GROUP DEVELOPMENTS LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the 7 month period ended

31 March 2015

GROUP DEVELOPMENTS LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
For the 7 month period ended 31 March 2015

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GROUP DEVELOPMENTS LIMITED

DIRECTORS' REPORT
For the 7 month period ended 31 March 2015

The Directors have pleasure in presenting their report together with the audited consolidated and separate financial statements of Group Developments Limited (GDL) and its subsidiaries herein referred to as "Group" for the 7 month period ended on 31 March 2015.

1. **Nature of Business**
The Group grows, processes and sells tea, macadamia nuts, forestry products and tobacco. GDL has three wholly owned subsidiaries namely: Naming'omba Tea Estates Limited, Mafisi Tea Estates Limited and Group Holdings Limited.

2. **Incorporation and Registered Office**
Group Developments Limited is a limited liability company incorporated under the Malawi Companies Act, 1984 on 7 October 1970 and its registered office is at Naming'omba Tea Estates Limited, P.O. Box 2, Thyolo, Malawi.

3. **Financial performance**
The results and state of affairs of the Group are set out in the consolidated and separate statements of financial position, profit or loss and other comprehensive income, changes in equity, cash flows and the notes to the consolidated and separate financial statements.

The directors have made an assessment and have formed an opinion that the company will remain a going concern at least for the next twelve months from the date of approval of these financial statements.

As regards to auditors qualified opinion on IAS 16 *Property, plant & equipment* the Directors are of the view that the entity was acquired few months ago as a going concern. As such with the change in reporting period, it was not practical to revalue the property in that short period. However, the directors have undertaken to carry out a complete revaluation as required by IAS 16: *Property, Plant and Equipment* by 31 March 2016.

4. **Takeover and Change in Management**
During the financial year 2014-15, Gillanders (Mauritius) Holdings Limited, a wholly owned subsidiary of Gillanders Arbuthnot and Company Limited, India, acquired 100% equity shares of Group Development Limited (GDL) from O & G Investments Limited and its nominees. It has effectively discharged all obligation and liabilities of NBS Bank Limited and the charges created on assets of GDL and its subsidiaries.

5. **Board of directors and secretary of the Company**
The Directors and secretary of GDL who served during the year:-

Mr. Dev Kishan Sharda	-	Chairman from 22-12-2014
Mr. Mahesh Sodhani	-	Director from 22-12-2014
Mr. Crispin Ngunde	-	Director from 22-12-2014
Ms. Gloria Mbendera	-	Director from 22-12-2014
Mr. Barkley Chima	-	Director from 22-12-2014
Mr. E. Phakamea	-	Secretary
Mr. A. Chioko	-	Chairman (up to 22-12-2014)
Mr. L.Munkhondia	-	Director (up to 22-12-2014)
Mrs. K. Phoya	-	Director (up to 22-12-2014)
Mr. A. Suluma	-	Director (up to 22-12-2014)

6. **Legal advisors**
Wilson and Morgan
P O Box 527
Blantyre

GROUP DEVELOPMENTS LIMITED

DIRECTORS' REPORT
For the 7 month period ended 31 March 2015

7. Auditors

Messrs KPMG, Certified Public Accountants and Business Advisors (Malawi) have expressed their willingness to continue in office as auditors in respect of the Company's 31 March 2016 financial statements and a resolution proposing their appointment will be tabled at the forthcoming Annual General Meeting.

....	....
DIRECTOR	**DIRECTOR**

Date: 22 May 2015

GROUP DEVELOPMENTS LIMITED

DIRECTORS' RESPONSIBILITY STATEMENT
For the 7 month period ended 31 March 2015

The Directors are responsible for the preparation of the consolidated and separate financial statements of Group Developments Limited (GDL), comprising the consolidated and separate statements of financial position at 31 March 2015, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the 7 month period ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes that give a true and fair view in accordance with International Financial Reporting Standards, and in the manner required by the Malawi Companies Act, 1984. The directors are also responsible for presenting the directors report.

The Act also requires directors to ensure the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Malawi Companies Act, 1984.

In preparing the financial statements, the directors accept responsibility for the following:

- maintenance of proper accounting records;
- selection of suitable accounting policies and applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- compliance with applicable accounting standards, when preparing financial statements, subject to any material departures being disclosed and explained in the financial statements; and
- preparation of financial statements on a going concern basis unless it is inappropriate to presume that Group Developments Limited will continue in business.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the company's ability to remain a going concern and have no reason to believe the business will not be a going concern in the year ahead.

The auditor is responsible for reporting on whether the financial statements give a true and fair view in accordance with International Financial Reporting Standards (IFRS), and in the manner required by Malawi Companies Act, 1984.

Approval of financial statements

The consolidated and separate financial statements of Group Developments Limited, were approved by the Board of Directors on **22 May 2015** and signed on its behalf by:

DIRECTOR **DIRECTOR**

Date: 22 May 2015

KPMG
Public Accountants and Business Advisors
MASM House, Lower Sclater Road
P.O. Box 508,
Blantyre, Malawi

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Website: www.kpmg.com/mw

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GROUP DEVELOPMENTS LIMITED

We have audited the accompanying consolidated and separate financial statements of Group Developments Limited which comprise the statements of financial position at 31 March 2015 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the seven month period then ended, and the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies and other explanatory notes as set out on pages 5 to 36.

Directors' responsibility for the financial statements

Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in a manner required by the Malawi Companies Act, 1984, and for such internal control as directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

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 about whether the financial statements are free of 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 control relevant to the entity's preparation of financial statements that give a true and fair view 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 control. 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 qualified audit opinion.

Basis for qualified opinion

The group and company carry items of property plant and equipment at fair value using the revaluation model as described in note 3.4. International Financial Reporting Standard IAS 16: *Property, plant and equipment* requires that assets carried under the revaluation model be revalued with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. As indicated in note 10, the company's items of land and buildings were last revalued on 28 February 1978. In addition IAS16 requires the disclosure of the carrying amount that would have been recognized had the assets been carried under the cost model. These disclosures have not been provided. It was impracticable for us to quantify the financial effects of this matter.

Qualified opinion

In our opinion, except for the effects of the matter described in the basis of qualified opinion, paragraph these financial statements give a true and fair view of the consolidated and separate financial position of Group Developments Limited as at 31 March 2015, and of its consolidated and separate financial performance and consolidated and separate cash flows for the seven month then ended in accordance with International Financial Reporting Standards and in a manner required by the Malawi Companies Act, 1984.

Other matter

The consolidated and separate financial statements for the previous year were audited by another auditor who expressed an unqualified opinion on these financial statements in their report dated 18 December 2014.

KPMG

Certified Public Accountants and Business Advisors
Blantyre, Malawi

22 May **2015**

GROUP DEVELOPMENTS LIMITED

STATEMENTS OF FINANCIAL POSITION
At 31 March 2015
In thousands of Malawi Kwacha

	Notes	Consolidated 31 March 2015	Consolidated 31 August 2014	Separate 31 March 2015	Separate 31 August 2014 Restated
ASSETS					
Non-current assets					
Property, plant and equipment	10	1,322,616	1,260,762	20,348	20,348
Investments in subsidiaries	11	-	-	61,686	61,686
Biological assets	12	6,972,680	6,972,680	-	-
		8,295,296	8,233,442	82,034	82,034
Currents assets					
Future crop expenditure	13	73,078	61,912	-	-
Inventories	14	527,649	273,448	-	-
Trade and other receivables	15	228,376	132,984	-	-
Amount due from related party		13	-	13	-
Cash and cash equivalents	17	1,339	4,404	136	-
		830,455	472,748	149	-
Total assets		9,125,751	8,706,190	82,183	82,034
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	18	1,284	1,284	1,284	1,284
Share premium	18	60,977	60,977	60,977	60,977
Capital reserve	18	301,564	301,564	1,907	1,907
Property revaluation reserve	18	667,422	667,422	14,179	14,179
Biological assets revaluation reserve	18	4,793,779	4,793,779	-	-
Retained earnings		(3,498,234)	(3,128,756)	(3,660,752)	(3,434,359)
		2,326,792	2,696,270	(3,582,405)	(3,356,012)
Non-current liabilities					
Long Term Borrowings	17	3,692,208	-	3,655,251	-
Deferred income tax liability	9	2,362,073	2,344,291	6,077	6,077
		6,054,281	2,344,291	3,661,328	6,077
Current liabilities					
Bank overdraft	17	465,138	109,715	19	-
Guarantee liability	20	-	3,428,728	-	3,428,728
Trade and other payables	19	276,529	119,500	-	-
Amounts due to related parties	16	-	-	3,241	3,241
Income tax payable		3,011	7,686	-	-
		744,678	3,665,629	3,260	3,431,969
Total liabilities		6,798,958	6,009,920	3,664,588	3,438,046
Total equity and liabilities		9,125,751	8,706,190	82,183	82,034

These financial statements were approved for issue by the Company's board of directors on 22 May 2015 and were signed on its behalf by:

....

Director D K. SHARDA
CHAIRMAN

Director

The notes on pages 10 to 36 are an integral part of these Financial Statements.

The independent auditors' report is on page 4.

GROUP DEVELOPMENTS LIMITED

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the 7 month period ended 31 March 2015
In thousands of Malawi Kwacha

	Notes	Consolidated 7 month period ended 31 March 2015	Consolidated 12 month period ended 31 August 2014 Restated*	Separate 7 month period ended 31 March 2015	Separate 12 month period ended 31 August 2014 Restated*
Revenue	5	**553,271**	1,067,466	-	-
Cost of sales		**(241,102)**	(560,148)	-	-
Selling expenses		**(11,365)**	(25,125)	-	-
Gross profit		**300,804**	482,193	-	-
Other income	6	**46,893**	17,597	**149**	-
Fair value gain	12	-	1,440,853	-	-
Administration expenses	7	**(315,872)**	(3,905,377)	**(19)**	(3,428,728
Operating profit/(loss)		**31,825**	(1,964,734)	**130**	(3,428,728)
Exchange (loss)/gain	8	**(201,085)**	56,651	**(226,523)**	-
Finance cost	8	**(182,018)**	(18,896)	-	-
Loss before taxation		**(351,278)**	(1,926,979)	**(226,393)**	(3,428,728)
Income tax/(credit) expense	9	**(18,200)**	(310,757)	-	-
Loss after tax		**(369,478)**	(2,237,736)	**(226,393)**	(3,428,728)
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		**(369,478)**	(2,237,736)	**(226,393)**	(3,428,728)

* Prior year figures have been restated due to omission of a guarantgee liability. This has been fully explained on page 8.

The notes on pages 10 to 36 are an integral part of these Financial Statements.

The independent auditors' report is on page 4.

GROUP DEVELOPMENTS LIMITED

STATEMENTS OF CHANGES IN EQUITY
For the 7 month period ended 31 March 2015
In thousands of Malawi Kwacha

Consolidated	Share capital	Share premium	Property revaluation reserve	Capital reserve	Biological asset revaluation reserve	Retained earnings	Total
2015							
Balance as at 1 September 2014	1,284	60,977	667,422	301,564	4,793,779	(3,128,756)	2,696,270
Total comprehensive income							
Loss for the period	-	-	-	-	-	(369,478)	(369,478)
Total comprehensive income	-	-	-	-	-	(369,478)	(369,478)
Balance at 31 March 2015	1,284	60,977	667,422	301,564	4,793,779	(3,498,234)	2,326,792
2014							
Balance as at 1 September 2013	1,284	60,977	886,319	143,636	3,785,182	117,577	4,994,975
Total comprehensive income							
Loss for the year	-	-	-	-	-	(2,237,736)	(2,237,736)
Other comprehensive income	-	-	(218,897)	-	1,008,597	(1,008,597)	(218,897)
Total comprehensive income	-	-	(218,897)	-	1,008,597	(3,246,333)	(2,456,633)
Transactions with owners of the company							
Liabilities taken over	-	-	-	157,928	-	-	157,928
Total transactions with the owners of company	-	-	-	157,928	-	-	157,928
Balance at 31 August 2014	1,284	60,977	667,422	301,564	4,793,779	(3,128,756)	2,696,270

The notes on pages 10 to 36 are an integral part of these Financial Statements.

The independent auditors' report is on page 4.

GROUP DEVELOPMENTS LIMITED

STATEMENTS OF CHANGES IN EQUITY
For the 7 month period ended 31 March 2015
In thousands of Malawi Kwacha

Separate	**Share capital**	**Share premium**	**Property revaluation reserve**	**Capital reserve**	**Retained earnings**	**Total**
2015						
Balance as at 1 September 2014	**1,284**	**60,977**	**14,179**	**1,907**	**(3,434,359)**	**(3,356,012)**
Loss for the period	-	-	-	-	**(226,393)**	**(226,393)**
Balance at 31 March 2015	**1,284**	**60,977**	**14,179**	**1,907**	**(3,660,752)**	**3,582,405**
2014						
Balance as at 1 September 2013	1,284	60,977	14,179	1,708	(5,631)	72,517
Liabilities taken over	-	-	-	199	-	199
Loss for the year	-	-	-	-	(3,428,728)	(3428,728)
Balance as at 31 August 2014	1,284	60,977	14,179	1,907	(3,434,359)	(3,356,012)

The restatement of the 12 month reporting period ended is necessitated due to an error that arose as a result of the company's failure to recognize a guarantee expense when the floating charges that had been created against the company's subsidiary companies had crystalised. The floating charges crystalised following the failure of the share holders to settle their borrowings.

The net effect of these guarantees were to increase the liabilities and to reduce profit by the same amount.

The notes on pages 10 to 36 are an integral part of these financial statements.

The independent auditors' report is on page 4.

GROUP DEVELOPMENTS LIMITED

STATEMENTS OF CASH FLOWS
For the 7 month period ended 31 March 2015
In thousands of Malawi Kwacha

	Notes	Consolidated 7 month period ended 31 March 2015	Consolidated 12 month period ended 31 August 2014	Separate 7 month period ended 31 March 2015	Separate 12 month period ended 31 August 2014
Cash flows from operating activities					
Loss before tax		**(351,278)**	(3,367,832)	**(226,393)**	(3,428,728)
Adjusted for:					
Depreciation	10	**28,342**	48,828	-	-
Interest expense	8	**182,018**	18,896	-	-
Profit on disposal of assets		**(190)**	-	-	-
Unrealised exchange loss		**226,523**	-	**226,523**	-
Operating profit before working capital changes		**85,415**	(3,300,108)	**130**	(3,428,728)
Increase in future crop expenditure		**(11,166)**	(24,664)	-	-
Increase in inventories		**(254,201)**	(151,597)	-	-
Increase in trade and other receivables		**(95,392)**	(523)	-	-
Decrease/(increase) in amount due from related party		-	790	**(13)**	-
Increase in trade and other payables		**157,029**	3,310,179	-	3,428,728
(Decrease) in amounts due to related parties		**(13)**	(23,575)	-	-
Cash (applied to)/generated from operations		**(118,328)**	(189,498)	**117**	3,428,728
Taxation paid		**(5,093)**	(33,113)	-	-
Net cash (utilized in)/generated from operating activities		**(123,421)**	(222,611)	**117**	-
Cash flows from investing activities					
Proceeds from disposal of equipment		**1,420**	-	-	-
Acquisition of property, plant and equipment	10	**(91,426)**	(40,181)	-	-
Cash flows utilised in financing activities		**(90,006)**	(40181)	-	-
Proceeds from loans received		**3,465,685**	184,407	**3,428,728**	-
Settlement of guarantee	20	**(3,428,728)**	-	**(3,428,728)**	-
Interest expense		**(182,018)**	(18,896)	-	-
Net cash (utilized in)/generated from financing activities		**(145,061)**	165,511	-	-
Net decrease in cash and cash equivalents for the period		**(358,488)**	(97,281)	**117**	-
Cash and cash equivalents at the beginning of the period		**(105,311)**	(8,030)	-	-
Cash and cash equivalents at the end of the period	17	**(463,799)**	(105,311)	**117**	-
Movement in working capital as required by Companies Act		**(3,107,104)**	(3,435,109)	-	-

The notes on pages 10 to 36 are an integral part of these financial statements.

The independent auditors' report is on page 4.

1. General Information

Group Developments Limited is a limited liability company incorporated under the Malawi Companies Act, 1984. It has its subsidiary companies Naming'omba Estates Limited, Group Holdings Limited and Mafisi Tea Estates Limited together referred to as the "Group". The parent company is Gillanders (Mauritius) Holdings Limited.

The Group is involved in growing, processing and selling tea, macademia nuts and tobacco.

2. Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and in a manner required by the Malawi Companies Act, 1984, Cap. 46:03. The Group changed its reporting period to 31 March to conform to that of its parent company, accordingly the amounts presented in the financial statements are not entirely comparable.

These financial statements represent separate and consolidated results including the subsidiary companies, unless otherwise stated, the amounts have been rounded to the nearest thousands Malawi Kwacha.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost convention, except for financial instruments which are measured at fair value through profit or loss.

2.3 Use of estimates and judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have most significant effect on the amounts recognised in the financial statements can be found in the following notes:

Note 19 - Recognition of deferred tax assets, availability of future taxable profit against which carry forward tax losses can be used.
Note 5 - Review of useful asset lives and impairment testing.
Note 6 - Key assumptions underlying in the biological asset model.
Note 9 - Impairment test: assumptions underlying recoverable amounts.
Note 14 - Recognition and measurement of provisions.

2.4 Critical accounting estimates and judgements

The Group makes estimates and assumptions concerning the future. The resulting estimates will by definition rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

2.4.1 Estimated impairment of trade receivable

The Group tests annually whether receivables have suffered any impairment and makes a. provision for bad debts in accordance with the accounting policy stated in note 3.8. This assessment requires judgement.

2.4 Critical accounting estimates and judgements (continued)

2.4.2 Income taxes

The Group is subject to income tax in Malawi, and provision for income tax payable is made in the financial statements as at each financial year end. Subsequent to the year end a tax return is filed with the revenue authorities. Where the final tax assessed is different from the amounts that were initially provided, such differences will be accounted for as an income tax under/over provision in the statement of comprehensive income for the period when such determination is made.

Deferred tax asset is only recognized to the extent that there will be future taxable profits to offset the tax losses within the allowable period for carrying forward tax losses.

2.4.3 Biological assets valuation

Included in the rate used to discount the yields for macadamia and tea is a time value for money risk factor representing risks associated with the loss of value of money as a consequence of the passage of time.

In accordance with the Group's strategic plans, tea, macadamia and timber plantations are assumed to have productive life of 40 years, 25 years and 7 years respectively.

The models assume no capacity constraints, sustained global market demand and continued positive market conditions.

Standard ratios for conversion of green leaf to made tea and shelling of macadamia to kernels are applied.

These models contain estimates of yields and future proceeds and these assumptions are reconsidered annually.

2.4.4 Assets' economic lives and residual values

Management uses its judgement, based on its understanding of the business, capital policy and the economic environment in which it operates, to assess the residual value, and the estimated useful life of assets. Changes in residual values, indexation and estimated useful lives result in changes in depreciable and annual depreciation charges for individual assets.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Foreign currency translation

3.1.1 Functional and presentation currency

Items included in the financial statements of the consolidated and separate financial statements are measured using the currency of the primary economic environment in which the Group operates "the functional currency". The financial statements are presented in Malawi Kwacha (K) which is the Group's functional and presentation currency.

3.1.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss and other comprehensive income, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses are presented in the statement of profit or loss within finance income or cost.

3.2 Revenue recognition

3.2.1 Revenue

Revenue comprises the fair value of the consideration received or receivable from the sales of tea, macadamia, and tobacco. Revenue is shown net of value added tax, returns, rebates and discounts.

Revenue from sales is recognised when the Group has transferred to the buyer the significant risks and rewards of ownership of goods; 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.

3.2.2 Other income

Other income comprises net revenue on other farm produce, rental income (including due to a fellow subsidiary), management fees, and sundry revenue, and is accounted for on an accruals basis.

3.2.3 Interest income

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

3. Summary of significant accounting policies (continued)

3.3 Development cost

Establishment costs in respect of tea and macadamia plantations, including expenditure on the necessary infrastructure, are capitalised as biological assets as they are incurred. Establishment costs do not include the cost of clearing and stumping, terracing or irrigation work for new plantations, which are classified as land development costs within property, plant and equipment. Replanting and in-filling costs are expensed when incurred.

3.4 Property, plant and equipment

Items of property and equipment are measured at revaluation less accumulated depreciation and any accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

If significant parts of an item of property or equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment.

Any gains or losses on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized within other income in profit or loss.

Increase in the carrying amount arising on revaluation are recognized in other comprehensive income and accumulated in a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against the revaluation reserve. The revaluation reserve is realized on disposal. All other decreases are recognized in profit or loss.

Subsequent costs

Subsequent expenditure is capitalized only when it is probable that the future economic benefits of the expenditure will flow to the Group.

On going repairs and maintenance are expensed as incurred.

Depreciation

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight line method over their estimated useful lives, and is generally recognized in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives of significant items of property and equipment are as follows:

Freehold buildings and construction	-	2%
Plant and machinery	-	3.5% - 5%
Water schemes	-	3.5% - 10%
Motor vehicles	-	8% - 17%
Office equipment	-	10% - 20%
Furniture and fittings	-	10%

Economic lives and residual values are reassessed annually and adjusted where appropriate.

3. Summary of significant accounting policies (continued)

3.5 Biological assets

Tea, timber, and macadamia and plantations are measured at fair value. The fair value of plantations is determined based on the present value of expected net cash flows from the plantations determined by discounting the expected net cash flows from the plantations using a determined pre-tax rate of cost of capital.

3.6 Future crop expenditure

The Group's financial year end and crop seasons are not altogether concurrent. Accordingly fertiliser application and other costs other than establishment costs of biological assets incurred prior to the statement of financial position date in respect of crops which will be harvested in the subsequent financial year are carried forward in the statement of financial position and charged against the corresponding revenue in the following year, to comply with the matching concept.

3.7 Inventories

Inventories including stores, made tea and macadamia stocks are stated at the lower of cost and net realisable value. Cost is determined using weighted average cost method. The cost of made tea and macadamia comprise direct labour, other direct costs and the related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

3.8 Trade and other receivables

Trade and other receivables are amounts due from customers for goods sold in the ordinary course of business. Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Bad debts are written off during the year in which they are identified. Impairment is calculated as the difference between carrying amount and present values of expected cash flow from customers.

3. Summary of significant accounting policies (continued)

3.9 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non financial assets to determine whether there is any indication of impairment. If any such indicator exists, than the assets recoverable amount is estimated.

For impairment testing assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that is largely independent of the cash inflows of other assets or cash generating units. Goodwill arising from a business combination is allocated to cash generating units or groups of cash generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less cost to sell.

Value in use is based on the estimated future cash flows discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of an asset or cash generating unit exceeds its recoverable amount. Impairment losses are recognized to profit or loss.

3.10 Financial assets

3.10.1 Classification

The Group classifies its financial assets in the following categories: at fair value throughprofit or loss, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. The Group does not currently have any financial assets other than trade and other receivables.

3.10.2 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables' and cash and cash equivalents in the statement of financial position.

3.10.3 Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade - date - the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest rate method.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The transaction differences on monetary securities are recognised in profit or loss; translation differences on non-monetary securities are recognised in other comprehensive income. Changes in the fair value of monetary and non-monetary securities as classified available-for-sale are transferred to a fair value reserve.

3.10.4 Offsetting financial instruments

Financial assets and liabilities are off-set and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously.

3. Summary of significant accounting policies (continued)

3.11 Impairment of financial assets

3.11.1 Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset is impaired. A financial asset is impaired if there is objective evidence of one or more events that occurred after the initial recognition of the assets (a loss event) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

The criteria that the Group uses to determine whether there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligant;

- a breach of contract, such as a default or delinquency in interest or principal payments;

- the Group, for economic or legal reasons relating to the debtors financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;

- it becomes probable that the borrower will enter bankruptcy or other financial reorganisation;

- observable data indicating that there is a measureable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:

(i) Adverse changes in the payment of borrowers in the portfolio;

(ii) National or local economic conditions that correlate with defaults on the assets in the portfolio.

The Group first assesses whether objective evidence of impairment exists.

The amount of the loss is then measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtors credit rating), the reversal of the previously recognised impairment loss is recognised in the profit or loss.

3. Summary of significant accounting policies (continued)

3.11.2 Assets classified as available for sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the statement of comprehensive income. Impairment losses recognised in the statement of comprehensive income on equity instruments are reversed through the statement of comprehensive income. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the statement of comprehensive income.

3.12 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents comprise cash on hand; deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are disclosed as current liabilities in the statement of financial position. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

3.13 Deferred and current income tax

The tax expense for the period comprises current and deferred income tax. Tax is recognised in the income statements, except to the extent that it relates to items recognised directly in equity. In this case the tax is also recognised in equity.

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax assets realised or the deferred tax liability is settled.

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

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities.

3.14 Employee benefits

3.14.1 Pension

Obligations for contributions to defined contribution plans are expensed as the related service is provided and recognized as personnel expenses in the profit or loss. The Group has no further obligations once the contributions have been made.

3. Summary of significant accounting policies (continued)

3.14.2 Other long-term employee benefits

Severance pay

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior period.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or onstructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be measured reliably.

3.15 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount of the obligations has been reliably estimated. Where it cannot be, the obligation is disclosed as a contingent liability.

3.16 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

3.17 Trade payables

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

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using non-current liabilities.

3.18 Equity

Ordinary shares, share premium, revaluation and indexation surpluses, non-distributable and distributable retained earning are classified as equity.

3.19 Investments in subsidiaries

Investments in subsidiaries are carried at cost less any impairment.

3.20 New standards and interpretations not yet adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2015, however, the company has not applied the following new and amended standards in preparing these financial statements.

New or amended standards	Summary of requirements
IFRS 9 *Financial instruments*	This replaces existing guidance in IAS 39 *Financial Instruments: Recognition and measurement* This includes revised guidance on classification and measurements of financial instruments, including a new expected credit loss model for calculating impairment of financial assets, and new general hedge accounting requirements. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018.
IFRS 15 *Revenue from contracts with customers*	This establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 *Revenue,* IAS 11 *Construction contracts* and IFRIC 13 *Customer Loyalty Programmes.* IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2017 with early adoption permitted.

3. Summary of significant accounting policies (continued)

3.19 New standards and interpretations not yet adopted (continued)

Agriculture: Bearer Plants (Amendment to IAS 16 and IAS 41)	These amendments require bearer plants, defined as a living plant, to be accounted for as property, plant and equipment and included in the scope of IAS 16 *Property, Plant and Equipment*, instead of IAS 41 *Agriculture*. This is effective for annual reporting periods beginning 1 January 2016.
IFRS 14 *Regulatory Deferral Accounts*	This is an interim standard for first time adopters of IFRS to continue using previous GAAP to account for regulatory deferral account balances. This is effective for annual reporting periods beginning 1 January 2016.
Equity Method in Separate Financial Statements (Amendments to IAS 27)	The amendment allows the use of equity method in separate financial statements, and apply to the accounting not only for associates and joint ventures, but also for subsidiaries. This is effective for annual reporting periods beginning 1 January 2016.
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	When a parent loses control of a subsidiary in a transaction with an associate or joint venture, there a conflict between the existing guidance on consolidation and equity accounting. The amendment addresses this conflict by creating new dividing lines. This is effective for annual reporting periods beginning 1 January 2016.
Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)	The amendment requires business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business. This is effective for annual reporting periods beginning 1 January 2016.
Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)	This amendment introduces a rebuttable presumption that the use of revenue based amortization method for intangible assets is inappropriate. This presumption can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are highly correlated or when the intangible asset is expressed as a measure of revenue. The amendments also explicitly state the revenue-based method of depreciation cannot be used for property, plant and equipment. This is effective for annual reporting periods beginning 1 January 2016.

Annual Improvements to IFRSs 2012–2014 Cycle – various standards	These annual improvements provide amendments to a collection of standards as follows:
	• IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*
	  o Changes in the method for disposal
	• IFRS 7 *Financial Instruments: Disclosures*
	  o Continuing involvement for servicing contracts
	  o Offsetting disclosures in condensed interim financial statements
	• IAS 19 *Employee Benefits*
	  o Discount rate in regional market sharing the same currency
	• IAS 34 Interim Financial Reporting
	  o Disclosure of information elsewhere in the interim financial report
	
	These are effective for annual reporting periods beginning 1 January 2016.

In thousands of Malawi Kwacha

4 Financial Risk Management

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risk: market risk (including currency risk, fair value interest rate and cash flow interest risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Board of Directors provide principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, currency exposures, interest rate risk and credited risk and investment of excess liquidity.

4.2. Financial risk management objectives

The following is the analysis of the financial instruments:

Consolidated	Note	2015	2014
Financial assets			
Trade and other receivables	15	**219,889**	132,984
Due from related party	16	**13**	-
Cash and bank balances	17	**1,339**	4,404
		221,241	137,388
Financial liabilities			
Trade and other payables	19	**276,529**	119,500
Bank overdraft	17	**465,138**	109,715
Due to related party	16	-	-
		741,667	229,215

Separate	Note	2015	2014
Financial assets			
Trade and other receivables	15	-	-
Due from related party	16	**13**	-
Cash and bank balances	17	**136**	-
		149	-
Financial liabilities			
Trade and other payables	19	-	-
Bank overdraft	17	**19**	-
Due to related party	16	**3,241**	3,241
		3,260	3,241

All financial instruments are classified as loans receivables and payables and are carried at cost less impairment.

4.3. Market risk management strategies

The Group is exposed to financial risks arising from changes in tea and macadamia prices. The Group does not anticipate that tea and macadamia prices will decline significantly in the foreseeable future and, therefore, has not entered into derivative or other contracts to manage the risk of a decline in produce prices. The Group reviews its outlook for produce prices regularly in considering the need for active market risk management.

In thousands of Malawi Kwacha

4.5. Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies. The trading in a strong foreign currency acts as a hedge against exchange rate fluctuations.

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

US$ denominated assets	**2015**	2014
Receivables	**179,128**	129,375
Related party receivables	-	-
	179,128	129,375
US$ denominated monetary liabilities		
Bank overdraft	**434,734**	-

Foreign currency sensitivity analysis
The Group's sensitivity to a 5% increase and decrease in the Malawi Kwacha against the United States Dollar. 5% is the rate management use when doing variance analyses.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjust their translation at the period end for a 5% change in foreign currency rate. A positive number below indicates an increase in profit where Malawi Kwacha strengthens 5% against the United States Dollar. For a 5% weakening of the Malawi Kwacha against the United States Dollar, there would be an equal and opposite impact on profit.

	2015	2014
Profit or loss	**6.21 million**	(2.81) million

The above movement is mainly attributable to the exposure outstanding of the carrying of the Group's foreign currency denominated money assets and monetary assets.

The Group manages foreign currency risk by maintaining sufficient resources in its foreign currency denominated account by which it largely transcts its sales to meet foreign currency liabilities.

4.6. Interest rate risk management

The Group is exposed to interest rate risk as it borrows funds at both fixed and floating rate. The risk is managed by the company by maintaining an appropriate mix between fixed and semi – fixed rates borrowings.

Interest rate sensitivity analysis
The sensitivity analyses below have been determined based on exposure to interest rate for non-derivative instruments at the reporting date. For the floating rate and semi-floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. The floating rate has been assumed at **37%** (2014:41%) and semi-floating rate has been assumed at LIBOR plus **0.75%** (2014: LIBOR plus.75%), which is 7.75.%.

A 5% increase or decrease in floating rate has been adopted and 0.5% increase or decrease has been adopted in semi-floating rates.

If the floating interest rates had been 5% higher/lower and all other variables were held constant, the company's profit for the period ended 31 March 2015 would have decreased/increased by **MK1.509 million** (2014: MK5.49 million).

If the semi-floating rates had been 0.5.% higher/lower and all other variables were held constant, the Group's profit for the period ended 31 March 2015 would decrease/increase by **MK18.28 million** (2014: MKnil million).

In thousands of Malawi Kwacha

4.7. Credit risk management

The Group is exposed to risk of failure by customers to honour their debts. Trade receivables mainly consist of private sales and auction sales which have proved to be reliable customers in the past. The company does not have significant credit risk exposure.

	2015	2014
Maximum credit risk exposure	192,563	132,984

Included in the credit risk exposure above is Nil (2014: Nil) due from related companies with almost no credit risk.

4.8. 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.

Maturity analysis for financial assets and financial liabilities are detailed below:

31 March 2015

Consolidated	Note	Up to 1 Month	1 to 3 Months	3 to 12 Months	Total	Fair value
Financial assets						
Trade and other receivables	15	147,649	71,887	8,840	228,376	228,376
Bank and cash equivalents	17	1,339	-	-	1,339	1,339
		148,988	71,887	8,840	229,715	229,715
Financial liabilities						
Trade and other payables	19	125,477	29,280	188,777	276,529	276,529
Bank overdraft	17	465,138	-	-	465,138	465,138
Total financial liabilities		590,615	29,280	188,777	741,667	741,667
Periodic gap		(441,627)	(42,607)	(179,938)	(511,952)	(511,952)
Cumulative gap		(441,627)	(399,012)	(578,958)	(511,952)	(511,952)
Separate						
Financial assets						
Trade and other receivables	15	-	-	-	-	
Due from related party	16	-	-	13	13	13
Bank and cash equivalents	17	136	-	-	136	136
		136	-	13	149	149
Financial liabilities						
Trade and other payables	19	-	-	-	-	-
Due to related party	16	3,241	-	-	3,241	3,241
Bank overdraft	17	19	-	-	19	19
Total financial liabilities		3,260	-	-	3,260	3,260
Periodic gap		(3,124)	-	(13)	(3,111)	(3,111)
Cumulative gap		(3,124)	(3,124)	(3,111)	(3,111)	(3,111)

In thousands of Malawi Kwacha

4.8. Liquidity risk management (continued)

31 August 2014

Consolidated	**Note**	**Up to 1 Month**	**1 to 3 Months**	**3 to 12 Months**	**Total**	**Fair value**
Financial assets						
Trade and other receivables	15	69,519	63,465	-	132,984	132,984
Bank and cash equivalents	17	4,404	-	-	4,404	4,404
		73,923	63,465	-	137,388	137,388
Financial liabilities						
Trade and other payables	19	69,686	14,428	35,386	119,500	119,500
Bank overdraft	17	109,715	-	-	109,715	109,715
Total financial liabilities		179,401	14,428	35,386	229,215	229,215
Periodic gap		(105,478)	(4,903)	(35,386)	(189,901)	(189,901)
Cumulative gap		(105,478)	(1,521,515)	(189,901)	(189,901)	(189,901)

In thousands of Malawi Kwacha

4.9. Financial instruments – Fair values and risk management

a) Accounting classifications and fair values

The following information table shows the carrying amount and fair values of financial assets and liabilities, including their levels in the fair value hierarchy. It does not include fair value information for the financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value

CONSOLIDATED

31 March 2015	Note	Carrying amount: Loans and receivables	Available for sale	Other financial liabilities	Total	Fair Value: Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value									
Trade and other receivables	15	228,376	-	-	228,376	-	-	-	-
Amount due from group companies	16	-	-	-	-	-	-	-	-
Cash and cash equivalents	17	1,339	-	-	1,339	-	-	-	-
		229,728	-	-	229,728	-	-	-	-
Financial liabilities not measured at fair value									
Borrowings	17	-	-	3,692,208	3,692,208	-	-	-	-
Trade payables and other payables	19	-	-	276,529	276,529	-	-	-	-
Bank overdrafts	17	-	-	465,138	465,138	-	-	-	-
		-	-	4,433,875	4,433,875	-	-	-	-

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4.9. Financial instruments – Fair values and risk management (continued)

SEPARATE

31 March 2015	Note	Carrying amount: Loans and receivables	Carrying amount: Available for sale	Carrying amount: Other financial liabilities	Total	Fair Value: Level 1	Fair Value: Level 2	Fair Value: Level 3	Fair Value: Total
Financial assets not measured at fair value									
Trade and other receivables	15	-	-	-	-	-	-	-	-
Amount due from related companies	16	13	-	-	13	-	-	-	-
Cash and cash equivalents	17	136	-	-	136	-	-	-	-
		149	-	-	149	-	-	-	-
Financial liabilities not measured at fair value									
Borrowings	17	3,655,251	-	-	3,655,251	-	-	-	-
Amount due to related companies	16	3,241	-	-	3,241	-	-	-	-
Bank overdrafts	19	18	-	-	18	-	-	-	-
		3,658,510	-	-	3,658,510	-	-	-	-

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		Consolidated		Separate	
		7 month period ended 31 March 2015	12 month period ended 31 August 2014	**7 month period ended 31 March 2015**	12 month period ended 31 August 2014
5.	**Revenue**				
	See accounting policy note 3.2				
	Tea	**327,872**	644,793	-	-
	Macadamia	**225,399**	313,286	-	-
	Tobacco	-	109,387	-	-
		553,271	1,067,466	-	-
6	**Other income**				
	See accounting policy note 3.2				
	Net revenue on other farm produce	**46,744**	17,597	**149**	-
	Investment income received	**149**	-	-	-
		46,893	17,597	**149**	-
7	**Administration expenses**				
	Auditor's remuneration	**12,815**	9,000	-	-
	Bank charges	**4,430**	7,209	**19**	-
	Depreciation (Note 10)	**28,342**	48,828	-	-
	Directors expenses	**155**	14,817	-	-
	Insurance expenses	**7,020**	9,899	-	-
	Guarantee expense	-	3,428,728	-	3,428,728
	Legal fees and other professional services fees	**23,248**	41,878	-	-
	Other costs	**18,286**	37,874	-	-
	Repairs and maintenance expenses	**49,265**	48,820	-	-
	Salaries and wages	**169,792**	250,003	-	-
	Surveying costs	-	5,398	-	-
	Travelling expenses	**2,519**	2,923	-	-
		315,872	3,905,377	**19**	3,428,728

The guarantee expense arose following the crystalisation of the charges on the entity's subsidiary companies as a result of the failure of the shareholders to settle their borrowings to NBS Bank Limited. The company had guaranteed settlement of the borrowings.

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	Consolidated		Separate	
	7 month period ended 31 March 2015	12 month period ended 31 August 2014	**7 month period ended 31 March 2015**	12 month period ended 31 August 2014
8. Finance income/(cost)				
See accounting policy note 3.2				
Exchange (loss)/gain				
Realised exchange gain	**25,438**	56,651	-	-
Unrealised exchange loss	**(226,523)**	-	**(226,523)**	-
	(201,085)	56,651	**(226,523)**	-

There is a notional loss of (K226,523,000) as a result of exchange rate movement on translation of foreign currency borrowing, which is repayable in eight years.

Finance cost				
Interest expense	**182,018**	18,896	-	-

Finance cost includes an amount of **K169,149,201** (2014: Knil) which relates to Gillanders (Mauritius) Holdings Limited, a related party and holding company of GDL.

9. Taxation

See accounting policy note 3.13

The taxation charge for the year comprises:				
Current tax @ **30%** (2014: 30%)	**418**	7,686	-	-
Deferred taxation expense/(credit)	**17,782**	(129,185)	-	-
	18,200	(121,499)	-	-
Deferred tax on biological asset revaluation	-	432,256	-	-
	18,200	310,757	-	-

The Group has taxable losses amounting to **K445 million** (2014: K255 million) which are available for offset against future taxable income. These losses are subject to agreement with the Malawi Revenue Authority.

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9. Taxation (continued)

See accounting policy note 3.13

Deferred income tax

Consolidated

	2015 Assets	2015 Liabilities	2015 Net	2014 Assets	2014 Liabilities	2014 Net
Tax losses	**(89,669)**	**-**	**(89,669)**	(89,669)	-	(89,669)
Property,Plant & Equipment	**-**	**314,507**	**314,507**	-	296,725	296,725
Fair value adjustments on biological assets	**-**	**2,137,235**	**2,137,235**	-	2,137,235	2,137,235
	(89,669)	**2,451,742**	**2,362,073**	(89,669)	2,433,960	2,344,291
Separate						
Unrealised exchange losses	**-**	**6,077**	**6,077**	-	6,077	6,077

The movement in deferred tax is analysed as follows:-

Consolidated	**Balance at 1 September 2014**	**Recognised in profit or loss**	**Balance at 31 March 2015**
Tax losses	(89,669)	-	**(89,669)**
Property, plant and equipment	296,725	17,782	**314,507**
Fair value adjustments on biological assets	2,137,235	-	**2,137,235**
	2,344,291	17,782	**2,362,073**
Separate			
Unrealised exchange losses	6,077	-	**6,077**

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10 **Property plant and equipment** *See accounting policy note 3.4* **Consolidated**	Freehold land and development	Freehold buildings and constructions	Plant and machinery	Motor vehicles	Water schemes	Furniture. fittings and equipment	Capital work in progress	Total
Cost								
2015								
At 1 September 2014	212,350	1,183,460	153,924	119,424	12,350	11,608	-	1,693,116
Additions during the period	-	-	2,000	21,001	2,061	9,587	56,777	91,426
Disposal	-	-	-	(4,731)	-	-	-	(4,731)
At 31 March 2015	212,350	1,183,460	155,924	135,694	14,411	21,195	56,777	1,779,811
2014								
As at 1 September 2013	212,350	1,183,460	151,141	83,611	12,022	10,851	-	1,653,435
Additions during the year	-	-	2,783	36,313	328	757	-	40,181
Disposal	-	-	-	(500)	-	-	-	(500)
At 31 August 2014	212,350	1,183,460	153,924	119,424	12,350	11,608	-	1,693,116
Depreciation								
2015								
At 1 September 2014	-	259,330	81,530	73,751	6,415	11,328	-	432,354
Charge for the period	-	14,362	6,599	4,510	2,216	655	-	28,342
Eliminated of disposal	-	-	-	(3,501)	-	-	-	(3,501)
At 31 March 2015	-	273,692	88,129	74,760	8,631	11,983	-	457,195
2014								
At 1 September 2013	-	237,179	71,292	58,341	6,314	10,400	-	383,526
Charge for the year	-	22,151	10,238	15,410	101	928	-	48,828
At 31 August 2014	-	259,330	81,530	73,751	6,415	11,328	-	432,354
Carrying amount								
At 31 March 2015	212,350	909,768	67,795	60,934	5,780	9,212	56,777	1,322,616
At 31 August 2014	212,350	924,130	72,394	45,673	5,935	280	-	1,260,762

In thousands of Malawi Kwacha

10 Property plant and equipment (continued)
See accounting policy note 3.4

Separate	Freehold land and development	Furniture. fittings and equipment	Total
Cost			
2015			
As at 1 September 2014	-	3,378	3,378
As at 31 March 2015	**26,697**	**3,378**	**30,075**
2014			
As at 1 September 2013	26,697	3,378	30,075
As at 31 August 2014	26,697	3,378	30,075
Depreciation			
2015			
As at 1 September 2014	6,349	3,378	9,727
As at 31 March 2015	**6,349**	**3,378**	**9,727**
2014			
As at 1 September 2013	6,349	3,378	9,727
As at 31 August 2014	6,349	3,378	9,727
Net book value			
As at 31 March 2015	**20,348**	**-**	**20,348**
As at 31 August 2014	20,348	-	20,348

Land and development, water schemes and plant and machinery are stated at revalued amounts as at 28 February 1978, and subsequent additions are included at cost.

The information required by Section 16 of the Third Schedule of the Companies Act, Cap. 46:03 is contained in a register which is open for inspection by members or their duly authorised agents at the registered office of the Group.

The company has items of furniture and equipment with a cost of **MK3 million** (2014: MK3 million) which although fully depreciated are put to use.

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		Consolidated		Separate	
		31 March 2015	31 August 2014	31 March 2015	31 August 2014
11	**Investments in subsidiaries**				
	See accounting policy note 3.19				
	Naming'omba Tea Estate Limited				
	7,617,633 ordinary shares of K1 each, fully paid (stated at cost)	-	-	**55,493**	55,493
	Group Holdings Limited				
	1,928,234 ordinary shares of K1 each, fully paid (stated at cost)	-	-	**6,093**	6,093
	Mafisi Tea Estate Limited				
	1,499,999 ordinary shares of K1 each, fully paid (stated at cost)	-	-	**100**	100
		-	-	**61,686**	61,686
12	**Biological assets**				
	See accounting policy note 3.5				
	At beginning of period	**6,972,680**	5,531,827	-	-
	Fair value gains	-	1,440,853	-	-
	At end of period	**6,972,680**	6,972,680	-	-

Fair value movement in the year

	31 March 2015	31 August 2014	31 March 2015	31 August 2014
Fair value gain in the year	-	1,172,716	-	-
Analysed by:				
Tea	-	904,244	-	-
Macadamia	-	460,938	-	-
Timber plantation	-	75,671	-	-
	-	1,440,853	-	-

2015

Other information	Tea	Macadamia	Total
Hecterage covered at period end	**1,287**	**804**	**2,091**
Total tonnage harvested during the period	**4,116**	**1,430**	**5,546**
The proceeds net of point of sales costs	**319,117**	**222,796**	**541,913**

In thousands of Malawi Kwacha

12 Biological assets (continued)
See accounting policy note 3.5

Information required in connection with Biological Assets

2014

Other information	Tea	Macadamia	Total
Hecterage covered at year end	1,287	804	2,091
Total tonnage harvested during the year	7,159	1,390	8,549
The proceeds net of point of sales costs	644,793	313,286	958,079

NB:The production and proceeds is the combination of Mafisi Tea Estates Limited, Group Holdings Limited and Namingomba Tea Estates Limited

The directors have considered the requirement to measure the fair value of the biological assets and considering the reporting period which is shorter than usual, have made an assessment and formed an opinion that the carrying amount is not materially different from the fair value that would be obtained if a full measurement was carried out.

	Consolidated		Separate	
	31 March 2015	31 August 2014	31 March 2015	31 August 2014
13 Future crop expenditure				
See accounting policy note 3.6				
Macadamia	**18,780**	-	-	-
Tobacco	**54,298**	61,912	-	-
	73,078	61,912	-	-
14 Inventories				
See accounting policy note 3.7				
Finished goods:				
- Macadamia	**232,315**	161,624	-	-
- Made tea	**200,733**	61,053	-	-
Consumables	**94,601**	50,771	-	-
	527,649	273,448	-	-
15 Trade and other receivables				
See accounting policy note 3.8				
Trade	**183,453**	130,556	-	-
Other	**36,436**	2,428	-	-
	219,889	132,984	-	-
Prepayments	**8,487**	-	-	-
Total	**228,376**	132,984	-	-

In thousands of Malawi Kwacha

15 Trade and other receivables (continued)

The carrying amounts of trade and other receivables approximates their fair value due to their short term nature.

There is no impairment in the trade and other receivables.

The maximum exposure to credit risks at the reporting date is the collateral carrying value on each class of receivable mentioned above. The Group did not hold any collateral on the receivables.

	Consolidated		Separate	
	31 March 2015	31 August 2014	31 March 2015	31 August 2014
16 Related parties				
Amounts from relate parties:				
Gillanders (Mauritius) Holdings Limited	13	-	13	-
Amounts due to related parties:				
Naming'omba Tea Estate	-	-	2,824	2,824
Group Holdings Limited	-	-	417	417
	-	-	3,241	3,241

None of the amounts due to related parties are secured.

17 Cash and cash equivalents

See accounting policy note 3.12

	Consolidated 31 March 2015	Consolidated 31 August 2014	Separate 31 March 2015	Separate 31 August 2014
Cash on hand at bank	1,339	4,404	136	-
Overdrafts presented in current liabilities	(465,138)	(109,715)	(19)	-
	(463,799)	(105,311)	117	-

The overdraft facility is with First Merchant Bank Limited. A total facility equivalent to US$1.150 million is secured by way of mortgage charge on Naming'omba to be created. Presently the Bank holds title deeds for Mafisi Estates Limited

The First Merchant Bank has also granted an overdraft facility of MK50 million. Secured by the same collateral.

Long term Borrowings	Consolidated 31 March 2015	Consolidated 31 August 2014	Separate 31 March 2015	Separate 31 August 2014
First Merchant Bank Limited	36,957	-	-	-
Gillanders (Mauritius) Holdings Limited	3,428,728	-	3,428,728	-
Exchange loss	226,523	-	226,523	-
	3,655,251	-	3,655,251	-
Total longterm borrowings	3,692,208	-	3,655,251	-

The First Merchant Bank Limited has granted a long-term loan to Naming'omba Tea Estates Limited in the amount of US$750,000 at 7.75% interest rate per annum, repayable in 7 years with 24 months moratorium on principle.

The Long term Unsecured Loan of USD 8,407,000 from Gillanders (Mauritius) Holdings Limited which is a related party is repayable in 8 years with 2 year moratorium on the principal amount. Interest is charged at 7.00% per annum Plus 3 months Libor.

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		Consolidated		Separate	
		31 March 2015	31 August 2014	**31 March 2015**	31 August 2014
18	**Share capital**				
	See accounting policy note 3.18				
	Authorised:				
	1,650,000 ordinary shares of K1 each	**1,650**	1,300	**1,650**	1,300
	Issued and fully paid:				
	1,283,574 ordinary shares of K1 each	**1,284**	1,284	**1,284**	1,284
	A total number of shares of **366,426** (2014: 366,426) remain unissued.				
	The holders of ordinary share capital are entitled to dividend as declared in the annual general meeting.				
18.1	**Share premium**	**60,977**	60,977	**60,977**	60,977
	Share premium arose on the issue of share capital of 1,283,574. It is not available for distribution.				
18.2	**Property revaluation reserve**	**667,422**	667,422	**14,179**	14,179
	Property revaluation reserve represents the increase in value of property arising from revaluation of property from time to time. It is not available for distribution to shareholders				
18.3	**Capital reserve**	**301,564**	301,564	**1,907**	1,907
	Capital reserve arose following injection of additional capital by the shareholders to settle liabilities directly with creditors. It is not available for distribution.				
18.4	**Biological assets revaluation reserve**	**4,793,779**	4,793,779	**-**	-
	Biological assets revaluation reserve represents the increase in fair value of the biological assets following revaluations of the biological assets to their fair value less deferred income tax. The revaluation reserve is not available for distribution to the shareholders.				
19.	**Trade and other payables**				
	See accounting policy note 3.17				
	Trade payables	**118,274**	79,765	-	-
	Provisions	**158,255**	39,735	-	-
		276,529	119,500	-	-

The provisions amount of **K158,155,000** (2014: Knil) includes interest amounting to K5,902,573 payable to Gillanders (Mauritius) Holdings Limited which is a related party.

In thousands of Malawi Kwacha

		Consolidated		Separate	
		2015	2014	2015	2014
		31 March	31 August	31 March	31 August
19.	**Trade and other payables (continued)**	2015	2014	2015	2014
19.1	**Provisions**				
	See accounting policy note 3.15				
	Employee provision	119,501	-	-	-
	Other provision	38,654	39,735	-	-
		158,155	39,735	-	-
19.2	**Employee provision**				
	Wages provision	89,836	-	-	-
	Gratuity	13,219	-	-	-
	Leave pay	16,446	-	-	-
		119,501	-	-	-
19.3	**Other provisions**				
	At 1 September 2014	39,735	142,952	-	-
	Net movements during the period	(1,081)	(103,217)	-	-
		38,654	39,735	-	-
20.	**Guarantee liability**				
	At beginning of period	3,428,728	-	-	-
	Crystalization of liability	-	3,428,728	-	-
	Settlement of guarantee	(3,428,728)	-	-	-
	At end of period	-	3,428,728	-	-

The guarantee liability arose following the crystalisation of the floating charge on Naming'omba Estates, Mafisi Tea Estates and Group Holdings Limited. The guarantee was settled by proceeds of loan from Gillanders (Mauritius) Holdings Limited (see note 17).

21. Contingencies

There were contingencies as at 31 March 2015 amounting to **MK108,276,019** (2014: Knil).

The company is a defendant to a number of legal cases that are before the Courts of Malawi. While liability is not admitted, the directors have formed an opinion that their outcome would not have a significant impact on the results of the Group.

ESCROW Account

At the reporting date the company remained a signatory to the ESCROW account held at CDH Investment Bank Limited (US$ 1.5 million) whereby according to the share purchase agreement, all liabilities that would be discovered which were not disclosed to the new shareholders at the completing of the sale agreement would be settled.

In the opinion of directors the escrow account holds sufficient fund to meet such liabilities.

22. Going concern

The Company has reported a loss of **MK226 million** (2014: MK3,428 million). The Company is not a trading entity. At the reporting date the Company has negative equity of **MK3,582 million** (2014: MK3,356 million). These conditions among others are an indicator of a Company not being a going concern. However, the negative equity arose from the settlement of a guarantee liability which was charged in the profit or loss when the Company's previous shareholders were unable to settle the liability which was guaranteed by the Company. Furthermore, although the Company carries its items of property, plant and equipment at fair value, these assets have not been revalued since 1978.

The new shareholders have subsequently provided a long term loan which was used to offset the guarantee liability. The directors are confident that they have put in appropriate measures to ensure that the Group generates sufficient profit in the subsequent years to offset the negative equity.

23. Capital commitments

Capital commitments as at 31 March 2015 amounted to **MK6,325,770** (2014: Knil)

24. Subsequent events

There have been no events subsequent to year end necessitating adjustments or disclosures to these financial statements.