

ZIMBABWE NEWSPAPERS (1980) LIMITED

AUDITED CONDENSED FINANCIAL RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2024

Digital & Publishing

Commercial Printing

RADIO

BoldAds

zTN

CHAIRPERSON'S STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2024



1. Operations review

1.1 Operating environment

The financial year under review posed significant operational challenges for the business, primarily due to liquidity pressures and exchange rate volatility. The monetary policy's focus on tightening liquidity to combat inflation further dampened overall market activity. Consequently, these prevailing market conditions led to a decline in the Company's overall business volumes during the reporting period.

1.2 Media environment

The media industry has seen transformative shifts mostly driven by digital advancements, changing consumer behaviour, and the proliferation of social media platforms. This continuous media environment evolution presents its own unique challenges and opportunities.

The challenges include an increased reliance on digital media for news consumption that has led to the expansion of social media as a primary news source. The media landscape has therefore witnessed the rise of citizen journalism and user generated content leading to challenges of misinformation and disinformation.

The Company exploited opportunities in the digital space and has long adapted to these new pattern shifts and is now a major player in the digital and social media space playing the role of provider of ethical journalism. While operating in the digital environment, it has remained focused on its commitment to factual reporting and verification of sources on all the media platforms. The Company continues to adhere to the highest journalism standards to ensure public trust and credibility while engaging with audiences through feedback and dialogue.

Despite all its broadcast assets performing strongly in the digital and social media space, the off-air broadcast environment has been quite divided in terms of audience performance and profitability. While radio commands very high audience volumes, presenting great opportunities for advertisers, the television side has however largely remained subdued. The television environment is negatively impacted by high regulatory and transmission costs compounded by visibility constraints due to very limited Digital Terrestrial Transmission (DTT) infrastructure. The Company's television is therefore on the Digital to Home (DTH) option of MultiChoice's DSTV platform Channel 294 for visibility across the country.

While operating in the volatile media environment, the Company's vision encompasses a commitment to innovation and ethical standards. It aspires to continue leading the industry in adopting cutting-edge technologies and to strengthen public trust through its transparent and accountable practices.

1.3 Digital Media

The Company has adopted a simple but very effective strategy of "digital and mobile first" for content distribution using the various digital platforms at its disposal. This strategy is informed by the 2024 Q3 Postal and Telecommunications Regulatory Authority of Zimbabwe (POTRAZ) report which showed that the mobile network sector recorded 1.84% increase in active mobile subscriptions from 14,834,345 to 15,116,302 resulting in the mobile penetration rate increasing from 96.76% to 98.60%. It also stated that the total number of active Internet/data subscriptions grew by 6.32% to reach 12,804,152 from 12,042,864. Internet penetration rate increased by 4.97 percentage points to reach 83.52% from 78.55% recorded in the second quarter.

This growth in mobile internet usage among Zimbabweans resulted in the shift towards online news portals and digital platforms. The Company leveraged on this and grew its digital footprint to 10.5 million from 8.9 million users and subscribers for the various mainstream digital and social media platforms compared to the same period previous reporting year. The Company also uses comprehensive analytics to understand audience preferences and behavior. Key statistics that shape its strategies include monthly digital engagement, year-over-year growth in online subscribers, audience demographics and psychographics and the usual metrics of reach and impressions on social media platforms.

Maintaining audience trust in the digital space requires stringent data protection and privacy measures. The Company's policies ensure compliance with both local and international data protection regulations as well as transparency in data usage and consent management.

2. 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 Company's inflation adjusted financial statement for the year ended 31 December 2024. In that regard, the primary set of financial statements for the company are the hyperinflated financials.

2.1 Overview

Revenues for the period decreased by 12% to ZWG640.2 million compared to ZWG726.4 million recorded in the prior comparable period. The gross profit margin decreased to 55% compared to 57% for the same period last year due to mixed fortunes from all the three divisions. As a result, a gross profit of ZWG354.1 million was recorded during the period under review. The loss from operations before financing costs was ZWG 15 million, compared to a profit of ZWG 14.3 million achieved in the prior year. The Company posted losses from exchange rate fluctuations of ZWG19.6 million mainly due to the September 2024 currency devaluation. This was also driven by limited foreign currency availability as the Company took long to pay its foreign creditors. As a result, the Company recorded a net loss before tax of ZWG48.4 million from the ZWG5.5 million loss reported in 2023. Management remains committed to cost management efforts and operational efficiencies aimed at improving operating profit margins, while looking for new opportunities to improve product offering and quality.

The Company's trade receivables at ZWG99.8 million were 60% above the same period last year. Management is enforcing various strategies to improve debt collections at the background of the liquidity pressures being experienced in the economy.

Cash generated from operations after changes in working capital increased by 7% to ZWG26 million compared to ZWG24.2 million for the prior year.

2.2 Newspaper Division

The Newspaper Division's total volumes were 15% below the comparable period due to subdued demand, major advertisers deferring their commitments, subscribers opting for e-copies and readers accessing news from other digital platforms. The Division recorded a 17% decline in revenue to ZWG352.8 million from ZWG425.7 million recorded for the year 2023. This resulted in an operating profit for the Division of ZWG8 million.

2.3 Commercial Printing Division

The Commercial Printing Division recorded a 5% revenue decline to ZWG132.1 million when compared to prior year. The war in the Middle East, as well as in Ukraine affected to some extent the supply chain of critical raw materials. This, coupled with inadequate electricity supply, disrupted productivity resulting in high cost of raw materials and overheads. The operating loss of the division went up from a loss of ZWG2.6 million to ZWG5.5 million.

2.4 Broadcasting Division

The Radio Broadcasting Division experienced a 4% decline in revenue, reaching ZWG155.4 million compared to ZWG161 million in 2023. However, the overall performance of the Broadcasting Division was further adversely affected by the poor performance of the television channel. Consequently, the Broadcasting Division's operating loss increased from ZWG19 million to ZWG20.1 million for the period under review. The Company continues to optimise costs and enhance its digital presence by leveraging online platforms and social media.

3. 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 and Remuneration, and Editorial Ethics and Sustainability, met on four occasions during the period under review to assess operations and the adequacy of systems and procedures that safeguard the Company's assets.

4. Sustainability

The Company made an informed decision to embrace sustainability reporting four years ago and currently has an active "Editorial Ethics and Sustainability" board committee that plays a crucial role in driving positive environmental, social and governance change while ensuring accountability within the company. The Company influences community environmental stewardship and fosters climate change awareness through its wide-reaching assets and platforms.

The Company adopted the latest version of the internationally accepted reporting framework, Global Reporting Initiatives (GRI) Sustainability Reporting Guidelines in compliance with Statutory Instrument 134 of 2019 that requires Zimbabwe Stock Exchange listed companies to include Corporate Governance, Financial Disclosure and Sustainability disclosure in their reports. The Company remains dedicated to achieving its sustainability objectives, focusing on reducing carbon emissions, managing natural resources efficiently, and minimising waste. This commitment is evident in the Company's strategic decisions, particularly its investments in sustainable energy solutions. Prioritising transparency in environmental, social, and governance (ESG) reporting, the Board actively monitors progress in aligning with the International Financial Reporting Standards (IFRS) S1—General Requirements for Disclosure of Sustainability-Related Financial Information and IFRS S2—Climate-Related Disclosures.

The Company's involvement in communities include, among other initiatives, ensuring media sustainability through mentoring students to appreciate the role of journalism by running Junior Media Clubs in schools across the country. The Company also pays school fees for a number of disadvantaged children from primary school to university. For nine consecutive years to date, the Company has invested in the Zimpapers Cancer Power Walk, an event aimed at raising vital funds towards cancer research and palliative care. To date, it has donated over US\$100,000.00 with each year's donation getting bigger as it forges more sustainable partnerships with corporates and individuals towards the cause.

5. Dividend

The Board resolved not to declare a dividend for the year ended 31 December 2024 in view of the challenging operating environment and the need to preserve working capital to support the business.

6. Outlook

Despite the adverse effects of the El Niño-induced drought on the economy, a positive Gross Domestic Product (GDP) growth of 6% is anticipated in 2025. Further recovery is expected, with forecasts predicting normal to above-normal rainfall. Against this backdrop, the business will capitalise on growth opportunities arising from the projected economic recovery. The performance for the upcoming year is expected to surpass that of the current trading year. Anchored by the Group's digital transformation strategy, the Company is actively implementing volume recovery initiatives and anticipates significant growth. The Company will further enhance its product portfolio by optimising the performance of both new and existing offerings to achieve improved profit margins.

7. Directorate

On the 9th of January 2024, several changes occurred within the Board. Mr. T Sithole, the former Board Chairman, along with Mr. T Chiweshe, Mr. L Mhango, Mrs. E Dube, Mrs. T. L Chibvongodze, Dr. A Maunganidze, Mr. C Mukwasi, and Mrs. A Ziyambi resigned following the expiration of their terms. In their place, Mrs. D Sibanda, Dr. G Machengete, Dr. A M Rusero, Mr. P Mbano, Ms. R Mangudya,

Eng. R Mushanawani, Mr. G Chisoko, and Mrs. P Mkandwa were appointed as new board members. I am honoured to have been given the opportunity to chair this new Board. I extend sincere appreciation to the previous Board for their work and wish them success in their future endeavours. Additionally, I warmly welcome the new board members to the Zimpapers family. With confidence, I believe the new Board will steer the ship in the right direction.

On the 21st of January 2025, Zimpapers' two Executive Directors, Chief Executive Officer, Mr. P Deketeke and the Chief Finance Officer Mr. F. Matanhire, together with the Chief Marketing Officer, Mr. T. Mandimutsira, proceeded on garden leave while serving their notices of employment. This followed the non-renewal of their 10-year contracts set to expire in 2025. The non-renewal is in accordance with good corporate governance practices which prescribe a maximum of 10 years' service for such executive posts.

In their place, the Executive Editor, Mr W. Chikoto, was appointed the Acting Chief Executive Officer and the Group Financial Controller, Mrs A. Kufakunesu, was appointed the Acting Chief Finance Officer. The Board acknowledges the dedication and commitment shown by the outgoing Executive Directors. Zimpapers wishes them success in their future endeavours.

8. Appreciation

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

Mrs D. Sibanda

Mrs D. Sibanda
Board Chairperson

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.

INDEPENDENT AUDITOR'S OPINION STATEMENT

The audited abridged inflation adjusted financial results should be read in conjunction with the complete set of financial statement of Zimbabwe Newspapers (1980) Limited ("Zimpapers") for the financial year ended 31 December 2024, which have been audited by Baker Tilly Chartered Accountants (Zimbabwe), signed by Fungai Nyagwaya, PAAB Practising certificate number 0477 and an unqualified opinion has been issued thereon.

The audit report includes an emphasis of matter paragraph relating to the fact that the radio licences for Capital FM and Nyaminyami FM were awarded to Kingstons Holdings Limited by the Broadcasting Authority of Zimbabwe and Zimpapers is operating the radio stations under a management agreement. The report also includes a key audit matter on IAS 21 - *The Effects of Changes in Foreign Exchange Rates* and IAS 29 - *Financial Reporting in Hyperinflationary Economies*.

The auditor's report on the 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.

Baker Tilly Chartered Accountants (Zimbabwe)

Date:/...../.....

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

ZIMBABWE NEWSPAPERS (1980) LIMITED

AUDITED CONDENSED FINANCIAL RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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ZIMBABWE NEWSPAPERS (1980) LIMITED
AUDITED CONDENSED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024
Audited Condensed Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2024

	Inflation Adjusted		Translated	
	Audited 2024 ZWG	Audited 2023 ZWG	Audited 2024 ZWG	Audited 2023 ZWG
Revenue	640,240,579	726,354,414	449,254,358	436,761,333
Gross profit	354,055,918	417,547,104	244,978,666	251,073,617
Other operating income	11,649,027	14,670,097	8,163,838	9,452,208
Operating expenses	(380,702,341)	(417,941,443)	(270,326,139)	(251,941,724)
Selling & distribution expenses	(65,948,935)	(70,371,682)	(48,570,892)	(42,314,921)
Administration expenses	(314,753,406)	(347,569,761)	(221,755,247)	(209,626,803)
(Loss)/Profit from operations before financing cost and monetary adjustments	(14,997,396)	14,275,758	(17,183,635)	8,584,101
Net financing cost	(3,135,876)	(7,770,058)	(2,112,400)	(4,672,183)
Exchange gain/(loss)	(19,648,967)	(1,712,478)	(13,579,823)	(1,029,724)
Monetary gain/(loss)	(10,666,946)	(10,249,565)	8,339,246	(6,163,126)
(Loss)/Profit before tax	(48,449,185)	(5,456,343)	(24,536,612)	(3,280,932)
Tax (expense) / credit	29,553,441	(4,415,513)	(2,650,576)	(2,655,075)
(Loss)/Profit after tax	(18,895,744)	(9,871,856)	(27,187,188)	(5,936,007)
Other Comprehensive income				
Gain on property revaluation net of tax	(46,462,001)	87,053,339	74,857,334	52,345,703
Total Other Comprehensive income	(46,462,001)	87,053,339	74,857,334	52,345,703
Total comprehensive (loss)/income for the year	(65,357,745)	77,181,483	47,670,146	46,409,696
Number of shares in issue(000s)	576,000	576,000	576,000	576,000
Basic (loss)/earnings per share (cents)	(3.28)	(1.71)	(4.72)	(1.03)
Diluted (loss)/earnings per share (cents)	(3.28)	(1.71)	(4.72)	(1.03)
Headline (loss)/earnings per share (cents)	(3.29)	(1.58)	(4.80)	(0.95)

ZIMBABWE NEWSPAPERS (1980) LIMITED
Condensed Statement of Financial Position
as at 31 December 2024

	Audited 2024 ZWG	Audited 2023 ZWG	Audited 2024 ZWG	Audited 2023 ZWG
ASSETS				
Non-current assets				
Property, plant and equipment	393,627,619	481,633,954	393,290,022	289,609,430
Intangible asset	25,400	50,690	25,400	30,480
Long term investment	8,449	8,449	8,449	8,449
	393,661,468	481,698,695	393,323,871	289,648,359
Current assets				
Inventories	9,754,604	17,475,146	9,409,026	10,507,912
Trade and other receivables	99,837,198	102,725,620	98,546,781	61,769,541
Financial assets at fair value through profit and loss	668,120	738,241	668,120	443,909
Tax refundable	295,780	-	295,780	-
Bank and cash	10,074,290	8,056,406	10,074,290	4,844,366
	120,629,992	128,995,413	118,993,997	77,565,728
Total assets	514,291,460	610,694,108	512,317,868	367,214,087
EQUITY AND LIABILITIES				
Equity and reserves				
Share capital	185,285	185,285	111,413	111,413
Accumulated loss	63,267,439	82,163,182	22,218,034	49,405,222
Revaluation reserve	233,589,215	280,051,216	243,253,836	168,396,502
	297,041,939	362,399,683	265,583,283	217,913,137
Non-current liabilities				
Long term borrowings	5,757,445	4,606,542	5,757,445	2,769,942
Deferred tax	63,878,428	112,351,709	93,363,490	67,557,767
	69,635,873	116,958,251	99,120,935	70,327,709
Current liabilities				
Trade and other payables	143,329,111	108,987,193	143,329,113	65,534,662
Short term borrowings	3,918,517	10,567,802	3,918,517	6,354,484
Bank overdraft	366,020	8,129,249	366,020	4,888,167
Tax payable	-	3,651,930	-	2,195,928
	147,613,648	131,336,174	147,613,650	78,973,241
Total liabilities	217,249,521	248,294,425	246,734,585	149,300,950
Total equity and liabilities	514,291,460	610,694,108	512,317,868	367,214,087

Abridged Statement of Cash flows
for the year ended 31 December 2024

	Audited 2024 ZWG	Audited 2023 ZWG	Audited 2024 ZWG	Audited 2023 ZWG
Net cash inflows from operations	25,963,529	24,198,667	17,340,860	14,550,605
Net cash outflows from investing activities	(7,518,619)	(29,416,723)	(6,021,778)	(17,688,454)
Net cash outflows from financing activities	(8,663,797)	4,117,013	(1,567,011)	2,475,585
Net increase in cash and cash equivalents	9,781,113	(1,101,043)	9,752,071	(662,064)
Cash and cash equivalents at the beginning of the year	(72,843)	1,028,200	(43,802)	618,262
Cash and cash equivalents at end of the period	9,708,270	(72,843)	9,708,269	(43,802)

ZIMBABWE NEWSPAPERS (1980) LIMITED
Condensed Statement of Changes in Equity
for the year ended 31 December 2024

Translated	Share capital ZWG	Revaluation reserve ZWG	Retained profit/ (loss) ZWG	Total ZWG
Balance as at 31 December, 2023	111,413	116,050,799	55,341,229	171,503,441
Total comprehensive income for the period	-	-	(5,936,007)	(5,936,007)
Revaluation surplus	-	69,534,674	-	69,534,674
Deferred tax on revaluation surplus	-	(17,188,971)	-	(17,188,971)
Dividend paid	-	-	-	-
Balance as at 31 December, 2023	111,413	168,396,502	49,405,222	217,913,137
Total comprehensive income for the period	-	-	(27,187,188)	(27,187,188)
Revaluation surplus	-	100,817,959	-	100,817,959
Deferred tax on revaluation surplus	-	(25,960,624)	-	(25,960,624)
Balance as at 31 December, 2024	111,413	243,253,836	22,218,034	265,583,283

Inflation adjusted

	Share capital ZWG	Revaluation reserve ZWG	Retained (loss)/ profit ZWG	Total ZWG
Balance as at 31 December, 2023	185,285	192,997,877	92,035,038	285,218,200
Total comprehensive loss for the period	-	-	(9,871,855)	(9,871,855)
Revaluation surplus	-	115,639,398	-	115,639,398
Deferred tax on revaluation surplus	-	(28,586,059)	-	(28,586,059)
Dividend paid	-	-	-	-
Balance as at 31 December, 2023	185,285	280,051,216	82,163,183	362,399,684
Total comprehensive income for the period	-	-	(18,895,744)	(18,895,744)
Revaluation surplus	-	(62,575,085)	-	(62,575,085)
Deferred tax on revaluation surplus	-	16,113,084	-	16,113,084
Dividend paid	-	-	-	-
Balance as at 31 December, 2024	185,285	233,589,215	63,267,439	297,041,939

ZIMBABWE NEWSPAPERS (1980) LIMITED
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.

Translated

	Commercial Printing 2024 ZWG	Newspapers 2024 ZWG	Broadcasting 2024 ZWG	Corporate 2024 ZWG	Consolidated 2024 ZWG
External revenue	92,904,629	242,257,729	114,092,000	-	449,254,358
Results					
Segment (loss)/profit	(4,793,999)	(1,357,578)	(12,395,139)	1,363,081	(17,183,635)
Net finance expenses					(2,112,400)
Exchange loss					(13,579,823)
Monetary gain					8,339,246
Income tax expense					(2,650,576)
Profit for the period					(27,187,188)

As at 31 December 2024 reportable segment assets and liabilities

Segment assets	166,171,106	258,518,208	80,773,268	6,855,286	512,317,868
Current Assets	33,085,854	46,053,289	36,791,948	3,062,906	118,993,997
Non current Assets	133,085,252	212,464,919	43,981,320	3,792,380	393,323,871
Segment liabilities	45,731,550	57,931,020	35,107,699	14,600,826	153,371,095
Current liabilities	40,967,330	57,931,020	34,114,474	14,600,826	147,613,650
Non current liabilities	4,764,220	-	993,225	-	5,757,445
Deferred tax liability	-	-	-	-	93,363,490

Inflation adjusted

	Commercial Printing 2024 ZWG	Newspapers 2024 ZWG	Broadcasting 2024 ZWG	Corporate 2024 ZWG	Consolidated 2024 ZWG
External revenue	132,105,727	352,776,865	155,357,987	-	640,240,579
Results					
Segment (loss)/profit	(5,542,127)	8,005,893	(20,085,784)	2,624,622	(14,997,396)
Net finance expenses					(3,135,876)
Exchange gain					(19,648,967)
Monetary loss					(10,666,946)
Income tax expense					29,553,441
Loss for the period					(18,895,744)

As at 31 December 2024 reportable segment assets and liabilities

Segment assets	166,625,989	259,230,763	81,536,011	6,898,697	514,291,460
Current Assets	33,540,737	46,686,455	37,297,783	3,105,017	120,629,992
Non current Assets	133,085,252	212,544,308	44,238,228	3,793,680	393,661,468
Segment liabilities	45,731,550	57,931,020	35,107,697	14,600,826	153,371,093
Current liabilities	40,967,330	57,931,020	34,114,472	14,600,826	147,613,648
Non current liabilities	4,764,220	-	993,225	-	5,757,445
Deferred tax liability	-	-	-	-	63,878,428

Translated

As at 31 December 2023 reportable segment assets and liabilities

	Commercial Printing 2023 ZWG	Newspapers 2023 ZWG	Broadcasting 2023 ZWG	Corporate 2023 ZWG	Consolidated 2023 ZWG
External revenue	83,958,237	255,970,398	96,832,698	-	436,761,333
Results					
Segment profit / (loss)	(1,560,550)	21,127,904	(11,420,022)	436,769	8,584,101
Net finance expenses					(4,672,183)
Exchange loss					(1,029,724)
Monetary loss					(6,163,126)
Gain on revaluation					52,345,703
Income tax expense					(2,655,075)
Profit for the period					46,409,696

As at 31 December 2023 reportable segment assets and liabilities

Segment assets	110,490,328	193,726,538	58,217,948	4,779,273	367,214,087
Current Assets	22,583,767	34,752,432	19,025,947	1,203,582	77,565,728
Non current Assets	87,906,561	158,974,106	39,192,001	3,575,691	289,648,359
Segment liabilities	21,433,637	34,990,203	16,676,720	8,642,623	81,743,183
Current liabilities	18,663,695	34,990,203	16,676,720	8,642,623	78,973,241
Non current liabilities	2,769,942	-	-	-	2,769,942
Deferred tax liability					67,557,767

Inflation adjusted

As at 31 December 2023 reportable segment assets and liabilities

	Commercial Printing 2023 ZWG	Newspapers 2023 ZWG	Broadcasting 2023 ZWG	Corporate 2023 ZWG	Consolidated 2023 ZWG
External revenue	139,626,459	425,690,674	161,037,281	-	726,354,414
Results					
Segment (loss)/ profit	(2,595,267)	35,136,687	(18,992,030)	726,367	14,275,758
Net finance expenses					(7,770,058)
Exchange loss					(1,712,478)

Monetary loss				(10,249,565)
Income tax expense				(4,415,513)
Profit for the period				(9,871,856)

As at 31 December 2023 reportable segment assets and liabilities

Segment assets	183,750,555	322,176,244	96,819,156	7,948,153	610,694,108
Current Assets	37,557,855	57,794,911	31,641,035	2,001,613	128,995,413
Non current Assets	146,192,700	264,381,334	65,178,121	5,946,540	481,698,695
Segment liabilities	35,645,135	58,190,336	27,734,161	14,373,084	135,942,716
Current liabilities	31,038,593	58,190,336	27,734,161	14,373,084	131,336,174
Non current liabilities	4,606,542	0	0	0	4,606,542
Deferred tax liability					112,351,709

Notes to the Audited Condensed Financial Statements for the year ended 31 December 2024

1. 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.

2. Reporting Currency

The Company's functional and presentation currency is the Zimbabwean Gold ("ZWG"). Following the Monetary Policy Statement of 5 April 2024, the Government of Zimbabwe issued a Statutory Instrument 60 of 2024 which formalised the Reserve Bank of Zimbabwe's introduction of a structured currency called Zimbabwe Gold (ZWG). Management used judgment to determine the currency that would represent and reflect the economic effects of the underlying transactions that are relevant to the Company and its operations as required by IAS21 - The Effects of Changes in Foreign Exchange Rates given the exposure to multiple currencies circulating in the economy. Management concluded that the Company's functional currency changed from ZWL to ZWG. The Audited financial results are therefore presented in Zimbabwe Gold (ZWG) and all information presented has been rounded off to the nearest ZWG 1.

3. Basis of preparation

The Company's financial statements for the year ended 31 December 2024 have been prepared in accordance with the Zimbabwe Stock Exchange Listing requirements and the Zimbabwe Companies and Other Entities Act (Chapter 24:31). The financial statements, which are prepared in Zimbabwe Gold (ZWG) currency, provide information about the financial position of the company as on the reporting date. The ZWG currency was introduced on the 5th of April 2024 following the promulgation of Statutory Instrument (SI) 60 of 2024. The translation from Zimbabwe Dollars (ZWL) to ZWG for the comparatives as well as transactions for the year up to the 5th of April 2024 was done in compliance with the dictates of International Accounting Standard 29 (IAS 29) Financial Reporting in Hyperinflationary Economies, since the economy was still in hyperinflation. The translated Zimbabwe dollar transactions were then converted to Zimbabwe Gold using the prescribed rate of 2,498,7242 as of 5th of April 2024. The translated Zimbabwe Gold (ZWG) amounts have been adopted as the primary set of accounts for the Company. Resultantly, this financial commentary has been based on the translated historical financial statements.

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 Conversion from Zimbabwean Dollar to Zimbabwe Gold

Following the introduction of the Zimbabwe Gold currency by the Reserve Bank of Zimbabwe (RBZ) On the 5th of April 2024 and Statutory instrument 60 of 2024, all previously existing Zimbabwean Dollar(ZWL) balances were converted into ZWG as at that date. The rate of ZWG1: ZWL 2,598,7242 was used as guided by the closing interbank exchange rate and the price of gold as at that date, the previously reported for December 2023 and transactions between 1st of January 2024 and 31 March 2024 were inflated to the 3

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Inflation Adjusted Financial Statements

Opinion

We have audited the inflation adjusted financial statements of Zimbabwe Newspapers (1980) Limited ("Zimpapers"), which comprise the inflation adjusted statement of financial position as at 31 December 2024, the inflation adjusted statement of profit or loss and other comprehensive income, the inflation adjusted statement of changes in equity, the inflation adjusted statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes to the financial statements.

In our opinion, the inflation adjusted financial statements fairly present the inflation adjusted statement of financial position as at 31 December 2024, and its financial performance and cashflows for the year ended in accordance with the International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (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 Company 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.

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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 Capital FM and Nyaminyami FM

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 Capital FM and Nyaminyami FM were awarded to Kingstons Holdings Limited 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment were of the most significance in our audit of the inflation adjusted financial statements of the current period. These matters were addressed in the context of our audit of the inflation adjusted financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these matters. We have determined that the following is a key audit matter:

IAS 21 — The Effects of Changes in Foreign Exchange Rates (High risk area and significant judgement)	
<p>Following the Monetary Policy Statement pronouncement and the Statutory Instrument (S.I) 60 of 2024 on the 5th of April 2024, the Government of Zimbabwe introduced the Zimbabwe Gold (ZWG) currency. This resulted in Zimpapers changing its functional currency from the Zimbabwe dollar (ZWL) to Zimbabwe Gold (ZWG).</p> <p>The change in functional currency was determined to be a key audit due to the complexity relating to the application of the requirements of IAS 21.</p>	<p>We obtained an understanding of the Company's process for converting the comparatives and the 3 months leading to the currency conversion and performed audit procedures which included (but not limited) to the following:</p> <ul style="list-style-type: none">• We recomputed and tested the hyperinflation workings for the first 3 months prepared by management by evaluating the rationale for the economic indicators included (such as the inflation rate, cumulative inflation rate, consumer price indices from various sources) and the translation done to ZWG.• We tested the source data used by agreeing it to supporting schedules.• We assessed the reasonability of the assumptions used by comparing these to externally available industry, financial and economic data.• We tested restatement of the statement of financial position and income statement items for correct restatement in terms of IAS 29 and IAS 21.• We assessed whether disclosures in the inflation adjusted financial statements appropriately reflected the effects of the changes in functional currency. <p>We found that the inflation adjusted financial statements have been properly restated in terms of IAS 21.</p>
IAS 29 - Financial Reporting in Hyperinflationary Economies (High risk area and significant judgement)	
<p>Following Public Accountants and Auditors Board ("PAAB") designation of Zimbabwe as a hyperinflationary economy in July</p>	<p>We obtained an understanding of the Company's process for identifying hyperinflationary economies and evaluated</p>

<p>2019, the Company applied the IAS 29 – <i>Financial Reporting in Hyperinflationary Economies</i> since then.</p> <p>The replacement of the Zimbabwe Dollar (ZWL) with the Zimbabwe Gold (ZWG) created an unusual scenario that gave rise to questions on whether IAS 29 should be applied on Zimbabwe Gold financial statements.</p> <p>The application of hyperinflationary accounting was determined to be a matter of most significance to the audit due to the above-mentioned matter and the inherent complexity and subjectivity relating to the application of the Standard.</p>	<p>the policy in relation to hyperinflation accounting. Our audit procedures included, among others:</p> <ul style="list-style-type: none"> • We assessed and tested the indicators of hyperinflation on the Zimbabwean economy by corroborating these with industry report and our own understanding of the economy; • We performed a subsequent events review of inflation trends to determine whether hyperinflation ceased with the introduction of the Zimbabwe Gold (ZWG) currency. • We recomputed and tested the hyperinflation workings prepared by management by evaluating the rationale for the economic indicators included (such as the inflation rate, cumulative inflation rate, consumer price indices from various sources). • We tested the source data used by agreeing it to supporting schedules. • We assessed the reasonability of the assumptions used by comparing these to externally available industry, financial and economic data. • We tested restatement of the statement of financial position and income statement items for correct restatement in terms of IAS 29. • We assessed whether disclosures in the financial statements appropriately reflected the effects of the adoption of IAS 29. <p>We found that the inflation adjusted financial statements have been properly restated in terms of IAS 29.</p>
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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.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and, and for such internal control as the board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board members are responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board members either intend to liquidate the organization or to cease operations, or have no realistic alternative but to do so.

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 Company'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 Company 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.

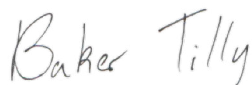
We also provide the directors with a statement that we complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be brought to bear on our independence, and where applicable related safeguards.

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.

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].



Partner: Fungai Nyagwaya

PAAB Practising Number: 0477

Baker Tilly Chartered Accountants (Zimbabwe)

Harare

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