ZIMBABWE NEWSPAPERS (1980) LIMITED

AUDITED CONDENSED FINANCIAL RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2022

Market leader in Publishing, Broadcasting, Digital, Printing & Packaging



CHAIRMAN'S STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

1. Overview

On behalf of the Board and Management, I hereby present the financial results for Zimbabwe Newspapers (1980) Limited for the year ended 31 December 2022.

2. The Operating Environment

The year under review witnessed some economic recovery as the country's gross domestic product (GDP) was reported by the Government of Zimbabwe (GoZ) to have grown by 4%. During the year, the Ministry of Finance and Economic Development made some worthwhile economic interventions to curtail inflation that was threatening the existence of the local currency. Regrettably, some of these measures severely affected liquidity in the market resulting in the general slowdown in economic activity. Inflationary pressures remained onshore as year on year (YoY) inflation closed the year at 243.8% compared to 60.7% for the same period in 2021.

3. The Media Environment

The media environment continued to be stable. Recovery of our printed newspapers, which had taken a knock during the Covid-19 years is on course, whilst the digital platforms are enjoying remarkable growth in audiences. Radio continues to attract huge audiences while television is still an area of potential growth. The newly licensed television stations, including our own Zimpapers Television Network (ZTN), are steadily finding their place in a market that for years had been dominated by one player.

The modest recovery of the print business is consistent with world trends as shown by the recently released WAN-IFRA World Press Trends 2022-2023 report. The report says print continues to dominate revenues. "When combined, print advertising and circulation generate more than half (53.5%) of the total income seen by our survey respondents but is down from last year's report when it was at 56.1%."

The report also notes that: "Publishers are contending with issues on multiple fronts. These considerations include high levels of inflation, rising paper and print costs, as well as ongoing changes to advertising markets."

We continue to make investments into our journalism through training and injection of new skills as we seek to remain relevant in the face of other competing sources of news and information. We, by far remain the most trusted source of credible news and information as confirmed by results of the Zimbabwe All Media Products Survey (ZAMPS), where our platforms are the most dominant

We continue to value professional and ethical journalism, which is the mainstay of mainstream journalism in an environment where fake news continues to spread, particularly through social media. Cabinet has since approved the principles of the Media Practitioners' Bill, paving the way for the enactment of a law that will demand high standards of journalism.

Digital Media 4.

The company has taken steps to exploit positive benefits arising from the Artificial Intelligence

5 **Financial Performance**

Application of International Accounting Standard (IAS) 29: Inflation Adjusted Financial Statements

The Directors of the company have applied the principles of IAS 29 to prepare the Group's inflation adjusted financial statement for the year ended 31 December 2022. In that regard, the primary set of financial statements for the company are the hyperinflated numbers, which have been the basis for this commentary.

6. **Financial Performance Overview**

Despite the challenging operating environment, the company grew its revenue by 61% to Z\$18.6 billion from Z\$11.6 billion recorded for the same period last year. Owing to inflationary pressures and unabated increase in the cost of imported raw materials, gross profit margin declined to 63% from the 66% for same period last year.

Nevertheless, the company improved its earnings before interest and tax (EBIT) margin to 11% compared to 9% for the same period last year. This was a result of improved overheads management which were at 54% to turnover compared to 58% for last year.

Owing to tight liquidity arising from delayed payments by most of our clients and the required capital expenditure, the company had to access costly short-term funds to meet its working capital needs. This had a negative impact of increasing the cost of borrowing to Z\$610.7 million. Profitability for the company was further affected by a monetary loss adjustment of Z\$940.8 million that was recorded during the period under review. Resultantly, a net profit before tax of Z\$384.7 million was recorded compared to Z\$494.9 million for the prior year.

7. **Newspaper Division**

The Newspapers Division increased its top line by 59% mainly as a result of the need to protect margins in a hyperinflationary environment. Cost optimisation remained critical in ensuring its survival and improving the profit margins of the division. The division recorded earnings before interest, tax, and monetary adjustments of Z\$1.9 billion.

Commercial Printing Division 8.

The Division recorded a 63% revenue growth driven by some volume growth in labels and general printing. In line with the revenue growth and cost optimisation interventions, the unit posted earnings before interest, tax, and monetary adjustment of Z\$443.0 million for the period under review. The division continued to face challenges in obtaining adequate foreign currency for importation of critical raw materials, resulting in a negative impact on the ability of the division to stretch its growth ambitions.

9. **Broadcasting Division**

Top line for the division grew by 67% compared to last year. The growth in revenue was driven by both radio and television units which grew by 74% and 42% respectively. The broadcasting division's overall profitability continued to be weighed down by the newly licensed television channel that was launched on DSTV channel 294 in May 2022. The

11. Corporate Social Investment

The company's corporate community social responsibility programs remained robust and has embarked on Sustainable Development Goals (SDGs) driven programs. Under the green up campaign, the company is leading and encouraging other organisations to green up their business premises, rooftops and road verges. Furthermore, the Zimpapers Junior Media Club mentorship program was rolled out in different schools across the country. In addition, relationships with learning institutions were strengthened as the company's bursary scheme remained in place and its advocacy for cancer and health related matters continued during the period under review. We continued to host our flagship highly subscribed annual Cancer Power Walk where all proceeds were donated for the fight against cancer.

12. Dividend

Due to the difficult operating environment associated with severe liquidity challenges at the background of new capital-intensive projects that are being pursued by the company, the Board of directors recommend that there be no dividend payment for the year just ended.

13. Outlook

The obtaining economic outlook is encouraging despite the first quarter of the year having started on a very difficult patch. The diversification strategy adopted by the company will continue to anchor its ability to give clients media options of their choice as the company now offers a 360-degree media solution.

The situation on the supply of imported raw materials is improving. This gives us better prospects for the future of the company as new supply chains replacing the traditional Ukraine/Russia sources are being found. The increased use of the United States Dollar in the economy may bring some relief on the availability of foreign exchange. Furthermore, the record-breaking agricultural output and encouraging growth prospects from mining, tourism and general construction is the basis for our optimism for a better year ahead.

14. Appreciation

Let me extend my sincere appreciation to all the customers, readers, listeners, viewers, advertisers, shareholders and all other stakeholders who have supported the company that has been in existence for over a century. I am aware of the sacrifices and perseverance by my fellow Board members and our greatest asset, the employees to keep the company going and would like to thank and applaud them for their resilience and a job very well done under very difficult circumstances.

(AI) revolution to provide better user experience while ensuring protection against negative digital manipulation and unpredictable digital side effects. The company has configured its digital platforms to deliver the correct content to the right audience resulting in users that are more satisfied since they can easily locate what they need.

Using AI and research on global digital media trends, the company's digital platforms continue to improve and offer more value-added services and products that can keep the users engaged longer. This allows the company to provide better value to all its stakeholder chain.

channel has however been gaining acceptance in the market and its prospects are very hiah.

10. Corporate Governance

In compliance with good Corporate Governance, the company's Audit and Risk Committee, Business Development and Marketing Committee, Human Resources, Remuneration, Nomination and Pension Fund Committee and the Corporate Social Responsibility Committee met four times each during the year under review to assess operations and adequacy of systems and procedures that safeguard the company's assets.

AUDITED CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

T.A. Ganda Sithole **BOARD CHAIRMAN**

DIRECTORS' RESPONSIBILITY STATEMENT

The directors are required by the Companies and Other Business Entities' Act (Chapter 24:31) to maintain adequate accounting records and are responsible for the content and integrity of the Company's abridged financial statements and related financial information included in this report. It is their responsibility to ensure that the Company's 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.

INDEPENDENT AUDITOR'S OPINION STATEMENT

The audited abridged inflation adjusted financial results should be read in conjunction with the complete set of financial statements of Zimpapers for the financial year ended 31 December 2022, which have been audited by Baker Tilly Chartered Accountants, signed by Courage Matsa, PAAB Practising certificate 0607 and an unqualified opinion has been issued thereon.

The audit report also includes an emphasis of matter paragraph relating to the fact that the radio licences for Capitalk and Nyaminyami were awarded to Kingstons by the Broadcasting Authority of Zimbabwe and Zimpapers is operating the radio stations under a management agreement.

The auditor's report on these inflation adjusted financial statements and the full set of the inflation adjusted financial statements, is available for inspection at the Company's registered office and the same has been lodged with the ZSE

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BakerTillv Harare, Zimbabwe

STATEMENT OF COMPLIANCE

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in compliance with the Companies and Other Business Entities Act (Chapter 24.31). The Company's financial statements are based on the statutory records maintained under the historical cost convention as restated in line with IAS29 principles. The operating environment was declared on the 1st of July 2019 to have met the conditions for hyperinflation reporting.

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

	Month	Factor
Dec-20	2,474.50	5.53
Dec-21	3,977.46	3.44
Dec-22	13,672.91	1.00

for the year ended 31 December 2022							
	Inflatio	Inflation Adjusted		orical Cost			
	Audited 2022 ZWL\$	Audited 2021 ZWL\$	Audited 2022 ZWL\$	Audited 2021 ZWL\$			
Revenue	18,635,387,438	11,577,760,955	13,255,053,452	2,708,274,032			
Gross profit	11,775,615,471	7,639,091,805	8,148,989,894	1,770,780,218			
Other operating income	313,095,754	150,280,416	205,302,449	36,016,556			
Operating exenses Selling & distribution expenses Administration expenses	(10,134,358,584) (1,981,490,392) (8,152,868,192)	(6,734,794,411) (1,088,879,067) (5,645,915,344)	(7,100,644,853) (1,417,527,676) (5,683,117,177)	(1,593,004,955) (259,942,235) (1,333,062,720)			
Profit from operations before financing cost, exchange gain and monetary adjustments	1,954,352,641	1,054,577,810	1,253,647,490	213,791,819			
Net financing cost	(610,729,715)	(289,911,312)	(480,571,318)	(67,446,774)			
Exchange gain/ (loss)	(18,131,462)	44,215,162	51,490,092	11,569,839			
Monetary loss	(940,812,827)	(313,984,019)	-	-			
Profit before tax	384,678,637	494,897,641	824,566,264	157,914,884			
Tax expense	(288,152,575)	(161,784,949)	(244,771,977)	(44,137,093)			
Profit after tax	96,526,062	333,112,692	579,794,287	113,777,791			
Other Comprehensive income Gain on property revaluation net of ta	x 5,437,099,050	-	8,779,869,768	-			
Total Other Comprehensive income	5,437,099,050	-	8,779,869,768	-			
Total comprehensive income for the ye	ar 5,533,625,112	333,112,692	9,359,664,055	113,777,791			
Number of shares in issue(000s) Basic earnings per share (cents) Diluted earnings per share (cents) Headline earnings per share (cents)	576,000 16,76 16,76 37,79	576,000 57,83 57,83 49,72	576,000 100,66 100,66 93,63	576,000 19,75 19,75 17,21			

Condensed Statement of Financial Position as at 31 December 2022

Notes	Audited 2022 ZWL\$	Audited 2021 ZWL\$	Audited 2022 ZWL\$	Audited 2021 ZWL\$
ASSETS				
Non-current assets				
Property, plant and equipment	17,693,836,167	10,544,679,517	12,987,937,044	825,023,090
Intangible asset Long term investment	4,028,105 3,231,771	8,157,284 11,109,532	26,163 3,231,771	61,032 3,231,771
5				
	17,701,096,043	10,563,946,333	12,991,194,978	828,315,893
Current assets				
Inventories	408,965,210	303,551,866	392,246,532	83,494,861
Trade and other receivables	2,835,427,494	2,222,749,097	2,766,867,743	472,313,099
Financial assets at fair value through profit and loss	21,147,345	56,524,856	21,147,345	16,443,122
Tax refundable	- 21,147,040	9,432,950	- 21,147,040	2,744,052
Bank and cash	438,277,301	89,110,498	438,277,301	25,922,309
	3,703,817,350	2,681,369,267	3,618,538,921	600,917,443
Total assets	21,404,913,393	13,245,315,600	16,609,733,899	1,429,233,336
EQUITY AND LIABILITIES				
Equity and reserves Share capital	8,868,204	8,868,204	57,600	57,600
Accumulated profit	4,405,025,529	4,343,502,712	796,060,104	238,557,017
Revaluation reserve	9,237,357,751	3,800,258,701	9,066,790,228	286,920,461
	13,651,251,484	8,152,629,617	9,862,907,932	525,535,078
Non-current liabilities Long term borrowings 7	23,853,391	369,362,893	23,853,391	107,447,936
Deferred tax	3,968,609,397	2,153,952,031	2,961,773,455	66,727,100
	3,992,462,788	2,523,314,924	2,985,626,846	174,175,036
	0,002,102,100	2,020,014,024	2,000,020,040	
Current liabilites				
1 3	3,098,217,948	1,938,772,884	3,098,217,948	546,081,751
Short term borrowings Tax payable	131,887,962 142,028,119	229,090,324	131,887,962 142,028,119	66,642,543
Bank overdraft	389,065,092	401,507,851	389,065,092	116,798,928
	3,761,199,121	2,569,371,059	3,761,199,121	729,523,222
Total liabilities	7 752 661 000	E 000 605 000	6 746 005 007	002 600 250
Total liabilities	7,753,661,909	5,092,685,983	6,746,825,967	903,698,258
Total equity and liabilities	21,404,913,393	13,245,315,600	16,609,733,899	1,429,233,336

ZIMBABWE NEWSPAPERS (1980) LIMITED

AUDITED CONDENSED FINANCIAL RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2022

Market leader in Publishing, Broadcasting, Digital, Printing & Packaging

ABRIDGED STATEMENT OF CASH FLOWS for the year ended 31 December 2022

	Audited 2022 ZWL\$	Audited 2021 ZWL\$	Audited 2022 ZWL\$	Audited 2021 ZWL\$	
let cash inflows from operations let cash outflows from	2,610,305,276	1,319,622,119	1,262,626,078	244,748,697	
nvesting activities let cash (outflows)/Inflows from	(1,155,420,792)	(2,051,937,352)	(599,119,250)	(462,425,661)	
inancing activities let increase/(decrease) in cash and	(1,093,274,922)	298,122,896	(523,418,000)	104,758,091	
ash equivalents	361,609,562	(434,192,337)	140,088,828	(112,918,873)	
Cash and cash equivalents at the beginning of the year Cash and cash equivalents at end of	(312,397,353)	121,794,984	(90,876,619)	22,042,254	
he period	49,212,209	(312,397,353)	49,212,209	(90,876,619)	

CONDENSED STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2022

HISTORICAL COST				
	Share capital ZWL\$	Revaluation reserve ZWL\$	Retained (loss)/ profit ZWL\$	Total ZWL\$
Balance at 31 December, 2020	57,600	286,920,461	124,779,226	411,757,287
Total comprehensive income for the period			113,777,791	113,777,791
Dividend paid	-	-	-	-
Balance at 31 December, 2021	57,600	286,920,461	238,557,017	525,535,078
Total comprehensive income for the period			579,794,287	579,794,287
Revaluation surplus	-	8,779,869,767	-	8,779,869,767
Dividend paid	-	-	(22,291,200)	(22,291,200)
Balance at 31 December, 2022	57,600	9,066,790,228	796,060,104	9,862,907,932

ZWL\$ ZU15.703.703.703.703.703.703.703.703.703.703					
Total comprehensive income for the period - 96,902,726 96,902,726 Dividend paid - - - Balance at 31 December, 2021 2,579,767 1,105,498,039 1,263,528,120 2,371,605,4 Balance at 31 December, 2021 8,868,204 3,800,258,701 4,343,502,712 8,152,629,40 Total comprehensive income for the period - - 96,526,062 96,526,062			reserve	(loss)/ profit	Total ZWL\$
income for the period - 96,902,726 96,902,726 Dividend paid - - - Balance at 31 December, 2021 2,579,767 1,105,498,039 1,263,528,120 2,371,605,9 Balance at 31 December, 2021 8,868,204 3,800,258,701 4,343,502,712 8,152,629,9 Total comprehensive income for the period - - 96,526,062 96,526,062	Balance at 31 December,	2020 2,579,767	1,105,498,039	1,166,625,394	2,274,703,200
Balance at 31 December, 2021 2,579,767 1,105,498,039 1,263,528,120 2,371,605,478 Balance at 31 December, 2021 8,868,204 3,800,258,701 4,343,502,712 8,152,629,473 Total comprehensive income for the period - - 96,526,062 96,526,062				96,902,726	96,902,726
Balance at 31 December, 2021 8,868,204 3,800,258,701 4,343,502,712 8,152,629,1 Total comprehensive income for the period - - 96,526,062 96,526,0	Dividend paid	-	-	-	-
Total comprehensive income for the period - 96,526,062 96,526,0	Balance at 31 December	, 2021 2,579,767	1,105,498,039	1,263,528,120	2,371,605,926
income for the period 96,526,062 96,526,0	Balance at 31 December	, 2021 8,868,204	3,800,258,701	4,343,502,712	8,152,629,617
Revaluation surplus - 5,437,099,050 - 5,437,099,				96,526,062	96,526,062
	income for the period				
Dividend paid (35,003,245) (35,003,2		-	5,437,099,050	-	5,437,099,050
Balance at 31 December, 2022 8,868,204 9,237,357,751 4,405,025,529 13,651,251,	Revaluation surplus	-	5,437,099,050		5,437,099,050 (35,003,245)

Inflation adjusted					
	Commercial Printing	Newspapers	Broadcasting	Corporate	Consolidated
	2022 ZWL\$	2022 ZWL\$	2022 ZWL\$	2022 ZWL\$	2022 ZWL\$
External revenue	3,370,966,978	11,563,436,189	3,700,984,271		18,635,387,438
Results					
Segment profit/ (loss)	442,988,902	1,881,832,585	(456,050,476)	85,581,630	1,954,352,641
Net finance expenses					(610,729,715)
Exchange loss					(18,131,462)
Monetary loss					(940,812,827)
Income tax expense					(288,152,575)
Profit for the period					96,526,062
As at 31 December 2022	reportable segme	nt assets and liabi	lities		

5,199,712,178 13,186,362,579 2,723,468,334 295,370,302 21,404,913,393 Segment assets 987,994,414 865,343,782 3,703,817,350 1,733,995,465 116,483,689 Current Assets 4,211,717,764 11,452,367,114 1,858,124,552 178,886,613 17,701,096,043 Non current Assets

Segment liabilities	600,357,686	1,913,420,747	762,179,845	509,094,234	3,785,052,512
Current liabilities	594,718,797	1,913,420,747	743,965,343	509,094,234	3,761,199,121
Non current liabilities	5,638,889	-	18,214,502	-	23,853,391
Deferred tax liability		-			3,968,609,397

Historical Cost

As at 31 December 2021 reportable segment assets and liabilities

	Commercial Printing 2021 ZWL\$	Newspapers 2021 ZWL\$	Broadcasting 2021 ZWL\$	Corporate 2021 ZWL\$	Consolidated 2021 ZWL\$
External revenue	492,211,577	1,691,059,811	525,002,644		2,708,274,032
Results Segment profit /(loss) Net finance expenses Exchange gain Income tax expense Profit for the period	38,337,703	200,104,916_	(17,033,340)	(7,617,460)	213,791,819 (67,446,774) 11,569,839 (44,137,093) 113,777,791

As at 31 December 2021 reportable segment assets and liabilities

Segment assets	244,737,699	748,149,286	357,238,658	79,107,693	1,429,233,336
Current Assets	152,905,396	307,942,425	115,353,323	24,716,299	600,917,443
Non current Assets	91,832,303	440,206,861	241,885,335	54,391,394	828,315,893
Segment liabilities	112,220,926	425,510,417	219,697,122	79,542,693	836,971,158
Current liabilities	94,196,684	417,994,303	145,632,679	71,699,556	729,523,222
Non current liabilities	18,024,242	7,516,114	74,064,443	7,843,137	107,447,936
Deferred tax liability	-	-	-	-	66,727,100
Inflation adjusted					

As at 31 December 2021 reportable segment assets and liabilities

926						
617		Commercial Printing	Newspapers	Broadcasting	Corporate	Consolidated
		2021 ZWL\$	2021 ZWL\$	2021 ZWL\$	2021 ZWL\$	2021 ZWL\$
062						
050	External revenue	2,071,916,204	7,288,031,265	2,217,813,486		11,577,760,955
45)	Results	1 40 00 4 550	0.44.450.400	(04 704 054)		1 05 4 577 010
484	Segment profit /(loss)	149,894,552	941,156,469	(24,724,654)	(11,748,557)	1,054,577,810
	Net finance expenses					(289,911,312)
	Exchange gain					44,215,162

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. 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 2018. The Company adopted the Zimbabwe Consumer Price Index as the general price index to restate transactions 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 and the comparative period. All items in the Statement of Cashflows are expressed based on the restated financial information for the period.

The Company applied the Zimbabwe Consumer Price Index (CPI) as the general price index and used the monthly indices to inflation adjust the historical cost figures. Below are the factor used in the period under review

	Month	Factor
Dec-20	2,474.50	5.53
Dec-21	3,977.46	3.44
Dec-22	13,672.91	1.00

		Inflation Adjusted		Historical Cost	
		2022 ZWL\$	2021 ZWL\$	2022 ZWL\$	2021 ZWL\$
5. 5.1 5.2	Significant transactions Additions to property,plant and equipment Deferred Tax liability	1,208,276,139 3,968,609,397	2,095,443,299 2,153,952,031	639,774,311 2,961,773,455	466,163,714 66,727,100
6	Earnings per share Profit for the year	96,526,062	333,112,692	579,794,287	113,777,791
	Number of shares used in calc	ulating earnings per	share		
	Shares in issue Weighted average number of shares in issue	576,000,000 576,000,000	576,000,000 576,000,000	576,000,000 576,000,000	576,000,000 576,000,000

Basic earnings per share

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.

Headline earnings per share

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 year.

Headline earnings is calculated	l as follows:
Profit for the year attributable	

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	to ordinary equity holders	96,526,062	333,112,692	579,794,287	113,777,791
	Loss/(profit) on disposal of prop	erty,			
	plant and equipment	85,746,103	(3,519,548)	(35,795,421)	(636,962)
	Fair value gain on equities	35,377,511	(43,229,613)	(4,704,222)	(14,036,971)
	Headline profit	217,649,676	286,363,531	539,294,643	99,103,858
6.1	Basic earnings per share - cents	16,76	57,83	100,66	19,75
6.2	Diluted earnings per share - cen	ts 16,76	57,83	100,66	19,75
6.3	Headline earnings per share - ce	nts 37,79	49,72	93,63	17,21
7	Borrowings				
	FBC Bank Limited:				
	Long term portion	23,853,391	369,362,893	23,853,391	107,447,936
	Short term portion of long term				
	borrowings	131,887,962	229,090,324	131,887,962	66,642,543
		155,741,353	598,453,217	155,741,353	174,090,479
	The FBC Bank Limited borrowin	g was obtained at the	prevailing interest ra	te per annum and is	s repayable over

BUSINESS SEGMENT REPORT

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 includes commercial free-to-air radio stations and television channel. The corporate segment comprises Head Office administrative operations

Historical Cost	Commercial Printing 2022 ZWL\$	Newspapers	Broadcasting	Corporate	Consolidated
		2022 ZWL\$	2022 ZWL\$	2022 ZWL\$	2022 ZWL\$
External revenue	2,525,423,532	8,038,814,882	2,690,815,038		13,255,053,452
Results Segment profit/ (loss) Net finance expenses Exchange gain Income tax expense Profit for the period	337,283,748	1,201,932,547	(324,787,985)	39,219,180	1,253,647,490 (480,571,318) 51,490,092 (244,771,977) 579,794,287
As at 31 December 2022	reportable segmen	t assets and liabi	ities		

Segment assets	4,893,901,343	10,248,752,524	1,346,863,509	120,216,523	16,609,733,899
Current Assets	973,391,955	1,710,141,685	857,317,600	77,687,681	3,618,538,921
Non current Assets	3,920,509,388	8,538,610,839	489,545,909	42,528,842	12,991,194,978
Segment liabilities	600,357,686	1,913,420,747	762,179,845	509,094,234	3,785,052,512
Current liabilities	594,718,797	1,913,420,747	743,965,343	509,094,234	3,761,199,121
Non current liabilities	5,638,889	-	18,214,502	-	23,853,391
Deferred tax liability	-	-	-	-	2,961,773,455

Monetary loss
Income tax expense
Profit for the neriod

As at 31 December 2021 reportable segment assets and liabilities

Segment assets Current Assets Non current Assets	2,949,336,426 1,113,162,499 1,836,173,927	8,074,225,948 1,082,399,386 6,991,826,562	1,885,904,181 400,631,192 1,485,272,989	335,849,045 85,176,190 250,672,855	13,245,315,600 2,681,369,267 10,563,946,333
Segment liabilities	385,770,517	1,462,734,087	755,230,559	334,998,789	2,938,733,952
Current liabilities	323,810,405	1,436,896,703	500,626,720	308,037,231	2,569,371,059
Non current liabilities	61,960,112	25,837,384	254,603,839	26,961,558	369,362,893
Deferred tax liability		-	-	-	2,153,952,031

NOTES TO THE AUDITED CONDENSED FINANCIAL STATEMENTS for the year ended 31 December 2022

General informatior

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.

2. Currency

The Company's functional and presentation currency is the Zimbabwean dollar ("ZWL\$") effective 1 January 2018.

3. Basis of preparation

The company's financial statements for the year ended 31 December 2022 have been prepared in accordance with the Zimbabwe Stock Exchange listing requirements and the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31). The inflation adjusted financial statements have been prepared based on 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.

3 years. The loan is secured by land and building with a carrying amount of \$5,052 billion.

333,112,692 Trade and other pavables 8

(313,984,019)

(161,784,949)

Trade	749,721,835	309,605,934	749,721,835	90,064,593
Accruals	1,796,533,221	1,547,599,558	1,796,533,221	432,289,144
Tax related payables	551,962,891	81,567,392	551,962,891	23,728,014
	3,098,217,948	1,938,772,884	3,098,217,948	546,081,751

9 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 profitability.



Directors: Mr. T. A. G. Sithole (Chairman), Ms T. Chibvongodze, Mr T. Chiweshe, Mr P. Deketeke (CEO)*, Ms E. Dube, Mrs S. Madzikanda, Mr F Matanhire (CFO)*, Dr A. J V. Maunganidze, Mr L. Mhango, Mr C Mukwasi, Mrs R. Nyahwa, Mrs M. A Ziyambi (*Executive)



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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Zimbabwe Newspapers 1980 Limited ("Zimpapers")

Report on the Audit of the Inflation Adjusted Consolidated Financial Statements

Opinion

We have audited the inflation adjusted consolidated financial statements of Zimbabwe Newspapers 1980 Limited ("Zimpapers") and its divisions which comprise the inflation adjusted consolidated statement of financial position as at 31 December 2022, the inflation adjusted consolidated statement of profit or loss and other comprehensive income, inflation adjusted consolidated statement of changes in equity, inflation adjusted consolidated statement of significant accounting policies and other explanatory notes to the financial statements.

In our opinion, the consolidated inflation adjusted financial statements fairly presents the inflation adjusted consolidated statement of financial position as at 31 December 2022, and its financial performance and cashflows for the year ended in accordance with the International Financial Reporting Standards (IFRS) and in the manner required by Zimbabwe Newspapers 1980 Limited ("Zimpapers") accounting policies.

Basis for Opinion

We conducted our audit in accordance with International Standards (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the organisation in accordance with the International Ethics Standards Board for Accountants Code of Ethics Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Zimbabwe. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Zimbabwe. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

ADVISORY • AUDIT • TAX • ACCOUNTING

Baker Tilly Chartered Accountants trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

Emphasis of Matter

Ownership of Radio Licences for Capitalk and Nyaminyami

We draw attention to the notes of the inflation adjusted financial statements which brings to attention of users of financial statements that the radio licences for Capitalk and Nyaminyami were awarded to Kingstons by the Broadcasting Authority of Zimbabwe. Zimpapers is managing the radio stations on behalf of Kingstons under a management agreement. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the Directors Report Chairman's Report, Chief Executive Officer's Report and the Corporate Governance Report. Other information does not include the inflation adjusted financial statements and our auditor's report thereon.

Our opinion on the inflation adjusted financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the inflation adjusted financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the inflation adjusted financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement on this other information, we are required to report that fact. We have nothing to report in this regard.

Auditor's Responsibilities for the Audit of the Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the planning and performance of the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our

conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the inflation adjusted consolidated financial statements, including the disclosures, and whether the inflation adjusted consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the inflation adjusted consolidated financial statements.

We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for the audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be brought to bear on our independence, and where applicable related safeguards.

From the matters communicated with the Directors, we determine those matters that were significant in the audit of the inflation adjusted financial statements of the current period and therefore the key audit matters. We describe those matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the Independent Auditor's report is Courage Matsa

Report on Other Legal and Regulatory Requirements

Companies and Other Business Entities Act (Chapter 24:31)

In our opinion, the accompanying inflation adjusted financial statements have in all material respects, been properly prepared in compliance with the disclosure requirements of and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31).

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Partner: Courage Matsa PAAB Practising Number: 0607 Baker Tilly Chartered Accountants (Zimbabwe) Harare Date: