TSL LIMITED ABRIDGED AUDITED RESULTS FOR THE YEAR ENDED 31 OCTOBER 2024

The Directors of TSL Limited are pleased to announce the abridged audited results for the year ended 31 October 2024.

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MOVING AGRICULTURE

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CHAIRMAN'S STATEMENT

REVIEW OF OPERATING ENVIRONMENT

The operating environment remained difficult, characterized by US$ inflationary pressures, liquidity challenges and power outages. The first half of the financial year witnessed significant shifts in policies as the authorities grappled with the prevailing economic challenges. On the 5th of April 2024 a new currency called Zimbabwe Gold, ZIG in short, was introduced, replacing the RTGS currency. The new currency was pegged at ZIG 1 to RTGS 2,498.7 and began trading immediately. The ZIG's inaugural exchange rate to the US$ was US$1 to ZIG13.56. Agricultural trading businesses and business in general were confronted with the dilemma of pricing in ZIG but sourcing product in US$. Frequent power supply outages also increased the cost of doing business as businesses resorted to alternative but expensive power sources and significant cost of connectivity and data.

On the global front, the geopolitical conflict in Eastern Europe and Middle East disrupted global supply chains, fueling global inflation that further worsened product sourcing and pricing.

National tobacco volumes for the 2023/24 season closed at 231.7 million kilograms (2023-296 million kgs) down 22% from prior year. The national average price was US$3.43/kg (2023-US$3.03/kg). The Government of Zimbabwe declared a national disaster for the 2024 agricultural season in April due to an El Nino induced drought.

PERFORMANCE OVERVIEW

In line with a resolution of the Board, the company adopted the US$ as its functional and reporting currency with effect from the financial year commencing 1 November 2023. The 2024 financial statements are therefore presented in US$.

Group revenue from continuing operations, at US$36.9 million was 1% ahead of prior year with most units, except Agricura achieving budgeted volumes. Volumes for Agricura were adversely affected by the projection of a drought in the first half of the 2023/24 agricultural season. The Group's EBITDA dropped by 5% from prior year, following the conversion to US$. The Group made a decision to base its depreciation on revalued assets.

The Group's profitability was adversely affected by the dollarization of most operating expenses, which was worsened by an emerging US$ inflation in the economy. Profit before tax from continuing operations closed the year at US$7.1 million compared to US$9.8 million in the previous year. Resultantly interest cover dropped from 23 to 5 times while headline earnings per share dropped from US$2.48 cents to US$0.69 cents.

Adjustments have already been made in the 2025 financial year to address the dollarization of all operating expenses. The Group's financial position remains strong and continues to grow despite the drop in profitability in the financial year. The Group generated positive cash flows from its operations. Gearing levels remain acceptable and will be managed downwards from the Group's own cash flows in the coming year.

VOLUMES OVERVIEW

AGRICULTURAL OPERATIONS

Tobacco related services
Despite a 22% drop in the national tobacco crop, Tobacco Sales Floor maintained its volume of tobacco handled at 52 million kilograms. The company maintained its close relationship with its tobacco merchant customers, handling 44 million kilograms of contract tobacco in the season, a 13% increase from the previous season. The decentralised floors in Karoi, Mvurwi and Marondera were expanded and upgraded for the convenience of both tobacco merchants and farmers.

Propak paper volumes increased by 52% to give the company a 70% market share of national tobacco paper. Tobacco hessian volumes however declined by 16% as a result of the 22% national decline in tobacco crop output from 296 to 231.7 million kilograms. Efforts are underway to continue to increase tobacco paper and hessian export revenue in the region.

Agricultural trading
The Group's agricultural trading division was the worst affected by the El Nino induced drought. At a national level, all production targets in major crops namely maize, tobacco, wheat and soya beans were missed.

Volumes were significantly down from the previous year and competition from new players was relentless.

Despite these challenges, the company increased its Gross Profit (GP) ratio from 38% to 49%, driven by a high-value product mix and strategic procurement.

Strategically, the company adopted environmentally friendly manufacturing practices, introducing three biologicals (B-Veria, PL Nema, and Tricho-Tag) during the year. The upgrade of the company's Animal Health Plant was completed towards the end of the year, attaining Good Manufacturing Practice (GMP) certification soon after. The plant has capacity to meet national demand for cattle, sheep and goat dewormers.

LOGISTICS OPERATIONS

End to end logistics services
The logistics business recorded improved volume growth in the period due to the new business model, which supports the customer throughout the value chain. General cargo handling volumes were buoyed by fertilizer received via the Beira corridor and handled at the Mutare facility. Storage volumes were depressed as most commodities were received by customers on a just-in time basis. Tobacco handling volumes were 5% below prior period due to the reduced national tobacco crop. FMCG distribution volumes were 27% ahead of prior year due to increased business from existing customers. The Ports business grew by 33% due to positive performance from existing strategic partnerships. Clearing declined by 27% due to reduced volumes as key customers were impacted by global supply chain disruptions.

The business faced challenges in the form of US$ inflation, decreased market liquidity and nationwide effects of El Nino.

Warehouse capacity has increased marginally by 3% from 2023 into 2024 and is expected to increase further in 2025. Using its multimodal logistics capabilities and global partnerships, the business is geared to increase its volumes going forward. The business has renewed its bonded warehouse licence, thereby increasing the range of service offerings to its customers.

Premier Forklift hours were 27% ahead of prior year as the business continues to grow its volumes from both new and existing clients. Forklift sales were significantly ahead of the prior year.

INFRASTRUCTURE OPERATIONS

The completion of a new world class 15,000 square meter warehouse for a key tobacco client expanded the portfolio size by 9%. Average occupancy rate was 88% (12% void rate).

A number of initiatives to increase warehousing capacity are currently underway and should be completed in the 2025 financial year.

COMMODITY EXCHANGE

Trading volumes on the commodity exchange have remained depressed over the year and are well below expectations. Management continues with efforts to educate the market on the benefits of the commodity exchange which include improved marketing, financing and trading of agricultural commodities.

Government has since approved the trading of cotton and cotton seed on the commodities exchange to bring the total number of approved agricultural commodities to 51. Trading has commenced with volumes picking up.

DISCONTINUED OPERATIONS

As part of the Group's evaluation of its investments, the Board decided to exit two non-core businesses to create capacity to pursue more strategically aligned operations.

Farming operations
The Group ceased all its farming operations soon after the harvest of winter wheat in October 2024, after expiry of the Group's farming joint venture arrangement on the 28th of July 2024.

In the 2024 financial statements, the Group's farming unit has therefore been treated as a discontinued operation from an international financial reporting standards point of view.

Vehicle rental services
After mutual agreement with the franchisor, the Group will be winding down its vehicle hire operations in 2025. The franchisor shall continue the vehicle rental business under a new model. The vehicle hire unit has therefore been treated as a discontinued operation in the 2024 financial year.

OUTLOOK

The operating environment remains challenging, characterised by constrained liquidity from the banking sector, firming interest rates and US$ inflation. Agricultural output is expected to surpass the previous year, underpinned by more favorable weather conditions and the transition from El Nino in the previous year to a wetter season.

As part of the Group's expansion drive in strategically aligned businesses, TSL Limited is engaged in the acquisition of 51.43% shareholding in Nampak Zimbabwe Limited from Nampak Southern Africa Holdings Limited. Processes to finalise and execute the Sale and Purchase Agreement are at an advanced stage.

A number of key strategic initiatives are currently being pursued and should be concluded before the end of the current financial year. The Group is well positioned to capitalise on emerging opportunities as part of its growth strategy with considerable efforts on restructuring the balance sheet to preserve value. Preservation of shareholder value will be maintained as the cornerstone of the Group's operations and strategic initiatives.

DIVIDEND

In order to preserve cash for the impending acquisition of 51.43% shareholding in Nampak Zimbabwe Limited from Nampak Southern Africa Holdings Limited ("Nampak SAHL") ("the Transaction"), the board of directors has decided to forego a dividend for the financial year ended 31 October 2024. The board believes that the value uplift from the acquisition will significantly benefit shareholders in the near future.

For and on behalf of the Board

A.S. Mandiwanza
Chairman
28 February 2025

GROUP ABRIDGED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 October 2024

	Notes	2024 Audited US$	2023 Restated US$
Revenue from contracts with customers		**36,895,853**	**36,664,970**
Cost of sales		(9,907,417)	(9,361,693)
Gross profit		**26,988,436**	**27,303,277**
Other operating income		1,340,609	1,071,443
Fair value gain/(loss) on investment properties		1,449,215	(1,441,253)
Other operating expenses		(7,152,450)	(5,056,915)
Staff costs		(11,234,481)	(9,882,711)
Earnings before interest, taxation, depreciation and amortisation		**11,391,329**	**11,993,841**
Depreciation and amortisation		(2,384,793)	(1,381,865)
Operating profit		**9,006,536**	**10,611,976**
Fair value (loss)/gain on financial assets through profit or loss		(733)	125,997
Share of loss from equity accounted investment		(131,809)	(146,095)
Profit from disposal of shares		114,903	-
Exchange loss		(572,333)	(232,784)
Net finance costs	8	(1,342,467)	(531,036)
Profit before tax		**7,074,097**	**9,828,058**
Income tax charge	9	(1,372,663)	(2,871,413)
Profit for the period from continuing operations		**5,701,434**	**6,956,645**
Discontinued operations			
(Loss)/profit after tax for the year from discontinued operations	13	(2,077,710)	1,142,554
Profit for the period from continuing operations		**3,623,724**	**8,099,199**
Equity holders of the parent		3,393,151	8,020,391
Non-controlling interest		230,573	78,808
		3,623,724	**8,099,199**
Number of shares in issue		362,927,587	360,452,041
Earnings per share (cents)		0.93	2.23
Headline earnings per share (cents)		0.69	2.48
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Gains from revaluation of property		650,533	424,061
Deferred tax on gains on revaluation of property		(178,409)	(116,299)
Total other comprehensive income net of tax		472,124	307,762
Total comprehensive income		**4,095,848**	**8,406,961**
Attributable to:			
Equity holders of the parent		3,865,275	8,328,153
Non-controlling interest		230,573	78,808
		4,095,848	**8,406,961**

GROUP ABRIDGED STATEMENT OF FINANCIAL POSITION
As at 31 October 2024

	2024 Audited US$	2023 Restated US$
ASSETS		
Non-current assets		
Property, plant and equipment	33,804,437	33,253,310
Investment properties	36,726,000	32,476,000
Investment accounted for using the equity method	232,812	364,621
Intangible assets	875,996	926,319
Biological assets	-	331,924
Right of use assets	1,114,697	1,118,997
	72,753,942	**68,471,171**
Current assets		
Biological assets	-	513,753
Inventories	4,265,165	4,218,350
Prepayments	1,734,033	1,544,481
Trade and other receivables	5,243,991	5,202,879
Financial assets at fair value through profit or loss	4,421	494,467
Assets held for sale	3,953,095	-
Cash and cash equivalents	1,756,048	3,734,365
	16,956,753	**15,708,295**
Total assets	**89,710,695**	**84,179,466**
EQUITY AND LIABILITIES		
Equity		
Issued share capital and premium	6,528,076	6,503,321
Non-distributable reserves	17,767,134	17,319,765
Retained earnings	34,336,695	31,477,065
Attributable to equity holders of parent	**58,631,905**	**55,300,151**
Non-controlling interest.	2,943,619	2,713,046
Total equity	**61,575,524**	**58,013,197**
Non-current liabilities		
Interest bearing loans and borrowings	2,675,514	1,913,539
Deferred tax liabilities	8,162,113	9,929,249
Lease liabilities	908,528	653,278
	11,746,155	**12,496,066**
Current liabilities		
Interest bearing loans and borrowings	8,071,641	9,045,517
Provisions	480,726	504,634
Trade and other payables	4,430,076	2,007,767
Income tax payable	1,700,731	1,646,566
Liabilities directly associated with assets held for sale	1,438,549	-
Lease liability	267,293	465,719
	16,389,016	**13,670,203**
Total equity and liabilities	**89,710,695**	**84,179,466**
Current ratio	**1.03**	**1.15**

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GROUP ABRIDGED STATEMENT OF CASH FLOWS
For the year ended 31 October 2024

	2024 Audited US$	2023 Restated US$
OPERATING ACTIVITIES		
Profit before tax	7,074,097	9,828,058
Non-cash adjustments to reconcile		
profit before tax to net cash flows	(1,574,622)	(1,429,982)
	5,499,475	**8,398,076**
Net increase/(decrease) in working capital	2,658,583	(1,847,302)
Operating cash flow	**8,158,058**	**6,550,774**
Net finance costs paid	(1,342,467)	(531,036)
Income tax paid	(2,452,549)	(1,758,051)
Net cash generated from operating activities	**4,363,042**	**4,261,687**
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(5,149,452)	(12,530,138)
Proceeds on disposal of property, plant and equipment	97,040	217,115
Purchase of intangible assets	(35,740)	(217,488)
Net cash used in investing activities	**(5,088,152)**	**(12,530,511)**
FINANCING ACTIVITIES		
Net (decrease)/increase in loans and borrowings	(211,901)	7,364,204
Ordinary dividend paid to equity holders of the parent	(533,521)	(1,400,000)
Payment of principal portion of lease liability	(507,785)	(244,114)
Transactions with owners in their capacity as owners	-	2,882,927
Agricor minority buy out	-	(780,000)
Net cash (used in)/generated from financing activities	**(1,253,207)**	**7,823,017**
Net decrease in cash and cash equivalents	**(1,978,317)**	**(445,807)**
Cash and cash equivalents at the beginning of the year	**3,734,365**	**4,180,172**
Cash and cash equivalents at the end of the year	**1,756,048**	**3,734,365**
Represented by:		
Cash and bank balances	1,756,048	3,734,365

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2024

1. BASIS OF PREPARATION

The financial results have been prepared based on statutory records which are maintained on a historical cost basis except for property, plant and equipment, investment property, biological assets and financial instruments that are measured at fair value. The financial results are derived from the consolidated financial statements which are in compliance with the requirements of the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) and the Zimbabwe Stock Exchange (ZSE) Listing Requirements. The Directors of TSL Limited are responsible for the preparation and fair presentation of the annual Group financial statements, of which this press release represents an extract.

2. PRESENTATION AND FUNCTIONAL CURRENCY

2.1 Change in functional currency for the Group

These abridged consolidated financial statements are presented in United States Dollars ("US$"), which is the functional and presentation currency of the Group. The Group changed its functional currency from Zimbabwe Dollars (ZW$) to United States Dollars ("US$") with effect from November 1, 2023.

The Group assessed its functional currency in accordance with the requirements of International Accounting Standard 21 "The Effects of Changes in Foreign Exchange Rates" (IAS 21). In assessing the functional currency, the following primary and secondary factors were considered:

(a) The currency that mainly influences sales prices for goods and services;
(b) The currency of the country whose competitive forces and regulations mainly determine the sales prices of its goods and services;
(c) The currency that mainly influences labour, material, and other costs of providing goods or services;
(d) The currency in which funds from financing activities are generated; and
(e) The currency in which receipts from operating activities are usually retained.

IAS 21 requires that when translating financial statements prepared under IAS 29 ("Financial Reporting in Hyperinflationary Economies") into a different presentation and functional currency, an entity applies a closing rate at the date of the most recent statement of financial position (31 October 2023). The resulting translated amounts are treated as the historical costs for subsequent periods.

The Directors are of the view that using the provisions of IAS 21 to convert the Group's inflation-adjusted financial statements from previous periods as a basis for presenting comparative and opening balance sheet information in terms of the new functional currency will result in the material misstatement of the Group's comparative financial statements. In an endeavour to present the best possible view of the comparative financial performance and position of the Group, the Directors translated the financial statements using the procedures below.

2.2 The Statement of Profit or Loss and Other Comprehensive Income

Transactions were initially split by currency of origin between US$ and ZWL;

- ZWL transactions were translated to US$ using transactions-based average rate. The average rate was derived from the pricing rates and rates used for settlement with suppliers; and
- Depreciation was based on the US$ values, which were based on transaction-based rates when the property, plant and equipment was acquired.

2.3 The Statement of Financial Position

- Assets were translated using transaction-based rates when the items were acquired.
- Monetary assets and liabilities were translated at the closing rate; and
- Share capital and share premium were translated based on transaction-based rates.

3. FAIR VALUE ADJUSTMENT ON INVESTMENT PROPERTIES

Property valuations rely on historical market evidence for calculation of inputs. The property values have been calculated based on US$ inputs.

4 AUDIT STATEMENT

These abridged financial statements derived from the audited financial statements of TSL Limited and its subsidiaries "Group" for the financial year ended 31 October 2024, should be read together with the complete set of audited financial statements of the Group, for the year ended 31 October 2024, which have been audited by Grant Thornton Chartered Accountants (Zimbabwe) and the auditor's report signed by Farai Chibisa, Registered Public Auditor 0547.

A qualified audit opinion has been issued on the audited financial statements of the Group, for the year then ended. The qualified audit opinion was made regarding non- compliance with (IAS) 21 - The Effects of Changes in Foreign Exchange Rates.

The auditor's report includes a section on key audit matters outlining matters that in the auditor's professional judgement, were of most significance in the audit of the financial statements. The key audit matters were with respect to revenue recognition and discontinued operations.

The auditor's report on the financial statements and the full set of the audited consolidated financial statements, is available for inspection at the Group's registered office and the auditor's report has been lodged with the Zimbabwe Stock Exchange.

5. GOING CONCERN

The Directors have assessed the ability of the Group to continue operating as a going concern and believe that the preparation of these financial results on a going concern basis is still appropriate.

GROUP ABRIDGED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 October 2024

	Issued share capital and premium US$	Non-distributable reserves US$	Retained earnings US$	Total attributable to equity holders of parent US$	Non-controlling interest US$	Total equity US$
Balance at 1 November 2022	**6,494,992**	**17,012,518**	**23,105,608**	**46,613,118**	**1,502,377**	**48,115,495**
Profit for the year	-	-	8,020,391	8,020,391	78,808	8,099,199
Other comprehensive income	-	307,762	-	307,762	-	307,762
Total comprehensive income	-	307,762	8,020,391	8,328,153	78,808	8,406,961
Employee share option expense	-	7,814	-	7,814	-	7,814
Transactions with owners in their capacity as owners	-	-	1,751,066	1,751,066	1,131,861	2,882,927
Share options exercised	8,329	(8,329)	-	-	-	-
Ordinary dividend	-	-	(1,400,000)	(1,400,000)	-	(1,400,000)
Balance at 31 October 2023	**6,503,321**	**17,319,765**	**31,477,065**	**55,300,151**	**2,713,046**	**58,013,197**
Profit for the year	-	-	3,393,151	3,393,151	230,573	3,623,724
Other comprehensive income	-	472,124	-	472,124	-	472,124
Total comprehensive income	-	472,124	3,393,151	3,865,275	230,573	4,095,848
Share options exercised	24,755	(24,755)	-	-	-	-
Ordinary dividend	-	-	(533,521)	(533,521)	-	(533,521)
Balance at 31 October 2024	**6,528,076**	**17,767,134**	**34,336,695**	**58,631,905**	**2,943,619**	**61,575,524**

6. CONTINGENT LIABILITIES

There were no material contingent liabilities at the reporting date.

7. EVENTS AFTER THE REPORTING DATE

TSL Limited ("the Company") has made a binding offer which has been accepted by Nampak Southern Africa Holdings Limited ("Nampak SAH for the acquistion of their 51.43% shareholding in Nampak Zimbabwe Limited ("the Transaction"), Shareholders and the investing public are advised that the Company and Nampak SAHL are still engaged in processes to finalise and execute the Sale and Purchase Agreement. The Transaction will require Shareholder approval which will be sought at an extraordinary general meeting ("EGM").

8. NET FINANCE COSTS

	2024 Audited US$	2023 Restated US$
Interest on lease liabilities	165,339	66,163
Interest on debts and borrowings	1,177,128	464,873
Net finance costs in profit or loss	**1,342,467**	**531,036**

9. INCOME TAX CHARGE

	2024	2023
Current income tax charge	2,506,714	2,633,322
Deferred tax	(1,134,051)	238,091
Income tax expense in profit or loss	**1,372,663**	**2,871,413**

10. BORROWINGS

The terms and conditions of the borrowings are as below:

			2024	2023
Authorised in terms of Articles of Association			61,575,524	58,013,197
Interest bearing loans and borrowings	**Interest rate%**	**Maturity**	**2024 US$**	**2023 US$**
Current interest bearing loans and borrowings:				
Bank borrowings	(2024) : 12%-15.5% (2023) : 12%-14%	2025	8,071,641	9,045,517
Non-current interest bearing loans and borrowings:				
Bank borrowings	(2024) : 12%-15.5% (2023) : 12%-14%	2026	2,675,514	1,913,539
Total interest bearing loans and borrowings			**10,747,155**	**10,959,056**
Actual borrowings as a percentage of authorised borrowings			17%	19%

Secured loans
There is a negative pledge of assets in respect of overdrafts and bank borrowings. The Group has pledged part of its freehold property with a fair value of US$24.9 million (31 October 2023: US$21.4 million) in order to fulfil the collateral requirements for the borrowings in place. The counterparties have an obligation to return the securities to the Group. There are no other significant terms and conditions associated with the use of collateral.

11. GROUP ABRIDGED SEGMENT RESULTS

	Logistics Operations US$	Agriculture Operations US$	Real Estate Operations US$	Services US$	Eliminations US$	Consolidated US$
For the year ending 31 October 2024						
Group Revenue	14,328,492	22,620,142	5,309,890	1,859,606	(7,222,277)	36,895,853
Operating profit	950,063	3,885,276	5,084,257	(913,060)	-	9,006,536
Fair value adjustment and impairments	-	-	-	(733)	-	(733)
Cost of sales	(4,457,636)	(5,568,321)	-	-	118,540	(9,907,417)
Staff costs	(4,114,154)	(5,010,766)	(377,110)	(1,732,451)	-	(11,234,481)
For the year ending 31 October 2023						
Group revenue	12,339,778	23,406,495	4,356,139	1,226,374	(4,663,816)	36,664,970
Operating profit	2,204,417	8,172,867	1,446,678	(1,211,986)	-	10,611,976
Fair value adjustment and impairments	-	-	-	125,997	-	125,997
Cost of sales	(3,249,966)	(6,111,727)	-	-	-	(9,361,693)
Staff costs	(3,923,707)	(4,256,587)	(292,615)	(1,409,802)	-	(9,882,711)

12. SUPPLEMENTARY INFORMATION

	2024 Audited US$	2023 Restated US$
Capital commitments - authorised but not contracted for	8,502,609	3,991,008

13 DISCONTINUED OPERATIONS

As part of the Group's evaluation of its investments, the Board has decided to exit two non-core businesses to create capacity to pursue more strategically aligned operations.

Chimayo Investments
The Group ceased all its farming operations soon after the harvest of winter wheat in October 2024, after expiry of the Group's farm joint venture arrangements on the 28th of July 2024.

Car Rental Services
After mutual agreement with the franchisor, the Group will be winding down its vehicle hire operations in 2025.

Assets and liabilities allocable to Chimayo Investments and Car Rental Services were classified as a disposal group. Revenue and expenses, gains and losses relating to the discontinuation of this subgroup have been eliminated from profit or loss from the Group's continuing operations and are shown as a single line item in the consolidated statement of profit or loss.

Summarised financial information of Chimayo Investments and Car Rental Services
For the year ended 31 October 2024

	Total		Chimayo Investments		Car Rental Services	
Summarised statement of profit or loss	2024 US$	2023 US$	2024 US$	2023 US$	2024 US$	2023 US$
Revenue from contracts with customers	6,025,639	4,668,481	4,968,653	3,546,580	1,056,986	1,121,901
Cost of sales	(4,481,194)	(3,424,284)	(4,464,662)	(3,414,380)	(16,532)	(9,904)
Other operating income	200,596	229,515	102,922	203,189	97,674	26,326
Fair value gain on biological assets	865,575	2,733,782	865,575	2,733,782	-	-
Other operating expenses	(1,498,542)	(1,436,947)	(872,995)	(793,769)	(625,547)	(643,178)
Staff costs	(1,047,275)	(1,080,629)	(765,981)	(751,940)	(281,294)	(328,689)
Depreciation and amortisation	(956,429)	(206,359)	(757,436)	(185,812)	(198,993)	(20,547)
Exchange gain/(loss)	9,511	31,333	(3,240)	25,635	12,751	5,698
Net finance costs	(101,928)	(78,231)	(75,316)	(73,122)	(26,612)	(5,109)
Impairment loss recognised on the remeasurement to fair value less costs to sell	(1,109,937)	-	(1,109,937)	-	-	-
(Loss)/profit before tax from discontinued operations	**(2,093,984)**	**1,436,661**	**(2,112,417)**	**1,290,163**	**18,433**	**146,498**
Income tax credit (charge)	16,274	(294,107)	53,767	(331,830)	(37,493)	37,723
(Loss)/profit after tax from discontinued operations	**(2,077,710)**	**1,142,554**	**(2,058,650)**	**958,333**	**(19,060)**	**184,221**

Summarised statement of financial position
as at 31 October 2024

	Total	Chimayo Investments	Car Rental Services
	2024 US$	2024 US$	2024 US$
Non-current assets			
Property, plant and equipment	2,195,857	1,708,369	487,488
Current assets			
Inventories	108,702	100,207	8,495
Trade and other receivables	1,629,447	1,071,762	557,685
Cash and cash equivalents	19,089	13,160	5,929
Assets classified as held for sale	**3,953,095**	**2,893,498**	**1,059,597**
Current liabilities			
Interest bearing loans and borrowings	(180,966)	-	(180,966)
Deferred tax liabilities	(633,085)	(577,641)	(55,444)
Provisions	(315,825)	(124,640)	(191,185)
Trade and other payables	(303,632)	(265,746)	(37,886)
Income tax payable	(5,041)	-	(5,041)
Liabilities classified as held for sale	**(1,438,549)**	**(968,027)**	**(470,522)**

INDEPENDENT AUDITOR'S REPORT

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To the members of TSL Limited and its subsidiaries

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of TSL Limited and its subsidiaries set out on pages **10 to 76**, which comprise the consolidated statement of financial position as at 31 October 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of the Group's significant accounting policies.

In our opinion, except for the matters described in the *Basis for Qualified Opinion* section of our report, the consolidated financial statements present fairly, in all material respects, the financial position of TSL Limited and its subsidiaries as at 31 October 2024, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Non-compliance with International Accounting Standard (IAS) 21 - The Effects of Changes in Foreign Exchange Rates

Change in functional and presentation currency.

The Group changed its functional and presentation currency from Zimbabwe Dollars (ZWL) to United States Dollars (USD) effective 1 November 2023. The change in functional currency entails all amounts, including comparatives being translated from ZWL to USD in accordance with (IAS 21) - The Effects of Changes in Foreign Exchange Rates. The Group's previous functional currency (ZWL) was a currency of a hyperinflationary economy, as such IAS 21 requires that the ZWL inflation adjusted amounts for the period prior to the change in functional currency and the previously stated comparative consolidated inflation adjusted financial statements, be translated to USD at the closing exchange rate at the date of change in functional currency.

In preparing the USD comparative financial information for the year ended 31 October 2023, management translated ZWL transactions and balances to USD by separating the USD and ZWL components of the transactions and balances. The USD components of the transactions and balances were then maintained as if the USD had always been the functional currency of the Group, and the ZWL components of the transactions and balances were translated to USD using translation methods disclosed in **note 2.2** to these consolidated financial statements, which is not in compliance with the requirements of IAS 21.

The balances as at 31 October 2024 for retained earnings, non-distributable reserves, lease liabilities, property, plant and equipment, investment property and deferred tax liabilities contain material amounts carried forward from 31 October 2023. As a result, the balances may contain misstatements arising from the translation of ZWL balances as at 1 November 2023 to USD on change of the functional and presentation currency of the Group.

Exchange rates applied to translate foreign currency transactions and balances.

During the year, the Group's ZWL and ZWG transactions and balances were translated into the functional and presentation currency of the Group (USD) using internally generated exchange rates, which were not considered appropriate spot exchange rates for translations as required by IAS 21.

The accounting treatment adopted in the translation of the ZWL and ZWG amounts for the period from 1 November 2023 to 31 October 2024 constitutes a departure from the requirements of IAS 21. Had the appropriate spot exchange rates been used in such translation, some elements of the consolidated financial statements would have been materially different.

The impact of the departure from the requirements of IAS 21 as described above, is considered to be material but not pervasive to the financial statements, taken as a whole.

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 Annual Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and we did not provide a separate opinion on these matters. The key audit matters noted below relate to the consolidated annual financial statements:

Key Audit Matter	**How our audit addressed the key Audit Matter**
IFRS 15 - Revenue from Contracts with Customers • There is a presumed fraud risk with regards to revenue recognition as guided by International Standard on Auditing (ISA 240: Revised). There is a risk that the revenue is presented at amounts higher than what has been generated by the Group. This is a significant risk and accordingly a key audit matter.	Our audit procedures incorporated a combination of tests of the Group's controls relating to revenue recognition and the appropriateness of revenue recognition policies as well as substantive procedures in respect of testing the occurrence assertion. Our substantive procedures included but were not limited to the following: • Review of revenue recognition criteria for appropriateness with the requirements of IFRS 15. • Testing of the design and operating effectiveness of internal controls implemented as well as test of details to ensure accurate processing of revenue transactions. • Identification and testing of key controls to obtain satisfaction that they were operating effectively for the year under review. • Performance of analytical procedures and assessment of the reasonableness of explanations provided by management. • Performance of cut-off tests to ensure that revenue was recognised in the correct period. • Inspection of reversals and credit memos to ensure that they were for

	valid revenue transactions. Based on the audit work performed, we satisfied ourselves that the Group revenue recognition is appropriate and in compliance with the requirements of IFRS 15 - Revenue from Contracts with Customers.
Discontinued Operations • There is a risk that the Group's discontinued operations were not accounted for appropriately.	During the year the Group discontinued its farming operations at Chimayo. A mutual agreement was reached with the franchisor to wind down the Group's vehicle hire operations under Avis. We performed the following procedures in response to the key audit matter identified: • Reviewed key contracts to understand the termination clauses of the agreements. • Obtained management write up on the Group's accounting treatment for discontinued operations and verified the appropriateness of the accounting treatment in accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations. • Reviewed the Group's correspondence in relation to the winding down of operations for Chimayo and Avis. • We also considered the appropriateness of the disclosures within the financial statements. Based on the audit work performed, we satisfied ourselves that the discontinued operations were accounted and disclosed appropriately in accordance with the requirements of IFRS 5.

Other information

The Directors are responsible for the other information. The other information comprises the 'Corporate information', 'Directors' report, 'Corporate governance', 'Chairman's report', and 'Chief Executive Officers' report', which we obtained prior to the date of this auditor's report. The other information does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Annual Financial Statements

Management is responsible for the preparation and fair presentation of the Consolidated annual financial statements in accordance with International Financial Reporting Standards (IFRSs), and for such internal control as management determines is necessary to enable the preparation of consolidated annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the 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 financial statements. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

In our opinion, except for the effects of the matters described in the *Basis for Qualified opinion* section of our report, the consolidated financial statements have been properly prepared, in all material respects, in accordance with the accounting policies and comply with the disclosure requirements of the Companies and Other Business Entities Act (Chapter 24:31).

The engagement partner on the audit resulting in this Independent auditor's report is Farai Chibisa.

Grant Thornton

Farai Chibisa
Partner

Registered Public Auditor (PAAB No: 0547)

Grant Thornton
Chartered Accountants (Zimbabwe)
Registered Public Auditors

28 FEBRUARY 2025

HARARE