

ZIMBABWE NEWSPAPERS (1980) LIMITED

Market leader in Publishing, Broadcasting, Printing and Packaging

AUDITED CONDENSED FINANCIAL RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2019



CHAIRMAN'S STATEMENT



Overview

On behalf of the Zimbabwe Newspapers (1980) Limited (Zimpapers) Board of Directors, I am pleased to present the financial results for the Company for the year ended 31 December 2019.

2. The Operating Environment

The period under review was characterised by rising inflation, declining disposable incomes, foreign exchange shortages and limited energy supplies. The local trading environment was severely affected by the lower than normal rainfall that affected agricultural production output. To ensure food security for the country, the Government of Zimbabwe had to allocate foreign currency to the importation of grain to avert hunger amongst some of the needy people. This put further pressure on the availability of foreign currency required to meet imported production materials.

3. The Media Environment

The media environment remained stable in the face of the economic challenges. Media companies continued to innovate to remain in business. There is now increased collaboration even among competitors such as in the distribution channels to cut costs.

There is great anticipation around radio and television broadcasting, after the Broadcasting Authority of Zimbabwe invited applications for community radio and digital terrestrial television licenses. Zimpapers is bidding for one of the licenses as the Company seeks to complete its journey of becoming a fully integrated media house which offers a one stop shop solution to advertisers and its audiences.

Zimpapers' print, digital and broadcasting platforms continued to dominate the market. Audiences have continued to show confidence in legacy products as sources of credible news despite the rise in social media and the harsh realities of fake

At the time of preparing this report, a raft of bills which were aimed at enhancing the media environment had either passed or were in the process of being prepared for debate in the National Assembly and later in the Senate. The Freedom of Information Bill had already sailed through the two chambers and awaiting Presidential Accent while the two others, the Zimbabwe Media Commission Bill and the Protection of Personal Information Bill, were being prepared for public hearings and debate in the lower chamber. Once all passed, this will bring the Zimbabwe media environment in line with international best practices and in line with the 7.

4. Digital Media

The Company continues to adapt and fully embrace the fast changing technological environment and in the process matching that to the consumption patterns of its audiences and advertisers. The Company's business model is premised on availing content on both the traditional and new digital platforms which are coming up and therefore making sure that content and advertising platforms are readily available.

The Company will continue to create and invest in more digital platforms to deliver its content, in audio, text and video format and thereby ensuring that its audiences are informed, educated and entertained.

Going into the future the Company continues to seek partnerships, relations with different stakeholders in the technology space to enhance and grow its digital footprint and avail content and advertising platforms at affordable

5. Financial Performance

Application of International Accounting Standard (IAS) 29: 10. Corporate Governance Inflation Adjusted Financial Statements.

Following the pronouncement by the Public Accountants and Auditors Board (PAAB) that the Zimbabwean economy was trading in hyperinflation, the Directors have applied the principles of IAS 29 to prepare the Company's inflation adjusted accounts for the year ended 31 December 2019. IAS 29 requires that inflation adjusted financial statements becomes the entity's primary financial statements. Accordingly, the Company has complied with this requirement for the reporting period under review.

Financial Performance Overview

The Company recorded total revenue of \$289.8 million compared to \$266.9 million recorded in 2018. The 9.0% growth in revenue compared to the same period last year was driven by the 43% growth from the Commercial Printing Division arising from growth in market share. The Radio Broadcasting Division recorded a 10% revenue growth whilst the television project grew by 492% to ZWL4.3 million. In line with the global print newspaper performance, which declined by 3% (WAN 2019), the Newspapers Division recorded a 3% revenue decline to ZWL177.2 million.

The Board and management team agrees with the 2019 WAN report that says, "quality news has never been in more demand than today, reflected in the growth of paying audiences for news content (+0.5% YoY)". Therefore, the Company recored growth in subscribers as well as the digital revenue that increased by 12% in 2019.

The Company recorded a gross profit of ZWL195.3 million.

This was 67% to revenue compared to 65% recorded for the same period last year. Profit before financing, exchange gain/ (loss) and monetary gains was at ZWL49.8 million compared to ZWL35.8 million for the same period last year.

The Company's current ratio improved to 1.30 times compared to 0.84 times recorded for 2018 following a reduction in current liabilities as the Company seek to clear its legacy debts.

Newspaper Division

In line with the 3% drop in revenue for the Newspaper Division, profit for the period under review also went down by 3% to ZWL29.0 million. The drop in revenue was mainly 12. Dividend driven by low circulation and advertising volumes owing to the challenging economic environment.

Commercial Printing Division

The Commercial Printing Division recorded a 43% revenue growth to \$70.4 million as a result of an increase in volumes and ability to timely recover input costs in an inflationary 13. Outlook environment. The Division continued to make good profit margins from both the printing and the exercise book manufacturing businesses. Profit for the Division was ZWL22.1 million.

9. Broadcasting Division

The Broadcasting Division's revenue performance improved by 22% to ZWL42.2 million on the back of increased advertising volumes as the Division rode on its brand equity to win clients. Despite the good revenue performance, the Division's profit declined by 3% owing to underperformance during the early months of the year.

In compliance with good Corporate Governance, the Company's Audit, Finance and Risk Committee, Business Development Committee and the Human Resources, Ethics 14. Appreciation and Remuneration Committee, met four times each during the year under review to assess operations and adequacy of systems and procedures that safeguard the Company's

11. Corporate Social Investment

The Company remains committed to investing in the community guided by its Social Responsibility Policy. Following the devastation caused across the country by Cyclone Idai in March 2019, the Company got on board the Cylcone Idai Reconstruction Agenda. The Company's radio station in Mutare, Diamond FM, played a critical role in informing and educating the public about the Cyclone Idai developments.

Subsequent to the devastation, the Company adopted Chikukwa Primary School, a rural school with more than Mr T.A.G Sithole 1,000 learners. The Company is constructing a classroom BOARD CHAIRMAN block that will accommodate 100 learners. The business also 26 March 2020 launched an Educational Support initiative, with the first 10 beneficiaries being taken from Chikukwa. The Company is paying their full school fees and supplying them with uniforms and stationery under this initiative.

A partnership was agreed with the National University of Science and Technology (NUST) in a Media Innovation challenge which saw students coming up with proposals on how to reposition some of the business' products. The business will continue entering into partnerships with media training institutions for the growth and development of journalism in the country.

Advocacy for cancer and health related matters continued in 2019 under the partnership between Zimpapers and Island Hospice. Under this partnership the annual Zimpapers Cancer Power Walk was rolled out in Kariba for the first time running simultaneously with the Harare, Bulawayo and Mutare editions. Thousands of Zimbabweans participated in the event while funds were raised and handed over to Island Hospice for their palliative programmes.

In view of the negative impact of COVID 19 and the ensuing uncertainties in the business environment, the Board has taken a prudent view on the need to preserve cash to sustain business operations. Therefore, the Board has recommended not to pay a dividend for the period under review.

The Company remains on track of becoming a fully integrated media house as it expects to launch its television business in 2020, if licenced by the authorities. This vision will allow the Company to reach out to its audiences through radio, print, online and television.

Due to the current socio-economic challenges the country is going through, the impact of COVID 19 across the business divide and the associated economic slowdown, performance of the Company for the year is expected to be constrained.

In view of the pandemic, the Board and management will be focusing on survival of the Company and ensuring the safety of its employees and stakeholders as we go through this difficult patch.

I would like to express my appreciation to our customers, readers, listeners, viewers, advertisers and all stakeholders for their support during the year ended 31 December 2019. I would also like to extend my warm regards to my fellow directors, the management team and all members of staff, for their continued dedication and commitment to the success of the Company as we continue to grow from strength to

DIRECTORS' RESPONSIBILITY STATEMENT

The directors are required by the Companies Act (Chapter 24:03) to maintain adequate accounting records and are responsible for the content and integrity of the Company's full year abridged financial statements and related financial information included in this report. It is their responsibility to ensure that the Company's full year abridged financial statements fairly present the state of affairs of the Company as at the end of the period and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards.

AUDITOR'S STATEMENT

These abridged financial results should be read in conjunction with the full set of inflation adjusted financia statements for the year ended 31 December 2019, which have been audited by Baker Tilly Chartered Accountants and an adverse opinion issued thereon. The basis for the adverse opinion pertains to misstatements in opening balances that arose due to non-compliance with International Accounting Standard 21 "The Effects of Changes in Foreign Exchange Rates" in 2018 financial period and the application of the exchange rate of 1:1 between the RTGS dollar and USD during the period 1 January to 21 February 2019 despite market conditions indicating that there was no longer parity between the two currencies. The audit report also includes an emphasis of matter paragraph. a report on other legal and regulatory requirements and key audit matters.

The auditor's report on these inflation adjusted financial statements is available for inspection at Company's

STATEMENT OF COMPLIANCE

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in compliance with the Company's Act of Zimbabwe, (Chapter 24;03). The Company's financial statements are based on the statutory records maintained under the historical cost conversion, as restated in line with IAS29 principles as the operating environment was declared on the 1st July 2019 to have met the

IAS29 requires that prior year comparatives and current year's transactions be restated to take account of the effect of the changes in the general purchasing power of the local currency. To that effect, the indices and conversion factors used were as follows

DATE	INDICES	CONVERSION FACTOR
December 2019	551.57	1.000
December 2018	88.81	6.211

Audited Condensed Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2019 Inflation Adjusted **Historical Cost** Audite Audited Audited Audited 2019 2018 2019 2018 ZWL\$ 266.866.301 122,231,260 Revenue 289,833,207 42,963,270 Gross profit 195,328,279 174,460,750 82,804,073 28,086,740 Other operating income 5,696,710 4,548,433 2.537.515 732.260 (151,260,687) (143,258,288) (64,400,235) (23,063,401) Operating exenses (22.616.349) (25.299.036) (9.394.093) (4.072.936)Selling & distribution expenses Administration expenses (128.644.338) (117.959.252) (55,006,142)(18,990,465) Profit from operations before financing cost, 5,755,599 exchange gains/(loses) and monetary gains 49.764.302 35.750.895 20,941,353 Net financing cost (907,606) (3,381,671) (335,372)(544,421)Exchange gain/(loss) 1,504,591 (36.362)3.350.881 (5,854)43,038,932 Monetary gain 93,400,219 32,332,862 23,956,862 5,205,324 Profit before tax (1,430,883)Income tax expense (25,627,327) (8.887.928)(6,276,169)Profit after tax 67,772,892 23,444,934 17,680,693 3,774,441 Other Comprehensive income Gain on property revaluation net of tax 153.319.126 280.614.631 Total Other Comprehensive income 153,319,126 280,614,631 Total comprehensive income for the year 221,092,018 23,444,934 298,295,324 3,774,441 Number of shares in issue(000s) 576,000 576,000 576,000 576,000 Basic earnings per share (cents) 11.77 4.07 3.07 0.66 Diluted earnings per share (cents) 11.68 4.02 2.99 0.66 Headline earnings per share (cents) 11.77 4.07 3.07 0.66

Condensed Statement of Financial Position as at 31 December 2019 Inflation Adjusted **Historical Cost** Audited 2018 2019 2019 2018 ZWL\$ ZWL\$ ZWL\$ ZWL\$ **ASSETS** Non-current assets 398.417.622 Property, plant and equipment 168.368.084 398.417.622 27.105.872 411,841 2,287,999 66,303 368.349 Intangible asset Long term investment 3,231,771 15.213.930 3.231.771 2.449.317 402,061,234 185,870,013 401,715,696 29,923,538 Current assets 8.885.412 9.868.227 7.623.394 1.588.703 Inventories Trade and other receivables 31,125,106 37,453,139 27,993,397 6,029,646 Financial assets at fair value through profit and loss 603,221 1,071,254 603,221 172,463 Taxation Bank and cash 7.172.881 1,222,715 9,013,527 Total assets 449,847,854 241,857,526 445,108,589 38,937,065 **EQUITY AND LIABILITIES Equity and reserves** Share capital 357,782 357.782 57,600 57.600 10.963.423 68.099.289 Non distributable reserve 149,770,041 17,885,517 24.463.147 (3,426,409)Accumulated loss 286,920,461 6,305,830 Revaluation reserve 153,319,126 303,446,949 86,342,588 311,441,208 13,900,444 Non-current liabilities 1.047.464 5.183.210 Long term borrowings Long term liabilities 3,236,290 51,931,795 3,236,290 8,360,590 Related party payables 105.317.792 32.100.219 94.235.267 5.167.870 Deferred tax 109,601,546 89,215,224 98,519,021 14,362,914 **Current liabilites** 53,474,323 Trade and other payables 35,485,811 33,834,812 8.608.925 Short term borrowings 1,087,318 9.874.513 1,087,318 1.589.715 2.950.878 475.067 Bank overdraft 226.230 35,148,360 36,799,359 66,299,714 10,673,707 **Total liabilities** 146,400,905 155,514,938 133,667,381 25,036,621

241,857,526

449,847,854

445,108,589 38,937,065

Total equity and liabilities



ZIMBABWE NEWSPAPERS (1980) LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2019



Abridged Statement of Cash flows for the year ended 31 December 2019				
	Audited 2019 ZWL\$	Audited 2018 ZWL\$	Audited 2019 ZWL\$	Audited 2018 ZWL\$
Net cash inflows from operations Net cash outflows from investing activities Net cash outflows from financing activities Net increase in cash and cash equivalents	69,773,325 (956,979) (66,513,710) 2,302,636	62,986,258 (31,918,359) (26,367,589) 4,700,310	18,004,356 (5,301,734) (6,503,619) 6,199,003	10,140,267 (5,138,592) (4,244,964) 756,711
Cash and cash equivalents at the beginning of the	year 4,644,015	(56,295)	747,648	(9,063)
Cash and cash equivalents at end of the per	iod 6,946,651	4,644,015	6,946,651	747,648

Condensed Statement of Changes in Equity for the year ended 31 December 2019

HISTORICAL COST

	Share capital ZWL\$	Revaluation reserve ZWL\$	Non distributable reserve ZWL\$	Retained (loss)/ profit ZWL\$	Total ZWL\$
Balance at 31 December, 2017	57,600	6,315,830	10,963,423	(7,210,850)	10,126,003
Total comprehensive income for t	he period -	-	-	3,774,441	3,774,441
Realisation of revaluation surplus on disposed assets	-	(10,000)	-	10,000	-
Balance at 31 December, 2018	57,600	6,305,830	10,963,423	(3,426,409)	13,900,444
Total comprehensive income for t	he period -	-	-	17,680,694	17,680,694
Revaluation surplus	-	280,614,631	-	-	280,614,631
Reclassification of reserves	-	-	(10,963,423)	10,963,423	-
Dividend paid	-	-	-	(754,560)	(754,560)
Balance at 31 December, 2019	57,600	286,920,461		24,463,147	311,441,208

INFLATION ADJUSTED	Share capital	Revaluation reserve ZWL\$	Non distributable reserve ZWL\$	Retained (loss)/ profit ZWL\$	Total ZWL\$
Balance at 31 December, 2017	357,782	-	68,099,289	(5,559,417)	62,897,655
Total comprehensive income for	the period -	-	-	23,444,934	23,444,934
Reclassification of reserves	-	-	-	-	-
Balance at 31 December, 2018	357,782	-	68,099,289	17,885,517	86,342,589
Total comprehensive income for	the period -	-	-	67,772,892	67,772,892
Revaluation surplus	-	153,319,126	-	-	153,319,126
Reclassification of reserves	-	-	(68,099,289)	68,099,289	-
Dividend paid	-	-	-	(3,987,658)	(3,987,658)
Balance at 31 December, 2019	357,782	153,319,126		149,770,041	303,446,949

Business segment report HISTORICAL COST

The commercial printing segment is involved in the printing of books, labels, security documents, diaries, calendars and offering of origination services. The newspaper segment is involved in newspaper and magazine printing and publishing. The broadcasting segment is a commercial free-to-air radio station. The corporate segment comprises Head Office administrative operations.

HISTORICAL COST

	Printing 2019	newspapers 2019	2019	Corporate 2019	2019
	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$
External revenue	31,277,903	71,260,716	19,692,641		122,231,260
Results					
Segment profit/ (loss)	10,152,521	10,502,456	3,846,796	(3,560,419)	20,941,354
Net finance expenses					(335,372)
Exchange gain					3,350,881
Income tax expense					(6,276,169)
Profit for the period					17,680,694
As at 31 December 2019 rep	ortable segmen	t assets and lial	pilities		

As at 31 December 2019 reportable segment assets and liabilities					
Segment assets	91,267,370	319,277,979	27,974,759	6,588,481	445,108,589
Current Assets	14,794,591	19,805,261	7,692,396	1,100,645	43,392,892
Non current Assets	76,472,779	299,472,718	20,282,364	5,487,836	401,715,696
Segment liabilities	5,893,034	18,323,460	4,067,625	11,147,995	39,432,114
Current liabilities	5,881,556	15,694,811	3,703,346	9,868,646	35,148,359
Non current liabilities	11,478	2,628,649	364,279	1,279,349	4,283,755

INFLATION ADJUSTED

	Printing 2019 ZWL\$	2019 ZWL\$	2019 ZWL\$	2019 ZWL\$	2019 ZWL\$
External revenue	70,389,338	177,201,936	42,241,932		289,833,206
Results Segment profit/ (loss)	22,112,843	28,950,625	4,561,199	(5,860,363)	49,764,304
Net finance expenses Exchange gain Monetary gain Income tax expense Profit for the period					(907,606) 1,504,591 43,038,932 (25,627,327) 67,772,894

As at 31 December 2019 reportable segment assets and liabilities

Segment assets	91,267,370	321,280,967	30,711,037	6,588,480	449,847,854
Current Assets	14,794,591	21,808,248	10,083,136	1,100,645	47,786,620
Non current Assets	76,472,779	299,472,718	20,627,902	5,487,835	402,061,234
1					
Segment liabilities	5,893,034	18,323,460	4,067,625	11,147,995	39,432,114
Segment liabilities Current liabilities	5,893,034 5,881,556	18,323,460 15,694,811	4,067,625 3,703,346	11,147,995 9,868,646	39,432,114 35,148,359

Deferred tax liability **Historical Cost**

As at 31 December 2018 rep	ortable segmen	t assets and lial	bilities		
	Commercial Printing 2018 ZWL\$	Newspapers 2018 ZWL\$	Broadcasting 2018 ZWL\$	Corporate 2018 ZWL\$	Consolidated 2018 ZWL\$
External revenue	7,913,720	29,462,944	5,586,606		42,963,270
Results Segment profit /(loss)	1,156,616	4,805,680	757,596	(964,293)	5,755,599
Net finance expenses Exchange loss Income tax expense Profit for the period					(544,421) (5,854) (1,430,883) 3,774,441

As at 31 December 2018 reportable segment assets and liabilities

Segment assets	10,373,620	20,545,383	3,015,495	5,002,567	38,937,065
Current Assets	2,268,645	4,230,557	1,491,157	1,023,170	9,013,529
Non current Assets	8,104,975	16,314,826	1,524,338	3,979,397	29,923,536
Segment liabilities	2,206,789	9,908,719	2,801,914	4,951,328	19,868,750
Current liabilities	1,950,777	5,774,311	2,676,095	272,524	10,673,707
Non current liabilities	256,012	4,134,408	125,819	4,678,804	9,195,043
Deferred tay liability	_				5 167 870

INFLATION ADJUSTED

As at 31 December 2018 reportable segment assets and liabilities

	Commercial Printing	Newspapers	Broadcasting	Corporate	Consolidated
	2018	2018	2018	2018	2018
	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$
External revenue	49,156,062	183,009,041	34,701,196		266,866,300
Results					
Segment profit /(loss)	7,184,319	29,850,476	4,705,807	(5,989,705)	35,750,896
Net finance expenses					(3,381,671)
Exchange loss					(36,362)
Income tax expense					(8,887,928)
Profit for the period					23,444,935

As at 31 December 2018 reportable segment assets and liabilities

Segment assets	64,435,728	127,617,622	18,730,744	31,073,439	241,857,533
Current Assets	14,091,686	26,278,100	9,262,320	6,355,419	55,987,525
Non current Assets	50,344,042	101,339,522	9,468,424	24,718,020	185,870,008
Segment liabilities	13,707,467	61,547,996	17,404,085	30,755,168	123,414,717
Current liabilities	12,117,249	35,867,126	16.622.561	1,692,782	66.299.718
	, ,	00,00.,.20	10,022,001	1,032,702	00,233,710
Non current liabilities	1,590,218	25,680,870	781,525	29,062,385	57,114,999

Notes to the Audited Condensed Financial Statements for the year ended 31 December 2019

General information

Zimbabwe Newspapers (1980) Limited and its subsidiaries are incorporated and domiciled in Zimbabwe. The Company's main business is that of newspaper proprietors, printers ,publishers and broadcasters. The Company's registration number is 600/B280.

The Company's functional and presentation currency is the Zimbabwean dollar ("ZWL\$") effective 1 January

3. Basis of preparation

The Company's financial statements for the year ended 31 December 2019 have been prepared in accordance with the Zimbabwe Stock Exchange Listing requirements and the Zimbabwe Companies and Other Entities Act (Chapter 24:31). The Inflation Adjusted financial statements have been prepared based on the statutory records maintained under the historical cost basis as modified by the revaluation of property, plant and equipment and equity investments have been measured at fair value.

4. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are consistent in all material respects with those applied in the previous annual financial statements. In the current year, the Company has adopted IAS 29 (Financial Reporting in Hyperinflationary Economies).

4.1 Adoption of IAS 29 (Financial Reporting in Hyperinflationary Economies)

In October 2019, the Public Accountants and Auditors Board (PAAB) issued a pronouncement prescribing that the adoption of financial reporting in hyper inflationary economies had become effective for the reporting

periods on or after 1 July 2019 in Zimbabwe. These financial statements have been prepared in accordance with IAS 29 (Financial Reporting in Hyperinflationary Economies) together with International Financial Reporting Interpretations Committee (IFRIC) 7, as if the economy had been hyperinflationary from 1 January 2019.The Company adopted the Zimbabwe Consumer Price Index as the general price index to restate trannsactions and balances. Assets and liabilities carried at fair value have not been restated as they are presented at the measuring unit current at the end of the reporting period. Items recognised in the Statement of Profit or Loss and Other Comprehensive Income have been restated by applying the change in the general price index from the dates when the transactions were intially recorded in the Company's records. A net monetary adjustment was recognised in the Statement of profit/ loss for the year. All items in the Statement of Cashflows are expressed based on the restated financial information for the period.

Inflation Adjusted

Historical Cost

576 000 000 576 000 000

576.000.000 576.000.000

2018

		ZWL\$	ZWL\$	ZWL\$	ZWL\$
5.	Significant transactions				
5.1	Additions to property, plant and equipme	ent 13,279,741	28,076,440	5,155,504	4,520,075
5.2	Deferred Tax liability	105,317,792	32,100,219	94,235,267	5,167,870
6	Earnings per share				
	Profit for the year	67,772,892	23,444,934	17,680,693	3,774,441

Shares in issue

105 317 792

Number of shares used in calculating earnings per share

Weighted average number of shares in issue 576,000,000 576,000,000

Basic earnings per share is calculated by dividing the profit attributable to ordinary equity holders of the parent Company by the average number of ordinary shares in issue during the year.

576 000 000 576 000 000

Headline earnings per share is calculated by dividing headline earnings for the period attributable to ordinary equity holders of the parent Company by the weighted average number of ordinary shares in issue during the

Headline earnings is calculated as follows: Profit for the year attributable to ordinary equity holders 67,772,892 23,444,934 17,680,693 3,774,441 (Profit)/ loss on disposal of property, plant and equipment (468,033) (334,340)(430,758)(53,826) Fair value gain on equities Headline profit 67,292,460 23,137,571 17,246,055 3,397,958 6.1 Basic earnings per share - cents 3.07 0.66 0.66 6.2 Diluted earnings per share - cents 11.77 4.07 3.07 6.3 Headline earnings per share - cents 11.68 4.02 0.66

FBC Bank Limited:				
Long term portion	1,047,464	5,183,210	1,047,464	834,454
Short term portion of long term borrowing	gs 1,087,318	9,874,513	1,087,318	1,589,715
	2,134,782	15,057,723	2,134,782	2,424,169

The FBC Bank Limited borrowing was obtained at an interest rate of 9% per annum and is repayable over 3 years. The loan is secured by land and building with a carrying amount of \$4,250,000 and a Notarial General Covering Bond including cession of book debts of \$4 million

Long term liabilities

Zimbabwe Revenue Authority total li	ability 8,789,647	63,026,985	8,789,647	10,146,824
Short term portion	5,553,357	11,095,190	5,553,357	1,786,234
Long term portion	3,236,290	51,931,795	3,236,290	8,360,590
T. 0	711454			

The Company agreed on a payment plan with ZIMRA to extinguish the accumulated past debt. The current portion is included in the trade and other payables in Note 10.

Related party payable

Zimpapers Medical aid Society	-	1,615,145	-	260,025
Zimpapers Pension Fund	-	1,085,963	-	174,831
	-	2,701,108	-	434,856

The amounts outstanding to related party entities relating to Zimpapers Medical aid Society, which are included in trade and other payables are unsecured, interest free and have no fixed repayment terms. Zimpapers Medical Aid Society ceased operations on the 1st of November 2014.

Zimpapers Pension Fund	-	1,085,963		174,831
Short term portion	-	1,085,963	-	174,831
Long term portion	-	-	-	-

The amounts outstanding to related party entities relating to Zimpapers Pension Fund, which are included in trade and other payables are unsecured and have no fixed repayment terms. The Company was given a paid-up status from 1 November 2014. The amount due to the Zimpapers Pension fund accrue interest at the prevailing market rates

10 Trade and other payables

Trade	6,578,874	11,784,822	6,578,874	1,897,259
Accruals	23,353,580	26,017,881	21,702,581	4,188,664
Tax related payables (refer to Note 8)	5,553,357	12,141,504	5,553,357	1,954,682
Related party payables (refer to Note 9)	-	2,701,108	-	434,856
	35,485,811	52,645,315	33,834,812	8,475,461

11 Cyclicality of operations

A significant portion of the Company's revenue is derived from newspapers sales and advertising. Due to the nature of the Company's income, there is no defined pattern of cyclicality or seasonality of operations and

12 Supplementary information

12.1 Capital commitments

Approved and not contracted	-	-	-	-
Contracted	-	28,076,440	-	4,520,075
	-	28,076,440	-	4,520,075

Capital commitments will be funded from a combination of internal and external resources.



Deferred tax liability









- 94.235.267





















