



NOTICE TO MEMBERS UNAUDITED ABRIDGED RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2015

STATEMENT OF COMPREHENSIVE INCOME

	Notes	GROUP	
		Six months to 31 March 2015 US\$	Six months to 31 March 2014 US\$
Revenue	5	2,975,869	3,643,803
Property expenses		(621,484)	(642,373)
Net property income		2,354,385	3,001,430
Other income	6	80,164	75,988
Administrative expenses		(1,041,206)	(1,388,256)
Net property income after administrative expenses		1,393,343	1,689,162
Fair value adjustments		(165,913)	(123,536)
Quoted shares		(165,913)	(123,536)
Operating profit before interest and tax		1,227,430	1,565,626
Finance income	3	187,447	367,478
Profit before tax		1,414,877	1,933,104
Tax expense	4	(483,202)	(361,721)
Profit for the period		931,675	1,571,383
Total comprehensive income for the period		931,675	1,571,383
Earnings attributable to the equity holders of the parent		931,675	1,571,383
Weighted average number of shares		1,696,752,686	1,697,792,896
Earnings per share - cents		0.05	0.09

STATEMENT OF FINANCIAL POSITION

	Notes	GROUP	
		Six months ended 31 March 2015 US\$	Year ended 30 Sept 2014 US\$
Equity and liabilities			
Shareholders' funds		105,886,683	104,962,629
Deferred taxation		5,073,441	4,977,664
Current liabilities	9	1,106,199	1,364,254
Assets		112,066,323	111,304,547
Non-current assets	7	109,355,642	105,496,727
Current assets	8	2,710,681	5,807,820
Net asset value per share-cents		6.24	6.18

STATEMENT OF CASH FLOWS

		GROUP	
		Six months to 31 March 2015 US\$	Six months to 31 March 2014 US\$
Net cash inflow from operating activities		1,272,299	972,092
Operating profit before interest and tax		1,227,430	1,565,626
Adjustment for non-cash items		249,637	217,667
(Profit) on disposal of plant and equipment		-	(200)
Decrease/(Increase) in working capital		133,056	(370,597)
Tax paid		(337,824)	(440,404)
Net cash outflow from investing activities		(3,964,160)	(1,311,729)
Interest received		187,447	367,478
Issue of long term loans		(400,957)	-
Purchase of investment in quoted shares		(5,107)	-
Proceeds from disposal of quoted shares		6,481	7,550
Proceeds from disposal plant and equipment		-	3,073
Development/refurbishment of investment property		(947,777)	(1,562,327)
Purchase of investment property		(2,611,320)	-
Purchase of plant and equipment		(192,927)	(127,503)
Net cash outflow from financing activities		(7,717)	(438,890)
Dividend paid		(96)	(377,601)
Repurchase of treasury shares		(7,621)	(61,289)
Net decrease in cash and cash equivalents		(2,699,578)	(778,527)

STATEMENT OF CHANGES IN EQUITY

		GROUP	
		Six months to 31 March 2015 US\$	Six months to 31 March 2014 US\$
Shareholders' equity at beginning of the period		104,962,629	105,451,469
Earnings attributable to shareholders		931,675	1,571,383
Treasury shares bought back		(7,621)	(61,289)
Dividend paid		-	(399,406)
Shareholders' equity at end of period		105,886,683	106,562,157

SUPPLEMENTARY INFORMATION

		GROUP	
		Six months to 31 March 2015 US\$	Six months to 31 March 2014 US\$
1. Accounting policies			
All the accounting policies that were used in the latest annual report continued to be applied during the period.			
2. Depreciation on plant and equipment charged to operating profit		76,308	98,037
3. Finance income			
Interest received		187,447	367,478
4. Tax expense			
Current year tax charge		385,145	538,145
Withholding tax		2,280	24,860
Deferred tax charge/(credit)		95,777	(201,284)
		483,202	361,721
5. Revenue			
Rental income		2,975,869	3,643,803
6. Other income			
Service charges		70,670	72,904
Profit on disposal of plant and equipment		-	200
Dividends		9,494	2,884
		80,164	75,988

SUPPLEMENTARY INFORMATION continued

7. Non-current assets	
Investment properties	107,771,096
Plant and equipment	576,075
Long term loans	1,008,471
	109,355,642
8. Current assets	
Assets held for trading	605,729
Inventories	18,381
Accounts receivable	1,309,468
Cash and cash equivalents	777,103
	2,710,681
9. Current Liabilities	
Accounts payable	(807,029)
Income tax payable	(154,389)
Provisions	(144,781)
	(1,106,199)
10. Cash and cash equivalents	
Opening balance	3,476,681
Decrease in cash and cash equivalents	(2,699,578)
	777,103
11. Segmental information - US\$	
31 March 2015	
Revenue	2,053,365
Profit before tax	1,598,223
Assets	79,190,446
Liabilities	4,294,699
31 March 2014	
Revenue	2,637,038
Profit before tax	2,164,837
Assets	78,580,599
Liabilities	4,146,421

Office/retail	Industrial	Pure retail	Other
2,053,365	547,156	202,148	173,200
1,598,223	516,585	184,158	135,584
79,190,446	9,981,877	6,061,568	13,846,656
4,294,699	517,799	361,551	457,949

Office/retail	Industrial	Pure retail	Other
2,637,038	603,253	211,612	191,900
2,164,837	548,573	202,269	158,655
78,580,599	10,495,045	6,103,372	11,417,873
4,146,421	530,221	337,386	601,828

12. Property portfolio performance - US\$

31 March 2015
Office/retail
Industrial
Pure retail
Other
Total/portfolio average

GLA %	Rent %	Rate/sqm-US\$	Yields %
46	69	10.66	5
45	18	1.97	11
4	7	12.03	7
5	6	5.00	6
100	100	5.71	7

31 March 2014
Office/retail
Industrial
Pure retail
Other
Total/portfolio average

GLA %	Rent %	Rate/sqm-US\$	Yields %
46	72	11.26	7
45	17	2.21	12
4	6	7.94	2
5	5	7.38	5
100	100	6.73	7

13. Commitments for capital expenditure

Authorised and contracted	423,499
Authorised and not contracted	4,029,201
	4,452,700

	Six months to 31 March 2015 US\$	Year ended 30 Sept 2014 US\$
	423,499	3,865,533
	4,029,201	-
	4,452,700	3,865,533

CHAIRMAN'S STATEMENT

Introduction

Activity in the real estate sector continued to shrink due to the weakening economic environment. Property investment and demand for real estate space are inextricably tied to the level of economic activity. Rentals and property values continued to fall in sympathy with waning aggregate demand.

Liquidity challenges, business closures, migration from the central business district and space rationalisation increased during the period under review. This reduced occupancy and rent collection levels.

Results

Revenue for the period at US\$2.98 million, (2014: US\$3.64 million) was 18% below prior year due to falling occupancy levels and downward rent reviews in the portfolio. New income streams are being actively developed to grow the revenue base.

Property expenses at US\$0.62 million (2014: US\$0.64 million) were 3% below last year. These expenses represented 20% (2014:17%) of income.

Administration expenses at US\$1.04 million (2014: US\$1.39 million) were 25% lower than prior year mainly due to a decrease in staff costs. The resulting administration expenses to income ratio was 34% (2014:38%).

The Group posted a net property income after administration expenses of US\$1.39 million (2014: US\$1.69 million) which was 18% below prior year. Despite the drop in net property income, the operating profit margin remained stable at 46% (2014:45%).

The Group posted an after tax profit of US\$0.93 million (2014:US\$1.57 million). A drop in finance income during the reporting period negatively affected profits.

Investment Properties

The Directors considered it prudent to maintain the investment property values at the same level as in the previous year end. A full and independent professional valuation will be carried out at the end of the current financial year.

During the reporting period, the Group acquired two properties, one in Ruwa and another in Belgravia at a combined cost of US\$2.61 million. These properties are earmarked for future residential and office development respectively.

The state of maintenance of the Group's properties remains a priority and is in line with our goal of preserving value and functionality. Two new elevators have since been procured for Chiyedza House at a total cost of US\$0.42 million. Installation is currently underway. The works are expected to be completed within the next six months.

Operations

Total occupancy for the portfolio was 79%, down from 85% reported in the same period last year.

This decline is a reflection of the overall economic downturn and largely accounts for the drop in revenue. The collection rate over the reporting period was 74% (Sept 2014: 78%). Tenant default risk remained a real threat to the business. Management will continue to actively monitor this aspect.

Development projects

Belgravia office development

The office development in Belgravia, Harare is now complete and has been handed over to the tenant. The project cost (including land and net of VAT) was US\$4.82 million. This, added 2 880 square metres of lettable area to the portfolio. The projected net annual rental income from this property is US\$0.40 million implying an initial yield of 8%.

Housing developments

The Group has obtained development permits for Mabelreign, Westgate and Borrowdale projects whilst a permit for Greendale is still pending.

Directorate

Mr E.N. Mushayakarara who joined the Board on 15 March 2006 passed away on 15 February 2015. I wish to acknowledge the great contribution he made to the Group during his time as a director and Chairman.

Share Buyback

At the annual general meeting held on 26 February 2015, the Group's shareholders renewed the share buyback scheme. During the period, a total of 0.24 million (2014: 2.10 million) shares were bought at an average price of US\$0.03 per share bringing the total number of treasury shares to 162.3 million. As at 31 March 2015, the market value of these shares was US\$4.01 million (2014: US\$4.22 million).

Outlook

The Group will continue to leverage on its prime land banks. New opportunities such as the recently completed Belgravia suburban office park will be pursued to augment income streams and grow the portfolio. The Board remains confident of the long-term outlook of the property market and the Group's prospects.

Appreciation

On behalf of the Board, I wish to express my sincere gratitude to our Directors, management and staff, our valued tenants, suppliers and other stakeholders for their steadfastness.

Dividend

The Board has deemed it prudent not to declare a dividend in this current economic environment.

Harare
20 May 2015

A.G. Chinembiri
Acting Chairman