Contents

Financial Highlights

		2014	2013
Revenue	$	48,168,080	40,565,715
Profit before tax	$	6,833,973	9,239,330
Profit after tax and non-controlling interest	$	4,888,160	6,173,441
Basic earnings per share	$	0.014	0.018
Diluted earnings per share	$	0.014	0.018
Headline earnings per share	$	0.018	0.016
Diluted head line earnings per share	$	0.017	0.016
Net asset value per share	$	0.187	0.177
Shares in issue at year end	000's	357,102	347,597

Company Profile and Mission Statement

COMPANY PROFILE

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

- Agro inputs
- Properties
- Logistics
- Tobacco operations
- Services

The Company was founded in 1957 as a tobacco auction floor and adopted a policy of diversification in the late sixties. 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		
Property segment	**Bak Storage (Private) Limited**	Property owning	100%
	Southerton Properties (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	99.9%
	TSL Properties Limited	Property owning	100%
	Propak (Private) Limited	Property owning	100%
Agro inputs segment	**Chemco Holdings Limited**	Retailing of agricultural inputs and hardware	100%
	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%
	Propak Hessian (Private) Limited	Supply of tobacco hessian wraps and paper	100%
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	99.9%
Services	**TSL (Mauritius) Limited**	Treasury and administrative services	100%
	Tobacco Sales Administration Services (Private) Limited	Treasury and administrative services	100%
	Investments		
Printing and packaging	**Nampak Zimbabwe Limited (Formely Hunyani Holdings Limited)**	Manufacture of corrugated, cardboard and tissue products and printing	16.53%
	Associate Companies		
Processed tobacco	**Cut Rag Processors (Private) Limited**	Cut rag and cigarette manufacturer	30%
Tobacco operations	**TSL Classic Leaf (Private) Limited**	Tobacco grower scheme	49%

Directorate and Administration

BOARD OF DIRECTORS

Chairman	A S Mandiwanza	
Chief Executive Officer	W Matsaira	Executive Director
Chief Finance Officer	P Mujaya	Executive Director
	B Ndebele	
	P Shah	
	K Naik	
	R Costa	
	H Rudland	
	P Mutembwa	(Appointed 1 November 2014)
	N Swanepoel	(Appointed 1 November 2014)
	N Chiromo	(Resigned 28 February 2014)

AUDIT COMMITTEE

Chairman	B Ndebele	
	R Costa	(Appointed 1 November 2014)
	P Shah	(Appointed 1 November 2014)
	P Mutembwa	(Appointed 1 November 2014)

REMUNERATION COMMITTEE

Chairman	A S Mandiwanza	
	K Naik	(Appointed 1 November 2014)
	P Mutembwa	(Appointed 1 November 2014)
	W Matsaira	
	P Mujaya	

INVESTMENT COMMITTEE

Chairman	B Ndebele	
	K Naik	
	H Rudland	(Appointed 1 November 2014)
	N Swanepoel	(Appointed 1 November 2014)

MANAGEMENT	W Matsaira P Mujaya	Chief Executive Officer Chief Finance Officer
SECRETARIES	Tobacco Sales Administration Services (Private) Limited	P O Box 66043 Kopje Harare
TRANSFER SECRETARIES	Corpserve (Private) Limited	P O Box 2208 Harare
REGISTERED OFFICE	28 Simon Mazorodze Road Southerton Harare	Telephone: 754666 Fax: 754673 email: admin@tsl.co.zw
PRINCIPAL BANKERS	Barclays Bank of Zimbabwe Limited	Birmingham Road Branch
AUDITORS	Ernst & Young Chartered Accountants (Zimbabwe) (Registered Public Auditors)	Angwa City Cnr Julius Nyerere Way/ Kwame Nkrumah Avenue P O Box 62 Harare

Group Management

Agricura (Private) Limited	S Gutura
Bak Logistics (Private) Limited	D Taranhike
Car Rental Services (Private) Limited (Avis)	B Sande (Mrs)
Chemco Holdings Limited	P Mujaya
Cut Rag Processors (Private) Limited	N Chinhara
Propak Hessian (Private) Limited	M Machingaidze (Mrs)
Tobacco Sales Administration Services (Private) Limited	P Mujaya
Tobacco Sales Floor Limited	J Mutambanesango
TSL Properties Limited Group	D T Ziki
TSL Classic (Private) Limited	M Hulett
TSL Greenbelt (Private) Limited	D Odoteye

Chairman's Statement

REPORT ON OPERATIONS

TSL Limited registered yet another strong trading performance in the year. The general economic outlook has been characterised by serious liquidity challenges resulting in closure of businesses and decline in capacity utilisation. Tobacco output increased by 30% from 166.5million kilograms in 2013 to 216.1million kilograms in 2014. The larger tobacco crop had a positive impact on the Group's auctioning business.

The Group achieved a revenue growth of 19% from the previous financial year while operating profit before fair value adjustment and share of profits from associates and joint venture was up 4%. Group head line earnings were up 10% at 1.8 cents per share compared to 1.6 cents in the previous year.

The level of net gearing as a percentage of shareholder's funds decreased to 21% from 26%. Cash flows in the Group have improved and the Group was in a net positive cash position at the end of the period.

After a reorganisation in the second half of the year, Hunyani Holdings Limited was absorbed into a new entity called Nampak Zimbabwe Limited in which the Group holds 16.53% interest. The investment, which was previously recognised as a joint venture was marked down to market by $1,3million. Weak contribution from associates affected the Group's profit before tax.

SHAREHOLDING AND DIRECTORATE

Mr N Swanepoel and Mrs P Mutembwa were appointed to the board on 1 November 2014. Mr N Chiromo resigned from the board on 28 February 2014. On behalf of the board, management and shareholders, I would like to express my gratitude to Mr N Chiromo for his immense contribution to the Group during his tenure.

OUTLOOK

The Group's Logistics cluster benefited from the acquisition last year of Premier Forklifts. Discussions are at an advanced stage to acquire another business which will further strengthen our logistics offering. Discussions with a number of international logistics operators for partnerships on various initiatives within the region are at varying stages.

The tobacco joint venture through TSL Classic Leaf (Private) Limited has been a success and production continues to grow. Efforts are now being made to ensure that funding for this growing business is appropriately structured to take into account pricing and tenure considerations.

The Group is looking for new opportunities beyond tobacco, with a focus on activities that incorporate value addition and exports.

The properties cluster has shown some solid growth since its inception in 2012 and going forward, efforts will be directed towards a more efficient use of existing space and on increasing third party tenancy. Feasibility work for an industrial park at the Group's Vostermans property will commence during the current financial year.

Notwithstanding the depressed trading environment, we remain confident that steps taken to streamline our trading operations in the last few months will yield positive results in the coming year.

The Group will continue to focus on creating sustainable value through the established clusters and will continue to look for opportunities that fit our defined strategy.

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.

A Mandiwanza
Chairman

28 January 2015

AGRO INPUTS

Agricura (Private) Limited
Agricura achieved a satisfactory performance in terms of both revenue and profit with revenue surpassing prior year by 10%. More efficient product sourcing contributed to higher profit margins in the second half of the year and these will be maintained in 2015.

TSL Trading (Private) Limited
A high cost structure and subdued sales volumes resulted in a loss for the year. A contributory factor to the low sales was the earlier than anticipated end to the tobacco selling season in 2014.

On costs, steps have been taken to align the organisational structure to the levels of business activity. Overall, we are confident that performance will improve.

LOGISTICS OPERATIONS

Bak Logistics (Private) Limited
Bak Logistics recorded a 7% growth in revenue with growth mainly in the General Cargo and Distribution divisions. The Port division which traditionally offers higher margins recorded a drop in volumes which translated into an overall decline in profits by 5%.

Steps to expand the company's revenue streams continue and we are confident that the results of these efforts will positively impact performance in 2015.

Premier Forklift Services Division
The unit recorded a strong performance in both revenue and profit in its first full year of operations.

Steps are being taken to expand the unit's customer base and this will further boost revenue in 2015.

Car Rental Services (Private) Limited (Avis)
The operating environment remained difficult characterised by an increase in the number of unregulated players in a depressed tourism environment.

The business remains profitable, though marginally and efforts will continue to align the vehicle replenishment programme to market realities.

TOBACCO OPERATIONS

Tobacco Sales Floor Limited
Revenue grew by 16% while operating profit went up 19% underpinned by a growth in the company's market share to 50% and expansion in the services on offer to tobacco farmers.

Initiatives to offer auctioning services to contract tobacco growers are yielding steady results and will continue to be pursued.

Propak Hessian (Private) Limited
Propak Hessian achieved a 24% increase in revenue following a successful campaign to secure new customers. The company took consious steps to align operating margins with the market and this has translated into a decrease in profitability in the short term.

Profitability should however improve in 2015 as new sources of product have been secured at competitive prices.

TSL Classic Leaf (Private) Limited
Tobacco production from the company's grower scheme was in line with the target of 3.6 million kilograms. An additional 1.9 million kilograms was purchased off the auction floors, to bring the total production for the year to 5.5 million kilograms. Debtor recoveries remained well above the accepted industry norm.

Going forward, the company will seek funding which is more appropriately structured both in terms of price and tenure.

REAL ESTATE

TSL Properties (Limited)
TSL Properties achieved sound growth largely driven by a strong demand for warehousing space. Third party tenancy improved by 8% to 33% and continues to grow.

A phased refurbishment programme has been adopted in order to protect the company's property values and meet specific tenant requirements.

ASSOCIATED COMPANIES

Hunyani Holdings Limited
After a reorganisation in the second half of the year, Hunyani Holdings Limited was absorbed into a new entity called Nampak Zimbabwe Limited comprising Canauld Metal Box, Mega Pak and Hunyani Holdings Limited. The new entity came into existence on 1 October 2014. The profit contribution of this investment to the Group fell below prior year.

We are very positive that our participation in Nampak Zimbabwe Limited, which is a more diverse packaging entity will yield significant value growth in the medium term.

Cut Rag Processors (Private) Limited
As a result of market challenges facing the cigarette manufacturing industry, Cut Rag's trading performance fell below expectations. The company produces a good range of products and positive results are expected when the trading environment improves.

Chemco Holdings Limited
The delisting of Chemco Holdings was completed during the year.

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 eight 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 four 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.

NOMINATIONS COMMITTE

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.

Definitions

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
Shareholders' funds 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 2014.

SHARE CAPITAL

The number of shares in issue increased to 357 102 445 ordinary shares during the year as a result of the issue of shares towards the purchase of Guftainer Investments (Premier Forklifts) and acquisition of non controlling interest in Chemco Holdings through issue of shares.

RESERVES

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

DIVIDENDS

The Directors have decided to declare a final dividend of US 0.40 cents (2013: US 0.50 cents) per share for the year ended 31 October 2014 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$ 92,470 which had been budgeted at US$105,000. Members will be asked to fix the budget for the remuneration of Directors for the ensuing year amounting to US$161,500.

GOING CONCERN STATEMENT

The 2014 financial statements have been prepared on a going concern basis as the Directors are of the opinion that the company is a going concern.

By Order of the Board

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

Tobacco Sales Administration Services (Private) Limited
8 February 2014

Statement of Directors' Responsibility

The Directors of TSL 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 2014, which appear on pages 15-69 have been approved by the Board of Directors on 28 January 2015 and are signed on its behalf by:

A Mandiwanza
Chairman

W Matsaira
Chief Executive Officer

Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors
Angwa City
Cnr Julius Nyerere Way /
Kwame Nkrumah Avenue
P O Box 62 or 702
Harare
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Independent Auditor's Report to the Members of TSL Limited

Report on the financial statements

We have audited the accompanying consolidated financial statements of TSL Limited as set out on pages 15 to 69, which comprise the company and consolidated statement of financial position at 31 October 2014, 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 (IFRS) 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 financial statements present fairly, in all material respects, the company and consolidated financial position of TSL Limited as at 31 October 2014 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).

Ernst & Young

Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors

Harare
18 February 2015

Consolidated income statement

for the year ended 31 October 2014

	Notes	2014	2013
		$	$
Revenue			
Sale of goods		11,895,030	10,877,630
Rendering of services		36,273,050	29,688,085
Total revenue		**48,168,080**	**40,565,715**
Cost of sales		(10,488,327)	(8,175,889)
Gross profit		**37,679,753**	**32,389,826**
Other operating income	8.1	909,631	4,181,655
Impairment of investment in joint venture	5	-	(2,517,885)
Staff costs	9.2	(10,954,086)	(7,801,609)
Depreciation, amortisation and impairment	9.1	(2,126,840)	(1,823,690)
Other operating expenses	8.2	(19,315,915)	(16,507,642)
Operating profit		**6,192,543**	**7,920,655**
Finance costs	8.3	(1,713,301)	(1,099,532)
Finance income	8.4	1,650,945	822,157
Share of profits of joint venture	5	537,671	817,886
Share of profit of associates	6	166,115	778,164
Profit before tax		**6,833,973**	**9,239,330**
Income tax expense	10	(1,858,196)	(2,436,724)
Profit for the year		**4,975,777**	**6,802,606**
Attributable to :			
Equity holders of the parent		4,888,160	6,173,441
Non-controlling interests		87,617	629,165
		4,975,777	**6,802,606**
Earnings per share :	11		
- Basic, profit for the year attributable to ordinary equity holders of the parent		0.014	0.018
- Diluted,profit for the year attributable to ordinary equity holders of the parent		0.014	0.018
- Headline earnings per share		0.018	0.016
- Diluted head line earnings per share		0.017	0.016

Consolidated statement of comprehensive income

for the year ended 31 October 2014

	Notes	2014	2013
		$	$
Profit for the year		**4,975,777**	**6,802,606**
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Loss on mark to market of Nampak investment	5.2	(1,320,280)	-
Deferred tax on loss on mark to market of Nampak investment	10	13,203	-
		(1,307,077)	**-**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Revaluation of property	12	825,677	3,555,181
Deferred tax on revaluation of property	10	(212,612)	(927,351)
Share of joint venture comprehensive income	5	(24,208)	-
		588,857	**2,627,830**
Other comprehensive income for the year, net of tax		**(718,220)**	**2,627,830**
Total comprehensive income for the year, net of tax		**4,257,557**	**9,430,436**
Attributable to :			
Equity holders of the parent		4,169,940	8,801,271
Non-controlling interests		87,617	629,165
		4,257,557	**9,430,436**

Consolidated statement of financial position

as at 31 October 2014

	Notes	2014	2013
Assets		$	$
Non-current assets			
Property, plant and equipment	12	28,107,647	29,296,168
Investment properties	14	34,018,102	31,508,248
Investment in joint venture	5	-	6,427,424
Available for sale investment	5	5,620,604	-
Investment in associates	6	1,540,230	1,614,116
Deferred tax asset	10	462,355	462,355
Intangible assets	13	791,255	790,165
		70,540,193	**70,098,476**
Current assets			
Inventories	17	7,409,731	7,608,445
Trade and other receivables	18	17,940,872	19,643,050
Cash and short term deposits	19	1,622,412	1,904,454
		26,973,015	29,155,949
Total assets		**97,513,208**	**99,254,425**
Equity and liabilities			
Equity			
Issued capital	20	3,571,023	3,475,967
Share premium	20	2,898,801	82,069
Non distributable reserves	20.1	40,837,813	41,556,032
Retained earnings		19,422,694	16,288,163
Equity attributable to owners of the parent		**66,730,331**	**61,402,231**
Non- controlling interest		2,417,244	4,893,866
Total equity		**69,147,575**	**66,296,097**
Non-current liabilities			
Interest-bearing loans and borrowings	15	895,703	1,217,018
Deferred tax liabilities	10	7,834,069	7,729,750
		8,729,772	8,946,768
Current liabilities			
Trade and other payables	24	5,359,222	8,054,757
Interest-bearing loans and borrowings	15	13,198,541	10,506,570
Bank overdraft and acceptance	15	288,505	3,980,786
Provisions	24.1	624,315	1,009,596
Income tax payable		165,278	459,851
		19,635,861	24,011,560
Total liabilities		**28,365,633**	**32,958,328**
Total equity and liabilities		**97,513,208**	**99,254,425**

Consolidated statement of changes in equity

for the year ended 31 October 2014

	Issued capital $	Share premium $	Non distributable reserves $	Retained earnings $	Total $	Non-controlling interest $	Total Equity $
As at 1 November 2013	**3,475,967**	**82,069**	**41,556,033**	**16,288,163**	**61,402,232**	**4,893,866**	**66,296,098**
Issue of share capital (Note 20)	95,056	2,816,732	-	-	2,911,788	-	2,911,788
Profit for the period	-	-	-	4,888,160	4,888,160	87,617	4,975,777
Other comprehensive income	-	-	(718,220)	-	(718,220)	-	(718,220)
Total comprehensive income	-	-	(718,220)	4,888,160	4,169,940	87,617	4,257,557
Dividends	-	-	-	(1,144,079)	(1,144,079)	(299,550)	(1,443,629)
Transactions with owners in their capacity as owners*	-	-	-	(609,550)	(609,550)	(2,264,689)	(2,874,239)
At 31 October 2014	**3,571,023**	**2,898,801**	**40,837,813**	**19,422,694**	**66,730,331**	**2,417,244**	**69,147,575**
As at 1 November 2012	**3,475,967**	**82,069**	**39,820,532**	**11,191,628**	**54,570,196**	**4,682,249**	**59,252,445**
Profit for the period	-	-	-	6,173,441	6,173,441	629,165	6,802,606
Other comprehensive income	-	-	2,627,830	-	2,627,830	-	2,627,830
Total comprehensive income	-	-	2,627,830	6,173,441	8,801,271	629,165	9,430,436
Transfer from asset revaluation reserve**	-	-	(892,329)	892,329	-	-	-
Dividends	-	-	-	(1,969,235)	(1,969,235)	(417,548)	(2,386,783)
At 31 October 2013	**3,475,967**	**82,069**	**41,556,033**	**16,288,163**	**61,402,232**	**4,893,866**	**66,296,098**

* Transactions with owners in their capacity as owners relate to the difference between the purchase price and carrying amount of non-controlling interests acquired (Note 29)

** The transfer from asset revaluation reserves to distributable reserves amounting to $Nil (2013: $892,330) relates to the reserves attributable to previously revalued property, plant and equipment which was disposed of during the year.

Consolidated statement of cash flows

for the year ended 31 October 2014

	Notes	2014	2013
		$	$
Operating activities			
Profit before tax		6,833,973	9,239,330
Non-cash adjustments to reconcile profit before tax to net cash flows	25.1	3,952,890	62,828
Working capital adjustments:			
Decrease/(Increase) in trade and other receivables and prepayments		3,242,178	(12,049,948)
Decrease/(Increase) in inventories		198,714	(2,693,113)
(Decrease)/Increase in trade and other payables		(1,910,537)	2,875,462
		12,317,218	(2,565,441)
Interest received		110,945	85,395
Interest paid	25.2	(1,746,585)	(1,287,926)
Income tax paid		(2,247,859)	(1,630,812)
Dividend received from associates	6	240,000	516,000
Net cash flows from operating activities		8,673,719	(4,882,784)
Investing activities			
Purchase of property ,plant and equipment, investment property & intangible assets	25.4	(3,606,244)	(8,135,136)
Proceeds from sale of property ,plant and equipment		113,187	366,619
Acquisition of subsidiary,net of cash acquired	29	(785,000)	(485,039)
Disposal of interest in subsidiary net of cash given up	29.5	-	(101,203)
Net cash used in investing activities		**(4,278,057)**	**(8,354,759)**
Financing activities			
Net movement in loans and borrowings	25.3	2,596,362	10,739,578
Payment of finance lease liabilities	25.3	(225,706)	(465,609)
Acquisition of non controlling interest	29	(1,912,450)	-
Dividend paid -Equity holders		(1,144,079)	(1,969,235)
Dividend paid -Non-controlling interest		(299,550)	(417,548)
		-	
Net cash flows (used in)/from financing activities		**(985,423)**	**7,887,186**
Net increase/(decrease) in cash and cash equivalents		3,410,239	(5,350,357)
Cash and cash equivalents at 01 November		(2,076,332)	3,274,025
Cash and cash equivalents at 31 October	19	**1,333,907**	**(2,076,332)**

1. Corporate information

The consolidated financial statements of the Group for the year ended 31 October 2014 were authorised for issue in accordance with a resolution of the directors on 28 January 2015.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. 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 Dollar (US$) and all values are rounded to the nearest dollar except where otherwise stated.

2.1 Statement of compliance

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

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group, its subsidiaries joint venture and associates as at 31 October 2014. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

ii) Exposure, or rights, to variable returns from its involvement with the investee, and

iii) The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

i) The contractual arrangement with the other vote holders of the investee

ii) Rights arising from other contractual arrangements

iii) The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the income statement from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries, associates and joint ventures to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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 interests

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 OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

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) Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over t hose policies. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investments in its associates and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the income statement outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture. The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, then recognises the loss as 'Share of profit of an associate and a joint venture' in the income statement.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

c) Foreign currency translation

The Group's consolidated financial statements are presented in United States dollars (US$).

Each entity in the Group use the US Dollar as its functional and presentation currency and items included in the financial statements of each entity are measured using that currency.

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. Difference arising on settlement or translation of monetary items are recognised in profit or loss.

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.

d) Revenue and other income 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.

e) 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 is recognised in equity and not in the 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.

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.

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.

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.

Valued added tax

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

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.

f) 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 depreciate them accordingly. Likewise, when a major inspection is performed, its cost is 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.

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 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	3 - 25 years
• Vehicles and mobile 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.

g) 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

The Group has entered into commercial property leases on its investment property portfolio. 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 so accounts for the leases as operating leases. Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Contingent rents are recognised as revenue in the period in which they are earned.

h) 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.

i) 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 or permanently withdrawn from use and no future economic benefit is expected from its disposal. 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.

j) 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:

a) The technical feasibility of completing the intangible asset so that it will be available for use or sale

b) Its intention to complete and its ability to use or sell the asset

c) How the asset will generate future economic benefits

d) The availability of resources to complete the asset

e) The ability to measure reliably the expenditure during development

f) The ability to use the intangible asset generated

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. The Group's intangible assets are amortised over their useful lives as follows:

- Patents 3 years.

k) Fair value measurement

The Group measures financial instruments such as available for sale financial assets and non-financial assets such as investment properties and land and buildings, at fair value at each balance sheet date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in the following notes:

- Property, plant and equipment under revaluation model Note 12
- Investment properties Note 14
- Available for sale financial instruments Note 5.2

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability

Or

- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

l) 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, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. 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 at acquisition of the financial asset.

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, and available-for-sale investments.

Subsequent measurement

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

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 other operating expenses.

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 (i) the Group has transferred substantially all the risks and rewards of the asset, or (ii) 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:

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.

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.

m) 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

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.

n) 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.

o) 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 cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

p) 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.

q) Provisions

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.

r) 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.

s) 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.

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.

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 amendments to IFRS effective for the Group as of 1 November 2013:

*IFRS 13 Fair value measurement

*IAS 19 Employee benefits- amendments to IAS 19

*IFRS 13 Fair value measurement – short term receivables and payables

The Group early adopted the following standards during the financial year ended 31 October 2012.

• IFRS 10- Consolidated Financial Statements

• IFRS 11-Joint Arrangements

• IFRS 12 –Disclosure of Interest in other Entities

• IAS 28- Investments in Associates and Joint ventures

• IAS 27- Separate Financial Statements

The adoption of the standards or interpretations effective 1 November 2013 is described below:

IFRS 13 Fair Value Measurement

IFRS 13 sets out the framework for determining the measurement of fair value and the disclosure of information relating to fair value measurement, when fair value measurements and/or disclosures are required or permitted by other IFRSs.

As a result, the guidance and requirements relating to fair value measurement that were previously located in other IFRSs have now been relocated to IFRS 13.

While there has been some rewording of the previous guidance, there are few changes to the previous fair value measurement requirements. Instead, IFRS 13 is intended to clarify the measurement objective, harmonise the disclosure requirements, and improve consistency in application of fair value measurement.

IFRS 13 did not materially affect any fair value measurements of the Group's assets or liabilities, with changes being limited to presentation and disclosure. Additional disclosures where required have been provided in the individual notes relating to the assets and liabilities whose fair values were determined. IFRS 13 is to be applied prospectively and therefore comparative disclosures have not been presented.

IAS 19 Employee Benefits (Revised 2011)

The main changes, applicable to the Group, as a consequence of the revision of IAS 19 include:
- Amendments to the timing of recognition for liabilities for termination benefits
- Employee benefits expected to be settled (as opposed to 'due to be settled') wholly within 12 months after the end of the reporting period are short-term benefits, and are not discounted.

The Group considered the above changes when accounting for termination benefits and short term and long term employee benefits and there was no significant impact on its financial statements.

IFRS 13 Fair Value Measurement- short term receivables and payables

The IASB clarified in the Basis for Conclusions that short term receivables and payables with no stated interest rates can be held at invoice amounts when the effect of discounting is immaterial. The Group has evaluated that the effect of discounting on its short term receivables and payables is not material.

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 property

Investment properties consist of land and buildings that are let out to clients for purpose of earning rentals. In some circumstances the leasing arrangement involves 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 Group 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 2014. 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, land and buildings are further explained in Note 14 and Note 12 respectively.

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 (2013: $462,355). 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. Refer to Note 10 for further information on deferred tax assets.

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.

4. Standards issued but not yet effective

This listing is of standards and interpretations issued, which the Group reasonably expects to be applicable at a future date. The Group intends to adopt those standards when they become effective. The Group expects that adoption of these standards, amendments and interpretations in most cases may not to have any significant impact on the Group's financial position or performance in the period of initial application but additional disclosures will be required.

IFRS 9 Financial Instruments – classification and measurement -

On 24 July 2014, the International Accounting Standards Board (IASB) issued the final version of IFRS 9-Financial Instruments bringing together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The classification and measurement requirements address specific application issues arising in IFRS 9 (2009) that were raised by preparers, mainly from the financial services industry. The expected credit loss model addresses concerns expressed following the financial crisis that entities recorded losses too late under IAS 39.

IFRS 9 stipulates that financial assets are measured at amortised cost, fair value through profit or loss, or fair value through other comprehensive income, based on both the entity's business model for managing the financial assets and the financial asset's contractual cash flow characteristics.

Apart from the 'own credit risk' requirements, classification and measurement of financial liabilities is unchanged from existing requirements. IFRS 9 is applicable for annual periods beginning on or after 1 January 2018, but early adoption is permitted. The Group is currently assessing the impact of IFRS 9.

Investment entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

These amendments are effective for annual periods beginning on or after 1 January 2014, and provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. It is not expected that this amendment would be relevant to the Group, since none of the entities in the Group would qualify to be an investment entity under IFRS 10.

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.

IFRIC 21 Levies

IFRIC 21 clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. IFRIC 21 is effective for annual periods beginning on or after 1 January 2014. The Group does not expect that IFRIC 21 will have material financial impact in future financial statements as no significant levies are paid.

IAS 39 Novation of Derivatives and Continuation of Hedge Accounting- Amendments to IAS 39

These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. These amendments are effective for annual periods beginning on or after 1 January 2014. The Group has no novated derivatives and does not apply hedge accounting; hence the amendment will not have an impact on the Group's financial statements.

IAS 36- Disclosure requirements for the recoverable amount of impaired assets

The IASB has issued amendments to IAS 36 - Impairment of Assets, to clarify the disclosure requirements about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

The amendments clarify the IASB's original intention: that the scope of these disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal. These amendments are effective for year ends beginning on or after 1 January 2014 and the Group will consider the impact, if any, of the amendments when they become effective.

IFRS 15- Revenue from Contracts with Customers

The IASB and FASB have issued their joint revenue recognition standard, IFRS 15 Revenue from Contracts with Customers, which replaces all existing IFRS and US GAAP revenue requirements. The core principle of IFRS 15 is that revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

IFRS 15 establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., sales of property, plant and equipment or intangibles). Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligations; changes in contract asset and liability account balances between periods and key judgements and estimates.

The standard is effective for annual periods beginning on or after 1 January 2017, but early adoption is permitted under IFRS. The Group is still assessing the impact of the standard on its contracts with customers.

IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The IASB issued amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets prohibiting the use of revenue-based depreciation methods for fixed assets and limiting the use of revenue-based amortisation methods for intangible assets. The amendments are effective prospectively.

The amendment becomes effective for annual periods beginning on or after1 January 2016 and will not have any impact on the Group as depreciation is not based on revenue methods.

IAS 19 Defined Benefit Plans: Employee Contributions — Amendments to IAS 19

IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. IAS 19 requires such contributions that are linked to service to be attributed to periods of service as a negative benefit.

The amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. Examples of such contributions include those that are a fixed percentage of the employee's salary, a fixed amount of contributions throughout the service period, or contributions that depend on the employee's age. These changes provide a practical expedient for simplifying the accounting for contributions from employees or third parties in certain situations.

The amendments must be applied retrospectively and is effective for annual periods beginning on or after 1 July 2014. Early application is permitted and must be disclosed.

The amendment is not expected to impact the Group as it currently does not have defined benefit plans.

IAS 27 Equity Method in Separate Financial Statements – Amendments to IAS 27

When IAS 27 and IAS 28 were revised in 2003, the equity method was removed as an option to account for investments in subsidiaries and associates in an entity's separate financial statements. In some jurisdictions, local regulations require an entity to use the equity method for this purpose, therefore creating a difference between separate financial statements prepared in accordance with local GAAP and those prepared in accordance with IFRS. The objective of these amendments is to restore the option to use the equity method. Therefore, an entity must account for these investments either:

- At cost
- In accordance with IFRS 9 (or IAS 39)

Or

- Using the equity method

The entity must apply the same accounting for each category of investments.

A consequential amendment was also made to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment to IFRS 1 allows a first-time adopter accounting for investments in the separate financial statements using the equity method, to apply the IFRS 1 exemption for past business combinations to the acquisition of the investment. The amendments must be applied retrospectively. Early application is permitted and must be disclosed. The amendment is effective for year ends beginning 1 January 2016 and will not affect the separate financial statements as the Group will continue to account for investments in associates at cost.

IFRS 11 Accounting for Acquisitions of Interests in Joint Operations – Amendments to IFRS 11

The amendments require an entity acquiring an interest in a joint operation in which the activity of the joint operation constitutes a business to apply, to the extent of its share, all of the principles on business combination accounting in IFRS 3 Business Combinations, and other IFRSs, that do not conflict with the requirements of IFRS 11. Furthermore, entities are required to disclose the information required in those IFRSs in relation to business combinations.

The amendments also apply to an entity on the formation of a joint operation if, and only if, an existing business is contributed by the entity to the joint operation on its formation. The amendments also clarify that for the acquisition of an additional interest in a joint operation in which the activity of the joint operation constitutes a business; previously held interests in the joint operation must not be remeasured if the joint operator retains joint control. The amendments are applied prospectively and are effective for annual periods beginning on or after 1 January 2016. Early application is permitted and must be disclosed. The amendments will be considered in the future if the Group enters into such transactions.

Improvements to International Financial Reporting Standards

2010 - 2012 Annual Improvements

In December 2013, the IASB issued two cycles of Annual Improvements to IFRSs that contain changes to 9 standards. The changes are effective from 1 July 2014 either prospectively or retrospectively. A summary of each amendment is described below:

IFRS 2 Share based payment (Amendments to definitions relating to vesting conditions)

Performance conditions and service conditions are defined in order to clarify various issues. The issues relate to performance conditions which must contain a service condition and a performance target which must be met while the counterparty renders service. The amendment also clarifies that a performance target may relate to the operations of an entity or to those of an entity in the same group. The amendment is not expected to have a material impact on the Group financial statements as the current share based payments scheme has no vesting conditions.

IFRS 3 Business Combinations - Scope for joint ventures

The amendment clarifies that joint arrangements are outside the scope of IFRS 3, not just joint ventures, and the scope exception applies only to the accounting in the financial statements of the joint arrangement itself. Amendment will be considered by the Group when it becomes effective to the extent applicable.

IFRS 3 Business Combinations - Accounting for contingent consideration in a business combination

Contingent consideration in a business acquisition that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of IFRS 9 Financial Instruments. The amendment will not affect the Group as it does not have any contingent considerations.

IFRS 8 Operating Segments - Aggregation of operating segments and reconciliation of the total of the reportable segment assets to the entity's total assets

Operating segments may be combined/ aggregated if they are consistent with the core principle of the standard, if the segments have similar economic characteristics and if they are similar in other qualitative respects. If they are combined, the entity must disclose the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'. The amendment will not have a material impact on the Group financial statements as no segments are combined.

Reconciliation of the total of the reportable segment assets to the entity's total assets

The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities. The amendment will not have a material impact on the Group financial statements as no reconciliation is provided to the Chief Decision maker and no reconciliation is currently being disclosed.

IFRS 13 Fair value measurement - Portfolio exception

The amendment clarifies that the portfolio exception in IFRS 13 can be applied to financial assets, financial liabilities and other contracts. The amendment is not expected to affect the Group as the Group does not have financial assets, financial liabilities and other contracts that meet this criteria.

IAS 16 Property, plant and equipment and IAS 38 Impairment - Revaluation method-proportionate restatement of accumulated depreciation

The amendment clarifies that revaluation can be performed by adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying amount and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value The amendment also clarified that accumulated depreciation/ amortisation is the difference between the gross carrying amount and the carrying amount of the asset (i.e., gross carrying amount –accumulated depreciation/amortisation = carrying amount). The amendment to IAS 16.35(b) and IAS 38.80(b) clarifies that the accumulated depreciation/amortisation is eliminated so that the gross carrying amount and carrying amount equal the market value. The Group revalue its land and buildings and will consider the amendment when it becomes effective.

IAS 24 Related party disclosures - Key management personnel

The amendment clarifies that a management entity – an entity that provides key management personnel services – is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. Amendment will not affect the Group as it has no management entity providing key management services to the Group.

IAS 40 Investment property - Clarifying the interrelationship of IFRS 3 and IAS 40 when classifying investment property or owner occupied property - Amendment to IAS 40

The description of ancillary services in IAS 40 differentiates between investment property and owner occupied property. IFRS 3 is used to determine if the transaction is the purchase of an asset or a business combination.

2012 – 2014 Annual improvement cycle (issued September 2014)

In September 2014, the IASB issued Annual Improvements to IFRSs 2012-2014 Cycle, which contains five amendments to four standards, excluding consequential amendments. The amendments are effective for annual periods beginning on or after 1 January 2016. Below is a list of those amendments that are applicable to the Group.

IFRS 7 – Servicing Contracts

Paragraphs 42A - H of IFRS 7 require an entity to provide disclosures for any continuing involvement in a transferred asset that is derecognised in its entirety. The Board was asked whether servicing contracts constitute continuing involvement for the purposes of applying these disclosure requirements. The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in paragraphs IFRS 7.B30 and IFRS 7.42C in order to assess whether the disclosures are required. The Group will consider the amendment, where applicable, when it becomes effective.

IFRS 7 – Applicability of the offsetting disclosures to condensed interim financial statements.

In December 2011, IFRS 7 was amended to add guidance on offsetting of financial assets and financial liabilities. In the effective date and transition for that amendment, paragraph 44R of IFRS 7 states that "[A]n entity shall apply those amendments for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods. The interim disclosure standard, IAS 34, does not reflect this requirement, however, and it is not clear whether those disclosures are required in the condensed interim financial report. The amendment removes the phrase 'and interim periods within those annual periods' from paragraph 44R, clarifying that these IFRS 7 disclosures are not required in the condensed interim financial report. However, the Board noted that IAS 34 requires an entity to disclose an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the entity since the end of the last annual reporting period'. Therefore, if the IFRS 7 disclosures provide a significant update to the information reported in the most recent annual report, the Board would expect the disclosures to be included in the entity's condensed interim financial report. The Group will consider the amendment in preparing its interim financial statements when they become effective.

IAS 34 Disclosure of information 'elsewhere in the interim financial report

IAS 34 requires entities to disclose information in the notes to the interim financial statements 'if not disclosed elsewhere in the interim financial report'. However, it is unclear what the Board means by elsewhere in the interim financial report'. The amendment states that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report). The Board specified that the other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. If users do not have access to the other information in this manner, then the interim financial report is incomplete.

5 Investment in a joint venture and available-for-sale investment

5.1 Investment in a joint venture

The Group had a 39% interest in Hunyani Holdings Limited, a jointly controlled entity involved in the manufacture of pulp and paper, corrugated and cardboard and tissue products and printing from the beginning of the year to 30 September 2014. Nampak, TSL's joint venture partner in Hunyani, consolidated its interests in Hunyani, Carnaud Metalbox and Megapak into one company. Hunyani Holdings Limited's name was changed to Nampak Zimbabwe Limited and remains listed on the Zimbabwe Stock Exchange. TSL's 39% shareholding in Hunyani Holdings Limited was traded in for 16.53% stake in Nampak Zimbabwe Limited.

The joint venture's principal place of business is 68 Birmingham Road, Southerton, Harare.

The group equity accounted for the interest in Hunyani up to 30 September 2014. The investment in Nampak was recognised as an available for sale investment from 1 October 2014 (Note 5.2)

	2014	2013
Share of the joint venture's statement of financial position:	$	$
Current assets, including cash and cash equivalents $Nil (2013: $3,404,832) and prepayments $Nil (2013:$323,515)	-	19,667,460
Non-current assets	-	24,233,970
Current liabilities,including tax payable $Nil (2013: $71,529)	-	(9,446,931)
Non-current liabilities,including deferred tax liabilities $Nil (2013: $5,115,045) and long-term borrowings $Nil (2013:$Nil)	-	(5,115,045)
Equity	**-**	**29,339,454**
Group's percentage ownership	**0%**	**39%**
Carrying amount of the investment	-	11,462,133
The joint venture's revenue and profit:		
Revenue	40,889,979	47,660,006
Cost of sales	(31,616,949)	(37,184,589)
Other income	307,587	638,482
Selling and distribution expenses	(812,669)	(1,288,680)
Administration expenses	(4,751,404)	(2,776,597)
Depreciation and amortisation	(1,456,291)	(3,449,583)
Other operating expenses	(823,651)	(1,380,380)
Interest income	150,779	150,229
Interest expense	(126,695)	(432,018)
Share of profit from joint venture	49,520	-
Profit before tax	1,810,206	1,936,870
Income tax (expense)/credit	(434,034)	160,274
Profit after tax for the year from continuing operations	**1,376,172**	**2,097,144**
Other comprehensive income	(61,966)	-
Total comprehensive income	**1,314,206**	**2,093,529**

	2014	2013
	$	$
Reconciliation of carrying amount of the investment:		
Opening balance	6,427,425	8,127,424
Share of profit after tax for the year	537,671	817,886
Share of other comprehensive income	(24,208)	-
Impairment of joint venture investment	-	(2,517,885)
Disposal of investment	(6,940,888)	-
Balance at end of period	**-**	**6,427,424**
Profit on disposal		
Deemed proceeds	6,985,640	-
Carrying amount of investment	6,940,888	-
Profit on disposal of investment	**44,752**	**-**
Fair value of investment	**-**	**4,996,099**

During the year ended 31 October 2013 the entity impaired the investment in joint venture. The impairment was necessitated by a significant decrease in the market value of the shares of the joint venture on the Zimbabwe Stock Exchange. The recoverable amount was based on fair value less cost to sale as it was higher than the value in use. The fair value was based on the quoted price of the shares on the Zimbabwe Stock Exchange adjusted for market inactivity.

The investment in joint venture is included under the services segment in the segment report.

Below is a reconciliation of share of net assets to carrying amount of investment :

	2014	2013
	$	$
Share of net assets	-	11,462,133
Joint venture revaluation gain not recognised	-	(2,516,824)
Impairment recognised in profit or loss	-	(2,517,885)
Carrying amount of investment	**-**	**6,427,424**

The joint venture had contingent liabilities of $3 500 000 (2013: $5 550 000) and capital commitments $Nil (2013 :$Nil).

5.2 Available for sale investment	2014	2013
	$	$
Opening balance	-	-
Acquired on share swap (Refer note 5.1)	6,940,884	-
Fair value adjustment	(1,320,280)	-
Closing balance	**5,620,604**	**-**

Fair Value hierarchy

At fair value through other comprehensive income

	Level 1	Level 2	Level 3	Total
	$	$	$	$
Quoted investments	5,620,604	-	-	**5,620,604**

The fair value of the quoted equities was based on the quoted price as at 31 October 2014. There were no transfers between levels.

6 Investment in associates

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's a strategic investment in the further processing and benefication of tobacco from the tobacco operations .The company is a private entity that is not listed on any public exchange.The associate principal place of business is 15-17 Auckland road, Southerton, Harare.

The Group also has a 49% interest in TSL Classic Leaf (Private) Limited, which is involved in tobacco growing, processing and merchandising. The associate is a strategic investment in the further processing and benefication of tobacco from the tobacco operations .The company is a private entity that is not listed on any public exchange. The associate principal place of business is 161 Eltham Road,Gleneagles, Willowvale, Harare.

The Group measures its investment in associates using the equity method.The following table illustrates summarised financial information of the Group's investment in TSL Classic Leaf (Private) Limited and Cut Rag Processors (Private) Limited :

	2014	2014	2014	2013	2013	2013
	$	$	$	$	$	$
	TSL Classic Leaf (Private) Limited	Cutrag Processors (Private) Limited	Total	TSL Classic Leaf (Private) Limited	Cutrag Processors (Private) Limited	Total
Associate's statement of financial position:						
Current assets	37,933,666	7,680,568	45,614,234	27,362,102	9,354,593	36,716,695
Non-current assets	1,046,750	6,354,716	7,401,466	972,960	5,698,381	6,671,342
Current liabilities	(22,941,137)	(330,936)	(23,272,073)	(2,256,747)	(371,382)	(2,628,128)
Non-current liabilities	(14,645,444)	(421,355)	(15,066,799)	(24,818,168)	(933,957)	(25,752,125)
Equity	1,393,835	13,282,993	14,676,828	1,260,147	13,747,635	15,007,783
Group's percentage onwership	49%	30%		49%	30%	
Carrying amount of the investment	**682,979**	**857,251**	**1,540,230**	**617,472**	**996,644**	**1,614,116**
Associate's revenue and profit:						
Revenue	23,048,696	11,868,522	34,917,218	15,235,428	15,585,029	30,820,457
Cost of sales	(18,584,239)	(6,304,270)	(24,888,509)	(13,258,776)	(6,556,582)	(19,815,358)
Administrative expenses	(2,229,613)	(3,905,352)	(6,134,965)	(487,404)	(6,074,177)	(6,561,581)
Depreciation	(29,684)	(1,080,450)	(1,110,134)	(6,936)	(730,914)	(737,850)
Finance income	-	20,385	20,385	-	28,160	28,160
Finance costs	(2,025,161)	(3,750)	(2,028,911)	(722,111)	-	(722,111)
Profit before tax	**179,999**	**595,085**	**775,084**	**760,201**	**2,251,516**	**3,011,717**
Income tax expense	(46,312)	(259,726)	(306,038)	(197,079)	(577,399)	(774,478)
Profit after tax	**133,687**	**335,359**	**469,046**	**563,122**	**1,674,117**	**2,237,239**
Group's share of profit for the year	**65,507**	**100,608**	**166,115**	**275,929**	**502,235**	**778,164**

Reconciliation of investment in associates :

	2014 $ TSL Classic Leaf (Private) Limited	2014 $ Cutrag Processors (Private) Limited	2014 $ Total	2013 $ TSL Classic Leaf (Private) Limited	2013 $ Cutrag Processors (Private) Limited	2013 $ Total
Opening balance	617,472	996,644	1,614,116	-	1,010,409	1,010,409
Additional investment	-	-	-	341,542	-	341,542
Profit after tax	65,507	100,607	166,114	275,930	502,235	778,165
Profit before tax	88,200	178,525	266,725	372,499	675,455	1,047,954
Taxation	(22,693)	(77,918)	(100,611)	(96,569)	(173,220)	(269,789)
Dividends received	-	(240,000)	(240,000)	-	(516,000)	(516,000)
Retained earnings	65,507	(139,393)	(73,886)	275,930	(13,765)	262,165
Closing balance of investment	**682,979**	**857,251**	**1,540,230**	**617,472**	**996,644**	**1,614,116**

Below is a reconciliation of share of net assets to carrying amount of investment :

Share of net assets	682,979	3,984,898	4,667,877	617,472	4,124,291	4,741,763
Impairment recognised in prior years	-	(3,127,647)	(3,127,647)	-	(3,127,647)	(3,127,647)
Carrying amount of investment	**682,979**	**857,251**	**1,540,230**	**617,472**	**996,644**	**1,614,116**

The associates had no contingent liabilities or capital commitments as at 31 October 2014 or 2013.

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 properties segment rents out of property space to third parties and group companies.

e) The services segment includes the provision of IT Services, new computer equipment and treasury and administration services to group companies.

No operating segments have been aggregated to form the above reportable operating segments.

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.

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 Oct 2014	**Logistics Operations 2014**	**Agro Inputs 2014**	**Tobacco Operations 2014**	**Properties 2014**	**Services 2014**	**Conso-lidated 2014**
	$	**$**	**$**	**$**	**$**	**$**
Revenue	19,152,326	6,916,369	13,801,780	4,908,715	3,388,890	**48,168,080**
Results						
Depreciation, amortisation and impairment	1,148,786	190,003	245,863	400,257	141,931	**2,126,840**
Fair value adjustment on investment property	-	-	-	(1,154,412)	-	**(1,154,412)**
Share of profit of associates	-	-	-	-	166,115	**166,115**
Share of profit of joint venture	-	-	-	-	537,671	**537,671**
Segment profit/ (loss)	1,941,059	(212,342)	3,251,489	2,452,845	(86,096)	**7,346,955**
Operating assets	10,876,757	9,122,845	7,444,936	51,701,533	9,952,693	**89,098,764**
Operating liabilities	1,380,873	1,419,610	2,031,780	483,359	667,912	**5,983,534**
Other disclosures						
Investment in an associates	-	-	-	-	1,540,230	**1,540,230**
Available-for-sale investments	-	-	-	-	5,620,604	**5,620,604**
Capital expenditure	1,662,586	10,552	410,565	1,416,242	437,615	**3,937,560**

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

Year ended 31 Oct 2013	**Logistics Operations 2013**	**Agro Inputs 2013**	**Tobacco Operations 2013**	**Properties 2013**	**Services 2013**	**Conso-lidated 2013**
	$	**$**	**$**	**$**	**$**	**$**
Revenue	13,961,490	7,549,299	11,542,634	4,498,859	3,013,433	**40,565,715**
Results						
Depreciation and amortisation	975,499	176,799	217,978	342,889	110,525	**1,823,690**
Impairment of investment in joint venture	-	-	-	-	(2,517,885)	**(2,517,885)**
Fair value adjustment on investment property	-	-	-	3,343,785	-	**3,343,785**

Year ended 31 Oct 2013	Logistics Operations 2013	Agro Inputs 2013	Tobacco Operations 2013	Properties 2013	Services 2013	Consolidated 2013
	$	$	$	$	$	$
Share of profit of associates	-	-	-	-	778,164	**778,164**
Share of profit of joint venture	-	-	-	-	817,886	**817,886**
Segment profit/ (loss)	1,473,862	(196,943)	3,993,083	2,044,066	(219,312)	**7,094,756**
Operating assets	9,890,723	7,628,553	7,761,859	50,745,229	13,934,002	**89,960,366**
Operating liabilities	3,355,938	7,065,806	461,083	3,354,354	(5,711,948)	**8,525,233**
Other disclosures						
Investment in an associate	-	-	-	-	1,614,116	**1,614,116**
Investment in a joint venture	-	-	-	-	6,427,424	**6,427,424**
Capital expenditure	3,966,543	121,607	349,421	3,786,710	189,845	**8,414,126**

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, including assets from the acquisition of subsidiaries. Inter-segment revenues, if any, are eliminated on consolidation.

Reconciliation of profit	**2014**	**2013**
	$	**$**
Segment profit	7,346,955	7,094,756
Fair value adjustment on investment property	(1,154,412)	3,343,785
Impairment of investment in joint venture	-	(2,517,885)
Finance income	1,650,945	822,157
Finance costs	(1,713,301)	(1,099,532)
Share of profit of an associate	166,115	778,164
Share of profit of Joint Venture	537,671	817,885
Taxation	(1,858,196)	(2,436,724)
Group profit	**4,975,777**	**6,802,607**

Reconciliation of assets	**2014**	**2013**
	$	**$**
Segment operating assets	89,098,764	89,960,365
Deferred tax assets	462,355	462,355
Investment in associate	1,540,230	1,614,116
Investment in joint venture	-	6,427,424
Available for sale investment	5,620,604	-
Intangible assets	791,255	790,165
Group operating assets	**97,513,208**	**99,254,425**

Reconciliation of liabilities	2014	2013
	$	$
Segment operating liabilities	5,983,534	8,525,233
Deferred tax liabilities	7,834,069	7,729,750
Current tax payable	165,278	459,851
Interest bearing loans and borrowings	14,382,749	15,704,374
Adjustments and eliminations	-	539,120
Group operating liabilities	**28,365,630**	**32,958,328**

Geographical information

The Group operates principally in Zimbabwe. Operations which do occur outside Zimbabwe are shown as external.

	Zimbabwe		External		Consolidated	
	2014	2013	2014	2013	2014	2013
	$	$	$	$	$	$
Revenue	48,168,080	40,565,715	-	-	**48,168,080**	**40,565,715**
Operating profit	4,975,775	6,783,396	-	19,210	**4,975,775**	**6,802,606**
Current assets	70,540,192	70,098,476	-	-	**70,540,192**	**70,098,476**

The revenue information above is based on the location of the customers.The Group does not generate revenue from a single customer that exceeds 10% of its total revenue.

8 Other operating income /expenses and adjustments

8.1 Other operating income	2014	2013
	$	$
Fair value gain on investment property	-	3,343,786
Profit from disposal of joint venture (Note 5)	44,752	-
Profit from disposal of unquoted shares	122,000	-
Sundry revenue	742,879	777,009
Net gain on disposal of property, plant and equipment and investment property	-	60,861
	909,631	**4,181,655**

Sundry revenues mainly relate to sale of scrap materials, commissions and hessian wrap refunds writeback.

The group had an investment in Avenues Clinic which was disposed of during the year. The shares had a nil carrying value in the financial statements.

8.2 Other operating expenses	2014	2013
	$	$
Motor vehicles expenses	805,553	734,934
Repairs and maintenance	661,877	835,255
Sales and marketing	797,867	531,830
Direct overheads	8,559,313	7,340,613
General expenses	2,232,760	2,957,575
Administration expenses	4,907,558	4,107,435
Fair value loss on investment property	1,154,412	-
Net loss on disposal of property, plant and equipment and investment property	196,575	-
Total other operating expenses	**19,315,915**	**16,507,642**

8.3 Finance costs

	2014	2013
	$	$
Interest on debts and borrowings	1,713,301	1,099,532

8.4 Finance income

	2014	2013
	$	$
Interest received comprises:		
Investments with banks during the year	110,945	85,395
Loans to associate	1,540,000	736,762
	1,650,945	**822,157**

9 Expenses and adjustments

	2014	2013
	$	$
9.1 Depreciation, amortisation and impairment included in the consolidated income statement		
Depreciation	2 126 840	1,804,600
Amortisation	-	1,090
Asset write-off	-	18,000
Total	**2 126 840**	**1,823,690**

9.2 Staff costs

	2014	2013
	$	$
Wages and salaries	10,312,580	7,099,690
Social security costs	251,691	126,651
Pension costs (Note 22)	389,815	408,280
Post-employment benefits other than pensions	-	166,988
Total employee benefits expense	**10,954,086**	**7,801,609**

10 Income tax

The major components of income tax expense for the years ended 31 October 2014 and 2013 are:

Consolidated income statement	2014	2013
	$	$
Current income tax:		
Current income tax charge	1,932,833	1,918,818
Withholding tax on interest income	4,625	8,669
Capital gains tax	15,827	5,190
Deferred tax:		
Relating to origination and reversal of temporary differences	(95,089)	504,047
Income tax expense reported in the income statement	1,858,196	2,436,724
Consolidated statement of other comprehensive income		
Deferred tax related to items credited directly to other comprehensive income:		
Deferred tax credit on revaluation of properties	212,612	927,351
Deferred tax on loss on mark to market of Nampak investment	(13,203)	-
Income tax charged directly to other comprehensive income	**199,409**	**927,351**

A reconciliation between tax expense and the product of accounting profit multiplied by TSL's domestic tax rate for the years ended 31 October 2014 and 2013 is as follows:

	2014	2013
	$	$
Accounting profit before tax	6,833,973	9,239,330
Accounting profit before income tax	**6,833,973**	**9,239,330**
At TSL's statutory income tax rate of 25.75% (2013: 25.75%)	1,759,748	2,379,126
Withholding tax on interest income	4,625	8,669
Capital gains tax	910	298
Associate after tax income included	(42,775)	(200,377)
Joint venture after tax income included	(138,450)	(210,605)
Impairment of investment in joint venture	-	270,870
Non deducticble expenses for tax purposes	274,138	188,743
At the effective income tax rate of 27.19% (2013: 26.37%)	**1,858,196**	**2,436,724**

Deferred tax
Deferred tax relates to the following:

	Consolidated statement of financial position	
	2014	2013
	$	$
Property, plant and equipment	3,630,642	3,692,829
Investment properties	3,923,585	3,807,778
Assessed loss	(462,355)	(462,355)
Prepayments	55,056	45,761
Consumables stores	58,318	2,894
Exchange losses	(59)	38,295
Provisions	166,527	142,193
Net deferred tax liabilities	**7,371,714**	**7,267,395**
Reflected in the statement of financial position as follows:		
Deferred tax liabilities	7,834,069	7,729,750
Deferred tax asset	(462,355)	(462,355)
Deferred tax liabilities (net)	**7,371,714**	**7,267,395**

The Group has tax losses which arose from Chemco of $1,795,553 (2013: $1,795,553) that are available for offsetting against future taxable profits of Chemco and its divisions. Deferred tax assets have not been recognised in respect of the additional tax losses that arose in 2013 and 2014 as they may not be used to offset taxable profits elsewhere in the Group, they have arisen in divisions that have been loss-making for some time and discontinued and there are no other tax planning opportunities or other evidence of recoverability in the near future. The asset can only be utilised within six years beyond which the amount expires. Had the Group recognised the deferred tax assets, the profit would have increased by $347,446 over the two years

	2014	2013
	$	$
Deferred tax reconciliation net		
Opening balance	7,267,395	5,835,997
Deferred tax (credit)/charge-income statement	(95,090)	504,047
Deferred tax charge- statement of comprehensive income	199,409	927,351
Closing balance	**7,371,714**	**7,267,395**

There are no income tax consequences attached to the payment of dividends in either 2014 or 2013 by the Group to its shareholders.

11 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:

	2014	2013
	$	**$**
Net profit attributable to ordinary equity holders of the parent for basic earnings	**4,888,160**	**6,173,441**
Net profit attributable to ordinary equity holders of the parent adjusted for the effect of dilution	**4,888,160**	**6,173,441**

	2014	2013
Number of ordinary shares at the beginning of the year	347 596 849	347,596,849
Weighted impact of issue of shares during the year	8,002,794	-
Weighted average number of ordinary shares	**355,599,643**	**347,596,849**

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.

	2014	2013
	$	**$**
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	4,888,158	6,173,441
Adjusted for :		
Loss/(profit) from disposal of property, plant and equipment	196,575	(60,861)
Loss from disposal of associate /subsidiary operations	-	87,035
Fair value adjustment on investment property	1,096,691	(3,176,596)
Impairment of joint venture	-	2,517,885
Headline earnings	**6,181,424**	**5,540,904**

12 Property, plant and equipment

	Freehold land and buildings	Plant and equipment	Motor Vehicles	Construction in Progress	Total
Cost / valuation	$	$	$		$
As at 01 November 2013	**20,699,560**	**5,162,166**	**4,569,710**	**2,554,695**	**32,986,131**
Additions	60,219	1,579,526	972,590	88,551	2,700,885
Revaluation	825,677	-	-	-	825,677
Transfer to investment properties	-	-	-	(2,427,591)	(2,427,591)
Disposals	-	(87,132)	(364,304)	-	(451,436)
As at 31 October 2014	**21,585,456**	**6,654,560**	**5,177,996**	**215,655**	**33,633,667**
Accumulated depreciation					
As at 01 November 2013	**192,213**	**1,276,783**	**2,220,966**	**-**	**3,689,962**
Charge for the period	472,773	667,651	986,417	-	2,126,841
Transfers*	-	-	(149,111)	-	(149,111)
Disposals	-	(13,885)	(127,787)	-	(141,672)
As at 31 October 2014	**664,986**	**1,930,549**	**2,930,485**	**-**	**5,526,020**
Net book value					
As at 31 October 2014	**20,920,470**	**4,724,011**	**2,247,511**	**215,655**	**28,107,647**
Cost / valuation					
As at 01 November 2012	**18,245,498**	**2,433,144**	**3,941,943**	**-**	**24,620,585**
Additions	321,862	1,039,846	926,991	2,554,695	4,843,394
Acquisition of subsidiary (Note 29)	-	1,760,383	176,043	-	1,936,426
Revaluation	3,555,331	-	-	-	3,555,331
Transfer to investment properties	(1,702,486)	-	-	-	(1,702,486)
Reclassified from held for sale	302,947	-	-	-	302,947
Disposals	(23,592)	(44,899)	(475,267)	-	(543,758)
As at 31 October 2013	**20,699,560**	**5,188,474**	**4,569,710**	**2,554,695**	**33,012,439**
Accumulated depreciation					
As at 01 November 2012	**531,127**	**860,511**	**1,507,632**	**-**	**2,899,270**
Charge for the period	411,508	444,075	949,017	-	1,804,600
Transfers*	(749,599)	-	-	-	(749,599)
Disposals	(823)	(1,494)	(235,683)	-	(238,000)
As at 31 October 2013	**192,213**	**1,303,092**	**2,220,966**	**-**	**3,716,271**
Net book value					
As at 31 October 2013	**20,507,347**	**3,885,382**	**2,348,744**	**2,554,695**	**29,296,168**

* This transfer relates to the accumulated depreciation as at the revaluation date that was eliminated against the gross carrying amount of the revalued asset.

Assets held for disposal

Property worth $Nil (2013: $302 921) originally classified as held for sale was reclassified to property, plant and equipment because they no longer met the conditions for classification as held for sale.

Had the property not been classified as held for sale, the carrying amount as at the date of transfer to property, plant and equipment would have been $Nil (2013: $295 811). The difference of $Nil (2013: $7 110) was recognised as part of the depreciation charge. A summary of the movement is as below.

	2014	2013
	$	$
Balance at the beginning of the year	-	362,947
Reclassified to property, plant and equipment	-	(302,947)
Reclassified from property, plant and equipment	-	-
Disposed during the year	-	(60,000)
Balance at the end of the year	-	-

Finance leases and assets under construction

The carrying value of property, plant and equipment held under finance lease contract as at 31 October 2014 was $ 539 780 (2013: $600 113). Additions during the year include $Nil (2013: $606 645) of property, plant and equipment under finance lease contracts. Leased assets are pledged as security for the related finance lease liabilities. Land and buildings with a carrying amount of $11,970,951 (2013: $13 801 349) are subject to a first charge to secure the Group's bank loans. Included in property, plant and equipment at 31 October 2014 was an amount of $215,657 (2013:$2 554 693) relating to expenditure for property and plant in the course of construction.

Capitalised borrowing costs

The Group started the construction of a new warehouse facility in April 2013. This project was completed in September 2014. The carrying amount of the warehouse facility at 31 October 2014 was $3 398 530 (2013: $2 398 556). The warehouse facility was financed by a third party borrowing . The amount of borrowing costs capitalised during the year ended 31 October 2014 was $331 315 (2013:$188 394). The rate used to determine the amount of borrowing costs eligible for capitalisation was 16%, which is the effective interest rate of the speficic borrowing.

Revaluation of property, plant and equipment

The revalued land and buildings consist of properties in Zimbabwe. Management determined that these constitute one class of asset under IFRS 13, based on the nature, characteristics and risks of the property. The Group's land and buildings consists of industrial properties in Zimbabwe. Management determined that the investment properties consist of two classes of assets – industrial and commercial – based on the nature, characteristics and risks of each property. Fair value of the land and buidlings was determined by using the Income Capitalisation method. Under the income capitalisation method, a property's fair value is estimated based on the normalised net operating income generated by the property, which is divided by the capitalisation rate (discounted by the investor's rate of return). significantly adjusted for difference in the nature, location or condition of the specific property.

As at 31 October 2014 and 31 October 2013, the fair values of the properties were based on valuations performed by Dawn Property Consultancy (Private) Limited performed the valuations, an accredited independent valuer. Dawn Property Consultancy (Private) Limited is a specialist in valuing these types of investment properties. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

13 Intangible assets

	Goodwill	Patents	Total
	$	$	$
Cost / valuation			
As at 01 November 2013	787,547	3,708	791,255
Additions	-	-	-
Acqusition of a subsidiary	-	-	-
As at 31 October 2014	**787,547**	**3,708**	**791,255**
As at 01 November 2012	-	-	-
Additions	-	3,708	3,708
Acqusition of a subsidiary	787,547	-	787,547
As at 31 October 2013	**787,547**	**3,708**	**791,255**
Amortisation and Impairment			
As at 01 November 2013	**-**	**1,090**	**1,090**
Additions	-	-	-
Amortisation (Note 9)	-	-	-
As at 31 October 2014	**-**	**-**	**-**
As at 01 November 2012	**-**	**-**	**-**
Additions			-
Amortisation (Note 9)		1,090	1,090
As at 31 October 2013	**-**	**1,090**	**1,090**
Net book value			
As at 31 October 2014	**787,547**	**3,708**	**791,255**
As at 31 October 2013	**787,547**	**2,618**	**790,165**

The goodwill relates to the acquisition of Guftainer (Private) Limited by Bak Logistis (Private) Limited, a subsidiary of TSL Limited during 2013 financial year. The goodwill was tested for impairment at 31 October 2014 and no impairment loss was recorded during the year. The patents were registered on TSL Greenbelt fertilisers in 2012.

13.1 Impairment testing of goodwill and intangible assets with indefinite lives

The goodwill has been allocated to the Logistics cash generating unit(CGU). The Group performed its annual impairment test in October 2014 and 2013. The recoverable amount of the Logistics CGU as at 31 October 2014, has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. It was concluded that the value in use exceeds the carrying amounts of the CGU.

Key assumptions used in value in use calculations and sensitivity to changes in assumptions

The calculation of value in use is most sensitive to the discount rates and growth rates.

Discount rates

The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of debt. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service.

Growth rate estimates

The growth rate is based on the CGU's financial forecast.

14 Investment properties

	Freehold investment properties
Fair value	**$**
At 01 November 2013	31,508,248
Additions (subsequent expenditure)	1,236,674
Net transfers from Property, plant and Equipment (Note 12)	2,427,592
Net (loss)/gain from fair value adjustment	(1,154,412)
At 31 October 2014	**34,018,102**
At 01 November 2012	**26,473,413**
Additions (subsequent expenditure)	756,163
Net transfers from Property, plant and Equipment (Note 12)	952,887
Write off	(18,000)
Net gain from fair value adjustment	3,343,785
At 31 October 2013	**31,508,248**

As at 31 October 2014 $25 150 000 (2013:$28 000 000) of investment property was pledged as security for the Group loan facilities.

Fair value of the investment properties was determined by using the Income Capitalisation method and market comparable method.

- Under the income capitalisation method, a property's fair value is estimated based on the normalised net operating income generated by the property, which is divided by the capitalisation rate (discounted by the investor's rate of return). significantly adjusted for difference in the nature, location or condition of the specific property.

- Under the maket comparable method, valuations are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property.

As at 31 October 2014 and 31 October 2013, the fair values of the properties were based on valuations performed by Dawn Property Consultancy (Private) Limited performed the valuations, an accredited independent valuer. Dawn Property Consultancy (Private) Limited is a specialist in valuing these types of investment properties. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

The current use of the investment properties has been evaluated as the highest and best use for the investment properties.

	2014	2013
	$	$
Rental income derived from investment properties	3,896,107	3,094,337
Direct operating expenses (including repair and maintenance) on property generating rental income	(3,060,057)	(2,454,793)
Net profit arising from investment properties carried at fair value	**836,050**	**639,544**

The Group has no restrictions on the realisability of its investment property except for those pledged as security. There is no contractual obligations to either purchase, construct or develop investment property or for repairs, maintenance and enhancements.

Fair value hierarchy disclosures for investment properties have been provided in Note 16.

15 Interest-bearing loans and borrowings

	Interest rate	Maturity	2014	2013
	%		$	$
15.1 Current				
Local interest bearing loans and borrowings	5%-16% (2013 :5%-25%)	< 1 year	13,039,566	10,209,885
Obligations under finance leases(Note 27)	15% (2013 :5%-15%)	1 year	158,975	296,685
Total current interest-bearing loans and borrowings			**13,198,541**	**10,506,570**
Bank overdraft	12%(2013:5%-25%)	On demand	288,505	3,980,786
15.2 Non-current				
Local interest bearing loans and borrowings	5%-16% (2013 :5%-25%)	>1 year	895,703	1,129,023
Obligations under finance leases(Note 27)	Nil (2013: 15%)	>1 year	-	87,995
Total non-current interest-bearing loans and borrowings			**895,703**	**1,217,018**

Secured loans

There is a negative pledge of assets in respect of overdrafts and bank borrowings. The Group has pledged part of its freehold property with a carrying amount of $43 738 101 (2013:$40 100 00) 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

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 fair values of financial assets and liabilities in the consolidated statement of financial position approximate their fair value.

16.1 Investment properties fair value hierarchy

The following table shows an analysis of the fair values of investment property recognised in the statement of financial position by level of the fair value hierarchy; The group's investment properties are classified under level 3 as at 31 October 2014 and 31 October 2013.

		Level 1	Level 2	Level 3	Total gain/(loss) recorded in the income statement
		$	$	$	$
Land and buildings	31 October 2014	-	-	34,018,102	(1,154,412)
Land and buildings	31 October 2013	-	-	31,508,248	3,343,785

Losses and gains recorded in profit or loss for recurring fair value measurements categorised within level 3 of the fair value hierarchy amount to $(1,154,412) (2013: 3,343,785) and are presented in the consolidated income statement in line items 'Fair value adjustments on investment properties'

All gains recorded in profit or loss for recurring fair value measurements categorised within Level 3 of the fair value hierarchy are attributable to changes in unrealised gains or losses relating to completed investment property held at the end of the reporting period.

Valuation techniques used to derive level 3 fair values
The table below presents the following for each class of the investment property

- The fair value measurements at the end of the reporting period;
- The level of the fair value hierarchy (in this case Level 3) within which the fair value measurements are categorised in their entirety;
- A description of the valuation techniques applied;
- The inputs used in the fair value measurement, including the ranges of rent charged to different units within the same buildings and ;
- Level 3 fair value measurement, quantitative about the significant unobservable inputs used in the fair value measurement

Class of property	Fair value at 31 October 2014	Valuation technique	Key unobservable inputs	Range Weighted
Industrial	26,823,102	Income capitalisation	Rental per square meter	$1.50 - $5
			Vacancy rate	72% - 100%
			Capitalisation rate	11% - 12%
Land	7,195,000	Market Comparable	Comparable properties transacted prices per square meter	-

Sensitivity analysis to significant changes in unobservable inputs within Level 3 of the hierarchy
An increase or decrease in the significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy of the Group's portfolios of investment property will result in an increase or decrease in fair value of investment property.

16.2 Property, plant and equipment fair value hierarchy

		Level 1	Level 2	Level 3
		$	$	$
Land and buildings	31 October 2014			20,920,470
Land and buildings	31 October 2013			20,507,347

There have been no transfers between Levels during the period.

Description of valuation techniques used and key inputs to valuation on property plant and equipment:

Class of property	Fair value at 31 October 2014	Valuation technique	Key unobservable inputs	Range Weighted
Industrial/ Commercial	20,920,470	Income capitalisation	Rental per square meter	$1.50-$5
			Vacancy rate	72%-100%
			Capitalisation rate	11%-12%

Sensitivity analysis to significant changes in unobservable inputs within Level 3 of the hierarchy
An increase or decrease in the significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy of the Group's land and buildings will result in an increase or decrease in fair value of land and buildings.

17 Inventories

	2014	2013
	$	$
Merchandise	5,152,941	5,542,602
Raw materials (at cost)	91,668	155,008
Work in progress (at cost)	58,991	13,051
Consumables	948,505	877,688
Finished goods (at cost or net realisable value)	1,157,626	1,020,096
Total inventories at the lower of cost and net realisable value	**7,409,731**	**7,608,445**

During 2014 , $165,954 (2013: $224 505), was recognised as an allowance/expense for obsolete inventories carried at net realisable value. This is recognised in cost of sales. Inventory with cost of $5 158 899 (2013: $7,951,384) was sold during the year.

18 Trade and other receivables

	2014	2013
	$	$
Trade receivables	5,967,576	4,499,645
Receivable from associate (Note 26)	8,783,544	12,796,951
Other receivables	3,189,752	2,346,454
	17,940,872	**19,643,050**

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 day. Other receivables are non-interest bearing and are generally on terms of 30 to 90 days term. Included in other receivables are prepayments, staff debtors and refunds due for Value Added Tax. For terms and conditions relating to receivable from associate refer to Note 26. As at 31 October 2014, trade receivables of an initial value of $586,469 (2013: $733,480) were impaired. See below for the movements in the provision for impairment of receivables.

	Impaired
	$
At 1 November 2012	619,553
Charge for the year	113,927
At 31 October 2013	**733,480**
Utilised during the year	(147,011)
At 31 October 2014	**586,469**

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

		Neither past	Past due but not impaired			
	Total	due nor impaired	30–60 days	61–90 days	91–120 days	> 120 days
	$	$	$	$	$	$
2014	**5,967,576**	2,163,732	1,075,408	515,458	312,491	1,900,487
2013	**4,499,645**	1,824,033	1,151,376	480,477	311,136	732,623

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. Cash recovered on previously written down amounts are recorded as income in 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 , deliquencies, 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

	2014	2013
	$	$
Cash at banks and on hand	1,589,080	1,904,454
Short term deposits	33,332	-
	1,622,412	1,904,454

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 2014, the Group had undrawn available loan facilities of $ 3 438 765 (2013: $11 050 000). The Group has pledged some of its properties in order to fulfil collateral requirements.

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

	2014	2013
	$	$
Cash at banks and on hand	1,622,412	1,904,454
Bank overdrafts (Note 15.1)	(288,505)	(3,980,786)
Cash and cash equivalents	**1,333,907**	**(2,076,332)**

20 Issued capital and reserves

	2014	2013
Authorised shares	**Number**	**Number**
Ordinary shares of $0.01 each	600,000,000	600,000,000

Ordinary shares issued and fully paid	**Number**	**$**
01 November 2012	347,596,849	3,475,967
Issued during the year	-	-
At 31 October 2013	**347,596,849**	**3,475,967**
Increase due to issue of new shares	9,505,596	95,056
At 31 October 2014	**357,102,445**	**3,571,023**

6,500,000 shares were issued to Guftainer Investments Private Limited on the acquisition of Premier Forklifts at $0.3 cents per share and 3,005,600 shares were issued to Chemco Holdings Limited minorities at $0.32cents per share (Note 29).

	2014	2013
Share premium	$	$
At 1 November	82,069	82,069
Increase due to issue of new shares	2,816,732	-
At 31 October	**2,898,801**	**82,069**

Unissued shares	**Number**	**$**
At 01 November 2012	**252,403,151**	**2,524,032**
Movement during the year	-	-
At 31 October 2013	**252,403,151**	**2,524,032**
Movement during the year	(9,505,596)	(95,056)
At 31 October 2014	**242,897,555**	**2,428,976**

The unissued shares, other than those under option are under the control of the directors for an indifinite period of time and are subject to the limitation of the Companies Act (Chapter 24:03) and the Zimbabwe Stock Exchange.

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

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.

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.

Other comprehensive income , net of tax
The disaggregation of changes of other comprehensive income by each type of reserve in equity is shown below:

	Asset revaluation reserve	Functional currency conversion reserve	Total
	$	$	$
As at 01 November 2012	**39,746,664**	**73,867**	**39,820,531**
Transfer to retained earnings	(892,329)	-	(892,329)
Other comprehensive income	2,627,830	-	2,627,830
As at 31 October 2013	**41,482,165**	**73,867**	**41,556,032**
Transfer to retained earnings	-	-	-
Other comprehensive income	(718,220)	-	(718,220)
As at 31 October 2014	**40,763,946**	**73,867**	**40,837,813**

21 Cash dividends on ordinary shares declared and paid:

	2014	2013
Declared and paid during the year:	$	$
Dividends on ordinary shares:		
Interim dividend for 2013:USD 0.2cents per share (2012: USNil))	-	695,194
Final dividend for 2013:USD 0.3cents per share (2012: US 0.4cents)	1,144,079	-
	1,144,079	695,194

Proposed for approval at the Annual General Meeting on 11 March 2015 (not recognised as a liability as at 31 October):

Proposed dividends on ordinary shares:		
Final cash dividend for 2014:		
USD 0.4 cents per share (2013: 0.3 cents per share)	1,428,410	1,042,791

Proposed dividend on ordinary shares are subject to approval at the Annual General Meeting on 11 March 2015 and are not recognised as a liability as at 31 October.

22 Pensions

All eligible employees are members of the following Group schemes:

22.1 Defined Contribution Plans

	2014	2013
	$	$
National social security contributions	251,691	126,651
Pension contributions	389,815	408,280
Group life assurance cover	45,021	91,897
Total	**686,527**	**626,828**

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$700.

The TSL Scheme and The Chemco Scheme
All eligible employees are members of these schemes.

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.

There have been no cancellations or modifications to any of the plans during 2014 or 2013.

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:

	2014 No.	2014 WAEP	2013 No.	2013 WAEP
Outstanding at 1 November	-	-	989,277	0.06
Granted during the year	-	-	-	-
Lapsed /renounced during the year	-	-	(989,277)	0.06
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at 31 October	**-**	**-**	**-**	**-**
Exercisable at the end of period		**-**		**-**

The weighted average fair value of options granted during the year was $ NIL (2013: $NIL).The were no share options outstanding at the end of the year.

24 Trade and other payables

	2014	2013
	$	$
Trade payables	4,208,630	4,308,265
Other payables	1,150,592	3,746,492
	5,359,222	8,054,757

Terms and conditions of the above financial liabilities:
a) Trade payables are non-interest bearing and are normally settled on 60 to 90 day terms
b) Other payables are non-interest bearing and have an average term of six months

24.1 Provisions

	Shrinkage	Audit fees	Bonus	Leave Pay	Gratuity gift	Royalties	Sundry	Total
At 01 November 2013	72,468	65,685	230,839	330,184	190,055	137,582	(17,218)	1,009,595
Utilised	(28,877)	(68,321)	(230,839)	(131,137)	(100,232)	(137,582)	(17,505)	(714,493)
Arising during the year	-	2,636	-	199,492	4,196	67,155	55,734	329,213
At 31 October 2014	**43,591**	**-**	**-**	**398,539**	**94,019**	**67,155**	**21,011**	**624,315**
At 01 November 2012	81,866	174,658	223,768	217,138	90,419	21,396	56,618	865,863
Acquistion of subsidiary	-	-	-	56,250	90,758	-	-	147,008
Utilised	(9,398)	(131,637)	(7,072)	(9,622)	-	-	(76,665)	(234,394)
Arising during the year	-	22,664	14,143	66,418	8,878	116,186	2,829	231,119
At 31 October 2013	**72,468**	**65,685**	**230,839**	**330,184**	**190,055**	**137,582**	**(17,218)**	**1,009,596**

Shrinkage
Shrinkage provision for customer goods in our warehouses is provided on the basis of potential pilferage and loss due to unforeseen events.The provision is based on the stimated loss based on the value of the goods so kept. The timings of the cash out-flows are by their nature uncertain.

Provision for audit fees
Audit fees are provided on the basis of the agreed upon fees based on the hours to be spent on the audit. No provision was done in the current financing period. The timings of the cash out-flows are by their nature uncertain.

Provision for bonus
Bonus provision for employees is provided on the basis of annual performance accumulated at an expected performance rate at year end. The timings of the cash out-flows are by their nature uncertain.

Provision for leave pay
Leave pay for employees is provided on the basis of leave days accumulated at an expected rate of payment. The timings of the cash out-flows are by their nature uncertain.

Gratuity gift
Gratuity gift for employees is provided on the basis of estimated amounts to purchase gifts for retiring and performing employees. The timings of the cash out-flows are by their nature uncertain.

Royalties
Royalties are provided on the basis of revenue generated by Avis Rent a Car franchise to the international firm.

Sundry provisions
Sundry provisions mainly relate to provisons for commissions and insurance which are mainly short term. The timing of the cash out-flows are by their nature uncertain.

25 Cash flow information

25.1 Non-cash adjustments to reconcile profit before tax to net cash flows:

	2014	2013
	$	$
Depreciation ,amortisation and impairment of property, plant and equipment and goodwill (Note 9.1)	2,126,840	1,823,690
Impairment of joint venture	-	2,517,885
Movement in provisions (Note 24.1)	329,213	231,118
Provisions for bad debts (Note 18)	(147,011)	113,927
Provision for obsolete and slow moving inventory (Note 17)	165,954	224,505
Other provisions	73,832	-
Fair value loss/(gain) on investment property (Note 8.1/8.2)	1,154,412	(3,343,786)
Profit from disposal of subsidiary operations	-	87,034
Amortisation of hessian wraps	757,396	-
Profit on disposal of Joint venture (Note 5)	(44,756)	-
Loss/ (gain) on disposal of property, plant and equipment (Note 8.2/8.1)	196,575	(60,861)
Finance income (Note 8.4)	(1,650,945)	(822,157)
Finance costs (Note 8.3)	1,713,301	1,099,532
Share of profits of associates (Note 6)	(166,115)	(778,164)
Share of profit from Joint venture (Note 5)	(537,671)	(817,886)
Other non cash items	(18,135)	(212,011)
Total non-cash adjustments	**3,952,890**	**62,826**

25.2 Finance costs

	2014	2013
	$	$
Interest on debts and borrowings	1,713,301	1,099,532
Capitalised to investment property	331,315	188,394
Accrued interest	(298,031)	-
Total finance costs	**1,746,585**	**1,287,926**

25.3 Movement in loans and borrowings	**2014**	**2013**
	$	$
Opening balance	**11,723,588**	**1,449,619**
New loan amount received	24,992,103	16,130,459
Bank overdraft	(288,505)	(3,980,786)
Loan amount repaid during the year	(22,107,236)	(1,410,095)
Net movement	**2,596,362**	**10,739,578**
Finance lease liability payment	(225,706)	(465,609)
	14,094,244	**11,723,588**

25.4 Capital expenditure

		2014	2013
		$	$
Property, plant and equipment	12	2,700,885	4,843,394
Acquisition of subsidiary	12	-	1,936,426
Intangible asset	13	-	787,547
Investment property	14	1,236,674	756,163
Gross capital expenditure		**3,937,559**	**8,323,530**
Less Interest capitalised to investment property	25.2	(331,315)	(188,394)
Net capital expenditure		**3,606,244**	**8,135,136**

26 Related party disclosures

The consolidated financial statements include the subsidiaries, associates and joint venture as listed in the following table:

Name	Nature of relationship	Country of incorporation	% equity interest 2014	% equity interest 2013
Agricura (Private) Limited*	Subsidiary	Zimbabwe	67%	42%
Bak Storage (Private) Limited	Subsidiary	Zimbabwe	100%	100%
Car Rental Services (Private) Limited	Subsidiary	Zimbabwe	100%	100%
Chemco Holdings Limited**	Subsidiary	Zimbabwe	100%	64%
Cut Rag Processors (Private) Limited	Associate	Zimbabwe	30%	30%
Nampak Zimbabwe/ Hunyani Holdings Limited	Joint venture/ Investee	Zimbabwe	16.5%	39%
H.G.P .Vorstermans (Private) Limited	Subsidiary	Zimbabwe	100%	100%
Bak Logistics (Private) Limited	Subsidiary	Zimbabwe	99.9%	99.9%
Propak (Private) Limited***	Subsidiary	Zimbabwe	100%	63%
Propak Hessian (Private) Limited***	Subsidiary	Zimbabwe	100%	63%
Reliant Computers (Private) Limited T/A TSL Trading	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%	100%
TSL Classic Leaf (Private) Limited	Associate	Zimbabwe	49%	100%
Tobacco Warehouse and Export Company (1946) Limited	Subsidiary	Zimbabwe	99.9%	99.9%
Tobacco Producers Floor (Private) Limited	Subsidiary	Zimbabwe	100%	100%
Southerton Properties (Private) Limited	Subsidiary	Zimbabwe	100%	100%
TSL (Mauritius) Limited	Subsidiary	Mauritius	100%	100%
TSL Properties (Private) Limited	Subsidiary	Zimbabwe	100%	100%

* Agricura (Private) Limited is a subsidiary of Chemco Holdings Limited. TSL Limited has an effective share holding of 67% (2013: 42%).

** TSL Limited bought out minorities of Chemco Holdings Limited during the year and now wholly owns the entity.

***TSL Limited bought out the minorities in Propak (Private) limited and Propak Hessian (Private) Limited during the year and now wholly owns both entities.

**** Hunyani Holdings Limited, a joint venture was delisted and merged into Nampak Zimbabwe Limited during the year. TSL Limited has an effective share holding of 16.5% in Nampak Zimbabwe Limited and Zimbabwe Stock Exchange listed entity.

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 detail of transactions that have been entered into with related parties for the relevant financial year and outstanding balances at 31 October 2014 and 2013.

Loans to related parties

		Interest received	Amounts owed by related parties
Associate:		$	$
TSL Classic Leaf (Private) Limited	**2014**	1,540,000	8,783,544
	2013	736,761	12,796,951

Loan to associate
The loan granted to TSL Classic Leaf (Private) Limited is intended to finance the contract growers for the seasons 2012 to 2015 . The loan is unsecured and repayable in full on 31 October 2015 to enable TSL Limited repay the financial institutions from which it borrowed the funds. Interest is at a rate of 12%.

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 (2013: 30%).

TSL Classic Leaf (Private) Limited
The Group has a 49% interest in TSL Classic Leaf (Private) Limited (2013: 49%).

Joint venture in which the Group is a venturer
The Group had a 39% interest in Hunyani Holdings Limited (2013: 39%) till 30 September 2014 when the investment was exchanged for a 16.53% investment in Nampak Zimbabwe (Note 5) .

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 2014, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2013: $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

	2014	2013
	$	$
Short-term employee benefits	792,348	700,885
Post -employment pension	-	50,991
Total compensation paid to key management personnel	**792,348**	**751,876**

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel. Generally 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 ot the Board of Directors 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.

27 Commitments and contingencies

Finance Lease commitments
The Group entered into finance lease contracts for various items of plant and machinery in previous years. The average life of the leases range from one year to five years and renewals are at the option of the Group. Future minimum lease payments under finance leases contracts together with the present value of the net minimum lease payments are, as follows:

	2014	2013	2014	2013
	Minimum payments		Present value of payments	
Within one year	191,474	262,839	175,225	262,839
After one year but not more than five years	-	232,993	-	87,995
More than five years	-	-	-	-
Total minimum lease payments	**191,474**	**495,832**	**175,225**	**350,834**
Less amounts representing finance charges	(16,250)	(144,998)	-	-
Present value of minimum lease payments	**175,224**	**350,834**	**175,225**	**350,834**

Operating lease commitments-Group as lessor
The Group has entered into leases on its property portfolio. The commercial property leases typically have lease terms of between one and twenty years and includes clauses to enable periodic upward revision of the rental charge according to prevailing market conditions.

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

	2014	2013
	$	$
Within one year	4,951,940	4,847,521
After one year but not more than five years	5,253,513	5,100,498
More than five years	5,740,656	5,573,452
	15,946,109	**15,521,471**

Capital commitments
At 31 October 2014, the Group had authorised but not contracted for capital commitments of $5 662 718 (2013: $14,261) relating to acquisition and construction of buildings and equipment.

Guarantees
The group has provided the following guarantees as at 31 October 2014:
a) Guarantee of $500 000 (2013: $810 000) to third party supplier for supplies delivered to its subsidiary company during the year.

28 Financial risk management objectives and policies

The Group's principal financial liabilities 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 loans, 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. 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 and deposits with banks.

The sensitivity analysis in the following sections relate to the position as at 31 October in 2014 and 2013. 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 and the proportion of financial instruments in foreign currencies are all constant.

In calculating the sensitivity analysis , 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 as 31 October 2014 and 2013.

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 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 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.

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:

	2014	**2013**
	$	**$**
Cash balances	77,643	36,546
Accounts receivables	-	-
Accounts payables	81,366	-

Foreign currency sensitivity
The following table demonstrates the sensitivity to a reasonably possible change in the South African Rand (ZAR) exchange rate, 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 and 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
		$	$
2014	+10%	(1,326)	(985)
	-10%	1,621	1,204
2013	+10%	(3,595)	(2,669)
	-10%	4,394	3,263

Positive changes relates to increase in profit or increase in equity and negative changes to decrease in profit or equity. There is no impact on equity.

Exchange rates applied

At 31 October :	2014		2013	
Average rate to the US dollar	**Income statement**	**Statement of financial position**	**Income statement**	**Statement of financial position**
South African rand	10.70	10.90	9.96	9.97

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.

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.

Bank and cash deposit balances
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 2014 and 2013.

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 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 2014 :	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**Total**
Liabilities	**$**	**$**	**$**	**$**
Interest-bearing loans and borrowings	6,660,919	7,423,423	1,056,930	15,141,272
Trade and other payables	-	-	-	-
Financial guarantee contracts	5,623	-	-	5,623
	6,666,542	7,423,423	1,056,930	15,146,895
Year ended 31 October 2013:				
Interest-bearing loans and borrowings	13,517,311	635,839	2,392,930	16,546,080
Trade and other payables	8,054,757	-	-	8,054,757
Financial guarantee contracts	421,119	-	-	421,119
	21,993,187	635,839	2,392,930	25,021,956

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 2014 and 2013.

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. Capital includes retained earnings , equity and other reserves.

	2014	**2013**
	$	**$**
Interest-bearing loans and borrowings (Note 15.1)	14,382,749	15,704,374
Trade and other payables (Note 24)	5,359,220	8,054,757
Less: cash and short-term deposits (Note 19)	(1,622,412)	(1,904,454)
Net debt	18,119,557	21,854,677
Equity	66,730,331	61,402,232
Total capital	66,730,331	61,402,232
Capital and net debt	**84,849,888**	**79,276,123**
Gearing ratio	21%	26%

Collateral
There is a pledge of assets in respect of overdrafts and bank borrowings. 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.

29 Business combinations

29.1 Acquisition of Guftainer (Private) Limited T/A Premier Forklift Services
On 1 October 2013, the Group acquired 100% of the voting shares of Guftainer (Private) Limited T/A Premier Forklift Services, an unlisted company based in Harare, Graniteside and specialising in the servicing, sale and hiring of forklifts, in exchange for the Group's shares and cash. The Group acquired Premier Forklift Services because it significantly complement and enlarges the range of products in the Logistics operations segment.

Assets acquired and liabilities assumed
The fair values of the identifiable assets and liabilities of Premier Forklift Services as at the date of acquisition were:

Fair value recognised on acquisition

	2014	2013
Assets	$	$
Property, plant and equipment (Note 12)	-	1,936,426
Cash and cash equivalents	-	118,961
Trade and other receivables	-	568,537
Inventories	-	332,484
	-	**2,956,408**
Liabilities	-	(207,187)
Provisions	-	(147,008)
Income tax liability	-	(50760)
	-	**(404,955)**
Total identifiable net assets at fair value	**-**	**2,551,453**
Non-controlling interests measured at fair value		-
Goodwill arising on acquisition (Note 13)	-	787,547
Purchase consideration transferred	**-**	**3,339,000**

The fair value of the trade receivables amounts to $535 843. The gross amount of trade and other receivables is $568 537. However, none of the trade and other receivables have been impaired and it is expected that the full contractual amounts can be collected.

The goodwill of $787 547 comprises the value of expected synergies arising from the acquisition and a customer list, which is not separately recognised. Goodwill is allocated entirely to the Logistics operations segment. None of the goodwill recognised is expected to be deductible for income tax purposes.

From the date of acquisition, Premier Forklift Services has contributed $572,996 of revenue and $136,913 to the profit before tax from continuing operations of the Group. If the combination had taken place at the beginning of the year, revenue from continuing operations would have been $43,249,756 and the profit before tax from continuing operations for the Group would have been $10,217,740.

	2014	2013
Purchase consideration:	$	$
Issue of shares	-	1,950,000
Cash consideration	-	1,389,000
Total consideration	**-**	**3,339,000**

	2014	2013
Analysis of cash flows on acquisition:	$	$
Cash paid to date	-	(604,000)
Net cash acquired with the subsidiary (included in cash flows from investing activities)	-	118,961
Net cash flow on acquisition	**-**	**(485,039)**

The Group issued 6,500,000 ordinary shares at $0,3cents per share as settlement for the $1,950,000 purchase consideration during the year. $785,000 cash consideration which was outstanding was paid during the current year.

29.2 Acquisition of Propak Hessian (Private) limited and Propak (Private) Limited non controlling interests

On 1 November 2013, the group acquired the 37% held by non controlling interests in Propak Hessian (Pvt) Limited and Propak (Pvt) Limited resulting in Propak becoming a wholy owned subsidiary. The carrying amount of the minorities were $1,813,012 at the date of acquisition and $1,912,450 was paid in cash for the share of net assets.

Following is the schedule of non controlling interest acquired:	2014
	$
Consideration paid	(1,912,450)
Carrying value of non- controlling interest acquired	1,813,012
Difference recognised in equity	**(99,438)**

29.3 Acquisition of Chemco non controlling interest

During the year, the group increased its shareholding in Chemco Holdings Limited to 82%(from 64%) after a debt to equity swap in Chemco Holdings Limited. The group converted $2,641,220 debt to equity in Chemco Holdings Limited. Subsequently, the group offered non controlling interest in Chemco TSL shares at a swap ratio of 1:1.88 TSL shares for Chemco shares held. This resulted in a loss being recognised in TSL's equity as below:

Following is the schedule of non controlling interest acquired:	2014
	$
Consideration (3005 588 TSL shares at $0.32 per share)	961,789
Carrying value of non- controlling interest acquired	451,678
Difference recognised in equity	**(510,111)**

29.4 Combined effect of acquisition of non-controlling interest

	2014
	$
Total consideration	2,874,239
Total carrying value of non- controlling interest acquired	2,264,689
Difference recognised in equity	**(609,550)**

29.5 Disposal of shareholding in associate(TSL Classic Leaf (Private) Limited)

On 1 November 2012, the Group disposed 51% interest in the voting shares of TSL Classic Leaf (Private) Limited, reducing its ownership interest to 49%. Cash consideration of $355,483 was accrued as receivable from the buyer.

Assets and liabilities disposed

The fair values of the identifiable assets and liabilities of TSL Classic Leaf (Private) Limited as at the date of disposal were:

	2014	2013
	$	$
Assets		
Property, plant and equipment	-	3,453
Cash and cash equivalents	-	101,203
Trade and other receivables	-	2,295,807
Inventories	-	59,956
Liabilities		
Trade and other payables	-	(3,102)
Short term loans and borrowings	-	(1,760,292)
Total identifiable net assets at fair value	**-**	**697,025**
Percentage shareholding retained	-	49%
Carrying amount of investment retained	-	341,542

30 Events after the reporting period

There were no reportable events after the reporting date.

31 Company statement of financial position

as at 31 October :	Notes	COMPANY 2014	2013
Assets		$	$
Non-current assets			
Investment in joint venture		-	6,427,424
Available for sale investment		5,620,604	-
Investment in associates		355,496	355,496
Investment in subsidiaries		2,894,238	20,000
Deferred tax assets		744,365	712,499
		9,614,703	7,515,419
Current assets			
Receivables		397,305	279,038
Amounts due from associates		8,783,544	12,796,951
Amounts due from subsidiaries		2,476,080	-
Cash and short term deposits		26,687	25,056
		11,683,616	13,101,045
Total assets		**21,298,319**	**20,616,464**
Equity and liabilities			
Equity			
Issued capital and share premium	20	6,469,824	3,558,037
Non-distributable reserves		1,183,271	4,626,661
Retained earnings		1,669,831	1,524,889
Total equity		**9,322,926**	**9,709,587**
Current liabilities			
Short term loans and borrowings		11,930,364	8,828,525
Amounts due to subsidiaries		-	2,078,353
Accounts payables		45,029	-
		11,975,393	**10,906,878**
Total equity and liabilities		**21,298,319**	**20,616,465**

A Mandiwanza
Chairman

W Matsaira
Chief Executive Officer

At 31 October 2014
ANALYSIS BY VOLUME

VOLUME	NUMBER OF HOLDERS	%	SHARES HELD	%
1-5000	1,011	65.61	990,766	0.28
5001-10000	108	7.01	798,235	0.22
10001-25000	169	10.97	2,726,822	0.76
25001-50000	101	6.55	3,636,479	1.02
50001-100001	63	4.09	4,612,579	1.29
100001 and over	89	5.78	344,337,564	96.43
TOTALS	**1,541**	**100**	**357,102,445**	**100**

ANALYSIS BY INDUSTRY
INDUSTRY

VOLUME	NUMBER OF HOLDERS	%	SHARES HELD	%
LOCAL COMPANIES	264	17.13	222,508,665	62.31
INSURANCE COMPANIES	19	1.23	41,184,265	11.53
NEW NON RESIDENT	39	2.53	319,599	0.09
PENSION FUNDS	133	8.63	45,984,921	12.88
LOCAL NOMINEE	85	5.52	5,612,436	1.57
LOCAL INDIVIDUAL RESIDENT	930	60.35	10,595,996	2.97
BANKS	2	0.13	5,280	0.00
CHARITABLE AND TRUSTS	22	1.43	2,028,947	0.57
FOREIGN COMPANIES	2	0.13	27,347,870	7.66
FOREIGN NOMINEE	4	0.26	942,941	0.26
INVESTMENTS	21	1.36	213,752	0.06
FUND MANAGERS	14	0.91	310,633	0.09
DECEASED ESTATES	6	0.39	47,140	0.01
TOTAL	**1,541**	**100.00**	**357,102,445**	**100**

At 31 October 2013
ANALYSIS BY VOLUME

VOLUME	NUMBER OF HOLDERS	%	SHARES HELD	%
1-5000	777	61.72	933,355	0.27
5001-10000	112	8.90	829,930	0.24
10001-25000	156	12.39	2,507,165	0.72
25001-50000	83	6.59	3,001,796	0.86
50001-100001	41	3.26	2,864,086	0.82
100001 and over	70	5.56	337,460,517	97.08
TOTALS	**1,239**	**100**	**347,596,849**	**100**

Shareholders Analysis

for the year ended 31 October 2014

ANALYSIS BY INDUSTRY
INDUSTRY

VOLUME	NUMBER OF HOLDERS	%	SHARES HELD	%
LOCAL COMPANIES	228	18.40	220,749,865	63.51
INSURANCE COMPANIES	10	0.81	41,014,323	11.80
NEW NON RESIDENT	23	1.86	970,903	0.28
PENSION FUNDS	59	4.76	33,268,040	9.57
LOCAL NOMINEE	62	5.00	8,629,420	2.48
LOCAL INDIVIDUAL RESIDENT	790	63.76	9,350,640	2.69
BANKS	1	0.08	5,200	0.00
CHARITABLE AND TRUSTS	23	1.86	4,644,476	1.34
FOREIGN COMPANIES	1	0.08	27,333,218	7.86
FOREIGN NOMINEE	5	0.40	1,021,817	0.29
INVESTMENTS	17	1.37	256,852	0.07
FUND MANAGERS	15	1.21	308,851	0.09
DECEASED ESTATES	5	0.40	43,244	0.01
TOTAL	**1,239**	**100**	**347,596,849**	**100**

Top ten shareholders of the company
as at 31 October :

	No. of Shares	2014 %	No. of Shares	2013 %
CLOSEFIN INVESTMENTS (PVT) LTD	116,009,550	32.49	120,009,550	34.53
RAMSWAY INVESTMENTS (PRIVATE) LIMITED	86,899,212	24.33	86,899,212	25.00
OLD MUTUAL LIFE ASS. CO. ZIM LTD	39,515,136	11.07	38,522,015	11.08
PELLSTON INVESTMENTS LTD NNR	27,333,218	7.65	27,333,218	7.86
MINING INDUSTRY PENSION FUND	17,029,508	4.77	14,111,605	4.06
NATIONAL SOCIAL SECURITY AUTHORITY(NPS)	10,484,706	2.94	14,407,449	4.14
GENTLEMARK INVESTMENTS (PRIVATE) LIMITED	7,326,085	2.05	7,326,085	2.11
GUFTAINER INVESTMENTS (PRIVATE) LIMITED	5,400,000	1.51	-	0.00
NATIONAL SOCIAL SECURITY AUTHORITY (WCIF)	4,833,021	1.35	-	0.00
EQUIVEST NOMINEES (PRIVATE) LIMITED	-	0.00	2,045,328	0.59
TURNER ROY	4,085,285	1.14	4,085,285	1.18
BARD NOMINEES (PRIVATE) LIMITED	-	0.00	2,738,156	0.79
	318,915,721	**89.30**	**317,477,903**	**91.34**

ANALYSIS BY DOMICILE

DOMICILE	2014 NUMBER OF HOLDERS	2014 SHARES HELD	2014 %	2013 NUMBER OF HOLDERS	2013 SHARES HELD	2013 %
ZIMBABWE	1,267	327,162,069	91.63	1,053	316,300,932	91.01
WARRANT NOT PRESENTABLE	246	2,410,232	0.67	170	2,130,076	0.61
UNITED KINGDOM	8	7,696	0.00	6	1,764,613	0.51
SOUTH AFRICA	11	37,440	0.01	6	32,530	0.01
TURKEY	1	96,000	0.03	-	-	-
NAMIBIA	1	13,000	0.00	1	13,000	0.00
ZAMBIA	1	12,480	0.00	1	12,480	0.00
AUSTRALIA	2	10,188	0.00	1	10,000	0.00
MAURITIUS	1	27,333,218	7.65	1	27,333,218	7.86
USA	1	204	0.00	-	-	-
CAYMAN ISLANDS	2	19,918	0.01	-	-	-
TOTAL	**1,541**	**357,102,445**	**100**	**1,239**	**347,596,849**	**100**

Notice of Annual General Meeting

for the year ended 31 October 2014

NOTICE IS HEREBY GIVEN that the fifty seventh Annual General Meeting of TSL Limited will be held at the TSL Limited Head Office, the registered office of the company, at Number 28 Simon Mazorodze Road, Southerton, Harare on Wednesday 11th March 2015 at 1200 hours for the purpose of transacting the following business.

ORDINARY BUSINESS

1. To approve the minutes of the previous Annual General Meeting held on 12 March 2014.

2. To receive and adopt the Financial Statements for the year ended 31 October 2014, together with the reports of the Directors and Auditors thereon.

3. Mr. N Swanepoel and Mrs. P Mutembwa were appointed to the Board with effect from 1 November 2014.

   To elect directors who retire in terms of the Articles of Association of the Company.

   The directors due to retire are Messrs P Shah, K Naik, N Swanepoel and Mrs P Mutembwa and being eligible offer themselves for re-election.

4. To fix the budget for fees payable to directors for the year ending 31 October 2015 and to confirm the actual amount paid for the year ended 31 October 2014.

5. To approve the auditors' remuneration for the previous year and to re-appoint Messrs Ernst & Young Zimbabwe as auditors for the current year.

6. To transact any other business as may be transacted at an Annual General Meeting.

Any member entitled to attend and vote at the Annual General Meeting can appoint one or more proxies to attend, speak and vote in his stead. A proxy need not be a member of the company. Proxy forms should be forwarded to reach the office of the Transfer Secretaries or the Group Company Secretary at least 48 hours before the commencement of 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.

17 February 2015

Shareholder's Diary

for the year ended 31 October 2014

Fifty Seventh Annual General Meeting	11 March 2015
Financial year end	31 October 2014
Interim reports	
6 months to 30 April 2015 Interim dividend declaration	July 2015
12 months to 31 October 2015 and final dividend declaration	January 2016
Annual report published	February 2016

Notes