

2016 ANNUAL REPORT



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



Contents

Overview

Notice to members	3
Financial highlights	4
Directorate and administration	5
Chairman's statement	6
Acting Chief Executive Officer's review of operations	8
Statement of corporate governance	10

Financial report

Report of the directors	12
Directors' responsibility statement	13
Financial review	15
Group statistics	16
Independent auditors' report	17
Consolidated statement of financial position	18
Consolidated statement of profit or loss and other comprehensive income	19
Consolidated statement of changes in equity	20
Consolidated statement of cash flows	21
Notes to the consolidated financial statements	22
Other information	45

Shareholders Information

Analysis of shareholders	48
Shareholders' calendar	50
Social responsibility	51



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 50th 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 23 February 2017 at 12:00 hrs for the purpose of transacting the following business:

1. To receive and adopt the audited consolidated financial statements and Report of the Directors for the year ended 30 September 2016.
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. A.G. Chinembiri; and
Mr. W.B. Mashumba.
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 2018 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
A.G. Chinembiri
Director
21 December 2016

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

	2016 US\$	2015 US\$
Revenue	5 477 333	5 846 414
Loss before finance income and tax	(5 914 808)	(4 761 332)
Loss before tax	(5 353 470)	(4 316 335)
Loss attributable to equity holders of the parent	(5 935 790)	(6 040 708)
Equity	92 958 312	98 894 693
Cash and cash equivalents	2 578 561	1 696 037
Loss per share (US\$ cents)	(0.35)	(0.36)

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.)

P. Musarurwa (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 (Zimbabwe)

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 (West)

Mutual Gardens

Emerald Hill

Harare

BANKERS

ZB Bank

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

Hunt Adams And Associates

8 Fleetwood Road

Alex park

Harare

Chairman's statement

Introduction

The economic environment remained subdued during the year under review. The increasing uncertainty brought by policy inconsistencies further weakened the already fragile economy. Property market fundamentals remained weak as occupancy levels and market rentals continued to decline whilst arrears increased.

Results

Revenue for the year at US\$5.5 million (2015: US\$5.9 million) was 7% below prior year due to increasing void levels and declining rentals. New income streams are being developed to grow the revenue base.

Property expenses at US\$1.5 million (2015: US\$1.5 million) were in line with prior year. These expenses represented 28% (2015:25%) of total income. Costs relating to voids and the allowance for credit losses remained the major drivers of property expenses.

Administrative expenses at US\$2.4 million (2015: US\$2.1million) increased by 15% from prior year. The resulting administrative expenses to income ratio was 41% (2015:35%). Cost rationalisation measures continued to be a priority.

The Group posted an operating profit of US\$1.9 million (2015: US\$2.4 million). The operating profit ratio declined to 33% (2015:40%). Although the Group traded profitably, the decline in capital values on investment property (US\$8.0 million) resulted in a loss for the year of US\$5.9 million (2015: US\$6.0 million-loss).

Investment Property

Knight Frank Zimbabwe, the company's independent valuers carried out a full valuation of the investment property portfolio as at 30 September 2016.

The portfolio was valued at US\$93.3 million (2015: US\$99.0 million). Capital values declined by 8% from prior year, after factoring in acquisitions and improvements undertaken during the year. The fall in value for the lettable portfolio was mainly due to declining market rentals. However, land values remained stable.

Operations

Rentals continued to be reviewed downward in line with market trends. Arrears for the year closed at 31% (2015:28%). The portfolio rental yield remained firm at 6%, partly as a result of the downward capital value revision. Demand for space declined as companies continued to rationalise their space requirements. Consequently, the occupancy level fell to 74% (2015: 76%). The Group will continue to focus on tenant retention strategies and cost containment measures.

Development Projects

The Group completed the Houghton Park retail development and has since handed over beneficial occupation to the tenant, OK Zimbabwe. The project was completed at a cost of US\$2.0 million. This added 2 200 square metres of retail space to the portfolio. Further opportunities in the retail and commercial sector are being pursued.

Share Buyback

At the annual general meeting held on 25 February 2016, the Group's shareholders renewed the share buyback scheme. During the year, a total of 0.03 million (2015:1.2 million) shares were bought at an average price of US\$0.02 per share bringing the total number of treasury shares to 163.4 million. As at 30 September 2016, the market value of these shares was US\$3.0 million (2015: US\$3.3 million).

Chairman's statement continued**Outlook**

Despite the prevailing economic challenges, the Group will continue to seek development opportunities that are supported by stable strategic partners in key market segments. This strategy will be underpinned by unlocking value on existing and new land banks. The implementation of these strategic initiatives will strengthen the business through aligning the portfolio to evolving market needs.

Other Matter

The auditors (external and internal) noted certain irregularities in the granting of staff loans and allowances. In order to have a full understanding of these issues the Board resolved to carry out an investigation. Among other procedures undertaken KPMG were appointed to perform agreed upon procedures. The Board is considering the final report on the agreed upon procedures and will institute legal proceedings it considers necessary to resolve and address any irregularities noted. The Group has provided for an impairment allowance of US\$0.4 million for unsecured staff loans in the financial statements.

Dividend

The Directors have declared a dividend of US\$0.030cents per share (2015: nil), on 1 859 073 947 ordinary shares in issue, in respect of the year ended 30 September 2016.

The dividend will be payable to shareholders registered in the books of the company at the close of business on 27 January 2017. The last day to trade cum-dividend is 20 January 2017 and the dividend ex-date is 23 January 2017.

The dividend will be paid to shareholders on or about the 31st of January 2017.

Shareholders are requested to submit their banking details to our Transfer Secretaries, ZB Transfer Secretaries of 21 Natal Road, First Floor, Avondale, and P.O. Box 2540, Harare.

E-mail addresses: mutakwa@zb.co.zw
pemberikwazo@zb.co.zw
smahaja@zb.co.zw

Telephone numbers: 08677002001 / 781361-4

Alternatively, shareholders may submit their banking details at any ZB bank branch.

Appreciation

On behalf of the Board, I wish to thank our valued tenants, suppliers and other stakeholders for their support during the year. I also express my gratitude to, our Directors, management and staff for their continued commitment and dedication.



Harare
21 December 2016

R. Mutandagayi
Chairman

Acting Chief Executive Officer's review of operations

Operating Environment

The economy has remained depressed, with low levels of activity across all sectors.

The government deficit continues to widen, with the bulk of government revenue going to recurrent expenditure. Domestic sector borrowing to finance the deficit has worsened the liquidity crisis, crowding out the private sector.

Low demand, falling incomes and high overheads continued to erode companies' profitability. Liquidity and cash availability challenges persisted, culminating in the introduction of bond notes to alleviate the cash crisis.

On the back of this, the IMF has predicted negative economic growth of -3% in 2016 and -2.5% in 2017, the first contraction since advent of the multi-currency regime.

Real Estate Sector

Performance of the sector mirrored the economy at large. Occupancy rates across all sectors declined. Rental income was also on the decline by an average 15% due to falling market rental rates, corporate closures, downsizing and a shrinking manufacturing sector. Property values declined in line with the decrease in expected income on property holdings.

Although the market has reviewed basic rent downwards, operating costs have not fallen significantly. Operating costs are the day to day costs of running a building, consisting of various service charges borne by the tenant (or landlord in the case of voids) in addition to basic rent. The highest components of operating costs are electricity and municipal charges. On average, electricity costs and municipal rates and taxes currently constitute a disproportionate 60%-70% of total operating costs for most high-rise buildings in Zimbabwe. The historical ratio used to be around 30%. Re-alignment of these two utility charges would significantly lower total occupation costs.

On the investment front, transactions remain few and far apart, especially for large lot size properties. However, speculative trades for well-located land, residential and small commercial units continued to dominate the market.

This was probably due to speculative desire to take up real estate as a hedge against market uncertainties.

Portfolio Performance

Rental income for the portfolio fell 7% to \$5.5m. This was due to downward rent reviews and declining occupancy levels. The most affected sector was the office component, especially in the Central Business District ("CBD"). The arrears level closed at 31%, up from 28% as at 30th September 2015. However, the Company still managed to post an operating profit of US\$1.9 million in the period under review, a drop from the US\$2.4 million reported in the prior year.

The Company's independent valuers revised the portfolio value to US\$93.3 million as at 30th September 2016, a 6% decline from the US\$99.0 million valuation as at same period in prior year. The downward revision of market values was informed by falling market rents and investor expectations. The largest losses were recorded in the office sector. As in previous years, land values generally held, and in a few cases gained value.

Rental yields remained firm, around 6% across the portfolio. Given the fall in rents, the paradoxical yield stability is attributable to downward revision of the properties' market values.

Developments

The company managed to complete the development of the new OK Houghton Park shop in the period under review. Having let the main construction contract on 29th October 2015, your company handed over beneficial occupation to the tenant on 18th October 2016. The project completion added a further 2 200 square meters to the portfolio lettable space. The target initial yield for the project is 6%. However, given that the lease for the property has a percentage turnover provision over and above the basic rent, the yield is expected to grow in line with gross turnover for the tenant.

Further development opportunities in the commercial, retail and residential sector are being pursued.

Acting Chief Executive Officer's review of operations (continued)

Performance yields and capital growth 2016

Sector	Market values US\$000	Capital growth %	Rental yield %	Occupancy %
Office	65 170	(9)	6	47
Industrial	8 960	(6)	12	100
Retail	7 600	25	5	72
Residential	2 730	(12)	5	100
Health	2 780	-	7	100
Land banks	6 077	6	N/A	N/A
Portfolio	93 317	(6)	6	74

Capital movements have been adjusted for the effect of acquisitions, refurbishments, and developments.

Property Maintenance

Property maintenance remains a focus area for value preservation. Thus, in spite of the downward market value revision, we are glad to advise that the portfolio building fabric, plant and equipment remain intact. Your company continued with replacement of plant and equipment at key buildings.

Looking ahead

The downward trend in market rent and capital values looks set to continue as the economy contracts.

The company will focus on strategies to minimise erosion of shareholder value. For the existing portfolio, defensive strategies will be employed to retain current tenants and protect rental income. Property maintenance and administration initiatives to attract new tenants will remain in place.

The company will also be on the lookout for new income streams through new projects. For the commercial sector, developments will be done on the back of confirmed demand. Residential projects in the development pipeline will continue to be assessed against market demand to ensure proper delivery timing.

Your company remains optimistic more lasting policy solutions will be found and implemented to manage the macro-economic challenges bedeviling the country. Continued efforts by the government to engage the IMF and other multi-lateral bodies should be commended. Re-engagement of the international community will open up the economy to investors. This will improve the economy, increasing demand for real estate projects. Such an outcome would magnify the payoffs from the resilience and exploratory strategies currently being employed by your company.



Harare
21 December 2016

L. Mawire (Mrs.)
Acting 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 seven 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 of Zimbabwe (Chapter 24:03). The Board met five times during the year under review. The 49th Annual General Meeting was held in the Company's board room on 25 February 2016.

Board Committees

Audit Committee

The Audit Committee is chaired by a non-executive Director and comprises of two other non-executive Directors. The Committee meets regularly with the Group's internal and external auditors and executive management to review accounting, auditing, internal control and financial reporting matters. 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.

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 investment 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.



Statement of corporate governance (continued)

Remuneration Committee

The Remuneration Committee consists of two non-executive Directors 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, the Finance Director, and senior management. 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 2016.

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

*P Musarurwa joined the Board during the current financial year.



Report of the Directors

The Directors have pleasure in submitting their report for the year ended 30 September 2016.

Authorised share capital

The authorised share capital of the Company at 30 September 2016 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 2016 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 2016 was 640 926 053.

Dividend

The Directors have declared a dividend of US\$0.030cents per share (2015: nil), on 1 859 073 947 ordinary shares in issue, in respect of the year ended 30 September 2016.

The dividend will be payable to shareholders registered in the books of the company at the close of business on 27 January 2017. The last day to trade cum-dividend is 20 January 2017 and the dividend ex-date is 23 January 2017.

The dividend will be paid to shareholders on or about the 31st of January 2017.

Directorate

During the year, the Board membership was 7. According to the Company's Articles of Association, a third of the

members of the Board retire by rotation annually. According to the Company's Articles of Association, Mr A.G. Chinembiri and Mr W.B. Mashumba retire by rotation at the forth coming Annual General Meeting on 23 February 2017. 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\$73 350 in respect of the year under review and also authorising the award and payment of Directors fees in the ensuing year.

Auditors

Members will be asked to approve the remuneration of the Auditors for the financial year ended 30 September 2016. 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 2016

	2016 US\$	2015 US\$
Revenue	5 477 333	5 864 414
Loss before finance income and tax	(5 914 808)	(4 761 332)
Finance income	561 338	444 997
Loss before tax	(5 353 470)	(4 316 335)
Tax expense	(582 320)	(1 724 373)
Loss attributable to equity holders of the parent	(5 935 790)	(6 040 708)

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. The Audit Committee periodically engages the internal audit function to assess the efficacy of the internal control system and makes recommendations for improvement to the Board of Directors.

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 consolidated financial statements has been prepared on a going concern basis and is in accordance with International Financial Reporting Standards and 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 consolidated 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.

Directors' responsibility statement (continued)

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.

Financial statements

The Directors are responsible for the preparation and fair presentation of the consolidated financial statements of Mashonaland Holdings Limited ('the Group'), comprising the consolidated statement of financial position as at 30 September 2016, 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.

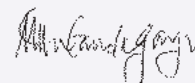
The Directors have made an assessment of the ability of the company and its subsidiaries to continue as going concerns and have no reason to believe that the businesses will not be going concerns in the year ahead.

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 financial statements

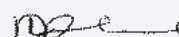
The consolidated financial statements of Mashonaland Holdings Limited, as identified in the first paragraph, were approved by the Board of Directors on 21 December 2016 and signed by:

Harare
21 December 2016



R. Mutandagayi
Chairman

Harare
21 December 2016



L. Mawire (Mrs)
Acting Chief Executive Officer

Harare
21 December 2016



By order of the Board
A.G. Chinembiri
Director

Financial review

For the year ended 30 September

Consolidated statement of financial position

	2016 US\$	2015 US\$	2014 US\$
Property and equipment	305 497	465 788	459 458
Investment property	93 317 000	98 952 000	104 212 000
Long term staff loans	1 175 282	1 032 954	825 269
Current assets	8 230 154	7 851 068	5 807 820
Total assets	103 027 933	108 301 810	111 304 547
Current liabilities	(1 701 963)	(1 220 064)	(1 364 254)
Deferred tax liability	(8 367 658)	(8 187 053)	(4 977 664)
Net assets	92 958 312	98 894 693	104 962 629
Share capital	929 537	929 537	929 537
Share premium	1 859 074	1 859 074	1 859 074
Treasury shares	(2 896 614)	(2 896 023)	(2 868 795)
Revenue reserves	93 066 315	99 002 105	105 042 813
Equity	92 958 312	98 894 693	104 962 629
Consolidated statement of profit or loss and other comprehensive income			
Revenue	5 477 333	5 864 414	6 806 575
(Loss)/profit before finance income and tax	(5 914 808)	(4 761 332)	50 842
Finance income	561 338	444 997	708 054
(Loss)/profit before tax	(5 353 470)	(4 316 335)	758 896
Tax expense	(582 320)	(1 724 373)	(785 483)
Loss for the year	(5 935 790)	(6 040 708)	(26 587)
Consolidated statement of cash flows			
Cash generated from operating activities before tax	2 876 436	686 797	2 848 202
Tax paid	(170 652)	(531 339)	(1 041 025)
Net cash flows from operations	2 705 784	155 458	1 807 177
Net cash flows used in investing and financing activities	(1 823 260)	(1 936 102)	(3 578 067)
Increase/(decrease) in cash and cash equivalents	882 524	(1 780 644)	(1 770 890)
Capital expenditure	2 056 687	1 884 325	3 580 262

Group statistics

For the year ended 30 September

	2016	2015	2014
Share statistics			
Number of shares in issue	1 859 073 947	1 859 073 947	1 859 073 947
Weighted average number of shares	1 695 723 308	1 696 460 990	1 697 780 048
Share price (US\$ cents)	1.64	2.00	2.6
Dividend per share (US\$ cents)	0.030	-	-
Net worth per share (US\$ cents)	5.48	5.83	6.18
Loss per share (US\$ cents)	(0.35)	(0.36)	(0.00)
Profitability and asset management			
Net property income after admin expense to revenue	33%	40%	45%
Decline in investment properties	(8%)	(7%)	(3%)
Total expenses to revenue	67%	60%	55%
Voids	26%	24%	18%
Arrears	31%	28%	22%
Return on ordinary shareholders' funds	(6%)	(6%)	(0%)
Rental yields	6%	6%	7%
Liquidity			
Current ratio	4.84	6.43	4.26
Total liabilities to total shareholders' funds	0.11	0.10	0.06
Number of employees	22	22	22

Independent auditors' report on the consolidated financial statements



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

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

TO THE SHAREHOLDERS OF MASHONALAND HOLDINGS LIMITED

We have audited the consolidated financial statements of Mashonaland Holdings Limited and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 30 September 2016, 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 consolidated financial statements which include a summary of significant accounting policies and other explanatory notes as set out on pages 18 to 44.

Directors' responsibility for the consolidated financial statements

The Group's Directors are responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Mashonaland Holdings Limited at 30 September 2016, and its consolidated financial performance and its 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).

A handwritten signature in black ink that reads 'KPMG'.

KPMG Chartered Accountants (Zimbabwe)
Harare
21 December 2016

KPMG, a Zimbabwean partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Consolidated statement of financial position

As at 30 September

	Notes	2016 US\$	2015 US\$
ASSETS			
Non-current assets		94 797 779	100 450 742
Property and equipment	8	305 497	465 788
Investment property	10	93 317 000	98 952 000
Long term staff loans	11	1 175 282	1 032 954
Current assets		8 230 154	7 851 068
Inventories	12	2 117 867	2 193 300
Assets held for trading	9	581 771	529 196
Trade and other receivables	13	2 951 955	3 432 535
Cash and cash equivalents	19	2 578 561	1 696 037
Total assets		103 027 933	108 301 810
EQUITY AND LIABILITIES			
Equity		92 958 312	98 894 693
Share capital	14	929 537	929 537
Share premium	14	1 859 074	1 859 074
Retained earnings		93 066 315	99 002 105
Treasury shares	16	(2 896 614)	(2 896 023)
Non-current liabilities		8 367 658	8 187 053
Deferred tax liability	7.2	8 367 658	8 187 053
Current liabilities		1 701 963	1 220 064
Trade and other payables	17	1 205 810	853 032
Provisions	18	191 318	293 260
Tax payable		304 835	73 772
Total equity and liabilities		103 027 933	108 301 810



L. Mawire (Mrs.)
Acting Chief Executive Officer

21 December 2016



R. Mutandagayi
Chairman

21 December 2016

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 September

	Notes	2016 US\$	2015 US\$
Revenue	3	5 477 333	5 864 414
Property expenses	4	(1 509 811)	(1 498 176)
Net property income		3 967 522	4 366 238
Other income		334 492	169 967
Administrative expenses	5.1	(2 403 718)	(2 099 252)
Operating profit		1 898 296	2 436 953
Fair value adjustments		(7 813 104)	(7 198 285)
Quoted securities	9	52 800	(249 468)
Investment property	10	(7 865 904)	(6 948 817)
Loss before finance income and tax	5	(5 914 808)	(4 761 332)
Finance income	6	561 338	444 997
Loss before tax		(5 353 470)	(4 316 335)
Tax expense	7	(582 320)	(1 724 373)
Loss for the year		(5 935 790)	(6 040 708)
Total comprehensive loss for the year		(5 935 790)	(6 040 708)
Loss attributable to the equity holders of the parent		(5 935 790)	(6 040 708)
Basic and diluted loss per share (US\$ cents)	14.1	(0.35)	(0.36)

Consolidated statement of changes in equity

For the year ended 30 September

	Note	Share capital US\$	Share premium US\$	Treasury shares US\$	Retained earnings US\$	Total US\$
Balance at 1 October 2014		929 537	1 859 074	(2 868 795)	105 042 813	104 962 629
Treasury shares acquired	16	-	-	(27 228)	-	(27 228)
Total comprehensive loss		-	-	-	(6 040 708)	(6 040 708)
Balance at 1 October 2015		929 537	1 859 074	(2 896 023)	99 002 105	98 894 693
Treasury shares acquired	16	-	-	(591)	-	(591)
Total comprehensive loss		-	-	-	(5 935 790)	(5 935 790)
Balance at 30 September 2016		929 537	1 859 074	(2 896 614)	93 066 315	92 958 312

Consolidated statement of cash flows

For the year ended 30 September

	Notes	2016 US\$	2015 US\$
Cash flows from operating activities			
Loss after tax		(5 935 790)	(6 040 708)
Adjusted for:			
Finance income	6	(561 338)	(444 997)
Depreciation	8	169 722	184 177
Fair value adjustment on staff loans receivable	11	45 050	64 555
(Increase)/decrease in fair value of listed shares	9	(52 800)	249 468
Decrease in fair value of investment property	10	7 865 904	6 948 817
Impairment of inventory	12	81 186	54 650
Impairment of long term staff loans	11	433 472	-
Tax expense	7	582 320	1 724 373
		2 627 726	2 740 335
Changes in:			
- Inventories		(5 752)	(2 228 735)
- Trade and other receivables		163 410	288 274
- Trade and other payables		192 994	(138 457)
- Provisions		(101 942)	25 380
Cash generated from operating activities		2 876 436	686 797
Taxes paid		(170 652)	(531 339)
Net cashflows from operating activities		2 705 784	155 458
Cash flows from investing activities			
Interest received	6	478 293	392 643
Issue of long term staff loans	11	(220 635)	(418 400)
Acquisition of listed securities	9	(8 539)	(17 766)
Proceeds from disposal of plant and equipment		-	5 000
Proceeds from disposal of listed shares	9	8 764	14 070
Refurbishment and development of investment property		(1 967 036)	(1 302 147)
Acquisition of investment property		(80 220)	(386 670)
Acquisition of property and equipment	8	(9 431)	(195 508)
Net cashflows used in investing activities		(1 798 804)	(1 908 778)
Cash flow from financing activities			
Treasury shares acquired	16	(591)	(27 228)
Dividends paid		(23 865)	(96)
Net cashflows used in financing activities		(24 456)	(27 324)
Increase/(decrease) in cash and cash equivalents		882 524	(1 780 644)
Cash and cash equivalents at 1 October 2016		1 696 037	3 476 681
Cash and cash equivalents at 30 September	19	2 578 561	1 696 037

Notes to the consolidated financial statements

For the year ended 30 September

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.

(i) Business combinations

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

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

Any contingent consideration is measured 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.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Any changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(iii) 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.

(i) 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.

(ii) 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. 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.

D. 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.

(i) 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.

(ii) Deferred tax

Deferred tax is provided using the balance sheet method for temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- in respect of taxable temporary differences on the initial transaction that is not a business combination and, at the time of the transaction, recognition of goodwill or of an asset or liability in a transaction affects neither the accounting profit nor taxable profit or loss; and

Notes to the consolidated financial statements (continued)

For the year ended 30 September

D. Income tax (continued)

(ii) Deferred tax (continued)

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and jointly controlled entities to the extent that the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profits will be available against which they can be 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 deductible temporary differences associated with investments in subsidiaries, associates and jointly controlled entities. The deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profits will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is 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 liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(iii) Value added tax

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

- where the value added tax incurred on the purchase of assets or services is not recoverable from the tax authority,

in which case the value added tax is recognised as part of the cost of acquisition of the assets or as part of the expense as applicable; and

- receivables and payables that are recognised with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables, or payables in the statement of financial position.

E. Employee benefits

(i) Short-term benefits

The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service.

Short-term benefits are measured on an undiscounted basis. The accrual for employee entitlements to salaries, bonuses, staff 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.

(ii) Defined contribution plans

A defined contribution plan is a post retirement benefit plan under which an entity pays fixed contributions into a separate legal entity and has no constructive 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.

(iii) 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.

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 property 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 property, 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 property under construction are measured at fair value.

Direct costs relating to major capital projects are capitalised. Subsequent to initial recognition, investment property are measured at fair value. Investment property are maintained, upgraded and refurbished, where necessary, in order to

Notes to the consolidated financial statements (continued)

For the year ended 30 September

F. Investment property (continued)

preserve or improve their capital value. Maintenance and repairs which neither materially add to the value of the properties nor prolong their useful lives are charged against profit or loss.

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

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

G. Property and equipment

Property and equipment comprises of vehicles and equipment that are initially recognised at cost. Cost is the amount of cash or cash equivalents paid or fair value of consideration given to acquire an asset at the time of 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.

Notes to the consolidated financial statements (continued)

For the year ended 30 September

H. Financial instruments (continued)

(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.

(d) 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

(i) 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.

(ii) 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 losses 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

(i) 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.

(ii) Consumables

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

J. Provisions

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

K. Share Capital

(i) Ordinary shares

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

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

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

(i) Lease restructuring costs

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

Notes to the consolidated financial statements (continued)

For the year ended 30 September

M. Dividends

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

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

There were some Standards and Interpretations that were in issue but not yet effective for annual periods beginning on or after 1 January 2015. All Standards and Interpretations will be adopted at their effective date (except for those Standards and Interpretations that are not applicable to the Group.) 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	Possible impact on consolidated financial statements
IFRS 9 Financial Instruments	<p>On 24 July 2014, the IASB issued the final IFRS 9 <i>Financial Instruments</i> Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 <i>Financial Instruments: Recognition and Measurement</i>.</p> <p>The standard is effective for annual periods beginning on or after 1 January 2018 with retrospective application, early adoption is permitted.</p>	<p>This standard will have a significant impact on the Group, which will include changes in the measurement basis of the Group's financial assets to amortised cost, fair value through other comprehensive income or fair value through profit or loss. Even though these measurement categories are similar to IAS 39, the criteria for classification into these categories are significantly different. In addition, the IFRS 9 impairment model has been changed from an "incurred loss" model from IAS 39 to an "expected credit loss" model, which is expected to increase the allowance for credit losses recognised in the Group.</p> <p>The standard is effective for annual periods beginning on or after 1 January 2018 with a retrospective application, early adoption is permitted.</p>
IFRS 15 Revenue from Contracts with Customers	<p>This standard replaces IAS 11 <i>Construction Contracts</i>, IAS 18 <i>Revenue</i>, IFRIC 13 <i>Customer Loyalty Programmes</i>, IFRIC 15 <i>Agreements for the Construction of Real Estate</i>, IFRIC 18 <i>Transfer of Assets from Customers</i> and SIC-31 <i>Revenue – Barter of Transactions Involving Advertising Services</i>.</p> <p>The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.</p> <p>The standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted.</p>	<p>There are currently no income streams that are affected by the standard.</p> <p>Revenue from sale of properties will be affected in the future.</p>
IFRS 16 Leases	<p>IFRS 16 was published in January 2016. It sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). IFRS 16 replaces the previous leases Standard, IAS 17 <i>Leases</i>, and related Interpretations. IFRS 16 has one model for lessees which will result in almost all leases being included on the Statement of Financial position. No significant changes have been included for lessors.</p>	<p>The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted only if the entity also adopts IFRS 15. The transitional requirements are different for lessees and lessors. The group and company are assessing the potential impact on the financial statements resulting from the application of IFRS 16.</p>

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 Separate 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 Improvements 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 IAS 1).
- Disclosure Initiative (Amendments to IAS 7).
- Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12).
- Classification and measurement of share based payment transactions (Amendments to IFRS 2).

Notes to the consolidated financial statements (continued)

For the year ended 30 September

2. Basis of preparation

(a) Reporting entity

The consolidated financial statements of Mashonaland Holdings Limited for the year ended 30 September 2016 were authorised for issue in accordance with a resolution of the Directors on 21 December 2016. 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 21 December 2016, 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 2016 comprise of the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities').

(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 2016 is included in the following notes:

- Note 7 - deferred tax;
- Note 8 - property and equipment;
- Note 9 - assets held for trading;
- Note 10 - investment property;
- Note 11 - long term staff loans;
- Note 12 - inventories; 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 for investment property

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

(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 acquired after 1 February 2009 and 5% on properties acquired prior to 1 February 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 following tax rates were applied in computing deferred tax.

Deferred capital gains tax

Investment property acquired before 2009

Investment property acquired after 2009

Deferred income tax

	Rate	Rate
	5%	5%
	20%	20%
	25.75%	25.75%

3. Revenue

Rental income

2016 US\$	2015 US\$
5 477 333	5 864 414

3.1 Future minimum rentals receivable under non-cancellable operating leases as at 30 September are as follows:

Within 1 year

4 561 233

5 816 212

After 1 year but not more than 5 years

18 244 932

23 264 848

More than 5 years *

-

-

* Due to uncertainties that exist in the current economic 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.

4. Property expenses

Voids related costs

(598 838)

(568 386)

Repairs, maintenance, utilities and legal costs

(227 736)

(163 086)

Property insurance costs

(25 716)

(24 468)

Allowance for credit losses

(201 829)

(269 260)

Property management expenses

(374 507)

(418 326)

Impairment loss on inventory

(81 185)

(54 650)

Total

(1 509 811)

(1 498 176)

Notes to the consolidated financial statements (continued)

For the year ended 30 September

	2016 US\$	2015 US\$
5. Loss before interest and tax		
Loss for the year was arrived at after charging:		
- External Audit fees	(76 419)	(62 100)
- Internal Audit fees	(10 028)	-
- Depreciation (Note 8)	(169 722)	(184 177)
- Non executive Directors' emoluments	(73 350)	(52 750)
5.1 Administrative expenses		
Staff related costs	(1 734 493)	(1 308 377)
Consultancy	(47 476)	(52 750)
Office expenses	(621 749)	(738 125)
Total	(2 403 718)	(2 099 252)
5.2 Staff related costs		
Salaries and other expenses	(1 648 056)	(1 221 920)
Contributions to defined contribution fund	(82 857)	(82 857)
Contributions to National Social Authority Scheme	(3 580)	(3 600)
	(1 734 493)	(1 308 377)
6. Finance income		
This comprises of:		
Interest received	478 293	392 643
Notional interest on long term staff loans (Note 11)	83 045	52 354
	561 338	444 997
7. Income taxes		
Current income tax expense	392 998	493 789
Deferred income tax expense arising on approval of income tax values by tax authorities – prior years	-	1 248 940
Deferred income tax expense – current year	617 566	409 423
Deferred capital gains tax credit	(436 961)	(434 312)
Withholding tax expense	8 717	6 533
Total	582 320	1 724 373
7.1 Reconciliation of effective tax		
(Loss)/profit before tax	(5 353 470)	(4 316 335)
Tax using the current rate at 25.75%	(1 378 519)	(1 111 456)
Exempt income (impact of lower tax rates)	(41 781)	(11 474)
Fair value adjustments and impairment	2 032 779	1 867 631
Non deductible items	398 085	156 053
Other tax heads	(428 244)	(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	582 320	1 724 373

Notes to the consolidated financial statements (continued)

For the year ended 30 September

7.2 Deferred tax liability	Balance at 1 October US\$	Recognised in profit or loss US\$	Balance at 30 September US\$
Analysis of temporary differences 2016			
Investment property	8 482 569	270 426	8 752 995
Investment in quoted shares	5 292	526	5 818
Plant and equipment	107 898	(36 121)	71 777
Provisions	(403 939)	(25 402)	(429 341)
Prepayments	5 993	(4 606)	1 387
Other	(10 760)	(24 218)	(34 978)
Closing balance	8 187 053	180 605	8 367 658
	Balance at 1 October US\$	Recognised in profit or loss US\$	Balance at 30 September US\$
2015			
Investment property	5 225 755	3 256 814	8 482 569
Investment in quoted shares	7 750	(2 458)	5 292
Plant and equipment	97 818	10 080	107 898
Provisions	(358 800)	(45 139)	(403 939)
Prepayments	5 141	852	5 993
Other	-	(10 760)	(10 760)
Closing balance	4 977 664	3 209 389	8 187 053

	2016			2015		
	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	712 596	249 690	962 286	678 596	245 682	924 278
Additions	-	9 431	9 431	191 500	4 008	195 508
	712 596	259 121	971 717	870 096	249 690	1 119 786
Disposals	-	-	-	(157 500)	-	(157 500)
Balance 30 September	712 596	259 121	971 717	712 596	249 690	962 286
Accumulated depreciation						
Balance 1 October	370 845	125 653	496 498	395 044	69 776	464 820
Depreciation for the year	128 953	40 769	169 722	128 300	55 877	184 177
	499 798	166 422	666 220	523 344	125 653	648 997
Disposals	-	-	-	(152 499)	-	(152 499)
Balance 30 September	499 798	166 422	666 220	370 845	125 653	496 498
Carrying amount	212 798	92 699	305 497	341 751	124 037	465 788

Notes to the consolidated financial statements (continued)

For the year ended 30 September

	2016 US\$	2015 US\$
9. Assets held for trading		
Listed securities		
Balance at 1 October	529 196	774 967
Additions	8 539	17 766
Disposal gain/(loss)	(8 764)	(14 070)
Fair value recognised in profit or loss	52 800	(249 468)
Balance 30 September	581 771	529 195
Investment in ZBFH*	-	1
Total	581 771	529 196

*Following the conclusion of the court case between Internarket Holdings Limited (IHL) and ZB Financial Holdings Limited (ZBFH), the Group has since been issued with 4 679 739 ZBFH listed shares. Consequently, this investment was measured at fair value. As at 30 September 2016, the market value of this investment was US\$147 412 resulting in a fair value adjustment of US\$147 411.

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\$ 581 771 has been categorised under level 1, based on the quoted prices (unadjusted) on the Zimbabwe Stock Exchange.

	2016 US\$	2015 US\$
10. Investment property		
Balance at 1 October	98 952 000	104 212 000
New acquisitions	91 470	386 670
Improvements	2 139 434	1 302 147
	101 182 904	105 900 817
Fair value loss recognised in profit or loss	(7 865 904)	(6 948 817)
Balance 30 September	93 317 000	98 952 000

Investment property comprise of a number of office, industrial, retail, and residential 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 property 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 determines the fair value of the Group's investment property portfolio every 12 months.

Level 2

The fair value for investment property of US\$8.9 million has been categorised under level 2 in fair value hierarchy based on the inputs used for the valuation technique (see Note 2 (d) - significant estimates and judgments).

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

	US\$
Balance at 1 October 2015	8 877 000
Acquisitions and improvements	164 891
Changes in fair value (unrealised)	(184 891)
Balance at 30 September 2016	8 857 000

Level 3

The fair value of investment property of US\$84.5 million has been categorised under level 3 in the fair value hierarchy based on the inputs to the valuation technique used. (see note 2 (d) - 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 2015	90 075 000
Acquisitions and improvements	2 066 012
Changes in fair value (unrealised)	(7 681 012)
Balance at 30 September 2016	84 460 000

As at 30 September 2016, investment property with a carrying amount of US\$2.2 million was transferred from Level 2 to Level 3 because the nature of the investment property changed resulting in a change in valuation methodology.

Notes to the consolidated financial statements (continued)

For the year ended 30 September

10. Investment properties (continued)

10.1 Measurement 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.

Direct comparison

- The direct comparison method was applied on all residential properties and undeveloped land, after identification of various properties that have been sold or which were on sale and situated in comparable areas using the Main Space Equivalent (MSE) principle. The total MSE of comparable areas was then used to determine the value per square metre of MSE.

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).

11. Staff loans

Reconciliation of carrying amount

	2016	2015
	US\$	US\$
Balance 1 October	1 191 811	889 751
New loans issued	220 635	418 400
Fair value adjustment on initial recognition	(45 050)	(64 555)
Notional Interest	83 045	52 354
Loans reclassified from other receivables *(see Note 13)	465 750	-
	1 916 191	1 295 950
Repayments	(121 300)	(104 139)
Impairment**	(433 472)	-
Balance 30 September	1 361 419	1 191 811
Current portion	186 137	158 857
Long term portion	1 175 282	1 032 954
Balance 30 September	1 361 419	1 191 811

* Personal staff loans with a nominal value of US\$465 750, were reclassified to long term staff loans to achieve fair presentation.

** Personal staff loans with a nominal value of US\$433 472 were impaired.

During the year, the Group provided loans amounting to US\$0.2 million (2015: US\$0.4 million) under the Housing ownership scheme. These loans are secured through mortgage bonds. The 10 year loans 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. During the year other staff loans granted amounted to US\$0.2 million (2015: US\$0.3 million).

Notes to the consolidated financial statements (continued)

For the year ended 30 September

11. Long term staff loans (continued)

Long term staff loans

The auditors (external and internal) noted certain irregularities in the granting of staff loans and allowances. In order to have a full understanding of these issues the Board resolved to carry out an investigation. KPMG were appointed to perform agreed upon procedures. The Board is considering the final report on the investigation and will institute legal proceedings to resolve and address any irregularities noted. The Group has made a provision of US\$433 472 for unsecured staff loans in the financial statements.

11.1 Measurement of fair value on initial recognition

The fair value of long term staff loans issued during the year was determined on initial recognition using a market rate of 15%, which is the average rate being offered in the market for similar loan arrangements.

	2016 US\$	2015 US\$
12. Inventories		
Land	2 100 000	2 170 000
Consumables	17 867	23 300
Total	2 117 867	2 193 300

Inventory was restated to net realisable value resulting in an impairment loss of US\$81 186.

13. Trade and other receivables

Rental receivables	1 948 176	1 876 428
Impairment allowance on rental receivables	(1 474 332)	(1 272 502)
	473 844	603 926
Sundry debtors	2 478 111	2 828 609
Total	2 951 955	3 432 535

As at 30 September 2016, personal staff loans with a nominal value of US\$0.5 million were reclassified to long term staff loans to achieve fair presentation. As at the same date, rental receivables with a nominal value of US\$ 1.4 million (2015: US\$1.2 million) were impaired and specifically provided for. A portfolio impairment allowance of US\$0.09 million (2015: US\$0.09 million) was provided for. Movements in the impairment allowance on rental receivables were as follows:

Impairment allowance on rental receivables provided for:

Opening balance	1 272 502	1 125 420
Charge for the year	201 830	269 260
Utilised	-	(122 178)
Closing balance	1 474 332	1 272 502

Notes to the consolidated financial statements (continued)

For the year ended 30 September

	2016 US\$	2015 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	<u>929 537</u>	<u>929 537</u>
Share Premium		
Share premium at 1 October	1 859 074	1 859 074
At 30 September	<u>1 859 074</u>	<u>1 859 074</u>
14.1 Earnings per share		
Basic earnings per share		
The calculation of basic earnings per share has been based on the following loss attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.		
(i) Loss attributable to ordinary shareholders	(5 935 790)	(6 040 708)
(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	(163 350 639)	(162 612 957)
Weighted-averaged number of ordinary shares at 30 September	<u>1 695 723 308</u>	<u>1 696 460 990</u>
Basic loss per share (US\$ cents)	(0.35)	(0.36)
Diluted loss per share (US\$ cents)	(0.35)	(0.36)

There are no transactions with a potential dilutive effect.

Dividend

A dividend US\$0.030 cents was declared in the current year (2015: Nil)

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 retail 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.

Notes to the consolidated financial statements (continued)

For the year ended 30 September

15. Operating segments (continued)

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.

	2016				
	Office/retail US\$	Industrial US\$	Pure retail US\$	Other US\$	Total US\$
Segment profit					
Revenue	3 738 184	1 049 192	358 907	331 050	5 477 333
Other income	226 928	5 130	-	-	232 058
Fair value adjustment	(6 725 846)	(570 000)	(385 166)	(184 892)	(7 865 904)
	(2 760 734)	484 322	(26 259)	146 158	(2 156 513)
Property expenses	(1 204 967)	(82 145)	(34 183)	(188 516)	(1 509 811)
Segment (loss)/profit	(3 965 701)	402 177	(60 442)	(42 358)	(3 666 324)
Reconciliation					
Segment loss					(3 666 324)
Fair value adjustment - Quoted securities					52 800
Administrative expenses					(2 403 718)
Other income					102 434
Finance income					561 338
Loss before tax as per consolidated statement of profit or loss					(5 353 470)
	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					
Segment loss					(2 441 339)
Fair value adjustment - Quoted securities					(249 468)
Administrative expenses					(2 099 252)
Other income					28 727
Finance income					444 997
Loss before tax as per consolidated statement of profit or loss					(4 316 335)

Notes to the consolidated financial statements (continued)

For the year ended 30 September

15. Segmental information (continued)

15.3 Information about reportable segments (continued)

	2016				
	Office/retail US\$	Industrial US\$	Pure retail US\$	Other US\$	Total US\$
Segment assets					
Investment property	65 170 000	8 960 000	7 600 000	11 587 000	93 317 000
Current assets	776 969	54 336	21 070	34 674	887 049
Total assets	65 946 969	9 014 336	7 621 070	11 621 674	94 204 049
Reconciliation					
Total segment assets					94 204 049
Plant and equipment					305 497
Long term receivables					1 175 282
Quoted shares					581 771
Inventory					2 117 867
Tax receivable					1 985 338
Dividend receivable					79 568
Bank and cash					2 578 561
Total assets as per consolidated statement of financial position					103 027 933
	2015				
	Office/retail US\$	Industrial US\$	Pure retail US\$	Other US\$	Total US\$
Segment assets					
Investment property	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					
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

Notes to the consolidated financial statements (continued)

For the year ended 30 September

15. Segmental information (continued)

15.3 Information about reportable segments (continued)

	2016				
	Office/retail US\$	Industrial US\$	Pure retail US\$	Other US\$	Total US\$
Segment liabilities					
Deferred tax liability	7 341 331	448 000	280 821	225 736	8 295 888
Current liabilities	714 096	28 538	95 456	123 809	961 899
Total segment liabilities	8 055 427	476 538	376 277	349 545	9 257 787
Reconciliation					
Total segment liabilities					9 257 787
Deferred tax on plant and equipment					71 776
Provisions					191 318
Accruals					190 342
Dividend payable					53 563
Tax liability					304 835
Total liabilities as per consolidated statement of financial position					10 069 621

	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					
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

	2016		2015	
	Shares	US\$	Shares	US\$
16. Treasury shares				
Authorised	200 000 000	-	200 000 000	-
Balance at 1 October	163 330 492	2 896 023	162 123 801	2 868 795
Repurchased during the year *	34 537	591	1 206 691	27 228
At 30 September	163 365 029	2 896 614	163 330 492	2 896 023

*The repurchases during the year averaged at a price of 2.00 cents (2015: 2.00 cents)

Notes to the consolidated financial statements (continued)

For the year ended 30 September

	2016 US\$	2015 US\$	
17. Trade and other payables			
Trade payable	1 152 247	775 603	
Dividend payable	53 563	77 429	
	1 205 810	853 032	
<p>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.</p>			
18. Provisions			
Balance at 1 October	293 260	267 977	
Current year (credit)/charge	(101 942)	25 283	
Balance at 30 September	191 318	293 260	
<p>Provisions comprise the following:</p>			
Audit fees	34 593	57 085	
Valuation fees	13 775	14 500	
Annual report fees	19 320	20 869	
Staff related provisions	123 630	200 806	
	191 318	293 260	
<p>These obligations are expected to be extinguished within the next financial year.</p>			
19. Cash and cash equivalents			
Balances with banks	2 578 561	1 696 037	
	2 578 561	1 696 037	
20. Subsidiaries			
<p>The consolidated financial statements include the financial statements of Mashonaland Holdings Limited and the subsidiaries listed in the following table:</p>			
Name	Country of incorporation	2016 Equity holding	2015 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

21. Related party transactions and balances

Related party	Relationship	Nature of transaction	Transaction amount US\$	Balance 2016 US\$	Balance 2015 US\$
ZB Life Assurance Limited	Direct shareholder	Rent received	187 589	17 979	157
ZB Bank Limited	Indirect shareholder	Rent received	390 440	1 908	14 396
ZB Life Assurance Limited	Direct shareholder	Interest received	161	-	-
ZB Bank Limited	Indirect shareholder	Interest received	44 989	-	-
ZB Bank Limited	Indirect shareholder	Bank balances	-	1 078 459	530 629
Total			623 179	1 098 346	545 182

Compensation of key management personnel of the Group

	2016 US\$	2015 US\$
Short term employee benefits	701 595	725 903
Post-employment pension and medical benefits	69 194	68 851
Total compensation paid to key management	770 789	794 754

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

Loan balances to Directors

2016 US\$	2015 US\$
1 269 214	1 220 111

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 2-9 years. During the year the amount advanced under this scheme was US\$133 250 (2015:US\$202 765). The secured loans were 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\$36 000 (2015: US\$401 400).

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 2016, the Group had the following share-based payment arrangement:

On 1 October 2015, no shares were granted by the Group (2014: 4 205 305) to its senior executive Directors. The 5 175 760 notional shares that were issued in 2013 and were due to be exercised in the 2016 financial year were forfeited, because certain performance conditions were not met. The amount of 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:

Total carrying amount of the liability for the SERSS

Total carrying amount of the liability for the SERSS

2016 US\$	2015 US\$
-	-

Notes to the consolidated financial statements (continued)

For the year ended 30 September

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 uncertainties of the Group in meeting the vesting conditions.

(c) Reconciliation of outstanding share options

	Number of notional shares granted
Outstanding at 1 October 2015	6 435 001
Forfeited during the year	(5 175 760)
Exercised during the year	-
Granted during the year	-
Outstanding at 30 September 2016	1 259 241

(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 oversight of the Group's risk management framework.

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

The Audit Committee oversees how management monitors compliance with the 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 maximize 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 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

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:

Sensitivity analysis	Increase in yield 10% potential gain/(loss) US\$	(Decrease) in yields (10%) potential gain/(loss) US\$
Investment property	(7 242 495)	10 378 349
Deferred tax	362 125	(518 917)
Profit after tax	(6 880 370)	9 859 431
Equity	(6 880 370)	9 859 431

At 30 September 2016, if the yield rate had been 10% higher with all other variables held constant, the investment property balance would have been US\$7 242 495 lower, and non-current liabilities would have increased by US\$362 125 due to the net deferred tax effect. Similarly at 30 September 2016, if the yield rate had been 10% lower with all other variables held constant, the investment property balance would have been US\$10 378 349 higher, and the noncurrent liabilities would have reduced by US\$518 917 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	21	20

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.

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:

	2016 US\$	2015 US\$
Long term staff loans	1 175 282	1 032 954
Trade and other receivables	2 518 483	2 837 710
Cash and cash equivalents	2 578 561	1 696 037

Long term staff loans

The Group provided loans amounting to US\$0.2 million (2015:US\$0.4 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 impairment has been provided for.

Notes to the consolidated financial statements (continued)

For the year ended 30 September

23.6. Credit risk management (continued)

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\$1.9 million (2015: US\$1.9 million), of which US\$1.5 million (2015: US\$1.3 million) has been provided for.

As at 30 September 2016 the ageing of trade and other receivables that were not impaired was as follows:

	2016 US\$	2015 US\$
Neither past due nor impaired	127 522	161 462
Past due 1 to 30 days	65 637	110 211
Past due 31 to 60 days	189 099	110 730
	<u>382 258</u>	<u>382 403</u>

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

	2016			
	US\$ Total	US\$ Level 1	US\$ Level 2	US\$ Level 3
Financial assets measured at fair value				
Assets held for trading	581 771	581 771	-	-
Financial assets not measured at fair value				
Long term staff loans (loans and receivables)	1 175 282	-	1 175 282	-
Trade and other receivables (loans and receivables)	2 951 955	-	-	-
Cash and cash equivalents	2 578 561	-	-	-
Total	<u>7 287 569</u>	<u>581 771</u>	<u>1 175 282</u>	<u>-</u>
Financial liabilities not measured at fair value				
Trade and other payables (other financial liabilities)	1 205 810	-	-	-
Total	<u>1 205 810</u>	<u>-</u>	<u>-</u>	<u>-</u>
	2015			
Financial assets measured at fair value				
Assets held for trading	529 196	529 196	-	-
Financial assets not measured at fair value				
Unquoted shares (designated at fair value)	1	-	-	-
Long term staff loans (loans and receivables)	1 032 954	-	1 032 954	-
Trade and other receivables (loans and receivables)	3 432 535	-	-	-
Cash and cash equivalents	1 696 037	-	-	-
Total	<u>6 690 723</u>	<u>529 196</u>	<u>1 032 954</u>	<u>-</u>
Financial liabilities not measured at fair value				
Trade and other payables (other financial liabilities)	853 032	-	-	-
Total	<u>853 032</u>	<u>-</u>	<u>-</u>	<u>-</u>

For disclosure on measurement of fair values see notes 2(d), 9, 10 and 11.

Notes to the consolidated financial statements (continued)

For the year ended 30 September

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 2016				
Financial liabilities				
Trade and other payables	(1 205 810)	-	-	(1 205 810)
Financial assets				
Cash and other equivalents	2 578 561	-	-	2 578 561
Trade and other receivables	2 165 955	306 000	480 000	2 951 955
Investment in quoted shares	581 771	-	-	581 771
	4 120 477	306 000	480 000	4 906 477
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	2 476 935	435 000	520 600	3 432 535
Investment in quoted shares	529 196	-	-	529 196
	3 849 136	435 000	520 600	4 804 736

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

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

Authorised and contracted

Authorised but not contracted

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

	2016 US\$	2015 US\$
Authorised and contracted	180 970	151 138
Authorised but not contracted	5 611 930	4 133 700

27. Pension and retirement benefits

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

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.

Defined contribution funds

National Social Security Authority Scheme

Total

	2016 US\$	2015 US\$
Defined contribution funds	105 100	105 100
National Social Security Authority Scheme	5 050	5 050
Total	110 150	110 150

28. Events after the reporting date

Investment in ZB Financial Holdings Limited

Subsequent to the reporting date, the Company received a share certificate from ZB Financial Holdings (ZBFH) for 4 679 739 shares. These shares are in fulfilment of the share swap deal involving Intermarket Holdings Limited and ZBFH as the matter has now been concluded. This investment was previously classified as unlisted investment measured at a nominal amount but has now been reclassified as listed securities with a market value of US\$147 412 as 30 September 2016. The financial statements were adjusted accordingly to incorporate these developments. (see Note 9).

Other information - Company statement of financial position

As at 30 September

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

	Notes	2016 US\$	2015 US\$
Non-current assets		9 199 367	9 829 658
Property and equipment	8	305 497	465 788
Investment in subsidiaries	31	2 751 870	2 751 870
Investment property	30	6 142 000	6 612 000
Current assets		1 098 760	1 098 040
Assets held for trading	9	581 771	529 196
Trade and other receivables	33	99 258	17 714
Tax		7 091	-
Cash and cash equivalents	32	410 640	551 130
TOTAL ASSETS		10 298 127	10 927 698
EQUITY AND LIABILITIES			
Equity	34	8 186 164	8 331 929
Share capital		929 537	929 537
Share premium		1 859 074	1 859 074
Treasury shares		(2 896 614)	(2 896 023)
Retained earnings		8 294 167	8 439 341
Non current liabilities		408 175	486 903
Deferred tax liability		408 175	486 903
Current liabilities		1 703 788	2 108 866
Trade and other payables	35	71 620	90 314
Provisions	36	53 912	77 954
Intercompany balances		1 578 256	1 940 392
Tax		-	206
TOTAL EQUITY AND LIABILITIES		10 298 127	10 927 698

Other information - Notes to the company statement of financial position

For the year ended 30 September

	2016 US\$	2015 US\$
30. Investment property		
Balance at 1 October	6 612 000	6 612 000
Improvements	28 848	23 627
Fair value adjustment	(498 848)	(23 627)
Balance 30 September	6 142 000	6 612 000
Investment property values have been based on the market values set by our professional valuers, Knight Frank, as at 30 September 2016.		
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	551 130	1 065 523
Net (decrease)/increase in cash and cash equivalents	(140 490)	(514 393)
At 30 September	410 640	551 130
33. Trade and other receivables		
Prepayments	19 690	17 714
Dividend receivable	79 568	-
	99 258	17 714

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

For the year ended 30 September

	Share capital US\$	Share premium US\$	Treasury shares US\$	Retained earnings US\$	Total US\$
34. Statement of changes in equity					
Balance 1 October 2014	929 537	1 859 074	(2 868 795)	8 630 802	8 550 618
Treasury shares acquired	-	-	(27 228)	-	(27 228)
Total comprehensive loss	-	-	-	(191 461)	(191 461)
Balance 1 October 2015	929 537	1 859 074	(2 896 023)	8 439 341	8 331 929
Treasury shares acquired	-	-	(591)	-	(591)
Total comprehensive loss	-	-	-	(145 174)	(145 174)
Balance 30 September 2016	929 537	1 859 074	(2 896 614)	8 294 167	8 186 164

	2016 US\$	2015 US\$
35. Trade and other payables		
Other	18 057	12 885
Dividend payable	53 563	77 429
	71 620	90 314
36. Provisions		
Balance at 1 October	77 954	78 889
Utilised during the year	(24 042)	(935)
Balance at 30 September	53 912	77 954
Provisions comprise of the following:		
Audit fees	34 593	57 085
Annual report	19 319	20 869
	53 912	77 954

Analysis of shareholders

As at 30 September

Size of shareholding	Number of shareholders	%	Issued shares	%
1-100	172	7,61	8 655	0,00
101-200	134	5,93	22 588	0,00
201-500	225	9,95	78 888	0,00
501-1 000	270	11,94	210 706	0,01
1 001-5 000	614	27,17	1 583 406	0,09
5 001-10 000	230	10,18	1 747 230	0,09
10 001-50 000	295	13,05	6 809 540	0,37
50 001-100 000	70	3,10	5 026 265	0,27
100 001-500 000	115	5,09	26 525 177	1,43
500 001-1 000 000	58	2,57	39 107 393	2,10
1 000 001-10 000 000	58	2,57	187 022 553	10,06
10 000 000 - and above	19	0,84	1 590 931 546	85,58
Total	2 260	100,00	1 859 073 947	100,00
Corporates	483	21,37	1 513 509 884	81,41
Residents	1 734	76,73	170 570 768	9,18
Non-residents	43	1,90	174 993 295	9,41
Total	2 260	100,00	1 859 073 947	100,00
Trade classifications				
Pension Funds (including life companies)	152	6,73	833 893 832	44,86
Other Corporate Bodies	266	11,77	427 435 792	22,99
Non-residents	43	1,90	174 993 295	9,41
Resident Individuals	1 734	76,73	170 570 768	9,17
Investment, Trust and Property Companies	20	0,88	163 344 167	8,79
Nominee Companies	40	1,77	86 965 223	4,68
Insurance Companies	5	0,22	1 870 870	0,10
Total	2 260	100,00	1 859 073 947	100,00

Analysis of shareholders (continued)

As at 30 September

Major shareholders	Shareholding 30 Sept 2016	%
ZB Life Assurance Limited	508 774 385	27.37
Africa Enterprise Network Trust	348 995 283	18.77
Mashonaland Holdings Limited	162 058 530	8.72
Mr R. Turner	114 596 881	6.14
Standard Chartered Nominees Non Resident Africa Opportunities L.P.	98 098 080	5.28
ZB Financial Holdings	85 707 802	4.61
Old Mutual Life Assurance Company Zimbabwe Limited	61 004 445	3.28
Stanbic Nominees (Pvt) Ltd Non Resident I30043040031	39 810 307	2.16
Stanbic Nominees 108092505	26 875 000	1.45
SCB Nominees 033667800001	24 863 303	1.34
Total	1 470 784 016	79.12
	2016 Shares	2015 Shares
Directors' shareholdings - direct and indirect		
Ambrose G. Chinembiri	150 000	150 000
Web Beter Mashumba	49 655	6 655
Nodzo Matsangura	10 000	10 000
Letwin Mawire	12 959	12 959

Shareholders' calendar 2016 - 2017

2016 Annual report distributed	Jan 2017
50 th Annual General Meeting	Feb 2017
2017 Half-year results announced	May 2017
2017 Full year results announced	Nov 2017
2017 Annual report distributed	Jan 2018
51 th Annual General Meeting	Feb 2018



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.



