



MASHONALAND HOLDINGS LIMITED

(Incorporated in Zimbabwe)

Leading property owners and developers



2023 ANNUAL REPORT

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BUSINESS PROFILE

Mashonaland Holdings Limited is a listed property company incorporated in Zimbabwe. The company was incorporated in 1966 and over the years it has streamlined its strategy and operations to focus on property investments and management.

The Group has a property portfolio that is distributed across office, retail, industrial, residential and health sectors with footprint across major cities which include Harare, Bulawayo, Kwekwe and Mutare.

The Group provides services that include:

- Property management
- Facilities management
- Property development
- Property investment research and advisory
- Property valuations

Membership of professional associations

Mashonaland Holdings Limited Group is a member, directly and indirectly through its key staff of the following professional associations among others:

- Estate Agents Council of Zimbabwe
- Real Estate Institute of Zimbabwe
- Valuers Council of Zimbabwe
- Royal Institute of Surveyors
- National Property Owners Association of Zimbabwe
- Institute of Chartered Accountant of Zimbabwe (ICAZ)

REPORT BOUNDARIES

The Group applies International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and interpretations as issued by the IFRS Interpretations Committee. Sustainability information has been prepared in accordance with the Global Reporting Initiative (GRI) Standards. This complies with the Zimbabwe Stock Exchange listing requirements and the Companies and Other Business Entities Act (Chapter 24:31).

While the presented non-financial and forward-looking content of the report was not independently assured, the information presented has been reviewed by the Audit Committee and approved for issue by the Board of Directors. The forward-looking statements included in this report are current as of the date of publication of the Annual Report.

The annual financial statements were audited by independent external auditors, Deloitte & Touche.



STRATEGIC FOUNDATIONS

Vision

To be the leading property investment and development company in the region.

Mission

To build stakeholder return by delivering value solutions.

Values

Integrity
Innovation
Entrepreneurship
Teamwork
Fairness



GENERAL CORPORATE INFORMATION



Non-executive Directors

Eng. Grace Bema (Ms.) - Board Chairperson
P. Musarurwa (Mrs.) - Deputy Board Chairperson
M. Mubayiwa (Mr.)
Dr. B. Shumba (Mr.)
T. Chaparamhosva (Mr.)
I. Tigere (Mrs.)
T. Masunda (Mrs.)

Executive Directors

G. Mapfidza - Managing Director (Mr.)
K. Musundire - Chief Finance Officer (Mr.)

Company Secretary and Legal Advisor

E. Madhaka (Ms.)

Head Office

12th Floor ZB Life Towers
77 Jason Moyo Avenue, Harare

Insurers

Old Mutual Insurance
Mutual Gardens, Emerald Hill, Harare

Principal Property Valuer

EPG Global
4th Floor Runhare House
Cnr. Simon Muzenda Street & Kwame Nkrumah Avenue
Harare

Transfer Secretaries

ZB Transfer Secretaries
21 Natal Road, Avondale, Harare

Auditors

Deloitte & Touche (Zimbabwe)
West Block, Borrowdale Office Park
Borrowdale, Harare

Bankers

Nedbank Zimbabwe Limited
99 Jason Moyo Avenue, Harare

ZB Bank
21 Natal Road, Avondale, Harare

BancABC
Mt Pleasant Business Park
Mt Pleasant, Harare



GOVERNANCE

We are fully committed to observing leading principles of good corporate governance as a key pillar to our strategy and success.

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DIRECTORATE



Eng. G. Bema (Ms.)
INDEPENDENT NON-EXECUTIVE
CHAIRPERSON
MSC, MBA, Bsc. Eng, MZweE,
MZACE, PrEng (ECZ)

Eng. Grace Bema is a partner at Brian Colquhoun Hugh O'Donnell & Partners (BCHOD Consulting Engineers).

Eng. Bema brings to the Board a wealth of experience in the built environment having successfully completed several big projects in Zimbabwe and the United States of America. She is particularly interested in the use of environmentally friendly systems in the built environment to protect the environment and future generations.

Eng. Bema holds a BSc. Honours degree in Civil Engineering and MBA from the University of Zimbabwe, and a Master of Science in Sustainable Systems from Slippery Rock University in Pennsylvania (USA).

She is a certified Prince2 practitioner.



P. Musarurwa (Mrs.)
INDEPENDENT NON-EXECUTIVE
DIRECTOR, DEPUTY BOARD
CHAIRPERSON
BL (Hons), LLBs (UZ)

Mrs. Patronella Musarurwa is a registered legal practitioner with special interest in Commercial and Property Law. She obtained a Bachelor of Law (BL Hons) and a Bachelor of Laws (LLBs) from the University of Zimbabwe.

She has over 20 years' experience in the legal profession and currently manages a Private Law firm. She is a member of various corporate Boards.

Patronella spent 8 years as a lawyer in commerce where she held various management positions in insurance companies before moving into private legal practice. She is a Councillor of the Law Society of Zimbabwe where she chairs the Continuing Legal Education Committee. She sits on the Great Zimbabwe University, ZIMSEC and Health Professions Authority of Zimbabwe Boards.



M. Mubayiwa (Mr.)
NON-EXECUTIVE DIRECTOR
BscEcon (UZ),
CIMA, ACI (Kenya)

Mr. Mubayiwa Mubayiwa is currently the Chief Executive Officer of Standard Chartered Bank Zimbabwe.

He has served as the Head, Commercial Banking, Zimbabwe and Southern Africa since 2015 following a two-year stint as Head for Financial Markets in Zimbabwe. Mubayiwa has also held different managerial positions in various African countries over the past 20 years that he has been with the Bank.

Key roles held include Head of Sales in Cameroon in 2006 and Head of Wholesale Banking in Sierra Leone in 2008. He joined the Bank on the Africa Regional Management Trainee program after graduating from the University of Zimbabwe with a Bachelor of Science Degree in Economics. He is also a holder of a Chartered Institute of Management Accountants (CIMA) qualification.

DIRECTORATE (continued)



Dr. B. Shumba (Mr.)
NON-EXECUTIVE DIRECTOR
PHD, Msc (UK), Bcom (NUST),
MBA (UK), AICPU (USA), ACII (UK)

Dr. Brilliant Shumba has vast experience in Banking and Insurance, having worked at executive level in the insurance industry and most recently in the banking sector.

He is the Chief Customer Experience Officer for ZBFH after serving as the Managing Director of ZB Reinsurance (Private) Limited for 13 years.

He is qualified with a PhD having researched on digital bank management, an MSC in Digital Business from the University of Salford and an MBA from Nottingham Trent University. He is an Associate of the UK Chartered Insurance Institute (CII) and is a practicing associate of the American Institute of Chartered Property and Casualty Underwriters (AICPCU).

He is a former Chairman of the Insurance Council of Zimbabwe among other industry bodies he has led in his illustrious career.



T. Chaparamhosva (Mr.)
NON-EXECUTIVE DIRECTOR
CA (Z), MBA (UZ),
B. Compt. (UNISA)

Terence Chaparamhosva is a Chartered Accountant with over twenty years' experience in finance and operations acquired working for blue chip companies such as Ecocash Holdings Limited, British American Tobacco and Ernest and Young Chartered Accountants.

Terrence sits on the Hunyani Rotary Board and is the District Communication Officer for District 9210 (Zimbabwe, Zambia, Malawi & Northern Mozambique). He also sits on the Board of Directors for Krypton Plant & Equipment, Mosi Safari and Terbland Trading P/L.



I. Tigere (Mrs.)
NON-EXECUTIVE DIRECTOR
BA GEO (UZ), DipRUP (UK),
DipPPM (UK)

Innocencia Tigere is a qualified town planning and property development advisory expert with over 30 years' experience gained through working in both the public and private sector.

She founded her own Town Planning and Property Development Consultancy Firm, Ricencia Realty Solutions Private Limited in 2015 which provides town planning, development advisory and project management consultancy services.

She is a corporate member of the Zimbabwe Institute of Regional and Urban Planners (ZIRUP) and she is the Past President of this institute. She is also a member of the International Society of City and Regional Planners (ISOCARP) and a Member of the Project Management Institute of Zimbabwe (PMIZ).

DIRECTORATE (continued)

T. Masunda (Mrs.)
NON-EXECUTIVE DIRECTOR
CA (Z), CFA (USA), Finance Bcomm.
(NUST), B Compt. (UNISA)

Tandiwe Masunda is the CEO, Investments Cluster for ZB Financial Holdings. Prior to joining ZB Financial Holdings Limited, she was an Associate Director - Corporate Finance and Transaction Services at Pricewaterhouse Coopers Chartered Accountants (Zimbabwe) ("PwC").

She has over 15 years of experience in financial services, corporate finance, transaction services and assurance. Tandiwe is a qualified Chartered Accountant and a Chartered Financial Analyst ("CFA") charter holder and a member of the Institute of Chartered Accountants of Zimbabwe and the Investment Professionals Association of Zimbabwe.



G. Mapfidza (Mr.)
EXECUTIVE DIRECTOR
BSC, MSC, MREIZ, MRICS

Gibson Mapfidza is the Managing Director of Mashonaland Holdings Limited.

He started his professional career at CB Richard Ellis International Property Consultancy where he gained a robust initiation in all the fields of investment real estate before joining the Reserve Bank of Zimbabwe where he expanded his skills and knowledge in corporate real estate management (CREM). He later joined Old Mutual Property Zimbabwe in 2010 where again he worked in all the key property units and rose to become Head of Property Development, working on several projects in Zimbabwe and a 3-year posting to Malawi Property Investment Company (MPICO), a listed property company owned by Old Mutual Malawi. Prior to joining Mashonaland Holdings in November 2018, he was General Manager - Property Investments at Fidelity Life Assurance of Zimbabwe. Gibson is a Chartered Surveyor with over 16 years of professional working experience in the built environment industry. He holds a BSc. Rural and Urban Planning (UZ), MSc. Construction Management (NUST), MSc. Real Estate (University of Reading, UK) and a Masters in Business Leadership (University of Cape Town, SA). He is an active member of the Estate Agents Council, Valuation Council of Zimbabwe, Real Estate Institute of Zimbabwe and the Royal Institute of Chartered Surveyors (RICS).



K. Musundire (Mr.)
EXECUTIVE DIRECTOR
CA(Z), Hons BCompt (UNISA),
BCom (Hons) ACC (NUST)

Mr. Kudakwashe Musundire is the Chief Finance Officer for Mashonaland Holdings Limited having joined in 2020.

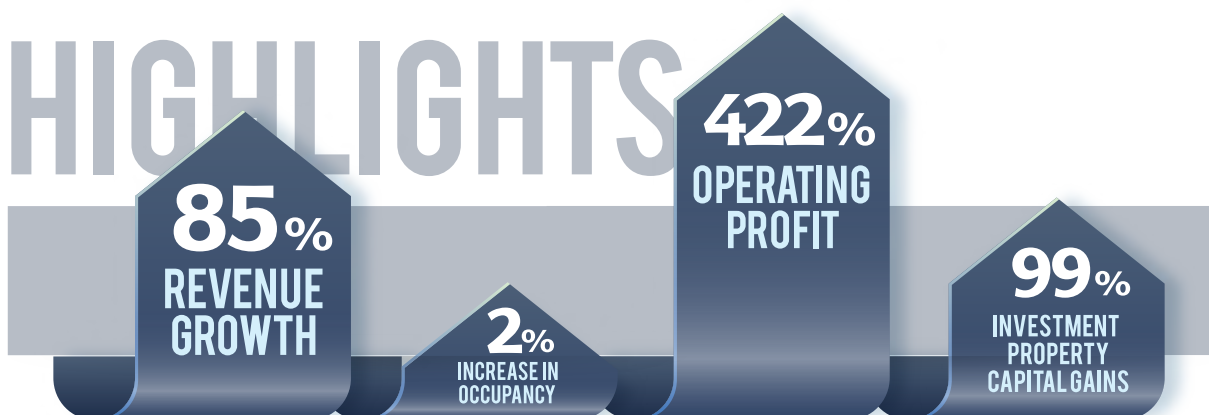
He is a Chartered Accountant with over 10 years' experience in financial management and auditing in various industries which have included telecommunications, financial services, manufacturing and retail.

Kudakwashe holds a Bachelor of Commerce (Honours Degree in Accounting from the National University of Science and Technology (NUST) as well as an Honours Bachelor of Accounting Science from the University of South Africa (UNISA).

Kudakwashe completed his articles training with BDO Zimbabwe Chartered Accountants and has held management positions with TelOne, First Mutual Holdings Limited and P. Industries.

Prior to joining Mashonaland Holdings Limited, he held the position of Finance Director of TelOne (Private) Limited.

CHAIRPERSON'S STATEMENT



I am pleased to present the Mashonaland Holdings Limited inflation adjusted financial results for the year ended 31 December 2023.

Operating environment

The country's macro-economic environment continues to be marked by hyper-inflation, foreign currency liquidity shortages and rapid deterioration in the local currency exchange rate. The country's economic output is forecast to be constrained due to the El Nino weather phenomenon which has impacted on the performance of the agricultural sector.

The market has embraced the United States Dollar as the preferred transactional currency. Property market players have reported foreign currency revenue contributions averaging above 70%. However, low market confidence and foreign currency liquidity challenges have led to uncertainty over the sustainability of monetary policy structures.

The Group continues to navigate these economic headwinds by reducing Zimbabwe Dollar exposure in operations while implementing flexible funding models to support ongoing property development projects.

Property market

The property market performance continues to reflect the broader macroeconomic issues affecting the economy. United States Dollar liquidity shortages in the formal sectors of the economy have contributed to limited long-term capital to support property development projects. Property developers have opted to prioritise residential and building repurposing projects, which can deliver superior returns in the short-term, to counter the lack of appropriately priced long term development capital.

Increasing construction costs, exacerbated by high lending rates and an increased tax burden emanating from recent changes to fiscal regulations, have hindered the commencement of development projects required to support occupier market demand for new and modernized facilities especially in the retail and out of CBD office segments.

In the occupier sub-market, demand remains suppressed for the CBD office sector with no major occupancy gains recorded by market players. The market continues to witness positive demand for suburban offices and strategically located retail and warehousing space.

Reporting currency

The Board has considered the current operating environment and impact of exchange rate disparities in implementing the requirements of International Financial Reporting Standards (IFRS) and have concluded that it is necessary to present the 2023 financial statements in both Zimbabwe Dollars and US Dollars to adequately inform users of the Group's financial performance. While the Group has maintained the Zimbabwe Dollar as its functional currency, supplementary unaudited US Dollar based financial information has been included in the Group's announcement of financial results for the year.

Inflation adjusted financial performance

Revenue increased by 85% in the period under review to ZW\$33.9billion. Rental income contributed to the improved revenue performance posting a 141% growth to ZW\$29.6billion and thereby contributing 87% of the Group's revenue performance. The Group now earns 74% of its rental revenue in foreign currency. The portfolio occupancy level increased to 89% from 87% in December 2022.

CHAIRPERSON'S STATEMENT (continued)

Further, the Group earned revenue of ZW\$3.4billion from the Mashview Gardens housing project as construction works on the project were completed.

Operating profit before fair value adjustments increased by 422% to ZW\$88.6billion supported by revenue growth. Included in operating profit are foreign exchange gains amounting to ZW\$71billion realised on conversion of foreign currency balances on hand.

The Group posted a profit after tax of ZW\$324billion up from ZW\$83billion in 2022. The improved profit position was realised due to the improved operating profitability and a 99% capital gain recorded on investment properties.

The Group's collections percentage remained resilient at 94% due to continuous credit control engagements which sought to ensure timely realisation of value from rentals in the hyper-inflationary environment.

Investment property

The Group performed an open market valuation of its investment properties as at 31 December 2023. The Group's investment property portfolio was valued at ZW\$647billion which represents a 99% capital gain over the course of the reporting period. The capital gain is reflected in the growth in rental income in inflation adjusted terms.

New property investments and projects

Pomona Commercial Centre Development Project

In the 3rd quarter of the year, the Group commenced construction works on the project. The development concept consists of wholesaling and flexible warehousing with 14,000sqm lettable space. The anchor tenant has been secured and 60% of the development has been successfully pre-leased. The project construction works have a target completion period of Q4 2024. The project achieved a 35% stage of completion at the end of the financial period.

12 Van Praagh Day Hospital Project

Construction work on the pre-leased development commenced in Q3 2022 with a planned 15 month construction period. The project has now been completed and has been handed over to the tenant to commence tenant fit outs. The development started earning rentals under a long-term lease from January 2024 in line with the Agreement to Develop and Lease (ADL) with the property tenant.

Mashview Gardens

Construction of the housing units under phases 1, 2, 3 has been completed. Site clearance and road resurfacing have now been completed and processes are underway to handover the units to beneficial owners.

Dividend

The Board declared and paid an interim dividend of US\$128 414 and ZW\$258 980 496 during the year. Further to this, the Board has declared a final dividend of US\$100 000 and ZW\$3 768 517 047 payable from the Group's profits for the year. A separate dividend notice will be issued to this effect.

Outlook

The Government of Zimbabwe has forecast that the economy will grow by 3.5% in 2024 down from 5.5% in 2023. The Ministry of Finance Economic Development and Investment Promotion anticipates that the overall impact of the El Nino weather phenomenon will outweigh expected improvements in other sectors of the economy.

Despite current economic headwinds, the Group remains focused on its strategic objectives, notably portfolio diversification and portfolio performance optimization. Major focus continues to be set on completion of on-going property development projects which are key to the Group's portfolio diversification roadmap.

Appreciation

On behalf of the Board, I would like to thank our esteemed tenants for the continued loyalty and all our other stakeholders for their support. I also thank my fellow board members, management, and staff for their unwavering commitment.



ENG. G. BEMA
Board Chairperson

26 March 2024

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

Property market overview

The property market continues to reflect the overall performance of the economy with declining aggregate demand due to reduced spending power. Demand for commercial space remains weak particularly in the CBD office segment. The segment continues to be impacted by low occupancy levels, submarket rents, unattractive yields, and high occupancy costs emanating from obsolete inefficient building infrastructure. In a bid to survive in the CBDs of major cities, market players have resorted to densifying former extensive retail outlets and office spaces to accommodate more occupants and achieve premium returns on their investments.

The market has seen positive growth trends in demand for suburban office space and strategically located warehousing and retail space. The development segment has responded to the steady occupier demand leading to growth in the number of retail and warehousing facilities located close to residential markets.

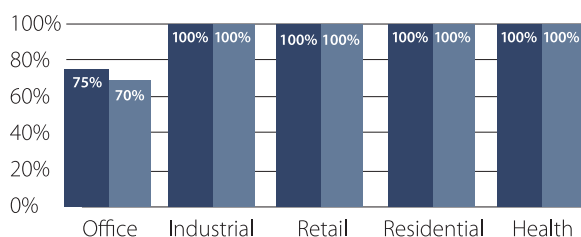
Deterioration of the local currency in the first quarter and inflationary pressures continued to negatively affect the property market. As a result, property market investors have moved to convert leases to United States Dollar based rentals to protect returns. Property market players have reported lease conversions averaging above 70%.

Business performance

• Occupancy

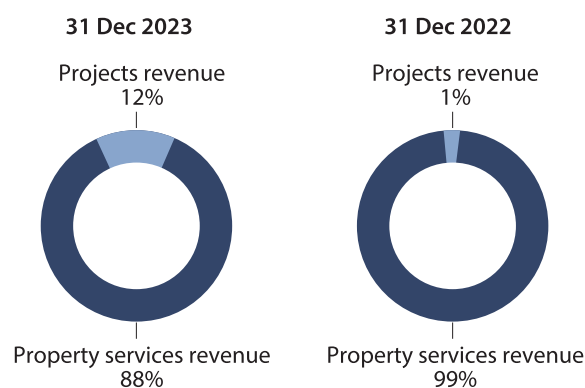
During the year, the Group managed to retain its key tenants through continuous tenant engagements and continued implementation of maintenance programs to preserve appeal of space offerings. The Group's occupancy percentage resultantly increased from 87% to 89% at 31 December 2023. The Group continues to reconfigure its vacant office space by increasing its capacity to house small to medium sized corporates under flexible leasing arrangements.

Occupancy per segment



• Revenue

Revenue increased by 85% from ZW\$18.4billion in 2022 to ZW\$33.9billion in December 2023. The revenue increase was driven by rental income growth ZW\$29.6billion (2022:ZW\$12.3billion) as a result of the Group now earning 74% of rental income in USD from 54% in 2022. In addition, projects revenue contributed 12% of Group revenue performance as shown below:



Property services revenue increased from ZW\$12.4billion in 2022 to ZW\$29.9billion in 2023. The improved revenue performance was result of improved occupancy and continued rent reviews implemented to protect rental yields.

• Collections

The Group managed to collect 95% from 92% in 2023 of its property services revenue during the year. Rental collections were sustained by continued monitoring of credit risk assessments on tenant on-boarding and engagements with sitting tenants.

Property developments

• Pomona Commercial Centre

The development concept entails a wholesale centre anchored by one of the major national retailers, separate industrial retail units and a restaurant, all with a total lettable area of 14 000m². Construction works commenced in July 2023 and are targeted for completion in Q4 2024. The project has an estimated construction cost of US\$12.2million.

• Mashview Gardens, Bluff Hill Harare

The construction works for Bluff Hill 25-cluster housing project was completed during the year. The contractors are now finalising the finishes works and snagging in preparation for hand over to the off taker in Q2 2024.

MANAGING DIRECTOR'S REVIEW OF OPERATIONS (continued)

• Day hospital project, Milton Park Harare

The construction of the white box was completed in September 2023 at a cost of US\$3million. The tenant is undertaking fit out following handover of the white box in October 2023. The lease for the property commenced on the 1st of January 2024.

Property valuation and yields

The investment property portfolio was valued by Edinview Property Group (EPG Global), an independent professional property valuer, as at 31 December 2023. The property portfolio recorded a 99% capital gain as reflected below. The gain is reflected in the Group's property services revenue performance which increased by 241%.

Yields and property valuation

Sector	GLA(m ²)	2023 market values ZW\$	2022 market values ZW\$	Capital gain %	Rental yield %
Office	46 599	344 056 400 000	176 020 907 800	95%	6%
Industrial	48 143	71 233 130 000	37 644 485 169	89%	7%
Retail	6 021	43 223 450 000	23 422 163 079	85%	5%
Residential & health	2 990	66 696 850 000	25 666 455 481	160%	6%
Land banks	N/A	121 563 245 000	58 558 531 208	108%	N/A
Total/ average	103 753	646 773 075 000	321 312 542 737	99%	6.50%

Appreciation

I would like to express my sincere gratitude to our valued tenants and clients for their continued loyalty and to all our other stakeholders for the constant support. I also wish to thank our Board of Directors for their continued guidance, and to all our staff for the hard work and commitment to duty.



G. MAPFIDZA
Managing Director
 26 March 2024

REPORT OF THE DIRECTORS

The Directors have pleasure in submitting their report for Mashonaland Holdings Limited (the “Company”) and its subsidiaries (the “Group”) for the year ended 31 December 2023.

FINANCIAL PERFORMANCE

Inflation adjusted consolidated statement of profit or loss and other comprehensive income highlights

	31 December 2023 ZW\$	31 December 2022 ZW\$	31 December 2021 ZW\$
Revenue	33 880 602 311	18 352 957 633	9 275 200 603
Operating profit	88 639 887 951	16 992 730 393	4 960 278 159
Profit / (loss) for the period	323 631 865 016	82 872 316 356	(23 176 917 756)

Inflation adjusted consolidated statement of financial position highlights

	31 December 2023 ZW\$	31 December 2022 ZW\$	31 December 2021 ZW\$
Investment property	646 773 075 000	321 312 542 737	230 351 817 130
Shareholder's funds	639 471 149 064	318 304 510 948	236 934 569 990

Authorised share capital

The Authorised share capital of the Company at 31 December 2023 was ZW\$1 250 000 made up of 2 500 000 000 ordinary shares of ZW\$0.0005 each.

Issued share capital

The issued share capital of the Company at 31 December 2023 was ZW\$576 729 580 made up of 1 687 584 009 ordinary shares of ZW\$0.0005 each.

Directorate

In accordance with article 101 and 102 of the company's articles of association, the following directors Ms. Inocencia Tigere and Mr. Terence Chaparamhosva will both retire by rotation and being eligible, have offered themselves for re-election. A resolution will be proposed at the Annual General Meeting for their re-appointment.

Dividend

The Board declared and paid an interim dividend of US\$128 414 and ZW\$258 980 496 during the year. Further to this, the Board has declared a final dividend of US\$100 000 and ZW\$3 768 517 047 payable from the Group's profit for the year. A separate dividend notice will be issued to this effect.

Auditors

Members will be asked to approve the remuneration of the Auditors amounting to ZW\$870 920 599 for the period ended 31 December 2023. The Auditors Messrs Deloitte & Touche have been auditing the Group's financial statements for since 2019 and have offered themselves for reappointment as the Company auditors. Deloitte & Touche have indicated to the Group that the firm will offer audit services for the year ended 31 December 2024 under its successor firm Axcentium.

REPORT OF THE DIRECTORS (continued)**REPORT OF THE DIRECTORS (CONTINUED)**

	31 December 2023 ZW\$	31 December 2022 ZW\$	31 December 2021 ZW\$
Share Statistics <i>(inflation adjusted except where stated)</i>			
Number of shares in issue	1 687 584 009	1 687 584 009	1 859 073 947
Weighted average number of shares	1 687 584 009	1 687 584 009	1 687 584 009
Share price (ZW\$ cents)- historical cost	980.00	958.80	299.93
Net worth per share (ZW\$ cents)	38 000	19 000	14 017
Basic and diluted (loss)/ earnings per share (ZW\$ cents)	19 147	4 903	(1,371)
Profitability and asset management			
Operating profit (%)	261.6%	92.6%	53.5%
Occupancy (%)	89%	87%	81%
Collection (%)	95%	92%	94%
Debt to equity	2%	3%	-
Return on equity	95%	26%	-10%
Liquidity			
Current ratio	0.94	2.28	5.75
Human capital			
Number of employees	22	23	21

STATEMENT OF CORPORATE GOVERNANCE

The Company subscribes to sound corporate governance principles as enshrined in its Articles of Association. The Company continues to operate in alignment with corporate governance practices provided in the Companies and Other Business Entities Act [Chapter 24:31]; Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) Rules (S.I 134 of 2019) and the adopted King IV Code on Corporate Governance.

The Company safeguards the interests of all its shareholders and relevant stakeholders through a functional Board of Directors constituting of shareholder representatives and independent non-executive directors to maintain balance and equitable safeguarding of all stakeholders' interests.

The company's Governance, Risk and Compliance Committee plays a pivotal role in moulding the Company's corporate governance systems and fostering adherence with the established framework. The Company also has several regulators including the Zimbabwe Stock Exchange, Estate Agents Council of Zimbabwe, RBZ Financial Intelligence Unit and Zimbabwe Revenue Authority and it strives to meet all its regulatory requirements and to operate in conformity to prevailing legislative framework in the country.

The Board takes responsibility for ensuring the integrity of the Company's accounting and financial reporting systems and that relevant systems of control, risk management and compliance with legislation are in place. To foster effectiveness, Board members have unrestricted access to information regarding the Company's affairs and this is availed through Board meetings and circulation of board papers.

Board composition and structure

The company acknowledges that diversity and inclusivity is important in decision-making processes and has a vast array of experience in its Board of Directors covering accounting, economics, legal, corporate finance, investments, built environment, business administration and executive management. The Board comprises of nine Directors, two of whom are Executive Directors. The Board is chaired by an independent non-executive director and has 4 female members and 5 male members.

The company's non-executive directors are required to retire on a rotational basis each year along with any director(s) appointed to the Board during the year. The Executive Directors are employed under performance driven service contracts setting out responsibilities of their particular offices.

The Board is supported by various Committees in executing its responsibilities. The Committees meet at least quarterly to assess and review the Group's performance and to provide guidance to management on both operational and policy issues. The Group from time to time reviews the number of Committees as necessitated by the prevailing environment. Each Committee acts within certain written terms of reference under which certain functions of the Board are delegated with clearly defined objectives. The terms of reference and composition of the Committees are determined and approved by the Board. The Board monitors the effectiveness of controls through reviews by the Audit Committee and independent assessment by the independent auditors.

Board Appointments

Pursuant to retirement by rotation of two directors (Ms. S. Mutangadura and Mr. H. Munyati) during the AGM, held in 2023, the two non-executive directors were appointed in September 2023 to replace the retired members. Mr Terence Chaparamhosva and Ms Inocencia Tigere were appointed to the Board of Directors. Both members are independent non-executive directors.

Board gender diversity



STATEMENT OF CORPORATE GOVERNANCE (continued)

COMMITTEE	MEMBERS	COMMITTEE RESPONSIBILITIES
Audit	Terence Chaparamhosva Patronella Musarurwa Tandiwe Masunda	The Audit Committee's main mandate is to ensure financial discipline within the Group, sound corporate values and implementation of appropriate financial procedures. This Committee is further tasked with reviewing and approving the quarterly, bi-annual and annual consolidated financial statements of the Group, dividend proposals and considering any accounting policy changes. The Committee is chaired by an Independent Non-Executive Director and is composed of two other Non-Executive Directors.
Human Resources and Remuneration	Mubaiwa Mubayiwa Grace Bema Terence Chaparamhosva	The Committee has the mandate to ensure that the Group adopts market related remuneration policies. It deals with staff welfare issues, succession planning and approves compensation systems for the Group. The Committee is chaired by a Non-Executive Director and comprises of two other Non-Executive Directors.
Governance, Risk & Compliance	Patronella Musarurwa Inocencia Tigere Brilliant Shumba	The Committee has an independent, oversight role with responsibility for monitoring and reporting on the Group's compliance with legislative framework, industry practices and other regulatory requirements. It has a mandate to oversee the risk management practices of the Company. The Committee is chaired by an Independent Non-executive Director and has two other Non-executive Directors.
Investments	Brilliant Shumba Grace Bema Mubaiwa Mubayiwa Tandiwe Masunda Inocencia Tigere	The Committee reviews performance of the Group's investment property and makes recommendations to the Board concerning new investment proposals as well as approving the financing arrangements. The Committee is chaired by a Non-Executive Director and comprises of four other Non-Executive Directors.
Nomination	Patronella Musarurwa Brilliant Shumba Mubaiwa Mubayiwa	The role of the Nomination Committee is to consider the composition of the Board and its Committees, the retirement, appointment and replacement of directors and make appropriate recommendations to the Board. It is chaired by an independent non-executive director and comprises of two other non-executive directors.
Executive Management Committee	Gibson Mapfidza Kudakwashe Musundire Egnes Madhaka Progress Kamonere Michael Ruwende Alice Hill	The Executive Committee comprises of the Managing Director, Chief Finance Officer and other senior management. It meets monthly and is charged with implementing the policies, plans and strategies of the Group as approved by the Board.

STATEMENT OF CORPORATE GOVERNANCE

Board and Committee meeting attendance

	Board	Nomination Committee	Audit Committee	Investments Committee	Remuneration Committee	Risk Committee
Meetings held	5	2	6	4	5	4
G. Bema (Chairperson)	5	N/A	N/A	4	4	N/A
P. Musarurwa	5	2	4	N/A	2	2
B. Musariri	1	N/A	2	1	N/A	N/A
H. Munyati	2	N/A	3	N/A	N/A	2
S. Mutangadura	2	N/A	3	N/A	N/A	2
I. Tigere	2	N/A	N/A	N/A	N/A	2
T. Chaparamhosva	2	N/A	2	N/A	2	N/A
T. Masunda	3	N/A	3	3	N/A	N/A
M. Mubayiwa	5	2	N/A	4	4	N/A
B. Shumba	5	2	N/A	4	N/A	4

Board and statutory meetings

The Board meets regularly and guides corporate strategy, risk management practices, annual budgets and implementation of business plans. Special Board meetings are convened on an ad-hoc basis when necessary to consider issues requiring urgent attention or decision. The Company's shareholders meet at least once every year at the Annual General Meeting. The Company's 56th Annual General Meeting was held on the 8th of June 2023.

Communication systems and stakeholder management

The Group communicates with its stakeholders using various ways and platforms. At Annual General Meetings, shareholders are given the opportunity to interact with the board and management as well as to exercise their vote on matters which are on the agenda. Information is disseminated by means of notices to shareholders, press announcements of quarterly and year-end results, analysts' briefings, annual reports to shareholders and content shared via the website. Further, Company announcements and corporate information are available to investors on the Company's website. The Company also encourages direct communication through its Company Secretary or its Transfer Secretaries.

Directors' declarations

As provided by the Companies and Other Business Entities Act (Chapter 24:31) and the Company's Articles of Association, the Directors are required to declare at any time during the year in writing whether they have any material interest in any contract of significance with the Group or in relation to any other business of the company which could give rise to conflict of interest.

Share dealing

In line with the Zimbabwe Stock Exchange Listing Requirements (SI 134 of 2019), directors, officers or employees of the Company are not permitted to deal directly or indirectly in the Company shares during closed periods or based on unpublished price-sensitive information regarding its business or affairs.

Directors' remuneration

Remuneration packages for the Executive directors are determined by the Human Resources and Remuneration Committee as informed by market consultations and the Group's compensation system. The Committee seeks to ensure that the Group is geared to compete at the highest levels by attracting and retaining high calibre individuals who contribute fully to the success of the business.

Stakeholders

Mashonaland Holdings Limited believes that maintaining sound relationships with its stakeholders is key to sustainable value creation for the organisation. The Company implements an approved annual social corporate responsibility programme. Employee engagement programmes and customer care trainings are conducted periodically. The company also participates in various activities organised by the entity's regulators and industry partners.



2023 SUSTAINABILITY REPORT

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We are targeting to grow our business in a manner which ensures adherence to sustainable business practices.

INTRODUCTION

The company has over the years developed expertise in Property Research and Development, Property Management and Facilities Management. Our primary goal is to maximize the potential of property investments under our management to deliver quality earnings, underpinning growth, and sustained value creation for all stakeholders. This is delivered through taking a holistic approach towards the application of Environmental, Social and Governance (ESG) Principles in our day-to-day business activities to ensure positive impact and mutually beneficial relationships with stakeholders.

Sustainability Data

This report was prepared using both quantitative and qualitative data extracted from company records, policies, and persons responsible in the Key Results Areas ("KRA") of sustainability impacts for the Company. In some cases, assumptions are made and confirmed for consistency with business activities. The Company continues to review its measurement systems for consistency on sustainability data.

Reporting Frameworks

This report was prepared with due consideration of the following reporting requirements:

- ZWS ISO 26000:2010
- The Companies and Other Business Entities Act [Chapter 24:31].
- Statutory Instrument ("SI") 134 of 2019 Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) Rules, 2019.
- International Financial Reporting Standards (IFRS).
- Global Reporting Initiative (GRI) Standards.

The report was also prepared using ZWS ISO 26000:2010, the international ISO guidance standard adopted by Zimbabwe, providing the framework to integrate Social Responsibility (SR) into the values and practices of the Company. It identifies our key stakeholders, how we relate with them and deliver on their expectations.



OUR SUSTAINABILITY STRATEGY

Mashonaland Holdings Limited approach to sustainability follows a clearly defined path in its pursuit of building solid relationships with stakeholders in a sustainable manner. This approach is within the confines of the following over-arching parameters:

Underpinning tenet:

To provide value to all our stakeholders in a sustainable manner by considering the sustainable development goals that are linked to each and every process and activity.

How we win

1. *By offering mutually beneficial and sustainable solutions to all stakeholders, internal and external.*
2. *Taking accountability of all our activities to promote ownership of processes that contribute to the well-being of the essential 3Ps (Profit, People and the Planet).*
3. *Having zero tolerance to harm towards people and the physical environment to ensure continuity and upholding our duty of care.*
4. *Considering the Sustainable Development Goals (SDGs) that are linked to our activities and processes and actively monitoring progress and performance.*
5. *Compliance with all legal and other regulatory requirements in which our business operates within.*
6. *Commitment and continual engagement of all our key stakeholders.*
7. *Continual improvement of all our systems that contribute to the satisfaction of all our stakeholders.*

Sustainability Approach

The company's approach to sustainability takes a look at the following Key Result Areas, (KRAs) where the company aims to benchmark its operations against global best practices.

1. Environmental Stewardship
2. Energy
3. Waste Management
4. Emissions
5. Our People
6. Local Communities
7. Stakeholder Engagement
8. Contribution to Sustainable Development Goals
9. Economic Contributions

MHL SUSTAINABILITY APPROACH AT A GLANCE



Environmental Stewardship & Waste Management

The 2023 operating year was associated with long hours of load-shedding and most companies relied on diesel powered generators as an alternative source of power. Mashonaland Holdings Limited ensured that all generator emissions were subject to regular checks and audits from Environmental Management Agency (EMA) to ensure all emissions were within approved thresholds. Furthermore, periodical servicing of generators helped to prevent release of harmful substances into the atmosphere.

During the course of the year, the Company also participated in a number of environmental wellness initiatives. One of the initiatives, included capacitating local authorities in terms of waste collection and management in Harare Central Business District. The group made a donation of litter bins to the local authority, which were placed in selected streets in Harare.



One of the bins donated by MHL to Harare City Council

CLIMATE CHANGE AND CARBON EMISSIONS

The company is headquartered at ZB Life Towers, 77 Jason Moyo Avenue, Harare. The building is powered by electricity from the national grid but during load shedding, power is provided by standby diesel generator. The generator is subject to annual carbon emissions and monitoring in line with the provisions of Environmental Management Act.

During the course of the year, the generator's emissions were within the acceptable range (green band)

Diesel Consumption

2023 Consumption	2022 Consumption
3,600 Litres	4,200 Litres

Fuel consumption was lower in 2023 compared to the prior year owing to improved supply from the ZETDC.

Further the company sought to achieve energy efficiency by ensuring that its generators are maintained at peak / optimal performance. The company sought and maintained licences from the Environmental Management Agency (EMA) to confirm energy efficiency.



SUSTAINABLE DEVELOPMENT GOALS

Mashonaland Holdings Limited contribution towards attainment of SDG's

Sustainable goal	Mashonaland Holdings Limited's contribution
 <p>GOOD HEALTH & WELLBEING</p>	<ul style="list-style-type: none"> • During the year 2023, employees and their immediate families continued to receive medical insurance fully covered by the company. • To improve access to quality health care and curtail policy “shortfalls” when seeking medical attention with ZWL medical insurance policies, the company fully migrated to USD insurance cover for all staff members. • During the same period under review, there were no major disease outbreaks or pandemics that affected staff members. Regardless, there is a standing policy that provides for financial assistance to staff members in cases where medical insurance maybe inadequate for specified procedures.
 <p>GENDER EQUALITY</p>	<ul style="list-style-type: none"> • As at year-end, board gender diversity ratio was 4 females to 3 males (non-executive directors). • Staff gender diversity ratio was as 10 females to 13 males as at 31 December 2023. • Executive Management gender ratio was 3 females to 4 males.
 <p>CLEAN WATER AND SANITATION</p>	<ul style="list-style-type: none"> • The company manages an expansive portfolio of properties. • In all these properties, the provision of clean potable water is guaranteed. • Through an internal Maintenance and Facilities Management team, regular maintenance of pipework is done to ensure the health of tenants and employees is not compromised. • Regular effluent monitoring and management is also performed to ensure our facilities do not contaminate clean water systems.
 <p>DECENT WORK AND ECONOMIC GROWTH</p>	<ul style="list-style-type: none"> • The company subscribes to the principle of being an “Equal Opportunities Employer”. • During the year 2023, the company undertook regular salary reviews to ensure that remuneration is commensurate with obtaining cost of living. • All the company's various property development projects are responsive to the central government's drive towards national infrastructural development and economic growth.
 <p>SUSTAINABLE CITIES AND COMMUNITIES</p>	<ul style="list-style-type: none"> • The company is an active member of the Zimbabwe Green Buildings Council whose mandate is to advocate for the adoption of sustainable building concepts in the local BUILT environment. • Within its own portfolio, the company continues to steer towards adoption of clean alternative energy through adoption of solar energy. • Additional initiatives such as rainwater harvesting, maximum usage of natural light have already been provided for in the ongoing property development projects. • Where diesel powered generators are used as back-up power, the company has Carbon Emissions Licences for every generator set. These licences are renewed every year upon satisfactory inspections and audits by Environmental Management Agency (EMA). As of 31 December 2023, all generator sets were licenced and were in compliance with the set carbon emission parameters.
 <p>RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<ul style="list-style-type: none"> • The company is mindful of ensuring responsible consumption of resources. • During the year 2023, all buildings that were alternatively powered by generators, underwent regular carbon emission audits and compliance checks as administered by the Environmental Management Agency (EMA). • The company continued with its digitisation & automation initiatives aimed at reducing waste and improving efficiencies. Through automation of some processes paper usage has significantly reduced. • For its entire residential portfolio, the company also managed to migrate to solar energy. This is the case for the current development projects.

STAKEHOLDER MANAGEMENT

Stakeholder	Key Engagements	Key Interests	Engagement Outcomes	SDG's Supported
Investor Community	<ul style="list-style-type: none"> Annual General Meeting Annual Report Regular market updates 	<ul style="list-style-type: none"> Exceptional and sustainable business performance Achievement of minimum expected return on investment Shareholder value growth Accounting and transparency underpinned by total compliance to corporate governance principles, practices and leadership 	<ul style="list-style-type: none"> Resilient business performance amid challenging economic headwinds Increased shareholder value as demonstrated by our annual results 	<ul style="list-style-type: none"> SDG 8 - Decent work & economic growth SDG 9 - Industry innovation & Infrastructure
Board of Directors	<ul style="list-style-type: none"> Board meetings Annual General Meeting Business Performance Updates 	<ul style="list-style-type: none"> Implementation of the company's long term strategy Achievement of minimum expected return on investment Shareholder value growth Compliance to corporate governance principles, practices and leadership Profit optimisation 	<ul style="list-style-type: none"> Resilient business performance amid challenging economic headwinds Increased shareholder value Unqualified opinion from external auditors Key milestones recorded in strategy implementation 	<ul style="list-style-type: none"> SDG 8 - Decent work & economic growth SDG 9 - Industry innovation & Infrastructure
Media	<ul style="list-style-type: none"> Analyst and Media Briefings Media Responses Press Releases 	<ul style="list-style-type: none"> Information regarding the operations of the business Telling the MHL story to inform and empower all stakeholders 	<ul style="list-style-type: none"> Positive coverage of MHL operations and brand Support for MHL initiatives and events 	<ul style="list-style-type: none"> SDG 17 - Partnership for goals
Employees	<ul style="list-style-type: none"> Quarterly staff updates Annual strategy formulation exercise Engagement survey Quarterly performance review sessions 	<ul style="list-style-type: none"> High performance and high engagement culture Regular communication on company performance and strategy Fair remuneration Training and development support Enforcement of safety, health and hygiene regulations at the workplace 	<ul style="list-style-type: none"> Regular review of remuneration in line with the cost of living Staff participation in strategy formulation and overall alignment to business objectives Support towards personal development 	<ul style="list-style-type: none"> SDG 1 - No poverty SDG 2 - Zero Hunger SDG 3 - Good health & well-being SDG 8 - Decent work & economic growth
Tenants	<ul style="list-style-type: none"> Online Meetings Physical Meetings Memos Monthly Account Statements 	<ul style="list-style-type: none"> Functional workplace that allows them to conduct their business without constraint Fair rental Regulator engagements with the Account Manager / Property Manager or Managing Director 	<ul style="list-style-type: none"> High lessee/lessor engagement Market informed rent reviews Quick query resolution Excellent customer service 	<ul style="list-style-type: none"> SDG 9 - Industry innovation & Infrastructure SDG 11 - Sustainable cities & communities
Regulators	<ul style="list-style-type: none"> Annual Audit Quarterly Seminars 	<ul style="list-style-type: none"> Compliance and promotion Participation at regular events Information sharing 	<ul style="list-style-type: none"> Participation in all regular initiatives, events Provision of information upon request 	<ul style="list-style-type: none"> SDG 17 - Partnership for the goals
Environment	<ul style="list-style-type: none"> Day to day operations Property management and/or investment decisions 	<ul style="list-style-type: none"> Implementation of the ESG framework and its principles Adoption of sustainable energy solutions Active contribution towards the reduction of carbon footprint Observation of modern property and facilities management practises 	<ul style="list-style-type: none"> Carbon emission certificates Annual ESG report Positive contribution towards the future well-being of the environment 	<ul style="list-style-type: none"> SDG 6 - Clean water & sanitation SDG 7 - Affordable & clean energy SDG 11 - Sustainable cities & communities SDG 13 - Climate action
Society	<ul style="list-style-type: none"> Corporate Social Responsibility Initiatives 	<ul style="list-style-type: none"> Consistent implementation of the ESG framework and principles Infrastructure inclusion Responsive Corporate Social Responsibility initiatives 	<ul style="list-style-type: none"> Responsive Corporate Social Responsibility Initiatives Contribution towards inclusive infrastructure 	<ul style="list-style-type: none"> SDG 1 - No poverty SDG 2 - Zero Hunger SDG 3 - Good health & well-being SDG 8 - Decent work & economic growth

CORPORATE SOCIAL RESPONSIBILITY - 2023 Initiatives

Refurbishment of the Deeds Office Search Hall (Central Registry)

Our flagship initiative for the year was sponsoring the refurbishment of the Deeds Office Search Hall at the Deeds Registry Building in Harare. This intervention was motivated by appreciation of the importance of the Deeds Office in the real estate industry value chain whilst also considering the reported operational challenges faced by the entity ultimately affecting service delivery. The Deeds office plays a central role in enabling real estate investment transactions and its operational challenges are felt by all players in the industry. The building was in a deplorable state owing to years of wear and tear as well as inadequate maintenance of facilities. Broken floor tiles, an almost collapsing ceiling due to unmitigated roof leaks, broken glass panels and windows, old and disfigured filing cabinets and non-functioning lighting system were some of the areas that were refurbished.



The newly installed front office counter, fitted with modern designs, glass demarcation and a marble top counter and the Plaque handover by MHL Managing Director, Gibson Mapfidza, to the Chief Registrar, Mr. W. Mushayi.

Nutritional Support for Children Living With Cancer

During the year, Mashonaland Holdings Limited provided nutritional support in form of food hampers to KidzCan. This is a non-governmental organisation that focuses on paediatric cancer in Zimbabwe. Their mission is to increase survival rate and ensure improved quality of life for children living with cancer in a caring environment. KidzCan relies heavily on donations and various fundraising activities. They provide chemotherapy drugs, diagnostics, bus fares, food hampers, hygiene hampers, psychosocial support, awareness amongst other services an institution that specialises in providing medical and psycho-social support to children living with cancer in Zimbabwe. We were advised that during chemotherapy treatment, most children's recovery and healing is affected by their limited access to balanced diets.



Food Hampers Handover to the KidzCan in Harare

CORPORATE SOCIAL RESPONSIBILITY - 2023 Initiatives (continued)

Digital Inclusion - Rural Schools

Though there has been notable growth of digital inclusion in Zimbabwe, some students especially those drawn from rural and disadvantaged areas remain digitally excluded. Computer literacy, access to the internet, online research are some of the fundamental tools that learners are now empowered with in their day-to-day academic endeavours. Sadly, for some rural based learners, this remains an elusive dream. During the year, the company identified four (4) schools drawn from Nyanga, Bindura, Marondera and We then sponsored VSAT internet connectivity (Equipment plus 6 months internet subscriptions) as part of driving digital inclusion and empowering these learners. An average of 5,000 students were positively impacted as they now have access to the internet.



Handover of Branded Plaques at Domboramwari High School (Epworth) and Tombo Primary School (Nyanga) to signify the internet connectivity done at the schools

Empowering Rural Women

Access to health and healthcare accessories remains a fundamental challenge facing most Zimbabweans especially those who come from underprivileged and rural societies. The rural based girl child and women are generally the most vulnerable as most cannot afford basic women's health accessories such as sanitary wear. During the year, the company partnered with Tamba Washables, a company that specializes in the manufacturing of washable pads, baby cloth diapers, diapers for children with special needs and other related products. Our partnership achieved the following deliverables:

- Donated 500 reusable sanitary wear to rural girls.
- Trained more than 1,000 rural women how to tailor make or sew the reusable pads.
- Donated 5 domestic motorized sewing machines, 1 industrial sewing machine to capacitate rural women to sew their own sanitary wear.



Collage showing rural girls received donated sanitary wear and ladies being taken through practical lessons on reusable pad making

ECONOMIC CONTRIBUTIONS

i. Taxation

The company paid taxes amounting to ZWL666 841 255 (2022: ZWL287 902 400) which represents a 132% increase from 2022 based on operating profit to Zimbabwe Revenue Authority (ZIMRA).

ii. National Infrastructure Development

During the course of the year, the company completed construction of the Milton Park Day Hospital in Harare at the tune of US\$3,5mln. Furthermore, the company commenced development of the Pomona Commercial Centre in Pomona, Harare to the tune of US\$15mln. As of 31 December 2023, the project was 40% complete.

iii. Special Infrastructure Needs

The company operates the Chiyedza House SME Flexible office facility in Harare. The facility provides workspace for Small to Medium Entrepreneurs done via a less rigorous and "KYC-Lite" application process. The mantra behind this initiative is to ensure increased access to infrastructure for

all regardless of economic class, background, and balance sheet size. As at 31 December 2023, the facility housed 58 entrepreneurs who are supported by WI-FI, Boardroom, Telephone and Receptionist services. During the year, the company also commissioned the Chiyedza House SME Centre, which provides 36 retail shops for small to medium entrepreneurs. These are also available on flexible leasing terms so as to provide SMEs with access to decent trading space.

iv. Promoting economic development

The Group's real estate activity contributes towards stimulating economic growth in various ways including the value-added impact of the purchase of goods and services that stem from implementation of property development projects and real estate transactions. The company also sponsors and participates in Property Market Forums to enhance discussion and awareness on economic issues that affect the real estate sector. Such forums include the ZimReal Forum event and Estate Agents Council billboard sponsorship.



OUR PEOPLE

i. Promoting diversity in the workplace

Mashonaland Holdings Limited recognizes that gender balance at the workplace is vital for sustainable value creation. As at 31 December 2023, the company had a healthy gender mix at Board level with a ratio of 4 females to 3 males on the non-executive directors' panel. Furthermore, a 50-50 healthy gender mix also subsisted for the Executive Management level. The company continues to make conscious effort to promote female applicants in recruitment processes in order to foster gender balance within the workplace.

ii. Investment in company staff

The company acknowledges that one of the keyways to embed sustainability in a corporate entity is to enhance employee engagement. Mashonaland Holdings understands that its employees are important in the successful implementation of the company strategy. The company has a performance management system which links company strategy to employee goals. During the year 2023, an employee engagement survey was conducted as part of the long-term Culture Work and the results of the survey are used to inform decision making when cultivating remuneration packages, improving employee welfares, workplace standards and enhancing work output.

An employee engagement score index of 77% was achieved during the year. Every employee has a Personal Development Plan which speaks to personal aspirations and seeks to align those aspirations to the individual's role in the company. The company also assists staff financially to attain goals on the approved personal development plans.

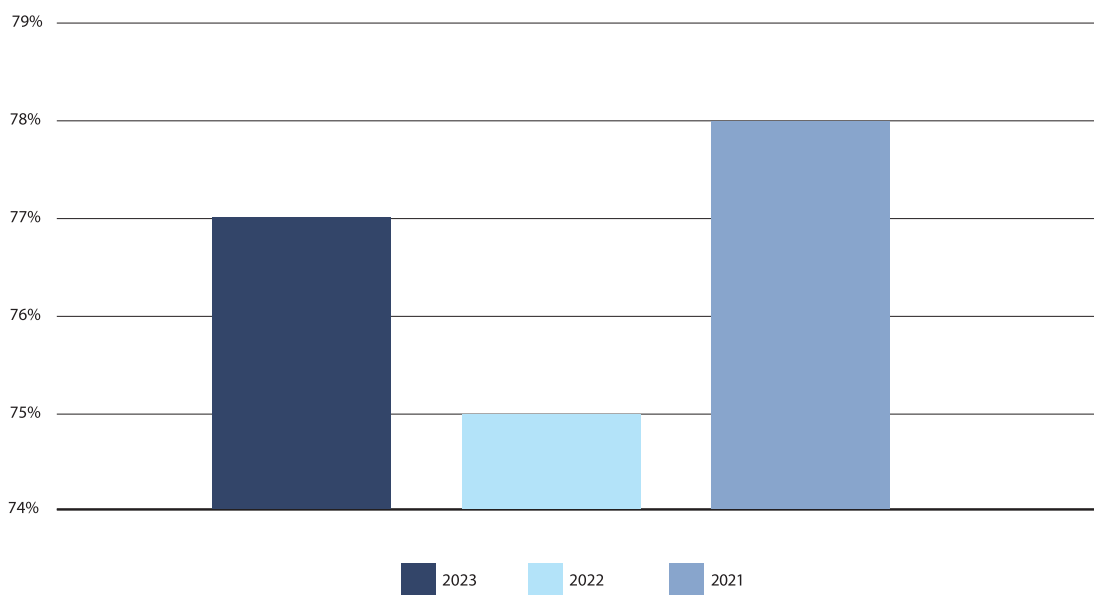
iii. Employee Engagement

The company engaged as external consultant to execute an independent employee engagement survey. The survey's key objective is to assess the degree to which employees are connected to the vision of the business and identify gaps that can be addressed by management. The image below shows the executive summary of the 2023 Employee Engagement Survey.

iv. Employee Recognition

The company also launched an employee performance recognition scheme named "MHL Staff Blue Card Scheme" to complement the existing performance recognition tools. The primary focus of the scheme is to encourage on the spot peer-to-peer recognition of outstanding performance and cross functional recognition of outstanding performance.

Overall employee engagement



AWARDS

Awards During The Year - 2023



Some of the annual accolades awarded to the three top performing employees for the year 2023



A sample of the Blue Cards that staff members use for on the spot recognition



MHL Managing Director, Gibson Mapfidza was recognized as the runner up in the Director of The Year - Large & Listed Category



MHL Board Chairman, Eng Grace Bema was recognized as the runner up in the Women Director of The Year Category

AWARDS (continued)

Other Awards Attained During The Year - 2023



MHL Board Chairman, Eng Grace Bema and Managing Director, Gibson Mapfidza, receiving the accolades for “Best Board Chairman” and “Best Board Diversity” from the Institute of Corporate Directors Zimbabwe (ICDZ)



MHL Company Secretary, Egnés Madhaka emerged victorious in the “Best Company Secretary” category by the Institute of Corporate Directors Zimbabwe (ICDZ)

CORPORATE AWARD - BEST TANGIBLE INVESTOR RETURNS AWARD - 2023



RISK REPORT

Risk management approach

The MHL Board through the Governance, Risk and Compliance Committee provides oversight on the implementation of the company's risk management framework and strategy. The company follows a comprehensive approach to risk management that includes risk identification, risk evaluation and designing of mitigation strategies. Risk identification is conducted at every level of the entity and there is ongoing evaluation of the operating environment to ensure a proactive and adaptive approach to risk management which includes tailoring risk management strategies to the nature of identified threats.

The company's risk management framework is aligned to ISO 31000 and 27000-5 International Risk Management Standards and the overall objective of the risk management framework is to ensure that existing internal controls are adequate to mitigate the organization's compliance, governance and operational risk levels and to ensure that management processes are effective and efficient and organizational goals and strategic objectives are met.

Whistle Blowing

In order to manage fraud risk, corruption, bribery and related incidents, the Group subscribes to the Deloitte & Touche Tip off Anonymous mechanism and encourages all employees to report any suspicious or actual policy breaches without fear of being victimized. The company has established appropriate channels where employees can disclose unethical conduct and criminal behaviour without fear of victimization.

Customer Complaints Register

The company has a mechanism for handling customer complaints which enables customers to log in complaints and queries regarding operational issues. Customer queries help in the identification of areas where the business may be falling short and provide insight into areas where improvements can be made.

TIP-OFFS
ANONYMOUS



Major risk exposures

The prevailing economic environment in Zimbabwe is volatile and remains uncertain, which generally makes the operating environment for businesses to be risky. The following are some of the major risks for which the business has put in place measures to minimise their impact on the attainment of key strategic objectives.

Risk definition and impact	Risk mitigation strategies
<p>Environmental risk Risk of failure to preserve environmental integrity when implementing development projects which may result in environmental degradation.</p>	<p>The company ensures that every project is preceded by an approved environmental impact assessment and an environmental management plan designed to preserve the environmental integrity of our operational areas and development sites. The company also complies with Local Authorities zoning and land use by-laws to enable the sustainable use of land resources. The company works with reputable environmental consultancy firms to monitor implementation of strategies to preserve the environment.</p>
<p>Market risk The operating environment is inflationary and the company faces risk of loss of value on rentals.</p> <ul style="list-style-type: none"> • The environment has resulted in a mismatch between cost of construction and rentals earned from properties. • Adverse macroeconomic conditions may affect the demand for projects. 	<p>Management has responded by pre-purchase of key building materials on all projects.</p> <p>Evaluation of financial risks and indicators prior to commencement of development activity.</p> <p>Management intends to enhance the Research thrust to enable informed and optimal decision making in the difficult environment.</p>
<p>Liquidity risk The risk that available liquid assets will be insufficient to meet changing market and business conditions, liabilities, funding of operational and capital expenditures.</p>	<p>Cash flow management strategies are in place, which include regular cash flow forecasting.</p> <p>Liquidity stress testing at Group level is being done as part of forward-looking management of the risk.</p> <p>Liquidity contingency plans are in place for all the businesses operations.</p> <p>The company ensures that expenditures are in line with approved Budget for the year and cost containment measures are implemented at all levels of the business.</p> <p>Conducting thorough market and financial feasibility studies prior to project commencement.</p>
<p>Regulatory and compliance risk The risk of failure to comply with regulations resulting in reputational damage, penalties, and interest charges.</p>	<p>The company maintains a zero-tolerance to non-compliance approach and ensures that all legal and regulatory developments are closely tracked and relevant compliance mechanisms are timeously implemented.</p> <p>All the key regulators have been identified and registers put in place to track compliance status. The Company has green status rating in terms of compliance with ZIMRA and RBZ regulatory requirements.</p> <p>The company has compliance programmes in place to enable monitoring of compliance with key regulatory aspects like AML/CFT regulations, data protection regulations and taxation requirements.</p>
<p>Project management risks The risk of failing to realize intended benefits from property development projects after significant investments have been made. This could be a result of cost and time overruns, poor market demand, price inflation etc.</p>	<p>The company ensures that every project is governed by a project charter stipulating performance parameters and delivery timelines. A project steering committee is appointed to oversee project delivery and management.</p> <p>Pre-sale and pre-lease arrangements are brokered prior to acquisition of land and commencement of development works.</p> <p>Management meetings and Board Investments committee meetings are done to support the steering committee and provide further oversight on project implementation.</p>
<p>Default and credit risk Failure to pay rentals completely by tenants thereby affecting company cashflows.</p>	<p>Registration of security over any loans issued by the company.</p> <p>Careful selection and vetting of prospective tenants (screening of PEPs, financial checks by credit bureaus.</p> <p>Active engagement of debtors and instituting litigation where internal follow up measures have failed. Negotiating USD rentals with tenants to preserve value especially in cases of late payments. Application of late payment penalties to manage loss of value on unpaid rentals.</p>
<p>Increasing competition</p>	<p>Diversifying the business portfolio to align with current demand in the property sector and creation of innovative, customer-oriented leasing space solutions for tenants e.g flexi leasing space.</p>
<p>Supply chain management risk</p>	<p>All procurement activities follow guidelines in the Procurement policy and relevant approvals from the Procurement Committee are required to initiate any process. Only suppliers registered on the vetted Supplier list are used, due diligence checks on supplier capabilities are done.</p> <p>The company also adopts sound contract management processes which include provision of penalties for late delivery, performance security, defects liability bonds and advance payment guarantees to ensure effective performance of contractual obligations.</p>

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Our revenue and operating profit for the year ended 31 December 2023 increased by 85% and 422%, respectively.



COMPLIANCE AND DECLARATIONS

Certificate of Compliance by Company Secretary

In my capacity as Company Secretary, I hereby confirm that, for the year ended 31 December 2023, the Company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31), and that all such returns are true, correct and up to date.



Egnés Madhaka
Company Secretary
26 March 2024

Declaration by Chief Finance Officer

These annual financial statements have been prepared under my supervision as Group Chief Finance Officer. I confirm that I am a member of the Institute of Chartered Accountants of Zimbabwe (ICAZ) and also a member of the Public Accountants and Auditors Board (PAAB).



Kudakwashe Musundire
Chief Finance Officer
26 March 2024

Directors' responsibility statement

Corporate governance

In its operations, Mashonaland Holdings Limited together with its subsidiaries "the Group" is guided by principles of good corporate governance and best practice as set out in the King Codes, the Zimbabwe National Code on Corporate Governance and the Zimbabwe Stock Exchange Listing rules. The Directors of the Group are cognisant of their responsibility to exercise the duty of care and to act in good faith in order to safeguard the interests of all stakeholders.

Board of Directors

Board appointments are made in a manner that ensures an adequate mix of skills and expertise on the Board. The majority of the Group's Directors are independent non-executive and thus provide the necessary checks and balances on the Board and ensure that the interests of all stakeholders are taken into account in the decision-making process. The Chairman of the Board is an independent non-executive Director. The Board is assisted by various committees in executing its responsibilities. The Board meets at least quarterly to assess risks, review financial performance and provide guidance to management on operational and policy issues.

Internal financial controls

The Board is responsible for ensuring that effective internal control systems are implemented within the Group. The Group has comprehensive risk management and loss control procedures in place. The Group maintains internal controls and systems designed to provide reasonable assurance of the integrity and reliability of its records, safeguard the assets of the Group and prevent and detect fraud or errors. The Audit Committee reviews and assesses the internal control systems of the Group in key risk areas. The Audit Committee assesses the efficiency of the internal control system and makes recommendations for improvement to the Board of Directors. During the period under review nothing has come to the attention of the Directors that indicates any material breakdown in the functioning of the key internal controls and systems during the period under review.

Responsibility

The Directors of the Group are responsible for preparing financial statements and other information presented in the annual report in a manner that fairly presents the state of affairs and results of the operations of the Group as mandated by the Companies Act. The external auditors are responsible for carrying out an independent audit of the financial statements in accordance with International Standards on Auditing and reporting their findings thereon.

The Group's inflation adjusted consolidated financial statements for the year ended 31 December 2023 have been prepared in accordance with the requirements of International Financial Reporting Standards (IFRS), except for International Accounting Standard (IAS) 21 – "The Effects of Changes in Foreign Exchange Rates" as highlighted under note 1(c), the Zimbabwe Stock Exchange Listing requirements and in the manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) (COBE). These consolidated financial statements are based on appropriate accounting policies and are supported by reasonable and prudent judgements and estimates having been prepared under the supervision of Kudakwashe Musundire who is the Chief Finance Officer of the Group. Kudakwashe Musundire is a qualified Chartered Accountant and is a member of the Institute of Chartered Accountants Zimbabwe ("ICAZ") and the Public Accountants and Auditors Board ("PAAB"), PAAB registration number 0458.

Going concern

The Directors assessed the ability of the Group to continue operating as a going concern and believe that the use of the going concern assumption is appropriate in the preparation of these inflation adjusted financial statements.

Remuneration

The Remuneration Committee determines the remuneration policy for the Group. The remuneration policy is formulated to attract, retain and motivate top-quality people in the best interests of shareholders. Remuneration arrangements are designed to support the Group's business strategy, vision, and conform to best practices. Total rewards are set at levels that are competitive within the context of the relevant areas of responsibility and the industry in which the Group operates.

Regulation

The Group is subject to regulation and supervision by the Zimbabwe Stock Exchange among other regulators. Where appropriate, the Group participates in industry-consultative meetings and discussions aimed at enhancing the business environment.

Ethics

As a Group, we aim to ensure that we adhere to the highest standards of responsible business practice. The Group is committed to excellence and pursues outstanding performance in every activity. Directors and employees are required to observe the highest ethical standards, ensuring that the business practices are conducted in a manner which is beyond reproach. The Directors and Key Management sign a declaration of interest for any conflict arising in carrying out their effective roles and responsibilities to the Group. Furthermore, all employees are required to observe the Group's Code of Ethics. The Group is a subscriber to an independently managed fraud hotline system.

Approval of consolidated inflation adjusted financial statements

The consolidated inflation adjusted financial statements for Mashonaland Holdings Limited and its subsidiaries for the year ended 31 December 2023, were approved by the Board of Directors on 26 March 2024 and signed by:

Harare
26 March 2024


Eng. G. Bema
Board Chairperson

Harare
26 March 2024


G. Mapfidza
Managing Director

Harare
26 March 2024


K. Musundire
Chief Finance Officer

Independent Auditor's Report



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TO THE SHAREHOLDERS OF MASHONALAND HOLDINGS LIMITED

REPORT ON THE AUDIT OF THE INFLATION ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS

Adverse opinion

We have audited the accompanying inflation adjusted consolidated financial statements of Mashonaland Holdings Limited and its subsidiaries ("the Group") set out on pages 41 to 83, which comprise the inflation adjusted consolidated statement of financial position as at 31 December 2023, and the inflation adjusted consolidated statement of profit or loss and other comprehensive income, the inflation adjusted consolidated statement of changes in equity, and the inflation adjusted consolidated statement of cash flows for the year then ended, and the notes to the inflation adjusted consolidated financial statements, including a summary of material accounting policy information.

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion section of our report, the inflation adjusted consolidated financial statements do not present fairly, the inflation adjusted consolidated financial position of the Group as at 31 December 2023, and its inflation adjusted consolidated financial performance and its inflation adjusted consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31).

Basis for adverse opinion

Non-compliance with International Accounting Standard (IAS) 21 "The Effects of Changes in Foreign Exchange Rates" with respect to the application of change in functional currency

As explained in Note 1c, the Group has assessed that it has met the indicators stipulated in IAS 21 for reporting in United States Dollars (USD). The Group has however maintained the Zimbabwe Dollar (ZWD) as the functional and reporting currency for the purposes of these inflation adjusted consolidated financial statements while assessing the impact of the long term national monetary policy environment.

IAS 21 requires that the functional currency of an entity reflect the underlying transactions, events and conditions that are relevant to the entity, and to change the functional currency when there is a change in those underlying transactions, events and conditions. Whilst the Group's indicators have provided evidence of a change in functional currency for the entity to United States Dollars from the beginning of the current financial year ended 31 December 2023, management have elected to maintain the Zimbabwe Dollar as the entity's functional currency.

This does not comply with the requirements of IAS 21, which requires that when there is a change in an entity's functional currency, the entity shall apply the translation procedures applicable to the new functional currency prospectively from the date of the change.

We were unable to quantify the effect of the departure from IAS 21, but the effect is considered to be material and pervasive to the inflation adjusted consolidated financial statements as a whole.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the inflation adjusted consolidated financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of inflation adjusted consolidated financial statements in Zimbabwe. We have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.



A full list of partners and directors is available on request
Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

Independent Auditor's Report (continued)

REPORT ON THE AUDIT OF THE INFLATION ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Other information

The directors are responsible for the other information. The other information comprises the Directors' Responsibility Statement, as required by the Companies and Other Business Entities Act (Chapter 24:31), the Analysis of Shareholders and the historical cost financial information, which we obtained prior to the date of this auditor's report and the Annual Report, which is expected to be made available to us after that date. The other information does not include the inflation adjusted consolidated financial statements and our auditor's report thereon.

Our opinion on the inflation adjusted consolidated financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the inflation adjusted consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the inflation adjusted consolidated financial statements

The directors are responsible for the preparation and fair presentation of the inflation adjusted consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies and Other Business Entities Act (Chapter 24:31) and for such internal control as the directors determine is necessary to enable the preparation of inflation adjusted consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the inflation adjusted consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the inflation adjusted consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these inflation adjusted consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the inflation adjusted consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Independent Auditor's Report (continued)

REPORT ON THE AUDIT OF THE INFLATION ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Auditor's responsibilities for the audit of the inflation adjusted consolidated financial statements (continued)

- Evaluate the overall presentation, structure and content of the inflation adjusted consolidated financial statements, including the disclosures, and whether the inflation adjusted consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the inflation adjusted consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the inflation adjusted consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In fulfilment of the requirements of Section 193 of the Companies and Other Business Entities Act (Chapter 24:31) ("the Act"), we report to the shareholders as follows:

Section 193(1)(a)

Because of the significance of the matter described in the Basis for adverse opinion section of our report, the inflation adjusted consolidated financial statements of the Group are not properly drawn up in accordance with the Act and do not give a true and fair view of the state of the Group's affairs at the date of its financial statements for its financial year ended on that date.

Section 193(2)

We have no matters to report in respect of the Section 193(2) requirements of the Act, in addition to those already addressed in the Basis for adverse opinion section of our report.

The engagement partner on the audit resulting in this independent auditor's report is Stelios Michael.



Deloitte & Touche
Chartered Accountants (Zimbabwe)

PER: Stelios Michael
(PAAB Practice Certificate 0443)
Partner
Registered Auditor
Harare, Zimbabwe
26 March 2024

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2023

	Notes	Inflation adjusted		*Historical cost	
		31 December 2023 ZW\$	31 December 2022 ZW\$	31 December 2023 ZW\$	31 December 2022 ZW\$
Revenue	3	33 880 602 311	18 352 957 633	18 891 483 595	2 885 507 337
Property expenses	4	(10 131 137 929)	(8 411 006 424)	(5 031 466 188)	(1 132 311 315)
Net property income		23 749 464 382	9 941 951 209	13 860 017 407	1 753 196 022
Other income	5	7 354 071 151	(1 679 784 622)	5 353 168 460	1 341 644 408
Net exchange gains from operating activities		70 588 762 972	14 421 148 059	21 395 483 195	2 237 279 013
Allowance for credit losses expense		(167 558 271)	(149 936 188)	(376 937 346)	(48 216 587)
Administrative expenses	6.1	(12 884 852 283)	(5 540 648 065)	(7 571 326 873)	(772 101 142)
Operating profit before fair value adjustments		88 639 887 951	16 992 730 393	32 660 404 843	4 511 801 714
Fair value adjustments gain/(loss)		320 800 163 652	85 057 890 107	585 772 729 339	52 254 792 852
Investments held for trading	11	1 570 738 534	(4 820 951 465)	3 577 734 719	169 161 655
Investment property	12	309 772 026 255	89 878 841 572	563 306 759 520	52 085 631 197
Assets held for sale	15	9 457 398 863	-	18 888 235 100	-
Profit before finance income, monetary loss and tax		409 440 051 603	102 050 620 500	618 433 134 182	56 766 594 566
Finance income	7	1 893 450 728	495 901 113	1 086 869 157	88 519 469
Finance costs	8	(1 471 012 287)	(1 287 136 276)	(939 669 146)	(187 801 696)
Exchange losses on borrowings		(33 441 887 362)	(14 569 574 072)	(14 456 505 946)	(1 973 163 350)
Monetary (loss)/gain		(31 796 640 233)	743 217 821	-	-
Profit before tax		344 623 962 449	87 433 029 086	604 123 828 247	54 694 148 989
Tax expense	9	(20 992 097 433)	(4 560 712 730)	(32 829 518 013)	(2 620 223 292)
Profit for the year		323 631 865 016	82 872 316 356	571 294 310 234	52 073 925 697
Total comprehensive profit for the year		323 631 865 016	82 872 316 356	571 294 310 234	52 073 925 697
Total comprehensive profit attributable to the equity holders of the parent		323 631 865 016	82 872 316 356	571 294 310 234	52 073 925 697
Basic and diluted earnings per share – ZW\$	16.1	191.47	49.03	338.53	30.81

* The historical cost results are included as supplementary information; the auditors have not expressed an opinion on the historical results. The notes on pages 45-83 are an integral part of these financial statements.

Consolidated statement of financial position

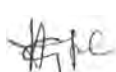
As at 31 December 2023

Notes	Inflation adjusted		*Historical cost		
	31 December 2023 ZW\$	31 December 2022 ZW\$	31 December 2023 ZW\$	31 December 2022 ZW\$	
ASSETS					
Non-current assets					
	656 334 380 131	325 086 344 526	654 938 943 295	67 478 277 716	
Vehicles and equipment	10	1 595 259 236	964 199 108	199 822 400	28 350 455
Investment property	12	646 773 075 000	321 312 542 737	646 773 075 000	66 865 248 000
Long-term receivables	14	7 966 045 895	2 809 602 681	7 966 045 895	584 679 261
Current assets					
	19 913 591 873	26 907 010 464	17 467 342 038	5 474 795 746	
Inventories	13	285 571 970	1 376 710 163	32 970 821	69 653 499
Investments held for trading	11	4 104 137 877	2 535 092 029	4 104 137 877	527 553 502
Contract asset receivable from customers	19.1	2 953 704 198	-	760 055 512	92 278 185
Trade and other receivables	14	11 218 389 577	3 275 573 703	11 218 389 577	681 647 987
Cash and cash equivalents	20	1 351 788 251	19 719 634 569	1 351 788 251	4 103 662 573
Assets held for sale	15	21 366 529 100	-	21 366 529 100	-
Total assets					
	697 614 501 104	351 993 354 990	693 772 814 433	72 953 073 462	
EQUITY AND LIABILITIES					
Equity					
	639 471 149 064	318 304 510 948	636 244 565 409	66 175 591 314	
Share capital	16	576 729 580	576 729 580	843 792	843 792
Share premium	16	1 153 459 471	1 153 459 471	1 687 584	1 687 584
Treasury shares	18	-	-	-	-
Retained earnings		637 740 960 013	316 574 321 897	636 242 034 033	66 173 059 938
Non-current liabilities					
	39 497 260 754	20 667 930 814	39 072 657 195	4 192 594 985	
Non-current portion of borrowings	22	3 717 876 509	4 933 156 834	3 717 876 509	1 026 591 593
Deferred tax	9.2	35 779 384 245	15 734 773 980	35 354 780 686	3 166 003 392
Current liabilities					
	18 646 091 286	13 020 913 228	18 455 591 829	2 584 887 163	
Current portion of borrowings	22	9 100 944 871	5 010 743 533	9 100 944 871	1 042 737 411
Trade and other payables	19	7 044 678 986	5 773 769 712	7 044 678 986	1 201 523 415
Liabilities payable from contracts with customers	19.1	380 161 727	815 127 158	189 662 270	44 858 985
Accruals		2 120 305 702	1 017 242 871	2 120 305 702	211 688 583
Tax payable		-	404 029 954	-	84 078 769
Total equity and liabilities					
	697 614 501 104	351 993 354 990	693 772 814 433	72 953 073 462	

*The historical cost results are included as supplementary information; the auditors have not expressed an opinion on the historical results. The notes on pages 45-83 are an integral part of these financial statements.



Eng. G. Bema
Board Chairperson
26 March 2024



G. Mapidza
Managing Director
26 March 2024



K. Musundire
Chief Finance Officer
26 March 2024

Consolidated statement of changes in equity

For the year ended 31 December 2023

		Inflation adjusted				
Notes	Share capital ZW\$	Share premium ZW\$	Treasury shares ZW\$	Retained earnings ZW\$	Total ZW\$	
Balance at 1 January 2022	610 758 660	1 221 517 564	(2 057 449 003)	237 159 742 771	236 934 569 992	
Profit for the year	-	-	-	82 872 316 356	82 872 316 356	
Dividends declared	-	-	-	(1 502 375 400)	(1 502 375 400)	
Cancellation of treasury shares	18	(34 029 080)	(68 058 093)	2 057 449 003	(1 955 361 830)	
Balance at 31 December 2022	576 729 580	1 153 459 471	-	316 574 321 897	318 304 510 948	
Profit for the year	-	-	-	323 631 865 016	323 631 865 016	
Dividends declared	-	-	-	(2 465 226 900)	(2 465 226 900)	
Balance at 31 December 2023	576 729 580	1 153 459 471	-	637 740 960 013	639 471 149 064	
		*Historical cost				
Notes	Share capital ZW\$	Share premium ZW\$	Treasury shares ZW\$	Retained earnings ZW\$	Total ZW\$	
Balance at 1 January 2022	929 537	1 859 074	(5 184 274)	14 303 772 089	14 301 376 426	
Profit for the year	-	-	-	52 073 925 697	52 073 925 697	
Dividends declared	-	-	-	(199 710 809)	(199 710 809)	
Cancellation of treasury shares	18	(85 745)	(171 490)	5 184 274	(4 927 039)	
Balance at 31 December 2022	843 792	1 687 584	-	66 173 059 938	66 175 591 314	
Profit for the year	-	-	-	571 294 310 234	571 294 310 234	
Dividends declared	-	-	-	(1 225 336 139)	(1 225 336 139)	
Balance at 31 December 2023	843 792	1 687 584	-	636 242 034 033	636 244 565 409	

* The historical cost results are included as supplementary information; the auditors have not expressed an opinion on the historical results. The notes on pages 45-83 are an integral part of these financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2023

Notes	Inflation adjusted		*Historical cost	
	31 December 2023 ZW\$	31 December 2022 ZW\$	31 December 2023 ZW\$	31 December 2022 ZW\$
Cash flows from operating activities				
Profit before tax	344 623 962 449	87 433 029 086	604 123 828 247	54 694 148 989
Adjusted for:				
Finance income	7 (1 893 450 728)	(495 901 113)	(1 086 869 157)	(88 519 469)
Depreciation	10 85 968 539	166 835 805	40 930 858	5 440 331
Allowance for credit losses	167 558 271	149 936 188	376 937 346	48 216 587
Fair value (gain)/loss on investments held for trading	11 (1 570 738 534)	4 820 951 465	(3 577 734 446)	(169 161 655)
Fair value gain on investment property	12 (309 772 026 255)	(89 878 841 572)	(563 306 759 520)	(52 085 631 197)
Fair value gain on assets held for sale	15 (9 457 398 863)	-	(18 888 235 373)	-
Profit on disposal of investment property	(6 275 597 921)	(995 414 775)	(4 612 153 823)	(207 146 149)
Loss/(profit) on disposal of asset held for sale	-	2 910 228 643	-	(1 097 253 079)
Profit on disposal of vehicle and equipment	(37 098 537)	-	(24 116 018)	-
Finance costs	1 471 012 287	1 287 136 276	939 669 146	187 801 697
Unrealised exchange losses	2 842 770 523	7 060 636 569	2 842 770 523	1 469 320 840
Dividend in specie	(48 542 703)	(50 433 951)	(35 741 151)	(9 111 196)
Effects of inflation adjustments	(1 696 076 185)	(6 991 278 761)	-	-
	18 440 342 344	5 416 883 860	16 792 526 632	2 748 105 699
Changes in working capital:				
Decrease in inventories	1 091 138 195	1 538 458 389	36 682 679	89 915 258
Increase in trade and other receivables	(7 942 815 875)	(5 170 714 774)	(10 105 259 565)	(1 242 539 889)
Increase in contract asset with customers	(2 953 704 197)	-	(667 777 327)	(92 278 185)
(Decrease)/Increase in contract liability with customers	(434 965 430)	(1 816 768 214)	144 803 285	44 858 985
Increase in trade and other payables	1 270 909 275	5 202 259 677	5 843 155 571	1 171 690 362
(Decrease)/Increase in accruals	(1 103 062 831)	529 306 489	1 908 617 119	148 882 370
Cash generated from operating activities	5 956 552 983	5 699 425 427	11 109 977 871	2 868 649 229
Tax paid	(666 841 255)	(287 902 400)	(216 975 630)	(56 518 321)
Net cash flows generated from operating activities	8 132 482 251	5 411 523 027	13 735 772 764	2 812 116 279
Cash flows from investing activities				
Interest received	46 033 616	296 291 709	20 082 696	60 150 584
Dividends received	54 237 152	48 586 842	35 642 377	8 727 436
Proceeds on disposal of investment property	9 158 780 859	18 543 211 300	6 861 415 045	2 343 302 723
Proceeds on disposal of asset held for sale	-	2 491 095 728	-	518 397 857
Proceeds on disposal of investments held for trading	-	957 049 110	-	164 193 564
Proceeds from disposal of vehicle & equipment	37 178 574	-	24 168 045	-
Additions of assets held for trading	11 -	(138 145 328)	-	(27 585 701)
Improvements to investment property	(26 212 510 576)	(2 907 626 344)	(17 406 287 246)	(455 145 957)
Acquisition of investment property	-	(12 549 391 190)	-	(1 382 444 206)
Acquisition of vehicle and equipment	10 (717 108 690)	(144 926 671)	(212 454 822)	(18 840 742)
Net cash flows used in investing activities	(17 633 389 065)	6 596 145 156	(10 677 433 905)	1 210 755 558
Cash flows from financing activities				
Loan raised	-	6 989 564 488	-	585 849 482
Loan repayment	(5 390 528 857)	(2 256 450 095)	(3 853 299 101)	(451 128 501)
Finance costs	(1 324 726 756)	(1 287 136 276)	(793 383 616)	(187 801 696)
Dividends paid	(2 151 683 891)	(1 078 476 046)	(1 163 530 464)	(189 663 927)
Net cash flows (used in)/from financing activities	(8 866 939 504)	2 367 502 071	(5 810 213 181)	(242 744 642)
(Decrease)/Increase in cash and cash equivalents	(18 367 846 318)	14 375 170 254	(2 751 874 322)	3 780 127 195
Cash and cash equivalents at the beginning of the year	19 719 634 569	5 344 464 315	4 103 662 573	323 535 378
Cash and cash equivalents at the end of the year	20 1 351 788 251	19 719 634 569	1 351 788 251	4 103 662 573

*The historical cost results are included as supplementary information; the auditors have not expressed an opinion on the historical results. The notes on pages 45-83 are an integral part of these financial statements.

Notes to the consolidated financial statements

For the year ended 31 December 2023

1. BASIS OF PREPARATION

(a) Reporting entity

Mashonaland Holdings Limited ('the Group') was incorporated in Zimbabwe in 1966 and is listed on the Zimbabwe Stock Exchange. The Group's registered office is at 77 Jason Moyo Avenue, Harare. The Inflation adjusted consolidated financial statements of the Group as at 31 December 2023 comprise the Group and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities'). The Group's primary business is property investment and management.

The inflation adjusted consolidated financial statements of the Group for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Directors on 26 March 2024.

(b) Basis of accounting

The Group's Inflation adjusted consolidated financial statements for the year ended 31 December 2022 have been prepared in accordance with the requirements of International Financial Reporting Standards (IFRS), except for International Accounting Standard (IAS) 21 – "The Effects of Changes in Foreign Exchange Rates" as highlighted under note 1(c) below, the Zimbabwe Stock Exchange Listing requirements and in the manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) (COBE). The Group's Inflation adjusted consolidated annual financial statements have been prepared based on the statutory records that are maintained under the historical cost basis and are presented in Zimbabwean Dollars (ZWS).

(c) Functional and presentation currency

These financial statements are presented in Zimbabwe Dollars ("ZWS"). During the period, the Group assessed that it had met the indicators stipulated in International Accounting Standard (IAS) 21 "The Effects of Changes in Foreign Exchange Rates" for reporting in United States Dollars. The Group has however maintained the Zimbabwe Dollar as the functional and reporting currency for the purposes of these financial statement while assessing the impact of the long term national monetary policy environment.

(d) Inflation accounting

These results have been prepared under the current cost basis in line with the provisions of International Accounting Standard (IAS) 29 – Financial Reporting in Hyperinflationary Economies. The Public Accountants and Auditors Board (PAAB) pronounced that the economy is trading under conditions of hyperinflation in line with IAS 29 (Pronouncement 1/2019). The directors have applied the guidelines provided by the PAAB and the accounting bodies and made various assumptions to produce the inflation adjusted financials.

The Group used the price indices provided by the Zimbabwe Statistical Office as reported on the Reserve Bank of Zimbabwe website up to February 2023. Due to lack of officially published Consumer Price Index (CPI), and to align with its parent company financial reporting requirements, the estimated CPI after February 2023 was derived by adjusting the last published CPI (February 2023) based on the monthly movement of the Total Consumption Poverty Line. Below are the indices and adjustment factors used up to 31 December 2023. Non-monetary assets and liabilities carried at cost have been restated to reflect the change in general price index from start to the end of the reporting period. Monetary assets and liabilities and non-monetary assets and liabilities carried at revalued amounts have not been restated as they are presented at the measuring unit current at the end of the reporting period. Items recognised in the income statement have been restated by applying the change in the general price index from the dates when the transactions were initially earned or incurred unless they relate to items already accounted for at fair value, with the corresponding adjustment presented in the income statement. A net monetary loss was recognised in the statement of profit or loss.

All items in the statement of cash flows are expressed in terms of the general price index at the end of the reporting period.

The conversion factors used to restate the Group's financial results are as follows:

	Indices	Conversation factor
31 December 2023	65 703	1.00
31 December 2022	13 673	4.81

All amounts have been rounded to the nearest dollar, unless otherwise indicated.

(e) Use of material judgements and sources of estimate uncertainties

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a risk of resulting in a material adjustment for the year ended 31 December 2023 is included in the following notes: Note 12– investment property: Key valuation assumptions.

(i) Total consumer poverty line estimates used

Due to lack of officially published Consumer Price Index (CPI), and to align with its parent company financial reporting requirements, the estimated CPI after February 2023 was derived by adjusting the last published CPI (February 2023) based on the monthly movement of the Total Consumption Poverty Line.

(ii) Valuation approach for investment property

The valuation was undertaken using the appropriate valuation methodology and professional judgement of the valuers.

For investment property held at fair value, the Group engaged an independent external valuer, EPG Global, to value the investment property at the end of the reporting period. The fair values as determined by EPG Global are used for reporting purposes.

Valuations of commercial and industrial properties are based on comparative and investment approaches. The investment approach involves the capitalisation of expected rental income by an appropriate yield. The comparative approach seeks to ascribe to the subject property a value similar to that achieved for comparable properties. Through the comparative approach, the rental value rates and capitalisation rates for similar properties sold are assessed and after appropriate adjustments, are applied to determine its value. The most acceptable valuation approach in assessing the market values of commercial/ industrial investment properties is the income approach. Capitalisation rates/rental yields are a critical valuation input and are determined by the rates at which similar properties have traded recently.

With regards to the market values of commercial/industrial properties, both the direct comparison and the income capitalisation or investment approaches were used. Income producing real estate is typically purchased as an investment essentially exchanging present money for the right to receive future income. The indication of value using the income capitalisation approach requires consideration of market-oriented assumptions and data. In this valuation assignment,

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

1. Basis of preparation (continued)

e) Use of significant judgements and sources of estimate uncertainties (continued)

the Income Capitalisation Approach to value is employed to indicate the value of the freehold property involving market-based decisions. This process considers a direct relationship whereby an overall capitalisation rate or all risks yield is applied to a single year's income. In brief a capitalisation rate is a rate used to convert a property's potential income into value. It is the rate at which the annual estimated potential income of a property is capitalised into perpetuity to help derive its market value. The market determines the capitalisation rate, i.e. the capitalisation rate is determined by the rate at which similar assets have traded recently.

In respect of properties that are either partially or completely unoccupied, valuations have allowed for a period for the letting of the vacant space. The period allowed for each individual property is influenced by the size of the vacancy and the property's characteristics.

With regards to the residential properties and small pieces of undeveloped stands, the sales evidence either achieved or on the market, of similar properties situated in the comparable residential suburbs with that of the subject properties, is taken into consideration. For the large tracts of undeveloped land, the development/ residual valuation method is utilised. The property is assessed on the assumption that it is subdivided into smaller stands and fully serviced. Estimated total costs of development and disposal, which include servicing costs, agency fees, interest on servicing costs, contingency costs and the developer's profit are then deducted.

(iii) Classification of property

The Group determines whether a property should be classified as investment property or inventory.

Investment property comprises of land and buildings (principally offices, industrial and retail properties) which are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation; and

Inventory comprises of properties that are held for sale in the ordinary course of business. Principally, this relates to land and residential properties that the Group develops and intends to sell before or on completion of construction.

(iv) Techniques used for valuing investment property

Traditionally the income capitalisation approach converts anticipated future cash flow benefits in the form of rental income into present values. This approach requires careful estimation of future benefits and application of investor yields or return requirements. One approach to value the property on this basis is to capitalise net rental income on the basis of an Initial Yield, generally referred to as the 'All Risks Yield' approach or 'Net Initial Yield' approach.

Direct comparison approach considers comparable market evidence i.e. the sales evidence either achieved or on the market, of similar properties situated in the comparable residential suburbs with that of the subject properties. This comprises of complete transactions as well as transactions where offers had been made but the transaction had not been completed. For information on valuation techniques refer to note 12.

A. Basis of consolidation

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial

statements of the subsidiaries are prepared using the same accounting policies as the parent Group. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

(i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Group applies the below definition in classifying an acquisition as a business combination or as an asset acquisition.

Definition of a business combination (IFRS 3- amendments effective from the 1st of January 2020):

The Group applies the amended definition of a business as contained in IFRS 3 (amendments effective from the 1st of January 2020). Under this definition, business combinations are required to have substantial processes that contribute to the creation of goods and services provided to customers thereby generating income for the Group. The Group designates acquisitions which do not involve inputs and outputs as asset acquisitions in line with the requirements of IFRS 3.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Any changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

B. Finance income

For all financial instruments measured at amortized cost, finance income is recorded using the effective interest rate, which is the rate that discounts the estimated future cash payments or receipts over the expected life of the financial instrument or over a shorter period, where appropriate, to the net current amount of the financial asset or liability. Finance income is recognised in profit or loss.

C. Foreign currencies

Transactions and balances

Foreign currency transactions that are denominated, or that require settlement in a foreign currency are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Monetary items denominated in foreign currency are translated at the closing rate as the reporting date. Non-monetary items measured at historical cost denominated in a foreign currency are translated at the exchange rate as at the date of initial recognition, non-monetary items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined. Foreign currency differences arising on translation are generally recognised in profit and loss.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

2. Summary of significant accounting policies (continued)

D. Income tax

Income tax expense consists of the current tax expense and the deferred tax movement. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The amount is based on the taxable income or loss for the year and is adjusted for taxes payable/receivable in respect of previous years, where necessary. The tax rates and laws used to compute the amount are those that are enacted or substantively enacted as at the reporting date. Current income tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or other comprehensive income and not in profit or loss.

(ii) Deferred tax

Deferred tax is provided using the balance sheet method for 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:

- in respect of taxable temporary differences on the initial transaction that is not a business combination and, at the time of the transaction, recognition of goodwill or of an asset or liability in a transaction affect neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and jointly controlled entities to the extent that 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.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment property measured at fair value, the presumption that the carrying amounts of the investment property will be recovered through sale has not been rebutted.

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 profits will be available against which they can be utilized except:

- where the deferred tax asset relating to the deductible temporary differences 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; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates, and jointly controlled entities. The deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profits 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 profits will be available to allow all or part of the deferred income 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 to the year when the asset is realized 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 directly in equity or other comprehensive income is recognised in equity or other comprehensive income and not in profit or loss.

Deferred tax assets and 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.

(iii) Value Added tax

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

- where the value added tax incurred on the purchase of assets or services is not recoverable from the tax authority, in which case the value added tax is recognised as part of the cost of acquisition of the assets or as part of the expense as applicable; and
- receivables and payables that are recognised 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.

E. Employee benefits

(i) Short term benefits

The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service. Short term benefits are measured on an undiscounted basis. The accrual for employee entitlements to salaries, bonuses, staff incentive schemes and annual leave represents the amount the Group has present legal or constructive obligations to pay as a result of employees' services provided up to the reporting date.

(ii) Defined contribution plans

A defined contribution plan is a post-retirement benefit plan under which an entity pays fixed contributions into a separate legal entity and has no constructive legal obligation to pay further amounts. The Group operates a defined contribution fund and also contributes to the National Pension Scheme administered by the National Social Security Authority.

Obligations for contributions to the plans are recognised as an employee benefit expense in profit or loss in the period during which the services are rendered by employees.

F. Investment property

Investment property consists of land and buildings held to earn rental income for the long term and subsequent capital appreciation. Also included in the investment property, is undeveloped land held for an undeterminable future use. Investment property is initially measured at cost including transaction costs and subsequently at fair value with any change therein recognised in profit or loss. All costs directly attributable to the acquisition and subsequent additions that will result in future economic benefits and whose amounts can be measured reliably, are capitalised.

Policy guidelines on accounting for rental income are disclosed in note 20 below.

Investment properties are maintained, upgraded, and refurbished, where necessary, in order to preserve or improve their capital value. Maintenance and repairs which neither materially add to the value of the properties nor prolong their useful lives are charged against profit or loss.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

2. Summary of significant accounting policies (continued)

G. Vehicles and equipment

Vehicles and equipment comprise of vehicles and equipment that are initially recognised at cost. Cost is the amount of cash or cash equivalents paid or fair value of consideration given to acquire an asset at the time of its acquisition. Vehicles and equipment are stated at cost, excluding the cost of day-to-day servicing, less accumulated depreciation, and accumulated impairment. Cost includes the cost of replacing part of the asset, if the recognition criteria are met.

Subsequent expenditures are included in the asset's carrying amount as appropriate only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All repairs and maintenance are charged to administrative expenses during the financial period in which they are incurred and recognised in profit or loss.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The indicators of impairment may include:

- Observations that the asset's value has declined materially during the period more than would be normally expected.
- Material changes in the technological, market, economic or legal environment in which the entity operates.
- Increases in market rates during the period that would likely affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially.
- Carrying amount of net assets of the entity is more than the market capitalisation.
- Evidence of obsolescence or physical damage of the asset.

Vehicles and equipment is impaired when its carrying amount exceeds its recoverable amount. The recoverable amount of property and equipment is the higher of its fair value less costs of disposal and its value in use. Fair value is the price that would be received to sell an item of vehicles and equipment on an arm's length basis. Value in use is the present value of the future cash flows expected to be derived from an item of vehicles and equipment.

Vehicles and equipment are depreciated from the date that the assets are available for use. Depreciation is charged over the expected useful lives of the assets on a straight-line basis, after deducting the estimated residual values.

The estimated useful lives for the current and comparative years of material items of vehicles and equipment are as follows:

Asset class	Estimated useful lives
Motor vehicles	5 years
Computers, furniture, and fittings	3 to 10 years

Depreciation is recognised in profit or loss.

The assets residual values, useful lives and depreciation methods are reviewed and, adjusted if appropriate, at each reporting date. An item of vehicles and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. 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 net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

H. Assets held for sale

Assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving investment property, all the assets and liabilities of that investment property are classified as held for sale when the criteria described above are met.

Properties classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of selling. However, Assets held for sale previously recognized at fair value i.e. investment property will continue to be recognised at fair value.

I. Inventories

(i) Property held for sale

Properties acquired for sale or construction of housing units for resale are classified as inventory and valued at the lower of cost or net realizable value. The inventory is derecognised to cost of sale in line with stage of completion.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale. Cost is determined by reference to the actual costs attributable to the specific property.

(ii) Consumables

Consumable inventories (mainly construction materials and fuel) are valued at the lower of cost or net realizable value. The cost is determined using the weighted average method.

(iii) Impairment of inventory

Inventory is impaired when the cost is greater than its net realisable value. Any impairment is recognised as an expense. Reversals of impairment are recognised in the period in which the reversal occurs, to the extent of amounts previously recognised as impairment losses.

J. 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 the Group will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

K. Share capital

(i) Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(ii) Treasury shares (Repurchase and reissue of ordinary shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs,

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

2. Summary of significant accounting policies (continued)

K. Share capital (continued)

net of any tax effects, is recognised as a deduction in equity. The Holding Company's own shares reacquired in a share buyback scheme are deducted from equity and are classified as treasury shares and are presented in a separate reserve for owned shares. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Holding Company's own equity instruments. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within the share premium.

L. Leases

The Group has entered into trade and business leases on its property portfolio under operating leases. The Group determined that the leases are operating leases as the risks and rewards incidental to ownership are not transferred to the lessee. The commercial property leases typically have lease terms of between one and three years and include clauses to enable periodic revision of the rental charge according to prevailing market conditions. Some leases contain options to cancel before the end of the lease term.

Operating lease income is determined on a straight-line basis with initial direct costs, including depreciation incurred in earning lease income being recognised as an expense in profit or loss.

Lease incentives received are recognised as an integral part of the total lease income, over the term of the lease. Lease restructuring costs are amortised over the life of the restructured lease.

M. Dividends

Dividend received

Dividend income is recognised in profit or loss when the Group's right to receive the payment is established.

Dividend paid

The Group declares dividends of up to 90% of distributable earnings (Net property income after administration costs plus finance income less income tax), payable at such intervals as the Board may decide.

N. Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets.

The Group has an established control framework with respect to the measurement of fair values.

When measuring the fair value of an asset, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

level 1: quoted prices (unadjusted) in active markets for identical assets;

level 2: inputs other than quoted prices in Level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

level 3: inputs for the asset that are not based on observable market data (unobservable inputs).

If inputs used to measure the fair value of an asset might be categorised in different levels of their fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of their fair value hierarchy as the lowest level input that is material to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

O. Revenue from contracts with customers ("IFRS 15")

The Group recognises revenue when the following conditions have been met:

- the contract has been approved by the parties to the contract
- each party's rights in relation to the goods or services to be transferred can be identified.
- the payment terms for the goods or services to be transferred can be identified;
- the contract has commercial substance; and
- it is probable that the consideration to which the Group is entitled to in exchange for the goods or services will be collected.

Rental income ("IFRS 16")

The Group is the lessor on operating lease transactions. Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the term of the relevant lease in accordance with IFRS 16 requirements.

Tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease. 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 profit or loss when the right to receive them arises.

There are no variable lease payments that depend on an index or a rate between the Group and its tenants' agreements.

Sale of residential stands and constructed housing units

Revenue from sale of residential stands and constructed housing units is recognised as follows:

- Residential stands-point in time, recognised upon receipt of final instalment as per agreement of sale and passing of vacant possession,
- Constructed residential housing units- recognised over time based on stage of completion method.

Construction of residential properties (Mashview Gardens construction project)

The Group constructs and sells residential properties under short term contracts with customers. Such contracts are entered into before construction of the residential properties begins. Under the terms of the contracts, the Group is contractually restricted from redirecting the properties to another customer and has an enforceable right to payment for work done. Revenue from construction of residential properties is therefore recognised over time on a stage of completion basis. The stage of completion is determined by the project architects. The directors consider that this method provides an appropriate measure of the progress towards complete satisfaction of performance obligations under IFRS 15.

The Group becomes entitled to invoice customers for construction of residential properties based on achieving a series of performance-related milestones. The Group will previously have recognised a contract asset for any work performed in excess of advance payments received. If the advance payment received exceeds the revenue recognised to date under the stage of completion, then the Group recognises a contract liability for the difference.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

2. Summary of significant accounting policies (continued)

O. Revenue from contracts with customers ("IFRS 15") (continued)

There is not considered to be a material financing component in construction contracts with customers due to the short-term nature (within 12 months) of the period between the recognition of revenue under the stage of completion method and the advance payment.

Property services income

Property services income comprises income due from property-related services to other parties. The income is recognised at a point in time when the related services have been provided. Property services income will be generated from the property management commission

P. Finance income

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e. after a deduction of the loss allowance).

Q. Financial Instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a material financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- The Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below)
- The Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or materially reduces an accounting mismatch (see (iv) below)

i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit impaired.

Interest income is recognised in profit or loss.

(ii) Debt instruments classified as at FVTOCI

A debt instrument is classified as a financial asset at amortised cost if it means both of the following conditions and it is not designated as at FVTPL:

- It is held with a business model whose objective is to hold assets to collect contractual cashflow and

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

2. Summary of significant accounting policies (continued)

Q. Financial Instruments (continued)

(ii) Debt instruments classified as at FVTOCI (continued)

- Its contractual terms gives rise on specific dates to cashflows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVTOCI if it means both of the following conditions and it is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial asset and
- Its contractual terms give rise on specific dates to cashflows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss, unless the dividends clearly represent a recovery of part of the cost of the investment.

The Group designated all investments in equity instruments that are not held for trading as at FVTOCI on initial recognition. A financial asset is held for trading if either:

- It has been acquired principally for the purpose of selling it in the near term
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking

(iv) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or materially reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

The specific accounting policies for the classification, recognition and measurement of each type of financial instruments held by the Group are presented below:

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and the Group's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the Group becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any. They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments. When trade and other receivables are denominated in a foreign currency, the carrying amount of the receivables are determined in the foreign currency. The carrying amount is then translated to the ZW\$ equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in other operating gains (losses).

Long term receivables

Classification

Long term receivables are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and the Group's business model is to collect the contractual cash flows on trade and other receivables.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

2. Summary of significant accounting policies (continued) Long term receivables (continued)

Recognition and measurement

Long-term receivables are recognised when the Group becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of trade and other receivables.

The Group always recognises lifetime expected credit losses (ECL) for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions, and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Expected credit losses on staff loans

- Staff loans running for more than one year are secured and recovered through payroll hence no specific ECL provision is made on these loans.
- Staff loans running for less than one year are also recovered through payroll and not secured.

ECL provisions on these loans are based on historic credit losses experience applicable to the financial services sector in the country adjusted for the rate of staff turnover.

Measurement and recognition of expected credit losses

The Group makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors (probability of default and loss given default) that are specific to the debtors.

The impact of forward-looking macro-economic changes on the trade receivables at any point is likely to be immaterial given the short tenor of the Group's trade receivables. However, the ECL has been calculated after adjustments have been made for any forward-looking information. The customer base is widespread and does not show materially different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality.

2.1 Application of New and Revised International Financial Reporting Standards (IFRS)

In the current year, the group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies

The group has adopted the amendments to IAS 1 for the first time in the current year. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'material accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The group has adopted the amendments to IAS 12 for the first time in the current year. The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

2.2 New standards, amendments and interpretations issued but not effective for 31 December 2023 year-ends that are relevant to the Group but have not been early adopted

The directors do not expect that the adoption of the Standards listed below will have a material impact on the financial statements of the Group in future periods, except as noted below:

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on the rights that are in existence at the end of the reporting period. It specifies that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets, or services.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

2.2 New standards, amendments and interpretations issued but not effective for 31 December 2023 year-ends that are relevant to the Group but have not been early adopted (continued)

• IFRS 16 – Leases

The amendments add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15–Revenue from Contracts with Customers to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date. The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a re-measurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted.

• IAS 7 - Statement of Cash Flows

The IASB amends IAS 7 to require entities to provide qualitative and quantitative information about its supplier finance arrangements. The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk. The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows and the entity's exposure to liquidity risk. Supplier finance arrangements are characterised by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. These arrangements provide the entity with extended payment terms, or the entity's suppliers with early payment terms, compared to the related invoice payment due date. Supplier finance arrangements are often referred to as supply chain finance, payables finance or reverse factoring arrangements. Arrangements that are solely credit enhancements for the entity (for example, financial guarantees including letters of credit used as guarantees) or instruments used to settle directly with a supplier the amounts owed (for example, credit cards) are not supplier finance arrangements. To meet the disclosure objective set out above, an entity is required to disclose in aggregate for its supplier finance arrangements:

- a) The terms and conditions of the arrangements (for example, extended payment terms and security or guarantees provided). However, an entity is required to disclose separately the terms and conditions of arrangements that have dissimilar terms and conditions
- b) As at the beginning and end of the reporting period:
 - (i) The carrying amounts, and associated line items presented in the entity's statement of financial position, of the financial liabilities that are part of a supplier finance arrangement,
 - (ii) The carrying amounts, and associated line items, of the financial liabilities disclosed under (i) for which suppliers have already received payment from the finance providers,
 - (iii) The range of payment due dates (for example, 30-40 days after the invoice date) for both the financial liabilities disclosed under (i) and comparable trade payables that are not part of a supplier finance arrangement. Comparable trade payables are, for example, trade payables of the entity within the same line of business or jurisdiction as the financial liabilities disclosed under (i).
If ranges of payment due dates are wide, an entity is required to disclose explanatory information about those ranges or disclose additional ranges (for example, stratified ranges)
- c) The type and effect of non-cash changes in the carrying amounts of the financial liabilities disclosed under (b)(i). Examples of non-cash changes include the effect of business combinations, exchange differences or other transactions that do not require the use of cash or cash equivalents

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted

• IFRS 7 - Financial Instruments

Under the existing Application Guidance in IFRS 7, an entity is required to disclose a description of how it manages the liquidity risk resulting from financial liabilities. The amendments include as an additional factor whether the entity has accessed, or has access to, supplier finance arrangements that provide the entity with extended payment terms or the entity's suppliers with early payment terms. In the Guidance on implementing IFRS 7, the amendments add that concentrations of liquidity risk and market risk may arise from supplier finance arrangements resulting in the entity concentrating with finance providers a portion of its financial liabilities originally owed to suppliers.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted.

The above amendment has no impact on the Group's current year financial statements.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

	Inflation adjusted		*Historical cost	
	31 December 2023 ZW\$	31 December 2022 ZW\$	31 December 2023 ZW\$	31 December 2022 ZW\$
3. Revenue	33 880 602 311	18 352 957 633	18 891 483 595	2 885 507 337
Revenue from IFRS 16				
Rental income	29 597 733 515	12 293 536 090	17 890 316 136	1 848 734 004
Revenue from contract with customers:				
Recognised on stage of completion (overtime)				
Mashview Gardens housing project (Note 19.3)	3 388 122 250	5 614 602 587	580 675 936	962 262 980
Recognised at a point in time:				
Property inventory sales	606 346 309	333 734 964	251 102 344	54 102 328
Property services income	288 400 237	111 083 992	169 389 179	20 408 025
3.1 Future minimum rentals receivable under non-cancellable operating leases as at year end are as follows:				
Within 1 year	30 993 921 501	14 213 992 541	30 993 921 501	2 957 936 619
After 1 year but not more than 5 years	123 975 686 003	39 582 050 953	123 975 686 003	8 237 038 090

These figures represent the remaining future rental amounts at year end.

As set out in note 3 above, sustainable property rental income earned during the year from investment property was ZW\$ 29.6 billion (ZW\$12.3billion).

All operating lease contracts contain market clauses to ensure continued alignment of rentals to market conditions.

	Inflation adjusted		*Historical cost	
	31 December 2023 ZW\$	31 December 20212 ZW\$	31 December 2023 ZW\$	31 December 2022 ZW\$
4. Property expenses				
Costs related to vacant space	(1 292 641 557)	(959 485 689)	(732 260 353)	(144 360 380)
Repairs and maintenance	(305 874 936)	(95 519 380)	(175 218 598)	(14 665 526)
Utilities	(1 362 200 977)	(599 901 219)	(749 219 139)	(92 105 570)
Property insurance costs	(156 082 269)	(122 438 112)	(107 655 511)	(9 023 192)
Property management expenses	(2 015 790 022)	(733 868 485)	(1 252 499 077)	(99 473 067)
Mashview Gardens development costs (Note 19.3)	(4 997 344 639)	(5 821 692 805)	(2 014 289 994)	(772 472 588)
Cost of land inventory sold	(1 203 529)	(78 100 734)	(323 516)	(210 992)
Total	(10 131 137 929)	(8 411 006 424)	(5 031 466 188)	(1 132 311 315)
5. Other income				
Service charges	992 831 990	184 668 588	681 157 468	28 148 613
Dividend income	48 542 703	50 360 658	35 741 151	9 096 567
Profit on disposal of investment property	6 275 597 921	995 414 775	4 612 153 823	207 146 149
Profit on disposal vehicles and equipment	37 098 537	-	24 116 018	-
(Loss)/profit on disposal of asset held for sale	-	(2 910 228 643)	-	1 097 253 079
Total	7 354 071 151	(1 679 784 622)	5 353 168 460	1 341 644 408

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

6. Profit before finance income, monetary loss and tax	Inflation adjusted		*Historical cost	
	31 December 2023 ZWS	31 December 2022 ZWS	31 December 2023 ZWS	31 December 2022 ZWS
Cost				
Profit before finance income and tax was arrived at after charging:				
- external audit fees	(870 920 599)	(23 155 476)	(559 757 577)	(72 107 021)
- depreciation	(85 968 539)	(166 835 805)	(40 930 858)	(5 440 331)
- non-executive directors' emoluments	(1 184 254 360)	(381 710 345)	(679 052 212)	(59 175 270)
- allowance for credit losses on trade receivables (Note 14)	(167 558 271)	(149 936 188)	(376 937 346)	(48 216 587)
6.1 Administrative expenses				
Staff related costs (Note 6.2)	(5 775 327 978)	(1 955 279 335)	(3 393 666 839)	(270 513 524)
Consultancy	(526 778 328)	(238 855 078)	(296 552 909)	(43 298 221)
Intermediate money transfer tax	(747 371 228)	(413 139 555)	(407 900 434)	(72 708 792)
Office expenses	(5 835 374 749)	(2 933 374 097)	(3 473 206 691)	(385 580 605)
Total	(12 884 852 283)	(5 540 648 065)	(7 571 326 873)	(772 101 142)
6.2 Staff related costs-admin				
Salaries and other staff related expenses	(5 683 272 214)	(1 899 450 442)	(3 339 573 531)	(263 289 825)
Contribution to Pension fund	(87 863 882)	(52 598 792)	(51 630 097)	(6 959 229)
Contribution to National Social Security Authority Scheme	(4 191 882)	(3 230 101)	(2 463 211)	(264 470)
Sub total	(5 775 327 978)	(1 955 279 335)	(3 393 666 839)	(270 513 524)
6.3 Staff related costs-property management				
Salaries and other staff related expenses	(1 048 893 098)	(431 950 601)	(658 733 624)	(83 129 017)
Contribution to Pension fund	(20 697 063)	(10 353 121)	(12 859 997)	(1 558 133)
Contribution to National Social Security Authority Scheme	(12 535 851)	(612 166)	(7 789 076)	(92 130)
Sub total	(1 082 126 012)	(442 915 888)	(679 382 697)	(84 779 280)
Total employee costs	(6 857 453 990)	(2 398 195 224)	(4 073 049 536)	(355 292 804)
7. Finance income				
This comprises of:				
Interest received from tenants' balances	674 697 528	129 239 910	396 112 239	24 238 890
Interest received from staff balances	1 218 753 200	140 566 233	690 756 918	25 112 625
Interest receivable on money market investments	-	226 094 970	-	39 167 954
Total	1 893 450 728	495 901 113	1 086 869 157	88 519 469

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

8. Finance costs	Inflation adjusted		*Historical cost	
	31 December 2023 ZW\$	31 December 2022 ZW\$	31 December 2023 ZW\$	31 December 2022 ZW\$
Cost				
Loan arrangement fee	-	(459 990 085)	-	(38 555 328)
Interest charged	(1 471 012 287)	(827 146 191)	(939 669 146)	(149 246 368)
Total	(1 471 012 287)	(1 287 136 276)	(939 669 146)	(187 801 696)
9. Tax expense				
Current income tax	(947 487 168)	(990 858 551)	(640 740 719)	(175 290 706)
Deferred income tax – current year	517 200 038	(5 642 557)	578 064 500	30 651 731
Deferred capital gains tax	(20 561 810 303)	(3 564 211 622)	(32 766 841 794)	(2 475 584 317)
Total	(20 992 097 433)	(4 560 712 730)	(32 829 518 013)	(2 620 223 292)
9.1 Tax rate reconciliation	Inflation adjusted			
	31 December 2023 ZW\$	31 December Rate %	2022 ZW\$	Rate %
Profit before tax	344 623 962 449	-	87 433 029 086	-
Tax using the standard rate	(85 191 043 517)	(24.72)%	(21 613 444 790)	(24.72)%
Net effects tax adjustments	64 198 946 084	18.55%	26 174 157 520	32.77%
Fair value adjustments	79 301 800 454	23.30%	23 877 440 932	30.47%
Non-deductible expenses	(9 406 262 715)	(2.73)%	2 186 129 126	0.23%
Exempt income	519 184 189	0.15%	(122 586 756)	-
Other	(6 215 775 844)	(1.80)%	233 174 218	2.07%
Total tax expense	(20 992 097 433)	(6.17)%	(4 560 712 730)	3.91
	*Historical cost			
Profit before tax	604 123 828 247	-	54 694 148 989	-
Tax using the standard rate	(149 339 410 343)	(24.72)%	(13 520 393 630)	(24.72)%
Net effects tax adjustments	(116 509 892 331)	19.29%	10 900 170 338	19.42%
Fair value adjustments	144 803 018 693	23.97%	12 917 384 793	(23.73)%
Non-deductible expenses	(4 456 805 974)	(0.74)%	(2 050 753 507)	0.03%
Exempt income	268 674 054	0.04%	21 882 013	0.00%
Other	(24 104 994 442)	(3.99)%	11 657 039	4.28%
Total tax expense	(32 829 518 013)	(5.43)%	(2 620 223 292)	(5.30)%

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

9. TAX EXPENSE (continued)

9.2 Deferred tax

	*Historical cost	
	31 December 2023 Rate %	31 December 2022 Rate %
The following tax rates were applied in computing deferred tax		
Deferred capital gains tax		
Investment property acquired before February 2019	5%	5%
Investment property acquired on or after February 2019	20%	20%
Deferred income tax	25.75%	24.72%
Investments held for trading	1.5%	1.5%

Investment property acquired before 22 February 2019 are taxed at a capital gains tax rate of 5% on gross proceeds and no deductions are allowed in respect of the capital amount; for investment property acquired on or after 22 February 2019 they are taxed at a capital gains tax rate of 20% on the capital

	Inflation adjusted 2023		
	Balance at 1 January ZW\$	Recognised in profit or loss ZW\$	Balance at 31 December ZW\$
Investment property	15 358 901 098	19 469 952 068	34 828 853 166
Non-current asset held for sale	-	1 068 326 455	1 068 326 455
Investment in quoted shares	38 026 387	23 531 780	61 558 167
Property and equipment	210 428 007	194 665 515	405 093 522
Provision	(130 163 663)	(519 559 867)	(649 723 530)
Other-inventory	257 582 151	(192 305 686)	65 276 465
Closing balance	15 734 773 980	20 044 610 265	35 779 384 245

	Inflation adjusted 2022		
	Balance at 1 January ZW\$	Recognised in profit or loss ZW\$	Balance at 31 December ZW\$
Investment property	11 517 590 855	3 841 310 242	15 358 901 097
Non-current asset held for sale	233 356 250	(233 356 250)	-
Investment in quoted shares	81 768 748	(43 742 361)	38 026 387
Property and equipment	236 225 429	(25 797 421)	210 428 008
Provision	(100 435 917)	(29 727 746)	(130 163 663)
Other - inventory	196 414 431	61 167 720	257 582 151
Closing balance	12 164 919 796	3 569 854 184	15 734 773 980

	*Historical cost 31 December 2023		
	Balance at 1 January ZW\$	Recognised in profit or loss ZW\$	Balance at 31 December ZW\$
Investment property	3 183 982 691	31 644 870 475	34 828 853 166
Non-current asset held for sale	-	1 068 326 455	1 068 326 455
Investment in quoted shares	7 913 302	53 644 865	61 558 167
Property and equipment	1 194 502	44 571 926	45 766 428
Provision	(27 087 103)	(622 636 427)	(649 723 530)
Other - inventory	-	-	-
Closing balance	3 166 003 392	32 188 777 294	35 354 780 686

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

9. TAX EXPENSE (continued)

9.2 Deferred tax (continued)

	*Historical cost 31 December 2022		
	Balance at 1 January ZW	Recognised in profit or loss ZW\$	Balance at 31 December ZW\$
Investment property	697 235 100	2 486 747 591	3 183 982 691
Non- current asset held for sale	14 126 580	(14 126 580)	-
Investment in quoted shares	4 949 997	2 963 305	7 913 302
Property and equipment	3 239 173	(2 044 671)	1 194 502
Provision	1 519 957	(28 607 060)	(27 087 103)
Other - inventory	-	-	-
Closing balance	721 070 807	2 444 932 585	3 166 003 392

10. Vehicles and equipment

Cost	Inflation adjusted					
	31 December 2023			31 December 2022		
	Motor vehicles and fittings ZW\$	Computer and furniture ZW\$	Total ZW\$	Motor vehicles ZW\$	Computers, furniture and fittings ZW\$	Total ZW\$
Balance at beginning of year	1 288 541 924	460 569 109	1 749 111 033	1 288 541 924	315 642 437	1 604 184 361
Additions	579 267 604	137 841 086	717 108 690	-	144 926 672	144 926 672
Disposals	(1 594 085)	-	(1 594 085)	-	-	-
Balance at year end	1 866 215 443	598 410 195	2 464 625 638	1 288 541 924	460 569 109	1 749 111 033
Accumulated depreciation						
Balance at beginning of year	598 029 088	186 882 837	784 911 925	464 766 766	153 309 354	618 076 120
Depreciation for the year	60 885 339	25 083 200	85 968 539	133 262 322	33 573 483	166 835 805
Disposals	(1 514 062)	-	(1 514 062)	-	-	-
Balance at year end	657 400 365	211 966 037	869 366 402	598 029 088	186 882 837	784 911 925
Carrying amount at year end	1 208 815 078	386 444 158	1 595 259 236	690 512 836	273 686 272	964 199 108
	*Historical cost					
	31 December 2023			31 December 2022		
Balance at beginning of year	10 466 304	27 483 644	37 949 948	10 466 304	8 642 902	19 109 206
Additions	136 479 390	75 975 432	212 454 822	-	18 840 742	18 840 742
Disposals	(1 036 690)	-	(1 036 690)	-	-	-
Balance at year end	145 909 004	103 459 076	249 368 080	10 466 304	27 483 644	37 949 948
Accumulated depreciation						
Balance at beginning of year	5 549 353	4 050 140	9 599 493	2 905 650	1 253 512	4 159 162
Depreciation for the year	27 655 532	13 275 326	40 930 858	2 643 703	2 796 628	5 440 331
Disposals	(984 671)	-	(984 671)	-	-	-
Balance at year end	32 220 214	17 325 466	49 545 680	5 549 353	4 050 140	9 599 493
Carrying amount at year end	113 688 790	86 133 610	199 822 400	4 916 951	23 433 504	28 350 455

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

11. Investments held for trading

	Inflation adjusted		*Historical cost	
	31 December 2023 ZW\$	31 December 2022 ZW\$	31 December 2023 ZW\$	31 December 2022 ZW\$
Listed securities				
Balance at beginning of year	2 535 092 029	8 176 874 806	527 553 502	494 999 709
Additions	-	138 145 328	-	27 585 701
Disposals	(1 692 686)	(958 976 640)	(1 150 344)	(164 193 563)
Fair value gain/(loss) recognised in profit or loss	1 570 738 534	(4 820 951 465)	3 577 734 719	169 161 655
Balance at end of year	4 104 137 877	2 535 092 029	4 104 137 877	527 553 502

Measurement of fair value Hierarchy (Level 1)

The fair value of listed securities was determined using the quoted market prices provided by the Zimbabwe Stock Exchange for listed equities and the entire fair value of the listed securities of ZW\$ 4 104 137 877 has been categorised under level 1, based on the quoted prices (prices unadjusted) on the Zimbabwe Stock Exchange.

12. Investment property

	Inflation adjusted 31 December 2023						
	Office ZW\$	Industrial ZW\$	Retail ZW\$	Residential ZW\$	Health ZW\$	Land ZW\$	Total ZW\$
Fair value 1 January	176 020 907 800	37 644 485 169	23 422 163 079	12 809 436 335	12 857 019 146	58 558 531 208	321 312 542 737
Disposals	-	-	-	-	-	(1 147 948 564)	(1 147 948 564)
Reclassification to assets held for sale	-	-	-	-	-	(11 909 130 237)	(11 909 130 237)
Improvements/additions	1 150 596 271	-	138 688 219	45 260 074	8 577 373 286	18 833 666 959	28 745 584 809
Fair value gain	166 884 895 924	33 588 644 831	19 662 598 697	15 108 003 596	17 299 757 568	57 228 125 639	309 772 026 255
Fair value at 31 December	344 056 399 995	71 233 130 000	43 223 449 995	27 962 700 005	38 734 150 000	121 563 245 005	646 773 075 000
	31 December 2022						
Fair value 1 January	153 066 230 651	27 265 681 175	18 872 271 033	9 258 870 755	5 121 171 586	16 767 591 930	230 351 817 130
Disposals	-	-	-	-	-	(1 269 291 562)	(1 269 291 562)
Reclassification to assets held for sale	(17 675 275 122)	-	-	-	-	-	(17 675 275 122)
Improvements/additions	2 000 361 627	-	-	317 834 302	2 157 173 844	15 551 080 946	20 026 450 719
Fair value gain recognised	38 629 590 644	10 378 803 994	4 549 892 046	3 232 731 278	5 578 673 716	27 509 149 895	89 878 841 572
Fair value at 31 December	176 020 907 800	37 644 485 169	23 422 163 079	12 809 436 335	12 857 019 146	58 558 531 208	321 312 542 737

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

12. Investment property (continued)

	*Historical cost 31 December 2023						Total ZW\$
	Office ZW\$	Industrial ZW\$	Retail ZWL\$	Residential ZW\$	Health ZW\$	Land ZW\$	
Fair value 1 January	36 630 010 000	7 833 830 000	4 874 160 000	2 665 648 000	2 675 550 000	12 186 050 000	66 865 248 000
Disposals	-	-	-	-	-	(860 000 000)	(860 000 000)
Reclassification to assets held for sale	-	-	-	-	-	(2 478 294 000)	(2 478 294 000)
Improvements/additions	680 757 881	-	54 026 119	23 883 335	5 209 026 050	13 971 668 095	19 939 361 480
Fair value gain	306 745 632 119	63 399 300 000	38 295 263 881	25 273 168 665	30 849 573 950	98 743 820 905	563 306 759 520
Fair value at 31 December	344 056 400 000	71 233 130 000	43 223 450 000	27 962 700 000	38 734 150 000	121 563 245 000	646 773 075 000
	*Historical cost 31 December 2022						
Fair value 1 January	9 266 100 000	1 650 570 000	1 052 280 000	560 500 000	400 200 000	1 015 052 000	13 944 702 000
Disposals	-	-	-	-	-	(264 140 000)	(264 140 000)
Reclassification to assets held for sale	(1 070 000 000)	-	-	-	-	-	(1 070 000 000)
Improvements/additions	378 447 011	-	-	49 947 027	352 402 993	1 388 257 772	2 169 054 803
Fair value gain	28 055 462 989	6 183 260 000	3 821 880 000	2 055 200 973	1 922 947 007	10 046 880 228	52 085 631 197
Fair value at 31 December	36 630 010 000	7 833 830 000	4 874 160 000	2 665 648 000	2 675 550 000	12 186 050 000	66 865 248 000

Below is a summary of transfers to and from investment properties to asset held for sale during the year:

12 (b) Investment property transfers

	Inflation adjusted		*Historical cost	
	31 December 2023 ZW\$	31 December 2022 ZW\$	31 December 2023 ZW\$	31 December 2022 ZW\$
Transfer to asset held for sale	11 909 130 237	17 675 275 122	2 478 294 000	1 070 000 000
Net movement	11 909 130 237	17 675 275 122	2 478 294 000	1 070 000 000

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

12. Investment property (continued)

12.1 Measurement of fair value

(a) Hierarchy (Level 3)

The fair value of investment property adopted for financial reporting was determined by an independent external valuer, EPG Global as at 31 December 2023. EPG Global has recognised professional qualification and recent experience in the location and category of the property being valued.

The fair value of investment property of ZW\$646.8 billion has been categorised under level 3 in the fair value hierarchy based on the inputs to the valuation techniques used. (See Note 1(e) – material estimates and judgements).

(b) Valuation technique and material unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the material unobservable inputs used.

Income approach

This method was applied on all investment property classes except residential and undeveloped land. Anticipated future cash flow benefits in the form of annual market rental income were capitalised into present values using an all-risk yield.

All risk yield for the different asset classes were determined by the rates/yields at which similar properties in the different asset classes traded in the recent past.

Direct comparison approach

This method was applied on residential properties and undeveloped land. The method considered comparable market evidence i.e., the sales evidence either achieved or on the market, of similar properties situated in the comparable residential suburbs and undeveloped land with that of the subject properties. This comprises of complete transactions as well as transactions where offers had been made but the transaction had not been completed.

	31 December 2023				
	Office ZW\$	Industrial ZWL\$	Pure retail ZW\$	Residential and health ZW\$	Land banks ZW\$
Material unobservable inputs					
Occupancy rate	89%	100%	100%	100%	N/A
Yields	6%	7%	5%	6%	N/A
Capitalisation rate (ranges)	5.5% – 9%	7.5% – 12.5%	7% – 8%	6% – 7.5%	N/A
Rentals per square meter (ranges)	2 550 – 5 840	800 – 2 920	4 100 – 11 950	3 200 – 4 380	N/A
Land bank price per square meter (range)	N/A	N/A	N/A	N/A	5 100 – 85 000
	31 December 2022				
Material unobservable inputs					
Occupancy rate	81%	100%	100%	100%	N/A
Yields	4%	12%	5%	5%	N/A
Capitalisation rate (ranges)	5% – 8%	7% – 8.5%	4.5% – 5%	4.5% – 5%	N/A
Rentals per square meter (ranges)	1 376 – 2 752	688 – 1 376	2 408 – 5 332	1 789 – 2 580	N/A
Land bank price per square meter (range)	N/A	N/A	N/A	N/A	2 580 – 29 584

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

12. Investment property (continued)

12.1 Measurement of fair value (continued)

(c) Inter-relationship between key unobservable inputs and fair value measurement

The estimated fair value would increase/(decrease) if all-risk yields were lower/(higher) as shown in the sensitivity analysis below:

Sensitivity analysis to material changes in unobservable inputs within Level 3 of the hierarchy

Sensitivity to capitalisation rates

Capitalisation rates represent an all-risk yield derived from property market sales transactions for similar properties. It is the closing yield on disposal of an income generating property determined from adjusted net income expected in year zero divided by the property value. Factors contributing to an increase in risk include the increase in vacancy levels, this increase will consequently result in a reduction in net incomes and ultimately property value. Where external factors and property specific factors improve, reduction in capitalisation rates is expected, all things being constant, the result is increased property values. The table below highlights the sensitivity of the Group profit for the year and equity arising from a possible change in the capitalisation rates applied in the valuation of investment property.

All figures in ZW\$	Inflation adjusted 2023		Inflation adjusted 2022	
	10% increase in capitalisation rates	10% decrease in capitalisation rates	10% increase in capitalisation rates	10% decrease in capitalisation rates
Effect on fair value adjustment on investment property	(45 204 284 545)	55 249 681 111	(22 599 243 471)	27 621 297 576
Effect on deferred tax expense	2 260 214 227	(2 762 484 056)	1 129 962 174	(1 381 064 879)
Effect on profit for the year	(42 944 070 318)	52 487 197 056	(21 469 281 298)	26 240 232 697
Effect on equity	(42 944 070 318)	52 487 197 056	(21 469 281 298)	26 240 232 697

Sensitivity to observed market rentals

Observed market rentals are used in determining the potential income for investment properties. These market rentals are affected by several property specific and macro-economic factors. Where property specific and macro-economic factors improve, all things being constant, property potential incomes will improve the result being an increase in property values. The table below highlights the sensitivity of the Group profit for the year and equity arising from a possible change in market rentals applied in the valuation of investment property.

All figures in ZW\$	Inflation adjusted 2023		Inflation adjusted 2022	
	10% increase in market rentals	10% decrease in market rentals	10% increase in market rentals	10% decrease in market rentals
Effect on fair value adjustment on investment property	(45 204 284 545)	55 249 681 111	(22 599 243 471)	27 621 297 576
Effect on deferred tax expense	2 260 214 227	(2 762 484 056)	1 129 962 174	(1 381 064 879)
Effect on profit for the year	(42 944 070 318)	52 487 197 056	(21 469 281 298)	26 240 232 697
Effect on equity	(42 944 070 318)	52 487 197 056	(21 469 281 298)	26 240 232 697

Sensitivity to changes in land value per square meter

The Group's land banks are valued based on sales evidence obtained from comparable market transactions. The value of land banks are sensitive to changes in demand and supply of similar land in the market. The table below highlights the sensitivity on the Group's equity and profit for the year arising from a possible change in land values.

All figures in ZW\$	Inflation adjusted 2023		Inflation adjusted 2022	
	10% increase in land value per m ²	10% decrease in land value per m ²	10% increase in land value per m ²	10% decrease in land value per m ²
Effect on fair value adjustment on investment property	933 703 500	(933 703 500)	206 993 291	(206 993 291)
Effect on deferred tax expense	(46 685 175)	46 685 175	(10 349 665)	10 349 665
Effect on profit for the year	887 018 325	1 059 608 889	(550 298 727)	672 587 334
Effect on equity	887 018 325	1 059 608 889	(550 298 727)	672 587 334

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

12. Investment property (continued)

12.1 Measurement of fair value (continued)

Sensitivity to changes in the value of comparable residential properties observed in the valuation of residential properties

The Group's residential properties were valued based on the direct comparison approach. Under this approach residential property values were determined based on the values of similar transacted properties in the market. The value of residential properties are sensitive to changes in demand and supply of similar properties in the market. The table below highlights the sensitivity on the Group's equity and profit for the year arising from a possible change in residential property values.

All figures in ZW\$	Inflation adjusted 2023		Inflation adjusted 2022	
	10% increase in property value	10% decrease in property value	10% increase in property value	10% decrease in property value
Effect on fair value adjustment on				
Investment property	1 510 800 360	(1 510 800 360)	1 280 943 922	(1 280 943 922)
Effect on deferred tax expense	(75 540 018)	75 540 018	(64 047 196)	64 047 196
Effect on profit for the year	1 435 260 342	(1 435 260 342)	1 216 896 726	(1 216 896 726)
Effect on equity	1 435 260 342	(1 435 260 342)	1 216 896 726	(1 216 896 726)

13. Inventories

	Inflation adjusted		*Historical cost	
	31 December 2023 ZW\$	31 December 2022 ZW\$	31 December 2023 ZW\$	31 December 2022 ZW\$
Mashview Gardens land (Note 13.1)	175 761 789	1 054 569 861	10 640 000	63 840 000
Ruwa Windsor stands	34 022 382	168 096 471	391 311	714 826
Consumables	75 787 799	154 043 831	21 939 510	5 098 673
Total	285 571 970	1 376 710 163	32 970 821	69 653 499

The Mashview Gardens development land inventory movement is presented in the table below:

13.1 Mashview Gardens Inventory movement

Opening balance	1 054 569 861	2 510 880 380	63 840 000	152 000 000
Costs incurred during the year	4 118 536 567	4 365 382 286	1 961 089 994	684 312 588
Transfer to cost of sales	(4 997 344 639)	(5 821 692 805)	(2 014 289 994)	(772 472 588)
Closing balance	175 761 789	1 054 569 861	10 640 000	63 840 000

14. Trade and other receivables

Rent receivables	3 607 580 425	705 686 296	3 607 580 425	146 853 555
VAT receivable from disposal of non-current asset held for sale	-	1 701 991 728	-	354 185 050
Tax receivable	431 482 025	-	431 482 025	-
Short term staff receivables	462 694 578	230 627 317	462 694 578	47 993 622
Other receivables	7 124 941 574	884 578 895	7 124 941 574	184 081 165
	11 626 698 602	3 522 884 236	11 626 698 602	733 113 392
Impairment allowance on rental receivables	(408 309 025)	(247 310 533)	(408 309 025)	(51 465 405)
	11 218 389 577	3 275 573 703	11 218 389 577	681 647 987
Long-term receivables	7 990 536 135	2 827 533 144	7 990 536 135	588 410 597
Impairment allowance on long term staff loans	(24 490 240)	(17 930 463)	(24 490 240)	(3 731 336)
	7 966 045 895	2 809 602 681	7 966 045 895	584 679 261
Grand total	19 184 435 472	6 085 176 384	19 184 435 472	1 266 327 248

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

14. Trade and other receivables (continued)

Long term staff receivables consist of housing loans disbursed to staff issued over 10-to-20-year tenures. The loans are secured and bear an interest rate of 8% per annum. The pledged security is adequate to cover the credit exposure on the long-term loans receivable, hence low credit risk exposure to the Group.

During the current year management computed loss-factors as set out in note Q (Financial instruments). The Group computed the impairment allowance by focusing on the entire receivable portfolio over a 24-month period. The 24-month average net flow rate used to compute the loss given default (LGD). Debtors over 90 days for sitting tenants and vacated tenants were provided for in full. In order to determine the portfolio impairment allowance, management applies loss factors on the gross amount outstanding for all rental receivables that are less than 90 days past due. The carrying amount of trade receivables approximates its fair value.

Movements in the impairment allowance on rental receivables were as follows.

	Inflation adjusted		*Historical cost	
	31 December 2023 ZW\$	31 December 2022 ZW\$	31 December 2023 ZW\$	31 December 2022 ZW\$
Opening balance	265 240 997	265 240 997	55 196 741	6 980 154
Charge for the year	377 602 524	149 936 188	377 602 524	48 216 587
Effects of inflation	(210 044 256)	(149 936 188)	-	-
Closing balance	432 799 265	265 240 997	432 799 265	55 196 741

There were no credit impaired debtors that were identified during the year (2022:nil) which require reclassification. The increase in ECL was a result of increase in current rental and staff debtors.

15. Assets held for sale

Asset held for sale comprise of a land bank which was classified as held for sale during the year valued at ZW\$ 21,4 billion. The conditions to classify the landbank as held for sale were wholly met at 31 December 2023. The landbank, which is expected to be sold within 12 months, has been classified as asset held for sale and presented separately in the statement of financial position. The sale is expected to be concluded in United States Dollars (USD). The Zimbabwe Dollar equivalent of the USD selling price converted at RBZ exchange rate is expected to be lower than the carrying amount of the related landbank and accordingly, an impairment loss of ZW\$ 3,8 billion has been recognised within the fair value adjustment on the classification of the landbank as held for sale and is presented as follows:

	Inflation adjusted		*Historical cost	
	31 December 2023 ZW\$	31 December 2022 ZW\$	31 December 2023 ZW\$	31 December 2022 ZW\$
Assets				
Opening balance	-	4 667 125 014	-	282 531 600
Net reclassification from investment property	11 909 130 237	17 675 275 122	2 478 294 000	1 070 000 000
Disposals	-	(22 342 400 136)	-	(1 352 531 600)
Fair value adjustment	9 457 398 863	-	18 888 235 100	-
Closing balance	21 366 529 100	-	21 366 529 100	-

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

16. Share capital and premium

	Inflation adjusted		*Historical cost	
	31 December 2023 ZW\$	31 December 2022 ZW\$	31 December 2023 ZW\$	31 December 2022 ZW\$
Ordinary shares of ZW\$0.0005				
Authorised				
Authorised share capital 2 500 000 000 at year end	1 250 000	1 250 000	1 250 000	1 250 000
Issued and fully paid up				
1 859 073 947 shares	576 729 580	610 758 660	843 792	929 537
Cancellation of treasury shares	-	(34 029 080)	-	(85 745)
At year end	576 729 580	576 729 580	843 792	843 792
Share premium				
Share premium	1 153 459 471	1 221 517 564	1 687 584	1 859 074
Cancellation of treasury shares	-	(68 058 093)	-	(171 490)
At year end	1 153 459 471	1 153 459 471	1 687 584	1 687 584

16.1 Earnings per share

- The calculation of basic and diluted earnings per share has been based on the profit/(loss) attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.
- The calculation of headline earnings per share has been based on the profit/(loss) attributable to ordinary shareholders adjusted for profits or losses from events that do not happen often and weighted-average number of ordinary shares outstanding.

	Inflation adjusted		*Historical cost	
	31 December 2023 ZW\$	31 December 2022 ZW\$	31 December 2023 ZW\$	31 December 2022 ZW\$
(i) Profit attributable to ordinary shares	323 631 865 016	82 872 316 356	571 294 310 234	52 073 925 697

	Inflation adjusted		*Historical cost	
	Number of shares	Number of shares	Number of shares	Number of shares
(ii) Weighted average number of ordinary shares (basic)				
Issued ordinary shares at beginning	1 690 249 809	1 859 073 947	1 690 249 809	1 859 073 947
Effects of treasury shares	-	(168 824 138)	-	(168 824 138)
Weighted-average number of ordinary shares at year end	1 690 249 809	1 690 249 809	1 690 249 809	1 690 249 809
Basic and diluted earnings per share (ZW\$)	191.45	49.03	338.53	308.1
Headline earnings per share (ZW\$)	191.45	49.03	338.53	308.1

There are no transactions with a potential dilutive effect.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

17. Operating segments

17.1 Basis for segmentation

For investment property, discrete financial information for each segment in the property portfolio is provided to the Group executive committee for performance monitoring. The individual properties are aggregated into segments with similar economic characteristics. The executive directors consider that this is best achieved by aggregating into the office, industrial, retail, residential & health and land segments. The segment information provided includes revenue, other income, investment property fair value adjustments, property expenses and segment profit or loss. Segment information provided also includes the segment assets and liabilities.

17.2 Reportable segments

The Group has the following strategic segments, which are reportable segments:

- Office segment – acquires, develops, and leases offices and shops housed in office complexes.
- Industrial segment – acquires, develops, and leases warehouses and factories.
- Pure Retail – acquires, develops, and leases shops;
- Residential and health – leases accommodation and health space,
- Land – comprised of undeveloped and development land inventory

Group administrative costs, profits/losses on disposal of investment property, finance revenue, finance costs and income taxes are not reported to the Board on a segment basis. There are no sales between segments.

17.3 Information about reportable segments

Information related to each reportable segment is set out below. Segment profit before tax is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

	Inflation adjusted 31 December 2023					
	Office ZW\$	Industrial ZW\$	Pure retail ZW\$	Residential and health ZW\$	Land ZW\$	Total ZW\$
Segment profit						
Rental income	16 574 730 768	9 175 297 389	887 932 005	2 959 773 353	-	29 597 733 515
Mashview Gardens housing income (Note 19.3)	-	-	-	-	3 388 122 250	3 388 122 250
Land inventory sales	-	-	-	-	606 346 309	606 346 309
Property services income	-	-	-	288 400 237	-	288 400 237
Allowance for credit losses	(89 644 205)	(49 624 470)	(4 802 368)	(16 007 895)	-	(160 078 938)
Fair value adjustment	166 884 895 924	33 588 644 831	19 662 598 697	89 635 886 803	-	309 772 026 255
	183 369 982 487	42 714 317 750	20 545 728 334	92 868 052 498	3 994 468 559	343 492 549 628
Property expenses	(1 429 996 853)	(3 140 652 758)	(303 934 138)	(258 006 012)	(4 998 548 168)	(10 131 137 929)
Segment profit	181 939 985 634	39 573 664 992	20 241 794 196	92 610 046 486	(1 004 079 609)	333 361 411 699
Reconciliation of segment profit						
Profit from operating segments						333 361 411 699
Fair value on investments held for trading						1 570 738 534
Fair value on asset held for sale						9 457 398 863
Administrative expenses						(12 884 852 283)
Other income						7 354 071 151
Net exchange gains from operating activities						70 588 762 972
Allowance for credit losses						(7 479 333)
Finance income						1 893 450 728
Finance costs						(1 471 012 287)
Exchange losses on borrowings						(33 441 887 362)
Monetary loss						(31 796 640 233)
Profit before tax as per consolidated statement of profit or loss						344 623 962 449

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

17. Operating segments (continued)

17.3 Information about reportable segments (continued)

	Inflation adjusted 31 December 2022					
	Office ZW\$	Industrial ZW\$	Pure retail ZW\$	Residential and health ZW\$	Land ZW\$	Total ZW\$
Segment profit						
Rental income	8 565 077 409	1 908 055 937	997 401 938	823 000 806	-	12 293 536 090
Mashview Gardens housing sales (Note 19.3)	-	-	-	-	5 614 602 587	5 614 602 587
Land inventory sales	-	-	-	-	333 734 964	333 734 964
Property services income	-	-	-	111 083 992	-	111 083 992
Allowance for credit losses	(127 561 861)	(2 526 796)	-	(1 917 070)	-	(132 005 727)
Fair value adjustment	48 412 440 347	10 669 818 781	6 595 027 055	24 201 555 389	-	89 878 841 572
	56 849 955 895	12 575 347 922	7 592 428 993	25 133 723 117	5 948 337 551	108 099 793 478
Property expenses	(1 320 925 433)	(3 904 409)	(1 020 925 433)	(165 457 610)	(5 899 793 539)	(8 411 006 424)
Segment profit	55 529 030 462	12 571 443 513	6 571 503 560	24 968 265 507	48 544 012	99 688 787 054
Reconciliation of segment profit						
Profit from operating segments						99 688 787 054
Fair value on investments held for trading						(4 820 951 465)
Administrative expenses						(5 540 648 059)
Other income						(1 679 784 622)
Net exchange gains from operating activities						14 421 148 059
Allowance for credit losses						(17 930 467)
Finance income						495 901 113
Finance costs						(1 287 136 276)
Exchange losses on borrowings						(14 569 574 072)
Monetary loss						743 217 821
Profit before tax as per consolidated statement of profit or loss						87 433 029 086
	*Historical cost 31 December 2023					
	Office ZW\$	Industrial ZW\$	Pure retail ZW\$	Residential and health ZW\$	Land ZW\$	Total ZW\$
Segment profit						
Rental income	10 018 577 036	5 545 998 002	536 709 484	1 789 031 614	-	17 890 316 136
Mashview Gardens housing income (Note 19.3)	-	-	-	-	580 675 937	580 675 937
Land inventory sales	-	-	-	251 102 344	-	251 102 344
Property services income	-	-	-	-	169 389 179	169 389 179
Allowance for credit losses	(203 114 099)	(112 438 162)	(10 881 112)	(33 678 541)	-	(362 703 747)
Fair value adjustment	306 745 632 119	63 399 300 000	38 295 263 881	154 866 563 520	-	563 306 759 520
	316 561 095 056	68 832 859 840	38 821 092 253	156 873 018 937	750 065 116	581 838 131 202
Property expenses	(1 583 381 998)	(1 204 193 606)	(147 502 607)	(81 774 467)	(2 014 613 510)	(5 031 466 188)
Segment profit	314 977 713 058	67 628 666 234	38 673 589 646	156 791 244 470	(1 264 548 394)	576 806 665 014
Reconciliation of segment profit						
Profit from operating segments						576 806 665 014
Fair value on investments held for trading						3 577 734 446
Fair value on assets held for sale						18 888 235 373
Administrative expenses						(7 571 326 873)
Other income						5 353 168 460
Net exchange gains from operating activities						21 395 483 195
Allowance for credit losses						(16 825 433)
Finance income						1 086 869 157
Exchange losses on borrowings						(14 456 505 946)
Finance costs						(939 669 146)
Profit before tax as per consolidated statement of profit or loss						604 123 828 247

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

17. Operating segments (continued)

17.3 Information about reportable segments (continued)

	*Historical cost 31 December 2022					
	Office ZW\$	Industrial ZW\$	Pure retail ZW\$	Residential and health ZW\$	Land ZW\$	Total ZW\$
Rental income	1 288 038 668	286 938 426	149 991 903	123 765 007	-	1 848 734 004
Mashview Gardens housing income (Note 19.3)	-	-	-	-	962 262 980	962 262 980
Land inventory sales	-	-	-	-	54 102 328	54 102 328
Property services income	-	-	-	20 408 025	-	20 408 025
Allowance for credit losses	(42 987 674)	(851 516)	-	(646 042)	-	(44 485 232)
Fair value adjustment	28 055 462 989	6 183 260 000	3 821 880 000	14 025 028 208	-	52 085 631 197
	29 300 513 983	6 469 346 910	3 971 871 903	14 168 555 198	1 016 365 308	54 926 653 302
Property expenses	(177 826 379)	(525 622)	(160 826 379)	(20 449 355)	(772 683 580)	(1 132 311 315)
Segment profit	29 122 687 604	6 468 821 288	3 811 045 524	14 148 105 843	243 681 728	53 794 341 987
Reconciliation of segment profit						
Profit from operating segments						53 794 341 987
Fair value on investments held for trading						169 161 655
Fair value on assets held for sale						-
Administrative expenses						(772 101 142)
Other income						1 341 644 408
Net exchange gains from operating activities						2 237 279 013
Allowance for credit losses						(3 731 355)
Finance income						88 519 469
Exchange losses on borrowings						(1 973 163 350)
Finance costs						(187 801 696)
Profit before tax as per consolidated statement of profit or loss						54 694 148 989
	Inflation adjusted 31 December 2023					
	Office ZW\$	Industrial ZW\$	Pure retail ZW\$	Residential, health and land ZW\$		Total ZW\$
Segment assets						
Investment property	344 056 400 000	71 233 130 000	43 223 450 000	188 260 095 000		646 773 075 000
Current assets	1 691 926 784	936 602 326	90 638 935	7 651 625 562		10 370 793 607
Total assets	345 748 326 784	72 169 732 326	43 314 088 935	195 911 720 562		657 143 868 607
Reconciliation						
Total segment assets						657 143 868 607
Vehicles and equipment						1 595 259 236
Investments held for trading						4 104 137 878
Trade and other receivables						11 767 346 063
Inventories						285 571 969
Asset held for sale						21 366 529 100
Cash and cash equivalents						1 351 788 251
Total assets as per consolidated statement of financial position						697 614 501 104

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

17. Operating segments (continued)

17.3 Information about reportable segments (continued)

	Inflation adjusted 31 December 2022				
	Office ZW\$	Industrial ZW\$	Pure retail ZW\$	Residential, health and land ZW\$	Total ZW\$
Segment assets					
Investment property	176 020 907 800	37 644 485 169	23 422 163 080	84 224 986 688	321 312 542 737
Trade & other receivables	1 968 631 716	55 769 362	13 526 258	443 431 212	2 481 358 548
Total assets	177 989 539 516	37 700 254 531	23 435 689 338	84 668 417 900	323 793 901 285
Reconciliation					
Total segment assets					323 793 901 285
Vehicles and equipment					964 199 108
Investments held for trading					2 535 092 029
Trade and other receivables					3 603 817 836
Inventories					1 376 710 163
Cash and cash equivalents					19 719 634 569
Total assets as per consolidated statement of financial position					351 993 354 990

	*Historical cost 31 December 2023				
	Office ZW\$	Industrial ZW\$	Pure retail ZW\$	Residential, health and land ZW\$	Total ZW\$
Segment assets					
Investment property	344 056 400 000	71 233 130 000	43 223 450 000	188 260 095 000	646 773 075 000
Current assets	1 691 926 784	936 602 327	90 638 935	5 457 976 876	8 177 144 922
Total assets	345 748 326 784	72 169 732 327	43 314 088 935	193 718 071 876	654 950 219 922
Reconciliation					
Total segment assets					654 950 219 922
Vehicles and equipment					199 822 399
Investments held for trading					4 104 137 878
Non-current asset held for sale					21 366 529 100
Inventories					32 970 820
Trade and other receivables					11 767 346 063
Cash and cash equivalents					1 351 788 251
Total assets as per consolidated statement of financial position					693 772 814 433

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

17. Operating segments (continued)

17.3 Information about reportable segments (continued)

	*Historical cost 31 December 2022				
	Office ZW\$	Industrial ZW\$	Pure retail ZW\$	Residential, health and land ZW\$	Total ZW\$
Segment assets					
Investment property	36 630 010 000	7 833 830 000	4 874 160 000	17 527 248 000	66 865 248 000
Current assets	409 672 921	11 605 623	2 814 819	124 315 143	548 408 506
Total assets	37 039 682 921	7 845 435 623	4 876 974 819	17 651 563 143	67 413 656 506
Reconciliation					
Total segment assets					67 413 656 506
Vehicles and equipment					28 350 455
Investments held for trading					527 533 502
Assets held for sale					-
Inventories					69 653 499
Trade and other receivables					810 216 927
Cash and cash equivalents					4 103 662 573
Total assets as per consolidated statement of financial position					72 953 073 462
	Inflation adjusted 31 December 2023				
	Office ZW\$	Industrial ZW\$	Pure retail ZW\$	Residential, health and land ZW\$	Total ZW\$
Segment liabilities					
Deferred tax liability	18 856 204 740	3 835 917 606	2 327 591 008	10 137 841 941	35 157 555 295
Current liabilities	617 980 704	2 344 168 460	226 855 012	3 988 697 275	7 177 701 451
Total segment liabilities	19 474 185 444	6 180 086 066	2 554 446 020	14 126 539 216	42 335 256 746
Reconciliation					
Total segment liabilities					42 335 256 746
Deferred tax-other					621 828 949
Accruals					2 120 305 702
Trade and other payables					247 139 263
Tax payable					-
Borrowings					12 818 821 380
Total liabilities as per consolidated statement of financial position					58 143 352 040

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

17. Operating segments (continued)

17.3 Information about reportable segments (continued)

	Inflation adjusted 31 December 2022				
	Office ZW\$	Industrial ZW\$	Pure retail ZW\$	Residential, health and land ZW\$	Total ZW\$
Segment liabilities					
Deferred tax liability	8 725 556 179	1 800 177 798	1 074 100 290	4 045 031 721	15 644 865 988
Current liabilities	1 711 112 093	7 624 952	3 159 149	983 932 416	2 705 828 610
Total segment liabilities	10 436 668 272	1 807 802 750	1 077 259 439	5 028 964 137	18 350 694 598
Reconciliation					
Total segment liabilities					18 350 694 598
Deferred tax – other					89 907 990
Accruals					1 017 242 871
Trade and other payables					3 883 068 258
Tax payable					404 029 959
Borrowings					9 943 900 366
Total liabilities as per consolidated statement of financial position					33 688 844 042

	*Historical cost 31 December 2023				
	Office ZW\$	Industrial ZW\$	Pure retail ZW\$	Residential, health and land ZW\$	Total ZW\$
Segment liabilities					
Deferred tax liability	18 527 502 612	3 835 917 606	2 327 591 008	10 137 841 941	34 828 853 167
Current liabilities	946 682 832	2 344 168 460	226 855 012	3 469 495 688	6 987 201 992
Total segment liabilities	19 474 185 444	6 180 086 066	2 554 446 020	13 607 337 629	41 816 055 159
Reconciliation					
Total segment liabilities					41 816 055 159
Deferred tax-other					525 927 520
Accruals					2 120 305 702
Trade and other payables					247 139 263
Tax payable					
Borrowings					12 818 821 380
Total liabilities as per consolidated statement of financial position					58 012 120 694

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

17. Operating segments (continued)

17.3 Information about reportable segments (continued)

	*Historical cost 31 December 2022				
	Office ZW\$	Industrial ZW\$	Pure retail ZW\$	Residential, health and land ZW\$	Total ZW\$
Segment liabilities					
Deferred tax liability	1 815 791 170	374 617 604	223 520 631	770 053 286	3 183 982 691
Current liabilities	457 580 512	2 039 042	844 810	96 228 295	556 692 659
Total segment liabilities	2 273 371 682	376 656 646	224 365 441	866 281 581	3 740 675 350
Reconciliation					
Total segment liabilities					3 740 675 350
Deferred tax – other					(17 979 298)
Accruals					211 688 583
Trade and other payables					689 689 740
Tax payable					84 078 769
Borrowings					2 069 329 004
Total liabilities as per consolidated statement of financial position					6 777 482 148

18. Treasury shares

	Inflation adjusted			
	31 December 2023		31 December 2022	
	Number of shares	ZW\$	Number of shares	ZW\$
Authorised	-	-	200 000 000	-
Balance at beginning of year	-	-	171 489 938	2 057 449 003
Cancelled during the year	-	-	(171 489 938)	(2 057 449 003)
At end of year	-	-	-	-
	*Historical cost			
	31 December 2023		31 December 2022	
	Number of shares	ZW\$	Number of shares	ZW\$
Authorised	-	-	200 000 000	-
Balance at beginning of year	-	-	171 489 938	5 184 274
Cancelled during the year	-	-	(171 489 938)	(5 184 274)
At end of year	-	-	-	-

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

19. Trade and other payables

	Inflation adjusted		*Historical cost	
	31 December 2023 ZW\$	31 December 2022 ZW\$	31 December 2023 ZW\$	31 December 2022 ZW\$
Trade payables	6 710 438 333	2 674 394 485	6 710 438 333	556 542 390
VAT payable	87 101 390	3 007 485 680	87 101 390	625 858 779
Dividend payable	247 139 263	91 889 547	247 139 263	19 122 246
	7 044 678 986	5 773 769 712	7 044 678 986	1 201 523 415

The carrying amount of trade and other payables approximates fair value. Trade payables are non-interest bearing and are normally settled within 30 days. The Groups' exposure to liquidity risk related to trade and other payables is disclosed in note 24.

19.1 Total contract liabilities with customers

	Inflation adjusted		*Historical cost	
	31 December 2023 ZW\$	31 December 2022 ZW\$	31 December 2023 ZW\$	31 December 2022 ZW\$
Contract liability in respect of Mashview Gardens	-	521 519 443	-	-
Contract liability in respect of Ruwa stand sales	380 161 727	293 607 715	189 662 270	44 858 985
Total contract liability	380 161 727	815 127 158	189 662 270	44 858 985
Mashview Gardens project customer contract liabilities/(assets)				
Contract liabilities/(assets) at beginning of the year	521 519 442	2 592 837 677	(92 278 185)	153 372 372
Contract liability received during the year	-	4 213 769 248	-	856 140 555
Contract liability in respect of amounts received for Mashview Gardens	521 519 442	6 806 606 925	(92 278 185)	1 009 512 927
Revenue for stage of completion recognised	(3 388 122 250)	(5 614 602 587)	(580 675 936)	(962 262 980)
Valued added tax	(87 101 390)	(670 484 894)	(87 101 391)	(139 528 134)
Contract (assets)/liabilities at the end of the year	(2 953 704 198)	521 519 442	(760 055 512)	(92 278 185)

Contract liability represents advance receipts from Mashview Gardens Cluster house development and Ruwa stand sales which are accounted for as per IFRIC 22 requirements. Contract liabilities are recognised as revenue over time and at point in time respectively, as or when the Group performs under the contract. A contract asset is recognised when the amounts received are not sufficient to match the revenue realized based on stage of completion.

As at 31 December 2023, the Group had not yet received the third and final instalment which will be received on completion of the project.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

19. Trade and other payables (continued)

19.2 Mashview gardens project performance

Included in profit and loss are the following revenue, gains and expenses realised on the sale of development works in progress. Revenue from sold development works in progress at 31 December 2023 emanated from the sale of the Mashview Gardens housing project. Revenue and cost of sales from this project were recognised based on percentage of completion in accordance with IFRS 15 (Revenue from Contracts with Customers). The stage of completion for the entire project was determined as 93% at 31 December 2023 : 58% at 31 December 2022 by the project architect.

The Group has entered into agreements to develop and dispose the housing units under this project for a total consideration of ZW\$ 9 638 260 810 (Historical cost ZW\$1 899 639 847).

	Inflation adjusted		*Historical cost	
	31 December 2023 ZW\$	31 December 2022 ZW\$	31 December 2023 ZW\$	31 December 2022 ZW\$
Mashview Gardens housing project				
Revenue recognised based on state of completion	3 388 122 250	5 614 602 587	580 675 936	962 262 980
Exchange gains on contract receipts	3 523 333 730	1 861 133 029	5 716 982 416	137 516 599
	6 911 455 980	7 475 735 616	6 297 658 352	1 099 779 579
Development costs recognised in property expenses	(4 997 344 639)	(5 821 692 805)	(2 014 289 994)	(772 472 588)
Recognised developer's profit	1 914 111 341	1 654 042 811	4 283 368 358	327 306 991
Developer's profit margin %	28%	22%	68%	30%
20. Cash and cash equivalents				
Bank and cash balances on hand	1 351 788 251	19 719 634 569	1 351 788 251	4 103 662 573

The carrying amount of cash and cash equivalents approximates fair value. Cash and cash equivalents comprise bank balances and cash on hand.

21. Subsidiaries

The consolidated financial statements include the financial statements of Mashonaland Holdings Limited and the subsidiaries listed in the following table. There are no control restrictions on all the subsidiaries owned by Mashonaland Holdings Limited.

	Country of incorporation	2023 Equity holding	2022 Equityholding
Charter Properties (Private) Limited	Zimbabwe	100%	100%
Celine Scheidje (Private) Limited	Zimbabwe	100%	100%
Labacn Investments (Private) Limited	Zimbabwe	100%	100%
Canon Investments (Private) Limited	Zimbabwe	100%	100%
Armhold Investments (Private) Limited	Zimbabwe	100%	-
Floraline (Private) Limited	Zimbabwe	100%	-

No subsidiary was acquired or disposed during the year.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

22. Borrowings

	Inflation adjusted		*Historical cost	
	31 December 2023 ZW\$	31 December 2022 ZW\$	31 December 2023 ZW\$	31 December 2022 ZW\$
Opening balance	9 943 900 367	-	2 069 329 004	-
Capital raised	-	6 989 564 486	-	585 849 482
Finance costs	1 471 012 287	1 287 136 276	939 669 146	149 246 368
Foreign exchange losses	33 441 887 362	14 569 574 072	14 456 505 946	1 973 163 350
Loan repayment	(5 390 528 857)	(3 543 586 371)	(4 646 682 716)	(638 930 196)
Net effects of inflation	(26 647 449 779)	(9 358 788 098)	-	-
Closing balance	12 818 821 380	9 943 900 367	12 818 821 380	2 069 329 004
The loan balance is presented as follows:				
Non-current liabilities	3 717 876 509	4 933 156 834	3 717 876 509	1 026 591 593
Current liabilities	9 100 944 871	5 010 743 533	9 100 944 871	1 042 737 411
Closing balance	12 818 821 380	9 943 900 367	12 818 821 380	2 069 329 004

The loan details and terms are as follows:

- This is a foreign denominated (USD) currency loan with a 36-month tenure
- Interest rate 8.5% per annum payable quarterly.
- The Group secured the loan against one of its investment properties with a carrying value of ZW\$ 62 143 900 000.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

23. Related party transactions and balances

			Inflation adjusted			
Related party	Relationship	Nature of transaction	Transaction 31 Dec 2023 ZWL	Transaction 31 Dec 2022 ZWL	Balance 31 Dec 2023 ZWL	Balance 31 Dec 2022 ZWL
ZB Life Assurance Limited	Direct shareholder	Rent accrued	1 123 857 386	524 901 247	511 522 147	86 628 774
ZB Bank Limited	Indirect shareholder	Rent accrued	2 355 871 224	756 849 105	15 704 687	
ZB Life Assurance Limited	Direct shareholder	Interest received	246 077 755	-	-	-
ZB Bank Limited	Indirect shareholder	Interest received	37 262 340	184 515 019	-	-
ZB Bank Limited	Indirect shareholder	Finance cost	1 471 012 287	827 146 193	-	-
ZB Financial Holdings Limited	Indirect shareholder	Dividends received	44 210 902	36 549 549	-	-
ZB Financial Holdings Limited	Indirect shareholder	Investment in money market securities	-	-	-	-
ZB Financial Holdings Limited	Indirect shareholder	Investment in equities	-	-	2 062 379 425	1 304 704 460
ZB Bank Limited	Indirect shareholder	Bank balances	-	-	439 169 760	18 167 242 454
ZB Bank Limited	Indirect shareholder	Loan payable	-	-	12 818 821 380	9 943 900 367

			*Historical cost			
Related party	Relationship	Nature of transaction	Transaction 31 Dec 2023 ZWL	Transaction 31 Dec 2022 ZWL	Balance 31 Dec 2023 ZWL	Balance 31 Dec 2022 ZWL
ZB Life Assurance Limited	Direct shareholder	Rent accrued	680 261 597		511 522 147	18 027 477
ZB Bank Limited	Indirect shareholder	Rent accrued	1 425 989 400	546 933 000	15 704 687	
ZB Life Assurance Limited	Direct shareholder	Interest received	140 249 629	-	-	-
ZB Bank Limited	Indirect shareholder	Interest received	21 237 309	153 602 726	-	-
ZB Bank Limited	Indirect shareholder	Finance cost	939 669 146	187 801 696	-	-
ZB Financial Holdings Limited	Indirect shareholder	Dividends received	32 544 595	6 834 611	-	-
ZB Financial Holdings Limited	Indirect shareholder	Investment in money market securities	-	-	-	-
ZB Financial Holdings Limited	Indirect shareholder	Investment in equities	-	-	2 062 379 425	271 509 436
ZB Bank Limited	Indirect shareholder	Bank balances	-	-	439 169 760	3 780 609 253
ZB Bank Limited	Indirect shareholder	Loan payable	-	-	12 818 821 380	2 069 329 004

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

23. Related party transactions and balances (continued)

23.1 Compensation of key management personnel in the Group

	Inflation adjusted		*Historical cost	
	31 December 2023 ZW\$	31 December 2022 ZW\$	31 December 2023 ZW\$	31 December 2022 ZW\$
Non-executive directors' emoluments	1 184 254 360	381 710 345	679 052 212	59 175 270
Short & long-term employee benefits	1 418 054 367	469 087 828	782 278 309	62 343 500
Post-employment pension and medical benefits	123 458 834	40 309 796	77 296 728	6 435 188
Total compensation paid to key management	2 725 767 561	891 107 969	1 538 627 249	127 953 958
23.2 Loans and advances to key management personnel in the Group				
Short term loans and advances	296 574 224	188 865 896	296 574 224	39 265 259
Long term loans and advances	2 555 986 269	1 408 952 122	2 555 986 269	292 921 439
Interest charge	253 269 638	64 390 498	140 903 774	13 386 798
Expected credit loss allowance	(8 214 585)	(9 282 540)	(8 214 585)	(1 929 842)
Total	3 105 830 131	1 652 925 975	3 001 678 852	343 643 654

Loans to key management personnel consist of 10–20-year housing loans issued to the Group's key personnel. The loans are secured and carry an interest rate of 8% per annum.

24. Financial risk management

24.1 Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the other risks faced by the Group.

24.2 Treasury risk management

The Group monitors its risk to a shortage of funds using recurring liquidity planning tools. Treasury management policy is in place to maximise returns on the available surplus funds.

24.3 Interest rate risk management

At year end, the Group has a long-term foreign denominated loan, hence there was exposure to interest rate risk. The risk is limited as there is no variable or floating rate on the existing loan. The table below shows the remaining contractual maturity for the foreign currency denominated loan with agreed payment periods and fixed interest rate. The table includes interest cashflow. All interest rate cashflows are fixed in nature.

Inflation adjusted 31 Dec 2023	Rate (%)	0-3 months	4-12months	12-36months	Total (ZW\$)
Borrowings	8.5	2 328 523 171	6 952 847 424	3 537 450 785	12 818 821 380
*Historical 31 Dec 2023	Rate (%)	0-3 months	4-12months	12-36months	Total (ZW\$)
Borrowings	8.5	2 328 523 171	6 952 847 424	3 537 450 785	12 818 821 380

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

24. Financial risk management (continued)

24.5. Credit risk management

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligation and arises principally from the payments to acquire investment property, long term loans granted, trade receivables as well as cash and cash equivalents.

There is no material concentration of credit risk as exposure is spread over a large number of counterparties.

24.6 Exposure to credit risk

(a) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The exposure to credit risk at the reporting date arising from trade receivables was:

	Inflation adjusted		*Historical cost	
	31 December 2023 ZW\$	31 December 2022 ZW\$	31 December 2023 ZW\$	31 December 2022 ZW\$
Trade receivables (age analysis)				
0 - 30 days	1 687 619 237	2 189 865 242	1 687 619 237	455 711 692
30 - 60 days	1 154 204 810	194 752 694	1 154 204 810	40 528 101
60 - 90 days	765 756 378	23 060 088	765 756 378	4 798 812
Total	3 607 580 425	2 407 678 024	3 607 580 425	501 038 605

The Group has long term staff and other receivables of ZW\$ 14.8million (2022: ZW\$ 6.1million) which has credit risk exposure. The other receivables are current.

(b) Trade receivables

The Group's exposure to credit risk is mainly in respect of tenants and is influenced by the individual characteristics of each tenant. The Group's widespread tenant base reduces credit risk.

Management has established a credit policy under which each new tenant is analysed individually for creditworthiness before the Group's standard payment terms and conditions are offered, which include in majority of the cases, the provision of a deposit of at least one month's rental. When available, the Group's credit review includes external ratings. In some instances, the Group requires that Directors of the new tenant sign a deed of surety.

Credit risk grades

The Group allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgment. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of debtor. The grades are according to the number of days in arrears which ranges from 0-30 to +90 days.

(b) Definition of default

The Group recognises default in the following cases

- Arrears including restructuring loans >90 days
- Decease of client
- Force majeure, when a client becomes insolvent due to external factors beyond control.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

24 Financial risk management (continued)

24.6 Exposure to credit risk (continued)

(a) Forward looking information

The group's expected credit loss rates are adjusted to reflect the current and forward-looking information on macroeconomics factors such as inflation forecast, interest rates, and GDP growth which might affect the ability of the customers to settle the receivables.

Impairment losses have been recorded for those debts, where recovery was not reasonably assured at year-end. The maximum credit exposure at the reporting date was ZW\$ 3.6billion (2022: ZW\$ 2.6billion), of which ZW\$ 432.7million (2022: ZW\$ 265.2million) has been provided for. No receivable was written off during the year (2022: ZW\$ nil). The Group's current provision matrix is as follows:

Category	31 December 2023			31 December 2022		
	(0 ≤ 30 days)	(31 to 90 days)	(91 days past due)	(0 ≤ 30 days)	(31 to 90 days)	(91 days past due)
Corporates	3.11%	6.11%	6.63%	6.31%	8.81%	8.83%
Individuals and SME's	3.11%	7.11%	7.61%	6.31%	9.81%	9.91%
Long outstanding debtors	-	-	100%	-	-	100%

24.7 Exposure to foreign currency risk

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the end of the reporting period were as follows:

	Inflation adjusted					
	Liabilities		Assets		Net exposure	
	31 December 2023 ZW\$	31 December 2022 ZW\$	31 December 2023 ZW\$	31 December 2022 ZW\$	31 December 2023 ZW\$	31 December 2022 ZW\$
ZW\$ equivalent	12 823 253 825	9 943 900 366	13 553 189 518	18 529 449 804	729 935 694	8 585 549 438
	*Historical cost					
ZW\$ equivalent	12 823 253 825	2 069 329 004	13 553 189 518	3 855 984 724	729 935 694	1 786 655 720

The following table shows the Group's sensitivity to a 10% increase in the ZW\$: USD rate. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a percentage change in foreign currency rates. A positive movement indicates an increase in profit where the ZW\$ strengthens or weakens in a favourable manner against net exposure.

Cost	Inflation adjusted		*Historical cost	
	31 December 2023 ZW\$	31 December 2022 ZW\$	31 December 2023 ZW\$	31 December 2022 ZW\$
Sensitivity analysis at 10 % exposure				
Profit /loss	72 993 569	858 554 944	72 993 569	178 665 572

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

24. Financial risk management (continued)

24.8 Financial instruments

The financial assets are included as an estimate of the amount that the instrument could be exchanged for a current transaction between willing parties, other than in a forced or liquidation sale. The estimated fair values of all financial instruments approximate their carrying amounts shown in the financial statements. The following table summarises the Group's classification of financial instruments:

	Inflation adjusted		*Historical cost	
	31 December 2023 ZW\$	31 December 2022 ZW\$	31 December 2023 ZW\$	31 December 2022 ZW\$
Cost				
Financial instruments				
Assets as per statement of financial position				
At amortised cost				
Other receivables-staff loans	8 428 740 473	3 040 230 000	8 428 740 473	632 672 883
Trade receivables	3 607 580 425	746 909 567	3 607 580 425	155 432 132
Cash and cash equivalents	1 351 788 251	19 719 634 569	1 351 788 251	4 103 662 573
At fair value				
Equity instruments	4 104 137 878	2 535 092 028	4 104 137 878	527 553 502
	17 492 247 027	26 041 866 160	17 492 247 027	5 419 321 090
Liabilities as per statement of financial position				
At amortised cost				
Borrowings	12 818 821 380	5 504 059 215	12 818 821 380	2 069 329 004
Trade and other payables (excluding statutory obligations)	6 710 438 332	5 773 769 709	6 710 438 332	556 542 390
Total financial liabilities	19 529 259 712	11 277 828 924	19 529 259 712	2 625 871 394

The liquidity gap will be covered by proceeds from the disposal of assets held for sale as detailed in Note 28.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

24. Financial risk management (continued)

24.9 Liquidity risk

The Group's main objective is to maintain a balance between continuity through a well-managed portfolio of short-term and long-term funding management. The following table set out the remaining contractual maturities of the Groups' liabilities.

All figures in ZW\$	Inflation adjusted 31 December 2023			
	0-3 months	4-12 months	12-36 months	Total
Borrowings	2 274 966 904	6 824 900 712	2 274 966 904	11 374 834 520
Trade and other payables	4 697 306 832	2 013 131 500	-	6 710 438 332
Total	6 972 273 736	8 838 032 212	2 274 966 904	18 085 272 852

	*Historical cost 31 December 2023			
Borrowings	2 274 966 904	6 824 900 712	2 274 966 904	11 374 834 520
Trade and other payables	4 697 306 832	2 013 131 500	-	6 710 438 332
Total	6 972 273 736	8 838 032 212	2 274 966 904	18 085 272 852

	Inflation adjusted 31 December 2022			
Borrowings	1 178 318 801	3 142 183 471	6 677 139 873	10 997 642 145
Trade and other payables	1 203 477 520	1 470 916 964	-	2 674 394 484
Total	2 381 796 321	4 613 100 435	6 677 139 873	13 672 036 629

	*Historical cost 31 December 2022			
Borrowings	245 208 538	653 889 435	1 389 515 049	2 288 613 022
Trade and other payables	250 444 076	306 098 314	-	556 542 390
Total	495 652 614	959 987 749	1 389 515 049	2 845 155 412

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

24. Financial risk management (continued)

24.10 Market risk

The Group is exposed to market risk through its listed and unlisted equity securities which are susceptible to market price risk arising from uncertainties about the future values of the investments. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's finance and investments committee on a regular basis.

25. Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to shareholders.

The capital structure of the Group consists of debt and equity. Debt is defined by the Group as long- and short-term borrowings as disclosed in Note 22. Equity includes capital and retained earnings. The Group manages its capital structure and adjusts it according to business requirements to fund strategic investments. To maintain or adjust the capital structure, the Group adjusts dividend payments to shareholders or issue new shares or implement share buyback schemes or secures debt financing from financial institutions.

The Group is not subject to any externally imposed capital requirements. The Group's Board Audit Committee monitors the Group's gearing and debt to equity ratio on a quarterly basis. As part of this review, the Committee considers the cost of capital and the Group's ability to meet commitments related to borrowings and equity (dividends).

The debt-to-equity position for the Group at 31 December 2023 is as follows:

Description	31 December 2023	31 December 2022
Debt to equity ratio	2.6%	3%

In line with the Mashonaland Holdings Limited Articles of Association, the Board of Directors have the authority to borrow up to 2 times the Group net asset position. As shown below, the Group has not exceeded this limit, and will continue reviewing borrowings to enable pursuit of strategic investments.

	Inflation adjusted		*Historical cost	
	31 December 2023 ZW\$	31 December 2022 ZW\$	31 December 2023 ZW\$	31 December 2022 ZW\$
Borrowing limit	1 278 942 298 128	636 609 021 896	1 272 489 130 818	132 351 182 628
Borrowings	(12 818 821 380)	(9 943 900 367)	(12 818 821 380)	(2 069 329 004)
Borrowing headroom	1 266 123 476 748	626 665 121 529	1 259 670 309 438	130 281 853 624

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2023

26 Pension and retirement benefits

26.1 Defined contribution plan

The Group operates a defined contribution pension plan administered by ZB Life Assurance Limited. The Group and employees contribute 12% and 5% of pensionable salaries respectively. The assets of the fund are held in a separate trustee administered fund.

26.2 National Social Security Authority Scheme (NSSA)

All employees are members of the National Social Security Scheme to which both the employees and the Group contribute. The Group's obligations under the scheme are limited to specific contributions as legislated from time to time and are presently 4.5% of pensionable emoluments. Employees contribute the same amount.

	Inflation adjusted		*Historical cost	
	31 December 2023 ZW\$	31 December 2022 ZW\$	31 December 2023 ZW\$	31 December 2022 ZW\$
Defined contributions for the year	(108 560 945)	(54 753 280)	(64 490 094)	(8 517 362)
NSSA contributions for the year	(16 727 733)	(3 357 493)	(10 252 287)	(356 600)
Total	(125 288 678)	(58 110 773)	(74 742 381)	(8 873 962)

27. Going concern

The Directors assessed the ability of the Group to continue operating as a going concern and concluded that the use of the going concern assumption is appropriate in the preparation of the inflation adjusted financial statements. The Directors have considered the impact of macro economic conditions on the Group's business and are satisfied that adequate measures have been put in place to ensure viability of the Group beyond the next 12-month period.

28. Subsequent events

Disposal of asset held for sale.

Subsequent to year end, the Group concluded the disposal of one of its land bank which was classified as IFRS 5 asset held for sale with a carrying amount of ZW\$ 21 366 529 100 at 31 December 2023. The disposal was completed at a price above the carrying amount at 31 December 2023.

Dividend declaration

The Board of Directors declared a final dividend of ZW\$223.308 per share and 0.0059 US cents per share to be paid from the company's distributable profits.

FINANCIAL PERFORMANCE PRESENTED IN UNITED STATES DOLLARS

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Statement of comprehensive income

For the year ended 31 December 2023

	Notes	31 December 2023 Unaudited USD	31 December 2022 Unaudited USD
Revenue	iv)	6 464 790	5 583 709
Property expenses		(1 694 833)	(2 558 967)
Net property income		4 769 957	3 024 742
Other income		557 807	1 115 476
Allowance for credit losses expense		(54 716)	(45 617)
Administrative expenses		(1 908 454)	(1 685 688)
Operating profit before fair value adjustments		3 364 594	2 408 913
Fair value adjustments gain/(loss)		1 969 824	(866 049)
Investments held for trading		(98 988)	(1 466 728)
Investment property	v)	1 871 812	600 679
Non-current assets held for sale		197 000	-
Profit before finance income and tax		5 334 418	1 542 864
Finance income		341 840	153 231
Finance costs		(349 835)	(376 578)
Profit before tax		5 326 423	1 319 517
Tax expense		(523 789)	(378 257)
Profit for the year		4 802 634	941 260

Statement of financial position

For the year ended 31 December 2023

Notes	31 December 2023 Unaudited USD	31 December 2022 Unaudited USD
Assets		
Non-current assets		
Vehicles and equipment	434 506	293 348
Investment property	80 665 000	76 882 000
Long-term receivables	1 308 555	854 794
	82 408 061	78 030 142
Current assets		
Inventories	46 779	418 851
Investments held for trading	672 289	771 277
Contract asset receivable from customers	483 839	134 910
Trade and other receivables	1 837 658	861 652
Cash and cash equivalents	221 433	5 999 506
Assets held for sale	2 950 000	-
	6 211 998	8 186 196
Total assets	88 620 059	86 216 338
Equity		
Share capital	175 464	175 464
Share premium	350 929	350 929
Retained earnings	80 449 909	76 602 314
	80 976 302	77 128 707
Non-current liabilities		
Non-current portion of borrowings	588 078	1 500 865
Deferred tax	3 958 294	3 625 280
	4 546 372	5 126 145
Current liabilities		
Current portion of borrowings	1 511 742	1 524 470
Trade and other payables	1 153 972	1 756 613
Liabilities payable from contracts with customers	84 348	247 994
Accruals	347 323	309 486
Tax payable	-	122 923
Total equity and liabilities	88 620 059	86 216 338

Notes to the unaudited supplementary financial statements

For the year ended 31 December 2023

i. Presentation currency

The unaudited supplementary information is presented in United States Dollars ("USD").

ii. Conversion procession and exchange rates

In the preparation of this supplementary information, the Group separated transactions based on the currency in which they occurred. Transactions which occurred in United States Dollars are reported in United States Dollars, and transactions which occurred in Zimbabwe Dollars were converted to United States Dollars based on the prevailing Reserve Bank of Zimbabwe interbank rate.

iii. Basis of preparation

a) Investment property

The Group adopted the USD valuation determined at 31 December 2022 and 31 December 2023 as the opening and closing balances for investment property respectively. These USD based valuations were determined by an independent professional valuer (EPG Global) as at 31 December 2022 and 31 December 2023 respectively.

The investment property fair value gain is based on the movement of the fair value of investment property at each balance sheet date.

The Group believes use of the USD based valuations in presenting investment property and determining the fair value gain achieves fair presentation and also allows comparability with prior periods.

b) Investment property acquisitions and disposals

Investment property acquisition and disposal transactions are conducted in United States Dollars. These transactions are recorded based on the USD cost incurred and proceeds received.

c) Profit on disposal of investment property

The profit on disposal of investment property was determined by comparing USD proceeds against the most recent USD valuation of the respective property.

d) Revenue and expenses

In the current year, the revenue and expenses were separated based on transacting currency, such that USD transactions were recorded in USD and ZW\$ transactions were converted to USD based on monthly average rates.

Notes to the unaudited supplementary financial statements (continued)

For the year ended 31 December 2023

	31 December 2023 Unaudited USD	31 December 2022 Unaudited USD
iv. Revenue		
Revenue for the year is comprised as follows:		
Revenue from property management services		
Rental	5 056 194	4 116 504
Property services	29 113	29 356
	5 085 307	4 145 860
Revenue from contracts with customers		
Stand sales	186 683	138 726
Mashview Gardens housing project	1 192 800	1 299 123
	1 379 483	1 437 849
Revenue for the period	6 464 790	5 583 709

v. Investment property

The company's investment property was valued in United States Dollars at 31 December 2022 and 31 December 2023 by EPG Global, an independent professional property valuer. The fair value gain on investment property of USD1 871 812 is arising from analysis of the valuations performed at the end of each reporting period as presented below.

	Office USD	Industrial USD	Pure retail USD	Residential USD	Health USD	Land and WIP USD	Total USD
Opening balance	42 630 000	12 710 000	5 350 000	2 961 000	2 987 000	10 244 000	76 882 000
Disposals	-	-	-	-	-	(1 000 000)	(1 000 000)
Transfer to non-current asset held for sale	-	-	-	-	-	(2 753 000)	(2 753 000)
Improvements	188 476	-	22 718	7 414	1 405 039	4 040 541	5 664 188
Fair value adjustment	1 221 524	3 910 000	(22 718)	400 586	357 961	(3 995 541)	1 871 812
Closing balance	44 040 000	16 620 000	5 350 000	3 369 000	4 750 000	6 536 000	80 665 000

SHAREHOLDERS' INFORMATION

Our commitment to our shareholders is to create long term shareholder value using a strategic investment policy and by maintaining a broad tenant base.

ANALYSIS OF SHAREHOLDERS

As at 31 December 2023

1. Shareholder analysis according to the number of shares held

Number of shares held	Number of shareholders	% of total holders	Total holding	% of total holding
1-100	233	9.20%	13 205	0.00%
101-200	182	7.19%	32 096	0.00%
201-500	298	11.76%	108 532	0.01%
501-1000	320	12.63%	254 669	0.02%
1001-5000	681	26.89%	1 737 540	0.10%
5001-10000	239	9.44%	1 815 002	0.11%
10001-50000	282	11.13%	6 612 954	0.39%
50001-100000	143	5.65%	4 770 710	0.28%
100001-500000	83	3.28%	17 260 104	1.02%
500001-1000000	38	1.50%	17 389 284	1.03%
1000001-10000000	25	0.99%	66 844 613	3.96%
10000001-10000000000000	9	0.36%	1 570 745 300	93.08%
Total	2 533	100.00%	1 687 584 009	100.00%

2. Shareholder analysis by category

Shareholders category	Number of shareholders	% holding	Total holding	% of total holding
Companies	281	11.09%	540 927 042	32.05%
Non-Residents	44	1.74%	363 652 345	21.55%
Individuals	2 050	80.93%	145 463 822	8.62%
Insurance companies	5	0.20%	470 477 962	27.88%
Investment trusts	33	1.30%	3 330 770	0.20%
Nominee company	66	2.61%	24 391 855	1.45%
Pension funds	54	2.13%	139 340 213	8.26%
Total	2 533	100.00%	1 687 584 009	100.00%

3. Top ten shareholders

Major shareholders	Number of shares	% holding
ZB Life Assurance Limited	470 048 820	27.85%
ZB Financial Holdings Limited	359 006 942	21.27%
Africa Enterprise Network Trust	348 995 283	20.68%
Mega Market (Pvt) Ltd	133 955 155	7.94%
Barcelona Investments	112 655 111	6.68%
SCB Nominees ZW0000009816	111 659 300	6.62%
ZB Reinsurance Ltd	18 130 758	1.07%
Fieeler-NNR. Sean Michael	14 311 139	0.85%
Hippo Valley Estate PF-Datvest	10 451 373	0.62%
Stanbic Nominees - 140043470003	7 298 817	0.43%
Total	1 586 512 698	94.01%

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 57th Annual General Meeting of Mashonaland Holdings Limited will be held virtually and in the Mashonaland Holdings Limited Boardroom, 19th Floor, ZB Life Towers, 77 Jason Moyo Avenue, Harare on Wednesday 19 June 2024 at 1400 hours.

AGENDA

ORDINARY BUSINESS

1. Financial Statements and Statutory Reports

To receive, review and adopt the audited financial statements and the reports of the directors and auditors for the 12-month period ended 31 December 2023.

2. Directorate

2.1 Confirmation of appointment of Directors

To confirm the appointment of directors in accordance with the provisions of the company's articles of association. Each director will be confirmed through a separate resolution.

2.1.1 To confirm the appointment of Mr. Terence Chaparamhosva to the Board of Directors with effect from 1 September 2023.

2.1.2 To confirm the appointment of Ms. Innocencia Tigere to the Board of Directors with effect from 1 September 2023.

2.2 Remuneration of directors

To approve non-executive directors' remuneration for the past financial year.

3. External Auditors

3.1 Auditors Remuneration

To approve the fees of the Auditors (Deloitte & Touche Zimbabwe) for the past financial year.

3.2 Appointment of Auditors

To re-appoint Deloitte & Touche Zimbabwe and its successor firm Axcentium, as the auditors of the company for the ensuing financial year.

* *In terms of Section 69(6) of S.I 134 of 2019 (ZSE listing Rules), companies must change their audit partners every five years and their audit firm every ten years. Deloitte & Touche Zimbabwe has been auditing Mashonaland Holdings Limited since 2019.*

4. Dividend

To confirm a final dividend of US\$100,000 which represents 0.0059 US cents per share and ZiG 1,508,183 which represents ZiG 0.000894 per share in respect of the financial year ended 31 December 2023 and payable in respect of 1,687,584,009 ordinary shares in issue.

Any other business

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

Appointment Of Proxy

In terms of the Companies and Other Business Entities Act (Chapter 24:31), members who are entitled to attend and vote at the meeting may appoint one or more proxies to attend, vote and speak in their stead. A proxy need not be a member of the Company. To be effective, the proxy must be lodged at the Company's registered office, to the attention of the Secretary, at least 48 hours before the commencement of the meeting.

Meeting details

Shareholders will be provided with an electronic link to join the virtual meeting by the company's transfer secretaries, ZB Transfer Secretaries who may be contacted through email to PMberikwazvo@zb.co.zw and RMutakwa@zb.co.zw.

By Order of the Board



Egnés Madhaka
Company Secretary
27 May 2024

ZB Life Towers
12th Floor
77 Jason Moyo Avenue
Harare

CONTACT DETAILS

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