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		2012	Restated* 2011
Revenue	\$	31,957,857	<u>29,444,533</u>
Profit before tax	\$	6,521,968	2,134,409
Profit after tax and non-controlling interest	\$	5,152,836	2,278,643
Basic earnings per share	\$	0.015	0.007
Diluted earnings per share	\$	0.015	0.007
Headline earnings per share	\$	0.011	0.006
Diluted headline earnings per share	\$	0.011	0.006
Net asset value per share	\$	0.16	0.15
Shares in issue at year end	000's	347,597	345,877

* Refer to Accounting policy Note 2.4 IFRS 11 Joint arrangements and Note 3 Restatements and Reclassifications.

COMPANY PROFILE

TSL Limited is the holding company of a group of companies with its main operations in the following sectors:

- Agricultural inputs and services
- Property holding and management
- Warehousing and logistics
- Auctioning of tobacco
- Printing and packaging
- Car rental services

The Company was founded in 1957 as a tobacco auction floor and adopted a policy of diversification in the late 60s. The energetic pursuit and implementation of this policy has resulted in the substantial growth of the Group.

MISSION STATEMENT

By using the latest technology and developing its employees, each of the Group's operating companies strives to attain market leadership through the provision of quality goods and outstanding services to its customers, thereby creating and maximizing shareholder value.

VISION

The TSL conglomerate aims to become a dominant player in the SADC region by being the leading supplier of goods and services in its chosen spheres of operation.

CORE VALUES

To ensure the prosperity and well being of TSL Limited's shareholders, employees and customers, sustainable long term profit growth is essential. In its pursuit of its mission and vision, the TSL Group is guided by the following philosophies:

- A decentralised management structure which provides a large degree of autonomy to subsidiaries in their own management, with a small head office team providing co-ordination and guidance in matters of finance, human resources, corporate strategy and procurement.
- The company's success is derived from its employees and in this regard, mutual respect, open communication, teamwork, individual initiative and reward for excellent performance are upheld throughout the Group.
- Customers can count on our strongest commitment to meet their needs with high quality products and superior service, supported by innovative technology and continuous improvement.
- Our conduct demonstrates a deep concern for human safety and environmental stewardship while embracing the highest standards of ethics and good corporate governance.

Segment	Company	Activities	Holding
Subsidiaries			
Properties	Bak Storage (Private) Limited	Property owning	100%
	TS Timber (Private) Limited	Property owning	100%
	H.G.P. Vorstermans (Private) Limited	Property owning	100%
	Tobacco Producers Floor (Private) Limited	Property owning	100%
	Ridwyn (Private) Limited	Property owning	100%
	Tobacco Warehouse & Export Company (1946) Limited	Property owning	99%
	TSL Properties Limited	Property owning	100%
	Propak (Private) Limited	Property owning	63%
Agro inputs	Chemco Holdings Limited	Public Holding Company and retailing of agricultural inputs and hardware	64%
	(Major subsidiary: Agricura (Private) Limited)	Importation, formulation and supply of crop and livestock protection chemicals	
	TSL Greenbelt (Private) Limited	Supply of speciality fertilisers	100%
Tobacco operations	Tobacco Sales Floor Limited (see Note 26 Related party disclosures)	Auctioning of tobacco	100%
	TSL Classic Leaf (Private) Limited	Tobacco grower scheme	100%
	Propak Hessian (Private) Limited	Supply of tobacco hessian wraps and paper	63%
Logistics operations	Car Rental Services (Private) Limited – Avis	Rental of motor vehicles	100%
	Bak Logistics (Private) Limited	Storage of tobacco, agricultural and general products, container handling, transport and distribution	99%
Services	TSL (Mauritius) Limited	Treasury and administrative services	100%
	Tobacco Sales Administration Services (Private) Limited	Treasury and administrative services	100%
Joint Venture			
Printing and packaging	Hunyani Holdings Limited	Manufacture of corrugated, cardboard and tissue products and printing	39%
Associate Company			
Processed tobacco	Cut Rag Processors (Private) Limited	Cut rag and cigarette manufacturer	30%

BOARD OF DIRECTORS

Chairman	C Nyereyegona	
Deputy Chairman	A S Mandiwanza	
Chief Executive Officer	W Matsaira	Executive Director
	P Mujaya	Executive Director
	B Ndebele	
	N Chiromo ****	
	K Naik ****	
	P Shah ****	
	J S Brown **	
	E Mlambo **	
	R Musvaire *	
	Z L Rusike **	

AUDIT COMMITTEE

Chairman	B Ndebele
	N Chiromo ****
	E Mlambo **

REMUNERATION COMMITTEE

Chairman	A S Mandiwanza	
	B Ndebele	
	W Matsaira	
	J S Brown **	
	Z L Rusike **	
		P Shah ****
		P Mujaya
		R Musvaire *

INVESTMENT COMMITTEE

Chairman	B Ndebele
	K Naik ****
	N Chiromo ****

MANAGEMENT

W Matsaira	Chief Executive Officer
P Mujaya	Group Finance Director
R Musvaire *	Group Managing Director
F Godzi ***	Group Human Resources Director

SECRETARIES

Tobacco Sales Administration Services (Private) Limited	P O Box 66043 Kopje Harare
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TRANSFER SECRETARIES

Corpserve (Private) Limited	P O Box 2208 Harare
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REGISTERED OFFICE

28 Simon Mazorodze Road Southerton Harare	Telephone: 754666 Fax: 754673 email: admin@tsl.co.zw
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BANKERS

Barclays Bank of Zimbabwe Limited	Birmingham Road Branch
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AUDITORS

Ernst & Young Chartered Accountants (Zimbabwe) (Registered Public Auditors)	Angwa City Cnr Julius Nyerere Way/ Kwame Nkrumah Avenue P O Box 62 Harare
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* Resigned on 31 December 2011

** Resigned on 14 March 2012

*** Resigned on 30 March 2012

**** Appointed 14 March 2012



Agricura (Private) Limited	W Chigwada
Bak Logistics (Private) Limited	D T Ziki
Car Rental Services (Private) Limited (Avis)	B Sande (Mrs)
Chemco Holdings Limited	P Mujaya
Cut Rag Processors (Private) Limited	N Chinhara
Hunyani Holdings Limited	D G Bain
Propak Hessian (Private) Limited	A Kazamula
Tobacco Sales Administration Services (Private) Limited	P Mujaya
Tobacco Sales Floor Limited	J Mutambanesango
TSL Properties Limited	D Odoteye
TSL Classic Leaf (Private) Limited	M Hulett
TSL Greenbelt (Private) Limited	I Brown



REPORT ON OPERATIONS

The 2012 financial year marked a turning point in TSL Limited's operations and strategic focus. The Group was divided into five distinct segments for operational and management purposes. Tobacco Sales Floor (Private) Limited, TSL Classic Leaf (Private) Limited and Propak Hessian (Private) Limited were grouped into the tobacco operations segment, while Bak Logistics (Private) Limited and Car Rental Services (Private) Limited constituted the logistics segment. TSL Properties Limited commenced operations on 1 July 2012 and was formed to house the Group's real estate under one company and management. TSL Greenbelt (Private) Limited was formed during the course of the year to distribute speciality fertilisers. Together with Agricura (Private) Limited, the two make up the agro-inputs segment. The services segment comprises of Tobacco Sales Administration Services (Private) Limited and TSL (Mauritius) Limited.

At a national level, the year was characterised by a liquidity crunch which hampered expansion efforts by businesses. Tobacco production grew by 9%. Year on year inflation remained stable at between 3 and 4.5%. The economy was projected to grow by 4.4% as measured by the country's GDP statistics.

The Group achieved a 9% increase in revenue. Profit before tax however increased five fold as a result of, reduction of the huge losses at Chemco Holdings Limited, timely cost control measures at Tobacco Sales Floor (Private) Limited and group-wide reorganisation and streamlining of operations.

TS Timber (Private) Limited, a division of Chemco Holdings Limited was disposed of with effect from 1 July 2012, thereby stemming its loss contribution to Chemco Holdings Limited's operations. Start up costs for the TSL Classic Leaf (Private) Limited, TSL Greenbelt (Private) Limited and TSL Properties Limited were kept to a bare minimum and the units are geared to make their first contribution to Group profit in the 2013 financial year.

Share of profits of the Group's associate company and joint venture was 12% below the previous year, however, remained of significance to Group profitability.

SHAREHOLDING AND DIRECTORATE

No changes occurred with regards to the Group shareholding structure during the year.

Messrs J S Brown, E Mlambo and Z L Rusike stepped down from the board at the company's fifty fourth Annual General Meeting on 14th March 2012. On behalf of the board and on my own behalf, I would like to register the company's appreciation to the retired directors for their valuable contribution during their term of office.

OUTLOOK

The rationalisation and restructuring undertaken during the year has led to a reduction in costs to sustainable levels. The disposal of TS Timber (Private) Limited as well as the closure of Chemco head office has reduced the losses at Chemco Holdings Limited to a level where profits from the Group can realistically be expected. Strategic initiatives undertaken during the year, in particular the tobacco grower scheme are expected to contribute significantly to Group results in the coming financial year and beyond.

Leveraging on the strength of its Statement of Financial Position, the company has secured bank facilities in the first quarter of 2013 to finance its strategic initiatives. Management focus will remain on cost control in the 2013 financial year in order to improve profitability.

APPRECIATION

My gratitude goes to my fellow Directors, management and staff and other stakeholders for their commitment, dedication and contributions to the achievement of yet another profitable year under very difficult trading conditions.



C Nyereyegona
Chairman

8 February 2013

AGRO INPUTS

Agricura (Private) Limited

Competition in the agro-inputs distribution business intensified during the year with the emergence of a number of small to medium scale operators. The change in model at Agricura from a manufacturing to a distributing business took long to be concluded, resulting in the company running a combination of the two for longer than was anticipated. Increased competition put pressure on profit margins in an effort to grow volumes.

The company recorded an 8% decline in revenue. As a result of the organisational rationalisation carried out during the year, the company's operating loss declined 62% from the previous year. Liquidity shortages remained a major constraint to both the company and its customers.

Strategic alliances will be entered into in the 2013 financial year for the distribution of additional speciality agro-inputs while toll manufacturing opportunities will be vigorously pursued. The company's cost base has been reduced to sustainable levels and it should return to profitability in the 2013 financial year.

LOGISTICS OPERATIONS

Bak Logistics (Private) Limited

Demand for Bak Logistics services continued to grow during the year and a number of new clients were engaged. General storage and bonded warehouse capacity was established in Mutare to service the company's eastern region customers and transit cargo from Mozambican ports. The company's service menu was expanded to include a full range of logistics services.

A 34% and 46% growth in revenue and operating profit respectively was achieved. Staff rationalisation and modernisation of the company's handling equipment improved efficiencies significantly.

Strategic alliances with international logistics organisations will be pursued in 2013 in order for the organisation to benefit from world class practices, in particular on the IT front, and grow its client and geographical market base.

Car Rental Services (Private) Limited-Avis

Increased competition in a somewhat depressed market resulted in a levelling off of Avis's revenue compared to the previous year. Small to medium scale unregistered operators took a significant chunk

of the car rental business from established operators. The company maintained its fleet modernisation and expansion programme in anticipation of improved business opportunities in 2013.

Although revenue increased by 2% , operating profits declined by 59% mainly due to a reduction in rates to retain market share. An increase in business volumes is anticipated in 2013 mainly as a result of a number of national events of global interest.

TOBACCO OPERATIONS

Tobacco Sales Floor Limited

Despite increased competition in the tobacco auctioning business, the Tobacco Sales Floor retained its leading position as a tobacco auction floor with a 34% share of the auction market. A tobacco growing competition was maintained during the year culminating in the Tobacco Grower of the Year award ceremony in September. Staff rationalisation resulted in a decline in the company's cost structure and a significant increase in profit was achieved over the previous year.

Through improved efficiencies, the company is confident of retaining its leading position in the tobacco auctioning business.

Propak Hessian (Private) Limited

Propak Hessian (Private) Limited achieved a strong performance during the year, underpinned by improved efficiencies, adequate stocks and a growth in revenue. The company won back a significant share of the market that had been lost through product shortages and distribution inefficiencies in the past.

Adequate stocks have already been procured in preparation for the 2013 tobacco marketing season.

TSL Classic Leaf (Private) Limited

TSL Classic Leaf (Private) Limited is a contract tobacco growing scheme in partnership with a leading seasoned tobacco merchant company.

The scheme is on course to yield about 2,5million kilograms of tobacco in the 2012/13 tobacco season with plans to double this figure in 2013/14. Other upstream tobacco activities will be implemented in 2013 and after.

By its very nature the scheme did not record any revenue in the year under review and costs were kept to a bare minimum. A small operating loss was incurred during the year.

PROPERTIES SEGMENT

TSL Properties (Limited)

TSL Properties (Limited) was set up during the year and commenced operations on 1 July 2012. The company was set up to bring together the Group's immovable property under one company and management structure. The main objective of the reorganisation was to increase the returns on the Group's real estate to market levels through market related rental rates, efficient utilisation of space and sustainable property maintenance programmes.

Opportunities to expand the Group's real estate are already being pursued in 2013.

JOINT VENTURE COMPANY

Hunyani Holdings Limited

Liquidity constraints continued to adversely affect demand and overall volumes declined by 10%. Competition increased significantly and margins were reduced in a bid to maintain and grow volumes.

Revenue grew 1% over the previous year and a 17% decline in operating profits was recorded.

Although the economy is projected to grow in 2013, liquidity shortages, increased competition and a distressed manufacturing sector will adversely impact the company's performance in 2013.

ASSOCIATE COMPANY

Cut Rag Processors (Private) Limited

As a result of reduced product uptake Cut Rag Processors (Private) Limited recorded a decline in revenue and share of profits from the company declined slightly. Demand for the company's products remains strong and efforts to grow market share have been maintained.



W Matsaira
Chief Executive Officer



ETHICS

TSL Limited is committed to maintaining high moral and ethical standards within the Group. The decentralised philosophy under which subsidiaries operate relies on the high integrity of their management. TSL Limited strives to provide accurate and meaningful information to its stakeholders.

DIRECTORATE

The Board of Directors of TSL Limited consists of six non-executive members and two executive directors. The Chairmanship is held by a non-executive director. The Board meets regularly to review strategy, acquisition and disposal of assets and any material matters relating to the achievement of the Group's objectives. The Board is also responsible for monitoring the performance of the Group executive management. Consolidated management accounts are reviewed by the Board on a monthly basis in addition to an annual review of the Group budget. All Directors have access to the advice and services of the Company Secretary and where appropriate are at liberty to seek independent and professional advice at the Company's expense.

AUDIT COMMITTEE

TSL Limited has an Audit Committee consisting of two non-executive directors, one of whom is the Chairman. The Committee meets at least three times per annum together with the TSL executive management, external and internal auditors. The Committee has written terms of reference which have been approved by the Board of Directors.

REMUNERATION COMMITTEE

The Remuneration Committee comprises of three non-executive directors, the Group Chief Executive Officer and the Group Finance Director.

The Committee meets regularly to determine the remuneration paid to executives within the Group.

INVESTMENT COMMITTEE

The Investment Committee is made up of three non-executive directors with the main function being to review and provide guidance on investment strategies. The Committee meets as and when there are investment proposals requiring board attention. This is an adhoc Board committee chaired by a non-executive board member. Its main function is to review and make recommendations to the board on board and senior executive appointments. The committee meets as and when required.

INTERNAL CONTROL

The Board of Directors acknowledges its responsibility for maintaining and monitoring an effective system of financial controls.

There is comprehensive management reporting discipline in place which include the preparation of annual budgets. Monthly results are reported against approved budgets and revised estimates and compared to the previous year. Profit forecasts are updated regularly and working capital requirements and borrowings are monitored on an ongoing basis. The monitoring of internal control systems is carried out by the Group's Internal Audit department. Audit teams visit each operation two to three times per annum and their reports are reviewed by the Audit Committee. In addition, external auditors carry out their own system reviews and report where necessary to the Audit Committee.

The following definitions relate to terms used in this report.

Average

Opening balance plus closing balance divided by two.

Operating Margin

Income from operations as a percentage of turnover.

Return on total assets

Income from operations as a percentage of average total assets.

Return on equity

Income attributable to shareholders as a percentage of average shareholders funds.

Net asset turn

Turnover divided by the sum of average fixed and current assets less average interest free liabilities.

Current ratio

Ratio of current assets to current liabilities

Interest cover

Income before taxation plus interest payable, divided by interest payable.

Price earnings ratio

Market price at year end divided by earnings per share.

Headline earnings

Net profit from ordinary activities adjusted for amortisation of goodwill, profit on sale of fixed assets and investments and dividend received on disposal of associate.

Dividend cover

Earnings per share divided by dividend per share.

Capital employed

Shareholders' funds, minority interest, long term liabilities, deferred income and deferred taxation.

Market capitalization

Share price at year end multiplied by number of shares in issue.

Net asset value per share

Equity attributable to owners of the parent at end of year divided by number of shares in issue.

Return on Equity

Income after tax expressed as a percentage of average share capital and reserves for the year.

Equity

Share capital plus distributable and non-distributable reserves

Dividend yield

Dividend per share as a percentage of market price at year end.



The Directors have pleasure in presenting their report together with the audited financial statements for the year ended 31 October 2012.

SHARE CAPITAL

The number of shares in issue increased to 347,596,849 (2011:345,876,849) ordinary shares during the year as a result of the exercise of share options by qualifying employees.

RESERVES

The movement in Group reserves is shown in the Statement of Changes in Equity.

DIVIDENDS

The Directors have decided to declare a dividend of US 0.43 cents (2011:US 0.22 cents) per share for the year ended 31 October 2012 after taking into consideration the Group profits for the year.

DIRECTORATE

Members will be asked to ratify the remuneration of the Directors for the past year at US\$63,940 which


had been budgeted at US\$60,000. Members will be asked to fix the budget for the remuneration of Directors for the ensuing year amounting to US\$100,000.

GOING CONCERN STATEMENT

The 2012 financial statements have been prepared on a going concern basis as the Directors are of the opinion the company is a going concern.

By Order of the Board

Tobacco Sales Administration Services (Private) Limited
28 Simon Mazorodze Road
Southerton
Harare



SECRETARIES
8 February 2013



Statement of Directors' Responsibility



The Directors of TSL Limited are responsible for the preparation and integrity of the financial statements and other information included in this annual report. The external auditors are responsible for independently auditing and reporting on these financial statements in accordance with International Standards on Auditing.

To fulfil their responsibilities, the Directors ensure that the Group maintains systems of internal control which are designed to provide reasonable assurance that the records accurately reflect the transactions of the Group to provide protection against serious misuse or loss of Group assets.

Regular meetings are held between management and internal and external auditors to review matters relating to internal financial controls, auditing and financial reporting. Our auditors also meet periodically with the Audit Committee of the Board of Directors to discuss these matters. The auditors have unrestricted access to the Audit Committee.

The financial statements for the year ended 31 October 2012, which appear on pages 16-61 have been approved by the Board of Directors and are signed on its behalf by:

A handwritten signature in black ink, appearing to read 'C Nyereyegona'.

C Nyereyegona
Chairman

A handwritten signature in black ink, appearing to read 'W Matsaira'.

W Matsaira
Chief Executive Officer



**Report of the Independent Auditors
To The Members of TSL Limited**

We have audited the accompanying consolidated financial statements of TSL Limited as set out on pages 16 to 61, which comprise the Consolidated Statement of Financial Position at 31 October 2012, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the Financial Statements

The Company's Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act (Chapter 24:03), 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of TSL Limited and its subsidiaries as at 31 October 2012, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on other legal and regulatory requirements

In our opinion, the consolidated financial statements have, in all material respects, been properly prepared in compliance with the disclosure requirements of the Companies Act (Chapter 24:03) and the relevant Statutory Instruments.

A handwritten signature in black ink, appearing to read 'Ernst & Young', is positioned above the printed name of the firm.

ERNST & YOUNG
CHARTERED ACCOUNTANTS (ZIMBABWE)
REGISTERED PUBLIC AUDITORS
Harare

4 March 2013



Consolidated income statement

for the year ended 31 October 2012

	Notes	2012 \$	Restated* 2011 \$
Continuing operations			
Value of goods sold		8,495,790	9,827,081
Value of services provided		23,462,067	19,617,452
Revenue		31,957,857	29,444,533
Cost of sales		(6,777,748)	(8,307,926)
Gross Profit		25,180,109	21,136,607
Other operating income	8.1	1,210,862	(145,129)
Staff costs	9.1	(7,519,442)	(7,008,785)
Depreciation	9	(1,621,580)	(1,562,507)
Other operating expenses	8.2	(11,726,926)	(11,392,047)
Operating profit		5,523,023	1,028,139
Finance costs	8.3	(241,536)	(398,978)
Finance income	8.4	103,131	212,995
Share of profit from joint venture	5	336,128	440,401
Share of profit of associate	6	801,222	851,852
Profit before tax from continuing operations		6,521,968	2,134,409
Income tax expense	10	(948,480)	(190,047)
Profit for the year from continuing operations		5,573,488	1,944,362
Discontinued operations			
Loss after tax for the year from a discontinued operation	11	-	(155,250)
Profit for the year		5,573,488	1,789,112
Attributable to :			
Owners of the parent		5,152,836	2,278,643
Non-controlling interest		420,652	(489,531)
		5,573,488	1,789,112
Earnings per share :			
	12		
- Basic earnings per share		0.015	0.007
- Diluted earnings per share		0.015	0.007
- Headline earnings per share		0.011	0.006
- Diluted headline earnings per share		0.011	0.006
Earnings per share for continuing operations:			
- Basic earnings per share		0.015	0.006
- Diluted earnings per share		0.015	0.006
- Headline earnings per share		0.011	0.006
- Diluted headline earnings per share		0.011	0.006

* Refer to Accounting policy Note 2.4 IFRS 11 Joint arrangements and Note 3 Restatements and Reclassifications.

Consolidated statement of comprehensive income

for the year ended 31 October 2012



	Notes	2012 \$	Restated* 2011 \$
Profit for the year		5,573,488	1,789,112
Other comprehensive income			
Impairment of previously revalued assets		-	(38,709)
Deferred tax rate adjustment	10	(1,189,513)	2,574,711
Revaluation of property		407,473	-
Deferred tax on revaluation of property	10	(104,924)	-
Share of joint venture comprehensive income	5	(321,397)	(60,110)
Other comprehensive income for the year, net of tax		(1,208,361)	2,475,892
Total comprehensive income for the year, net of tax		4,365,127	4,265,004
Attributable to:			
Owners of the parent		3,944,475	4,754,535
Non-controlling interest		420,652	(489,531)
		4,365,127	4,265,004

* Refer to Accounting policy Note 2.4 IFRS 11 Joint arrangements and Note 3 Restatements and Reclassifications.



Consolidated statement of financial position

as at 31 October 2012

	Notes	2012	Restated* 2011
Assets		\$	\$
Non-current assets			
Property, plant and equipment	13	21,721,315	29,249,093
Investment properties	14	26,473,413	17,790,636
Investment in joint venture	5	8,218,576	8,203,845
Investment in associate	6	1,010,409	786,687
Deferred tax asset	10	462,355	480,576
		57,886,068	56,510,837
Current assets			
Inventories	17	4,915,331	5,010,850
Trade and other receivables	18	6,856,340	3,607,413
Cash and short term deposits	19	3,274,025	3,206,614
		15,045,696	11,824,877
Assets held for sale	13	362,947	100,000
		15,408,643	11,924,877
Total assets		73,294,711	68,435,714
Equity and liabilities			
Equity			
Issued capital	20	3,475,967	3,458,767
Share premium	20	82,069	36,669
Non distributable reserves	20.1	40,178,626	41,386,987
Retained earnings		10,924,685	5,771,849
Equity attributable to owners of the parent		54,661,347	50,654,272
Non- controlling interest		4,682,249	4,261,597
Total equity		59,343,596	54,915,869
Non-current liabilities			
Interest-bearing loans and borrowings	15	-	224,809
Deferred tax liabilities	10	6,298,352	6,841,965
		6,298,352	7,066,774
Current liabilities			
Trade and other payables	24	5,179,295	5,013,399
Interest-bearing loans and borrowings	15	1,449,619	332,183
Provisions	24.1	865,863	1,022,902
Income tax payable		157,986	84,587
		7,652,763	6,453,071
Total liabilities		13,951,115	13,519,845
Total equity and liabilities		73,294,711	68,435,714

* Refer to Accounting policy Note 2.4 IFRS 11 Joint arrangements and Note 3 Restatements and Reclassifications.

Consolidated statement of changes in equity



for the year ended 31 October 2012

	Issued capital	Share premium	Non distributable reserves	Retained earnings	Total	Non- controlling interest	Total Equity
	\$	\$	\$	\$	\$	\$	\$
As at 1 November 2011 Restated	3,458,767	36,669	41,386,987	5,771,849	50,654,272	4,261,597	54,915,869
Profit for the period	-	-	-	5,152,836	5,152,836	420,652	5,573,488
Other comprehensive income	-	-	(1,208,361)	-	(1,208,361)	-	(1,208,361)
Total comprehensive income	-	-	(1,208,361)	5,152,836	3,944,475	420,652	4,365,127
Issue of share capital (Share based payment transactions)	17,200	45,400	-	-	62,600	-	62,600
At 31 October 2012	3,475,967	82,069	40,178,626	10,924,685	54,661,347	4,682,249	59,343,596
As at 1 November 2010 Restated	-	23,968	42,338,545	4,184,213	46,546,726	4,844,915	51,391,641
Profit for the period	-	-	-	2,278,643	2,278,643	(489,531)	1,789,112
Other comprehensive income	-	-	2,475,892	-	2,475,892	-	2,475,892
Total comprehensive income	-	-	2,475,892	2,278,643	4,754,535	(489,531)	4,265,004
Redenomination of share capital	3,439,434	(11,984)	(3,427,450)	-	-	-	-
Issue of share capital (Share based payment transactions)	19,333	24,685	-	-	44,018	-	44,018
Dividends	-	-	-	(691,007)	(691,007)	(93,787)	(784,794)
At 31 October 2011 Restated	3,458,767	36,669	41,386,987	5,771,849	50,654,272	4,261,597	54,915,869



Consolidated statement of cash flows

for the year ended 31 October 2012

	Notes	2012 \$	Restated* 2011 \$
Operating activities			
Profit before tax from continuing operations		6,521,968	2,134,409
Loss before tax from discontinued operations	11	-	(221,364)
Profit before tax		6,521,968	1,913,045
Non-cash adjustments to reconcile profit before tax to net cash flows			
Working capital adjustments:			
Increase in trade and other receivables		(3,248,927)	(850,753)
Decrease/(increase) in inventories		95,519	(825,157)
Increase in trade and other payables		8,857	1,681,976
		1,975,960	4,367,302
Interest received		103,131	212,995
Interest paid	25.2	(241,536)	(398,978)
Income tax paid		(1,574,970)	(1,537,140)
Dividend received from associate	6	577,500	480,000
Dividend paid		-	(783,185)
Net cash flows from operating activities		840,085	2,340,994
Investing activities			
Purchase of property, plant and equipment	13	(2,642,630)	(2,814,192)
Proceeds from sale of property, plant and equipment		914,729	387,905
Proceeds from disposal of associate		-	974,785
Proceeds from sale of investments		-	3,443
Net cash used in investing activities		(1,727,901)	(1,448,059)
Financing activities			
Increase/(decrease) in loans and borrowings	25.3	892,627	(197,727)
Net proceeds from issue of share capital		62,600	44,018
Net cash flows from/(used in) financing activities		955,227	(153,709)
Net increase in cash and cash equivalents		67,411	739,226
Cash and cash equivalents at 01 November		3,206,614	2,467,388
Cash and cash equivalents at 31 October	19	3,274,025	3,206,614

* Refer to Accounting policy Note 2.4 IFRS 11 Joint arrangements and Note 3 Restatements and Reclassifications.

1. Corporate information

The consolidated financial statements of the Group for the year ended 31 October 2012 were authorised for issue in accordance with a resolution of the directors on 23 January 2013. The Group is a limited company incorporated and domiciled in Zimbabwe whose shares are publicly traded. The registered office is located at 28 Simon Mazorodze Road, Southerton, Harare.

The principal activities of the Group are described in Note 7. Information on its ultimate parent is presented in Note 26.

2.1 Basis of preparation

The consolidated financial statements are prepared in accordance with the going concern and historical cost bases except where otherwise indicated. The accounting policies are applied consistently throughout the Group. The consolidated financial statements are presented in United States Dollars (US\$) and all values are rounded to the nearest dollar except where otherwise stated.

Statement of compliance

The financial statements have been prepared in conformity with International Financial Reporting Standards (IFRS) and International Financial Reporting and Interpretations Committee (IFRIC), promulgated by the International Accounting Standards Board (IASB).

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 October 2012.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries and joint venture are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- a) Derecognises the assets (including goodwill) and liabilities of the subsidiary
- b) Derecognises the carrying amount of any non-controlling interest
- c) Derecognises the cumulative translation differences, recorded in equity
- d) Recognises the fair value of the consideration received
- e) Recognises the fair value of any investment retained
- f) Recognises any surplus or deficit in profit or loss
- g) Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

2.3 Summary of significant accounting policies

a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with IAS 39 either in profit or loss or as a charge

to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

b) Interest in a joint venture

The Group has an interest in a joint venture which is a jointly controlled entity, whereby the venturers have a contractual arrangement that establishes joint control over the economic activities of the entity. The agreement requires unanimous agreement for financial and operating decisions among the venturers. The Group recognises its interest in the joint venture using the equity method of accounting. Under the equity method, the interest in joint venture is carried in the statement of financial position at cost plus post acquisition changes in the Group's share of its net assets, less distributions received, less any impairment in value of individual investments. The income statement reflects the Group's share of the jointly controlled entities' results after interest and tax. Financial statements of jointly controlled entities are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies used into line with those of the Group.

The Group statement of other comprehensive income reflects the Group's share of any income and expense

recognised by the jointly controlled entities outside the income statement.

Adjustments are made in the Group's consolidated financial statements to eliminate the Group's share of intergroup balances, transactions and unrealised gains and losses on such transactions between the Group and its jointly controlled entity. Losses on transactions are recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

Upon loss of joint control the Group measures and recognises its remaining investment at its fair value. Any difference between the carrying amount of the former joint controlled entity upon loss of joint control and the fair value of the remaining investment and proceeds from disposal are recognised in profit or loss. When the remaining investment constitutes significant influence, it is accounted for as investment in an associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in a joint venture. The Group determines at each reporting date whether there is any objective evidence that the investment in the joint venture is impaired. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the 'share of profit of joint venture' in the income statement.

c) Investment in an associate

The Group's investment in its associate is accounted for using the equity method. An associate is an entity in which the Group has significant influence. Under the equity method, the investment in the associate is carried in the statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The income statement reflects the share of the results of operations of the associate. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The share of profit of an associate is shown on the face of the income statement. This is the profit attributable to equity holders of the associate and therefore is profit after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group with the exception of Cut Rag Processors (Private) Limited whose year end is the 30th of June. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group. The audited Cut Rag Processors (Private) Limited financial statements are adjusted for the three months after their year end which would also be audited and the last three months are based on management accounts. Management consider the variance on unaudited three months to be immaterial to the group.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the 'share of profit of an associate' in the income statement. Upon loss of significant influence over the associate, the Group measures and recognises any remaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognised in profit or loss.

d) Foreign currency translation

The Group's consolidated financial statements are presented in United States dollars (US\$). The Group adopted the US Dollar as its functional and presentation currency in February 2009 after the formal adoption of a multi-currency system by the Government.

Each entity in the Group uses the US Dollar as its functional and presentation currency and items

included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and has elected to recycle the gain or loss that arise from using this method.

i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. All differences are taken to the income statement with the exception of all monetary items that provide an effective hedge for a net investment in a foreign operation. These are recognised in other comprehensive income until the disposal of the net investment, at which time they are recognised in the income statement.

Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

ii) Group companies

The assets and liabilities of foreign operations are translated into United States Dollars at the rate of exchange prevailing at the reporting date and their income statements are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income and accumulated in equity. On disposal of a foreign operation, the accumulated amount relating to that particular foreign operation is recycled through other comprehensive income into the income statement.

e) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or

receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

i) Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

ii) Rendering of services

Revenue from rendering of services is recognised by reference to the stage of completion. Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. Where the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

iii) Interest income

For all financial instruments measured at amortised cost and interest bearing financial assets classified as available for sale, interest income or expense is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the income statement.

iv) Dividends

Revenue is recognised when the Group's right to receive the payment is established.

v) Rental income

Rental income receivable from operating leases except for contingent rental income which is recognised when it arises, is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis as the lease income. Incentive for lessees to enter into lease agreements are spread evenly over the lease term, even if the payments are not made on such basis. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where at the inception of the lease, the

directors are reasonably certain that the tenant will exercise that option. Amounts received from tenants to terminate leases or to compensate for dilapidations are recognised in the income statement when the right to receive them arises.

f) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or other comprehensive income and not in income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- i) Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- ii) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- i) Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
 - ii) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.
- a) Where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.
 - b) Receivables and payables that are stated with the amount of value added tax included. The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

g) Non-current assets held for sale and discontinued operations

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of it being classified as such. In the consolidated statement of comprehensive income of the reporting period, and of the comparable period of the previous year, income and expenses from discontinued operations are reported separately from income and expenses from continuing operations, down to the level of profit after taxes, even when the Group retains a non-controlling interest in the subsidiary after the sale. The resulting profit or loss (after taxes) is reported separately in the statement of comprehensive income.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or in profit or loss.

h) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is

Valued added tax

Revenues, expenses and assets are recognised net of the amount of value added tax, except:

recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the income statement as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to Significant accounting judgments, estimates and assumptions (Note 3).

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation. Valuations are performed frequently to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Any revaluation surplus is credited to other comprehensive income and accumulated in the asset revaluation reserve in equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the income statement, in which case the increase is recognised in the income statement. A revaluation deficit is recognised in the income statement, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

• Buildings	40 - 50 years
• Plant and equipment	5 - 25 years
• Vehicles and mobile equipment	3 - 5 years
• Office furniture and fittings	10 years
• Office equipment	3- 5 years

No depreciation is charged on freehold land and capital work in progress.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

i) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 January 2005, the date of inception is deemed to be 1 January 2005 in accordance with the transitional requirements of IFRIC 4.

Group as a lessee

Finance leases which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the income statement.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an operating expense in the income statement on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

j) Borrowing costs

Borrowing costs directly attributable to the acquisition,

construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The Group capitalises borrowing costs for all eligible assets where construction was commenced on or after 1 January 2009.

k) Investment properties

Investment property comprises completed property and property under construction or re-development that is held to earn rentals or for capital appreciation or both. Property held under a lease is classified as investment property when the definition of an investment property is met.

Investment property is measured initially at cost including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating. The carrying amount also includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met.

Subsequent to initial recognition, investment property is stated at fair value. Gains or losses arising from changes in the fair values are included in the income statement in the year in which they arise. For the purposes of these financial statements, in order to avoid double accounting, the assessed fair values are:

- Reduced by the carrying amount of any accrued income resulting from the spreading of lease incentives and/or minimum lease payments
- Increased by the carrying amount of any liability to the superior leaseholder or freeholder that has been recognised in the statement of financial position as a finance lease obligation

Investment property is derecognised when it has been disposed of, permanently withdrawn from use and no future economic benefit is expected or is transferred to property, plant and equipment. Any gains or losses on the retirement or disposal of investment property are recognised in the income statement in the year of retirement or disposal. Gains or losses on the disposal of investment property are determined as

the difference between net disposal proceeds and the carrying value of the asset in the previous full period financial statements.

l) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the income statement in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

Research and development costs

Research costs are expensed as incurred. Development expenditures, on an individual project, are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

A summary of the policies applied to the Group's intangible assets is as follows:

	Development costs
Useful lives	Finite
Amortisation method used	Amortised over the period of expected future sales from the related project on a straight-line basis
Internally generated or acquired	Internally generated

n) Financial instruments – initial recognition and subsequent measurement

i) Financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss or loans and receivables. The Group determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

The Group's financial assets include cash and short-term deposits, trade and other receivables.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss includes financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or finance costs in the income statement.

The Group has not designated any financial assets upon initial recognition as at fair value through profit or loss. The Group evaluated its financial assets held for trading, other than derivatives, to determine whether the intention to sell them in the near term is still appropriate. When the Group is unable to trade these financial assets due to inactive markets and management's intention to sell them in the foreseeable future significantly changes, the Group may elect to reclassify these financial assets in rare circumstances. The reclassification to loans and receivables, available-for-sale or held to maturity depends on the nature of the asset. This evaluation does not affect any financial assets designated at fair value through profit or loss using the fair value option at designation.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the income statement. Reassessment only occurs if there is a change in the

terms of the contract that significantly modifies the cash flows that would otherwise be required. The Group did not have any financial assets at fair value through profit and loss during the year ended 31 October 2012.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the income statement. The losses arising from impairment are recognised in the income statement in finance costs.

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- a) The rights to receive cash flows from the asset have expired
- b) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset.

In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset

and the maximum amount of consideration that the Group could be required to repay.

ii) Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial assets original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. Interest income continues to be accrued on the

reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

The interest income is recorded as part of finance income in the income statement. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the income statement.

iii) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs. The Group's financial liabilities include trade and other payables, bank overdrafts and loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the income statement. The Group has not designated any financial liabilities upon initial recognition as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the income statement.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation. The Group do not engage in financial guarantee contracts.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

iv) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

v) Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; a discounted cash flow analysis or other valuation models.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 16.

n) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials:

Purchase cost on a first in, first out basis

Finished goods and work in progress:

Cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs. Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in other comprehensive income, in respect of the purchases of raw materials.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

o) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an

asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the income statement in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. The following criteria are also applied in assessing impairment of specific assets:

Goodwill

Goodwill is tested for impairment annually (as at 31 October) and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash generating unit is less than their carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 October either individually or at the cash-generating unit level, as appropriate and when circumstances indicate that the carrying value may be impaired.

p) Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

q) Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in share premium. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively. Share options exercised during the reporting period are satisfied with treasury shares.

r) Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset

but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

s) Pensions and other post employment benefits

The Group operates defined contribution pension plans, which require contributions to be made to separately administered funds.

Retirement benefits

Retirement benefits are provided for eligible Group employees through various independently administered defined contribution schemes, including the National Social Security Authority.

Defined contribution plans

Contributions to these funds are recognised as an expense in the period to which employees' service relate.

t) Share-based payment transactions

Employees (including senior executives) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, the unidentified goods or services received (or to be received) are measured as the difference between the fair value of the share-based payment transaction and the fair value of any identifiable goods or services received at the grant date. This is then capitalised or expensed as appropriate.

Equity-settled transactions

The cost of equity-settled transactions is recognised, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense (Note 9.1).

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-

vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. Where the terms of an equity-settled transaction award are modified, the minimum expense recognised is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. All cancellations of equity-settled transaction awards are treated equally.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (further details are given in Note 12).

2.4 Changes in accounting policy and disclosures

New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amendments to IFRS effective as of 1 November 2011 and standards early adopted.

The adoption of the standards or interpretations is described below:

IAS 12 Income Taxes (Amendment) – Deferred taxes: Recovery of Underlying Assets (early adopted)

The amendment clarified the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, it introduces the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in IAS 16 always be measured on a sale basis of the asset.

Refer to Note 3 under Restatements and Reclassifications for the impact of early adopting IAS 12 - Income Taxes (Amendment) – Deferred taxes: Recovery of Underlying Assets.

IFRS 7 Financial Instruments: Disclosures — Enhanced Derecognition Disclosure Requirements

The amendment requires additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the Group's financial statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendment requires disclosures about the entity's continuing involvement in derecognised assets to enable the users to evaluate the nature of, and risks associated with, such involvement. The amendment is effective for annual periods beginning on or after 1 July 2011. The Group does not have any assets with these characteristics so there has been no effect on the presentation of its financial statements.

IFRS 11 Joint Arrangements and IFRS 10 Consolidated financial statements (early adopted)

The Group decided to early adopt IFRS 11, which is effective for annual periods beginning 1 January 2013, in the current year. As a result, the Group has also early adopted IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities, IAS 28 Investments in Associates and Joint Ventures (as revised in 2011) and IAS 27 Separate Financial Statements.

As a result of early adopting IFRS 11, the Group accounted for its investments in Hunyani Holdings Limited using the equity method and not proportionate consolidation. In order to transition from proportionate consolidation to equity accounting, the Group calculated the carrying amount of its investment in the joint venture as at 1 November 2010. Refer to Note 5 for the assets and liabilities that were used in the calculation.

The adoption of IFRS 11 has resulted in the following changes to the comparative information presented: a reduction in revenue of \$18,137,339 (2011: \$18,192,607) and a reduction in operating profit of \$479,991 (2011: \$577,375) as income from joint ventures will be presented outside operating profit going forward. Current assets and current liabilities will be reduced by \$7,379,324 (2011: \$6,673,232) and \$4,808,609 (2011: \$4,291,049) respectively, while the impact on non-current assets will be \$7,147,827 (2011: \$7,677,836) and the non-current liabilities will be reduced by \$1,500,825 (2011: \$1,856,174).

Adoption of IFRS 11 has also resulted in additional disclosures as detailed under note 5. The Group's early adoption of IFRS 10, IFRS 12, IAS 27 and IAS 28 did not have any impact on the financial results, but has resulted in additional disclosures.

3. Significant accounting judgments, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Operating lease commitments – group as lessor

The Group has entered into commercial property leases on its investments properties. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Classification of Investment properties

Investment properties consist of land and buildings that are let out to clients for purpose of earning rentals. In some circumstances the leasing arrangement involve provision of ancillary services. These come in the form of handling and administration. Where these ancillary services are considered to be significant, the assets are classified as property, plant and equipment. The ancillary services significance is determined based on value of service to the client and significance to the company in comparison to total revenue derived from the lease arrangement.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions

and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Revaluation of property, plant and equipment and investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in the income statement. In addition, it measures land and buildings at revalued amounts with changes in fair value being recognised in other comprehensive income. The Group's directors assessed fair value as at 31 October 2012. The Group's directors determined the fair values of investment properties based on comparable market prices adjusted for specific market factors such as nature, location and condition of the property. For investment properties where there is no comparable market prices, the directors used a valuation methodology based on a discounted cash flow model.

The determined fair value of the investment properties is most sensitive to the estimated yield as well as the long-term vacancy rate. The key assumptions used to determine the fair value of the investment properties are further explained in Note 14.

Recognition of deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. The Group has deferred tax assets amounting to \$462,355 (2011: \$480,576). The losses from which the deferred tax assets arose from, expire after six years from the year in which they arose and may only be used to offset taxes of the respective company from which they arose.

Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less

incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The exercise price of the share options is equal to the market price of the underlying shares on the date of grant. The fair value of the share options is estimated at the grant date, taking into account the terms and conditions upon which the share options are granted. The contractual term of each option granted is three years. There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options.

Restatements and reclassifications

The Group restated deferred tax asset of \$480,576 and deferred tax liability of \$6,841,965. The deferred tax asset existed in one of the Group's subsidiaries and had been netted off against the deferred tax liability in 2011.

The Group also restated investment properties, that had previously been classified as property, plant and equipment. The restatement of investment property in Bak Storage (Private) Limited and Tobacco Warehouse and Export Company (1946) Limited in 2012 were errors related to 2011. This resulted in property, plant and equipment being reduced by \$17,790,636, depreciation reduced by \$393,731, and the recognition of investment property of \$17,790,636 and fair value loss of \$393,731 in 2011. The net income tax effect is nil.

The Group also reclassified some of its property, plant and equipment to investment properties in the current year, as the properties are now leased to third parties or held for capital appreciation. As a result of the reclassification of property, plant and equipment to investment property, the Group subsequently changed the rate for calculating deferred tax from 25.75% to 5% on carrying amount, and 25.75% on potential recoupment, after early adopting the amendment to IAS 12 - Income Taxes (Amendment)

– Deferred taxes: Recovery of Underlying Assets. This resulted in a (charge)/credit for rate change through comprehensive income of \$1,189,513 (2011:(\$2,574,711)), during the year.

The early adoption of the IAS 12 amendments only affected the 2011 comparatives as there was no investment property before. As a result no three statements of financial position have been presented.

4. Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the Group's financial statements are listed below. This listing of standards and interpretations issued are those that the Group reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Group intends to adopt these standards when they become effective.

IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1

The amendments to IAS 1 change the grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) would be presented separately from items that will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affects presentation only and has no impact on the Group's financial position or performance. The amendment becomes effective for annual periods beginning on or after 1 July 2012, and will therefore be applied in the Group's first annual report after becoming effective.

IAS 19 Employee Benefits (Revised)

The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. The amendment becomes effective for annual periods beginning on or after 1 January 2013. There is no impact as the group do not have a defined benefit plan.

IAS 32 Offsetting Financial Assets and Financial Liabilities — Amendments to IAS 32

These amendments clarify the meaning of "currently has a legally enforceable right to set-off". The amendments also clarify the application of the IAS

32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. These amendments are not expected to impact the Group's financial position or performance and become effective for annual periods beginning on or after 1 January 2014.

IFRS 7 Disclosures — Offsetting Financial Assets and Financial Liabilities — Amendments to IFRS 7

These amendments require an entity to disclose information about rights to set-off and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32. These amendments will not impact the Group's financial position or performance and become effective for annual periods beginning on or after 1 January 2013.

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9, as issued, reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to IFRS 9 Mandatory Effective Date of IFRS 9 and Transition Disclosures, issued in December 2011, moved the mandatory effective date to 1 January 2015. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will not have an impact on classification and measurements of financial liabilities. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The Group is currently assessing the impact that this standard will have on the financial position and performance, but based on the preliminary analyses, no material impact is expected. This standard becomes effective for annual periods beginning on or after 1 January 2013.

Annual Improvements May 2012

These improvements will not have an impact on the Group, but include:

IAS 1 Presentation of Financial Statements

This improvement clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative information is the previous period.

IAS 16 Property Plant and Equipment

This improvement clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory.

IAS 32 Financial Instruments, Presentation

This improvement clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 Income Taxes.

IAS 34 Interim Financial Reporting

The amendment aligns the disclosure requirements for total segment assets with total segment liabilities in interim financial statements. This clarification also ensures that interim disclosures are aligned with annual disclosures.

These improvements are effective for annual periods beginning on or after 1 January 2013.

5 Investment in joint venture

The Group has a 39% interest in Hunyani Holdings Limited, a jointly controlled entity involved in the manufacture of pulp and paper, corrugated, cardboard, tissue products and printing. This a strategic investment to TSL Limited for the supply of wrapping paper and packaging products used in its Tobacco Operations. The Group early adopted International Financial Reporting Standard 11, Joint arrangements. The investment in the joint venture is now accounted for on an equity basis as opposed to proportionate consolidation that had been applied up to 31 October 2011. Comparatives as at 31 October 2011 have therefore been restated to comply with this standard's requirements. The Joint Venture principal place of business is 68 Birmingham Road, Southerton, Harare. The assets and liabilities as at 31 October 2012 and 2011 and income and expenses of the jointly controlled entity for the years ended 31 October 2012 and 2011, as well as the assets and liabilities used to calculate the carrying amount of the investment at 1 November 2010, are as follows:

	2012	Restated*	Restated*
	\$	2011	2010
		\$	\$
The joint venture's statement of financial position:			
Current assets	18,888,747	17,081,374	13,670,325
Non-current assets	18,296,188	19,652,846	19,119,986
Current liabilities	(12,306,324)	(10,983,736)	(8,021,245)
Non-current liabilities	(3,841,639)	(4,751,222)	(4,743,227)
Equity	21,036,972	20,999,262	20,025,839
Share of investment in joint venture	8,218,576	8,203,845	7,823,554

Included in the current assets above is a cash and bank balance of \$2,008,658 (2011: \$2,186,806)

The joint venture's revenue and profit:

	2012	Restated*
	\$	2011
		\$
Revenue	45,533,142	45,155,171
Cost of sales	(34,267,704)	(33,155,362)
Other income	684,916	716,024
Selling and distribution expenses	(1,082,689)	(1,171,209)
Administration	(7,344,460)	(8,085,457)
Depreciation and amortisation	(1,122,289)	(981,186)
Other operating expenses	(609,787)	(331,537)
Interest income	88,864	23,280
Interest expense	(651,367)	(691,825)
Net finance costs	(562,503)	(668,545)
Profit before tax	1,228,626	1,477,899
Income tax expense	(351,440)	(400,911)
Profit after tax for the year from continuing operations	877,186	1,076,988
Discontinued operations	(16,804)	50,300
Other comprehensive loss	(822,674)	(153,863)
Total comprehensive income	37,708	973,425
Carrying amount of the investment:		
Opening balance	8,203,845	7,823,554
Share of profit after tax for the year	336,128	440,401
Share of other comprehensive income	(321,397)	(60,110)
Carrying amount of the investment	8,218,576	8,203,845
Share of fair value of market capitalisation of joint venture	6,494,928	8,118,660

* Refer to Accounting policy Note 2.4 IFRS 11 Joint arrangements and Note 3 Restatements and Reclassifications.

6 Investment in associate

The Group has a 30% interest in Cut Rag Processors (Private) Limited, which is involved in the manufacture of cigarettes and cut rag. The associate is a strategic investment in the further processing and beneficiation of tobacco from the tobacco operations. The associate principal place of business is 15-17 Auckland road, Southerton, Harare. The company is a private entity that is not listed on any public exchange. The following table illustrates summarised financial information of Cut Rag Processors (Private) Limited:

	2012	Restated* 2011
	\$	\$
Associate statement of financial position:		
Current assets	9,308,194	9,947,081
Non-current assets	5,270,980	3,740,932
Current liabilities	(135,540)	1,398,971
Non-current liabilities	(650,115)	(950,363)
Equity	13,793,519	14,136,621
Associate revenue and profit:		
Revenue	17,933,534	20,162,477
Profit after tax	2,670,740	2,839,506
Other comprehensive income	-	-
Total comprehensive income	2,670,740	2,839,506
TSL Share of profit for the year	801,222	851,852
Carrying amount of the investment	1,010,409	786,687
Investment in associate		
Opening balance	786,687	414,835
Profit before tax	1,020,048	1,086,543
Taxation	(218,826)	(234,691)
Profit after tax	801,222	851,852
Dividends received	(577,500)	(480,000)
Retained earnings	223,722	371,852
Closing balance of investment	1,010,409	786,687

7 Segment information

For management purposes, the group is organised into business units based on their products and services and has five reportable segments as follows:

- a) The Logistics segment offer storage and handling facilities for tobacco, agricultural and general products, container handling, transport and distribution and car rental and touring services.
- b) The Agro Inputs segment involve retailing of agricultural inputs and hardware, importation, formulation and supply of crop and livestock protection chemicals and other agricultural inputs.
- c) The Tobacco Operations segment involves tobacco auction services, tobacco grower scheme and supply of tobacco wrapping paper, string, hessian tobacco wraps and other agricultural inputs
- d) The Services segment includes supply of new computer equipment, treasury and administration services to group companies.
- e) The Properties segment offers the rental of property space to third parties and group companies.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

* Refer to Accounting policy Note 2.4 IFRS 11 Joint arrangements and Note 3 Restatements and Reclassifications.

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for the year ended 31 October 2012

However, group financing (including finance costs and finance income) and income taxes are managed on a group basis and are not allocated to operating segments. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

**Year ended
31 October 2012**

	Logistics		Tobacco		Properties	Services	Consolidated
	Operations	Agro Inputs	Operations	Operations	Operations	Operations	Operations
	2012	2012	2012	2012	2012	2012	2012
	\$	\$	\$	\$	\$	\$	\$
Revenue							
External customers	14,424,489	5,703,914	9,484,989	519,631	1,824,834	31,957,857	
Total revenue	14,424,489	5,703,914	9,484,989	519,631	1,824,834	31,957,857	

Results

Depreciation and amortisation	533,525	122,511	189,262	700,115	76,167	1,621,580
Share of profit of associate	-	-	-	-	801,222	801,222
Share of profit of Joint Venture	-	-	-	-	336,128	336,128
Segment profit/ (loss)	3,673,198	(920,585)	3,432,881	657,506	(182,627)	6,660,373
Operating assets	7,156,732	6,199,154	8,489,478	39,953,129	1,441,931	63,240,424
Operating liabilities	266,083	3,365,575	3,121,206	707,793	2,490,034	9,950,691

Other disclosures

Investment in associate	-	-	-	-	1,010,409	1,010,409
Investment in joint venture	-	-	-	-	8,218,576	8,218,576
Capital expenditure	748,646	74,781	182,740	1,415,242	221,221	2,642,630

Inter-segment revenues, if any are eliminated upon consolidation. All other adjustments and eliminations are part of detailed reconciliations presented further below.

**Year ended
31 October 2011 (Restated)**

	Logistics		Tobacco		Properties	Services	Consolidated
	Operations	Agro Inputs	Operations	Operations	Operations	Operations	Operations
	2011	2011	2011	2011	2011	2011	2011
	\$	\$	\$	\$	\$	\$	\$
Revenue							
External customers	11,737,929	6,592,374	8,827,978	15,940	2,270,312	29,444,533	
Total revenue	11,737,929	6,592,374	8,827,978	15,940	2,270,312	29,444,533	

Results

Depreciation and amortisation	631,286	272,035	195,616	417,683	45,887	1,562,507
Share of profit of an associate	-	-	-	-	851,852	851,852
Share of profit from Joint Venture	-	-	-	-	440,401	440,401
Segment profit/ (loss)	3,066,052	(2,295,419)	836,659	(214,104)	927,204	2,320,392
Operating assets	20,895,335	6,979,572	5,664,459	22,279,986	3,045,254	58,864,606
Operating liabilities	1,069,442	3,099,400	2,131,333	1,946,177	2,718,306	10,964,658

Other disclosures

Investment in an associate	-	-	-	-	786,687	786,687
Investment in a joint venture	-	-	-	-	8,203,845	8,203,845
Capital expenditure	2,033,664	107,353	472,855	33,469	166,851	2,814,192

Inter-segment revenues, if any are eliminated upon consolidation. All other adjustments and eliminations are part of detailed reconciliations presented further below.

Adjustments and eliminations

Finance income and expenses are not allocated to individual segments as the underlying instruments are managed on a group basis. Capital expenditure consists of additions of property, plant and equipment, intangible assets and investment properties including assets from the acquisition of subsidiaries. Inter-segment revenues, if any, are eliminated on consolidation.

Reconciliation of profit

	2012	Restated* 2011
	\$	\$
Segment profit	6,660,373	2,320,392
Finance income	103,131	212,995
Finance costs	(241,536)	(398,978)
Taxation	(948,480)	(190,047)
Loss from discontinued operations	-	(155,250)
Group profit	5,573,488	1,789,112

Reconciliation of assets

	2012	Restated* 2011
	\$	\$
Segment operating assets	63,240,424	58,864,606
Deferred tax assets	462,355	480,576
Assets classified as held for sale	362,947	100,000
Investment in associate	1,010,409	786,687
Investment in joint venture	8,218,576	8,203,845
Group operating assets	73,294,711	68,435,714

Reconciliation of liabilities

	2012	Restated* 2011
	\$	\$
Segment operating liabilities	9,950,691	10,964,658
Deferred tax liabilities	6,298,352	6,841,965
Current tax payable	157,985	84,587
Interest bearing loans and borrowings	1,449,619	556,992
Adjustments and elimination of intercompany balances	(3,905,533)	(4,928,357)
Group operating liabilities	13,951,114	13,159,845

Geographical information

The Group operates principally in one geographical area, Zimbabwe, operations outside this area are shown as external.

	Zimbabwe		External		Consolidated	
	2012	2011*	2012	2011*	2012	2011*
	\$	\$	\$	\$	\$	\$
Revenue	31,957,857	29,444,533	-	-	31,957,857	29,444,533
Operating profit	5,586,862	1,806,122	(13,374)	(17,010)	5,573,488	1,789,112
Non current assets	57,886,068	56,510,837	-	-	57,886,068	56,510,837
Segment assets	62,518,829	58,123,824	721,594	740,782	63,240,423	58,864,606
Segment liabilities	9,950,690	10,958,334	1	6,324	9,950,691	10,964,658

The revenue information above is based on the locations of the customers.

* Refer to Accounting policy Note 2.4 IFRS 11 Joint arrangements and Note 3 Restatements and Reclassifications.

8 Other operating income /expenses and adjustments

8.1 Other operating income

	2012	Restated* 2011
	\$	\$
Fair valuation gain/(loss) on investment property	571,505	(393,731)
Profit from disposal of associate	266,710	462,969
Net gain/(loss) on disposal of property, plant and equipment and investment property	372,647	(214,367)
	1,210,862	(145,129)

8.2 Other operating expenses

	2012	Restated* 2011
	\$	\$
Motor vehicles expenses	876,478	970,648
Repairs and maintenance	564,273	738,321
Sales and marketing	465,007	328,983
Direct overheads	4,798,318	3,994,908
General expenses	2,148,586	1,648,839
Finance and administration	2,874,263	3,710,348
Total other operating expenses	11,726,926	11,392,047

8.3 Finance costs

	2012	Restated* 2011
	\$	\$
Interest on debts and borrowings :		
Continuing operations	241,536	398,978
Excludes finance costs from discontinued operations. Refer to Note 11.		

8.4 Finance income

	2012	Restated* 2011
	\$	\$
Interest received:		
Investments with banks	103,131	212,995

9 Depreciation

	2012	Restated* 2011
	\$	\$
Depreciation	1,621,580	1,562,507

9.1 Staff costs

	2012	Restated* 2011
	\$	\$
Wages and salaries	7,149,667	6,533,803
Social security costs	113,308	86,896
Pension costs (Note 22)	211,176	229,024
Post-employment benefits other than pensions	45,291	159,062
Total employee benefits expense	7,519,442	7,008,785

* Refer to Accounting policy Note 2.4 IFRS 11 Joint arrangements and Note 3 Restatements and Reclassifications.

10 Income tax

The major components of income tax expense for the years ended 31 October 2012 and 2011 are:

Consolidated income statement	2012	Restated* 2011
	\$	\$
Current income tax:		
Current income tax charge	1,615,037	1,093,969
Withholding tax on interest income	25,380	17,173
Capital gains tax	7,951	59,644
Deferred tax:		
Relating to origination and reversal of temporary differences	(699,888)	(980,739)
Income tax expense reported in the income statement	948,480	190,047

Consolidated statement of other comprehensive income

Deferred tax relating to items charged or credited directly to other comprehensive income:

Deferred tax on revaluation of properties	104,924	-
Deferred tax rate adjustment	1,189,513	2,574,711
Income tax charged directly to other comprehensive income	1,294,437	2,574,711

A reconciliation between tax expense and the product of accounting profit multiplied by TSL's domestic tax rate for the years ended 31 October 2012 and 2011 is as follows:

	2012	Restated* 2011
	\$	\$
Accounting profit before tax from continuing operations	6,521,968	2,355,774
Loss before tax from a discontinued operation	-	(221,364)
Accounting profit before income tax	6,521,968	2,134,410
At TSL's statutory income tax rate of 25.75% (2011: 25.75%)	1,679,407	549,611
Adjusted for:		
Associate income tax	(222,339)	(236,389)
Joint venture income tax	(86,553)	(113,403)
Non deductible expenses for tax purposes	(422,035)	56,343
Total at the effective income tax rate of 15% (2011: 11%)	948,480	256,161
Income tax expense reported in the consolidated income statement	948,480	256,161
Income tax attributable to discontinued operations	-	(66,114)
Total tax per income statement	948,480	190,047

Deferred tax

Deferred tax relates to the following:

	Consolidated statement of financial position	
	2012	Restated* 2011
	\$	\$
Property, plant and equipment	2,329,375	4,857,447
Investment properties	3,636,515	1,876,813
Assessed loss	(462,355)	(480,576)
Prepayments	109,502	54,419
Provisions	222,960	53,286
Net deferred tax liabilities	5,835,997	6,361,389
Reflected in the statement of financial position as follows:		
Deferred tax liabilities - continuing operations	6,298,352	6,841,965
Deferred tax asset - continuing operations	(462,355)	(480,576)
Deferred tax liabilities net	5,835,997	6,361,389

* Refer to Accounting policy Note 2.4 IFRS 11 Joint arrangements and Note 3 Restatements and Reclassifications.

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority. Deferred tax assets and liabilities listed, relate to income tax levied by the same tax authority of TSL Limited. As at 31 October 2012, there was no recognised deferred tax liability (2011: \$Nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries, associate or joint venture. The Group has determined that undistributed profits of its subsidiaries, joint venture or associate will not be distributed in the foreseeable future.

There are no income tax consequences attached to the payment of dividends in either 2012 or 2011 by the Group to its shareholders.

11 Discontinued operations

On 30 April 2011, the Group publicly announced the decision of its Board of Directors to dispose of the operation of Agricultural Buying Services a division of Chemco Holdings Limited. The business had been operating in an unpredictable economic environment making it difficult for management to derive real growth and profitability from the operation. The disposal of this business was completed before 2011 year end. The company was disposed of as at 30 June 2011. The comparative results of the discontinued operation are presented below. There were no discontinued operations in the current year.

	2012	Restated* 2011
	\$	\$
Revenue	-	314,229
Expenses	-	(519,605)
Gross profit	-	(205,376)
Finance costs	-	(15,988)
Loss before tax from a discontinued operation	-	(221,364)
Tax income:		
Related to current pre-tax loss	-	66,114
Loss for the year from a discontinued operation	-	(155,250)

The major classes of assets and liabilities of Agricultural Buying Services (ABS) as at date of disposal were as follows:

	2012	Restated* 2011
	\$	\$
Assets		
Property, plant and equipment	-	2
Debtors	-	1,545
Cash and short-term deposits	-	2,686
	-	4,233
Liabilities		
Deferred tax liability	-	(48,080)
Interest-bearing liabilities	-	(347,806)
Provisions	-	(28,499)
Taxation	-	66,114
Liabilities directly associated with assets classified as held for sale	-	(358,271)
Net assets directly associated with discontinued operations	-	(354,038)

* Refer to Accounting policy Note 2.4 IFRS 11 Joint arrangements and Note 3 Restatements and Reclassifications.

The net cash flows incurred by Agricultural Buying Services are as follows:

	2012	Restated* 2011
	\$	\$
Operating	-	(254,805)
Investing	-	29,801
Financing	-	209,373
Net cash outflow	-	(15,631)
Earnings per share:		
Basic, loss for the year, from discontinued operation	-	(0.001)
Diluted, loss for the year, from discontinued operation	-	(0.001)

Interest-bearing liabilities comprise of group balances having an effective interest rate of 7% with no specific maturity date.

12 Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	2012	Restated* 2011
	\$	\$
Net profit attributable to ordinary equity holders of the parent from continuing operations	5,152,836	2,378,003
Loss attributable to ordinary equity holders of the parent from a discontinued operation (excluding non-controlling interest)	-	(99,360)
Net profit attributable to ordinary equity holders of the parent for basic earnings	5,152,836	2,278,643
Net profit attributable to ordinary equity holders of the parent adjusted for the effect of dilution	5,152,836	2,278,643
	2012	Restated* 2011
	Number	Number
Weighted average number of ordinary shares for basic earnings per share	346,653,479	345,179,821
Effect of dilution:		
Share options	2,856,992	4,337,125
Weighted average number of ordinary shares adjusted for the effect of dilution	349,510,471	349,516,946

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

* Refer to Accounting policy Note 2.4 IFRS 11 Joint arrangements and Note 3 Restatements and Reclassifications.

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for the year ended 31 October 2012

To calculate earnings per share amounts for the discontinued operation (see Note 11), the weighted average number of ordinary shares for both basic and diluted amounts is as per the table above. The following table provides the loss amounts used:

	2012	Restated* 2011
	\$	\$
Net loss attributable to ordinary equity holders of the parent from a discontinued operation for basic and diluted earnings per share calculations	-	(99,360)

Headline earnings per share

Headline earnings per share are calculated by dividing headline earnings by the average weighted number of shares in issue.

Determination of headline earnings

Basic earnings	5,152,836	2,278,643
Adjusted for :		
(Profit)/Loss from disposal of property, plant and equipment and investment property	(372,647)	214,367
After tax loss from discontinued operations (Note 11)	-	155,250
Less profit from disposal of associate operations	(266,710)	(462,969)
Fair value adjustment on investment property	(571,505)	393,731
Headline earnings	3,941,974	2,579,022

13 Property, plant and equipment

	Freehold land and buildings	Plant and equipment	Motor Vehicles	Total
	\$	\$	\$	\$
Cost / valuation				
As at 01 November 2011 (Restated)	25,685,838	2,042,372	3,702,074	31,430,284
Additions	1,255,543	558,757	828,330	2,642,630
Revaluation	407,473			407,473
Reclassified to investment properties	(8,665,161)	-	-	(8,665,161)
Reclassified to assets held for sale	(302,947)			(302,947)
Disposals	(135,248)	(167,985)	(588,461)	(891,694)
As at 31 October 2012	18,245,498	2,433,144	3,941,943	24,620,585
Accumulated depreciation				
As at 01 November 2011 (Restated)	567,879	582,907	1,030,405	2,181,191
Charge for the period	518,690	313,200	789,690	1,621,580
Reclassified to investment properties	(553,889)	-	-	(553,889)
Disposals	(1,553)	(35,596)	(312,463)	(349,612)
As at 31 October 2012	531,127	860,511	1,507,632	2,899,270
Net book value				
As at 31 October 2012	17,714,371	1,572,633	2,434,311	21,721,315
Cost / valuation				
As at 01 November 2010 (Restated)	25,172,370	1,663,568	2,200,620	29,036,558
Additions	633,468	407,980	1,772,744	2,814,192
Impairment	(13,000)	-	-	(13,000)
Reclassified as non current assets held for sale.	(107,000)	-	-	(107,000)
Disposals	-	(29,176)	(271,290)	(300,466)
As at 31 October 2011 (Restated)	25,685,838	2,042,372	3,702,074	31,430,284

* Refer to Accounting policy Note 2.4 IFRS 11 Joint arrangements and Note 3 Restatements and Reclassifications.

Accumulated depreciation				
As at 01 November 2010 (Restated)	-	296,293	613,088	909,381
Charge for the period	574,468	308,969	700,949	1,584,386
Impairment	-	(10,727)	760	(9,967)
Reclassified as non current assets held for sale.	(7,000)	-	-	(7,000)
Disposals	411	(11,628)	(284,392)	(295,609)
As at 31 October 2011 (Restated)	567,879	582,907	1,030,405	2,181,191
Net book value				
At 31 October 2011 (Restated)	25,117,960	1,459,466	2,671,668	29,249,093
Assets held for sale 2012	302,947	60 000		362,947
Assets held for sale 2011 (Restated)	100,000	-	-	100,000

In 2011, the impairment loss of \$3,033 represented the write-down of certain property, plant and equipment and motor vehicles in Chemco and Reliant Computers to the recoverable amount. This has been recognised in the statement of comprehensive income as impairment. The recoverable amount was based on value in use and was determined at the level of the asset. In determining value in use for the specific assets, the cash flows were discounted at a rate of 18% on a pre-tax basis. Some land and buildings has been pledged as security for loans as noted in Note 15.1.

Assets held for disposal as at 31 October 2011 were realised and the profit on disposal is included in other operating income. The assets held for disposal in 2012 relate to non current assets, mainly property in the process of being disposed. The assets held for disposal are included in the Agro Inputs segment (refer to Note 7). We expected the disposal to be concluded in a period of not more than a year from date of designation.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Residual values and useful lives of assets were reviewed during the year with the result that depreciation charge was reduced for some assets and no depreciation was charged for other assets. Management will review this annually and charge depreciation accordingly.

14 Investment properties

	Investment properties	Total
Fair value	US\$	US\$
At 01 November 2011 (Restated)	17,790,636	17,790,636
Net transfers from property, plant and equipment (Note 13)	8,111,272	8,111,272
Fair value gain	571,505	571,505
At 31 October 2012	26,473,413	26,473,413
At 01 November 2010 (Restated)	19,928,367	19,928,367
Disposals	(1,744,000)	(1,744,000)
Fair value loss	(393,731)	(393,731)
At 31 October 2011 (Restated)	17,790,636	17,790,636

Investment properties were valued at 31 October 2012 by the Directors and at 01 July 2012 (prior to reclassification from Property, Plant and Equipment accounted for under IAS 16), on the basis of market value. The carrying amount of investment properties as at 31 October 2012 was \$26,473,413 (2011 : \$17,790,635). As at 31 October 2012 \$5,121,604 (2011:NIL) of investment property was pledged as security for the Group loan facilities. Refer to note 2.3 (k) and 2.4 Restatement and reclassifications.

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	2012	Restated* 2011
	US\$	US\$
Rental income derived from investment properties	519,631	24,000
Direct operating expenses (including repair and maintenance) generating rental income	(292,242)	(11,565)
Net profit arising from investment properties carried at fair value	227,389	12,435

The Group has no restrictions on the realisability of its investment property and no contractual obligations to either purchase, construct or develop investment property or for repairs, maintenance and enhancements. Investment properties are stated at fair value, which has been determined based on valuations performed by the Directors as at 31 October 2012.

15 Other financial assets and financial liabilities

15.1 Interest-bearing loans and borrowings

	Interest rate	Maturity	2012	Restated* 2011
	%		US\$	US\$
Current interest-bearing loans and borrowings				
Foreign and local interest bearing loans and borrowings 5%-25% (2011 :5%-25%)		< 1 year	1,205,975	-
Obligations under finance leases	5%	1 year	243,644	332,183
Total current interest-bearing loans and borrowings			1,449,619	332,183
Non-current interest-bearing loans and borrowings				
Obligations under finance leases	5%	-	-	224,809
Total non-current interest-bearing loans and borrowings			-	224,809

Secured loans

There is a negative pledge of assets in respect of overdrafts and bank borrowings. The Group has pledged part of its investment property with a carrying amount of \$5,121,604 (2011:NIL) and freehold land and buildings with a carrying amount of \$3,155,986 (2011:\$1,950,000) 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.

16 Fair values

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments that are carried in the financial statements.

	Carrying amount		Fair Value	
	2012	Restated* 2011	2012	Restated* 2011
	\$	\$	\$	\$
Financial assets				
Trade and other receivables	6,431,089	3,441,327	6,431,089	3,441,327
Other financial assets:				
Cash and short-term deposits	3,274,025	3,206,614	3,274,025	3,206,614
Total	9,705,114	6,647,941	9,705,114	6,647,941

* Refer to Accounting policy Note 2.4 IFRS 11 Joint arrangements and Note 3 Restatements and Reclassifications.

	Carrying amount		Fair Value	
	2012	Restated* 2011	2012	Restated* 2011
	\$	\$	\$	\$
Financial liabilities				
Short term interest-bearing loans and borrowings	1,449,619	332,183	1,449,619	332,183
Long term interest-bearing loans and borrowings	-	224,809	-	224,809
Trade and other payables	5,179,295	5,013,399	5,179,295	5,013,399
Total	6,628,914	5,570,391	6,628,914	5,570,391

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. As at 31 October 2012, the carrying amounts of such receivables, net of allowances, are not materially different from their calculated fair values.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

17 Inventories

	2012	Restated* 2011
	\$	\$
Merchandise	691,567	2,685,605
Raw materials (at cost)	129,329	894,617
Work in progress (at cost)	2,267	16,609
Consumables	290,108	324,186
Finished goods (at cost or net realisable value)	3,802,060	1,089,833
Total inventories at the lower of cost and net realisable value	4,915,331	5,010,850

During 2012 \$165,594 (2011: \$200,040) was recognised as an allowance/expense for obsolete inventories carried at net realisable value. This is recognised in cost of sales in the income statement.

18 Trade and other receivables

	2012	Restated* 2011
	\$	\$
Trade receivables	5,595,398	1,838,404
Receivables from sale of associate	-	200,000
Other receivables	1,260,942	1,569,009
Total	6,856,340	3,607,413

* Refer to Accounting policy Note 2.4 IFRS 11 Joint arrangements and Note 3 Restatements and Reclassifications.

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for the year ended 31 October 2012

Trade receivables are non-interest bearing and are generally on 30 day terms. As at 31 October 2012, trade receivables of an initial value of \$619,553 (2011: \$278,147) were impaired and fully provided for. See below for the movements in the provision for impairment of receivables. Included in other receivables are prepayments and staff debtors .

	Impaired	Total
	\$	\$
At 1 November 2010 (Restated)	347,000	347,000
Charge for the year	(68,853)	(68,853)
At 1 November 2011 (Restated)	278,147	278,147
Charge for the year	341,406	341,406
At 31 October 2012	619,553	619,553

As at 31 October, the ageing analysis of trade receivables is as follows:

	Total	Neither past due nor impaired	Past due but not impaired			
			30–60 days	61–90 days	91–120 days	> 120 days
	\$	\$	\$	\$	\$	\$
2012	5,595,398	2,597,957	664,341	1,283,073	284,705	765,322
2011 (Restated)	1,838,404	915,714	277,045	308,187	38,996	298,462

See Note 28 on credit risk of trade receivables, which discusses how the Group manages and measures credit quality of trade receivables that are neither past due nor impaired. The allowance for credit losses, which includes the allowance for trade and other receivables losses represents management's estimate of probable losses inherent in the Group's trading activities. The allowance for credit losses for trade and other receivables represents the estimated probable credit losses. Credit exposures exclude such assets measured at fair value. Cash recovered on previously charged off amounts are recorded as recoveries to these accounts.

The Group performs periodic and systematic detailed reviews of its credit portfolio to identify credit risks and to assess the overall collectability of those positions. The allowances on certain homogeneous trade receivables which are generally identified with reference to nature of product or business model, is based on aggregated trade receivables balance. Loss forecast models are utilised in determining the credit losses, and these include, but not limited to, historical loss experience, estimated defaults or foreclosures based on trade receivables trend, delinquencies, economic conditions and credit scores.

These models are reviewed regularly to ensure the decisions are based on more recent information that is reflective of current environment.

19 Cash and short-term deposits

	2012	Restated* 2011
	\$	\$
Cash at banks and on hand	3,274,025	3,125,262
Short-term deposits	-	81,352
	3,274,025	3,206,614

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

At 31 October 2012, the Group had available \$3,489,708 (2011: \$1,734,268) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met. The Group has pledged a part of its properties in order to fulfil collateral requirements.

* Refer to Accounting policy Note 2.4 IFRS 11 Joint arrangements and Note 3 Restatements and Reclassifications.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following at 31 October:

	2012	Restated* 2011
	\$	\$
Cash at banks and on hand	3,274,025	3,122,576
Short-term deposits	-	81,352
Cash at banks and short-term deposits attributable to a discontinued operation (Note 11)	-	2,686
	3,274,025	3,206,614

20 Issued capital and reserves

Authorised shares

Ordinary shares of \$1 each

	2012	2011
	Number	Number
Ordinary shares of \$1 each	600,000,000	600,000,000
	600,000,000	600,000,000

Ordinary shares issued and fully paid

At 31 October 2011

01 November 2010

Shares redenominated

Issued during the year

At 31 October 2011

	Number	\$
At 31 October 2011	343,943,515	-
01 November 2010	-	3,439,434
Shares redenominated	1,933,334	19,333
Issued during the year	345,876,849	3,458,767

At 31 October 2012 :

01 November 2011

Issued during the year

At 31 October 2012

	Number	\$
At 31 October 2012 :	345,876,849	3,458,767
01 November 2011	1,720,000	17,200
Issued during the year	347,596,849	3,475,967

During the year, the issued and fully paid shares were increased by 1,720,000 (2011:1,933,334 shares).

Share premium

At 1 November

Increase for cash on exercise of share options in excess of cost of shares

Decrease due to redenomination of shares

Increase due to issue of new shares

At 31 October

	2012	2011
	\$	\$
At 1 November	36,669	23,968
Increase for cash on exercise of share options in excess of cost of shares	-	24,685
Decrease due to redenomination of shares	-	(11,984)
Increase due to issue of new shares	45,400	-
At 31 October	82,069	36,669

Unissued shares

At 01 November 2010

Redenomination

Issued on 1 November 2010 for cash on exercise of share options (Note 23)

Issued in 2011 for cash on exercise of share options in 2010

At 31 October 2011

Issued on 31 January 2012 for cash on exercise of share options (Note 23)

	Number	\$
At 01 November 2010	256,056,485	(23,968)
Redenomination	-	2,584,533
Issued on 1 November 2010 for cash on exercise of share options (Note 23)	(1,933,334)	(19,333)
Issued in 2011 for cash on exercise of share options in 2010	254,123,151	2,541,232
At 31 October 2011	(1,720,000)	(17,200)
Issued on 31 January 2012 for cash on exercise of share options (Note 23)	252,403,151	2,524,032

At 31 October 2012

Share options exercised in each respective year have been settled using the unissued shares of the Group. The reduction in the treasury share equity component is equal to the cost incurred to acquire the shares, on a weighted average basis. Any excess between the cash received from employees and reduction in treasury shares is recorded in share premium.

* Refer to Accounting policy Note 2.4 IFRS 11 Joint arrangements and Note 3 Restatements and Reclassifications.

Share option schemes

The Group has a share option scheme under which options to subscribe for the Group's shares have been granted to certain executives and senior employees (Note 23).

20.1 Non-distributable reserves

	Asset revaluation reserve	Functional currency conversion reserve	Total
	\$	\$	\$
As at 01 November 2010	38,837,228	3,501,317	42,338,545
Share redenomination		(3,427,450)	(3,427,450)
Other comprehensive income	2,475,892		2,475,892
As at 31 October 2011	41,313,120	73,867	41,386,987
Other comprehensive income	(1,208,361)	-	(1,208,361)
As at 31 October 2012	40,104,759	73,867	40,178,626

Nature and purpose of reserves

Asset revaluation reserve

The asset revaluation reserve is used to record increases in the fair value of land and buildings and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in equity. The reserve can only be used to pay dividends in limited circumstances.

Functional currency conversion reserve

This arose as a result of change in functional currency from the Zimbabwe Dollar to the United States Dollar. It represents the residual equity in existence as at the date of the change over and has been designated as a non distributable reserve.

21 Dividends paid and proposed

	2012	Restated* 2011
	\$	\$
Declared and paid during the year:		
Dividends on ordinary shares:		
Interim dividend for 2012: USD NIL cents per share (2011: USD0.22)	-	784,794
	-	784,794
Proposed for approval at the Annual General Meeting (not recognised as a liability as at 31 October):		
Dividends on ordinary shares:		
Final dividend for 2012: USD 0.43 cents per share (2011: NIL cents per share)	1,500,000	-

22 Pensions and other post-employment benefit plans

All eligible employees are members of the following Group schemes:

22.1 Defined Contribution Plans

National Social Security Authority Scheme

This is a defined contribution scheme established under the National Social Security Authority Act (1989). Contributions by employers are 3% per month of pensionable monthly emoluments up to a maximum of US\$200.

The TSL Limited and The Chemco Holdings Limited Scheme

All eligible employees are members of these schemes.

* Refer to Accounting policy Note 2.4 IFRS 11 Joint arrangements and Note 3 Restatements and Reclassifications.

23 Share-based payment plans

Senior Executive Plan

Under the Senior Executive Plan (SEP), share options of the parent are granted to senior executives of the parent with more than 12 months of service. The exercise price of the share options is equal to the market price of the underlying shares on the date of grant. The share options vest three years from the date of grant and the senior executive is employed on such date.

The fair value of the share options is estimated at the grant date, taking into account the terms and conditions upon which the share options are granted. The contractual term of each option granted is three years. There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options.

There have been no cancellations or modifications to any of the plans during 2012 or 2011.

Movements in the year

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	2012 No.	2012 WAEP	2011* No.	2011* WAEP
Outstanding at 1 November	2,709,277	0.02	5,748,723	0.02
Granted during the year	-	-	-	-
Lapsed /renounced during the year	-	-	(1,106,112)	0.02
Exercised during the year	(1,720,000)	0.04	(1,933,334)	0.02
Expired during the year	-	-	-	-
Outstanding at 31 October	989,277	(0.058)	2,709,277	0.02
Exercisable at the end of period	989,277		2,709,277	

The weighted average remaining contractual life for the share options outstanding as at 31 October 2012 is 0.5 years (2011: 1.5 years).

The weighted average fair value of options granted during the year was \$NIL (2011: \$NIL). The range of exercise prices for options outstanding at the end of the year was \$0.065 (2011: \$0.02 to \$0.03).

24 Trade and other payables

	2012	Restated* 2011
	\$	\$
Trade payables	2,780,438	3,416,223
Other payables	2,398,857	1,597,176
	5,179,295	5,013,399

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 60-day terms
- Other payables are non-interest bearing and have an average term of six months
- For terms and conditions relating to joint ventures and other related parties, refer to Note 26

For explanations on the Group's credit risk management processes, refer to Note 28.

* Refer to Accounting policy Note 2.4 IFRS 11 Joint arrangements and Note 3 Restatements and Reclassifications.

24.1 Provisions

	2012	Restated* 2011
	\$	\$
As at 1 November 2011	1,022,902	-
Arising during the year	865,863	1,022,902
Utilised	(1,022,902)	-
31 October 2012	865,863	1,022,902

The above provisions are mainly staff costs related, audit and shrinkage.

25 Cash flow information**25.1 Non-cash adjustments to reconcile profit before tax to net cash flows:**

	2012	Restated* 2011
	\$	\$
Depreciation and impairment of property, plant and equipment (Note 13)	1,621,580	1,584,386
Movement in provisions	341,406	(68,853)
Provisions for obsolete and slow moving stocks	165,594	200,040
Fair value (gain)/loss on investment property	(571,505)	393,731
(Profit) /loss from disposal of associate operations	(266,710)	(462,969)
(Gain)/loss on disposal of property, plant and equipment (Note 8.1)	(372,647)	214,367
Finance income (Note 8.4)	(103,131)	(212,995)
Finance costs	241,536	398,978
Share of profits of an associate (Note 6)	(801,222)	(851,852)
Share of profit from joint venture (Note 5)	(336,128)	(440,401)
Write back of provisions	(1,320,230)	1,693,759
Total non-cash adjustments	(1,401,457)	2,448,191

25.2 Finance costs

	2012	Restated* 2011
	\$	\$
Interest on debts and borrowings :		
Continuing operations	241,536	382,990
Discontinued operations	-	15,988
Total finance costs	241,536	398,978

25.3 Movement in loans and borrowings

	2012	Restated* 2011
	\$	\$
Opening balance	556,992	754,719
Loan amount received during the year	1,116,922	600,000
Loans repaid during the year	(224,295)	(797,727)
Net movement	892,627	(197,727)
Closing balance	1,449,619	556,992

* Refer to Accounting policy Note 2.4 IFRS 11 Joint arrangements and Note 3 Restatements and Reclassifications.

26 Related party disclosures

The financial statements include the financial statements of the Group and the subsidiaries, associate and joint venture are listed in the following table:

Name	Nature of relationship	Country of incorporation	% equity interest	
			2012	2011
Agricura (Private) Limited	Chemco Subsidiary	Zimbabwe	42%	42%
Bak Storage (Private) Limited	Subsidiary	Zimbabwe	100%	100%
Car Rental Services (Private) Limited	Subsidiary	Zimbabwe	100%	100%
Chemco Holdings Limited	Subsidiary	Zimbabwe	64%	64%
Cut Rag Processors (Private) Limited	Associate	Zimbabwe	30%	30%
Tobacco Sales Services T/A Luxaflor Roses	Associate	Zimbabwe	0%	50%
Hunyani Holdings Limited	Joint venture	Zimbabwe	39%	39%
H.G.P Vorstermans (Private) Limited	Subsidiary	Zimbabwe	100%	100%
Propak (Private) Limited	Subsidiary	Zimbabwe	63%	63%
Propak Hessian (Private) Limited	Subsidiary	Zimbabwe	63%	63%
Reliant Computers (Private) Limited	Subsidiary	Zimbabwe	100%	100%
Ridwyn (Private) Limited	Subsidiary	Zimbabwe	100%	100%
Tobacco Sales Administration Services (Private) Limited	Subsidiary	Zimbabwe	100%	100%
Tobacco Sales Floor Limited	Subsidiary	Zimbabwe	100%	100%
TSL Greenbelt (Private) Limited	Subsidiary	Zimbabwe	100%	-
TSL Classic Leaf (Private) Limited	Subsidiary	Zimbabwe	100%	100%
Tobacco Warehouse and Export Company (1946) Limited	Subsidiary	Zimbabwe	99%	99%
Tobacco Producers Floor (Private) Limited	Subsidiary	Zimbabwe	100%	100%
TS Timber (Private) Limited	Subsidiary	Zimbabwe	100%	100%
TSL (Mauritius) Limited	Subsidiary	Mauritius	100%	100%
TSL Properties Limited	Subsidiary	Zimbabwe	100%	-

The Zimbabwe Tobacco Association owns 90% of the voting rights in Tobacco Sales Floor Limited. It does not have any entitlement to the income of Tobacco Sales Floor Limited and TSL Limited's rights are safeguarded under a shareholders' agreement.

The following table provides the amount of transactions that have been entered into with related parties as well as outstanding balances on 31 October 2012 and 2011.

		Amounts owed by related parties	Amounts owed to related parties
		\$	\$
Associate:	2012	-	-
Tobacco Sales Services T/A Luxaflor Roses	2011	41,669	-
		Interest received	Amounts owed by related parties
Loans to related parties			
Associate: Tobacco Sales Services T/A Luxaflor Roses	2012	-	-
	2011	1,360	41,383

The ultimate parent

TSL Limited is the ultimate parent based and listed in Zimbabwe.

Entity with significant influence over the Group

There is no other entity with significant influence over the Group.

Associates

Cut Rag Processors (Private) Limited

The Group has a 30% interest in Cut Rag Processors (Private) Limited (2011: 30%).

Tobacco Sales Services T/A Luxaflor Roses

The Group no longer has interest in Tobacco Sales Services t/a Luxaflor Roses (2011: 50%).

Joint venture

Hunyani Holdings Limited

The Group has a 39% interest in Hunyani Holdings Limited (2011: 39%).

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made at terms equivalent to those that prevail in arm's length transactions. Outstanding balances at year-end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 October 2012, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2011: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Compensation of key management personnel of the Group

	2012	Restated* 2011
	\$	\$
Short-term employee benefits	1,476,876	1,067,301
Long-term employee benefits	30,018	1,785
Total compensation paid to key management personnel	1,506,894	1,069,086

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel. The non-executive directors do not receive pension entitlements from the Group.

Directors' interests in the Senior Executive Plan

Share options held by executive members of the Board of Directors under the senior executive plan to purchase ordinary shares have the following expiry dates and exercise prices:

Issue date	Expiry date	Exercise price	2012	Restated* 2011
			Number outstanding	Number outstanding
2012	2013		-	-
2011	2013	0.02	546,667	546,667
2010	2013	0.02	720,000	1,560,000
2009	2012	0.02	-	2,460,000
Total			1,266,667	4,566,667

The share options are exercisable at the middle market price of the shares on the Zimbabwe Stock Exchange at the date the option is given. No share options have been granted to the non-executive members of the Board of Directors under this scheme. Refer to Note 23 for further details on the scheme.

* Refer to Accounting policy Note 2.4 IFRS 11 Joint arrangements and Note 3 Restatements and Reclassifications.

26.1 Summarised financial information for subsidiaries with significant non-controlling interest

The information below is a summary of financial information for Chemco Holdings Limited, Propak (Private) Limited and Propak Hessian (Private) Limited, where there is significant non-controlling interest. Propak Hessian (Private) Limited was formed during the year.

Summarised statements of financial position:

	Chemco Holdings Limited	Propak (Private) Limited	Propak Hessian (Private) Limited	Total 2012	Chemco Holdings Limited 2011*	Propak (Private) Limited 2011*	Total 2011*
	2012	2012	2012	2012	2011*	2011*	2011*
	\$	\$	\$	\$	\$	\$	\$
Current assets	2,169,918	103,103	4,172,840	6,445,861	2,657,497	3,298,616	5,956,112
Non-current assets	4,484,984	1,377,364	126,830	5,989,178	4,902,651	1,547,801	6,450,453
Current liabilities	(3,448,335)	(71,909)	(760,706)	(4,280,950)	(3,190,287)	(1,919,387)	(5,109,674)
Non-current liabilities	(290,855)	323,256	(68,849)	(36,448)	(232,723)	366,312	133,589
Equity	2,915,712	1,731,814	3,470,115	8,117,641	4,137,138	3,293,342	7,430,479

Summarised income statements:

Revenue	5,371,732	4,070,606	1,407,906	10,850,244	6,906,604	3,330,849	10,237,453
Cost of sales	(3,149,413)	(1,518,704)	213,631	(4,454,486)	(4,526,827)	(1,469,129)	(5,995,956)
Gross profit	2,222,319	2,551,902	1,621,537	6,395,758	2,379,777	1,861,720	4,241,497
Other operating income	81,500	6,193	1,249	88,942	(500,412)	9,140	(491,272)
Staff costs	(1,492,268)	(348,102)	(94,611)	(1,934,981)	(1,663,885)	(281,331)	(1,945,216)
Depreciation	(121,964)	(57,298)	(12,158)	(191,420)	(272,035)	(57,331)	(329,366)
Other operating expenses	(1,570,728)	(360,138)	(389,440)	(2,320,306)	(2,238,866)	(630,732)	(2,869,598)
Net finance costs	(272,788)	20,683	46,769	(205,336)	(288,243)	(37,416)	(325,659)
Profit before tax	(1,153,929)	1,813,240	1,173,346	1,832,657	(2,583,666)	864,050	(1,719,614)
Income tax expense	55,094	(441,316)	(412,953)	(799,175)	254,193	(228,498)	25,695
Profit after tax for the year from continuing operations	(1,098,835)	1,371,924	760,393	1,033,482	(2,329,471)	635,552	(1,693,919)

Summarised statement of cash flows:

Operating	(1,810,341)	149,390	1,072,826	(588,125)	(1,238,939)	401,526	(837,413)
Investing	668,772	34,743	(60,590)	642,925	1,175,912	(63,615)	1,112,297
Financing	1,083,728	(115,202)	(1,024,313)	(55,787)	151,284	(340,236)	(188,952)
Net cash inflow/(outflow)	(57,841)	68,931	(12,077)	(987)	88,257	(2,325)	85,932

Dividends paid to non controlling interest

	-	-	-	-	-	92,177	92,177
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27 Commitments and contingencies

Capital commitments

At 31 October 2012, the Group had authorised but not contracted for capital commitments of \$3,145,682 (2011: \$2,696,479) relating to acquisition and construction of buildings and equipment and \$800,000 (2011: \$366,697) relating to the Group's interest in the joint venture entity.

Legal claim contingency

Two local customers have commenced an action against the Group in respect of tobacco that was water logged and tobacco stolen and shipped to Zambia while in storage at Bak Logistics. The estimated payout is \$2,600,000 should the action be successful. A trial date has not yet been set and therefore it is not practicable to state the timing of the payment, if any. The Group has been advised by its legal counsel that the probability that the action will succeed is remote. Accordingly, no provision for any liability has been made in these financial statements.

* Refer to Accounting policy Note 2.4 IFRS 11 Joint arrangements and Note 3 Restatements and Reclassifications.

Notes to the consolidated financial statements



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Guarantees

The group has provided the following guarantees as at 31 October 2012:

- a) Guarantee of \$810,000 (2011: NIL) to third party supplier for supplies delivered to its subsidiary company during the year. The carrying amount of the financial guarantee contract was as follows as at 31 October 2012 and 31 October 2011.

	2012		2011*	
	Contracted for	Non contracted	Contracted for	Non contracted
	\$	\$	\$	\$
Corporate guarantee (unsecured)	188,318	621,682	-	-

Operating lease commitments-Group as lessor

The Group has entered into commercial property leases through TSL Properties Limited, consisting of the Group's properties. All leases include a clause to enable upward revision of the rental charge on annual basis according to prevailing market conditions

Future minimum rentals receivable under non-cancellable operating leases as at 31 October are as follows:

	Restated*	
	2012	2011
	\$	\$
Within one year	924,622	-

28 Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group has loan and other receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk.

The Group's senior management oversees the management of these risks. The Group's senior management is supported by an audit committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The audit committee provides assurance to the Group's senior management that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Group policies and Group risk appetite. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, available-for-sale investments and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at 31 October in 2012 and 2011. The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt are all constant.

* Refer to Accounting policy Note 2.4 IFRS 11 Joint arrangements and Note 3 Restatements and Reclassifications.

The following assumptions have been made in calculating the sensitivity analyses:

- a) The statement of financial position sensitivity relates to debt instruments
- b) The sensitivity of the relevant income statement item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 October 2012 and 2011.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. Approved short term investments and funding instruments are at variable interest rates and mature within a year. To manage this, the Group's policy is to adopt a non-speculative approach to manage interest rate risk whilst maximising profit. The group's exposure is limited as interest bearing financial assets and financial liabilities and have fixed market related interest rates to maturity.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

The Group's exposure to the risk is minimal as the majority of inputs are denominated in United States Dollars and are paid in advance. However, the joint venture also seeks to mitigate the effects of its structured currency exposures by matching pre-shipment borrowings to exports.

Exposures to exchange rate fluctuations and foreign loans are limited by the Group treasury policy and are monitored by a treasury committee. The carrying amount of the Group's foreign currency denominated monetary assets and liabilities at the reporting date are as follows:

	2012	2011
	\$	\$
Cash balances	78,425	6,139
Accounts receivables	3,456	31,823
Accounts payables	(1,029)	-

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the South African Rand (ZAR) exchange rates, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives) and equity. There is no other impact on equity from instruments recognised directly in either other comprehensive income or equity. A sensitivity rate of 10% increase or decrease in the US\$/ZAR has been assumed. The sensitivity of 10% represent Directors' assessment of possible changes. The Group's exposure to foreign currency changes for all other currencies is not material.

	Change in ZAR rate	Effect on profit before tax \$	Effect on equity \$
2012	+10%	(7,466)	(5,543)
	-10%	9,125	6,775
2011	+10%	(3,451)	(2,562)
	-10%	4,218	3,132

Notes to the consolidated financial statements



for the year ended 31 October 2012

Average exchange rates of R8.10 to the United States dollar were used to convert the foreign denominated balances on 31 October 2012. Positive figures represent an increase in profit before tax.

The movement on the before tax effect is a result of a change in the fair value of monetary assets and liabilities denominated in South African Rand.

Exchange rates applied

At 31 October :

Average rate to the US dollar

	2012		2011*	
	Income Statement	of financial position	of financial statement	Statement position
South African rand	8.10	8.76	7.38	7.86

Closing rate to the US dollar

South African rand	8.72	8.76	7.95	7.73
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Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

At 31 October 2012, the Group had 41 customers (2011: 24 customers), that owed the Group more than \$20,000 each and accounted for approximately 10% (2011: 7%) of all receivables owing. There were eight customers (2011: three customers) with balances greater than \$100,000 accounting for just over 63% (2011: 0.82%) of the total amounts receivable. The requirement for an impairment is analysed at each reporting date on an individual basis for major clients. Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actually incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as disclosed in the statement of financial position. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in similar jurisdictions but operate in diverse industries with largely independent markets.

Cash and short term deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure. The Group's maximum exposure to credit risk is the carrying amount of the bank and cash deposit balances in the statement of financial position at 31 October 2012 and 2011, except for financial guarantees.

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. The Group's policy is to generally borrow on a short term basis and

* Refer to Accounting policy Note 2.4 IFRS 11 Joint arrangements and Note 3 Restatements and Reclassifications.

that total borrowings are limited by clauses in the memorandum and articles of association of the Group companies. The board also monitors the Group's exposure to interest rates on a quarterly basis.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Year ended 31 October 2012 :	Less than 3 months	3 to 12 months	1 to 5 years	Total
Liabilities	\$	\$	\$	\$
Interest-bearing loans and borrowings	765,363	803,976	-	1,569,339
Trade and other payables	5,179,295	-	-	5,179,295
	<u>5,944,658</u>	<u>803,976</u>	<u>-</u>	<u>6,748,634</u>

Year ended 31 October 2011 Restated:	Less than 3 months	3 to 12 months	1 to 5 years	Total
	\$	\$	\$	\$
Interest-bearing loans and borrowings	350,450	-	248,971	599,421
Trade and other payables	5,013,399	-	-	5,013,399
	<u>5,363,849</u>	<u>-</u>	<u>248,971</u>	<u>5,612,820</u>

Capital management

Capital includes equity attributable to the equity holders of the parent.

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 October 2012 and 2011.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio below 30%. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations. Capital includes retained earnings, equity and other reserves.

	2012	Restated* 2011
	\$	\$
Interest-bearing loans and borrowings (Note 15.1)	1,449,619	556,992
Trade and other payables (Note 24)	5,179,295	5,013,399
Less: cash and short-term deposits (Note 19)	(3,274,025)	(3,206,614)
Net debt	3,354,889	2,363,777
Equity	54,661,347	50,654,272
Total capital	54,661,347	50,654,272
Capital and net debt	58,016,237	53,018,049
Gearing ratio	6%	4%
Collateral		

There is a negative pledge of assets in respect of overdrafts and bank borrowings. The Group has pledged part of its short-term deposits 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.

* Refer to Accounting policy Note 2.4 IFRS 11 Joint arrangements and Note 3 Restatements and Reclassifications.

29 Company statement of financial position

as at 31 October :		COMPANY	
		Notes	Restated* 2011
		2012	2011
		\$	\$
Assets			
Non-current assets			
Property, plant and equipment	29.1	-	4,890,251
Investment in joint venture		8,218,576	8,203,845
Investment in associate		1,010,408	786,687
Investment in subsidiaries		20,000	-
		9,248,984	13,880,783
Current assets			
Dividend receivable		899,447	1,072,888
Amounts due from subsidiaries		2,097,423	1,792,598
		2,996,870	2,865,486
Total assets		12,245,854	16,746,269
Equity and liabilities			
Equity			
Issued capital and share premium	20	3,558,037	3,495,437
Non distributable reserves		5,445,359	9,398,742
Retained earnings		3,177,458	2,614,994
Total equity		12,180,854	15,509,173
Non-current liabilities			
Deferred tax liabilities		-	1,227,096
		-	1,227,096
Current liabilities			
Accounts payables		65,000	-
Provision for tax		-	10,000
Total equity and liabilities		12,245,854	16,746,269
29.1 Property, plant and equipment			
		Freehold land and buildings	Total
		\$	\$
Cost / valuation			
As at 31 October 2011		5,000,001	5,000,001
Accumulated depreciation			
As at 31 October 2011		109,750	109,750
Charge for the period		1,337	1,337
As at 31 October 2012		111,087	111,087
Transfers out		(4,888,914)	(4,888,914)
Net book value			
At 31 October 2012		-	-
At 31 October 2011		4,890,251	4,890,251

30 Events after the reporting period

There were no reportable events after the reporting date.

* Refer to Accounting policy Note 2.4 IFRS 11 Joint arrangements and Note 3 Restatements and Reclassifications.

SHAREHOLDER ANALYSIS for the year ended 31 October 2012

At 31 October 2012 ANALYSIS BY VOLUME

VOLUME	NUMBER OF HOLDERS	% SHARES HELD		%
1-5000	796	63.22	949,996	0.27
5001-10000	115	9.13	849,921	0.24
10001-25000	162	12.87	2,623,092	0.75
25001-50000	81	6.43	2,945,092	0.85
50001-100001	45	3.57	3,251,977	0.94
100001 and over	60	4.77	336,976,771	96.94
TOTALS	1,259	100	347,596,849	100

ANALYSIS BY INDUSTRY

INDUSTRY	NUMBER OF HOLDERS	% SHARES HELD		%
LOCAL COMPANIES	220	17.47	108,548,938	31.23
INSURANCE COMPANIES	10	0.79	40,995,423	11.79
NEW NON RESIDENT	22	1.75	878,116	0.25
PENSION FUNDS	48	3.81	27,756,039	7.99
LOCAL NOMINEE	68	5.40	127,270,440	36.61
LOCAL INDIVIDUAL RESIDENT	825	65.53	11,899,284	3.42
BANKS	1	0.08	5,200	0.00
CHARITABLE AND TRUSTS	17	1.35	1,118,146	0.32
FOREIGN COMPANIES	1	0.08	27,333,218	7.86
FOREIGN NOMINEE	7	0.56	996,589	0.29
INVESTMENTS	16	1.27	355,569	0.10
FUND MANAGERS	20	1.59	331,947	0.10
DECEASED ESTATES	4	0.32	107,940	0.03
TOTAL	1,259	100.00	347,596,849	100

At 31 October 2011

ANALYSIS BY VOLUME

VOLUME	NUMBER OF HOLDERS	% SHARES HELD		%
1-5000	804	61.75	974,955	0.28
5001-10000	119	9.14	883,741	0.26
10001-25000	163	12.52	2,649,719	0.77
25001-50000	87	6.68	3,180,614	0.92
50001-100001	47	3.61	3,437,949	0.99
100001 and over	82	6.30	334,749,871	96.78
TOTALS	1,302	100	345,876,849	100

ANALYSIS BY INDUSTRY

Shareholders Analysis

for the year ended 31 October 2012



INDUSTRY

LOCAL COMPANIES	225	17.28	218,282,422	63.11
INSURANCE COMPANIES	9	0.69	37,879,872	10.95
NEW NON RESIDENT	24	1.84	30,242,477	8.74
PENSION FUNDS	48	3.69	24,663,619	7.13
LOCAL NOMINEE	48	3.69	15,984,109	4.62
LOCAL INDIVIDUAL RESIDENT	773	59.37	7,684,377	2.22
BANKS	109	8.37	6,798,298	1.97
CHARITABLE TRUSTS	47	3.61	1,986,763	0.57
FOREIGN COMPANIES	1	0.08	1,562,718	0.45
FOREIGN NOMINEES	4	0.31	560,112	0.16
INVESTMENTS	14	1.08	232,082	0.07
TOTAL	1,302	100.00	345,876,849	100

Top ten shareholders of the company as at 31 October :

	2012		2011	
	No. of Shares	%	No. of Shares	%
TFS NOMINEES (PRIVATE) LIMITED	102,761,157	29.56	-	-
CLOSEFIN INVESTMENTS (PVT) LTD	99,665,868	28.67	99,665,868	28.82
VANAC INVESTMENTS (PVT) LTD	-	-	87,751,038	25.37
OLD MUTUAL LIFE ASS. CO. ZIM LTD	40,261,145	11.58	40,187,038	11.62
PELLSTON INVESTMENTS LTD NNR	27,333,218	7.86	-	-
MINING INDUSTRY PENSION FUND	11,515,288	3.31	-	-
NATIONAL SOCIAL SECURITY AUTHORITY(NPS)	10,484,706	3.02	-	-
FBC NOMINEES (PVT) LTD	7,355,813	2.12	-	-
EDWARDS NOMINEES (PRIVATE) LIMITED	5,545,700	1.60	-	-
EQUIVEST NOMINEES (PRIVATE) LIMITED	5,454,245	1.57	-	-
TURNER ROY	4,085,285	1.18	-	-
ZIMINVEST LTD - NNR	-	-	21,658,989	6.26
MINING INDUSTRY PENSION FUND	-	-	11,515,288	3.33
TETRAD INVESTMENT BANK LIMITED	-	-	10,000,000	2.89
ZIMINVEST LIMITED (NNR)	-	-	7,149,773	2.07
STANBIC NOMINEES (PVT) LTD.	-	-	7,076,534	2.05
NATIONAL SOCIAL SECURITY AUTHORITY(NSSA NPS)	-	-	5,807,288	1.68
BURGAN ESTATE (PVT) LTD	-	-	4,348,963	1.26
	314,462,425	90.47	295,160,779	85.34

ANALYSIS BY DOMICILE

DOMICILE	NUMBER OF HOLDERS	2012		%	2011		%
		SHARES HELD	NUMBER OF HOLDERS		SHARES HELD	NUMBER OF HOLDERS	
ZIMBABWE	1,114	317,054,606	1,158	91.21	1,158	343,090,383	99.19
WARRANT NOT PRESENTABLE	125	2,346,629	124	0.68	124	1,921,700	0.56
UNITED KINGDOM	7	779,498	7	0.22	7	779,498	0.23
SOUTH AFRICA	6	32,530	6	0.01	6	32,530	0.01
NEW ZEALAND	1	13,728	1	0.00	1	13,728	0.00
NAMIBIA	1	13,000	1	0.00	1	13,000	0.00
ZAMBIA	1	12,480	1	0.00	1	12,480	0.00
AUSTRALIA	2	10,319	2	0.00	2	10,319	0.00
MAURITIUS	1	27,333,218	1	7.86	1	2,370	0.00
USA	1	841	1	0.00	1	841	0.00
TOTAL	1,259	347,596,849	1,302	100	1,302	345,876,849	100



Notice of Annual General Meeting

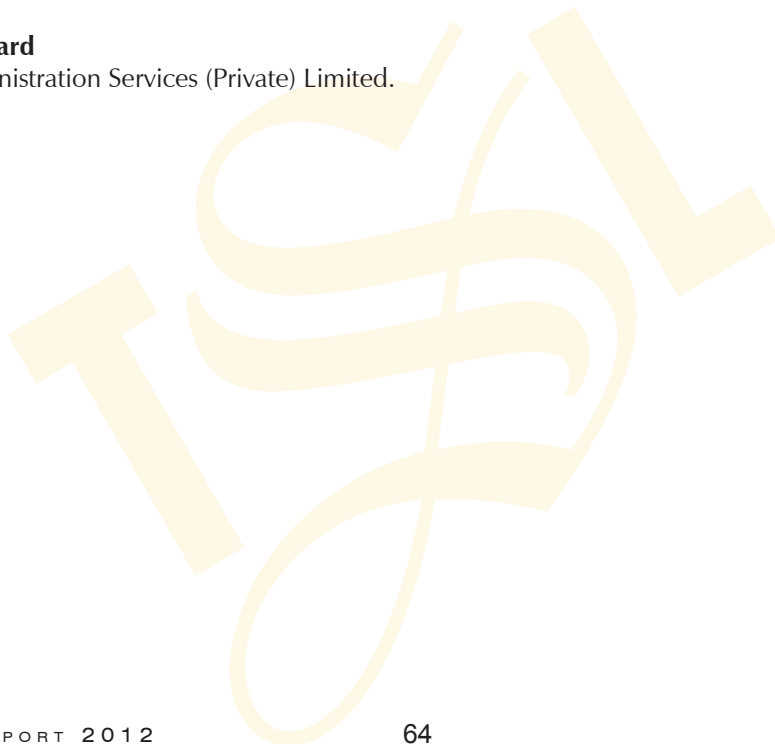
NOTICE IS HEREBY GIVEN that the fifty fifth Annual General Meeting of the Company is to be held at the TSL Limited Head Office, Number 28 Simon Mazorodze Road, Southerton, Harare at 1200 hours on 13 March 2013.

1. To approve the minutes of the previous Annual General Meeting held on 14 March 2012.
2. To consider and adopt the financial statements together with the directors' reports for the year ended 31 October 2012.
3. To approve the extension of the term of office as director for C Nyereyegona who is due to retire from the board in terms of Clause 95 (H) of the Memorandum and Articles of Association of the company.
4. To re-elect directors who retire in terms of the Articles of Association of the company.
The directors due to retire are Messrs C Nyereyegona, A S Mandiwanza and B Ndebele and being eligible offer themselves for re-election.
5. To fix the budget for fees payable to directors for the year ending 31 October 2013 and to confirm the actual amount paid for the year ended 31 October 2012.
6. To approve the auditors' remuneration for the past year and to re-appoint Ernst & Young as auditors for the ensuing year.
7. AS A SPECIAL RESOLUTION to approve a share buy back scheme of the company's shares in accordance with the Zimbabwe Stock Exchange regulations and any applicable statutory provisions.
8. To transact any other business competent to be dealt with at an Annual General Meeting.

Any member entitled to attend and vote at the Annual General Meeting is entitled to appoint one proxy or more proxies to attend, speak and vote in his stead. A proxy need not be a member of the company. All proxies must be lodged at the company's registered office not less than forty eight hours (48 hours) before the meeting. A proxy form is enclosed in this Annual Report for the convenience of any shareholder who may not be able to attend.

By Order of the Board

Tobacco Sales Administration Services (Private) Limited.



Shareholder's Diary

for the year ended 31 October 2012



Fifty fifth Annual General Meeting	13 March 2013
Financial year end	31 October 2012
Interim reports 6 months to 30 April 2013 and interim dividend declaration	July 2013
12 months to 31 October 2013 and final dividend declaration	January 2014
Annual report published	February 2014

