



ZIMBABWE NEWSPAPERS (1980) LIMITED

REVIEWED CONDENSED FINANCIAL RESULTS

FOR THE HALF YEAR ENDED 30 JUNE 2023

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

FINANCIAL HIGHLIGHTS

For the half year ended 30 June 2023



GROUP REVENUE

Up by 59%
to ZWL\$40.7 billion

NEWSPAPER DIVISION REVENUE

Up by 38%
to ZWL\$23.6 billion

BROADCASTING DIVISION REVENUE

Up by 116%
to ZWL\$8.2 billion

COMMERCIAL DIVISION REVENUE

Up by 89%
to ZWL\$6.9 billion

CHAIRMAN'S STATEMENT



1.0 Operations review

1.1 Operating environment

The global economy remained under inflationary pressures as geopolitical tensions and liquidity challenges continued to affect the performance of major economies during the period under review. In comparison with global trends, Zimbabwean inflation remained relatively high at 175.8% year on year for the month of June 2023 compared to 70.0% for the same period in the comparable period in prior year. Month on month inflation for June 2023 surged to 74.5% as the local currency was under pressure from incessant price increases that significantly devalued it. The average local currency exchange rate moved by about 735% from beginning of the year to close the month of June at 5,739.80.

To stabilise the local currency, the Government of Zimbabwe introduced gold backed tokens in May 2023, over and above the physical tokens that were introduced in 2022 as a store of value. In addition, the Wholesale Foreign Currency Auction system was introduced in June 2023. Furthermore, companies were required to pay 50% of their taxes in local currency. These measures amongst others have seen the local currency stabilising.

1.2 Media environment

The media environment generally remained stable, with gains in digital and radio audiences making up for the stagnant growth experienced by printed newspapers. We still have a fairly large number of people who still prefer the printed copies and this is giving good value to advertisers.

The younger audiences, consistent with the current global trends, are using digital platforms where they consume their preferred content at their convenience.

There is increased competition in the television market after a fourth Zimbabwean television station was launched on the same Multichoice platform which carries Zimpapers Television

Network (ZTN). This has intensified competition for the advertising revenue. We continue to improve the quality of content on ZTN Prime, which is connecting well with audiences.

Despite the increased competition, the latest Zimbabwe All Media & Products Survey report shows that our newspapers are the most read whilst our radio stations are dominating the urban markets. ZTN has also increased its reach.

We are conscious of the global media landscape, where there is a significant shift towards digital platforms and online streaming services, leading to an increase in on-demand content consumption. As a diversified media company, we are adapting to these changing trends and have invested in digital platforms to reach a wider audience. We have set up fully fledged digital teams in newspaper, radio and television units, which are driving our digital growth.

We have also worked to optimise our websites and applications for mobile devices to ensure a seamless user experience.

1.3 Digital Media

The company continues to leverage on its strong media industry brand recognition and digitally fact checked compelling content creation capabilities to attract new and retain loyal customers in the digital space. This content and indeed much more is available on all the mainstream digital platforms for all our editorial titles.

The company's broadcasting division has also positioned itself quite conveniently for the customers through investing in the latest and digitally sustainable software and hardware tools that make it easy to curate digital content for its digitally savvy customers.

Consequently, the Group's online digital media audience increased by 17% from 7.6 million followers and website visitors to 8.4 million. Furthermore, the company also invested in the latest protection and performance firewalls to ensure that its systems would not be compromised, and customer data remains protected according to the "Data Protection Act".

2.0 Financial Performance

2.1 Overview

In compliance with the requirements of International Reporting in Hyper Inflated Economies (IAS 29), the company's primary set of financial statements are the restated numbers. As a result, this commentary was based on hyper inflated numbers with the historical numbers being offered just for information.

The revenue for the company increased by 59% to ZWL\$40.7 billion during the period under review when compared to ZWL\$25.6 billion for the same period last year. The growth in revenue was recorded by all the strategic business units of the company.

Owing to a high cost of sales base arising from raw material and labour increases due to the inflationary pressures, gross profit margin declined to 56% compared to 69% for the same period last year. Relatedly, overheads as a percentage of sales increased to 61% compared to 54% for 2022. Due to these cost increases, the business recorded a loss before interest and monetary adjustments of ZWL\$1.3 billion compared to a profit of ZWL\$4.0 billion for the same period last year.

Interest costs remained relatively high owing to the high cost of borrowing in local currency as the business largely traded in Zimbabwean dollars during the period under review. A monetary gain of ZWL\$944 million was recorded that mitigated the loss before tax to ZWL\$1.0 billion compared to a profit of ZWL\$1.4 billion recorded in 2022 comparative period.

2.2 Newspaper Division

The Newspaper Division recorded 38% revenue growth to ZWL\$23.6 billion compared to ZWL\$17.1 billion for same period last year. Owing to a high-cost base arising from the inflationary pressures and low volume performance, the business recorded a profit margin of 2% compared to 23% for the same period last year. Resultantly, net profit before interest, exchange, and monetary adjustments of ZWL\$439.0 million was recorded compared to ZWL\$3.9 billion for last year.

2.3 Commercial Printing Division

The Commercial Printing Division recorded a strong revenue growth of 116% to ZWL\$8.2 billion compared to ZWL\$3.8 billion for the comparable period for 2022. The growth was mainly driven by cartons and general jobs' volumes that improved during the period under review. Despite the significant revenue growth, raw materials, repairs and maintenance costs increased by a significant margin resulting in the business recording a modest profit margin of

2% compared to 10% for 2022.

2.4 Broadcasting Division

The Radio Broadcasting Division's revenue improved by 85% to ZWL\$8.9 billion compared to ZWL\$4.8 billion for the same period last year. The Radio broadcasting division's operating profit before interest, exchange gain or losses and monetary adjustments of ZWL508.4 million was weighed down by the losses from the start up television broadcasting segment. We are confident that the ZTN channel will turn around the corner in the near future and start positively to contribute to the division's profitability as the channel is gaining popularity and building a strong audience base.

3.0 Corporate Governance

The Board of Directors and Management remain committed to high standards of good corporate governance. The Board and its established four Sub Committees of Audit and Risk, Business Development and Marketing, Human Resources, Ethics and Remuneration Committees, met virtually on two occasions during the period under review to assess operations and the adequacy of systems and procedures that safeguard the Company's assets.

4.0 Corporate Social Investment

This remains one of the company's focal points for sustainable development. Improving lives in our communities remains very critical for the company underpinned by its corporate social responsibility policy. The company continued its prestigious mentorship programmes to nurture talent and raise future media practitioners through the Zimpapers Junior Media Club.

The company continued to support less privileged students by sustaining its bursary scheme. Furthermore, health remains a critical pillar as the company continued to pursue advocacy for cancer, mental health and other health related matters to ensure a health-conscious society.

5.0 Dividend

In view of the challenging operating environment and the loss recorded for the period under review, the Board resolved not to declare an interim dividend for the half year to 30 June 2023.

6.0 Outlook

The outlook for the remainder of the year is uncertain as there are risks on currency stabilisation and liquidity constraints that affected business in the first half of the year. The business will, however, capitalise on any opportunities that will arise from the measures that were put in place by the Government to stabilise the local currency and grow the economy. Performance for the second half of the year is expected to be better than the first half as the second half is the peak period for the business. The company will continue to strengthen its product offering by improving performance of its new and old products to give better profit margins.

7.0 Directorate

There were no directorship changes during the period under review.

8.0 Appreciation

My appreciation goes to my fellow Board members, the staff, customers, and all esteemed stakeholders for their continued support.

T. A.G. Sithole
Board Chairman

DIRECTORS' RESPONSIBILITY STATEMENT

The directors are required by the Companies and Other 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.

AUDITOR'S STATEMENT

The abridged inflation adjusted interim financial results for the six months ended 30 June 2023 have been reviewed by Messrs Baker Tilly Chartered Accountants (Zimbabwe) and an unmodified review conclusion issued thereon. The auditor's review report is available for inspection at the Company's registered office. The audit partner responsible for the review was Courage Matsa, PAAB number 0607.

BakerTilly
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.

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. Following the promulgation of Statutory Instrument (SI) 27 of 2023 on the 3rd March 2023 which brought into being the blended inflation rate, the Consumer Price Index (CPI) from the 1st February 2023 to June 2023 was estimated using the Total Consumption Poverty Line TCPL) published by the Zimbabwe National Statistics Agency. TCPL was considered to be positively correlated to the local currency CPI, hence its adoption. To that effect, the indices and conversion factors used were as follows:

Month	CPI	Factor
Jun-22	8,707.35	4.905
Dec-22	13,672.91	3.124
Jun-23	42,710.71	1.000

Reviewed Condensed Statement of Profit or Loss and Other Comprehensive Income for the half year ended 30 June 2023

	Inflation Adjusted		Historical Cost	
	Reviewed Jun-23 ZWL\$	Reviewed Jun-22 ZWL\$	Reviewed Jun-23 ZWL\$	Reviewed Jun-22 ZWL\$
Revenue	40,716,905,884	25,618,152,289	20,709,286,469	3,600,524,903
Gross profit	22,611,652,627	17,615,033,096	11,824,365,924	2,508,389,740
Other operating income	970,247,086	300,260,445	562,224,725	32,324,962
Operating expenses	(24,915,428,882)	(13,888,971,028)	(12,915,498,952)	(1,928,551,189)
Selling & distribution expenses	(3,998,663,737)	(2,890,793,053)	(2,075,024,617)	(417,468,365)
Administration expenses	(20,916,765,145)	(10,998,177,975)	(10,840,474,335)	(1,511,082,824)
(Loss)/Profit from operations before financing cost and monetary adjustments	(1,333,529,169)	4,026,322,513	(528,908,303)	612,163,513
Net financing cost	(797,363,852)	(501,890,070)	(298,024,270)	(65,977,102)
Exchange gain/(loss)	72,156,443	(385,477,882)	(156,908,013)	(54,612,338)
Monetary gain/(loss)	944,464,852	(1,730,904,481)	-	-
(Loss)/Profit before tax	(1,114,271,726)	1,408,050,080	(983,840,586)	491,574,073
Tax (expense) / credit	(168,861,513)	(1,077,300,238)	58,030,833	(164,580,144)
(Loss)/Profit after tax	(1,283,133,239)	330,749,842	(925,809,753)	326,993,929
Other Comprehensive income				
Gain on property revaluation net of tax	-	-	-	-
Total Other Comprehensive income	-	-	-	-
Total comprehensive (loss)/income for the year	(1,283,133,239)	330,749,842	(925,809,753)	326,993,929
Number of shares in issue(000s)	576,000	576,000	576,000	576,000
Basic (loss)/earnings per share (cents)	(222.77)	57.42	(160.73)	56.77
Diluted (loss)/earnings per share (cents)	(222.77)	57.42	(160.73)	56.77
Headline (loss)/earnings per share (cents)	(238.39)	49.99	(184.12)	54.41

Condensed Statement of Financial Position as at 30 June 2023

		Reviewed Jun-23 ZWL\$	Audited Dec-22 ZWL\$	Reviewed Jun-23 ZWL\$	Audited Dec-22 ZWL\$
ASSETS	Notes				
Non-current assets					
Property, plant and equipment		54,743,691,619	55,271,082,877	13,462,689,775	12,987,937,044
Intangible asset		3,580,538	12,582,784	23,256	26,163
Long term investment		3,231,771	10,095,238	3,231,771	3,231,771
		<u>54,750,503,928</u>	<u>55,293,760,899</u>	<u>13,465,944,802</u>	<u>12,991,194,978</u>
Current assets					
Inventories		896,904,791	1,277,504,187	860,238,936	392,246,532
Trade and other receivables		12,300,157,017	8,857,160,569	11,536,491,793	2,766,867,743
Financial assets at fair value through profit and loss		154,566,343	66,058,974	154,566,343	21,147,345
Tax refundable		-	-	-	-
Bank and cash		3,099,937,151	1,369,067,781	3,099,937,151	438,277,301
		<u>16,451,565,302</u>	<u>11,569,791,511</u>	<u>15,651,234,223</u>	<u>3,618,538,921</u>
Total assets		71,202,069,230	66,863,552,410	29,117,179,025	16,609,733,899
EQUITY AND LIABILITIES					
Equity and reserves					
Share capital		27,702,033	27,702,033	57,600	57,600
Accumulated loss		12,477,055,831	13,760,189,070	(129,749,649)	796,060,104
Revaluation reserve		28,855,176,516	28,855,176,516	9,066,790,228	9,066,790,228
		<u>41,359,934,380</u>	<u>42,643,067,619</u>	<u>8,937,098,179</u>	<u>9,862,907,932</u>
Non-current liabilities					
Long term borrowings	7	23,853,391	74,511,980	23,853,391	23,853,391
Deferred tax		12,458,111,821	12,396,935,114	2,796,057,817	2,961,773,455
		<u>12,481,965,212</u>	<u>12,471,447,094</u>	<u>2,819,911,208</u>	<u>2,985,626,846</u>
Current liabilities					
Trade and other payables	8	16,571,736,137	9,678,051,684	16,571,736,137	3,098,217,948
Short term borrowings	7	118,402,973	411,984,739	118,402,973	131,887,962
Bank overdraft		420,317,605	1,215,341,249	420,317,605	389,065,092
Tax payable		249,712,923	443,660,025	249,712,923	142,028,119
		<u>17,360,169,638</u>	<u>11,749,037,697</u>	<u>17,360,169,638</u>	<u>3,761,199,121</u>
Total liabilities		29,842,134,850	24,220,484,791	20,180,080,846	6,746,825,967
Total equity and liabilities		71,202,069,230	66,863,552,410	29,117,179,025	16,609,733,899



ZIMBABWE NEWSPAPERS (1980) LIMITED

REVIEWED CONDENSED FINANCIAL RESULTS

FOR THE HALF YEAR ENDED 30 JUNE 2023

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

Abridged Statement of Cash flows

for the half year ended 30 June 2023

	Reviewed Jun-23 ZWLS	Reviewed Jun-22 ZWLS	Reviewed Jun-23 ZWLS	Reviewed Jun-22 ZWLS
Net cash inflows from operations	5,241,692,395	3,162,248,190	3,625,993,357	237,528,527
Net cash outflows from investing activities	(1,569,210,494)	(784,065,759)	(682,481,026)	(104,345,418)
Net cash outflows from financing activities	(1,146,588,887)	(1,741,093,571)	(313,104,996)	(111,369,179)
Net increase in cash and cash equivalents	2,525,893,014	637,088,860	2,630,407,335	21,813,930
Cash and cash equivalents at the beginning of the year	153,726,532	(975,850,566)	49,212,209	(90,876,619)
Cash and cash equivalents at end of the period	2,679,619,546	(338,761,706)	2,679,619,544	(69,062,689)

Condensed Statement of Changes in Equity

for the half year ended 30 June 2023

Historical cost					
	Share capital ZWLS	Revaluation reserve ZWLS	Non distributable reserve ZWLS	Retained profit/ (loss) ZWLS	Total ZWLS
Balance as at 31 December, 2022	57,600	9,066,790,228	-	796,060,104	9,862,907,932
Total comprehensive income for the period	-	-	-	(925,809,753)	(925,809,753)
Balance as at 30 June, 2023	57,600	9,066,790,228	-	(129,749,649)	8,937,098,179

Inflation adjusted					
	Share capital ZWLS	Revaluation reserve ZWLS	Non distributable reserve ZWLS	Retained (loss)/ profit ZWLS	Total ZWLS
Balance as at 31 December, 2022	27,702,033	28,855,176,516	-	13,760,189,070	42,643,067,619
Total comprehensive loss for the period	-	-	-	(1,283,133,239)	(1,283,133,239)
Balance as at 30 June, 2023	27,702,033	28,855,176,516	-	12,477,055,831	41,359,934,380

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

Historical cost					
	Commercial Printing Jun-23 ZWLS	Newspapers Jun-23 ZWLS	Broadcasting Jun-23 ZWLS	Corporate Jun-23 ZWLS	Consolidated Jun-23 ZWLS
External revenue	4,563,291,913	11,530,145,156	4,615,849,400	-	20,709,286,469
Results					
Segment profit/ (loss)	383,924,620	(113,731,553)	(893,898,661)	94,797,291	(528,908,303)
Net finance expenses					(298,024,270)
Exchange loss					(156,908,013)
Income tax expense					58,030,833
Loss for the period					(925,809,753)

As at 30 June 2023 reportable segment assets and liabilities

	Commercial Printing Jun-23 ZWLS	Newspapers Jun-23 ZWLS	Broadcasting Jun-23 ZWLS	Corporate Jun-23 ZWLS	Consolidated Jun-23 ZWLS
Segment assets	9,273,915,424	15,112,252,000	4,407,978,864	323,032,737	29,117,179,025
Current Assets	5,361,446,705	6,483,353,119	3,545,274,828	261,159,571	15,651,234,223
Non current Assets	3,912,468,719	8,628,898,881	862,704,036	61,873,166	13,465,944,802
Segment liabilities	3,576,957,425	9,240,240,050	2,706,544,868	1,860,280,686	17,384,023,029
Current liabilities	3,571,318,536	9,240,240,050	2,688,330,366	1,860,280,686	17,360,169,638
Non current liabilities	5,638,889	-	18,214,502	-	23,853,391
Deferred tax liability	-	-	-	-	2,796,057,817
Inflation adjusted					
	Commercial Printing Jun-23 ZWLS	Newspapers Jun-23 ZWLS	Broadcasting Jun-23 ZWLS	Corporate Jun-23 ZWLS	Consolidated Jun-23 ZWLS
External revenue	8,126,617,336	23,644,819,716	8,945,468,832	-	40,716,905,884
Results					
Segment profit/ (loss)	156,501,940	438,961,694	(2,029,273,468)	100,280,665	(1,333,529,169)
Net finance expenses					(797,363,852)
Exchange gain					72,156,443
Monetary loss					944,464,852
Income tax expense					(168,861,513)
Loss for the period					(1,283,133,239)

As at 30 June 2023 reportable segment assets and liabilities

Inflation adjusted	Commercial Printing Jun-23 ZWLS	Newspapers Jun-23 ZWLS	Broadcasting Jun-23 ZWLS	Corporate Jun-23 ZWLS	Consolidated Jun-23 ZWLS
Segment assets	18,601,547,420	41,728,670,806	9,970,004,723	901,846,281	71,202,069,230
Current Assets	5,635,606,069	6,814,881,542	3,726,563,638	274,514,053	16,451,565,302
Non current Assets	12,965,941,351	34,913,789,264	6,243,441,085	627,332,228	54,750,503,928
Segment liabilities	3,576,957,425	9,240,240,050	2,706,544,868	1,860,280,686	17,384,023,029
Current liabilities	3,571,318,536	9,240,240,050	2,688,330,366	1,860,280,686	17,360,169,638
Non current liabilities	5,638,889	-	18,214,502	-	23,853,391
Deferred tax liability	-	-	-	-	12,458,111,821
Historical cost					

As at 30 June 2022 reportable segment assets and liabilities

	Commercial Printing Jun-22 ZWLS	Newspapers Jun-22 ZWLS	Broadcasting Jun-22 ZWLS	Corporate Jun-22 ZWLS	Consolidated Jun-22 ZWLS
External revenue	497,984,111	2,443,534,086	659,006,706	-	3,600,524,903
Results					
Segment profit / (loss)	51,945,578	619,648,827	(94,366,592)	34,935,700	612,163,513
Net finance expenses					(65,977,102)
Exchange loss					(54,612,338)
Gain on revaluation					-
Income tax expense					(164,580,144)
Profit for the period					326,993,929

As at 30 June 2022 reportable segment assets and liabilities

	Commercial Printing Jun-22 ZWLS	Newspapers Jun-22 ZWLS	Broadcasting Jun-22 ZWLS	Corporate Jun-22 ZWLS	Consolidated Jun-22 ZWLS
Segment assets	332,541,542	1,376,948,731	702,459,506	110,758,676	2,522,708,455
Current Assets	227,550,325	938,015,891	408,872,316	62,298,558	1,636,737,090
Non current Assets	104,991,217	438,932,840	293,587,190	48,460,118	885,971,365
Segment liabilities	172,485,484	786,276,258	422,207,490	249,196,988	1,630,166,220
Current liabilities	163,297,605	786,276,258	357,757,423	244,491,106	1,561,822,392
Non current liabilities	9,187,879	-	64,450,067	4,705,882	78,343,828
Deferred tax liability	-	-	-	-	62,304,440

Inflation adjusted	Commercial Printing Jun-22 ZWLS	Newspapers Jun-22 ZWLS	Broadcasting Jun-22 ZWLS	Corporate Jun-22 ZWLS	Consolidated Jun-22 ZWLS
External revenue	3,752,040,518	17,092,041,471	4,774,070,300	-	25,618,152,289
Results					
Segment profit / (loss)	379,864,374	3,989,436,223	(564,222,274)	221,244,190	4,026,322,513
Net finance expenses	10%	23%	-12%		(501,890,070)
Exchange loss					(385,477,882)
Monetary loss					(1,730,904,481)
Income tax expense					(1,077,300,238)
Profit for the period					330,749,842

As at 30 June 2022 reportable segment assets and liabilities

	Commercial Printing Jun-22 ZWLS	Newspapers Jun-22 ZWLS	Broadcasting Jun-22 ZWLS	Corporate Jun-22 ZWLS	Consolidated Jun-22 ZWLS
Segment assets	2,734,044,262	25,783,680,471	7,001,122,937	970,376,530	36,489,224,199
Current Assets	1,179,082,782	4,856,291,050	2,118,627,197	326,973,532	8,480,974,560
Non current Assets	1,554,961,480	20,927,389,421	4,882,495,739	643,402,998	28,008,249,639
Segment liabilities	846,064,315	3,856,789,966	2,070,984,078	1,222,344,479	7,996,182,839
Current liabilities	800,996,543	3,856,789,966	1,754,847,899	1,199,261,500	7,611,895,908
Non current liabilities	45,067,773	0	316,136,179	23,082,979	384,286,931
Deferred tax liability	-	-	-	-	6,976,721,982

Notes to the Condensed Interim Financial Statements

for the half year ended 30 June 2023

- 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.
- Currency**
The Company's functional and presentation currency is the Zimbabwean dollar ("ZWLS")
- Basis of preparation**
The Company's financial statements for the half year ended 30 June 2023 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 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.
- 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 reporting period, the Company has adopted IAS 29 (Financial Reporting in Hyperinflationary Economies).
 - Adoption of IAS 29 (Financial Reporting in Hyperinflationary Economies)

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. Following the promulgation of Statutory Instrument (SI) 27 of 2023 on the 3rd March 2023 which brought into being the blended inflation rate, the Consumer Price Index (CPI) from the 1st February 2023 to June 2023 was estimated using the Total Consumption Poverty Line TCPL) published by the Zimbabwe National Statistics Agency. TCPL was considered to be positively correlated to the local currency CPI, hence its adoption. To that effect, the indices and conversion factors used were as follows:

Month	CPI	Factor
Jun-22	8,707.35	4.905
Dec-22	13,672.91	3.124
Jun-23	42,710.71	1.000

	Inflation Adjusted		Historical Cost	
	Jun-23 ZWLS	Jun-22 ZWLS	Jun-23 ZWLS	Jun-22 ZWLS
5. Significant transactions				
5.1 Additions to property,plant and equipment	1,574,193,632	726,844,204	684,076,763	105,868,551
5.2 Deferred Tax liability	12,458,111,821	6,976,721,982	2,796,057,817	62,304,440
6 Earnings per share				
(Loss)/Profit for the period	(1,283,133,239)	330,749,842	(925,809,753)	326,993,929
Number of shares used in calculating earnings per share				
Shares in issue	576,000,000	576,000,000	576,000,000	576,000,000
Weighted average number of shares in issue	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 as follows:				
(Loss)/Profit for the year attributable to ordinary equity holders	(1,283,133,239)	330,749,842	(925,809,753)	326,993,929
(Profit)/ loss on disposal of property, plant and equipment	(1,471,430)	(7,217,560)	(1,299,747)	(1,299,747)
Fair value loss/ (gain) on equities	(88,507,369)	(35,594,253)	(133,418,998)	(12,297,206)
Headline (loss)/profit	(1,373,112,038)	287,938,029	(1,060,528,498)	313,396,976
6.1 Basic (loss)/earnings per share - cents	(222.77)	57.42	(160.73)	56.77
6.2 Diluted (loss)/earnings per share - cents	(222.77)	57.42	(160.73)	56.77
6.3 Headline (loss)/earnings per share - cents	(238.39)	49.99	(184.12)	54.41
7 Borrowings				
FBC Bank Limited:				
Long term portion	23,853,391	74,511,980	23,853,391	23,853,391
Short term portion of long term borrowings	118,402,973	411,984,739	118,402,973	131,887,962
	142,256,364	486,496,719	142,256,364	155,741,353
The FBC Bank Limited borrowing was obtained at an interest rate of 90% per annum and is repayable over 3 years. The loan is secured by land and building with a carrying amount of ZWL\$5,052,000,000 and a Notarial General Covering Bond including cession of book debts.				
8 Trade and other payables				
Trade	173,823,266	2,341,941,978	173,823,266	749,721,835
Accruals	16,199,147,402	5,611,916,806	16,199,147,402	1,796,533,222
Tax related payables	198,765,469	1,724,192,900	198,765,469	551,962,891
	16,571,736,137	9,678,051,684	16,571,736,137	3,098,217,948



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 on review of the inflation adjusted consolidated interim financial information to the shareholders of Zimbabwe Newspapers 1980 Limited ("Zimpapers")

Introduction

We have reviewed the accompanying inflation adjusted abridged interim statement of financial position of Zimpapers as at 30 June 2023 and the interim inflation adjusted statement of profit or loss and other comprehensive income, interim inflation adjusted statement of changes in equity and interim inflation adjusted statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Directors are responsible for the preparation and fair presentation of these interim financial statements in accordance with International Financial Reporting Standards ("IFRS"). Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410 (Revised), "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these interim financial statements.

Directors' responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of these interim financial statements in accordance with International Accounting Standard 34- Interim Financial Reporting and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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Independent reviewer's responsibility

Our responsibility is to express a conclusion on these interim financial statements based on our review. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410 (Revised), "Review of Interim Financial Information Performed by the Independent Auditor of the Entity. ISRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework.

A review of financial statements in accordance with ISRE 2410 (Revised) is a limited assurance engagement and also requires us to comply with relevant ethical requirements. The independent reviewer performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the inflation adjusted financial position of the entity as at 30 June 2023, and of its financial performance and its cash flows for the six-month period then ended in accordance with International Accounting Standard 34- Interim Financial Reporting and the requirements of the Zimbabwe Stock Exchange Listing Regulations.

The engagement partner on the review engagement resulting in this independent review conclusion is Courage G. Matsa.



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

Date: 14 September 2023

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