





Year ended

US\$

30 Sept 2014

104,212,000 459,458

105,496,728

825,269

19,214

(991,489) (104,788)

(1,364,254)

5,247,571

(1,770,890)

3,476,681

1,536,957 3,476,681 **5,807,819**



Year ended

103,482,000

474,721

666,879 104,623,601

848,292 17,940

934,907 5,247,571 **7,048,710**

(543,049) (81,092)

(963,940)

4,718,669

5,247,571

528,902

US\$

30 Sept 2013

NOTICE TO MEMBERS AUDITED RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2014

STATEMENT OF COMPREHENSIVE INCOME		GRO	DUP
	Notes	Year ended 30 Sept 2014 US\$	Year ended 30 Sept 2013 US\$
Revenue	5	6,806,575	7,692,044
Property expenses		(1,850,107)	(837,331)
Net property income		4,956,468	6,854,713
Other income	6	153,393	168,571
Administrative expenses		(2,015,353)	(2,201,948)
Net property income after administrative expe	enses	3,094,508	4,821,336
Fair value adjustments		(3,043,666)	6,250,078
Quoted securities		(58,759)	215,768
Investment properties		(2,984,907)	6,034,310
Operating profit before interest and tax		50,842	11,071,414
Finance income	3	708,054	666,346
Profit before tax		758,896	11,737,760
Tax	4	(785,483)	(1,876,789)
(Loss)/profit for the year		(26,587)	9,860,971
Total comprehensive (loss)/income for the peri	od	(26,587)	9,860,971
(Loss)/earnings attributable to the equity hold	ers of the parent	(26,587)	9,860,971
Weighted average number of shares		1,697,780,048	1,700,083,932
(Loss)/earnings per share - cents		(0.00)	0.58
ABRIDGED STATEMENT OF FINANCIAL POSITION	ON	GRO	OUP

ABRIDGED STATEMENT OF FINANCIAL POSITION		GRO	DUP
	Notes	Year ended 30 Sept 2014 USS	Year ended 30 Sept 2013 USS
Equity and liabilities Shareholders' funds Deferred taxation Current liabilities Assets	9	104,962,629 4,977,664 1,364,254 111,304,547	105,451,469 5,256,902 963,940 111,672,311
Non-current assets Current assets Net asset value per share -cents	7 8	105,496,728 5,807,819 111,304,547 6.18	104,623,601 7,048,710 111,672,311 6.20

ABRIDGED STATEMENT OF CASH FLOWS	GROUP		
	Year ended 30 Sept 2014 US\$	Year ended 30 Sept 2013 US\$	
Net cash inflow from operating activities	2,817,681	4,992,542	
Operating profit before interest and tax	50,842	11,071,414	
Non-cash items	3,198,744	(6,036,681)	
(Profit) on disposal of plant and equipment	(200)	(181)	
(Increase) in working capital	(431,705)	(42,010)	
Tax paid	(1,041,025)	(1,415,287)	
Net cash inflow/(outflow) from returns on investment and servicing of finance	325,385	(301,529)	
Finance income	708,054	644,577	
Dividend paid	(382,669)	(946,106)	
Net cash (outflow) from investing and financing activities	(3,872,931)	(2,746,824)	
Proceeds on sales of quoted shares	17,052	13,049	
Purchase of investments - quoted shares, loans	(249,946)	(675,093)	
Purchase of plant and equipment	(150,626)	(245,604)	
Purchase of investment property	(226,925)	(70,000)	
Refurbishment/development of investment property	(3,202,711)	(1,636,375)	
Proceeds from disposal plant and equipment	3,073	5,296	
Purchase of treasury shares	(62,848)	(138,097)	
Net (decrease)/increase in cash and cash equivalents	(1,770,890)	528,902	

STATEMENT OF CHANGES IN EQUITY	G	ROUP
	Year ended 30 Sept 2014 US\$	Year ended 30 Sept 2013 US\$
Balance brought down Earnings attributable to shareholders Treasury shares bought back Dividend	105,451,469 (26,587) (62,848) (399,405)	(138,097)
Shareholders' equity at end of period	104,962,629	105,451,469

SUPPLEMENTARY INFORMATION

Director's Responsibility

The Company's Directors are responsible for the preparation and fair presentation of the Group's consolidated financial statements. This press release represents an extract of the consolidated financial statements. The Group financial statements have been prepared in accordance with International Financial Reporting Standards and in the manner required by the Companies Act (Chapter 24:03) of Zimbabwe. The accounting policies used in the current year are consistent with those applied in the previous year.

The Group auditors KPMG, have expressed an unqualified opinion on the Group financial statements. The signed

Annual Report is available for inspection at the Company's registered office.

		GROUP		
		Year ended 30 Sept 2014 US\$	Year ended 30 Sept 2013 US\$	
2.	Depreciation on fixed assets charged to operating profit	163,019	191,663	
3.	Finance income Interest received	708,054	666,346	
4.	Tax Current year tax charge Withholding tax Deferred tax (credit)/charge Total	1,014,821 49,900 (279,238) 785,483	1,369,157 62,081 445,551 1,876,789	
5.	Revenue Rental income	6,806,575	7,692,044	
6.	Other income Service charges Profit on disposal of plant and equipment Dividends Other	143,713 200 9,480 - 153,393	152,692 181 12,446 3,252 168,571	

SUPPLEMENTARY INFORMATION	continued

7. Non-current assets Investment properties Plant and equipment Long term loans Investments in unquoted shares

8. Current assets Assets held for trading Inventories Accounts receivable Cash and cash equivalents

9. Current liabilities Accounts payable Income tax payable Provisions

30 Sept 2014

Liabilities

10. Cash and cash equivalents

Opening balance (Decrease)/increase in cash and cash equivalents Closing balance

11. Segmental information - US\$

Revenue	4,811,172	1,191,299	428,704	375,400	-	6,806,575
Net property income	3,201,480	1,097,806	345,674	311,508	-	4,956,468
Fair value adjustments	(2,569,427)	(553,500)	-	138,020	-	(2,984,907)
Profit	785,246	544,306	345,674	449,528	(1,365,858)	758,896
Assets	77,740,141	9,966,199	6,027,329	12,015,286	5,555,592	111,304,547
Liabilities	4,196,237	351,485	328,752	598,228	867,216	6,341,918
30 Sept 2013	Office/retail	Industrial	Pure retail	Other	Admin	Total
Revenue	5,628,950	1,272,235	432,941	357,918	-	7,692,044
Net property income	4,949,592	1,217,271	402,616	285,234	-	6,854,713
Fair value adjustments	4,073,691	-	600,000	1,360,619	-	6,034,310
Profit	9,191,673	1,217,271	1,002,616	1,645,853	(1,319,653)	11,737,760

6,100,636

11,299,228

Office/retail Industrial Pure retail

10,465,541

12. Property portfolio performance - US\$

30 Sept 2014	GLA %	Rent %	Rate/sqm-US\$	Vacancy %	Yields %
Office/retail	46	71	8.20	36	7
Industrial	45	18	2.10	1	12
Pure retail	4	6	8.17	2	7
Other	5	5	7.38		7
Total/portfolio average	100	100	5.37	18	7
30 Sept 2013	GLA %	Rent %	Rate/sqm-US\$	Vacancy %	Yields %
Office/retail	46	73	9.60	27	8
Industrial	45	17	2.25	3	12
Pure retail	4	6	8.20	25	8
Other	5	4	7.38		7
Total/portfolio average	100	100	6.06	15	8

3. Commitments for Authorised and co	r capital expenditure entracted			Year ended 30 Sept 2014 US\$ 409,702	Year ended 30 Sept 2013 US\$ 3,032,588
I. Related party tra				,	
Related party	Relation	Nature of transaction	Transaction amount US\$	Balance 2014 US\$	Balance 2013 US\$
ZB Life Assurance	Direct shareholder	Rent received	305 291	(76)	4 484
ZB Bank Limited	Indirect shareholder	Rent received	325 344	-	(41 664)
ZB Life Assurance	Direct shareholder	Interest received	559	-	-
ZB Bank Limited	Indirect shareholder	Interest received	341 001	-	-
ZB Bank Limited	Indirect shareholder	Bank balances	-	1 492 988	4 499 004
Total			972 195	1 492 912	4 461 824

CHAIRMAN'S STATEMENT

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

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

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

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

million) decreased by 8% from prior year. The resulting administration expenses to income ratio was 29% (2013:26%).

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

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

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

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

Operations The recessionary economic environment translated to low demand for space and therefore falling rental income. The total rental yield softened from 8% in the previous years to 7%. Occupancy at 82%, was lower than 85% recorded in the previous year. The Group focused on maximising income in such a difficult environment through efficient management of its properties to retain good tenants. The maintenance programme to ensure the building fabric and plant and equipment are in a good state of repair remained in place.

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

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

Share Buyback

Share Buyback
At the annual general meeting held on 28 February 2014,
the Group's shareholders renewed the share buyback
scheme. During the year, a total of 2.0 million (2013:5.3
million) shares were bought at an average price of
U\$\$0.03 per share bringing the total number of treasury
shares to 162.1 million. As at 30 September 2014, the market value of the (2013: US\$5.1 million). of these shares was US\$4.2 million

Outlook

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

Appreciation

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

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

Harare 26 November 2014

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