**
Unsecured – at amortised cost			
Other loans (Phoenix and Pro Alia)	406,047	-	-
Loans from: Banks	488,994	-	-
	895,041	-	-
Secured – at amortised cost			
Bank overdrafts	819,056	-	509,920
Bank loans (vi)	2,694,047	2,152,166	-
	4,408,144	**2,152,166**	**509,920**
Current	4,286,895	2,152,166	509,920
Non-current	121,249	-	-
	4,408,144	**2,152,166**	**509,920**

19 BORROWINGS - continued

The weighted average effective interest rate on the bank loans is 17% per annum (2010; 25.5% per annum and 2009: 30.9 % per annum).

Breach of loan agreement

During the current year, the Group was late in paying interest and capital on some of its loans with a carrying amount of US$1,075 million. The delay arose due to inadequate cash-flows to cover the debt when it fell due. Subsequent initiatives resulted in the Group accumulating adequate funding to pay of the arrear prior to year-end. The interest and capital payment outstanding of US$145,157 was repaid in full after a period of 2 months. The lender did not request accelerated repayment of the loan and the terms of the loan were not changed. The Group is facing significant operational challenges which makes the risk of delays in meeting loan covenants a possibility in the short term. Management has reviewed the Group's settlement procedures and are in the process of ensuring that adequate funding is available to ensure that such circumstances do not recur (refer to note 26).

20 CAPITAL COMMITMENTS

All Figures in US$	2011	2010
Commitments for capital expenditure approved by the directors:		
- authorized but not contracted for	1,177,025	142,015

The commitments will be financed from the Group's resources and existing facilities.
As at the date of this report, there are no agreements concluded in respect of any acquisitions.

21 FINANCIAL RISK MANAGEMENT

Derivative financial instruments

The Group does not use derivative financial instruments in its management of foreign currency. Derivative financial instruments are not held or issued for trading purposes.

Interest rate risk management

Group policy is to adopt a non-speculative approach to manage interest rate risk whilst maximizing profit.

Credit risk management

This refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved regularly. Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. Apart from one customer in the retail market who is also the largest customer of the Group, the Group does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk related to this retail market customer approximates 20% of gross monetary assets at any time during the year. Concentration of credit risk to any other counterparty did not exceed 20% of gross monetary assets at any time during the year.

21 FINANCIAL RISK MANAGEMENT - continued

Liquidity risk management

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

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

	Weighted average effective interest rate	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	5+ years	Total
	%	US$	US$	US$	US$	US$	**US$**
2011							
Fixed interest rate Loans	17	1,524,773	1,265,216	1,496,906	121,249	-	**4,408,144**
2010							
Fixed interest rate Loans	25.5	990,888	974,278	-	187,000	-	**2,512,166**
2009							
Fixed interest rate Loans	30.9	-	-	509,920	-	-	**509,920**

The Group has access to financing facilities amounting to US$6,263,000 and US$1,854,856 were unused at the end of the reporting period. The Group expects to meet its other obligations from initiatives being implemented as described in note 26 as well as operating cash flows and proceeds of maturing financial assets.

Foreign exchange risk management

The Group engages in certain transactions denominted in foreign currencies, hence exposure to exchange rate fluctuations arise. The Group's net foreign asset exposure as at year end determined at the fair market rates is summarised as follows:

	Foreign Balance		US$ Balance	
	2011	2010	2011	2010
Bank balances				
European Union Euro	201	291	289	390
South African Rand	1,115	7,090	134	1,005
Total			**423**	**1,395**
Trade receivables				
European Union Euro	-	23,581	-	31,641
Trade payables				
European Union Euro	-	(6,016)	-	(8,071)
Total			**423**	**24,965**

Fair values

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

There were no foreign currency exposures in 2009

22 CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2010.

The capital structure of the Group consists of net debt and equity of the Group (comprising issued capital, reserves, and retained earnings. The Group is not subject to any externally imposed capital requirements.

The Group's Board reviews the capital structure of the Group regularly. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The gearing ratio at 30 September 2011 of 47% (2010-17%) was high. To this end the Board and management have implemented procedures which will result in the change in the capital structure of the business (see note 26).

Gearing ratio

The gearing ratio at end of the reporting period was as follows.

All Figures in US$	2011	2010
Debt (i)	4,408,144	2,152,166
Cash and bank balances	99,485	229,542
Net debt	**4,308,659**	**1,922,624**
Equity (ii)	9,078,486	11,081,213
Net debt to equity ratio	47%	17%

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

23 RELATED PARTY DISCLOSURES

Trading transactions

During the year, Group entities entered into the following trading transactions with related parties that are not members of the Group:

	Sale of goods		Purchase of goods	
All Figures in US$	2011	2010	2011	2010
Emvest	-	-	1,051,557	1,125,361

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

	Receivables			Payables		
All Figures in US$	2011	2010	2009	2011	2010	2009
Emvest	10,607	-	-	85,421	225,638	-
Delta Beverages (Private) Limited	-	-	-	-	-	2,743
Directors and Key Management	-	-	-	54,356	71,152	3,820

Sales of goods to related parties were made at the Group's usual list prices. Purchases were made at market price to reflect the quantity of goods purchased and the relationships between the parties. Delta Beverages (Private) Limited was the former major shareholder in the Group.

23 RELATED PARTY DISCLOSURES - continued

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

Compensation of key management personnel

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

All Figures in US$	2011	2010
Short-term benefits	413,474	127,376
Post-employment benefits	62,417	19,292
Share-based payments	-	27,850
	475,891	**174,518**

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

24 THE GROUP AS LESSEE

Leasing arrangements

Operating leases relate to leases of land and property . All operating lease contracts are reviewed on a regular basis. The Group does not have an option to purchase the leased land or property at the expiry of the lease periods.

Payments recognised as an expense

All Figures in US$	2011	2010
Minimum lease payments	312,051	98,422

25 DEFINED CONTRIBUTION PLANS

The Group operates a defined contribution retirement benefit plan for all qualifying employees. The assets of the plan are held separately from those of the Group in funds under the control of trustees. Where employees leave the plan prior to full vesting of the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions.

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

The total expense recognised in the consolidated statement of comprehensive income amounts to US$244,798 (2010; US$169,429) representing contributions payable to these plans by the Group at rates specified in the rules of the plans. As at 25 September 2011, contributions of US$244,798 (2010; US$169,429) due in respect of the 2011 and 2010 reporting period had not been paid over to the plans. The amounts were still to be paid at the time of completing the annual report. However management have implemented processes that will ensure that these funds are paid off in the near future as detailed in note 26.

26 GOING CONCERN

We draw attention to the fact that Ariston Holdings Group financial performance has significantly worsened from prior year. The Group posted an operating loss before fair value adjustment of US$2,631,512 (2010; US$1,768,576). The gearing ratio of the Group has increased to 47% (2010; 17%). The Group has delayed in meeting some of its loan covenants as disclosed in note 19 and also failed to meet some of its obligations in due time such as pension payments as detailed in note 25. The Group's current liabilities exceed the current assets by US$4,853,983 (2010; US$1,957,371) indicating that the Group is technically insolvent and unlikely to continue as a going concern for the foreseeable future without adequate capital injection. The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The ability of the Group to continue as a going concern is dependent on a number of factors. The most significant of these is that the Directors continue to procure funding for the ongoing operations for the Group. As indicated shareholder changes are expected. The new shareholders have pledged their financial support for the period to 31 March 2013. They have confirmed their undertaking and ability to provide further financial support to the Group for the foreseeable future, should this be required, enabling it to pay its debts as and when they fall due.

The Group's financial results post dollarisation to end of September 2011 reflect financial strain emanating from the following;

- resuscitating operations using expensive short term borrowings;
- ageing capital equipment requiring replacement;
- loss of human capital;
- overheads not adequately aligned to the low capacity utilization; and
- mismatch in funding and expenditure by use of short term funding to make long term investments and inadequate working capital.

As a result the Board had approached the major shareholders and proposed a rights issue to raise US$8,000,000 for the purpose of restructuring the statement of financial position of the Group. To this end various changes in the Group's shareholding structure are expected which will result in a change in the major shareholder. The new shareholder is in the agro-based industry in South Africa. A binding shareholder agreement has been signed and is currently awaiting various regulatory approvals.

Subject to the regulatory approvals the new shareholder has committed to the following;

- Being an underwriter to the proposed rights offer of $8,000,000 in favour of Ariston which will require shareholder approval.
- Providing the necessary skills and expertise to the Ariston Group given their vast experience in the agro based industry.

The successful conclusion of this initiative will bring capital and enhanced efficiencies to the Group's core operating divisions. In the short term before the effects of the new rights offer are fully realised the Group has managed to secure facilities for a period of between 1 to 3 years totalling US$3,000,000.

The Board believes that these initiatives will return the Group to profitability, ensure adequate levels of capitalisation and appropriate levels of working capital. Thus, the Board believes that the Group will continue as a going concern for the foreseeable future.

SHAREHOLDERS' PROFILE

FOR THE YEAR ENDED 25 SEPTEMBER 2011

Authorised Share Capital	
Issued shares at 25 September 2011	445,087,262
Unissued shares :	
- Shares allocated to share option scheme	23,250,000
- Shares under the control of directors	230,447,738
- Shares under the control of shareholders	1,215,000
	700,000,000

ANALYSIS OF SHAREHOLDERS

Size of Shareholding	No of Shareholders	%	Shares Held	%
1 - 5,000	845	62.00	1,358,652	0.31
5,001 - 10,000	148	10.85	1,118,952	0.25
10,001 - 50,000	218	16.00	4,631,046	1.04
50,001-100,000	79	3.60	3,505,654	0.79
100,001 and over	103	7.55	434,472,958	97.62
	1,393	**100.00**	**445,087,262**	**100.00**

CATEGORIES OF SHAREHOLDERS

COMPANIES	190	13.64	37,406,868	8.40
INDIVIDUALS	1,036	74.37	57,152,419	12.84
INSURANCE COMPANIES	10	0.72	5,573,333	1.25
NOMINEE COMPANY	46	3.30	15,785,402	3.55
NON RESIDENT TRANSFERABLE	78	5.60	263,609,950	59.23
PENSION FUNDS	33	2.37	65,559,290	14.73
TOTALS	**1,393**	**100.00**	**445,087,262**	**100.00**

TOP TWENTY SHAREHOLDERS

HOLDER NAME	NO HELD	% HELD
EMVEST ZIMBABWE HOLDINGS LIMITED	185,776,659	41.74
AL SHAMS BUILDING MATERIAL and TRADING L. L. C.	46,725,644	10.50
OLD MUTUAL LIFE ASSURANCE COMPANY ZIMBABWE LTD	38,519,268	8.65
BARCLAYS ZIMBABWE NOMINEES P/L - NNR	27,156,408	6.10
BARCLAYS ZIM NOMINEES (Private) Limited - NNR	24,677,860	5.54
BARATO INVESTMENTS LIMITED	23,598,810	5.30
NATIONAL SOCIAL SECURITY AUTHORITY	16,640,736	3.74
NSSA NPS	13,982,794	3.14
FED NOMINEES (PRIVATE) LIMITED	4,753,188	1.07
WORKERS COMPENSATION INSURANCE FUND	3,865,495	0.87
NSSA - WCIF ACCOUNT	3,795,238	0.85
NATIONAL SOCIAL SECURITY AUTHORITY - WCIF	3,440,094	0.77
EQUIVEST NOMINEES	2,655,108	0.60
FBC NOMINEES (PRIVATE) LIMITED	2,065,554	0.46
BARCLAYS ZIMBABWE NOMINEES P/L - NNR A/C IMARA SERIES LTD	1,991,000	0.45
OLD MUTUAL LIFE ASSURANCE COMPANY ZIMBABWE LTD CUSTODIAL SER	1,757,761	0.39
GEZMARK INVESTMENTS (PVT) LTD	1,618,352	0.36
NGEPI TRUST	1,536,640	0.35
RM INSURANCE COMPANY (PVT) LTD	1,473,242	0.33
MAST NOMINEES (PVT) LTD	1,241,407	0.28
TOTAL HOLDING OF TOP SHAREHOLDERS	**407,271,258**	**91.50**
REMAINING HOLDING	**37,816,004**	**8.50**
TOTAL ISSUED SHARES	**445,087,262**	**100.00**

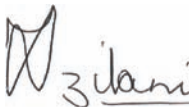
NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Sixty Fifth Annual General Meeting of Ariston Holdings Limited will be held in the Main Lounge, Royal Harare Golf Club, 5th Street Extention, Harare on 28 February 2012 at 11:00am for the transaction of the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements and reports of directors and auditors for the year ended 25 September 2011.
2. To elect directors in place of those retiring in accordance with the provisions of the Articles of Association.
3. To appoint auditors for the ensuing year and to fix their remuneration for the past audit.
4. To approve Directors' emoluments for the year ended 25 September 2011.

By order of the Board



F.N. MUSINGA
Company Secretary 17 February 2012

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

Note:
A member entitled to attend and vote at the above meeting may appoint a proxy to attend, vote, and speak on his behalf. A proxy need not be a member of the company.

A proxy form to be valid it should be completed and returned so as to reach the registered office of the company not less than 24 hours before the time fixed for the meeting.

Completion of the proxy form does not preclude a member from subsequently attending and voting in person.

PROXY FORM

For use at the Sixty Fifth Annual General Meeting of Ariston Holdings Limited, which will be held in the Main Lounge, Royal Harare Golf Club, 5th Street Extension, Harare on Tuesday 28 February 2012 at 11:00am.

The Company Secretary
Ariston Holdings Limited
Registered Office:
306 Hillside Road
Msasa Woodlands
Harare
Zimbabwe

or by post to:
The Company Secretary
P O Box 4019
Harare
Zimbabwe

I/We.....

Of.....being the registered holder/s

Of.....ordinary shares in Ariston Holdings Limited do hereby appoint:-

1. .....or failing him/her,

2. .....or failing him/her,

the Chairman of the Annual General Meeting, as my/our proxy to vote on my/our behalf at the sixty fifth Annual General Meeting of the Company which will be held in the Main Lounge, Royal Harare Golf Club, 5th Street Extension, Harare on Tuesday 28 February 2011. And at any adjournment thereof and to vote for me/us on my/our behalf or to abstain from voting as indicated below:

		FOR	AGAINST	ABSTAIN
1.	Adoption of 2011 annual financial statements			
2.	Election of Directors			
	-			
	-			
	-			
3.	Appointment of auditors and approval of their remunerations			
4.	Approval of Directors' emoluments			

Signature of Shareholder..... Date.....