2015 Annual Report

MASHONALAND HOLDINGS LIMITED
(Incorporated in Zimbabwe)
Leading property owners and developers

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Our purpose

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

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; and
- 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 49th 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 25 February 2016 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 2015.

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. N. Matsangura

   Mr. R. Mutandangayi and Mrs P. Musarurwa were appointed to the Board of Mashonaland Holdings Limited on 2 September 2015 and 18 November 2015 respectively. In accordance with the Articles of Association they retire at the Annual General Meeting, but being eligible,they offer themselves for re-election.

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 2017 or the next Annual General Meeting, whichever is the sooner."

6. Other Business.

ZB Life Towers
12th Floor
77 Jason Moyo Avenue
Harare

By Order of the Board
N. Matsangura
Company Secretary
18 November 2015

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.

Financial highlights

For the year ended 30 September 2015

	Year ended 30 Sept 2015 US$	Year ended 30 Sept 2014 US$
Revenue	5 846 414	6 806 575
Operating (loss)/profit before finance income and tax	(4 761 332)	50 842
(Loss)/profit before tax	(4 316 335)	758 896
Loss attributable to equity holders of the parent	(6 040 708)	(26 587)
Equity	98 894 693	104 962 629
Net operating cash reserves	1 696 037	3 476 681
Loss per share (US$ cents)	(0.36)	(0.00)

Directorate and administration

CHAIRMAN
R. Mutandagayi

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
1 Endeavour Crescent
Mount Pleasant Business Park
Mount Pleasant
Harare

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

PRINCIPAL INSURERS
Old 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

Introduction

The business environment was mainly characterised by retrenchments, company closures, deflation, and reduced aggregate demand. A number of firms continued to downsize their lettable space thus putting pressure on revenues and occupancy levels. Consequently, property values declined.

Results

Revenue for the year at US$5.9 million (2014: US$6.8 million) was 14% below prior year due to increasing void levels and some lease reviews in the portfolio. Alternative income streams are being actively developed to grow the revenue base.

Property expenses at US$1.5 million (2014: US$1.9 million) were 19% below last year. These expenses represented 25% (2014:26%) of income. This spend was largely driven by the provision for credit losses and costs relating to voids.

Administrative expenses at US$2.1 million (2014: US$2.0 million) increased by 4% from prior year. The resulting administrative expenses to income ratio was 35% (2014:29%). Cost reduction measures continued to be a priority. Total expenses declined by 7% from prior year.

The Group posted a net property income after administrative expenses of US$2.4 million (2014: US$3.1 million). This drop was due to declining revenue. As a result the ratio of net property income to total revenue dropped to 40% (2014:45%).

The Group's efforts to establish and obtain approval regarding the determination of opening income tax values for investment properties acquired prior to the introduction of the multi-currency regime on 1 February 2009, were concluded during the year. This has enabled the Group to claim capital allowances in respect of prior and current financial years. Similarly, this will also apply to the Group's income tax obligations for future periods. There has, and will continue to be, additional deferred income tax recognised with respect to the temporal differences arising.

Despite a positive net property income after expenses, the Group posted a loss for the year of US$6.04 million (2014: US$26 587-loss). The loss was largely a result of the decline in capital values of investment properties.

Investment Properties

Knight Frank Zimbabwe carried out an independent valuation of our investment property portfolio as at 30 September 2015.

The portfolio was valued at US$99.0 million (2014: US$104.2 million. Property values declined by US$7 million (2014:3.0 million). This represented a drop of 7% from prior year after factoring out acquisitions andimprovements undertaken during the year.

Operations

As mentioned above the recessionary economic environment translated to low demand for space and therefore falling rental income. The total rental yield softened from 7% in the previous year to 6%. Occupancy at 76%, was lower than 82% recorded in the year before.

The collection rate over the year was 72% (2014:78%). Tenant default risk remained a real threat to the business. Management will continue to actively monitor this aspect.

The Group focused on maximising income in such a difficult environment through efficient management of its properties. This entailed measures of retaining 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)

Development projects

Belgravia office development
The office development in Belgravia, Harare was completed. The tenant took beneficial occupation on 1 March 2015.

This project added 2 800 square metres of gross lettable area to the portfolio and annual net rental of US$0.4 million to the revenue of the Group.

OK Houghton Park
The Board approved the development of a larger retail shop for OK Zimbabwe Limited in one of its existing land banks in the Houghton Park suburb. Construction works on site are expected to commence in November 2015 and be completed after nine months.

This project is expected to deliver 2 200 square metres of gross lettable area to the portfolio. The project outlay is estimated to be US$2.0 million with an expected entry yield of 6%. The yield is expected to improve in line with the growth in the tenant’s turnover.

Other projects
The Group received the long awaited planning permit for a proposed upmarket residential development on one of its prime land banks. Progress is being made on other targeted areas. The cautious acquisition of additional land stock to meet demand for high to medium density housing remains a priority.

Directorate
Mr E.N Mushayakarara who joined the Board on 15 March 2006 passed away on 15 February 2015. I was appointed as the substantive Chairman of the Group on 2 September 2015 in his stead. I wish to express my thanks for the great contribution he made during his time as Director and Chairman.

Share Buyback
At the annual general meeting held on 26 February 2015, the Group’s shareholders renewed the share buyback scheme. During the year, a total of 1.2 million (2014:2.0 million) shares were bought at an average price of US$0.03 per share bringing the total number of treasury shares to 163.3 million. As at 30 September 2015, the market value of these shares was US$3.3 million (2014: US$4.2 million).

Outlook
Although the economic challenges persist, the Group’s value creation activities remain exciting. The Group will continue with the development of some of its existing land banks, whilst, scouting, for additional land. The Board is actively evaluating its existing portfolio with the view of utilising its strong asset base in exploiting opportunities that 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
The Board has deemed it prudent not to declare a dividend in the current economic environment.

Harare
18 November 2015

R. Mutandagayi
Chairman

Chief Executive Officer's review of operations

Operating environment
The operating environment has remained challenging as economic difficulties persist. Real GDP is forecast to continue on a downward trend throughout 2015. Major losses inactivity have been experienced in mining and manufacturing sectors. Inadequate infrastructure, low liquidity, high costs of finance and waning demand continue to challenge the economy.

There are fears that late and erratic rains in 2015 may undo previous gains in the agricultural sector. The country's external position remains weak due to a fall in commodity prices and a strengthening US dollar. Without international financial institutions' goodwill, this poses serious challenges to the proposed debt repayment strategy.

Corporate performance from the private sector has mirrored these challenges with declining earnings across all sectors. Inevitably, commercial real estate has been negatively affected by falling demand as companies reduce space requirements in line with falling head-count.

The real estate industry
Infrastructure rehabilitation and enhancement remain critical not only for the real estate sector but for the economy as a whole. Infrastructure projects are driving growth elsewhere on the continent. Development of new stock and sustenance of existing real estate needs good offsite infrastructure. The ongoing power shortages, inadequate sewer and water facilities and a poor roads network have hampered real estate development over the years.

Rentals for commercial properties have continued to go down as most tenants fall victim to the broader macro-economic and sectorial challenges. Waning aggregate demand and low liquidity have reduced revenues and squeezed margins for retailers leading to lower base and turnover rentals.

Manufacturing companies have found the going difficult as they have had to contend with low selling prices against high input costs and costs of borrowing working capital and finance for plant and equipment investment. Supply side bottlenecks for industrialists dependant on agricultural commodities have also reduced their competitiveness against imported products.

The most affected sector has however been the office sector with prime office towers across major towns reporting vacancies as high as 50 percent.

Consequently, property values have continued to fall. Most institutional property owners have been reporting declines in property values with small gains for serviced land in good locations. Valuation yields have however remained firm, largely as a result of a thin market and reluctance by long term property investors to dispose in a falling market. This has minimised the loss of capital value to marginal declines for large institutional portfolios.

The low rentals and weakening capital values have fed into development markets sentiment. Commercial developments have been few and far apart, with minimal speculative projects. However, pipeline projects for residential land and housing units continue to come up as developers seek to unlock value from their land-banks and take advantage of the housing backlog.

Portfolio performance
Rental income declined 14% from the previous financial year to $5.9 million in the year under review. This was as a result of downward rent reviews and decreasing occupancy levels. The occupancy rate as at 30 September 2015 was 76%, down from 82% as at the same time last year.

The rental collection level was at 72% of total rental income (78%, 2014), slightly over 40% of the total arrears were due from Government ministries and departments. Your Company has engaged the relevant departments as well as the Ministry of Finance to redress the situation.

Chief Executive Officer's review of operations (continued)

Performance of the property portfolio 2015

Sector	Market values US$000	Capital growth %	Yields %	Occupancy %
Office	71 730	(8)	6	52
Industrial	9 530	(3)	12	100
Retail	6 000	-	7	75
Health	2 730	24	7	100
Residential	3 150	(9)	5	81
Undeveloped land	5 812	-	-	-
Total/portfolio average	**98 952**	**(7)**	**6**	**76**

The overall portfolio rental yield was at 6% compared to 7%, 2014. Whilst yields in other sectors remained relatively firm, the portfolio average was weighed down by the office sector which accounts for the bulk of the portfolio's market value and total lettable area.

Financial performance

Turnover for the year at US$5.9 million, (2014: US$6.8 million) was 14% lower than last year but within budget. High voids in the market continued to put pressure on rental growth. Rentals remained subdued as the economic conditions continued to deteriorate. New revenue streams are being actively developed to support the declining rental income.

Property expenses at US$1.5 million (2014: US$1.9 million) were 19% below last year. Rising voids continued to drive up the landlord's portion of buildings' operating costs. Although, administration expenses increased marginally by 2 % to US$2.1 million (2014: US$2.0 million), overall, expenses, fell by 7% from last year. Costs containment remained one of the key focus areas and will continue to be such.

Despite the declining rentals, a net property income after all expenses of US$2.4 million (2014: US$3.1 million) was attained. However, margins continued to be under pressure with the operating profit margin declining to 40% (2014:45%). Property values declined by US$7.0 million in line with falling rentals and occupancy levels. This impairment in property values resulted in the Group posting a loss of US$6.0 million (2014: US$26 587-loss). The portfolio is now valued at US$99.0 million (2014: US$104.2 million).

Market Outlook

The International Monetary Fund Staff-Monitored Program reported as at the end of September that the Zimbabwean authorities had made progress in implementing their macro-economic and structural reforms.

Noteworthy were efforts in engaging the country's debtors, addressing structural rigidities in the labour markets through review of the Labour Act and strengthening the financial sector.

The Minister of Finance recently announced a strategy for clearing arrears with International Financial Institutions (IFIs) and indicated positive engagement on the side-lines of Lima, Peru. This strategy, if successful, should open up financing for critical infrastructure projects, and generally give the economy a jump-start.

Furthermore, the operationalisation of Zimbabwe Asset Management Company, mandated to take over eligible non-performing loans should be a boost for the real estate sector as well as for the whole economy.

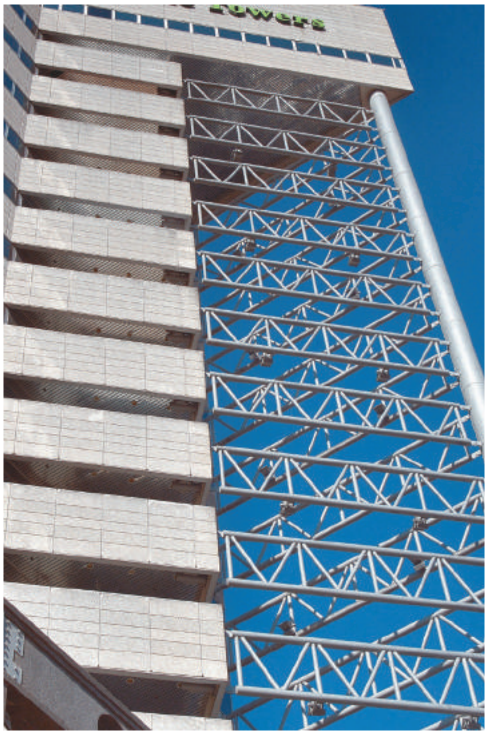
On another positive note, the Reserve Bank of Zimbabwe through its Mid Term Monetary policy statement cut down interest rates, putting a cap of 18% on consumptive borrowing. Companies and individuals with good rating can borrow much cheaper. Hopefully, this should stimulate demand and investment. High interest rates have been the major cause for low actual demand for housing. Below interest rates will come with improved liquidity as the country re-engages major IFIs.

The completion of our 21 Natal Belgravia project and occupation should improve the portfolio income in the coming years. In the short to medium term, more yield focussed new projects in the pipeline will further improve income levels.

Pursuant of the Group's strategy to unlock value in its existing land banks, construction works for the development of a larger retail shop for OK Zimbabwe Limited in the Houghton Park suburb commenced after year end. This project will add 2 200 square metres to the portfolio at an estimated cost of US$2.0 million. The forecast entry yield is 6% and is expected to improve in line with the growth of the tenant's business activity. This project is expected to be completed after 9 months.

Harare
18 November 2015

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 behaviour and reaffirms its commitment to honesty, integrity and professionalism by complying with all legislation, regulations and relevant International Financial Reporting Standards (IFRS).

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 48th Annual General Meeting was held in the Company's board room on 26 February 2015.

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. 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 recommends for approval 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, non-executive Director and 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 2015. The Group maintains its involvement in the Africa Unity Square enhancement program which aims to enhance Harare's image.

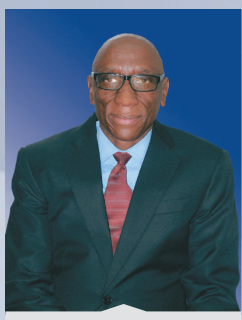
Audit Committee	Remuneration Committee	Insurance Committee	Investments Committee
L. Mawire (Mrs.) - Chairperson	R. Mutandagayi - Chairman	W.B. Mashumba - Chairman	A.G. Chinembiri - Chairman
W.B. Mashumba	A.G. Chinembiri	L. Mawire	E.N. Mushayakarara
M.T. Mahari	M.T. Mahari	M.T. Mahari	M.T. Mahari
N. Matsangura		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
R. Mutandagayi	1	n/a	1	1	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	1	1	2
L. Mawire	5	3	n/a	n/a	2
N. Matsangura	5	3	4	n/a	2
E.N. Mushayakarara*	1	n/a	1	1	n/a

*Deceased

Report of the Directors



Mr R. Mutandagayi
Chairman

Mr M.T. Mahari
Chief Executive Officer

Mr N. Matsangura
Finance Director

Mr A.G. Chinembiri
Non Executive Director

Mr W.B. Mashumba
Non Executive Director

Mrs L. Mawire
Non Executive Director

The Directors have pleasure in submitting their report for the year ended 30 September 2015.

Authorised share capital
The authorised share capital of the Company at 30 September 2015 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 2015 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 2015 remained at 486 394 000.

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

Directorate
During the year, the Board membership was 6. According to the Company's Articles of Association, a third of the members of the Board retire by rotation annually. Following the passing away of Mr E.N Mushayakarara on 15 February 2015, Mr Ronald Mutandagayi was appointed in his stead with effect from 1 August 2015. According to the Company's Articles of Association, Mr R. Mutandagayi and Mr N. Matsangura retire by rotation at the forth coming Annual General Meeting on 25 February 2016. All 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$52 750 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 2015. 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.

Results for the year
30 September 2015

	2015 US$	2014 US$
Operating (loss)/profit before finance income and tax	(4 761 332)	50 842
Finance income	444 997	708 054
(Loss)/profit before tax	**(4 316 335)**	**758 896**
Tax expense	(1 724 373)	(785 483)
Loss attributable to shareholders	**(6 040 708)**	**(26 587)**

Directors' responsibility statement

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.

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).

Going concern

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

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.

Directors’ responsibility statement (continued)

Financial statements

The directors are responsible for the preparation and fair presentation of the consolidated annual financial statements of Mashonaland Holdings Limited (‘the Group’), comprising the consolidated statement of financial position as at 30 September 2015, and 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), and the directors’ report.

The directors are also responsible 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, 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 company 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 consolidated annual financial statements

The consolidated annual financial statements of Mashonalnd Holdings Limited, as identified in the first paragraph, were approved by the board of Directors on 18 November 2015 and signed by:

Harare
18 November 2015

R. Mutandagayi
Chairman

Harare
18 November 2015

M.T.Mahari
Chief Executive Officer

Harare
18 November 2015

By order of the Board
N. Matsangura
Company Secretary

Financial review

For the year ended 30 September 2015

Consolidated statement of financial position

	2015 US$	2014 US$	2013 US$
Property and equipment	465 788	459 458	474 721
Investment properties	98 952 000	104 212 000	103 482 000
Long term receivables	1 032 954	825 269	666 879
Current assets	7 851 068	5 807 820	7 048 711
Total assets	**108 301 810**	**111 304 547**	**111 672 311**
Current liabilities	(1 220 064)	(1 364 254)	(963 940)
Deferred tax liability	(8 187 053)	(4 977 664)	(5 256 902)
Net assets	**98 894 693**	**104 962 629**	**105 451 469**
Share capital	929 537	929 537	929 537
Share premium	1 859 074	1 859 074	1 859 074
Treasury shares	(2 896 023)	(2 868 795)	(2 805 947)
Revenue reserves	99 002 105	105 042 813	105 468 805
Equity	**98 894 693**	**104 962 629**	**105 451 469**
Consolidated statement of profit or loss and other comprehensive income			
Revenue	5 864 414	6 806 575	7 692 044
Operating (loss)/profit	(4 761 332)	50 842	11 071 414
Finance income	444 997	708 054	666 346
(Loss)/profit before tax	**(4 316 335)**	**758 896**	**11 737 760**
Tax expense	(1 724 373)	(785 483)	(1 876 789)
(Loss)/profit for the year	**(6 040 708)**	**(26 587)**	**9 860 971**
Consolidated statement of cash flows			
Funds from operating activities before tax	686 797	2 848 202	5 059 998
Tax paid	(531 339)	(1 041 025)	(1 415 287)
Cash generated from operations	**155 458**	**1 807 177**	**3 644 711**
Cash flows utilised in investing and financing activities	**(1 936 102)**	**(3 578 067)**	**(3 115 809)**
(Decrease)/increase in cash and cash equivalents	**(1 780 644)**	**(1 770 890)**	**528 902**
Capital expenditure	**1 884 325**	**3 580 262**	**1 951 979**

Group statistics

For the year ended 30 September 2015

Share statistics	2015	2014	2013
Number of shares in issue	1 859 073 947	1 859 073 947	1 859 073 947
Weighted average number of shares	1 696 460 990	1 697 780 048	1 700 083 932
Share price (US$ cents)	2.00	2.6	3.2
Dividend per share (US$ cents)	-	- 1	0.047
Net worth per share (US$ cents)	5.83	6.18	6.20
Loss per share (US$ cents)	(0.36)	(0.00)	0.58
Profitability and asset management			
Net property income after admin expense to revenue	40%	45%	63%
Decline in investment properties	(7%)	(3%)	8%
Total expenses to revenue	60%	55%	37%
Voids	24%	18%	15%
Arrears	28%	22%	11%
Return on ordinary shareholders' funds	(6%)	(0%)	9%
Rental yields	6%	7%	8%
Liquidity			
Current ratio	6.43	4.26	7.31
Total liabilities to total shareholders' funds	0.10	0.06	0.06
Number of employees	22	22	22

Independent auditor's report on the consolidated financial statements

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TO THE SHAREHOLDERS OF MASHONALAND HOLDINGS LIMITED

Report on the consolidated financial statements

We have audited the consolidated financial statements of Mashonaland Holdings Limited and its Subsidiaries ("the Group"), which comprise the statements of financial position as at 30 September 2015, and the 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 as set out on pages 18 to 44.

Directors' responsibility for the financial statements

The Group's Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act 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 consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal 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, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of Mashonaland Holdings Limited at 30 September 2015, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of Zimbabwe (Chapter 24:03).

KPMG Chartered Accountants (Zimbabwe)
Harare

18 November 2015

Consolidated statement of financial position

As at 30 September 2015

	Notes	2015 US$	2014 US$
ASSETS			
Non-current assets		**100 450 742**	**105 496 727**
Property and equipment	8	465 788	459 458
Investment properties	10	98 952 000	104 212 000
Long term receivables	11	1 032 954	825 269
Current assets		**7 851 068**	**5 807 820**
Inventories	12	2 193 300	19 214
Assets held for trading	9	529 196	774 968
Trade and other receivables	13	3 432 535	1 536 957
Cash and cash equivalents	19	1 696 037	3 476 681
Total assets		**108 301 810**	**111 304 547**
EQUITY AND LIABILITIES			
Equity		**98 894 693**	**104 962 629**
Share capital	14	929 537	929 537
Share premium	14	1 859 074	1 859 074
Retained earnings		99 002 105	105 042 813
Treasury shares	16	(2 896 023)	(2 868 795)
Non-current liabilities		**8 187 053**	**4 977 664**
Deferred tax liability	7.2	8 187 053	4 977 664
Current liabilities		**1 220 064**	**1 364 254**
Trade and other payables	17	853 032	991 489
Provisions	18	293 260	267 977
Tax payable		73 772	104 788
Total equity and liabilities		**108 301 810**	**111 304 547**

Director

18 November 2015

Chairman

18 November 2015

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 September 2015

	Notes	2015 US$	2014 US$
Revenue	**3**	**5 864 414**	**6 806 575**
Property expenses	4	(1 498 176)	(1 850 107)
Net property income		**4 366 238**	**4 956 468**
Other income		169 967	153 393
Administrative expenses	5.1	(2 099 252)	(2 015 353)
Net property income after administrative expenses		**2 436 953**	**3 094 508**
Fair value adjustments		**(7 198 285)**	**(3 043 666)**
Quoted securities	9	(249 468)	(58 759)
Investment properties	10	(6 948 817)	(2 984 907)
Operating (loss)/profit before finance income and tax	**5**	**(4 761 332)**	**50 842**
Finance income	6	444 997	708 054
(Loss)/profit before tax		**(4 316 335)**	**758 896**
Tax expense	7	(1 724 373)	(785 483)
Loss for the year		**(6 040 708)**	**(26 587)**
Total comprehensive loss for the year		**(6 040 708)**	**(26 587)**
Loss attributable to the equity holders of the parent		**(6 040 708)**	**(26 587)**
Basic and diluted loss per share (US$ cents)	**14.1**	**(0.36)**	**(0.00)**

Consolidated statement of changes in equity

For the year ended 30 September 2015

	Share capital US$	Share premium US$	Treasury shares US$	Retained earnings US$	Total US$
Balance 1 October 2013	**929 537**	**1 859 074**	**(2 805 947)**	**105 468 805**	**105 451 469**
Treasury shares acquired	-	-	(62 848)	-	(62 848)
Dividends	-	-	-	(399 405)	(399 405)
Total comprehensive loss	-	-	-	(26 587)	(26 587)
Balance 1 October 2014	**929 537**	**1 859 074**	**(2 868 795)**	**105 042 813**	**104 962 629**
Treasury shares acquired	-	-	(27 228)	-	(27 228)
Total comprehensive loss	-	-	-	(6 040 708)	(6 040 708)
Balance 30 September 2015	**929 537**	**1 859 074**	**(2 896 023)**	**99 002 105**	**98 894 693**

Consolidated statement of cash flows

For the year ended 30 September 2015

	Notes	2015 US$	2014 US$
Cash flows from operating activities			
Loss after tax		(6 040 708)	(26 587)
Adjusted for:			
Finance income		(444 997)	(708 054)
Gain on disposal of plant and equipment	6	-	(200)
Depreciation	8	184 177	163 019
Impairment of loans receivable	11	64 555	22 580
Decrease in fair value of listed shares	9	249 468	58 759
Decrease in fair value of investment property	10	6 948 817	2 984 907
Impaiment of inventory		54 650	-
Tax expense	7	1 724 373	785 483
		2 740 335	**3 279 907**
Changes in:			
- Inventories		(2 228 735)	(1 276)
- Trade and other receivables		288 274	(505 040)
- Trade and other payables		(138 457)	146 433
- Provisions		25 380	(71 822)
Cash generated from operating activities		**686 797**	**2 848 202**
Taxes paid		(531 339)	(1 041 025)
Net cash from operating activities		**155 458**	**1 807 177**
Cash flows from investing activities			
Interest received	6	392 643	677 534
Issue of long term loans	11	(418 400)	(247 460)
Acquisition of investments in listed securities	9	(17 766)	(2 486)
Proceeds from disposal of plant and equipment	8	5 000	3 073
Proceeds from disposal of listed shares	9	14 070	17 051
Refurbishment and development of investment property	10	(1 302 147)	(3 202 711)
Acquisition of investment property	10	(386 670)	(226 925)
Acquisition of plant and equipment	8	(195 508)	(150 626)
Net cash used in investing activities		**(1 908 778)**	**(3 132 550)**
Cash flow from financing activities			
Treasury shares acquired	16	(27 228)	(62 848)
Dividends paid		(96)	(382 669)
Net cash used in financing activities		**(27 324)**	**(445 517)**
Decrease in cash and cash equivalents		**(1 780 644)**	**(1 770 890)**
Cash and cash equivalents at 1 October		3 476 681	5 247 571
Cash and cash equivalents at 30 September	19	**1 696 037**	**3 476 681**

Notes to the consolidated financial statements

For the year ended 30 September 2015

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 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.

Notes to the consolidated financial statements (continued)

For the year ended 30 September 2015

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.

Notes to the consolidated financial statements (continued)

For the year ended 30 September 2015

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:

- Loans and receivables; and
- Financial assets at fair value through profit and loss.

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

(i) Non derivative financial assets and financial liabilities - 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 does 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

(i) long term loans

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.

(ii) 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.

(c) 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 financial institutions is recognised on an accrual basis using the effective interest method.

Notes to the consolidated financial statements (continued)

For the year ended 30 September 2015

(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 amortised 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 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.

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.

Notes to the consolidated financial statements (continued)

For the year ended 30 September 2015

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 2015; 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	IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurements. IRRS 9 includes revised guidance on the classification and measurements of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption 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	IRRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. IFRS 15 effective from annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.	There are currently no income streams that are affected by the standard. Revenue from sale of properties will be affected in the future.

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

- 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).
- Equity Method in Seperate Financial Statements (Amendments to IAS 27).
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28).
- Annual Improvents to IFRSs 2012 - 2014 Cycle-various standards.
- Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28).
- Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32).
- Agriculture: Bearer Plants (Amendment to IAS 16 and IAS 41).
- Disclosure Initiative (Amendments to IS1)∑

Notes to the consolidated financial statements (continued)

For the year ended 30 September 2015

2. Basis of preparation

(a) Reporting entity

The consolidated financial statements of Mashonaland Holdings Limited for the year ended 30 September 2015 were authorized for issue in accordance with a resolution of the Directors on 18 November 2015. 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 2015, 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 2015 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 18 November 2015.

(b) Basis of accounting

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

(c) Functional and presentation currency

These consolidated financial statements are presented in United States dollars, which is the Group's functional and reporting 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 2015 is included in the following notes:

- Note 7 - deferred tax;
- Note 9 - assets held for trading;
- Note 10 - investment property;
- Note 11 - long term loans; and
- 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 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 base 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) Valuation approach

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

Valuation of commercial and industrial properties are based on comparative and investment methods. The investment method involves the capitalization of expected rental income by an appropriate yield. The comparative approach seeks to ascribe to the subject property a value similar to that achieved for comparable properties. Through the comparative method, the rental value rates and capitalization rates for similar properties sold can be assessed and after appropriate adjustments, can be applied to determine its value.

With regards to the residential properties and undeveloped stands, we took into consideration the sales evidence either achieved or on the market, of similar properties situated in the comparable residential suburbs with that of the subject properties.

With regard to the gross replacement cost, our valuations have been carried out through applying construction rates to the superficial areas of the properties. We confirm, we sought and obtained the opinion of quantity surveyors in assessing our figures.

(iv) 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.

Notes to the consolidated financial statements (continued)

For the year ended 30 September 2015

(v) 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 Group uses a capital gains tax rate of 20% for all properties that were aquired after 1 February 2009 and 5% on properties acquired prior to 1 Febuary 2009. 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%.

The establishment of opening income tax values (ITV's) at the time of the country introducing the multi-currency regime in 2009 and claiming of capital allowances was approved by Zimbabwe Revenue Authority (ZIMRA) in the current financial year with respect to Charter Properties (Private) Limited. The impact will result in an annual reduction of the income tax obligation emanating from the claiming of the respective capital allowances. This has also resulted in a change in estimate in relation to deferred income tax with an additional deferred income tax on potential recoupment of wear and tear allowances being determined.This additional deferred income tax is provided for at the effective income tax rate of 25.75%.

This development has therefore informed a change in the deferred tax accounting estimate as a result of the determination and approval of income tax values for investment properties by the tax authorities during the current year.

Effects of the change in the deferred income tax accounting estimate is as follows:

	US$
Change in estimate in relation to the 2015 financial year	297 413
Change in estimate in relation to prior years	3 234 277
Total	**3 531 690**

The effect of the change on the income tax accounting estimate in respect of prior year overprovision of income taxes is a reduction in current income tax expense by US$1 985 338 and accounted for prospectively.

	2015 US$	2014 US$
The following tax rates were applied in computing deferred tax.		
Deferred capital gains tax	**Rate**	**Rate**
Land and buildings acquired before 2009	5%	5%
Land and buildings acquired after 2009	20%	20%
Deferred income tax	25.75%	-

Notes to the consolidated financial statements (continued)

For the year ended 30 September 2015

	2015 US$	2014 US$
3. Revenue		
Rental income	5 864 414	6 806 575
3.1 Future minimum rentals receivable under non-cancellable operating leases as at 30 September are as follows:		
Within 1 year	5 816 212	6 135 716
After 1 year but not more than 5 years	23 264 848	24 542 864
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.

	2015 US$	2014 US$
4. Property expenses		
Voids related costs	(568 386)	(551 645)
Repairs, maintenance, utilities and legal costs	(163 086)	(180 772)
Property insurance costs	(24 468)	(31 256)
Allowance for credit losses	(269 260)	(642 896)
Property management expenses	(418 326)	(443 538)
Impairment loss on inventory	(54 650)	-
Total	**(1 498 176)**	**(1 850 107)**
5. Operating profit before interest and tax		
Operating profit is arrived at after charging:		
- Audit fees	(62 100)	(67 852)
- Depreciation	(184 177)	(163 019)
- Non executive Directors' emoluments	(52 750)	(66 350)
5.1 Administrative expenses		
Staff related costs	(1 308 377)	(1 320 719)
Consultancy	(52 750)	(56 159)
Office expenses	(738 125)	(638 475)
Total	**(2 099 252)**	**(2 015 353)**
5.2 Staff related costs		
Salaries and other expenses	(1 221 920)	(1 234 262)
Cash settled share based payments	-	-
Contributions to defined contribution fund	(82 857)	(82 857)
Contributions to National Social Authority Scheme	(3 600)	(3 600)
	(1 308 377)	**(1 320 719)**

Notes to the consolidated financial statements (continued)

For the year ended 30 September 2015

		2015 US$	2014 US$
6.	**Finance income**		
	This comprises of:		
	Interest received and receivable	392 643	677 534
	Notional interest on long term loans	52 354	30 520
		444 997	**708 054**
7.	**Income taxes**		
	Current income tax expense	493 789	1 014 821
	Deferred income tax arising on approval of income tax values by tax authorities – prior years	1 248 940	-
	Deferred income tax – current year	409 423	(354 523)
	Deferred capital gains tax	(434 312)	75 285
	Withholding tax	6 533	49 900
	Total	**1 724 373**	**785 483**

The future impact of the change in the accounting estimate (described in more detail in note 2e, on page28) will result, based on current amounts, in an annual income tax saving of US$297 413. Accordingly, deferred tax will, based on current amounts increase annually by US$297 413 in respect of deferred income tax on potential recoupment in respect of claimed wear and tear allowances. A nil impact is expected in the statement of profit or loss. The Group will benefit from an annual cash saving of US$297 413 based on current amounts.

		2015 US$	2014 US$
7.1	**Reconciliation of effective tax**		
	(Loss)/profit before tax	(4 316 335)	758 896
	Tax using the current rate at 25.75%	(1 111 456)	195 416
	Exempt income (impact of lower tax rates)	(11 474)	(118 207)
	Fair value adjustments	1 867 631	783 743
	Non deductible items	156 053	(75 469)
	Other tax heads	(425 320)	-
	Adjustment of prior year taxes	1 248 939	-
	Prior year over-provision of income tax	(1 985 338)	-
	Prior year deferred income tax on recoupment unaccounted for	3 234 277	-
	Total tax expense	**1 724 373**	**785 483**
7.2	**Deferred tax liability**		
	Analysis of temporary differences		
	Investment property	8 482 569	5 225 755
	Investment in quoted shares	5 292	7 750
	Plant and equipment	107 898	97 818
	Provisions	(403 939)	(358 800)
	Prepayments	5 993	5 141
	Other	(10 760)	-
	Closing balance	**8 187 053**	**4 977 664**

Notes to the consolidated financial statements (continued)

For the year ended 30 September 2015

	2015			2014		
	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	678 596	245 682	924 278	644 876	214 976	859 852
Additions	191 500	4 008	195 508	119 920	30 706	150 626
	870 096	249 690	1 119 786	764 796	245 682	1 010 478
Disposals	(157 500)	-	(157 500)	(86 200)	-	(86 200)
Balance 30 September	**712 596**	**249 690**	**962 286**	**678 596**	**245 682**	**924 278**
Accumulated depreciation						
Balance 1 October	395 044	69 776	464 820	337 963	47 168	385 131
Depreciation for the year	128 300	55 877	184 177	140 411	22 608	163 019
	523 344	125 653	648 997	478 374	69 776	548 150
Disposals	(152 499)	-	(152 499)	(83 330)	-	(83 330)
Balance 30 September	**370 845**	**125 653**	**496 498**	**395 044**	**69 776**	**464 820**
Carrying amount	**341 751**	**124 037**	**465 788**	**283 552**	**175 906**	**459 458**

	2015 US$	2014 US$
9. Assets held for trading		
Listed securities		
Balance at 1 October	774 967	848 292
Additions	17 766	2 486
Disposal	(14 070)	(17 052)
Fair value adjustment	(249 468)	(58 759)
Balance 30 September	529 195	774 967
Unlisted*	1	1
Total	**529 196**	**774 968**

*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 the Group being issued with the latter's shares in exchange for the formers 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$529 196 has been categorised under level 1, based on the quoted prices (unadjusted) the Zimbabwe Stock Exchange markets for identical assets.

Notes to the consolidated financial statements (continued)

For the year ended 30 September 2015

	2015 US$	2014 US$
10. Investment properties		
Balance at 1 October	104 212 000	103 482 000
New acquisitions	386 670	226 925
Improvements	1 302 147	3 487 982
	105 900 817	107 196 907
Fair value adjustment	(6 948 817)	(2 984 907)
Balance 30 September	**98 952 000**	**104 212 000**

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$9.0 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: note 2 (c)).

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

	US$
Balance at 1 October 2014	9 232 000
Acquisitions and improvements	430 092
Changes in fair value (unrealised)	(700 092)
Balance at 30 September 2015	**8 962 000**

Level 3

The fair value of investment properties of US$90.0 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 2014	94 980 000
Acquisitions and improvements	1 258 725
Changes in fair value (unrealised)	(2 248 725)
Balance at 30 September 2015	**93 990 000**

Notes to the consolidated financial statements (continued)

For the year ended 30 September 2015

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 36 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).

	2015 US$	2014 US$
11. Long term loans granted		
Reconciliation of carrying amount		
Balance 1 October	**825 269**	**666 879**
New loans issued	418 400	247 461
Fair value adjustment	(64 555)	(22 583)
	1 179 114	**891 757**
Repayments	(80 493)	(29 144)
Balance 30 September	**1 098 621**	**862 613**
Current portion	65 667	37 344
Long term portion	1 032 954	825 269
Balance 30 September	**1 098 621**	**862 613**

During the year, the Group provided loans amounting to US$0.4 million (2014: US$0.2 million) under the Housing ownership scheme. These loans are secured through mortgage bonds. The 10 year loans 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 amounted to US$1.0 million and categorised under level 2 in the 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: note 2 (c)).

(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 rate.

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 2015

		2015 US$	2014 US$
12.	**Inventories**		
	Land	2 170 000	-
	Consumables	23 300	19 214
	Total	**2 193 300**	**19 214**
13.	**Trade and other receivables**		
	Rental receivables	1 876 428	1 723 363
	Impairment allowance on rental receivables	(1 272 502)	(1 125 420)
	Sundry debtors	2 828 609	939 014
	Total	**3 432 535**	**1 536 957**

As at 30 September 2015, receivables with a nominal value of US$1.2 million (2014: US$1.6 million) were impaired and specifically provided for due to tenants defaults. A portfolio imparment allowance of US$87 966 was provided for. Movements in the impairment allowance on rental receivables were as follows:

	2015 US$	2014 US$
Impairment allowance on rental receivables provided for:		
Opening balance	**1 125 420**	**652 468**
Charge for the year	269 260	642 876
Utilised	(122 178)	(169 924)
Closing balance	**1 272 502**	**1 125 420**

		2015 US$	2014 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	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.

	2015 US$	2014 US$
(i) Loss attributable to ordinary shareholders	(6 040 708)	(26 857)
(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	(162 612 957)	(161 293 899)
Weighted-averaged number of ordinary shares at 30 September 2015	**1 696 460 990**	**1 697 780 048**
Basic (loss)/earnings per share (US$ cents)	(0.36)	(0.00)
Diluted (loss)/earnings per share (US$ cents)	(0.36)	(0.00)

There are no transactions with a potential dilutive effect.

Dividend

No dividend was declared in the current year (2014: Nil)

Notes to the consolidated financial statements (continued)

For the year ended 30 September 2015

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 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 office/retail, industrial, pure retail 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.

	2015				
	Office/retail US$	**Industrial US$**	**Pure retail US$**	**Other US$**	**Total US$**
Segment profit					
Revenue	4 004 689	1 113 598	400 527	345 600	5 864 414
Other income	141 240	-	-	-	141 240
Fair value adjustment	(5 998 725)	(250 000)	(131 168)	(568 924)	(6 948 817)
	(1 852 796)	**863 598**	**269 359**	**(223 324)**	**(943 163)**
Property expenses	(1 230 857)	(87 278)	(41 685)	(138 356)	(1 498 176)
Segment (loss)/profit	**(3 083 653)**	**776 320**	**227 674**	**(361 680)**	**(2 441 339)**
Reconciliation of segment loss					
Segment loss					**(2 441 339)**
Fair value adjustment-listed shares					(249 468)
Administrative expenses					(2 099 252)
Other income					28 727
Finance income					444 997
Profit before tax as per consolidated statement of profit or loss					**(4 316 335)**

	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**

Notes to the consolidated financial statements (continued)

For the year ended 30 September 2015

15. Segmental information (continued)

15.3 Information about reportable segments (continued)

	2015				
	Office/retail US$	**Industrial US$**	**Pure retail US$**	**Other US$**	**Total US$**
Segment assets					
Investment properties	71 730 000	9 530 000	6 000 000	11 692 000	98 952 000
Current assets	1 214 335	128 412	62 588	41 862	1 447 197
Total assets	**72 944 335**	**9 658 412**	**6 062 588**	**11 733 862**	**100 399 197**

Reconciliation of segment assets	
Total segment assets	**100 399 197**
Plant and equipment	465 788
Long term receivables	1 032 954
Quoted shares	529 196
Unquoted shares	1
Inventory	2 193 300
Tax receivable	1 985 337
Bank and cash	1 696 037
Total assets as per consolidated statement of financial position	**108 301 810**

	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**

Notes to the consolidated financial statements (continued)

For the year ended 30 September 2015

15. Segmental information (continued)

15.3 Information about reportable segments (continued)

	2015				
	Office/retail US$	**Industrial US$**	**Pure retail US$**	**Other US$**	**Total US$**
Segment liabilities					
Deferred tax liability	5 939 519	752 800	541 291	845 544	8 079 154
Current liabilities	633 903	31 537	75 094	16 768	757 302
Total segment liabilities	**6 573 422**	**784 337**	**616 385**	**862 312**	**8 836 456**
Reconciliation of segment liabilities					
Total segment liabilities					**8 836 456**
Deferred tax on plant and equipment					107 898
Provisions					293 261
Accruals					18 301
Dividend payable					77 429
Tax liability					73 772
Total liabilities as per consolidated statement of financial position					**9 407 117**

	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**

Notes to the consolidated financial statements (continued)

For the year ended 30 September 2015

	2015		2014	
	Shares	**US$**	**Shares**	**US$**
16. Treasury shares				
Authorised	**200 000 000**	**-**	**200 000 000**	**-**
Balance at 1 October	162 123 801	2 868 795	160 074 908	2 805 947
Repurchased during the year	1 206 691	27 228*	2 048 893	62 848
At 30 September	**163 330 492**	**2 896 023**	**162 123 801**	**2 868 795**

*The repurchases during the year averaged at a price of 2.00 cents.

	2015 US$	2014 US$
17. Trade and other payables		
Trade payable	775 603	913 964
Dividend payable	77 429	77 525
	853 032	**991 489**

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.

	2015 US$	2014 US$
18. Provisions		
Balance at 1 October	267 977	339 799
Current year charge/(credit)	25 283	(71 822)
Balance at 30 September	**293 260**	**267 977**
Provisions comprise the following:		
Audit fees	57 085	61 570
Valuation fees	14 500	-
Annual report fees	20 869	17 319
Staff related provisions	200 806	189 088
	293 260	**267 977**

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

	2015 US$	2014 US$
19. Cash and cash equivalents		
Balances with banks	1 696 037	3 476 681
	1 696 037	**3 476 681**

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**	**2015 Equity holding**	**2014 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%

Notes to the consolidated financial statements (continued)

For the year ended 30 September 2015

21. Related party transactions and balances

Related party	Relationship	Nature of transaction	Transaction amount US$	Balance 2015 US$	Balance 2014 US$
ZB Life Assurance Limited	Direct shareholder	Rent received	198 267	157	(76)
ZB Bank Limited	Indirect shareholder	Rent received	361 216	14 396	-
ZB Life Assurance Limited	Direct shareholder	Interest received	546	-	-
ZB Bank Limited	Indirect shareholder	Interest received	17 955	-	-
ZB Bank Limited	Indirect shareholder	Bank balances	-	530 629	1 492 988
Total			**577 984**	**545 182**	**1 492 912**

	2015 US$	2014 US$
Compensation of key management personnel of the Group		
Short term employee benefits	725 903	706 944
Post-employment pension and medical benefits	68 851	70 407
Total compensation paid to key management	**794 754**	**777 351**
All transactions with related parties are carried out on an arm's length basis.		
Loan balances to Directors and key management	**1 220 111**	**547 482**

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$401 4001 (2014: US$241 861).

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 2015, 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:

	2015 US$	2014 US$
Total carrying amount of liabilities for the SERSS	-	-

Notes to the consolidated financial statements (continued)

For the year ended 30 September 2015

22. Shares based payment arrangements (SERSS) (continued)

(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:

	2015	2014
Notional shares allocated	-	4 485658 shares
Grant price-cents (share price)	-	3.0
Expected life	-	One year

(c) Reconciliation of outstanding share options

	Number of notional shares granted
Outstanding at 1 October 2014	9 661 418
Forfeited during the year	(3 226 417)
Exercised during the year	-
Granted during the year	-
Outstanding at 30 September 2015	6 435 001

(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.

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.

Notes to the consolidated financial statements (continued)

For the year ended 30 September 2015

23. Financial risk management (continued)

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	(16 978 779)	(54 063)
Deferred tax	848 939	2 703
Profit after tax	(16 129 840)	(51 360)
Equity	(16 129 840)	(51 360)

At 30 September 2015, if the yield rate had been 10% higher with all other variables held constant, the investment property balance would have been US$16 978 779 lower, and non-current liabilities would have increased by US$848 939 due to the net deferred tax effect. Similarly at 30 September 2015, if the yield rate had been 10% lower with all other variables held constant, the investment property balance would have been US$54 063 lower, and the non current liabilities would have reduced by US$2 703 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	(2 335)	2 515

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:

	2015 US$	2014 US$
Long term loans granted	1 032 954	825 269
Trade and other receivables	2 837 710	1 536 957

Notes to the consolidated financial statements (continued)

For the year ended 30 September 2015

23.6. Credit risk management (continued)

(b) Long-term loans

The Group provided loans amounting to US$0.4 million (2014:US$0.2 million) 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$3.4 million (2014: US$2.7 million), of which US$1.3 million (2014: US$1.1 million) has been provided for.

As at 30 September 2015 the ageing of trade and other receivables that were not impaired was as follows:	**2015 US$**	**2014 US$**
Neither past due nor impaired	161 462	161 462
Past due 1 to 30 days	110 211	140 595
Past due 31 to 60 days	110 730	115 294
	382 403	417 351

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	**2015**			
	US$ Total	**US$ Level 1**	**US$ Level 2**	**US$ Level 3**
Financial assets measured at fair value				
Listed equities (held for trading)	529 196	529 196	-	-
Long term loans (loans and receivables)	1 032 954	-	1 032 954	-
Financial assets not measured at fair value				
Unquoted shares (designated at fair value)	1	-	-	-
Trade and other receivables (loans and receivables)	3 432 535	-	-	-
Cash and cash equivalents	1 696 037	-	-	-
Total	**6 690 723**	**529 196**	**1 032 954**	**-**
Financial liabilities not measured at fair value				
Trade and other payables (other financial liabilities)	853 032	-	-	-
Total	**853 032**	**-**	**-**	**-**
	2014			
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	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**	**-**	**-**	**-**

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

Notes to the consolidated financial statements (continued)

For the year ended 30 September 2015

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 2015				
Financial liabilities				
Trade and other payables	(853 032)	-	-	(853 032)
Financial assets				
Cash and other equivalents	1 696 037	-	-	1 696 037
Rental and other receivables	2 175 388	435 000	520 600	3 130 988
Investment in quoted shares	529 196	-	-	529 196
	3 547 589	**435 000**	**520 600**	**4 503 189**
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**

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; behavioural 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.

Notes to the consolidated financial statements (continued)

For the year ended 30 September 2015

25. 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.

26. Commitments and contingencies

Capital commitments	**2015 US$**	**2014 US$**
Authorised and contracted	151 138	409 702
Authorised but not contracted	4 133 700	4 452 700

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

27. Pension and retirement benefits

The Group operates a defined contribution pension plan administered by ZB Life Assurance Limited. 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.

	2015 US$	**2014 US$**
Defined contribution funds	105 100	105 100
National Social Security Authority Scheme	5 050	7 500
Total	**110 150**	**112 600**

28. Contingencies

Following the amendments to the Labour Act (Chapter 28:01) section 12c there have been deliberations as to whether the amended Act implies that employees will be entitled to a minimum guaranteed compensation regardless of the reason of loss or termination of employment. The Act stipulates the minimum compensation to be not less than a month's salary or wages for every two years of service. There have been other views expressed to the contrary.

The Employers Confederation of Zimbabwe has instituted a legal challenge of the amendments to the Labour Act and the Courts are yet to make a determination on the matter. The Group will continue to closely monitor developments on this matter.

While the determination of implications of the amendments are still in process at this stage and therefore unclear, the Group may be liable for up to US$0.3 million in respect of the minimum guaranteed compensation described above.

29. Events after the reporting date

There were no adjusting events after year end. However, subsequent to the 2015 year end, the Group commenced construction works for the development of a 2 200 square metre retail shop for OK Zimbabwe Limited in the Houghton Park suburb. The total estimated outlay for this project is US$2.0 million and the expected completion date is July 2016.

Other information - Company statement of financial position

30 September 2015

Other information contains financial information for Mashonaland Holdings Limited (the Company).

	Notes	2015 US$	2014 US$
Non-current assets		**9 829 658**	**9 823 328**
Property and equipment	**8**	465 788	459 458
Investment in subsidiaries	**31**	2 751 870	2 751 870
Investment properties	**30**	6 612 000	6 612 000
Current assets		**1 098 040**	**2 054 597**
Assets held for trading	**9**	529 196	774 968
Trade and other receivables	**33**	17 714	214 106
Cash and cash equivalents	**32**	551 130	1 065 523
TOTAL ASSETS		**10 927 698**	**11 877 925**
EQUITY AND LIABILITIES			
Equity	**34**	**8 331 929**	**8 550 618**
Share capital		929 537	929 537
Share premium		1 859 074	1 859 074
Treasury shares		(2 896 023)	(2 868 795)
Retained earnings		8 439 341	8 630 802
Non current liabilities		**486 903**	**419 949**
Deffered tax liability		486 903	419 949
Current liabilities		**2 108 866**	**2 907 358**
Trade and other payables	**35**	90 314	97 586
Provisions	**36**	77 954	78 889
Intercompany balances		1 940 392	2 698 729
Tax		206	32 154
TOTAL EQUITY AND LIABILITIES		**10 927 698**	**11 877 925**

Other information - Notes to the company statement of financial position

30 September 2015

		2015 US$	2014 US$
30.	**Investment properties**		
	Balance at 1 October	6 612 000	6 902 000
	Improvement	23 627	-
	Fair value adjustment	(23 627)	(290 000)
	Balance 30 September	**6 612 000**	**6 612 000**
	Investment property values have been based on the market values set by our professional valuers, Knight Frank, as at 30 September 2015.		
31.	**Investment in subsidiaries**		
	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	1 065 523	529 401
	Net (decrease)/increase in cash and cash equivalents	(514 393)	536 122
	At 30 September	**551 130**	**1 065 523**
33.	**Trade and other receivables**		
	Pre payments	**17 714**	**214 106**

Other information - Notes to the company statement of financial position (continued)

30 September 2015

	Share capital US$	Share premium US$	Treasury shares US$	Retained earnings US$	Total US$
34. Statement of changes in equity					
Balance 1 October 2013	**929 537**	**1 859 074**	**(2 805 947)**	**9 044 532**	**9 027 196**
Treasury shares aquired	-	-	(62 848)	-	(62 848)
Dividends	-	-	-	(399 406)	(399 406))
Total comprehensive loss	-	-	-	(14 324)	(14 324)
Balance 1 October 2014	**929 537**	**1 859 074**	**(2 868 795)**	**8 630 802**	**8 550 618**
Treasury shares aquired	-	-	(27 228)	-	(27 228)
Total comprehensive loss	-	-	-	(191 461)	(191 461)
Balance 30 September 2015	**929 537**	**1 859 074**	**(2 896 023)**	**8 439 341**	**8 331 929**

	2015 US$	2014 US$
35. Trade and other payables		
Other	12 885	20 061
Dividend payable	77 429	77 525
	90 314	**97 586**
36. Provision		
Balance at 1 October	78 889	80 490
Utilised during the year	(935)	(1 601)
Balance at 30 September	**77 954**	**78 889**
Provisions comprise of the following:		
Audit fees	57 085	61 570
Annual report	20 869	17 319
	77 954	**78 889**

Analysis of shareholders

30 September 2015

Size of shareholding	Number of shareholders	%	Issued shares	%
1-100	172	7,52	8 655	0,00
101-200	134	5,86	22 588	0,00
201-500	225	9,83	78 888	0,00
501-1 000	271	11,84	208 673	0,01
1 001-5 000	618	27,01	1 581 098	0,09
5 001-10 000	232	10,14	1 743 339	0,09
10 001-50 000	302	13,20	6 918 216	0,37
50 001-100 000	74	3,23	5 202 639	0,28
100 001-500 000	120	5,25	27 267 417	1,47
500 001-1 000 000	59	2,58	39 947 736	2,15
1 000 001-10 000 000	63	2,75	190 741 123	10,26
10 000 000 - and above	18	0.79	1 585 353 575	85,28
Total	**2 288**	**100,00**	**1 859 073 947**	**100,00**
Companies	525	22,95	1 527 692 192	82,18
Residents	1 717	75,04	155 320 089	8,35
Non-residents	46	2,01	176 061 666	9,47
Total	**2 288**	**100,00**	**1 859 073 947**	**100,00**
Trade classifications				
Pension Funds (including life companies)	169	7,39	782 339 353	42,08
Other Corporate Bodies	277	12,11	516 105 879	27,76
Non-residents	46	2,01	176 061 666	9,47
Investment, Trust and Property Companies	22	0,96	165 721 566	8,91
Resident Individuals	1 717	75,04	155 320 089	8,36
Nominee Companies	50	2,18	61 478 351	3,31
Insurance Companies	7	0,31	2 047 043	0,11
Total	**2 288**	**100,00**	**1 859 073 947**	**100,00**

Analysis of shareholders (continued)

30 September 2015

Major shareholders	Shareholding 30 Sept 2015	%
ZB Life Assurance Limited	508 774 385	27.37
Africa Enterprise Network Trust	348 995 283	18.77
Mashonaland Holdings Limited	162 035 421	8.73
Mr R. Turner	124 596 881	6.70
Standard Charted Nominees Non Resident Africa Opportunities L.P.	98 098 080	5.27
ZB Financial Holdings	85 707 802	4.61
Old Mutual Life Assurance Company Zimbabwe Limited	59 966 445	3.22
Stanbic Nominees (Pvt) Ltd Non Resident 130043040031	39 810 307	2.14
Anglo American Association Company Pension Fund	26 948 811	1.45
Fed Nominees (Pvt) Ltd	20 580 320	1.11
Total	**1 475 513 735**	**79.37**

	2015 Shares	2014 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

Shareholders' calendar 2015-2016

2015 Annual report distributed	Jan 2016
49th Annual General Meeting	Feb 2016
2016 Half-year results announced	May 2016
2016 Full year results announced	Nov 2016
2016 Annual report distributed	Jan 2017
50th Annual General Meeting	Feb 2017

SOCIAL RESPONSIBILITY

Mashonaland Holdings Limited 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 Limited 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.