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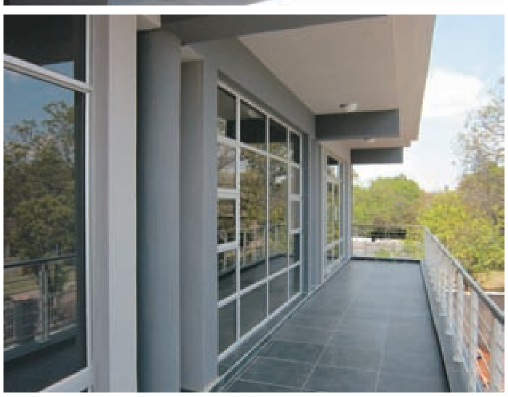

Our purpose

The purpose of the Mashonaland Holdings is to earn money for its shareholders and increase the value of their investment. We will do that through growing the company, controlling assets and properly structuring the balance sheet, thereby increasing earnings per share (EPS), cash flow, and return on invested capital.

How we operate

Our goal is to create long term shareholder value

We aim to achieve this by:

- Pursuing an opportunistic investment strategy
- Maintaining a broad tenant base
- Minimising vacant space
- Imposing strict cost control
- Retaining a high level of liquid resources

MISSION STATEMENT

To build stakeholder return by delivering value solutions.

VISION

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

OUR VALUES

• Integrity • Innovation • Entrepreneurship • Team-work • Fairness

Notice to members

Notice is hereby given that the 48th Annual General Meeting of Mashonaland Holdings Limited will be held in the Boardroom, 19th Floor, ZB Life Towers, 77 Jason Moyo Avenue, Harare on Thursday 26 February 2015 at 12:00 hrs for the purpose of transacting the following business:

1. To receive and adopt the Audited Financial Statements and Report of the Directors for the year ended 30 September 2014.

2. To re-elect the following Directors who retire in accordance with the Articles of Association and who, being eligible, offer themselves for re- election:

   Mr. E.N. Mushayakarara
   Mr. M.T Mahari

3. To approve the fees of the Directors and Auditors.

4. To re-elect KPMG as Auditors for the ensuing year.

5. Special Business
Ordinary Resolution: Extension of Share Buy-back "That, in accordance with Article 52 of the Articles of Association, the Company be, as it is hereby, authorised and empowered to purchase its own shares in issue up to a maximum of 200 000 000 (two hundred million) shares at a purchase price of not more than 5% above the market price on the day prior to transaction and that the authority for such purchase be extended to 1 April 2016 or the next Annual General Meeting, whichever is the sooner."

6. Other Business.

12th Floor
ZB Life Towers
77 Jason Moyo Avenue
Harare

By Order of the Board
N. Matsangura
Company Secretary
26 November 2014

NOTES
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. The proxy need not be a member of the Company.

To be effective, the proxy must be lodged at the Company's office at least 48 hours before the appointed time of the meeting.

OVERVIEW

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Financial highlights

For the year ended 30 September 2013

	Year ended 30 Sept 2014 US$	Year ended 30 Sept 2013 US$
Revenue	6 806 575	7 692 044
Operating profit before interest and tax	50 842	11 071 414
Profit before tax	758 896	11 737 760
(Loss)/profit attributable to shareholders	(26 587)	9 860 971
Equity and reserves	104 962 629	105 451 469
Net operating cash reserves	3 476 681	5 247 571
Earnings/(loss) per share – cents	(0.00)	0.58

Directorate and administration

CHAIRMAN
E. N. Mushayakarara

EXECUTIVE DIRECTORS
M.T. Mahari
N. Matsangura

NON EXECUTIVE DIRECTORS
A.G. Chinembiri
W.B. Mashumba
L. Mawire (Mrs.)

COMPANY SECRETARY
N. Matsangura

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

LEGAL PRACTITIONERS
Honey & Blanckenberg
200 Herbert Chitepo Avenue
Harare

PRINCIPAL PROPERTY VALUER
Knight Frank
1st Floor
Finsure House
86 Kwame Nkrumah
Harare

TRANSFER SECRETARIES
ZB Transfer Secretaries
1st Floor
ZB Centre
Kwame Nkrumah
Harare

AUDITORS
KPMG Chartered Accountants (Zimbabwe)
100 The Chase
Mutual Gardens
Emerald Hill
Harare

BANKERS
ZB Bank Limited
First Street
Harare

Banc ABC
Endeavour Crescent
Mount Pleasant Business Park
Mount Pleasant
Harare

MBCA Bank Limited
99 Jason Moyo Avenue
P. O. Box GT172
Graniteside
Harare

PRINCIPAL INSURERS
Royal Mutual Insurance
Mutual Gardens
100 The Chase
Emerald Hill
Harare

INSURANCE BROKERS
Alexander Forbes
Risk Services Zimbabwe (Pvt) Ltd
4th Floor
Finsure House
84-86 Kwame Nkrumah
Harare

Chairman's statement

Dear stakeholders

Introduction

The economic environment was characterised by waning aggregate demand and year on year inflation slowing down to below 2% at the close of the year under review. Consumer demand and investment fell as the liquidity situation further deteriorated. Capacity utilisation shrunk whilst companies struggled with high manufacturing costs and competition from imports.

The property sector was not spared. These economic challenges resulted in falling rentals and declining occupancy levels. Most tenants struggled to discharge their lease obligations. Asset values in the real estate sector shed off some of the value accumulated since dollarisation.

Results

Revenue for the year at US$6.8 million, (2013: US$7.7 million) was 12% below prior year due to high voids levels and some lease reviews in the portfolio. Alternative income streams are being actively developed to grow the revenue base.

Property expenses at US$1.9 million (2013: US$0.8 million) were 121% above last year. These expenses represented 26% (2013:11%) of income. The spend was largely driven by the provision for credit losses and the voids related costs. The increase in provisions for credit losses was reflective of the rising tenants default rate.

Administration expenses at US$2.0 million (2013: US$2.2 million) decreased by 8% from prior year. The resulting administration expenses to income ratio was 29% (2013:26%).

The Group posted a net property income after administration expenses of US$3.1 million (2013: US$4.8 million). Net property income (before fair value adjustments) to income ratio was 45% (2013:63%).

The Group's investment properties recorded a valuation loss of US$3.0 million against a gain of US$6.0 million recorded in 2013.

Despite a positive net property income after expenses, the Group posted a loss for the year of US$26 587 against a 2013 profit of US$9.9 million. The loss was as a result of the decline in capital values of the investment properties.

Investment Properties

Knight Frank Zimbabwe carried out an independent valuation of our investment property portfolio as at 30 September 2014. The portfolio was valued at US$104.2 million, indicating a 3% decline from prior year after accounting for additions and improvements undertaken during the year.

Operations

The recessionary economic environment translated to low demand for space and therefore falling rental income. The total rental yield softened from 8% in the previous years to 7%. Occupancy at 82%, was lower than 85% recorded in the previous year.

The Group focused on maximising income in such a difficult environment through efficient management of its properties to retain good tenants. The maintenance programme to ensure the building fabric and plant and equipment are in a good state of repair remained in place.

Chairman's statement continued

Belgravia office development

The office development in Belgravia, Harare is nearly complete. The tenant is now expected to take beneficial occupation by the end of November 2014. To date, US$ 4.3 million has been spent on the project. The project is expected to be largely completed within the budget of US$4.6 million. Upon completion, it will add 2 800 square meters of gross lettable area to the portfolio. This project was funded using internal resources.

Other projects

The Group received the long awaited planning permit for a proposed upmarket residential development on one of its prime lands. Progress is positive on the other target developments. The strategy of cautious acquisition for additional land stock to meet demand for high to medium density housing remains in place.

Share Buyback

At the annual general meeting held on 27 February 2014, the Group's shareholders renewed the share buyback scheme. During the year, a total of 2.0 million (2013:5.3 million) shares were bought at an average price of US$0.03 per share bringing the total number of treasury shares to 162.1 million. As at 30 September 2014, the market value of these shares was US$4.2 million (2013: US$5.1 million).

Outlook

Despite the prevailing economic challenges, the Group is actively seeking value in other promising market segments. The Group will continue making significant investments for the future through strategic land acquisitions and development, plant mordenisation and skills development. In pursuit of this strategy, after year end, the Group acquired 42 hectares of land in Ruwa for US$2.2 million. This land is earmarked for a medium density residential development. With solid operations and a strong balance sheet the Group remains in a strong position to benefit from the opportunities which lie ahead.

Appreciation

On behalf of the Board, I wish to express my sincere gratitude to our Directors, management and staff for their continued commitment and dedication. I also pay special tribute to our valued tenants, suppliers and other stakeholders for remaining supportive during the year.

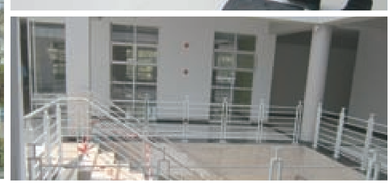
Dividend

In order to attend to the planned projects and developments, your Board has deemed it prudent not to declare a dividend.

Harare
26 November 2014

E. N. Mushayakarara
Chairman





Chief Executive Officer's review of operations

Operating environment

The economy continued on a deflationary path in the year under review. Demand deficiency has dogged all sectors of the economy. Manufacturing utilisation capacity went down to a new low at 36.3% over the period under review. Retailers and service industry also suffered declining business.

High interest rates and liquidity challenges over the recent years have resulted in a fall in investment. The anticipated foreign investment has remained elusive although a few significant deals were announced in the year under review. Most significant are the Sino infrastructure and Russian mining deals.

Government recently signed a number of 'mega deals' around infrastructure projects and mining ventures with China and Russia. These have the potential of boosting the economy activity.

The head of the International Monetary Fund (IMF) Staff Monitoring Programme (SMP) also brought in some good news with indications that the IMF is exploring the possibilities of debt rescheduling for the country and has engaged the Club of Paris.

The real estate industry

Demand for real estate is derived from general aggregate demand. The deflationary environment and low liquidity therefore translates to falling demand for space as companies shrink and become preoccupied with cost cutting strategies. High interest rates also meant less market transactions and fewer pipeline developments as developers failed to access affordable long term finance.

Besides the demand constraints arising from the sluggish economy, supply side constraints in the form of lack of sufficient offsite infrastructure has hampered development of affordable residential housing.

The underperforming rental market combined with weak macroeconomic fundamentals translated into falling asset prices. Just like listed stocks and other long term assets, the real estate industry experienced declining capital values across most sectors over the year.

Chief Executive Officer's review of operations continued

Portfolio performance

Net rent for the year under review was $6.8m, 12% below 2013. This was as a result of declining occupancy levels and softer market rentals. The occupancy rate fluctuated over the year, closing at 82%, down from 85% as at the end of the last financial year. Yields also declined across all sectors. The overall portfolio yield was 7%, down from the 8% achieved in the previous year.

Performance of the property portfolio 2014

Sector	Market values US$000	Capital growth %	Yields %	Occupancy %
Office	76 470	(3)	7	64
Industrial	9 780	(5)	12	99
Retail	6 000	-	7	97
Health	2 730	24	7	100
Residential	3 420	(7)	5	88
Undeveloped land	5 812	(2)	-	-
Total	**104 212**	**(3)**	**7**	**82**

The rental collection rate also went down to 78% from 89% (2013). The decline was driven in part by the challenges facing the business sector and an exposure to government departments which collectively account for close to 40% of our total arrears. The government has indicated a willingness to pay off this as part of its drive to save the private sector. Your management is positive of the engagement so far.

The portfolio saw growth from completion of the office development project on 21 Natal and acquisition of a small residential stand earmarked for cluster development. However, the growth of 3% realised from addition to the portfolio was offset by a matching decline in the value of the existing portfolio in line with market sentiment.

Financial performance

Turnover for the year at US$6.8 million, (2013: US$7.7 million) was 12% lower than last year but within budget. High voids in the market continued to put pressure on rental growth. For the first time since the adoption of multi-currency, rentals showed strong signs of softening. New revenue streams are being actively developed to support the declining rental income.

Property expenses at US$1.9 million (2013: US$0.8 million) were 121% above last year. The rising tenants' delinquency pushed up the provision for bad debts. Furthermore, the rising voids pushed up the landlord's portion of building's operating costs. Administration expenses decreased by 8% to US$2.0 million (2013: US$2.2 million). Costs containment remained one of the key focus areas and will continue to be such.

Despite the declining rentals and the rising property expenses, a net property income after all expenses of US$3.1 million (2013: US$4.8 million) was attained albeit shrinking margins. However the 3% decline in property values resulted in a loss. The portfolio is now valued at US$104.2 million (2013: US$103.5 million).

Market Outlook

The current economic challenges have rolled the market back to pre-2012. However, the momentum can be regained as easily if the economic challenges facing the country are addressed. The government's economic blueprint Zimbabwe Agenda for Sustainable Socia-Economic Transformation (ZIMASSET) is a step towards this. This is a sound document that needs political will and operationalising. We anticipate its full implementation over the coming years. Of particular interest to us are the direct and indirect benefits our industry will gain from the realisation of targets under the Infrastructure Cluster. Improvements of the country's communication networks, electricity projects, water delivery and sewer disposal projects have innumerable spinoffs for the built environment.

The Group remains positive about the medium to long term outlook of the economy and the industry.

Harare
26 November 2014

M.T. Mahari
Chief Executive Officer

Statement of corporate governance

The Group recognises and remains committed to good and best corporate governance practices.

The Group values ethical behavior and reaffirms its commitment to honesty, integrity and professionalism by complying with all legislation, regulations and relevant International Financial Reporting Standards.

Board of Directors

The Board comprises of six Directors, two of whom are executive Directors. The Board is chaired by a non-executive Director and it meets on a quarterly basis to review and ratify, as necessary, all management and Board committee activities. Directors are required to declare their interests at each board meeting. The Board determines overall policies, plans and strategies and ensures that these are implemented through the Chief Executive Officer (CEO) and management. A third of the Directors retire by rotation each year in accordance with the Company's Articles of Association and the Companies Act (Chapter 24:03). The Board met five times during the year under review. The 47th Annual General Meeting was held in the Company's board room on 27 February 2014.

BOARD COMMITTEES

Audit Committee

The Audit Committee is chaired by a non-executive Director and comprises of one other non-executive Director, the CEO, and the Financial Director. The External Auditors are invited to attend the committee meetings. The Audit Committee examines the Group's financial statements at half year and year end and approves these for submission to the Board. It is also tasked with overseeing financial reporting and internal audit procedures and takes an independent view of the Group's overall accounting practices.

The committee's responsibilities include the following:-

- Ensuring compliance with International Financial Reporting Standards;
- Compliance with the Companies Act of Zimbabwe (Chapter 24:03);
- Compliance with the requirements of the Zimbabwe Stock Exchange;
- Assurance regarding reliability and relevance of financial statements; and
- Identification, assessment, management and the monitoring of risks which the business is exposed to.

Insurance Committee

The Insurance Committee is chaired by a non-executive Director and consists of two other non-executive Directors, the CEO and the Finance Director. Representatives of the insurance brokers attend by invitation. It reviews the sums insured of all immoveable properties, assets and motor vehicles, as well as limits of liability. Meetings are held bi-annually.

Statement of corporate governance continued

Investments Committee
A non-executive Director chairs the Investments Committee which also comprises of a non-executive Director, the CEO and the Finance Director. It considers management's recommendations regarding all investments opportunities in the property market, development opportunities, equities and capital expenditure. Approvals and recommendations made by the Investments Committee are required to be ratified by the Board. The Committee meets quarterly.

Remuneration Committee
The Remuneration Committee consists of a non-executive Chairman and one other non-executive Director as well as the CEO. It reviews and approves all staff remuneration, conditions of service, and overall staffing policies, as well as recommending Directors' fees. All approvals and recommendations are ratified by the Board. The Committee meets quarterly.

Management Committee
The Management committee comprises of the CEO and the Finance Director. It normally meets on a weekly basis and is charged with implementing the policies, plans and strategies of the Group as approved by the Board.

Social responsibility
The Group believes that business depends on the society in which it operates and therefore has a responsibility to support the wider community in various ways. The Group continued its major sponsorship of the Vocal and Instrumental Festival of the National Institute of Allied Arts which was held in March 2014. The Group maintains its involvement in the Africa Unity Square enhancement program which aims to enhance Harare's image.

Audit Committee	Remuneration Committee	Insurance Committee	Investments Committee
L. Mawire (Mrs.) - Chairperson	E.N. Mushayakarara - Chairman	W.B. Mashumba - Chairman	A.G. Chinembiri - Chairman
W.B. Mashumba	A.G. Chinembiri	L. Mawire	E.N. Mushayakarara
M.T. Mahari	M.T. Mahari	M.T. Mahari	M.T. Mahari
N. Matsangura		N. Matsangura	N. Matsangura

Board and Committee meetings for the year

	Board	Audit Committee	Investments Committee	Remuneration Committee	Insurance Committee
Total meetings for the year	5	3	4	4	2
E. N. Mushayakarara	4	n/a	4	4	n/a
A. G. Chinembiri	5	n/a	4	4	n/a
M. T. Mahari	5	3	4	4	2
W. B. Mashumba	5	3	n/a	n/a	2
L. Mawire	4	3	n/a	n/a	2
N. Matsangura	5	3	4	n/a	2

Report of the Directors

The Directors have pleasure in submitting their report for the year ended 30 September 2014.

Mr E.N. Mushayakarara
Chairman

Mr M.T. Mahari
Chief Executive Officer

Mr A.G. Chinembiri
Non Executive Director

Authorised share capital

The authorised share capital of the Company at 30 September 2014 was US$1 250 000 divided into 2 500 000 000 ordinary shares of US$0.0005 each.

Issued share capital

The issued share capital of the Company at 30 September 2014 was US$929 537 divided into 1 859 073 947 ordinary shares of US$0.0005 each.

The number of un-issued shares under the control of the Directors at 30 September 2014 remained at 486 394 000.

Dividend

In order to attend to the planned projects and developments, your Board has deemed prudent not to declare a dividend.

Directorate

During the year, the Board membership was 6. According to the Company's Articles of Association, Mr. E.N. Mushayakarara and Mr. M. Mahari retire by rotation at the forth coming Annual General Meeting on 26 February 2015. All the Directors, being eligible, offer themselves for re-election.

Directors fees

Directors' fees have been reviewed in line with market trends during the year and are pegged at an average of those paid to non-executive Directors of similar sized companies. Executive Directors do not draw fees. A resolution will be proposed at the Annual General Meeting to approve Directors' fees totaling to US$66 350 in respect of the year under review and also authorising the award and payment of Directors fees in the ensuing year.

Auditors

Members will be asked to approve the remuneration of the Auditors for the financial year ended 30 September 2014. The Auditors Messrs KPMG have indicated their willingness to continue in office. The members will be asked to approve their re-appointment for the ensuing year.

Mr W.B. Mashumba
Non Executive Director

Mrs L. Mawire
Non Executive Director

Mr N. Matsangura
Finance Director

Results for the year

30 September 2014

	2014 US$	2013 US$
Operating profit before interest and tax	50 842	11 071 414
Net finance income	708 054	666 346
Profit before tax	**758 896**	**11 737 760**
Tax expense	(785 483)	(1 876 789)
(Loss)/profit attributable to shareholders	**(26 587)**	**9 860 971**

Directors' responsibility statement

Responsibility

The Directors of the Group are mandated by the Companies Act to maintain adequate accounting records and to prepare financial statements that present a true and fair view of the state of affairs of the Group at the end of each financial year. The information contained in these financial statements has been prepared on a going concern basis and is in accordance with the provisions of the Companies Act of Zimbabwe (Chapter 24:03).

Corporate governance

In its operations, the Group is guided by principles of good corporate governance derived from the best practices. 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 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 a 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.

The Board conducts an annual evaluation to assess its effectiveness and develops remedial action plans to address weaknesses noted from the evaluation. The evaluation involves an assessment of collective Board performance, the chairperson's performance and individual Directors' performance.

Internal financial controls

The Board is responsible for ensuring that effective internal control systems are implemented within the Group. The Group maintains internal controls and systems designed to provide reasonable assurance of the integrity and reliability of its records, safeguard the assets of 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.

Going concern

The Directors assessed the ability of the Group to continue operating as a going concern and believe that the preparation of these financial statements on a going concern basis is appropriate. However, the Directors believe that under the current economic environment a continuous assessment of the ability of the Group to continue operating as a going concern will need to be performed to determine the continued appropriateness of the use of the going concern assumption that has been applied in the preparation of these financial statements.

Remuneration

The Remuneration Committee determines the remuneration policy for the Group. The remuneration policy is designed to reward performance and retain highly skilled individuals. Accordingly, a discretionary performance related bonus is offered in addition to a basic salary package. Discretionary cash settled share scheme is available to facilitate retention of senior executives.

Regulation

The Group is subject to regulation and supervision by the Zimbabwe Stock Exchange. 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. The personal integrity of each of our employees and the highest standards in their personal and professional conduct. In this connection, the Group ensured, through its anti-money laundering policies, that it did not conduct business with entities whose activities are harmful to the environment.

Directors' responsibility statement continued

Financial statements

The Directors are responsible for the preparation and fair presentation of the consolidated financial statements of Mashonaland Holdings Limited, comprising the consolidated statement of financial position at 30 September 2014, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and the requirements of the Companies Act of Zimbabwe (Chapter 24:03). In addition, the Directors are responsible for preparing the Directors' report.

The Directors are also responsible for such internal controls as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management as well as the preparation of the supplementary schedules included in these financial statements.

The Directors have made an assessment of the ability of the Group and its subsidiaries to continue as going concerns and have no reason to believe that the businesses will not be going concerns in the year ahead.

The Auditor is responsible for reporting on whether the consolidated financial statements are fairly presented in accordance with the applicable financial reporting framework.

Approval of the financial statements

The consolidated financial statements of Mashonaland Holdings Limited, as identified in the first paragraph, were approved by the Board of Directors on 26 November 2014 and signed by:

Harare	E. N. Mushayakarara
26 November 2014	Chairman
Harare	M. T. Mahari
26 November 2014	Chief Executive Officer
Harare	By order of the Board
26 November 2014	N. Matsangura
	Secretary

Financial review

For the year ended 30 September 2014

Consolidated statement of financial position

	2014 US$	2013 US$	2012 US$
Property and equipment	459 458	474 721	425 896
Investment properties	104 212 000	103 482 000	95 623 000
Long term receivables	825 269	666 879	-
Current assets	5 807 820	7 048 711	6 193 739
Total assets	**111 304 547**	**111 672 311**	**102 242 635**
Current liabilities	(1 364 254)	(963 940)	(723 290)
Deferred tax liability	(4 977 664)	(5 256 902)	(4 811 351)
Net assets	**104 962 629**	**105 451 469**	**96 707 994**
Share capital	929 537	929 537	929 537
Share premium	1 859 074	1 859 074	1 859 074
Treasury shares	(2 868 795)	(2 805 947)	(2 667 850)
Revenue reserves	105 042 813	105 468 805	96 587 233
Equity	**104 962 629**	**105 451 469**	**96 707 994**
Consolidated statement of profit or loss and other comprehensive income			
Revenue	6 806 575	7 692 044	7 395 800
Operating profit	50 842	11 071 414	18 861 784
Net interest receivable	708 054	666 346	499 948
Profit before tax	**758 896**	**11 737 760**	**19 361 732**
Tax (expense)/credit	(785 483)	(1 876 789)	(2 132 249)
(Loss)/profit for the year	**(26 587)**	**9 860 971**	**17 229 483**
Consolidated statement of cashflows			
Funds from operating activities	2 848 202	5 059 998	5 122 279
Tax paid	(1 041 025)	(1 415 287)	(1 370 948)
Cash available from operations	**1 807 177**	**3 644 711**	**3 751 331**
Investing and financing activities	(3 578 067)	(3 115 809)	(1 215 220)
Net (decrease)/increase in cash and cash equivalents	**(1 770 890)**	**528 902**	**2 536 111**
Capital expenditure	**3 580 262**	**1 951 979**	**423 788**

Group statistics

For the year ended 30 September 2014

Share statistics	2014	2013
Number of shares in issue	1 859 073 947	1 859 073 947
Weighted average number of shares	1 697 780 048	1 700 083 932
Share price-cents	2.6	3.2
Dividend per share-cents	-	0.047
Net worth per share-cents	6.18	6.20
(Loss)/earnings per share-cents	(0.00)	0.58
Diluted (loss)/earnings per share-cents	(0.00)	0.58
Profitability and asset management		
Net property income after admin expense to revenue	45%	63%
(Decline)/growth in investment properties	(3%)	8%
Total expenses to revenue	55%	37%
Voids	18%	15%
Arrears	22%	11%
(Loss)/return on ordinary shareholders' funds	(0%)	9%
Rental yields	7%	8%
Liquidity		
Current ratio	4.26	7.31
Total liabilities to total shareholders' funds	0.06	0.06
Number of employees	22	22

Independent auditor's report on the consolidated financial statements

KPMG
Mutual Gardens
100 The Chase (West)
Emerald Hill
P O Box 6 Harare
Zimbabwe

Tel + 263 (4) 303700
+ 263 (4) 302600
Fax + 263 (4) 303699

TO THE SHAREHOLDERS OF MASHONALAND HOLDINGS LIMITED

Report on the consolidated financial statements

We have audited the consolidated financial statements of Mashonaland Holdings Limited ('the Group'), which comprise the consolidated statement of financial position as at 30 September 2014, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements which include; a summary of significant accounting policies and other explanatory notes, as set out on pages 18 to 44.

Directors' responsibility for the consolidated financial statements
The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards the requirements of the Companies Act of Zimbabwe (Chapter 24:03), and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Group's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion
In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position of Mashonaland Holdings Limited as at 30 September 2014 and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of Zimbabwe (Chapter 24:03).

KPMG

KPMG Chartered Accountants (Zimbabwe)
Harare

26 November 2014

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 September 2014

	Notes	2014 US$	2013 US$
Revenue	3	**6 806 575**	**7 692 044**
Property expenses	4	(1 850 107)	(837 331)
Net property income		**4 956 468**	**6 854 713**
Other income		153 393	168 571
Administrative expenses	5.1	(2 015 353)	(2 201 948)
Net property income after administrative expenses		**3 094 508**	**4 821 336**
Fair value adjustments		**(3 043 666)**	**6 250 078**
Quoted securities	9	(58 759)	215 768
Investment properties	10	(2 984 907)	6 034 310
Operating profit before interest and tax	5	**50 842**	**11 071 414**
Finance income	6	708 054	666 346
Profit before tax		**758 896**	**11 737 760**
Tax expense	7	(785 483)	(1 876 789)
(Loss)/profit for the year		**(26 587)**	**9 860 971**
Total comprehensive (loss)/income for the year		**(26 587)**	**9 860 971**
(Loss)/earnings attributable to the equity holders of the parent		**(26 587)**	**9 860 971**
Basic and diluted (loss)/earnings per share-cents	14.1	**(0.00)**	**0.58**

Consolidated statement of financial position

As at 30 September 2014

	Notes	2014 US$	2013 US$
ASSETS			
Non-current assets		**105 496 727**	**104 623 600**
Property and equipment	8	459 458	474 721
Investment properties	10	104 212 000	103 482 000
Long term receivables	11	825 269	666 879
Current assets		**5 807 820**	**7 048 711**
Assets held for trading	9	774 968	848 293
Inventories	12	19 214	17 940
Trade and other receivables	13	1 536 957	934 907
Cash and cash equivalents	19	3 476 681	5 247 571
Total assets		**111 304 547**	**111 672 311**
EQUITY AND LIABILITIES			
Equity		**104 962 629**	**105 451 469**
Share capital	14	929 537	929 537
Share premium	14	1 859 074	1 859 074
Retained earnings		105 042 813	105 468 805
Treasury shares	16	(2 868 795)	(2 805 947)
Non-current liabilities		**4 977 664**	**5 256 902**
Deferred tax liability	7.2	4 977 664	5 256 902
Current liabilities		**1 364 254**	**963 940**
Trade and other payables	17	991 489	543 049
Provisions	18	267 977	339 799
Tax payable		104 788	81 092
Total equity and liabilities		**111 304 547**	**111 672 311**

Director

26 November 2014

Chairman

26 November 2014

Consolidated statement of changes in equity

For the year ended 30 September 2014

	Share capital US$	Share premium US$	Treasury shares US$	Retained earnings US$	Total US$
Balance 1 October 2012	**929 537**	**1 859 074**	**(2 667 850)**	**96 587 233**	**96 707 994**
Treasury shares	-	-	(138 097)	-	**(138 097)**
Dividend	-	-	-	(979 399)	**(979 399)**
Profit and total comprehensive income for the year	-	-	-	9 860 971	9 860 971
Balance 1 October 2013	**929 537**	**1 859 074**	**(2 805 947)**	**105 468 805**	**105 451 469**
Treasury shares	-	-	(62 848)	-	**(62 848)**
Dividend	-	-	-	(399 405)	**(399 405)**
Loss and total comprehensive loss for the year	-	-	-	(26 587)	(26 587)
Balance 30 September 2014	**929 537**	**1 859 074**	**(2 868 795)**	**105 042 813**	**104 962 629**

Consolidated statement of cash flows

For the year ended 30 September 2014

	2014 US$	2013 US$
Cash flows from operating activitiesCash flows from operating activities		
(Loss)/profit after tax	(26 587)	9 860 971
Adjusted for:		
Finance income	(708 054)	(666 346)
Gain on disposal of property, plant and equipment	(200)	(181)
Depreciation	163 019	191 663
Impairment of loans receivable	22 580	21 734
Decrease in fair value of listed shares	58 759	(215 768)
Decrease in fair value of investment property	2 984 907	(6 034 310)
Tax expense	785 483	1 876 789
	3 279 907	**5 034 552**
Changes in:		
- Inventories	(1 276)	872
- Trade and other receivables	(505 040)	(48 517)
- Trade and other payables	146 433	(64 729)
- Provisions and employee benefits	(71 822)	137 820
Cash generated from operating activities	**2 848 202**	**5 059 998**
Taxes paid	(1 041 025)	(1 415 287)
Net cash from operating activities	**1 807 177**	**3 644 711**
Cash flows from investing activities		
Interest received	677 534	644 577
Issue of long term loans	(247 460)	(734 300)
Purchase of investments in listed securities	(2 486)	(8 249)
Proceeds from sale of plant and equipment	3 073	5 295
Proceeds from disposal of listed shares	17 051	13 049
Development/refurbishment of investment property	(3 202 711)	(1 636 375)
Purchase of investment property	(226 925)	(70 000)
Purchase of plant and equipment	(150 626)	(245 603)
Net cash used in investing activities	**(3 132 550)**	**(2 031 606)**
Cash flow from financing activities		
Repurchase of treasury shares	(62 848)	(138 097)
Dividends paid	(382 669)	(946 106)
Net cash used in financing activities	**(445 517)**	**(1 084 203)**
Net (decrease)/increase in cash and cash equivalents	**(1 770 890)**	**528 902**
Cash and cash equivalents at 1 October	5 247 571	4 718 669
Cash and cash equivalents at 30 September	**3 476 681**	**5 247 571**

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Notes to the consolidated financial statements

For the year ended 30 September 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 company. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

(a) 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.

Any contingent consideration is measures at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

(b) 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.

(c) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

B. Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue represents rental income from investment properties and proceeds from the sale of properties. Rentals are subject to operating lease arrangements. The following specific recognition criteria must also be met before revenue is recognised.

(a) Rental income

Rentals are subject to operating lease arrangements. Rental income receivable under operating leases is recognised on a straight-line basis over the term of the lease, except for contingent rental income which is recognised as and when it arises.

(b) Income from sale of investment property

Revenue from the sale of investment property in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns and trade discounts. Revenue is recognised when the significant risk and rewards of ownership of the investment property have passed to the buyer, recovery of the consideration is probable, the associated costs and possible return of the investment property can be estimated reliably, there is no continuing management involvement with the property, and the amount of the revenue can be measured reliably.

The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement.

C. Employee benefits

(a) 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 incentives 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.

(b) 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 obligation to pay further amounts. The Company 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 related services are rendered by employees.

(c) Share-based payment transactions

The fair value of the amounts payable to employees in respect of Senior Executive Restricted Share Scheme (SERSS), which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is measured at each reporting date and at the settlement date based on the fair value of the SERSSs. Any changes in the liability are recognised in profit or loss.

D. Finance income

For all financial instruments measured at amortised 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.

E. Income tax

Income tax expense comprises of the current tax expense and the deferred tax expense. 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.

(a) Current tax
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.

(b) 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 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 affects 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 properties measured at fair value, the presumption that the carrying amounts of the investment properties 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 utilised 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 deductable 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 realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

(c) 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.

F. Investment property
Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in the profit or loss. Investment properties consist of land and buildings, installed equipment held to earn rental income for the long term and subsequent capital appreciation. Also included in the investment properties, is undeveloped land held for an undeterminable future use. Properties are initially recognised at cost on acquisition. 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. Investment properties under construction are measured at fair value.

Direct costs relating to major capital projects are capitalised. Subsequent to initial recognition, investment properties are measured at fair value. 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.

Independent property valuations are undertaken annually, with the valuation being done by an external independent valuer.

When properties comprise of a portion that is held to earn rental income or for capital appreciation, and another portion that is held for use in the production or supply of goods or services or for administrative purposes, then these portions are accounted for separately only if these portions can be sold separately. If they cannot be sold separately, the entire property is accounted for as an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

G. Property and equipment
Property and equipment comprises 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 its acquisition. Property and equipment are stated at cost, excluding the cost of day-to-day servicing, less accumulated depreciation and accumulated impairment losses. Cost includes the cost of replacing part of the asset, if the recognition criteria are met.

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.

Property 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 significant items of plant and equipment are as follows:

Asset class	Estimated useful lives
Motor vehicles	4 to 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 property 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 asset) is included in profit or loss in the year the asset is derecognised.

H. Financial instruments
The Group classifies non-derivative financial assets into the following categories:

- Held for trading;
- Loans and receivables;
- Held to maturity and
- Financial assets at fair value through or loss.

The Group classifies non-derivative financial liabilities into the other financial liabilities category.

(i) Non derivative financial assets and financial libilities - Recognition and derecognition
The Group initially recognises loans and receivables issued on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

The Group derecognises a financial asset when the contractual right to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all risks and rewards of ownership and odes not retain control over transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(ii) Non-derivative financial assets and financial liabilities – measurement

(a) Financial assets at fair value through profit or loss
A financial asset is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, including any interest or dividend income, are recognised in profit or loss.

(b) Loans and receivables (long term receivables)
Long term loans are initially recognised at fair value and subsequently measured at amortised cost. The gain or loss on measurement to fair value is recognised immediately in the profit and loss. Interest earned on a long term basis is recognised on an accrual basis using the effective interest method.

(c) Loans and receivables (trade and other receivables)
Trade and other receivables are financial assets with fixed or determinable payments that are not quoted in an active market. These are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost, with gains or losses being recognised in the profit or loss. An estimate is made for credit losses based on review of all outstanding amounts at year-end. Bad debts are written off to profit or loss during the year in which they are identified. Interest earned on trade receivables is recognised on an accrual basis using the effective interest method.

(d) Loans and other receivables (cash and cash equivalents)
Cash and cash equivalents comprise of cash balances and call deposits with maturities of three months or less from the acquisition date. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in fair value. Cash and cash equivalents are measured at amortised cost, which

approximates fair value. Interest earned on cash invested with financial institutions is recognised on an accrual basis using the effective interest method.

(e) Other financial liabilities (trade and other payables)
Trade payables are initially recognised at fair value and subsequently measured at amortised cost, with gains or losses being recognised in the profit or loss. Interest payable on trade payables is recognised on an accrual basis using the effective interest method.

(iii) Impairment
(a) Non-derivative financial assets
Financial assets not classified as at fair value through profit or loss, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that the financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Group on terms that Group would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security; or
- observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets.

(b)Financial assets measured at armotised cost
The Group considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual loses are likely greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

I. Inventories
(a) Property held for re-sale
Properties acquired for sale in the next 24 months are classified as inventory and valued at the lower of cost or net realisable value.

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.

(b) Consumables
Consumable inventories are valued at the lower of cost or net realisable value. The cost is determined using the first-in, first-out basis.

J. Provisions
Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow will be required to set off the obligation, and a reliable estimate of the obligations amount can be made. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

K. Share Capital
(a) 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.

(b) 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, net of any tax effects, is recognised as a deduction in equity. The 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 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 commercial leases on its property portfolio. The commercial property leases typically have lease terms 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.

Lease incentives received are recognised as an integral part of the total lease income, over the term of the lease.

(a) Lease restructuring costs
Lease restructuring costs are amortised over the life of the restructured lease.

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

N. Standards and interpretations applicable to the Group not yet adopted.

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2014; however the Group has not applied the following new or amended standards in preparing these consolidated financial statements.

New or amended standards	Summary of the requirements	Prossible impact on consolidated financial statements
IFRS 9 Financial Instruments	In 2014 the IASB issued the final IFRS 9 Financial Instruments Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement. This standard will result in changes in the measurement bases of the Group's financial assets to amortised cost, fair value through other comprehensive income or fair value through profit or loss. Even though these measurement categories are similar to IAS 39, the criteria for classification into these categories are significantly different. In addition, the IFRS 9 impairment model has been changed from an "incurred loss" model from IAS 39 to an "expected credit loss" model, which is expected to increase the provision for bad debts recognised in the Group. The standard is effective for annual periods beginning on or after 1 January 2018 with retrospective application, early adoption is permitted.	The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 9.
IFRS 15 Revenue from contracts with customers	This standard replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC-31 Revenue – Barter of Transactions Involving Advertising Services. The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. The standard is effective for annual periods beginning on or after 1 January 2017, with early adoption permitted under IFRS.	The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 15. Although IAS 17 is scoped out of this IFRS, other revenue streams may be impacted.
Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)	The amendments clarify when an entity can offset financial assets and financial liabilities. This amendment is effective for annual periods beginning on or after 1 January 2014 with early adoption permitted.	This standard will not have a significant impact on the consolidated financial statements.

The folllowing new or amended standards are not expected to have a significant impact of the Group's consolidated financial statements:

- Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27).
- Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32).
- Recoverable Amount Disclosures for Non-Financial Assets (Amendment to IAS 36).
- Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39).
- IFRIC 21 Levies.
- Defined Benefit Plans: Employee Contributions (Amendments to IAS 19).
- IFRS 14 Regulatory Deferral Accounts.
- Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11).
- Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38).

2. Basis of preparation

(a) Reporting entity

The consolidated financial statements of Mashonaland Holdings Limited for the year ended 30 September 2014 were authorised for issue in accordance with a resolution of the Directors on 26 November 2014. The Company was incorporated in Zimbabwe in 1966 and is a public company. The Company's registered office is at 77 Jason Moyo Avenue, Harare. As at 30 September 2014, the Company's primary business was that of property investment and development.

The consolidated financial statements of the Group as at and for the year ended 30 September 2014 comprise of the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities'). They were authorized for issue by the Company's board of directors on 26 November 2014.

(b) Basis of accounting

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act of Zimbabwe (Chapter 24:03). Details of the Group's accounting policies are shown in the Note 1.

(c) Functional and presentation currency

These consolidated financial statements are presented in United States dollars, which is the Group's functional currency. All amounts have been rounded to the nearest dollar, unless otherwise indicated.

(d) Use of judgements and estimates

In preparing these consolidated financial statements, management have 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.

(i) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have significant risk of resulting in a material adjustment in the year ending 30 September 2014 is included in the following notes:

- Note 9 - investment in securities
- Note 10 - investment property
- Note 11 - long term loans
- Note 22 - share based payments

(ii) 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 a control framework with respect to the measurement of fair values. This includes a qualified internal valuer who has the overall responsibility of overseeing all significant fair value measurements for investment property, including level 3 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 significant 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.

(iii) Fair value of investment properties

In determining the fair values of investment properties, a professional valuation was conducted by Knight Frank. The valuers carried out a full valuation of Mashonaland Holdings Limited's investment property portfolio as at 30 September 2014.

The valuers applied the following rates and rents per square meter in arriving at their valuation:-

Harare		
	Rents per square metre	**Yield (%)**
Retail	US$25.00 - US$30.00	7% - 10%
Offices	US$10.00 - US$15.00	8% - 10%
Industrial	US$3.00 - US$5.00	11% - 14%

Bulawayo		
	Rents per square metre	**Yield (%)**
Retail	US$10.00 - US$15.00	9% - 13%
Offices	US$5.00 - US$7.00	10% - 13%
Industrial	US$1.00 - US$1.50	11% - 15%

(iv) Valuation approach

The valuation was undertaken in an environment of poor liquidity conditions and limited transaction evidence.

Commercial and industrial investment properties in the portfolio have been valued on the basis of capitalising current and estimated future rental streams. However, we note that generally the properties in the portfolio are achieving rental rates in line with the market levels. Thus, given the risks of predicting future economic trends in present day Zimbabwe and the absence of reliable data, we have not made explicit estimates of future rental movements.

Where current rentals are at market levels, we have assumed these to be receivable in perpetuity and discounted the income using the market indicated rates. This approach is vindicated by market practice which applies all-risks yields to estimated current market income in assessing purchase prices. In addition, we observed that there has not been any significant upward rental movements in the last 24 months. We have noted an increase in the voids both in the subject portfolio and the market. We have projected write downs in vacancies over varying periods, the lengths of which were influenced by the extent of the voids and the individual property attributes. Given the high levels of voids in the market and the depressed economy, we anticipate that it will take a considerable length of time before office voids are reduced to normal levels. The treatment of voids in the valuation has led to the fall in some of the previously assessed values of some of the properties in the portfolio.

We also undertook consultations with other real estate practitioners and property owners in order to gauge market sentiment. We believe the resultant valuations are a true reflection of expected market behavior at year end.

It must also be noted that some assessed values are of a magnitude that the local market may be unable to support. A substantial marketing period, including international exposure, may be required for the assessed values to be achieved.

The estimated building cost rates are as follows:

Standard quality shops	US$790 - US$1 210
Medium quality shops	US$1 260 - US$1 580
High quality offices	US$2 500 - US$2 900
Standard quality factory	US$790 - US$1 100
High quality factory	US$1 050 - US$1 550

(v) 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, commercial warehouse 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 residential properties that the Group develops and intends to sell before or on completion of construction.

The determination of the fair value of investment properties requires the use of estimates, such as future cash flows from assets (such as lettings, tenants' profiles, future revenue streams, capital values of fixtures and fittings, plant and machinery, any environmental matters and the overall repairs and condition of the property) and discount rates applicable to those assets. In addition, development risks (such as construction and letting risks) are also taken into consideration when determining the fair value of investment properties under construction. These estimates are based on local market conditions existing at the reporting date.

The continuing volatility in the global financial system is reflected in the turbulence in commercial real estate markets across the world. The significant reduction in transaction volumes continued this year. Therefore, in arriving at their estimates of market values as at 30 September 2014, the valuers have used their market knowledge and professional judgment and have not only relied solely on historic transactional comparables. In these circumstances, there is a greater degree of uncertainty which exists relative to a more active market, in estimating the market values of investment properties.

The lack of liquidity in capital markets also means that, if it was intended to dispose of the property, it may be difficult to achieve a successful sale of the investment property in the short term.

Fair value is the weighting of the open market value and the depreciated replacement value. The weighting is decided by the Directors who are guided by market conditions.

(vi) Techniques used for valuing investment property
The Traditional Method 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.

The Discounted Cash Flow Method involves the projection of a series of periodic cash flows either to an operating property or a development property. To this projected cash flow series, an appropriate, market derived discount rate is applied to establish an indication of the present value of the income stream associated with the property. The calculated periodic cash flow is typically estimated as gross income less vacancy and losses collection and less operating expenses/outgoings. A series of periodic net operating incomes, along with an estimate of the reversion/terminal/exit value (which uses the traditional valuation approach) anticipated at the end of the projection period, are discounted to present value. The aggregate of the net present values equals the market value of the property.

(e) Deferred tax
The capital gains tax rate on land is currently at 5%. The Group is of the view that the asset's carrying amount will be recovered through sale and has made a deferred tax provision using 5% on all properties. Recoupment on disposal of assets purchased prior to 28 February 2009 is taxed at 25.75% with the disposal value of the assets being subject to capital gains tax of 5%. As the recoupment or allowances previously granted is limited to the original cost of the asset, determining the cost will be very important. Due to the inherent limitations of determining the cost of assets previously purchased in Zimbabwe dollars, it is not possible to determine the United States Dollar equivalent cost of assets that were bought in Zimbabwe dollars.

As a result, the deferred tax consequence on the recoupment element has not been determined. The deferred tax liability would be 5% of the disposal value in respect of capital gains tax and 25.75% of the taxable recoupment arising from the disposal. The Group has assumed a nil income tax value on all investment properties.

	2014 US$	2013 US$
The following tax rates were applied in computing deferred tax.		
Class	**Rate**	**Rate**
Land and buildings acquired before 2009	5%	5%
Land and buildings acquired after 2009	20%	20%
3. Revenue		
Rental income	**6 806 575**	**7 692 044**
3.1 Future minimum rentals receivable under non-cancellable operating leases as at 30 September are as follows:		
Within 1 year	6 135 716	7 032 188
After 1 year but not more than 5 years	24 542 864	28 128 752
More than 5 years *	-	-

* Due to uncertainties that exist in the operating environment, rentals due from operating leases for periods beyond five years could not be determined as the rates are reviewed from time to time based on prevailing market conditions.

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		2014 US$	2013 US$
4.	**Property expenses**		
	Voids related costs	551 645	294 465
	Repairs, maintenance, utilities and legal costs	180 772	189 288
	Property insurance costs	31 256	33 488
	Provision for credit losses	642 896	109 134
	Property management expenses	443 538	210 956
	Total	**1 850 107**	**837 331**
5.	**Operating profit before interest and tax**		
	Operating profit is arrived at after charging:		
	- Audit fees	67 852	66 233
	- Depreciation	163 019	191 663
	- Non executive Directors' emoluments	66 350	75 950
5.1	**Administrative expenses**		
	Staff related costs	1 320 719	1 332 702
	Consultancy	56 159	38 058
	Office expenses	638 475	831 188
	Total	**2 015 353**	**2 201 948**
5.2	**Staff related costs**		
	Salaries and other expenses	1 234 262	1 099 520
	Cash settled share based payments	-	134 570
	Contributions to defined contribution fund	82 857	86 771
	Contributions to National Social Authority Scheme	3 600	11 841
	Total	**1 320 719**	**1 332 702**
6.	**Finance income**		
	This comprises of:		
	Interest received and receivable	677 534	644 577
	Notional interest on long term loans	30 520	21 769
	Total	**708 054**	**666 346**
7.	**Income taxes**		
	Amounts recognised in profit or loss		
	Current tax expenses	1 064 721	1 431 238
	Deferred tax charged for the year	(279 238)	445 551
		785 483	**1 876 789**
7.1	**Reconciliation of tax charge-numerical**		
	Profit before tax	758 896	11 737 761
	Tax at current tax rate - at 25.75%	195 416	3 022 473
	Exempt income (impact of lower tax rates)	(118 207)	(132 908)
	Fair value adjustments	783 743	(962 364)
	Non deductible items	(75 469)	(50 412)
	Total tax expense	**785 483**	**1 876 789**
7.2	**Deferred tax liability**		
	Analysis of temporary differences		
	Investment property	5 225 755	5 147 432
	Investment in quoted shares	7 750	10 788
	Property and equipment	97 818	98 682
	Provisions	(358 800)	-
	Prepayments	5 141	-
	Closing balance	**4 977 664**	**5 256 902**

	2014			2013		
	Motor vehicles US$	Computers furniture and fittings US$	Total US$	Motor vehicles US$	Computers furniture and fittings US$	Total US$
8. Property and equipment						
Cost						
Balance 1 October	644 876	214 976	859 852	577 911	191 538	769 449
Additions	119 920	30 706	150 626	221 965	23 638	245 603
	764 796	245 682	1 010 478	799 876	215 176	1 015 052
Disposals	(86 200)	-	(86 200)	(155 000)	(200)	(155 200)
Balance 30 September	678 596	245 682	924 278	644 876	214 976	859 852
Accumulated depreciation						
Balance 1 October	337 963	47 168	385 131	316 610	26 943	343 553
Depreciation for the year	140 411	22 608	163 019	171 353	20 310	191 663
	478 374	69 776	548 150	487 963	47 253	535 216
Disposals	(83 330)	-	(83 330)	(150 000)	(85)	(150 085)
Balance 30 September	**395 044**	**69 776**	**464 820**	**337 963**	**47 168**	**385 131**
Carrying amount	**283 552**	**175 906**	**459 458**	**306 913**	**167 808**	**474 721**

	2014 US$	2013 US$
9. Investments in securities		
Listed securities		
Balance at 1 October	848 292	637 325
Additions	2 486	8 248
Disposal	(17 052)	(13 049)
Fair value adjustment	(58 759)	215 768
Balance 30 September	774 967	848 292
Unlisted*	1	1
Total	**774 968**	**848 293**

*The Group realised its investments held by Intermarket Discount House and Intermarket Banking Corporation) in the form of shares in Intermarket Holdings Limited (IHL). Subsequently, IHL got into a share swap deal with ZB Financial Holdings (ZBFH) which resulted in Group being issued with the latter's shares in exchange for the former's shares. However, Transnational Holdings Limited one of the shareholders in the IHL is challenging the acquisition of Intermarket Holdings Limited by ZBFH in the Supreme Court. In the light of the forgoing, the Group has seen it prudent to state this investment at cost as its fair value cannot be currently ascertained.

Measurement of fair value

Fair value Hierarchy (Level 1)

The fair value of listed securities was determined using the quoted market prices provided by the Zimbabwe Stock Exchange. The entire fair value of the listed securities of US$774 967 has been categorized under level 1, based on the quoted prices (unadjusted) the Zimbabwe Stock Exchange markets for identical assets.

	2014 US$	2013 US$
10. Investment properties		
Balance at 1 October	103 482 000	95 623 000
New acquisitions	226 925	70 000
Improvements	3 487 982	1 754 690
	107 196 907	97 447 690
Fair value adjustment	(2 984 907)	6 034 310
Balance 30 September	**104 212 000**	**103 482 000**

Investment properties comprise of a number of commercial properties that are leased out to third parties and land banks held for an undetermined future use.

10.1 Measurement of fair value

(a) Fair value hierarchy

The fair value of investment properties was determined by an external, independent property valuer, Knight Frank. Knight Frank has appropriately recognised professional qualifications and recent experience in the location and category of the properties being valued. The independent valuer reviews provide the fair value of the Group's investment property portfolio every 12 months.

Level 2

The fair value for investment properties of US$9.2 million has been categorised under level 2 in fair value hierarchy based on the inputs used for the valuation technique. (see page 27 - significant estimates and judgments).

The following table shows a reconciliation from the opening balances to the closing balances for level 2 fair values:

	US$
Balance at 1 October 2013	9 097 000
Acquisitions and improvements	441 980
Changes in fair value (unrealised)	(306 980)
Balance at 30 September 2014	9 232 000

Level 3

The fair value of investment properties of US$95.0 million has been categorised under level 3 in the fair value hierarchy based on the inputs to the valuation technique used. (see page 27 - significant estimates and judgments)

The following table shows a reconciliation between the opening balances and the closing balances for level 3 fair values:

	US$
Balance at 1 October 2013	94 385 000
Acquisitions and refurbishments	3 269 839
Changes in fair value (unrealised)	(2 674 839)
Balance at 30 September 2014	94 980 000

10. Investment properties (continued)

10.1 Measurment of fair value (continued)

(b) Valuation technique and significant unobservable inputs
The following table shows the valuation technique used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

Valuation technique
Discounted cash flows:
- The valuation method considers the present value of net cash flows to be generated from the property, taking into account expected growth rate, void periods, occupancy rate.
- The expected net cash flows are discounted using market related risk-adjusted discount rates.
- Among other factors, the discount rate estimation considers the quality of the building and its location (prime vs secondary), tenant credit quality and lease terms.

Significant unobservable inputs
- Expected market rental growth (0%).
- Void period (average 12 months after the end of each lease).
- Occupancy rate (80-85%, weighted average 80%).
- Risk adjusted discount rates (7%-13%, weighted average 7%).

Inter-relationship between key unobservable inputs and fair value measurement
- The estimated fair value would increase (decrease) if:
  - expected market rental growth were higher (lower);
  - void periods were shorter (longer);
  - the occupancy rates were higher (lower); and
  - The risk adjusted discount rates were lower (higher).

	2014 US$	2013 US$
11. Long term loans granted		
Reconciliation of carrying amount		
Balance 1 October	**666 879**	**-**
New loans issued	247 461	734 300
Fair value adjustment	(22 583)	(21 735)
Fair value as at initial recognition	**891 757**	**712 565**
Repayments	(29 144)	(18 548)
Current portion	(37 344)	(27 138)
Balance 30 September	**825 269**	**666 879**

During the year, the Group provided loans amounting to US$247 461,00 (2013: US$734 300) under Housing ownership scheme. These loans are secured through mortgage bonds. The loans are for 10 years and attract interest of 6.5% per annum which is significantly below market rate. Interest rates are reviewed periodically by the Remuneration Committee in line with prevailing market conditions.

11.1 Measurement of fair value

(a) Fair value hierarchy
The fair value of long term loans was determined using the market rate of 15%, which is the rate being offered in the market for similar loan arrangements.

The fair value measurement for all the long term loans which amounted to US$825 269 has been categorised under level 2 fair value hierarchy based on the inputs, other than quoted prices, included in level 1 that are observable for the asset either directly (i.e. as prices) or indirectly (i.e. derived from prices). (see page 27 – significant estimates)

(b) Valuation technique and significant unobservable inputs
The following table shows the valuation technique used in measuring the fair value of long term loans, as well as the significant unobservable inputs used.

Valuation technique
Discounted cash flows:
- The valuation model considers the present value of all expected future payments discounted using average market discount rates.

Significant unobservable inputs
- Weighted average market rate 15%.

Inter-relationship between key unobservable inputs and fair value measurement
- The estimated fair value would increase (decrease) if:
- The weighted average market rates were lower (higher).

Notes to the consolidated financial statements continued

For the year ended 30 September 2014

		2014 US$	2013 US$
12.	**Inventories**		
	Consumables	**19 214**	**17 940**
13.	**Trade and other receivables**		
	Rental receivables	1 723 363	977 557
	Provision for impairment of receivables	(1 125 420)	(652 468)
	Sundry debtors	939 014	609 818
	Total	**1 536 957**	**934 907**

As at 30 September 2014, receivables with a nominal value of US$1 633 828 (2013: US$834 372) were impaired and specifically provided for due to tenants defaults. A general provision US$102 098 was made. Movements in the provision for impairment of receivables were as follows:

	2014 US$	2013 US$
Provision for impairment of receivables		
Opening balance	**652 468**	**548 902**
Charge for the year	642 876	109 134
Utilised	(169 924)	(5 568)
Closing balance	**1 125 420**	**652 468**

		2014 US$	2013 US$
14.	**Share capital and premium**		
	Ordinary shares of US$0.0005 each		
	Authorised		
	Authorised share capital 2 500 000 000 at 30 September	1 250 0000	1 250 0000
	Issued and fully paid up		
	1 859 073 947 shares at 1 October 2013	929 537	929 537
	At 30 September	**929 537**	**929 537**
	Share Premium		
	Share premium at 1 October	1 859 074	1 859 074
	At 30 September	**1 859 074**	**1 859 074**

14.1 Earnings per share

Basic earnings per share

The calculation of basic earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

	2014 US$	2013 US$
(i) (Loss)/profit attributable to ordinary shareholders	(26 857)	9 860 971
(ii) Weighted-average number of ordinary shares (basic)		
Issued ordinary shares at 1 October	1 859 073 947	1 859 073 947
Effects of treasury shares held	(161 293 899)	(158 990 015)
Weighted-averaged number of ordinary shares at 30 September 2014	**1 697 780 048**	**1 700 083 932**
Basic (loss)/earnings per share-cents	(0.00)	0.58
Diluted (loss)/earnings per share-cents	(0.00)	0.58

There are no transactions with a potential dilutive effect.

Dividend

No dividend was declaired in the current year (2013: 0.0235 cents per share)

15. Operating segments

15.1 Basis for segmentation

For investment properties, discrete financial information is provided to the Board on a property by property basis. The information provided is net of rentals (including gross rent and property expenses), and valuations gains/(losses), profits/(losses) on disposal of investment property. The individual properties are aggregated into segments with similar economic characteristics. The Directors consider that this is best achieved by aggregating into the retail, office, industrial and other segments. The other segment is made up of residential properties, specialised properties and undeveloped land. Information on the residential development property segment provided to the Board is aggregated and is represented by revenue and profit from the sale of inventory.

15.2 Reportable segments

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

- Office /retail 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; and
- Other - comprises of residential, specialised and undeveloped land.

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.

15.3 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.

	2014				
	Office/retail US$	**Industrial US$**	**Pure retail US$**	**Other US$**	**Total US$**
Segment profit					
Revenue	4 811 172	1 191 299	428 704	375 400	6 806 575
Other income	153 193	-	-	-	153 193
Fair value adjustment	(2 569 427)	(553 500)	-	138 020	(2 984 907)
	2 394 938	**637 799**	**428 704**	**513 420**	**3 974 861**
Property expenses	(1 609 692)	(93 493)	(83 030)	(63 892)	(1 850 107)
Segment profit	**785 246**	**544 306**	**345 674**	**449 528**	**2 124 754**

Reconciliation of segment profit	
Segment profit	**2 124 754**
Fair value adjustment-listed shares	(58 759)
Administrative expenses	(2 015 353)
Other income	200
Finance income	708 054
Profit before tax as per consolidated statement of profit or loss	**758 896**

	2013				
	Office/retail US$	**Industrial US$**	**Pure retail US$**	**Other US$**	**Total US$**
Segment profit					
Revenue	5 628 950	1 272 235	432 941	357 918	7 692 044
Other income	168 390	-	-	-	168 390
Fair value adjustment	4 073 691	-	600 000	1 360 619	6 034 310
	9 871 031	**1 272 235**	**1 032 941**	**1 718 537**	**13 894 744**
Property expenses	(679 359)	(54 964)	(30 325)	(72 683)	(837 331)
Segment profit	**9 191 672**	**1 217 271**	**1 002 616**	**1 645 854**	**13 057 413**

Reconciliation of segment profit	
Segment profit	**13 057 413**
Fair value adjustment-listed shares	215 768
Administrative expenses	(2 201 948)
Other income	181
Finance income	666 346
Profit before tax as per consolidated statement of profit or loss	**11 737 760**

15. Segmental information (continued)

15.3 Information about reportable segments (continued)

	2014				
	Office/retail US$	Industrial US$	Pure retail US$	Other US$	Total US$
Segment assets					
Investment properties	76 470 000	9 780 000	6 000 000	11 962 000	104 212 000
Current assets	1 270 141	186 199	27 329	53 286	1 536 955
Total assets	**77 740 141**	**9 966 199**	**6 027 329**	**12 015 286**	**105 748 955**
Reconciliation of segment assets					
Total segment assets					**105 748 955**
Plant and equipment					459 458
Long term receivables					825 269
Quoted shares					774 968
Unquoted shares					1
Inventory					19 215
Bank and cash					3 476 681
Total assets as per consolidated statement of financial position					**111 304 547**

	2013				
	Office/retail US$	Industrial US$	Pure retail US$	Other US$	Total US$
Segment assets					
Investment properties	75 770 000	10 330 000	6 085 000	11 297 000	103 482 000
Current assets	781 502	135 541	15 636	2 228	934 907
Total assets	**76 551 502**	**10 465 541**	**6 100 636**	**11 299 228**	**104 416 907**
Reconciliation of segment assets					
Total segment assets					**104 416 907**
Plant and equipment					474 721
Long term receivables					666 879
Listed shares					848 293
Inventory					17 940
Bank and cash					5 247 571
Total assets as per consolidated statement of financial position					**111 672 311**

15. Segmental information (continued)

15.3 Information about reportable segments (continued)

	2014				
	Office/retail US$	Industrial US$	Pure retail US$	Other US$	Total US$
Segment liabilities					
Deferred tax liability	3 639 861	341 885	304 250	593 850	4 879 846
Current liabilities	556 376	9 600	24 502	4 378	594 856
Total segment liabilities	**4 196 237**	**351 485**	**328 752**	**598 228**	**5 474 702**

Reconciliation of segment liabilities	
Total segment liabilities	**5 474 702**
Deferred tax on plant and equipment	97 818
Provisions	267 977
Accruals	319 108
Dividend payable	77 525
Tax liability	104 788
Total liabilities as per consolidated statement of financial position	**6 341 918**

	2013				
	Office/retail US$	Industrial US$	Pure retail US$	Other US$	Total US$
Segment liabilities					
Deferred tax liability	3 772 620	516 500	304 250	564 850	5 158 220
Current liabilities	451 058	18 436	-	3 153	472 647
Total segment liabilities	**4 223 678**	**534 936**	**304 250**	**568 003**	**5 630 867**

Reconciliation of segment liabilities	
Total segment liabilities	**5 630 867**
Deferred tax on plant and equipment	98 682
Provisions	339 799
Accruals	9 614
Dividend payable	60 788
Tax liability	81 092
Total liabilities as per consolidated statement of financial position	**6 220 842**

Notes to the consolidated financial statements continued

For the year ended 30 September 2014

	2014		2013	
	Shares	US$	Shares	US$
16. Treasury shares				
Authorised	**200 000 000**	**-**	**200 000 000**	**-**
Balance at 1 October	160 074 908	2 805 947	154 745 213	2 667 850
Repurchased during the year	2 048 893	62 848	5 329 695	138 097
At 30 September	**162 123 801**	**2 868 795**	**160 074 908**	**2 805 947**

The repurchases during the year averaged at a price of 3.00 cents.

	2014 US$	2013 US$
17. Trade and other payables		
Trade payable	913 964	482 261
Dividend payable	77 525	60 788
	991 489	**543 049**

Trade payables are non-interest bearing and are normally settled within 30 days. The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 23.

	2014 US$	2013 US$
18. Provisions		
Balance at 1 October	339 799	201 799
Current year (credit)/charge	(71 822)	138 000
Balance at 30 September	**267 977**	**339 799**
Provisions comprise the following:		
Audit fees	61 570	60 813
Annual report fees	17 319	19 678
Staff related provisions	189 088	259 308
	267 977	**339 799**

These obligations are expected to be extinguished within the next financial year.

	2014 US$	2013 US$
19. Cash and cash equivalents		
Balances with banks	3 476 681	789 439
Short term money market investments	-	4 458 132
	3 476 681	**5 247 571**

20. Subsidiaries

The consolidated financial statements include the financial statements of Mashonaland Holdings Limited and the subsidiaries listed in the following table:

Name	Country of incorporation	2014 Equity holding	2013 Equity holding
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%
Nature Trail Investments (Private) Limited	Zimbabwe	100%	100%

21. Related party transactions

Related party	Relation	Nature of transaction	Transaction amount US$	Balance 2014 US$	Balance 2013 US$
ZB Life Assurance	Direct shareholder	Rent received	305 291	(76)	4 484
ZB Bank Limited	Indirect shareholder	Rent received	325 344	-	(41 664)
ZB Life Assurance	Direct shareholder	Interest received	559	-	-
ZB Bank Limited	Indirect shareholder	Interest received	341 001	-	-
ZB Bank Limited	Indirect shareholder	Bank balances	-	1 492 988	4 499 004
Total			**972 195**	**1 492 912**	**4 461 824**

	2014 US$	2013 US$
Compensation of key management personnel of the Group		
Short term employee benefits	706 944	556 853
Post-employment pension and medical benefits	70 407	66 963
Total compensation paid to key management	**777 351**	**623 816**

All transactions with related parties are carried out on an arm's length basis.

	2014 US$	2013 US$
Loan balances to Directors and key management	**547 482**	**450 287**

The loans to the executive Directors comprise of unsecured and secured advances. The unsecured loans were granted at an interest rate of 6% per annum and are repayable over 2 years. The secured loan was granted under the Housing Ownership Scheme at an interest rate of 6.5% per annum and is repayable over 10 years. During the year, the amount advanced under this scheme to the executive Directors was US$241 861 (2013: US$325 600).

22. Shares based payment arrangements (SERSS)

On 1 October 2012 the Group replaced the Share Option Scheme with a new incentive scheme called the Senior Executive Restricted Share Scheme (SERSS). The old Share Option Scheme was discontinued effective 30 September 2008. The new scheme was offered to senior executive Directors with the notional shares being issued annually. The value of the notional shares is equal to 25% of the guaranteed package of the concerned executive Director and will be issued at the Company's prevailing share price. Certain performance conditions have to be met before exercise.

(a) Description of share-based payment arrangements

At 30 September 2014, the Group had the following share-based payment arrangement:

On 1 October 2013, the Group further granted 4 485 658 (2013: 5 175 760) notional shares to its senior executive Directors. The notional shares entitle the Directors to a cash payment after two years of service (September 2017). The 3 226 417 that were issued in 2012 and were due to be exercised in the 2014 financial year were forfeited because certain performance conditions were not met. The amount of cash the cash to be paid out is determined based on the increase in the share price of the Company between the grant date and the time of exercise.

Details of the liabilities arising from the SERSS were as follows:

	2014 US$	2013 US$
Total carrying amount of liabilities for the SERSS	-	134 570

(b) Measurement of fair values

The SERSS share based payment liability was measured based on 25% of the total guaranteed package of the entitled Directors. Service and market performance conditions attached to the transactions were not taken into account in measuring fair value. The fair value of the liability has been determined to be nil during the year. This was due to uncertainities of the Group in meeting the vesting conditions. As such, the entire liability regarding the scheme was reversed during the year.

The inputs used in the measurement of the fair value at grant date of the SERSSs were as follows:

	2014	2013
National shares allocated	4 485 658 shares	5 175 760 shares
Grant price-cents (share price)	3.0	2.6
Expected life	Two years	One year

(c) Reconciliation of outstanding share options

	Number of notional shares granted
Outstanding at 1 October 2013	8 402 177
Forfeited during the year	(3 226 417)
Exercised during the year	-
Granted during the year	4 485 658
Outstanding at 30 September 2014	9 661 418

(d) Expense recognised in the profit and loss

No employee expense arising from the SERSS was included in the staff related costs due to uncertainty in achieving the performance criteria . However, should the performance criteria be met, the provision amount would have been US$253 129 with US$118 559 having been expensed in the current year.

23. Financial risk management

23.1. Risk management framework

The Group Board of Directors has overall responsibility for the establishment and over sight 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 Groups risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the other risks faced by the group.

23.2. Treasury risk management

The Groups monitors its risk to a shortage of funds using recurring liquidity planning tools. Currently, the Group does not have any other financial liability apart from trade payables. Treasury management policy is in place to maximise returns on the available surplus funds.

23.3. Interest rate risk management

The exposure emanates from the risk of changes in market interest rates on the Group's long-term obligations with a floating interest rate. The Group adopts a non-speculative approach to the management of the interest rate risk through the use of overdrafts. At year end, the Group did not have any long term loans or overdrafts hence there was no exposure to the interest rate risk.

23.4. Yield rate risk and sensitivity

The rental rate yield represents the net income expected in year zero divided by the current property values (historic or trailing income yield). The risk arises when void levels in the portfolio increase. This increase will consequently result in a reduction in net incomes. Where net incomes remain constant, a reduction in yield rates will result in increased property values. The following table demonstrates the sensitivity to a reasonably possible change in the yield rate applied to values of the investment properties. With all other variables held constant, the Group's profit before tax, investment property, and deferred taxation are affected through the impact on the fluctuating yield rate as follows:

	Increase in yield 10% potential gain/(loss) US$	(Decrease) in yields (10%) potential gain/(loss) US$
Sensitivity analysis		
Investment property	(4 502 922)	10 322 222
Deferred tax	225 146	(516 111)
Profit after tax	(4 277 776)	9 806 111
Equity	(4 277 776)	9 806 111

At 30 September 2014, if the yield rate had been 10% higher with all other variables held constant, the investment property balance would have been US$4 502 922 lower, and non-current liabilities would have increased by US$225 146 due to the net deferred tax effect. Similarly at 30 September 2014, if the yield rate had been 10% lower with all other variables held constant, the investment property balance would have been US$10 322 222 higher, and the non current liabilities would have reduced by US$516 111 due to the net deferred tax effect.

23.5. Foreign currency exposure risk

Foreign exchange risk is the potential adverse impact on earnings and economic value due to currency rate movements. The Group manages this risk by setting a level of exposure by currency with the processes and requirements driven by the relevant management and board committees. The responsibilities of the Board and senior management include:

* Monitoring significant foreign exchange exposure; and
* Ensuring that foreign exchanges within the Group are in compliance with foreign exchange control regulations.

The Group analyses all foreign currency denominated commitments on an ongoing basis. With all other variables held constant, the Group's profit before tax, foreign denominated assets, liabilities are affected through the impact on the fluctuating exchange rates as follows:

Foreign denominated assets: cash balances

	Increase in basis points 14% Increase rate sensitivity analysis potential gain/(loss) US$	(Decrease) in Basis Points (14%) Potential gain/((loss) US$
Impact on profit or loss	(3 544)	5 500

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23.6. 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 properties, long term loans granted, trade receivables as well as cash and cash equivalents. There is no significant concentration of credit risk as exposure is spread over a large number of counterparties.

(a) Exposure to credit risk

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

	2014 US$	2013 US$
Long term loans granted	825 269	597 702
Trade and other receivables	1 536 957	949 754

(b) Long-term loans

The Group provided loans amounting to US$247 461,00 (2013:US$734 300,00) under Housing ownership scheme to its employees. These loans are secured through mortgage bonds. The loans are for 10 years and attract interest of 6.5% per annum. Interest rates are reviewed periodically by the Remuneration Committee in line with prevailing market conditions. Repayments are deductions from employees salaries and no imparment has been provided for.

(c) 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.

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 US$2 662 377 (2013: US$934 907), of which US$1 125 420 (2013: US$652 468) has been provided for.

As at 30 September 2014 the ageing of trade and other receivables that were not impaired was as follows:	2014 US$	2013 US$
Neither past due nor impaired	161 462	176 582
Past due 1 to 30 days	140 595	270 932
Past due 31 to 60 days	115 294	56 707
	417 351	**504 221**

23.7. Fair values of financial instruments

The fair value of the financial assets and liabilities 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 cash and cash equivalents, trade and other receivables and trade and other payables approximate their carrying amounts due to their short term nature.

Fair values and risk management	2014			
	US$ Total	US$ Level 1	US$ Level 2	US$ Level 3
Financial assets measured at fair value				
Listed equities (held for trading)	774 968	774 968	-	-
Long term loans (loans and receivables)	825 269	-	825 269	-
Financial assets not measured at fair value				
Unquoted shares (designated at fair value)	1	-	-	-
Trade and other receivables (loans and receivables)	2 662 377	-	-	-
Cash and cash equivalents (loans and receivables)	3 476 681	-	-	-
Total	**7 739 296**	**774 968**	**825 269**	**-**
Financial liabilities not measured at fair value				
Trade and other payables (other financial liabilities)	991 489	-	-	-
Total	**991 489**	**-**	**-**	**-**
	2013			
Financial assets measured at fair value				
Listed equities (held for trading)	848 292	848 292	-	-
Long term loans (loans and receivables)	666 879	-	666 879	-
Financial assets not measured at fair value				
Unquoted shares (designated at fair value)	1	-	-	-
Trade and other receivables (loans and receivables)	1 587 375	-	-	-
Cash and cash equivalents (loans and receivables)	5 247 571	-	-	-
Total	**8 350 118**	**848 292**	**666 879**	**-**
Financial liabilities not measured at fair value				
Trade and other payables (other financial liabilities)	543 049	-	-	-
Total	**543 049**	**-**	**-**	**-**

For disclosure on measurment of fair values see notes 9, 10 and 11.

23.8. **Liquidity risk**

The Group's objective is to maintain a balance between continuity through a well-managed portfolio of short term and long term investments.

	Within 3 months US$	Between 4-12 months US$	More than 12 months US$	Total US$
30 September 2014				
Financial liabilities				
Trade and other payables	(991 489)	-	-	(991 489)
Financial assets				
Cash and other equivalents	3 476 681	-	-	3 476 681
Rental and other receivables	250 800	637 600	648 557	1 536 957
Investment in quoted shares	774 968	-	-	774 968
	3 510 960	**637 600**	**648 557**	**4 797 117**
30 September 2013				
Financial liabilities				
Trade and other payables	(543 049)	-	-	(543 049)
Financial assets				
Cash and other equivalents	5 247 571	-	-	5 247 571
Rental and other receivables	350 153	455 600	129 154	934 907
Investment in quoted shares	848 292	-	-	848 292
	5 902 967	**455 600**	**129 154**	**6 487 721**

24. **Business risks**

24.1. **Strategic risk**

Strategic risk refers to the current and/or prospective impact on the Group's earnings, capital or business viability arising from adverse business decisions and implementation of strategies which are inconsistent with internal factors and the external environment.

The strategic management process reviews the strategic direction outlined in the vision, mission, objectives and strategies in line with the Group's mandate as guided by the stakeholders. The Group has a comprehensive documented strategic plan and this document specifies performance targets and indicators for all business units. This process ensures linkages in the implementation of activities.

The factors that affect the strategic planning of the Group and are constantly monitored by the executive Directors and the Board include; industry competition; behavioral change of target customers; technological changes and development; economic factors; organisational structure; work processes; adequacy and quality of staff and adequacy of information for decision making.

Control of strategic risk has been handled through the following approaches:
* Policies, procedures and risk limits;
* Comparisons of actual performance with projections;
* Effective independent reviews and internal control systems; and
* Business continuity planning

24.2. **Reputational risk**

Reputational risk arises when a situation, occurrence, business practice or event has the potential to materially influence the public and stakeholders' perceived trust and confidence in the Group.

The Board through, the executive Committee ensures effective reputational risk management through, among other things, codes of conduct, staff training, policies and independent oversight of functions. The Group strictly complies with the statutory requirements. The Group promotes an open communication culture that allows all issues to be appropriately dealt with in a timely manner.

26. Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of business. Management monitors the return on capital as well level of dividends to ordinary shareholders.

27. Commitments and contingencies

Capital commitments	**2014 US$**	**2013 US$**
Authorised and contracted	409 702	3 032 588
Authorised but not contracted	4 452 700	5 492 421

The capital expenditure will be financed from the Group's own resources

28. Pension and retirement benefits

The Group operates a defined contribution pension plan administered by ZB Life Assurance. The Group and employees Contribute 13% and 7% of pensionable salaries respectively. The assets of the fund are held in a separate trustee administered fund.

In addition, the National Social Security Scheme was introduced on 1 October 1994 and with effect from that date, all employees became members of the scheme to which both the employees and the Company contribute. The Company's obligations under the scheme are limited to specific contributions as legislated from time to time and are presently 4% of pensionable emoluments. Employees contribute the same amount.

	2014 US$	**2013 US$**
Defined contribution funds	105 100	86 771
National Social Security Authority Scheme	7 500	11 841
Total	**112 600**	**98 612**

29. Events after the reporting date

There were no adjusting events after the reporting date. However, subsquent to year end 2014, the Group acquired 42 hectares of undeveloped land in Ruwa for US$2.2 million. This land is earmarked for a medium density residentual development.

Other information - Company statement of financial position

30 September 2014

	Notes	2014 US$	2013 US$
Non-current assets		**9 823 328**	**10 128 591**
Property and equipment	**8**	459 458	474 721
Investment in subsidiaries	**31**	2 751 870	2 751 870
Investment properties	**30**	6 612 000	6 902 000
Current assets		**2 054 597**	**1 436 543**
Assets held for trading	**9**	774 968	848 293
Trade and other receivables	**33**	214 106	58 849
Cash and cash equivalents	**32**	1 065 523	529 401
TOTAL ASSETS		**11 877 925**	**11 565 134**
EQUITY AND LIABILITIES			
Equity	**34**	**8 550 618**	**9 027 196**
Share capital		929 537	929 537
Share premium		1 859 074	1 859 074
Treasury shares		(2 868 795)	(2 805 947)
Retained earnings		8 630 802	9 044 532
Non current liabilities		**419 949**	**454 570**
Deffered tax liability		419 949	454 570
Current liabilities		**2 907 358**	**2 083 368**
Trade and other payables	**35**	97 586	75 054
Provisions	**36**	78 889	80 490
Group balances		2 698 729	1 894 243
Tax		32 154	33 581
TOTAL EQUITY AND LIABILITIES		**11 877 925**	**11 565 134**

Other information - Notes to the company statement of financial position

30 September 2014

		2014 US$	2013 US$
30.	**Investment properties**		
	Balance at 1 October	6 902 000	6 460 000
	Acquisition	-	70 000
	Fair value adjustment	(290 000)	372 000
	Balance 30 September	**6 612 000**	**6 902 000**
	Investment property values have been based on the market values set by our professional valuers, Knight Frank, as at 30 September 2014 .		
31.	**Investment in subsidiaries**		
	Name		
	Charter Properties (Private) Limited	2 376 000	2 376 000
	Celine Scheidje (Private) Limited	11 220	11 220
	Labacn Investments (Private) Limited	204 000	204 000
	Canon Investments (Private) Limited	22 950	22 950
	Nature Trail Investments (Private) Limited	137 700	137 700
		2 751 870	**2 751 870**
32.	**Cash and cash equivalents**		
	At 1 October	529 401	2 070 961
	Net increase/(decrease) in cash and cash equivalents	536 122	(1 541 560)
	At 30 September	**1 065 523**	**529 401**
33.	**Trade and other receivables**		
	Pre payments	**214 106**	**58 849**

34. Statement of changes in equity

	Share capital US$	Share premium US$	Treasury shares US$	Retained earnings US$	Total US$
Balance 1 October 2012	**929 537**	**1 859 074**	**(2 667 850)**	**9 143 894**	**9 264 655**
Treasury shares	-	-	(138 097)	-	(138 097)
Dividend paid	-	-	-	(979 399)	(979 399)
Profit and total comprehensive income for the year	-	-	-	880 037	880 037
Balance 1 October 2013	**929 537**	**1 859 074**	**(2 805 947)**	**9 044 532**	**9 027 196**
Treasury shares	-	-	(62 848)	-	(62 848)
Dividend paid	-	-	-	(399 406)	(399 406)
(Loss) for the year	-	-	-	(14 324)	(14 324)
Balance 30 September 2014	**929 537**	**1 859 074**	**(2 868 795)**	**8 630 802**	**8 550 618**

	2014 US$	2013 US$
35. Trade and other payables		
Other	20 061	14 266
Dividend payable	77 525	60 788
	97 586	**75 054**
36. Provisions		
Balance at 1 October	80 490	64 502
Provisions (utilised)/charged during the year	(1 601)	15 988
Balance at 30 September	**78 889**	**80 490**
Provisions comprise of the following:		
Audit fees	61 570	60 813
Annual report	17 319	19 677
	78 889	**80 490**

Shareholder information

Analysis of shareholders

30 September 2014

Size of shareholding	Number of shareholders	%	Issued shares	%
1-100	178	7,64	9 004	0,00
101-200	132	5,67	22 295	0,00
201-500	226	9,70	79 352	0,00
501-1000	277	11,90	216 427	0,01
1001-5000	627	26,92	1 617 894	0,09
5001-10000	242	10,39	1 823 176	0,10
10001-50000	315	13,53	7 424 509	0,40
50001-100000	76	3,26	5 637 594	0,30
100001-500000	187	8,03	69 534 144	3,74
500001-1 000 000	52	2,23	153 711 083	8,27
1000001-10 000 000	17	0,73	1 618 998 469	87,09
Total	**2 329**	**100,00**	**1 859 073 947**	**100,00**

Trade classifications				
Pension Funds (including life companies)	144	6,18	746 635 614	40,16
Other Corporate Bodies	290	12,45	434 297 610	23,36
Investment, Trust and Property Companies	20	0,86	172 672 196	9,29
Nominee Companies	41	1,76	196 810 022	10,59
Non-residents	60	2,58	113 110 205	6,08
Resident Individuals	1 768	75,91	183 688 165	9,88
Insurance Companies	6	0,26	11 860 135	0,64
Total	**2 329**	**100,00**	**1 859 073 947**	**100,00**

Shareholder information continued

Analysis of shareholders continued

30 September 2014

Top 20 Shareholders Movements 30 September 2014 - 31 October 2014
Issued Share Capital 1 859 073 947

Major shareholders	Shareholding 30 Sept 2014	%
ZB Life Assurance Limited	531 009 914	28.56
Africa Enterprise Network Trust	348 995 283	18.77
Mashonaland Holdings Limited	161 316 285	8.68
Mr R. Turner	143 446 881	7.72
ZB Financial Holdings	63 170 319	3.40
Old Mutual Life Assurance Company Zimbabwe Limited	61 475 571	3.31
Stanbic Nominees NNR 130043040031	39 426 954	2.12
Fed Nominees (Private) Limited	40 994 679	2.21
Stanchart Nominees NNR Africa Opportunities L.P.	36 494 513	1.96
Anglo American Association Company Pension Fund Datvest	26 948 811	1.45
Hippo Valley Estates Pensions Fund Imara	21 677 000	1.17
Local Authorities Pension Fund	18 156 535	0.98
Stanchart Nominees NNR Africa Opportunities Fund	17 451 015	0.94
Stanbic Nominees NNR 110008180010	14 565 117	0.78
Total	**1 525 128 877**	**82.05**

	2014 Shares	2013 Shares
Directors' shareholdings - direct and indirect		
Ambrose G. Chinembiri	150 000	150 000
Web Beter Mashumba	6 655	6 655
Nodzo Matsangura	10 000	10 000
Letwin Mawire	12 959	12 959

Shareholder information continued

Shareholders' calendar 2014-2015

2014 Annual report distributed	Jan 2015	2015 Full year results announced	Nov 2015
48th Annual General Meeting	Feb 2015	2015 Annual report distributed	Jan 2016
2015 Half-year results announced	May 2015	49th Annual General Meeting	Feb 2016

Shareholder information continued

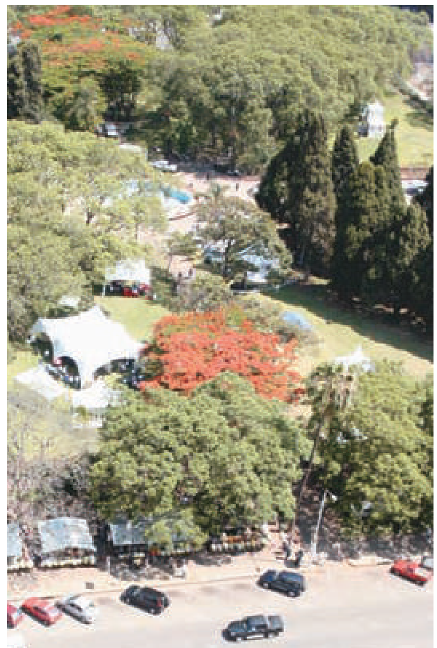
SOCIAL RESPONSIBILTY

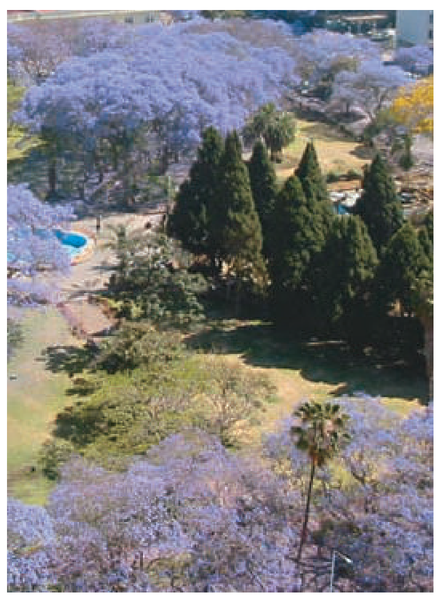
Mashonaland Holdings believes that business depends on the society in which it operates and therefore has a responsibility to support the wider community in one form or another outside the company's normal sphere of operational activity.

Accordingly, the company has continued its major sponsorship of the Vocal and Instrumental Festival of the National Institute of Allied Arts, or "The Eistedfod" as it is more popularly known. Entrants are drawn from junior and senior schools throughout the country. International adjudicators from overseas have praised the high standard of achievement throughout the festival which reflects well not only on the students but the standard of teaching in Zimbabwe.

The company also remains committed to its financial support for the Jairos Jiri organization which does outstanding work in the field of assisting and caring for the physically handicapped.

Mashonaland Holdings also participates in the Africa Unity Square Enhancement Programme along with other property stakeholders surrounding Harare's most historic square at the heart of the city.





Shareholder information - Notes