MASHONALAND HOLDINGS LIMITED
(Incorporated in Zimbabwe)

Leading property investment company

2021 ANNUAL REPORT

CONTENTS

LEADING PROPERTY INVESTMENT COMPANY

This annual report provides a performance overview of Mashonaland Holdings Limited for the fifteen months period ended 31 December 2021.

The purpose of this report is to communicate the financial and non-financial performance of the business to its stakeholders.

REPORT BOUNDARIES

The Company applies International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and interpretations as issued by the IFRS Interpretations Committee. Sustainability information has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core Option. This complies with the Zimbabwe Stock Exchange listing requirements and the Companies and Other Business Entities Act (Chapter 24:31).

While the presented non-financial and forward-looking content of the report was not independently assured, the information presented has been reviewed by the Audit Committee and approved for issue by the Board of Directors. The forward-looking statements included in this report are current as of the date of publication of the Annual Report.

The annual financial statements were audited by independent external auditors, Deloitte & Touche.

STRATEGIC FOUNDATIONS

Vision
To be the foremost property investment company in Zimbabwe.

Purpose
Developing a well-diversified property portfolio that meets our customers' dynamic and functional real estate needs.

Values
Integrity
Innovation
Entrepreneurship
Teamwork
Fairness

GENERAL CORPORATE INFORMATION

Non-executive Directors
Eng. Grace Bema (Ms.) - Board Chairperson
P. Musarurwa (Mrs.) - Deputy Board Chairperson
R. Mutandagayi (Mr.)
H. Munyati (Mr.)
S. Mutangadura (Ms.)
R. Watungwa (Mr.)
B. Musariri (Ms.)

Executive Directors
G. Mapfidza - Managing Director (Mr.)
K. Musundire - Chief Finance Officer (Mr.)

Company Secretary and Legal Advisor
E. Madhaka (Ms.)

Head Office
12th Floor ZB Life Towers
77 Jason Moyo Avenue, Harare

Insurers
Old Mutual Insurance
Mutual Gardens, Emerald Hill, Harare

Principal Property Valuer
EPG Global
4th Floor Runhare House
Cnr. Simon Muzenda Street & Kwame Nkrumah Avenue
Harare

Transfer Secretaries
ZB Transfer Secretaries
21 Natal Road, Avondale, Harare

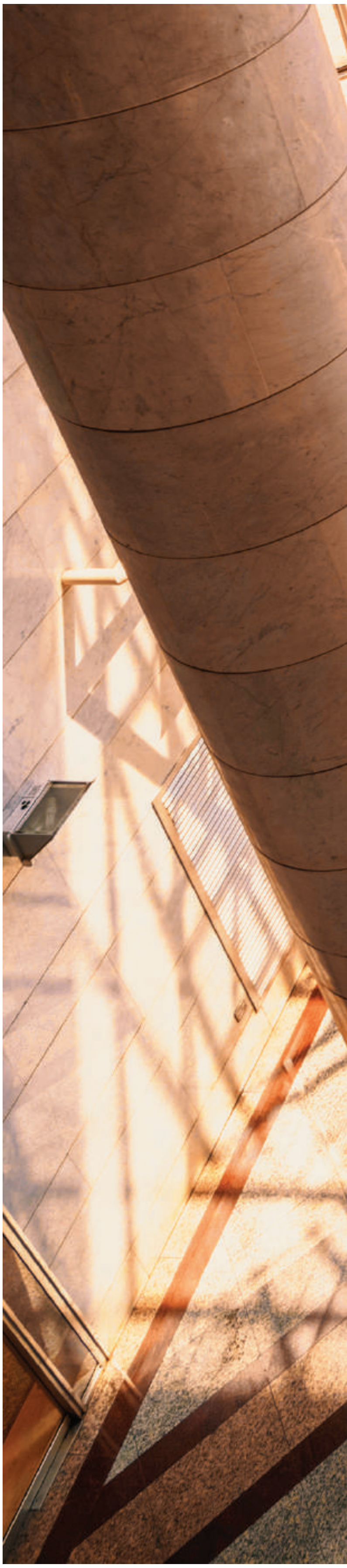
Auditors
Deloitte & Touche (Zimbabwe)
West Block, Borrowdale Office Park
Borrowdale, Harare

Bankers
Nedbank Zimbabwe Limited
99 Jason Moyo Avenue, Harare

ZB Bank
21 Natal Road, Avondale, Harare

BancABC
Mt Pleasant Business Park
Mt Pleasant, Harare

GOVERNANCE



We are fully committed to observing leading principles of good corporate governance as a key pillar to our strategy and success.

DIRECTORATE

Board of Directors

Eng. G. Bema (Ms.)
INDEPENDENT NON-EXECUTIVE CHAIRPERSON
MSC, MBA, Bsc. Eng, MZweIE, MZACE, PrEng (ECZ)

Eng. Grace Bema is a partner at Brian Colquhoun Hugh O'Donnel & Partners (BCHOD Consulting Engineers). Eng. Bema brings to the Board a wealth of experience in the built environment having successfully completed several big projects in Zimbabwe and the United States of America. She is particularly interested in the use of environmentally friendly systems in the built environment to protect the environment and future generations.

Eng. Bema holds a BSc. Honours degree in Civil Engineering and MBA from the University of Zimbabwe, and a Master of Science in Sustainable Systems from Slippery Rock University in Pennsylvania (USA). She is a certified Prince2 practitioner.

R. Mutandagayi
NON-EXECUTIVE DIRECTOR
BAcc (UZ), CA(Z), MBL (UNISA)

Mr. Ronald Mutandagayi is a former Group Chief Executive of ZB Financial Holdings. He has held various leadership positions in the manufacturing, finance, investment, and banking sectors. He previously worked for Willowvale Mazda Motor Industries as General Manager in 1992. He joined Standard Chartered Bank Zimbabwe Limited in February 1998 as Company Secretary and Head of Banking Services, a position he held until April 2001 when he left to join NDH Holdings Limited as Chief Finance Officer from where he joined the ZB Group in February 2004 as Head of Finance and Risk and later, Managing Director of ZB Bank.

Ronald, a holder of Bachelor of Accountancy (UZ) and Master’s in Business Leadership (UNISA) degrees, is a Chartered Accountant by profession. He served articles with KPMG Chartered Accountants.

P. Musarurwa (Mrs.)
INDEPENDENT NON-EXECUTIVE DIRECTOR, DEPUTY BOARD CHAIRPERSON
BL (Hons), LLB (UZ)

Mrs. Patronella Musarurwa is a registered legal practitioner with special interest in Commercial and Property Law, she has over 20 years' experience in the legal profession and currently manages a Private Law firm. Patronella spent 8 years as a Lawyer in commerce where she held various management positions in insurance companies before moving into Private Legal Practice. She is a member of various corporate Boards. She is a councillor of the Law Society of Zimbabwe where she chairs the Continuing Legal Education Committee. She also sits on the ZIMSEC and Health Professions Authority of Zimbabwe Boards.

Patronella holds a Bachelor of Laws (BL Hons) and a Bachelor of Laws (LLB) from the University of Zimbabwe.

S.M Mutangadura (Ms.)
INDEPENDENT NON-EXECUTIVE
LLB Hons (UZ), MBA (UK), LLM (UK), CAS in Arbitration (CH)

Ms. Susan Mutangadura is a Certified International Arbitrator registered with the Commercial Arbitration Centre, Zimbabwe and the Africa Institute of Mediation and Arbitration. She has a wide array of experience having led companies in the insurance and financial services sector. She brings to the Board a wealth of international business practice and expertise in Corporate Governance.

Susan holds a degree in arbitration from Switzerland, a Master of Laws (LCM) in International Commercial and Business Law (Distinction), from Bangor University (Wales); Master of Business Administration (MBA) from the University of Surrey (UK) and a Bachelor of Laws (LLB Hons) from the University of Zimbabwe. She is a certified trainer in corporate governance, certified FIATA trainer as well as a CIPE trainer.

H.M. Munyati
INDEPENDENT NON-EXECUTIVE
BAcc Hons (UZ), CA (Z), MBL (UNISA)

Mr. Hilary M. Munyati is a Chartered Accountant. He brings to the Board many years of experience at top executive positions in both private and public sectors for local and regional companies, spanning across different industries including mining, manufacturing, banking, insurance, hospitality, retail, and agriculture.

Hillary is a member of the Institute of Chartered Accountants Zimbabwe. He holds a Bachelor of Accountancy (Honours) degree from the University of Zimbabwe. He is also a holder of a Master's degree in Business Leadership (MBL) from the University of South Africa (UNISA).

R. Watungwa
NON-EXECUTIVE DIRECTOR
AIBZ, BBS (UZ), MBA (UZ)

Mr. Ralph Watungwa is a former Chief Executive Officer of Standard Chartered Bank Zimbabwe and has 30 years of banking experience with Standard Chartered Bank Group in various capacities. He brings to the Board vast experience from the banking sector.

Ralph is a product of the Bank's graduate training programme and holds a Master of Business Administration and Bachelor of Business Studies Honours degree, both from the University of Zimbabwe. He is also an Associate Member and Chairman of the Institute of Bankers, Zimbabwe, and Vice President of the British Business Association.

B. Musariri (Ms.)
NON-EXECUTIVE DIRECTOR
BBS Hons (UZ), MBL (UNISA)

Ms. Barbara Musariri is an Investments Manager at ZB Life Assurance Limited. She brings to the Board many years of experience in investment management. Her area of expertise encompasses analysis of investments in securities, commodities, projects and properties as well as investments portfolio management.

Barbara holds a Master of Business Leadership (MBL) from UNISA School of Business Leadership and a Bachelor of Business Studies Honours degree (BBS Hons) from the University of Zimbabwe.

G. Mapfidza
EXECUTIVE DIRECTOR
BSC, MSC, MREIZ, MRICS

Mr. Gibson Mapfidza is the Managing Director of Mashonaland Holdings Limited. He began his professional career at CB Richard Ellis International Property Consultancy where he gained a robust initiation in all the fields of investment real estate before joining the Reserve Bank of Zimbabwe where he expanded his skills and knowledge in corporate real estate management (CREM). He later joined Old Mutual Property Zimbabwe in 2010 where again he worked in all the key property units and rose to become Head of Property Development, working on several projects in Zimbabwe and a 3-year posting to Malawi Property Investment Company (MPICO), a listed property company owned by Old Mutual Malawi. Prior to joining Mashonaland Holdings in November 2018, he was General Manager - Property Investments at Fidelity Life Assurance of Zimbabwe.

Gibson is a Chartered Surveyor with over 16 years of professional working experience in the built environment industry. He holds a BSc. Rural and Urban Planning (UZ), MSc. Construction Management (NUST), MSc, Real Estate (University of Reading, UK) and a Master of Science in Business Administration (MBA) with the Graduate School of Business, University of Cape Town, South Africa.

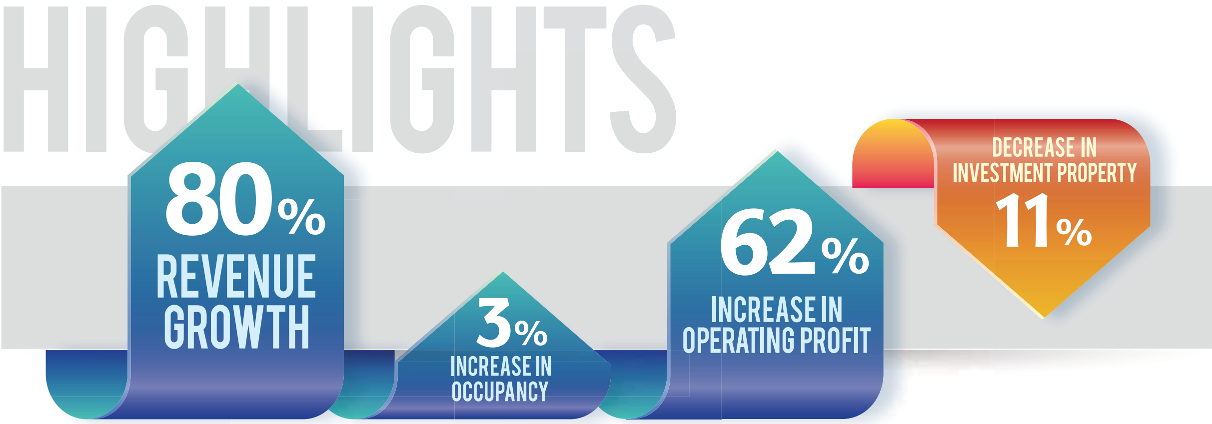
K. Musundire
EXECUTIVE DIRECTOR
CA(Z), Hons BCompt (UNISA), BCom (Hons) ACC (NUST)

Mr Kudakwashe Musundire joined Mashonaland Holdings Limited as Chief Finance Officer on 1 August 2020.

He is a Chartered Accountant with over 10 years' experience in financial management and auditing in various industries which includes telecommunications, financial services, manufacturing, and retail. Kudakwashe holds a Bachelor of Commerce (Honours) degree in Accounting from the National University of Science and Technology (NUST) as well as an Honours Bachelor of Accounting Science from the University of South Africa (UNISA).

Kudakwashe completed his articles training with BDO Zimbabwe Chartered Accountants and has held management positions with TelOne, First Mutual Holdings Limited and PG Industries. Prior to joining Mashonaland Holdings Limited, he held the position of Finance Director of TelOne (Private) Limited.

CHAIRPERSON'S STATEMENT



I am pleased to present the Mashonaland Holdings Limited condensed consolidated inflation adjusted financial results for the 15 months period ended 31 December 2021.

Operating environment

The Zimbabwean socio-economic environment remains depressed despite the easing of COVID-19 restrictions following a slowdown in the rate of infections in the second half of the year. The local currency depreciated by 33% on the Reserve Bank of Zimbabwe (RBZ) foreign exchange market and by over 90% on the parallel market over the course of the reporting period. The significant local currency depreciation resulted in sustained cost pressures despite the easing of inflation from 659.4% per annum in September 2020 to 60.7% per annum in December 2021. The market continues to witness marked disparities in the pricing of goods and services depending on the currency of settlement.

We believe that the macroeconomic fragilities, disruptive effects of the COVID-19 pandemic and policy inconsistency will continue to present challenges and in some cases opportunities, to our business.

Property market

Demand for commercial space remains weak resulting in rentals declining in real terms and high void levels especially within the commercial CBD sub-sector. Whilst demand for residential properties remains relatively high, the falling disposable incomes has held back rental growth. The property investment sub-market remains depressed. Economic uncertainty has largely distorted valuations making it difficult to objectively appraise new investments.

Faced with high inflation levels, of cost-push in nature, the property asset class has struggled to live to its inflation hedging attribute. Whilst strategically located and Grade A assets were able to hedge against inflation, rental growth in other subsectors could not keep up with the cost-push inflation trends. The development submarket has been the most affected over the trading period as construction costs remain relatively higher than corresponding market values. Despite these challenges, theproperty market still presents viable opportunities in line with future corporate occupier demand.

Inflation adjusted financial performance

Revenue increased by 80% in the 15 months under review to ZW$561 million. Apart from the effect of a longer period under review, the revenue growth is also attributable to periodic rent reviews and increased occupancy from 79% to 81%. The Group's net property income percentage decreased from 83% to 79% due to increases in property expenses. The Group implemented several property maintenance projects to improve and maintain the quality of space so as to attract new tenants as well as ensuring tenant retention. Operating profits increased by 62% from ZW$185 million to ZW$300 million. The Group's operating profit margin however decreased from 59% to 53% due to the increase in property and administration expenses. Notwithstanding the macro-economic challenges, collections percentage improved from 90% in September 2020 to 94% as at December 2021. The collections were improved through sustained credit risk assessments on tenant on-boarding and continuous engagements with sitting tenants.

Investment property

The Group investment properties were independently valued at 31 December 2021 by EPG Global, a professional property valuer. The Group's investment property portfolio was valued at ZW$13.9 billion, which represents an 11% capital loss from the inflation adjusted valuation performed as at 30 September 2020. The capital loss reflects the current portfolio's CBD concentration. The Harare CBD sector has been negatively impacted by a reduction in space demand due to the worsening urban problems such as deteriorating building infrastructure, street trading, congestion, noise pollution, and the attendant high building operating costs among others. Thus, the Group's strategy is premised on portfolio diversification to reduce the CBD office concentration while increasing investments in the emerging sectors of the market, which include healthcare, flexible warehousing and logistics, hospitality, retail and office park segments.

Property development projects

Mashview Gardens

During the period, the Group launched the Mashview Gardens cluster housing project in Bluff Hill in Harare. The project, which comprises of 25 modern housing units, was fully sold off plan and construction works are in progress. The project is targeted for completion in the last quarter of the ensuing financial year.

12 Van Praagh Day Hospital Project

The Group secured an agreement to develop and lease a hospital at one of its properties in Milton Park Harare. A change of use permit from residential to medical use was secured in December 2021. Pre-construction works are currently in progress with construction of the healthcare facility targeted to commence in the second quarter of 2022.

Windsor Park Ruwa residential stand sales

Following the securing of a certificate of compliance from the Ruwa Town Board, the Group commenced the disposals or its 24 fully serviced medium density residential stands averaging 800-1100 square meters in Windsor Park, Ruwa. Funds raised from the disposal of these stands are anticipated to create further liquidity to support other strategic development works.

Dividend

The Board declared and paid an interim dividend of ZW$21,932,027 or 1.299 cents per share in June 2021. The Board has further declared a final dividend payable of ZW$50,678,148 or 3.003 cents per share. A separate dividend notice will be published to this effect.

Outlook

The Government of Zimbabwe expects the economy to record a positive growth of 5.5% driven by increased industrial and agricultural output. The improved Gross Domestic Product, together with containment of the COVID-19 pandemic, is expected to contribute towards an improvement in the country's economic performance including taming of inflation. These positive developments are expected to contribute towards an improvement in property investment yields and will spur new developments in the property market. The Group is therefore targeting to make investment in-roads that will enable portfolio diversification as well as to complete the construction of the Mashview Gardens housing project. The Group's strategic focus areas remain targeted at portfolio optimization, diversification and increasing operational efficiencies to ensure sustained business growth.

Appreciation

On behalf of the Board, I wish to express my appreciation to our valued tenants for their continued loyalty.

I also wish to express gratitude to our members of staff for their continued dedication to duty in the challenging operating environment. Finally, I would like to thank my fellow Board members for their wise counsel and continued support.

ENG. G. BEMA
Board Chairperson 7 April 2022

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

Property market overview

Over the 15 months period ended 31 December 2021, the property market was characterised by subdued demand in real estate space. The occupier sub-market saw constrained rental growth in real terms and notable void levels especially in Harare CBD. As a result, the market experienced declining yields and in some cases capital values coming off. However, pockets of positive performance within the industrial and the retail sectors were noted and these were characterised by relatively low void levels and encouraging yields in comparison to other sectors. The industrial sector benefited from the significant increase in capacity utilisation, which closed the year at 60% as the country made some recovery strides out of the Covid-19 pandemic. The pandemic remained a key theme in 2021, negatively affecting tenant operations particularly in the CBD office sector as containment measures resulted in reduced business activity and utilisation of office space.

Activity within the development sub-market remained limited due to the difficult environment characterised by escalating construction costs versus the falling property market values. The Reserve Bank of Zimbabwe maintained lending rates above 35% to curtail speculative borrowing. This had a negative impact on the productive sector including the construction sector as it escalated the cost of borrowing. The widening gap between property investments return and finance costs further dampened new development viability.

The residential sector development activity remained strong and is expected to continue on a growth trajectory mainly supported by the informal sector of the economy and the diaspora community.

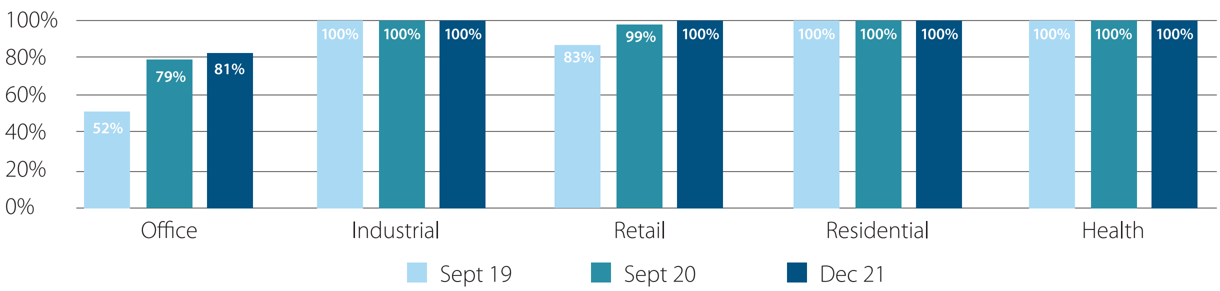
Abnormal uncertainty occasioned by hyper-inflation, distortions in the exchange rates and the Covid-19 pandemic continued to affect the estimation of fair values in the investment sub-market. To an extent this affected new investments in the sector as investors adopted a wait and see attitude. Notable activity has been seen in the freehold sales market especially with the residential and land markets. However, most sellers are only accepting the USD currency in order to hedge against loss of value. This has largely constrained mortgage financing and participation by the formal sector.

Business performance

• *Occupancy*

The Group managed to retain its key tenants through continuous stakeholder engagements and well-maintained building fabric. The Group's occupancy level increased from 79% to 81%, thereby contributing to revenue growth. The occupancy growth was achieved in the office segment while, the Group's industrial, residential and health sectors maintained a 100% occupancy. The easing of COVID-19 lockdown measures contributed to improved occupancy as some sitting tenants increased their occupancies. The Group has a positive leasing pipeline going into 2022.

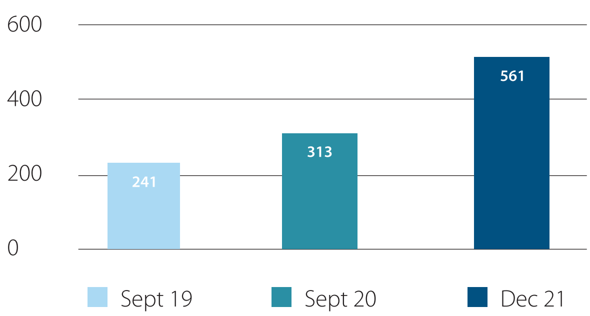
Occupancy trend



• *Revenue*

Revenue increased by 80% from ZW$313 million in September 2020 to ZW$$561 million in December 2021. While the current revenue is for a longer 15 months trading period, the Group's revenue performance on an annualised basis was 36% higher than the same period in the 2020 financial year. The positive revenue performance is mainly attributable to periodic rent reviews implemented by the Group to protect yields and the positive engagements with its valued tenants.

Revenue trend (ZW$ millions)



- *Collections*

The collections level improved from 90% in September 2020 to 94% in December 2021, this was mainly due to sustained credit risk assessments on tenant on-boarding and continuous engagements with sitting tenants. The Group continues to implement risk management initiatives in screening new tenants and monitoring payment plans, coming out of the peak Covid-19 period, with existing tenants to manage arrears. Periodic rent reviews, increased occupancies and introduction of flexi leasing at Chiyedza House positively contributed to the revenue growth.

Property developments update

- *Mashview Gardens, Bluff Hill, Harare*

The Bluff Hill 25-cluster housing project, Mashview Gardens, was fully sold off plan following a successful launch and marketing of the model house. The Mashview Gardens project was officially launched by the Honourable Minister of National Housing and Social Amenities. Hon. D. Garwe on the 11th of June 2021. Construction of the rest of the units is in progress with the first phase, construction of eight (8) units being due for handover to the purchaser in the second quarter of 2022.

- *Charter House*

The Covid-19 pandemic led to delays in the implementation timelines of the group's plan to revitalise Charter House through repurposing to a hotel as the Chinese operator's business was heavily affected globally.

During the year, the Group mutually cancelled its Memorandum of Understanding signed in 2019 with the Chinese operator. The cancellation was sought in order to open up alternative options to sweat the asset. The Group received a compelling offer for the freehold rights of the property and engagements with the prospective purchaser are at advanced stage to dispose the underperforming asset.

- *Day hospital project, Milton Park Harare*

The company signed an agreement to develop and lease a hospital with a leading health insurer and services provider. Construction activity is targeted to commence in May 2022.

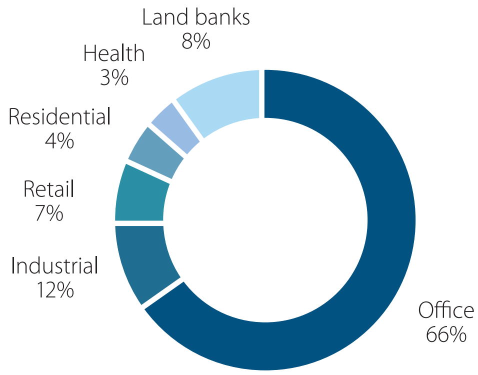
Property valuation and yields

The investment property portfolio was valued by Edinview Property Group (EPG Global), an independent professional property valuer, as at 31 December 2021. The property portfolio had a 11% fair value loss in inflation adjusted terms as per the table summary below. The market rentals continue to lag inflation in real terms thereby negatively affecting property values.

Yields and property valuation

Sector	2021 market values ZW$000	Capital movement %	Rental yield %
Office	9 266 100	-12%	4%
Industrial	1 650 570	-15%	12%
Retail	976 560	-13%	5%
Residential	560 500	-4%	5%
Health	400 200	-15%	5%
Land banks	1 090 772	1%	N/A
Total/average	**13 944 702**	**-11%**	**7%**

Portfolio spread by value



Strategic direction

The Group continues to make progress with its strategy of rebalancing its portfolio to dilute the CBD office concentration. In December 2021, the company was engaged in negotiations for the acquisition of two strategic land banks in line with this diversification strategy.

Appreciation

I would like to express my sincere appreciation to our valued tenants and clients for their ongoing and steadfast support and our Board of Directors for their continued guidance. Finally, I wish to appreciate the entire Mashonaland Holdings Limited team for their hard work and commitment throughout the pandemic and challenging operating environment.

G. MAPFIDZA
Managing Director

7 April 2022

REPORT OF THE DIRECTORS

FINANCIAL PERFORMANCE

Consolidated statement of profit or loss and other comprehensive income highlights

	31 December 2021 ZW$	30 September 2020 ZW$	31 December 2019 ZW$
Revenue	561 488 553	312 682 296	240 699 082
Operating profit before fair value adjustments	300 278 078	185 366 848	172 974 588
(Loss)/profit for the period	(1 403 050 409)	(671 978 343)	12 863 102 898

Inflation adjusted consolidated statement of financial position highlights

	31 December 2021 ZW$	30 September 2020 ZW$	31 December 2019 ZW$
Investment property	13 944 702 000	16 200 498 303	17 043 395 168
Shareholder's funds	14 343 199 082	15 815 247 337	16 522 600 741

The Group changed the date of its financial year end from 30 September to 31 December in line with shareholder authority granted at the company Annual General Meeting held on the 11th of March 2021. As a result of this change, the Group adopted a 15 months financial reporting period ended 31 December 2021 as a transitional arrangement.

The Directors have pleasure in submitting their report for Mashonaland Holdings Limited (the "Company") and its subsidiaries (the "Group") for the period ended 31 December 2021.

Authorised share capital

The authorised share capital of the Company at 31 December 2021 was ZW$1 250 000 made up of 2 500 000 000 ordinary shares of ZW$0.0005 each.

Issued share capital

The issued share capital of the Company at 31 December 2021 was ZW$929 537 made up of 1 859 073 947 ordinary shares of ZW$0.0005 each.

The number of un-issued shares under the control of the Directors at 31 December 2021 remained at 640 926 053.

Dividend

The Directors declared an interim dividend of 1.299 cents per share (2020: 0.515 cents per share) and a final dividend of 3.003 cents per share (2020: 0.825 cents per share) bringing the total dividend to 4.302 cents per share (2020: 1.855 cents per share), in respect of the period ended 31 December 2021.

Directorate

Subsequent to year end, Mr. Ronald Mutandagayi and Mr. Ralph Watungwa resigned from their positions as non-executive directors of the company. The Board approved the appointment of Mr. Brilliant Shumba and Mr. Mubaiwa Mubayiwa as new non-executive members. A resolution will be proposed at the Annual General Meeting to be held on 18 May 2022 to confirm the appointment of both directors.

Auditors

Members will be asked to approve the remuneration of the Auditors amounting to ZW$ 10,000,000 for the period ended 31 December 2021. The Auditors Messrs Deloitte & Touche have offered themselves for reappointment as the Company auditors. A resolution will be proposed at the Annual General Meeting to be held on 18 May 2022 to re-appoint the Auditors for the ensuing financial year.

REPORT OF THE DIRECTORS (CONTINUED)

	31 December 2021 ZW$	30 September 2020 ZW$
Share Statistics		
Number of shares in issue	1 859 073 947	1 859 073 947
Weighted average number of shares	1 687 584 009	1 690 249 809
Share price (cents)	299.93	41.75
Dividend per share (cents)	4.302	1.855
Net worth per share (cents)	849.93	935.47
Basic and diluted loss per share (cents)	(83.14)	(39.76)
Profitability and asset management		
Operating profit %	53.5%	59.3%
Operating expenses to revenue %	52.7%	50.1%
Occupancy %	81%	79%
Collections %	94%	90%
Liquidity		
Current ratio	5.80	5.58
Number of employees	21	20

STATEMENT OF CORPORATE GOVERNANCE

The Directors of Mashonaland Holdings Limited are committed to conduct the business of the Group with utmost integrity, professionalism, and diligence necessary to advance the interests of its various stakeholders. The Group adopted the King's IV Code as its benchmark for corporate governance and also subscribes to principles set out in the National Code on Corporate Governance (the "Zimcode"). The Board and Management affirm that the Group's governance systems and practices are appropriate and are in conformity to the provisions of King IV Code and other governance framework in place. The company's Governance, Risk and Compliance Committee plays a pivotal role in moulding the Company's corporate governance systems and fostering adherence with the established framework.

The Board takes responsibility for ensuring the integrity of the Company's accounting and financial reporting systems and that relevant systems of control, risk management and compliance with legislation are in place. To foster effectiveness, Board members have unrestricted access to information regarding the company's affairs and this is availed through Board meetings and circulation of board papers.

Board composition and structure

The Board comprises of nine directors, two of whom are executive directors. The Board is chaired by an independent non-executive director. The Board has a versatile mix of skills and experience necessary for discharging its mandate.

The company's non-executive directors are required to retire on a rotational basis each year along with any director(s) appointed to the Board during the year.

The Board is supported by various Committees in executing its responsibilities. The Committees meet at least quarterly to assess and review the Group's performance and to provide guidance to management on both operational and policy issues. The Group from time to time reviews the number of Committees as necessitated by the prevailing environment. Each Committee acts within certain written terms of reference under which certain functions of the Board are delegated with clearly defined objectives. The terms of reference and composition of the Committees are determined and approved by the Board. The Board monitors the effectiveness of controls through reviews by the Audit Committee and independent assessment by the independent auditors.

Audit Committee

The Audit Committee's main mandate is to ensure financial discipline within the Group, sound corporate values and implementation of appropriate financial procedures. This Committee is further tasked with reviewing and approving the quarterly, bi-annual and annual consolidated financial statements of the Group, dividend proposals and considering any accounting policy changes.

The Committee deliberates on the reports and findings of the independent auditors and also recommends the appointment of the company auditors and their remuneration. The independent auditors have unrestricted access to the Audit Committee to ensure their independence and objectivity. The Committee is chaired by an independent non-executive director and is composed of three other non-executive directors.

Human Resources and Remuneration Committee

The Committee has the mandate to ensure that the Group adopts market related remuneration policies. It deals with staff welfare issues, reviews and approves compensation systems for the Group. In addition, the Committee also assesses and makes recommendations to the main Board of Directors on managerial appointments, company organogram, staff development plans as well as the long-term succession planning for the Group. The Committee is chaired by a non-executive director and comprises of two other non-executive directors.

Investments Committee

The Committee reviews performance of the Group's investment property. In addition, the Committee also reviews and makes recommendations to the Board concerning new investment proposals as well as approving the financing arrangements. The Committee is chaired by an non-executive director and comprises of three other non-executive directors.

Governance, Risk and Compliance Committee

The Committee has an independent, oversight role with responsibility for monitoring and reporting on the Group's compliance with legislative framework, industry practices and other regulatory requirements. It also reviews the company's governance structures and policies periodically. It has a mandate to oversee the risk management practices of the Company. The Committee is chaired by an independent non-executive director and has two other non-executive directors.

Nomination Committee

The role of the Nomination Committee is to consider the composition of the Board and its Committees, the retirement, appointment and replacement of directors and make appropriate recommendations to the Board. It is chaired by an independent non-executive director and comprises of two other non-executive directors.

Executive Committee (EXCO)

The Executive Committee comprises of the Managing Director, Chief Finance Officer, and senior management. It meets monthly and is charged with implementing the policies, plans and strategies of the Group as approved by the Board.

Board committee composition

Audit Committee	Investments Committee	Remuneration Committee	Risk Committee	Nomination Committee
H. Munyati *(Chairperson)* P. Musarurwa B. Musariri S. Mutangadura	R. Mutandagayi *(Chairperson)* G. Bema B. Musariri R. Watungwa	R. Watungwa *(Chairperson)* G. Bema R. Mutandagayi	P. Musarurwa *(Chairperson)* H. Munyati S. Mutangadura	P. Musarurwa *(Chairperson)* R. Mutandagayi R. Watungwa

Board and Committee meeting attendance

	Board	Audit Committee	Investments Committee	Remuneration Committee	Risk Committee
Meetings held	**6**	**6**	**5**	**7**	**5**
G. Bema (Chairperson)	6	n/a	5	7	n/a
P. Musarurwa	6	6	n/a	n/a	5
B. Musariri	6	6	5	n/a	n/a
H. Munyati	6	6	n/a	n/a	5
R. Mutandagayi	6	n/a	5	7	n/a
R. Watungwa	4	n/a	4	6	n/a
S. Mutangadura	6	6	N/A	N/A	5

Board and statutory meetings

The Board meets regularly and guides corporate strategy, risk management practices, annual budgets and implementation of business plans. Special Board meetings are convened on an ad-hoc basis when necessary to consider issues requiring urgent attention or decision. The Company Secretary maintains an attendance register of Directors for all scheduled meetings during the year through which Shareholders may assess their commitment and devotion to the business of the Group. The meetings of the Committees precede each quarterly board meeting. The Company's shareholders meet at least once every year at the Annual General Meeting. The company's 54th Annual General Meeting was held on the 11th of March 2021.

Communication systems

The Group communicates with its stakeholders using various ways and platforms. At Annual General Meetings, shareholders are given the opportunity to interact with the board and management as well as to exercise their vote on matters which are on the agenda. Information is disseminated by means of notices to shareholders, press announcements of quarterly and year-end results, analysts' briefings, annual reports to shareholders and content shared via the website. Communication between the Group and its clients is conducted in person by telephone, mail and a variety of digital platforms. Further, Company announcements and corporate information are available to investors on the Company's website. The Company also encourages direct communication through its Company Secretary or its Transfer Secretaries.

Directors' declarations

As provided by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) and the Company's Articles of Association, the Directors are required to declare at any time during the year in writing whether they have any material interest in any contract of significance with the Group which could give rise to conflict of interest.

Share dealing

In line with the Zimbabwe Stock Exchange Listing Requirements (S.I 134 of 2019), the Group operates a "closed period" prior to the publication of its quarterly, half year and year-end financial results during which period directors and staff of the Group may not deal directly or indirectly in the shares of Mashonaland Holdings Limited.

Directors' remuneration

Remuneration packages for executive directors are determined by the Human Resources and Remuneration Committee as informed by market consultations and the Group's compensation system. The Committee seeks to ensure that the Group is geared to compete at the highest levels by attracting and retaining high calibre individuals who contribute fully to the success of the business. Accordingly, a performance related bonus is offered to employees of the Company including the executive directors in addition to a basic salary package. The committee draws on external market survey data from independent advisors to ensure that the remuneration policy is appropriate.

Stakeholders

Mashonaland Holdings Limited believes that maintaining sound relationships with its stakeholders is key to sustainable value creation for the organisation. The Company acknowledges the need to maintain a balance between its core business development goals with managing its environmental and social responsibilities through implementation of an annual social corporate responsibility programme. Employee engagement programmes and customer care trainings are conducted periodically in a bid to satisfy identified stakeholder needs. The company also participates in various activities organised by the entity's regulators and industry partners.

SUSTAINABILITY

We are targeting to grow our business in a manner which ensures adherence to sustainable business practices.

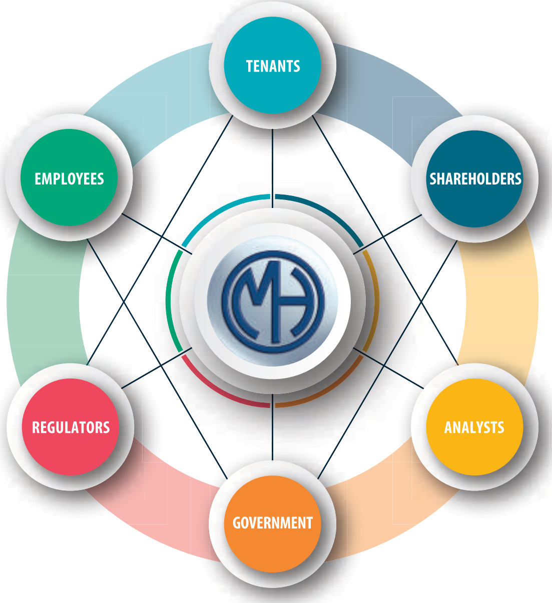
INTRODUCTION

Mashonaland Holdings Limited takes a holistic approach towards the application of Environmental, Social and Governance (ESG) Principles in its day-to-day business activities to ensure positive impact and mutually beneficial relationships with stakeholders. This report was prepared using ZWS ISO 26000:2010, the international ISO guidance standard adopted by Zimbabwe, providing the framework to integrate Social Responsibility (SR) into the values and practices of the Company. It communicates the company's commitment to social responsibility, a key component of sustainability and also reports on the company's commitment to the UN adopted Sustainable Development Goals (SDGs). The Company believes in building solid relationships with stakeholders to enable long term value creation.

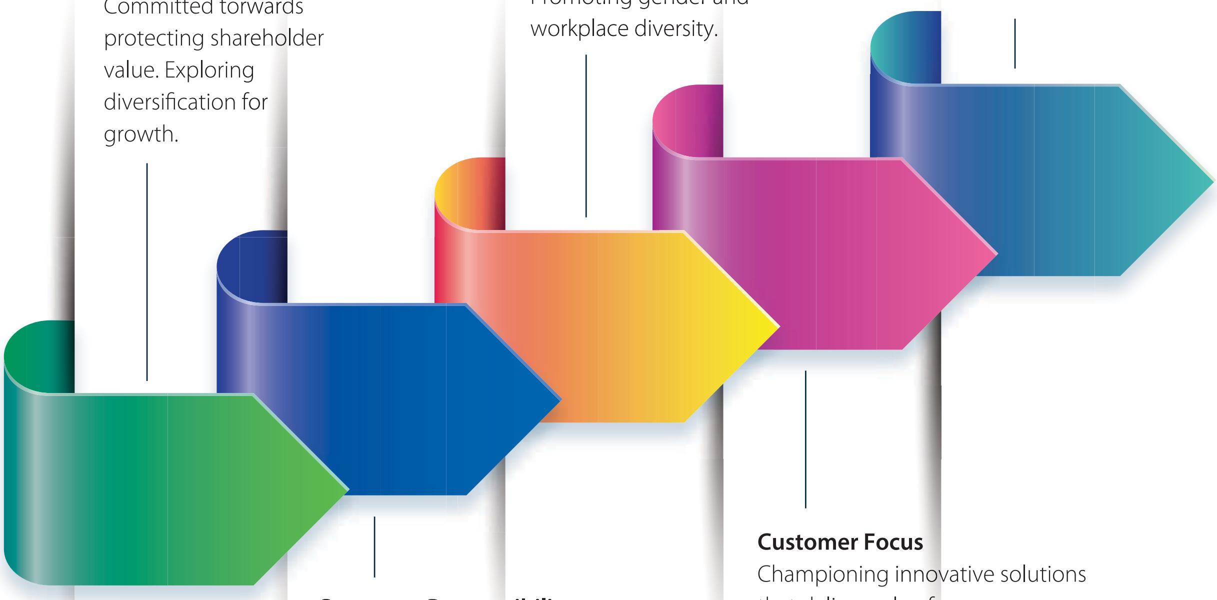
Our ESG Strategy

Mashonaland Holdings Limited follows a clearly defined path in its pursuit of building solid relationships with stakeholders in a sustainable manner. This approach is within the confines of the following over-arching parameters:

Our stakeholders



Sustainability Value Proposition



Shareholder
Committed torwards protecting shareholder value. Exploring diversification for growth.

Corporate Responsibility
Commitment to betterment of the communities in which we operate through impactful but timely interventions.

Employee
Proactive towards emplyee wellness and talent development. Promoting gender and workplace diversity.

Customer Focus
Championing innovative solutions that deliver value for money. Mindful of the need to invest in continuous improvement to enhance our customer experience.

Legal Compliance and Risk Management
Delivering value within the confines of legal and regulatory requirements. Proactive risk management systems aimed at mitigating management risk.

How we add value to our stakeholders

WHAT AND HOW?		
Environment	**Social**	**Governance**
• Energy efficiency for buildings in the portfolio • Transition towards LED technology for lighting • Water efficiency • Generator carbon emissions compliant within the Environmental Management Agency (EMA) thresholds • Green building concept adoption for future property developments • Adoption of renewable energy power back up options for buildings	• Employee health and safety • Fostering gender equality at all levels within the organization (board, management and shopfloor) • Training and development support • Employee engagement • Low cost housing development	• Integrated approach towards governance • Compliance with regulatory requirements set by various company regulators • Disclose Board responsibilities and accountability • Appropriate skills and experience on the Board • Optimal meeting attendance • Compliance with Companies and Other Business Entities Act (Chapter 24:31) and King IV Code.

Targeted outcomes

IMPACT		
Environment	**Social**	**Governance**
• Increased energy efficiency and low building operating costs • Increased water efficiency • Reduced carbon footprint • Green building concept adoption for future property developments	• Employee wellbeing • Improved living standards for employees • Gender balance at all levels within the organization • Upskilled employees • Employee participation • Safe working environment for employees • Minimal workplace related injuries • Provision of low-cost housing	• Adherence to regulatory and listing compliance • Providing assurance to stakeholders that Mashonaland Holdings Limited is a responsible company with sound leadership

INITIATIVES IMPLEMENTED DURING THE YEAR

COVID-19 management

In response to the emergence of COVID-19 pandemic, the company implemented mitigation guidelines to reduce the risk of infection at the work place and at all company properties. The guidelines sought to decongest the workplace and provide timely COVID-19 screening and testing. Further, the company extended medical support to infected staff members and their families.

During the year, the company provided support to Sally Mugabe Hospital through provision of personal protective equipment and water sanitation by connecting boreholes to hospital facilities. All the company's buildings have sanitising booths and COVID-19 awareness notices are displayed in public spaces around the buildings to enhance the fight against the elimination of the Coronavirus.

Promoting economic development

The Group's real estate activity contributes towards stimulating economic growth in various ways including the local procurement of goods and services used in the construction process from local suppliers in an effort to create downstream business activities. During the year, the Group contributed ZW$68.3million in taxes to the fiscus (2020: ZW$41.7million).

The company also sponsors and participates in Property Market Forums to enhance discussion and awareness on economic issues that affect the real estate sector. Such forums include the Zimreal Forum event and Estate Agents Council billboard.

Ceremony to hand-over personal protective equipment (PPE) and commissioning of water reticulation works at Sally Mugabe Hospital.

Provision of affordable housing solutions

During the year, the Group introduced to the market 24 fully serviced medium density residential stands in Ruwa and 25 cluster houses in Bluffhill Harare. Further, the Group is working on plans to introduce affordable serviced residential stands on its 42 hectare site in Ruwa. The Group continues to engage Government and Councils for the identification of land available for partnerships in developing affordable housing solutions in line with Sustainable Development Goals.

Company efforts towards sustainable environmental management

The Company is aware of global and national efforts by corporate entities, governments and non-governmental organisations in fostering healthy living through sustainable operations and undertaking development projects in a manner that does not cause harm to the environment. As part of its efforts to enhance enviro-friendly operations, the company engaged with Environmental Management Agency to ensure generator emissions from its buildings does not contain harmful pollutants, emission licenses are in place and periodical service and maintenance work is done to reduce release of harmful substances into the atmosphere. Prior to undertaking any new property development projects, the company undertakes environmental impact assessments and ensures approved environmental management plans are in place. The Group works with respective Councils as a key stake-holder to ensure zoning confirmations are secured before commencing projects.

Focus on our customer

The company invested in implementing a digitalisation roadmap that will enhance the customer journey as well as enabling efficiency in service delivery. The company partnered with a digital consulting company to identify its digital needs and came up with a project charter for implementing the thrust.

As at 31 December 2021, our tenants are able to access bills and statements online and the objective is to come up with an interactive process which enables effective communication between the company and its customers.

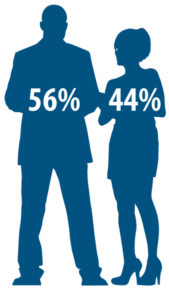
During the year, the company provided refresher training for all staff members targeted at reviewing and improving customer service delivery.

Promoting gender equality in the workplace

Mashonaland Holdings Limited recognizes that gender balance at the workplace is vital for sustainable value creation. As at 31 December 2021, the company had a healthy gender mix at Board level as shown opposite.

The Group deliberately implemented measures to enhance staff complement of female recruits, with three out of the four new staff recruitments being females. The company continues to make conscious effort to promote female applicants in recruitment processes in order to foster gender balance within the workplace.

Board gender diversity



Staff gender diversity

Focus on our employees

The company acknowledges that one of the key ways to embed sustainability in a corporate entity is to enhance employee engagement. Mashonaland Holdings understands that its employees are important in the successful implementation of the company strategy. The company has a performance management system which links company strategy to employee goals. During the year 2021, an employee engagement survey was carried out as part of the long-term Culture Work and the results of the survey were used to inform decision making when designing compensation schemes, improving employee welfares, workplace standards and enhancing work output.

Staff engagement

The company's overall engagement index was measured at 78% during the year, the company has designed initiatives to improve the overall staff engagement index as part of the company strategy.

The company has a comprehensive performance management system which is supported by a development plan which seeks to align to the individual's roles in the company to their personal aspirations. The company also assists staff financially to attain goals on the approved personal development plans.

Mashonaland Holdings Limited contribution towards attainment of SDG's

Sustainable goal	Mashonaland Holdings Limited's contribution
GOOD HEALTH & WELL-BEING	• The Company made PPE donations to Sally Mugabe Hospital to help the fight against spread of COVID-19. • Financial and material assistance to staff affected by COVID-19. • COVID-19 screening tests at all premises.
GENDER EQUALITY	• Healthy gender mix a Board level, with progress being made in enhancing gender balance among staff. • Deliberate efforts are made when recruiting new staff to foster participation by female candidates in the workplace.
CLEAN WATER AND SANITATION	• Clean potable water is available at all the company's buildings and regular maintenance of pipework is done to ensure the continued wellbeing of our tenants and employees. • All company housing projects are fitted with clean water systems. • During the year, the Group implemented a water sanitation project to provide clean water to Sally Mugabe Hospital.
DECENT WORK AND ECONOMIC GROWTH	• Fair remuneration and employee training. • Employee engagement measurement and monitoring. 78% engagement index achieved in 2021. • The company's various property development projects contribute towards national infrastructural development.
SUSTAINABLE CITIES AND COMMUNITIES	• All project development work has relevant Environmental Management Agency approvals and Local authority permits.
RESPONSIBLE CONSUMPTION AND PRODUCTION	• The Company invested in the digitalisation of its internal processes to enhance operational efficiencies and reduce paper-based processes. • Compliance with EMA and council regulations is enforced to ensure sustainable property developments.
CLIMATE ACTION	• All property development projects have approved environmental management plans. • Monitoring generator emissions and periodical servicing of generators to prevent release of harmful substances into the atmosphere.
PEACE, JUSTICE AND STRONG INSTITUTIONS	• The Company's corporate governance policies and procedures are designed to ensure accountability at all levels within the organisation.

RISK REPORT

IDENTIFY RISK ASSESS RISK CONTROL RISK REVIEW CONTROLS

Risk management approach

The Board understands its responsibility for the adequate design and effective operation of internal control systems. The Group's risk management framework is therefore aligned to ISO 31000 and 27000-5 International Risk Management Standards and the company adopts an integrated approach to risk management. The objective is to ensure that existing internal controls are adequate to mitigate the organization's compliance, governance and operational risk levels and to ensure that management processes are effective and efficient and organizational goals and strategic objectives are met. The Board Governance, Risk and Compliance Committee is responsible for monitoring the company's risk management processes and providing oversight over implementation of risk mitigation measures.

Whistle blowing policy

In line with our resolute commitment to transparency and fairness at the workplace, the company has a "Tip-offs Anonymous" platform to encourage employees and other stakeholders who have serious concerns to air them without fear of being victimized. This platform is manned by an independent party to ensure confidentiality of the issues reported and anonymity of the whistle blower.

TIP-OFFS
ANONYMOUS

Top 5 company risk exposures

The following are some of the key risks for which the company has put in place measures to minimise their impact on the attainment of key strategic objectives.

Risk definition and impact	Risk mitigation strategies
Market risk The economic environment deteriorated significantly with high levels of inflation which closed the year at 60.7% in December 2021. The inflationary environment has resulted in a reduction in rental yields as rentals have not increased in line with increases in the cost of construction.	Management has responded by pre-purchase of key building materials on all projects. Evaluation of financial risks and indicators prior to commencement of development activity.
Impact of COVID-19 on the real estate industry The COVID-19 pandemic continued to present risks which affected the real estate sector. These risks resulted in changes in consumer behaviour as safety considerations impacted on tenants' businesses.	More than 90% of staff members have been vaccinated. Continued sanitization and screening of visitors to all company properties.
Regulatory and Compliance Risk The risk of failure to comply with regulations resulting in reputational damage, penalties, and interest charges.	All the key regulators have been identified and registers put in place to track compliance status. During the year, the company maintained a green rating by regulators. The company has put in place structures to ensure continuous compliance monitoring.
Project management risks The risk of failing to realize intended benefits from property development projects after significant investments have been made. This could be a result of cost and time overruns, poor market demand, etc.	Project governance framework in place to guide effective delivery of all projects. Every development project has a Project Charter that outlines, inter alia, the project cost, benefits, risks, stakeholders, key participants and oversight committees and their responsibilities.
Credit risk Failure to pay rentals completely by tenants thereby affecting company cashflows.	The company has a vetting process whereby prospective tenants are vetting prior to signing of lease agreements. Tenant engagements are being reinforced to ensure timely rent collections, as a result, collections percentage has increased from 91% in 2020 to 94% in 2021.

FINANCIAL PERFORMANCE

Our revenue and operating profit for the 15 months period ended 31 December 2021 increased by 80% and 62%, respectively.

Directors' responsibility statement

Corporate governance
In its operations, Mashonaland Holdings Limited together with its subsidiaries "the Group" is guided by principles of good corporate governance and best practice as set out in the King Codes, the Zimbabwe National Code on Corporate Governance and the Zimbabwe Stock Exchange Listing rules. 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 independent 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 an independent 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.

Internal financial controls
The Board is responsible for ensuring that effective internal control systems are implemented within the Group. The Group has comprehensive risk management and loss control procedures in place. The Group maintains internal controls and systems designed to provide reasonable assurance of the integrity and reliability of its records, safeguard the assets of the 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 efficiency of the internal control system and makes recommendations for improvement to the Board of Directors. During the period under review nothing has come to the attention of the Directors that indicates any material breakdown in the functioning of the key internal controls and systems during the period under review.

Responsibility
The Directors of the Group are responsible for preparing financial statements and other information presented in the annual report in a manner that fairly presents the state of affairs and results of the operations of the Group as mandated by the Companies Act. The external auditors are responsible for carrying out an independent audit of the financial statements in accordance with International Standards on Auditing and reporting their findings thereon.

The Group's Inflation adjusted consolidated financial statements for the period ended 31 December 2021 have been prepared in accordance with the requirements of International Financial reporting standards (IFRS), the Zimbabwe Stock Exchange Listing and in the manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) (COBE). These consolidated financial statements are based on appropriate accounting policies and are supported by reasonable and prudent judgements and estimates having been prepared under the supervision of Kudakwashe Musundire who is the Chief Finance Officer of the Group.Kudakwashe Musundire is a qualified Chartered Accountant and is a member of the Institute of Chartered Accountants Zimbabwe ("ICAZ") and the Public Accountants and Auditors Board ("PAAB"), PAAB registration number 0458.

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 inflation adjusted financial statements.

Remuneration
The Remuneration Committee determines the remuneration policy for the Group. The remuneration policy is formulated to attract, retain and motivate top-quality people in the best interests of shareholders. Remuneration arrangements are designed to support the Group's business strategy, vision and conform to best practices. Total rewards are set at levels that are competitive within the context of the relevant areas of responsibility and the industry in which the Group operates.

Regulation
The Group is subject to regulation and supervision by the Zimbabwe Stock Exchange among other regulators. Where appropriate, the Group participates in industry-consultative meetings and discussions aimed at enhancing the business environment.

Ethics
As a Group, we aim to ensure that we adhere to the highest standards of responsible business practice. The Group is committed to excellence and pursues outstanding performance in every activity. Directors and employees are required to observe the highest ethical standards, ensuring that the business practices are conducted in a manner which is beyond reproach. The Directors and Key Management sign a declaration of interest and any conflict arising in carrying out their effective roles and responsibilities to the Group. Furthermore, all employees are required to observe the Group's Code of Ethics. The Group is a subscriber to an independently managed fraud hotline system.

Approval of consolidated inflation adjusted financial statements
The consolidated inflation adjusted financial statements for Mashonaland Holdings Limited and its subsidiaries for the 15 months period ended 31 December 2021, were approved by the Board of Directors on 7 April 2022 and signed by:

Harare
7 April 2022

Eng. G. Bema
Chairman

Harare
7 April 2022

G. Mapfidza
Managing Director

Harare
7 April 2022

K. Musundire
Chief Finance Officer

Independent Auditor's Report

Deloitte.

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Zimbabwe

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Registered Auditors
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TO THE SHAREHOLDERS OF MASHONALAND HOLDINGS LIMITED

REPORT ON THE AUDIT OF THE INFLATION ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the inflation adjusted consolidated financial statements of Mashonaland Holdings Limited and its subsidiaries ("the Group") set out on pages 30 to 69, which comprise the inflation adjusted consolidated statement of financial position as at 31 December 2021, and the inflation adjusted consolidated statement of profit or loss and other comprehensive income, the inflation adjusted consolidated statement of changes in equity, and the inflation adjusted consolidated statement of cash flows for the fifteen months period then ended, and the notes to the inflation adjusted consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the inflation adjusted consolidated financial statements present fairly, in all material respects, the inflation adjusted consolidated financial position of the Group as at 31 December 2021, and its inflation adjusted consolidated financial performance and its inflation adjusted consolidated cash flows for the fifteen months period then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Inflation Adjusted Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants *(including International Independence Standards) (IESBA Code*) together with the ethical requirements that are relevant to our audit of the financial statements in Zimbabwe. We have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent Auditor's Report (continued)

REPORT ON THE AUDIT OF THE INFLATION ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the inflation adjusted consolidated financial statements of the current period. These matters were addressed in the context of our audit of the inflation adjusted consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the matter was addressed in the audit
Valuation of investment property	
As included in notes 1(d)(j), 2(G) and 10 to the consolidated financial statements, investment property amounting to ZW$ 13 944 702 000 has been considered to be an area where significant judgements were applied. In determining the fair values of investment property, the directors make use of independent external valuers who in turn involve the use of judgment and estimates which involve significant unobservable inputs. The determination of the fair value of investment property was considered to be a matter of most significance to our current year audit due to the following : • Use of unobservable information such as: - occupancy rates; - market rentals; and - risk yields • The current economic environment is extremely volatile given the valuation intricacies impacting property in the Zimbabwean market. Valuations undertaken in Zimbabwe dollars have limited sales evidence in the local currency. As a result, the determination of inputs involved significant judgement based on limited market evidence.	We performed the following audit procedures: • We assessed the competence, capabilities, objectivity and independence of the directors' independent valuers, and assessed their qualifications. • We made enquiries of the directors' independent external valuers to obtain an understanding of the valuation techniques and judgements adopted. • We assessed the work performed by the independent external valuers in valuing investment property by performing the following: - Reviewed the valuation methods used and assessed whether they are appropriate and consistent with the reporting requirements; - Assessed the reasonableness of occupancy rates, expected rentals and risk yields by comparing to historic trends and market conditions at reporting date; - Assessed the market rentals by comparing with internal rentals earned and rentals from other property holders through work performed by the auditor's expert; - Engaged an auditor's valuation specialist to assess reasonability of inputs and methods used by the independent valuer on selected properties; and - Evaluated the consolidation financial statement disclosures for appropriateness and adequacy. Based on the work done, we concur with management that the judgments and assumptions used in the valuation of investment property were appropriate and the disclosures pertaining to the investment property were found to be appropriate in terms of the relevant accounting standards.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Responsibility Statement, as required by the Companies and Other Business Entities Act (Chapter 24:31), the Analysis of Shareholders and the historical cost financial information, which we obtained prior to the date of this auditor's report and the Annual Report, which is expected to be made available to us after that date. The other information does not include the inflation adjusted consolidated financial statements and our auditor's report thereon.

Our opinion on the inflation adjusted consolidated financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the inflation adjusted consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report (continued)

REPORT ON THE AUDIT OF THE INFLATION ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Responsibilities of the directors for the inflation adjusted consolidated financial statements
The directors are responsible for the preparation and fair presentation of the inflation adjusted consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and the requiremen ts of the Companies and Other Business Entities Act (Chapter 24:31) and for such internal control as the directors determine is necessary to enable the preparation of inflation adjusted consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the inflation adjusted consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the inflation adjusted consolidated financial statements
Our objectives are to obtain reasonable assurance about whether the inflation adjusted consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these inflation adjusted consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the inflation adjusted consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the inflation adjusted consolidated financial statements, including the disclosures, and whether the inflation adjusted consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the inflation adjusted consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the inflation adjusted consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements
In fulfilment of the requirements of Section 193 of the Companies and Other Business Entities Act (Chapter 24:31) ("the Act"), we report to the shareholders as follows:

Section 193(1)(a)
In our opinion, the inflation adjusted consolidated financial statements of the Group are properly drawn up in accordance with the Act so as to give a true and fair view of the state of the Group's affairs at the date of its financial statements for its financial year ended on that date.

Section 193(2)
We have no matters to report in respect of the Section 193(2) requirements of the Act.

Deloitte & Touche

Deloitte & Touche
Chartered Accountants (Zimbabwe)
PER: Stelios Michael Partner
(PAAB Practice Certificate 0443) Harare, Zimbabwe
12 April 2022

Consolidated statement of profit or loss and other comprehensive income

For the period ended 31 December 2021

	Notes	Inflation Adjusted		*Historical Cost	
		15 months ended 31 December 2021 ZW$	12 months ended 30 September 2020 ZW$	15 months ended 31 December 2021 ZW$	12 months ended 30 September 2020 ZW$
Revenue	3	**561 488 553**	**312 682 296**	**427 075 761**	**93 486 674**
Property expenses	4	(116 575 798)	(53 441 895)	(88 536 021)	(16 873 574)
Net property income		**444 912 755**	**259 240 401**	**338 539 740**	**76 613 100**
Other income		34 889 669	29 226 090	31 209 747	9 301 091
Allowance for credit losses expense		(916 691)	(9 613 158)	(4 562 625)	(2 685 766)
Administrative expenses	5.1	(178 607 655)	(93 486 485)	(136 987 792)	(31 548 387)
Operating profit before fair value adjustments		**300 278 078**	**185 366 848**	**228 199 070**	**51 680 038**
Fair value adjustments (loss)/gain		(1 666 992 327)	(849 529 646)	5 721 282 736	7 858 405 582
Investments held for trading	9	315 810 751	52 585 491	391 415 398	94 588 670
Investment property	10	(1 811 515 445)	(875 624 602)	5 468 205 739	7 730 149 912
Assets held for sale	14	(171 287 633)	(26 490 535)	(138 338 401)	33 667 000
(Loss)/profit before finance income, monetary loss and tax		**(1 366 714 249)**	**(664 162 798)**	**5 949 481 806**	**7 910 085 620**
Finance income	6	14 521 770	6 310 601	10 638 787	1 431 590
Monetary loss		(103 787 492)	(72 215 106)	-	-
(Loss)/profit before tax		**(1 455 979 971)**	**(730 067 303)**	**5 960 120 593**	**7 911 517 210**
Tax credit/(expense)	7	52 929 562	58 088 960	(315 819 471)	(397 878 908)
(Loss)/profit for the period		**(1 403 050 409)**	**(671 978 343)**	**5 644 301 122**	**7 513 638 302**
Total comprehensive (loss)/profit for the period		**(1 403 050 409)**	**(671 978 343)**	**5 644 301 122**	**7 513 638 302**
Total comprehensive (loss)/profit attributable to the equity holders of the parent		**(1 403 050 409)**	**(671 978 343)**	**5 644 301 122**	**7 513 638 302**
Basic and diluted (loss)/earnings per share – cents	15.1	**(83.14)**	**(39.76)**	**334.46**	**444.53**

*The historical cost results are included as supplementary information; the auditors have not expressed an opinion on the historical results.

The notes on page 34- 69 are an integral part of these financial statements.

Consolidated statement of financial position

As at 31 December 2021

		Inflation Adjusted		*Historical Cost	
	Notes	15 months ended 31 December 2021 ZW$	12 months ended 30 September 2020 ZW$	15 months ended 31 December 2021 ZW$	12 months ended 30 September 2020 ZW$
ASSETS					
Non-current assets		**14 004 397 581**	**16 252 040 606**	**13 959 652 044**	**8 984 993 159**
Property and equipment	8	59 695 581	51 542 303	14 950 044	2 879 159
Investment property	10	13 944 702 000	16 200 498 303	13 944 702 000	8 982 114 000
Current assets		**1 019 083 856**	**420 863 315**	**1 001 891 203**	**167 782 875**
Inventories	12	176 761 410	141 625 332	159 568 757	12 963 724
Investments held for trading	9	494 999 709	187 127 278	494 999 709	103 749 805
Trade and other receivables	13	23 787 359	28 143 177	23 787 359	15 603 546
Cash and cash equivalents	19	323 535 378	63 967 528	323 535 378	35 465 800
Assets held for sale	14	282 531 600	73 949 232	282 531 600	41 000 000
Total assets		**15 306 013 037**	**16 746 853 153**	**15 244 074 847**	**9 193 776 034**
EQUITY AND LIABILITIES					
Equity		**14 343 199 082**	**15 815 247 337**	**14 301 376 426**	**8 703 740 568**
Share capital	15	36 973 216	36 973 216	929 537	929 537
Share premium	15	73 946 447	73 946 447	1 859 074	1 859 074
Treasury shares	17	(124 550 844)	(121 123 499)	(5 184 274)	(3 070 409)
Retained earnings		14 356 830 263	15 825 451 173	14 303 772 089	8 704 022 366
Non-current liabilities		**736 422 154**	**857 666 219**	**721 070 807**	**449 040 808**
Deferred tax	7.2	736 422 154	857 666 219	721 070 807	449 040 808
Current liabilities		**226 391 801**	**73 939 597**	**221 627 614**	**40 994 658**
Trade and other payables	18	193 923 079	29 269 926	189 158 891	16 228 255
Accruals		15 890 028	24 899 236	15 890 029	13 804 993
Tax payable		16 578 694	19 770 435	16 578 694	10 961 410
Total equity and liabilities		**15 306 013 037**	**16 746 853 153**	**15 244 074 847**	**9 193 776 034**

*The historical cost results are included as supplementary information; the auditors have not expressed an opinion on the historical results.

The notes on page 34- 69 are an integral part of these financial statements.

Eng. G. Bema
Chairman
7 April 2022

G. Mapfidza
Managing Director

K. Musundire
Chief Finance Officer

Consolidated statement of changes in equity

For the 15 months ended 31 December 2021

		Inflation Adjusted				
	Notes	Share capital ZW$	Share premium ZW$	Treasury shares ZW$	Retained earnings ZW$	Total ZW$
Balance at 1 October 2019		**36 973 216**	**73 946 447**	**(121 075 391)**	**16 532 783 765**	**16 522 628 037**
Transfer from investments held for trading	**17**	-	-	(48 108)	-	(48 108)
Loss for the year		-	-	-	(671 978 343)	(671 978 343)
Dividends declared		-	-	-	(35 354 249)	(35 354 249)
Balance at 1 October 2020		**36 973 216**	**73 946 447**	**(121 123 499)**	**15 825 451 173**	**15 815 247 337**
Acquisition of treasury shares		-	-	(3 427 345)	-	(3 427 345)
Loss for the period		-	-	-	(1 403 050 409)	(1 403 050 409)
Dividends declared		-	-	-	(65 570 501)	(65 570 501)
Balance at 31 December 2021		**36 973 216**	**73 946 447**	**(124 550 844)**	**14 356 830 263**	**14 343 199 082**

		*Historical Cost				
	Notes	Share capital ZW$	Share premium ZW$	Treasury shares ZW$	Retained earnings ZW$	Total ZW$
Balance at 1 October 2019		**929 537**	**1 859 074**	**(3 043 736)**	**1 201 542 824**	**1 201 287 699**
Transfer from investments held for trading	**17**	-	-	(26 673)	-	(26 673)
Profit for the year		-	-	-	7 513 638 302	7 513 638 302
Dividends declared		-	-		(11 158 760)	(11 158 760)
Balance at 1 October 2020		**929 537**	**1 859 074**	**(3 070 409)**	**8 704 022 366**	**8 703 740 568**
Acquisition of treasury shares		-		(2 113 865)	-	(2 113 865)
Profit for the period		-	-	-	5 644 301 122	5 644 301 122
Dividends declared		-	-	-	(44 551 398)	(44 551 398)
Balance at 31 December 2021		**929 537**	**1 859 074**	**(5 184 274)**	**14 303 772 089**	**14 301 376 426**

*The historical cost results are included as supplementary information; the auditors have not expressed an opinion on the historical results.

The notes on page 34- 69 are an integral part of these financial statements.

Consolidated statement of cash flows

For the 15 months ended 31 December 2021

	Notes	Inflation Adjusted		*Historical Cost	
		15 months ended 31 December 2021 ZW$	12 months ended 30 September 2020 ZW$	15 months ended 31 December 2021 ZW$	12 months ended 30 September 2020 ZW$
Cash flows from operating activities					
(Loss)/profit before tax		**(1 455 979 971)**	**(730 067 303)**	**5 960 120 593**	**7 911 517 210**
Adjusted for:					
Finance income	**6**	(14 521 770)	(6 310 601)	(10 638 787)	(1 431 590)
Depreciation	**8**	2 810 871	3 629 866	2 964 583	806 224
Allowance for credit losses		916 691	9 613 158	4 562 625	2 685 766
Fair value (gain)/loss investments held for trading	**9**	(315 810 751)	(52 585 491)	(391 415 398)	(94 588 670)
Fair value loss/(gain) on investment property	**10**	1 811 515 445	875 624 602	(5 468 205 739)	(7 730 149 912)
Fair value loss/(gain) on assets held for sale		171 287 633	26 490 535	138 338 401	(33 667 000)
Loss/(profit) on disposal of property and equipment		11 532 314	(9 685 285)	9 411 818	(1 408 412)
Dividend in specie		(280 668)	(117 932)	(174 686)	(22 172)
Effects of inflation adjustments		17 740 940	3 973 837	-	-
		229 210 734	**120 565 386**	**244 963 410**	**53 741 444**
Changes in working capital:					
Decrease/(increase) in inventories		25 386 152	(22 599 181)	(2 374 367)	(9 835 810)
Decrease/(increase) in trade and other receivables		4 355 817	5 259 446	(8 183 813)	(8 551 310)
Increase/(decrease) in trade and other payables		164 653 153	(5 013 904)	178 547 920	9 322 309
(Decrease)/increase in accruals		(9 009 206)	19 606 472	2 085 036	13 418 574
Cash generated from operating activities		**414 596 650**	**117 818 219**	**415 038 186**	**58 095 207**
Tax paid		(47 632 520)	(35 206 144)	(45 888 479)	(10 073 551)
Net cash flows generated from operating activities		**366 964 130**	**82 612 075**	**369 149 707**	**48 021 656**
Cash flows from investing activities					
Interest received		13 071 767	981 359	9 188 784	533 479
Proceeds on disposal of investment property		53 480 682	-	42 908 530	-
Proceeds on disposal of investments held for trading		578 560	9 838 170	340 179	1 371 028
Additions of investments held for trading		(280 669)	(123 140)	(174 685)	(22 170)
Improvements to investment property		(86 293 364)	(32 699 580)	(73 121 893)	(7 641 983)
Proceeds on disposal of property and equipment		-	7 097 480	-	984 343
Acquisition of property and equipment	**8**	(15 218 301)	(7 536 031)	(15 035 468)	(1 229 537)
Net cash flows used in investing activities		**(34 661 325)**	**(22 441 742)**	**(35 894 553)**	**(6 004 840)**
Cash flows from financing activities					
Acquisition of treasury shares	**17**	(3 427 345)	-	(2 113 865)	-
Dividends paid		(69 307 610)	(31 419 838)	(43 071 711)	(9 122 174)
Net cash flows used in financing activities		**(72 734 955)**	**(31 419 838)**	**(45 185 576)**	**(9 122 174)**
Increase/(decrease) in cash and cash equivalents		**259 567 850**	**28 750 495**	**288 069 578**	**32 894 642**
Cash and cash equivalents at the beginning of the period/year		63 967 528	35 217 033	35 465 800	2 571 158
Cash and cash equivalents at the end of the period/year	**20**	**323 535 378**	**63 967 528**	**323 535 378**	**35 465 800**

*The historical cost results are included as supplementary information; the auditors have not expressed an opinion on the historical results.

The notes on page 34- 69 are an integral part of these financial statements.

Notes to the consolidated financial statements

For the 15 months ended 31 December 2021

1. Basis of preparation

(a) Reporting entity

Mashonaland Holdings Limited ('the Group') was incorporated in Zimbabwe in 1966 and is listed on the Zimbabwe Stock Exchange. The Group's registered office is at 77 Jason Moyo Avenue, Harare. The Inflation adjusted consolidated financial statements of the Group as at and for the period ended 31 December 2021 comprise the Group and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities'). The Group's primary business is property investment and management.

(b) Change of financial year end

The Company's financial year end has been changed from 30 September to 31 December in line with authority granted at the preceding Annual General Meeting. Therefore, the financial results for the period ended 31 December 2021 are for 15 months whilst the financial results for the period ended 30 September 2020 are for 12 months.

The inflation adjusted consolidated financial statements of the Group for the period ended 31 December 2021 were authorised for issue in accordance with a resolution of the Directors on 7 April 2022.

(c) Basis of accounting

The Group's Inflation adjusted consolidated financial statements for the period ended 31 December 2021 have been prepared in accordance with the requirements of International Financial reporting standards (IFRS), the Zimbabwe Stock Exchange Listing and in the manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) (COBE). The Group's Inflation adjusted consolidated annual financial statements have been prepared based on the statutory records that are maintained under the historical cost basis and are presented in Zimbabwean Dollars (ZW$).

(d) Functional and presentation currency

The Group operates in a multi-currency environment. These consolidated financial statements are presented in the Zimbabwean currency ("ZW$") which is the functional currency of the Group.

Inflation adjustment

These results have been prepared under the current cost basis in line with the provisions of International Accounting Standard (IAS) 29 – Financial Reporting in Hyperinflationary Economies. The Public Accountants and Auditors Board (PAAB) pronounced that the economy is trading under conditions of hyperinflation in line with IAS 29 (Pronouncement 1/2019). The directors have applied the guidelines provided by the PAAB and the accounting bodies and made various assumptions to produce the inflation adjusted financials.

The Group adopted the Zimbabwean consumer price index (CPI) as a general price index to restate transactions and balances as appropriate. Non-monetary assets and liabilities carried at cost have been restated to reflect the change in general price index from start to the end of the reporting period. Monetary assets and liabilities and non-monetary assets and liabilities carried at revalued amounts have not been restated as they are presented at the measuring unit current at the end of the reporting period. Items recognised in the income statement have been restated by applying the change in the general price index from the dates when the transactions were initially earned or incurred unless they relate to items already accounted for at fair value, with the corresponding adjustment presented in the income statement. A net monetary loss was recognised in the statement of profit or loss. All items in the statement of cash flows are expressed in terms of the general price index at the end of the reporting period.

The conversion factors used to restate the Group's financial results are as follows:

	Indices	Conversation factor
31 December 2021	3 977.5	1.00
30 September 2020	2 205.2	1 804

All amounts have been rounded to the nearest dollar, unless otherwise indicated.

(e) Use of significant judgements and sources of estimate uncertainties

In preparing these consolidated financial statements, management has 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.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a risk of resulting in a material adjustment in the period ended 31 December 2021 is included in the following notes:

Note 10 - investment property: Key valuation assumptions

(i) Valuation approach for investment property

The valuation was undertaken using the appropriate valuation methodology and professional judgement of the valuers.

For investment property held at fair value, the Group engaged an independent external valuer, EPG Global, to value the investment property at the end of the reporting period. The fair values as determined by EPG Global are used for reporting purposes.

Valuations 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 are assessed and after appropriate adjustments, are applied to determine its value. The most acceptable valuation approach in assessing the market values of commercial/industrial investment properties is the income approach. Capitalisation rates/rental yields are a critical valuation input and are determined by the rates at which similar properties have traded recently. There is limited market evidence for commercial/industrial property transactions in Zimbabwean Dollars. There is limited market evidence to support rental income capitalisation rates.

With regards to the market values of commercial/industrial properties, both the direct comparison and the income capitalisation or investment approaches were used. Income producing real estate is typically purchased as an investment essentially exchanging present money for the right to receive future income. The indication of value using the income capitalisation approach requires consideration of market-oriented assumptions and data. In this valuation assignment, the

Notes to the consolidated financial statements (continued)

For the 15 months ended 31 December 2021

1. Basis of preparation (continued)
(e) Use of significant judgements and sources of estimate uncertainties (continued)

Income Capitalisation Approach to value is employed to indicate the value of the freehold property involving market-based decisions. This process considers a direct relationship whereby an overall capitalisation

(i) Valuation approach for investment property (continued)
rate or all risks yield is applied to a single year's income. In brief a capitalisation rate is a rate used to convert a property's potential income into value. It is the rate at which the annual estimated potential income of a property is capitalised into perpetuity to help derive its market value. The market determines the capitalisation rate; i.e. the capitalisation rate is determined by the rate at which similar assets have traded recently.

In respect of properties that are either partially or completely unoccupied, valuations have allowed for a period for the letting of the vacant space. The period allowed for each individual property is influenced by the size of the vacancy and the property's characteristics.

With regards to the residential properties and small pieces of undeveloped stands, the sales evidence either achieved or on the market, of similar properties situated in the comparable residential suburbs with that of the subject properties, is taken into consideration. For the large tracts of undeveloped land, the development/ residual valuation method is utilized. The property is assessed on the assumption that it is subdivided into smaller stands and fully serviced. Estimated total costs of development and disposal, which include servicing costs, agency fees, interest on servicing costs, contingency costs and the developer's profit are then deducted.

(ii) 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, industrial 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.

(iii) 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 capitalize net rental income on the basis of an Initial Yield, generally referred to as the 'All Risks Yield' approach or 'Net Initial Yield' approach.

Direct comparison approach considers comparable market evidence i.e. the sales evidence either achieved or on the market, of similar properties situated in the comparable residential suburbs with that of the subject properties. This comprises of complete transactions as well as transactions where offers had been made but the transaction had not been completed. For information on valuation techniques refer to note 11.

2. 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 Group. All intra-group balances, income and expenses and unrealized 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.

(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.

B. Finance income
For all financial instruments measured at amortized 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.

C. Foreign currencies

Transactions and balances
Foreign currency transactions that are denominated, or that require settlement in a foreign currency are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Monetary items denominated in foreign currency are translated at the closing rate as the reporting date. Non-monetary items measured at historical cost denominated in a foreign currency are translated at the exchange rate as at the date of initial recognition, non-monetary items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined. Foreign currency differences arising on translation are generally recognised in profit and loss.

D. Income tax
Income tax expense consists of the current tax expense and the deferred tax movement. 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.

Notes to the consolidated financial statements (continued)

For the 15 months ended 31 December 2021

2. Summary of significant accounting policies (continued)
D. Income tax (continued)

(i) Current tax (continued)
Current tax comprises the expected tax payable or receivable on the taxable income or loss. 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 affect neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and jointly controlled entities to the extent that the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment 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 utilized 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 utilized.

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 utilized.

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 realized 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 incentive 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 legal obligation to pay further amounts. The Group 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 the services are rendered by employees.

F. Investment property
Investment property consist of land and buildings 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. Investment property is initially measured at cost including transaction costs and subsequently at fair value with any change therein recognised in profit or loss. 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 capitalized.

Policy guidelines on accounting for rental income are disclosed in note 2 N.

Notes to the consolidated financial statements (continued)

For the 15 months ended 31 December 2021

2. Summary of significant accounting policies (continued)
F. Investment property (continued)

Investment properties are maintained, upgraded and refurbished, where necessary, in order to preserve or improve their capital value. Maintenance and repairs which neither materially add to the value of the properties nor prolong their useful lives are charged against profit or loss.

G. Property and equipment

Property and equipment comprise 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. Cost includes the cost of replacing part of the asset, if the recognition criteria are met.

Subsequent expenditures are included in the asset's carrying amount as appropriate only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All repairs and maintenance are charged to administrative expenses during the financial period in which they are incurred and recognised in profit or loss.

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. The indicators of impairment may include:

- Observations that the asset's value has declined significantly during the period more than would be normally expected.
- Significant changes in the technological, market, economic or legal environment in which the entity operates.
- Increases in market rates during the period that would likely affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially.
- Carrying amount of net assets of the entity is more than the market capitalization.
- Evidence of obsolescence or physical damage of the asset.

Property and equipment are impaired when its carrying amount exceeds its recoverable amount. The recoverable amount of property and equipment is the higher of its fair value less costs of disposal and its value in use. Fair value is the price that would be received to sell an item of property and equipment on an arm's length basis. Value in use is the present value of the future cash flows expected to be derived from an item of property and equipment.

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	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 net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Assets held for sale

Assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving investment property, all the assets and liabilities of that investment property are classified as held for sale when the criteria described above are met.

Properties classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of selling. However, Assets held for sale previously recognised at fair value i.e. investment property will continue to be recognised at fair value.

H. Inventories

(i) Property held for re-sale

Properties acquired for sale are classified as inventory and valued at the lower of cost or net realizable value.

Net realizable 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 realizable value. The cost is determined using the weighted average method.

(iii) Impairment of inventory

Inventory is impaired when the cost is greater than its net realizable value. Any impairment is recognised as an expense. Reversals of impairment are recognised in the period in which the reversal occurs, to the extent of amounts previously recognised as impairment losses.

I. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event; it is probable that the Group will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

J. 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.

Notes to the consolidated financial statements (continued)

For the 15 months ended 31 December 2021

2. Summary of significant accounting policies (continued)
J. Share Capital (continued)

(ii) Treasury shares (continued)
(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 Holding 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 Holding 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.

K. Leases
The Group has entered into trade and business leases on its property portfolio under operating leases. The Group determined that the leases are operating leases as the risks and rewards incidental to ownership are not transferred to the lessee. The commercial property leases typically have lease terms of 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.

Operating lease income is determined on a straight-line basis with initial direct costs, including depreciation incurred in earning lease income being recognised as an expense in profit or loss.

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

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

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

Dividend paid
The Group declares dividends of up to 90% of distributable earnings (Net property income after administration costs plus finance income less and income tax), payable at such intervals as the Board may decide.

M. 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.

When measuring the fair value of an asset, the Group uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

level 1: quoted prices (unadjusted) in active markets for identical assets;
level 2: inputs other than quoted prices in Level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
level 3: inputs for the asset that are not based on observable market data (unobservable inputs).

If inputs used to measure the fair value of an asset might be categorized in different levels of their fair value hierarchy, then the fair value measurement is categorized 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.

N. Revenue from Contracts with Customers ("IFRS 15")
The Group recognises revenue when the following conditions have been met;
- the contract has been approved by the parties to the contract.
- each party's rights in relation to the goods or services to be transferred can be identified.
- the payment terms for the goods or services to be transferred can be identified;
- the contract has commercial substance; and
- and it is probable that the consideration to which the Group are entitled to in exchange for the goods or services will be collected.

Rental income ("IFRS 16")
The Group is the lessor on operating lease transactions. Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the term of the relevant lease in accordance with IFRS 16 requirements.

Tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the directors are reasonably certain that the tenant will exercise that option. Amounts received from tenants to terminate leases or to compensate for dilapidations are recognised in profit or loss when the right to receive them arises.

There are no variable lease payments that depend on an index or a rate between the group and its tenants' agreements.

Property services income
Property services income comprises income due from property-related services to other parties. The income is recognised at a point in time when the related services have been provided. Property services income will be generated from the following services:
- property sales; and
- property management commission

O. Finance income
Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e., after a deduction of the loss allowance).

P. Financial Instruments
Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or

Notes to the consolidated financial statements (continued)

For the 15 months ended 31 December 2021

2. Summary of significant accounting policies (continued)
P. Financial Instruments (continued)

financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets
All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets
Debt instruments that meet the following conditions are measured subsequently at amortised cost:
• The financial asset is held within a business model whose objective is to hold financial assets in order to collect
contractual cash flows
• The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- The Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below)
- The Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (iv) below)

(i) Amortised cost and effective interest method
The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit impaired.

Interest income is recognised in profit or loss.

(ii) Debt instruments classified as at FVTOCI
A debt instrument is classified as a financial asset at amortised cost if it means both of the following conditions and it's not designated as at FVTPL.:

- It is held with a business model whose objective is to hold assets to collect contractual cashflow and
- Its contractual terms give rise on specific dates to cashflows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVTOCI if it means both of the following conditions and it's not designated as at FVTPL.:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial asset and
- Its contractual terms give rise on specific dates to cashflows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Equity instruments designated as at FVTOCI
On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value

Notes to the consolidated financial statements (continued)

For the 15 months ended 31 December 2021

2. Summary of significant accounting policies (continued)

P. Financial Instruments (continued)
Classification of financial assets (continued)

(iii) Equity instruments designated as at FVTOCI (continued)
recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss, unless the dividends clearly represent a recovery of part of the cost of the investment.

The Group designated all investments in equity instruments that are not held for trading as at FVTOCI on initial recognition.
A financial asset is held for trading if either:
- It has been acquired principally for the purpose of selling it in the near term
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit taking

(iv) Financial assets at FVTPL
Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:
- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

Financial liabilities and equity

Classification as debt or equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the group's own equity instruments.

Financial liabilities
All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

The specific accounting policies for the classification, recognition and measurement of each type of financial instruments held by the Group are presented below:

Trade and other receivables

Classification
Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and the Group's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement
Trade and other receivables are recognised when the Group becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any. They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments. When trade and other receivables are denominated in a foreign currency, the carrying amount of the receivables are determined in the foreign currency. The carrying amount is then translated to the ZW$ equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in other operating gains (losses).

Long term receivables

Classification
Long term receivables are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and the Group's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement
Long term receivables are recognised when the Group becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments.

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of trade and other receivables.

Notes to the consolidated financial statements (continued)

For the 15 months ended 31 December 2021

2. Summary of significant accounting policies (continued)
P. Financial Instruments (continued)

Trade and other receivables (continued)
Impairment of financial assets (continued)

The Group always recognises lifetime expected credit losses (ECL) for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk
In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations. In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- An actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating
- Significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations
- An actual or expected significant deterioration in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations. Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise. Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:
- The financial instrument has a low risk of default
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are no past due amounts.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contract, the Group considers the changes in the risk that the specified debtor will default on the contract.
The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default
The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group) Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets
A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the issuer or the borrower
- A breach of contract, such as a default or past due event (see (ii) above)
- The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider

Notes to the consolidated financial statements (continued)

For the 15 months ended 31 December 2021

2. Summary of significant accounting policies (continued)
P. Financial Instruments (continued)

Measurement and recognition of expected credit losses (continued)

- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation
- The disappearance of an active market for that financial asset because of financial difficulties

Measurement and recognition of expected credit losses
The Group makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors (probability of default and loss given default) that are specific to the debtors.

The impact of forward-looking macro-economic changes on the trade receivables at any point is likely to be insignificant given the short tenor of the Group's trade receivables. A key assumption that the Group has therefore made, is that any forecasted macro-economic changes are unlikely to affect the default behaviour of the current trade receivables. The ECL has therefore been calculated only with reference to probability of default used to calculate the lifetime ECL (i.e. no adjustments have been made for any forward-looking information). The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality.

As mentioned above, in measuring the ECL, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Presentation of allowances for ECL in the financial statements
An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is disclosed separately in profit or loss as a movement in credit loss allowance.

Write off policy
The Group writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the Group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Trade and other payables
Classification
Trade and other payables (note 18), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement
They are recognised when the Group becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability. Trade and other payables expose the Group to liquidity risk and possibly to interest rate risk.

Trade and other payables denominated in foreign currencies
When trade payables are denominated in a foreign currency, the carrying amount of the payables are determined in the foreign currency. The carrying amount is then translated to the ZW$ equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating gains (losses).

Cash and cash equivalents
Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Derecognition of financial assets
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Offsetting
A financial asset and a financial liability shall be offset and the net amount presented in the statement of financial position when and only when the group satisfied the following conditions:
- currently has a legally enforceable right to set off the recognised amounts or
- intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition the group shall not offset the transferred assets and associated liability.

Notes to the consolidated financial statements (continued)

For the 15 months ended 31 December 2021

2.1 Application of New and Revised International Financial Reporting Standards (IFRS)

New standards, amendments and interpretations effective for the first time

A. Amendments to References to the Conceptual Framework in IFRS Standards

The Group has adopted the amendments included in Amendments to References to the Conceptual Framework in IFRS Standards for the first time in the current year. The amendments include consequential amendments to affected Standards so that they refer to the new Framework. Not all amendments, however, update those pronouncements with regard to references to and quotes from the Framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework. The Standards which are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

B. Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform Phase 2

In the current year, the Group adopted the Phase 2 amendments Interest Rate Benchmark Reform—Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 for easy understanding and conceptualization. Adopting these amendments enables the Group to reflect the effects of transitioning from interbank offered rates (IBOR) to alternative benchmark interest rates (also referred to as 'risk free rates' or RFRs) without giving rise to accounting impacts that would not provide useful information to users of financial statements.

Both the Phase 1 and Phase 2 amendments are of less significance as the Group do not apply hedge accounting to its contractual interest rate benchmark exposures, and in the current period no modifications in response to the reform have been made to all of the Group's derivative and non-derivative financial instruments that mature post 2021 (the date by which the reform is expected to be implemented).

2.2. New standards, amendments and interpretations issued but not effective for 31 December 2021 year-ends that are relevant to the Group but have not been early adopted.

A number of new standards are effective for annual periods beginning on or after 1 January 2021. 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 early adopted the new or amended standards in preparing these consolidated financial statements. At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective: The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods, except as noted below:

IFRS 17	Insurance Contracts
IFRS 10 and IAS 28 (amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IAS 16	Property, Plant and Equipment—Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements to IFRS	Amendments to IFRS 1 First time Adoption of International Financial Reporting
Standards 2018-2020 Cycle	Standards, IFRS 9 Financial Instruments and IFRS 16 Leases
Amendments to IAS 1 and	Disclosure of Accounting Policies
IFRS Practice Statement 2	
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

A. Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted. The directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

B. Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

Notes to the consolidated financial statements (continued)

For the 15 months ended 31 December 2021

2.2. New standards, amendments and interpretations issued but not effective for 31 December 2021 year-ends that are relevant to the Group but have not been early adopted. (continued)

C. Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use (continued)

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

D. Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

E. Annual Improvements to IFRS Standards 2018–2020

The Annual Improvements include amendments to four Standards.

IFRS 1 First-time Adoption of International Financial Reporting Standards

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a).

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

IFRS 16 Leases

The amendment removes the illustration of the reimbursement of leasehold improvements.

As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.

The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment. The amendment is effective for annual reporting periods beginning on or after 1 January 2022, with earlier application permitted.

F. Amendments to IFRS 3 Business Combinations—Reference to the Conceptual Framework

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination. The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier

Notes to the consolidated financial statements (continued)

For the 15 months ended 31 December 2021

		Inflation Adjusted		Historical Cost	
		15 months ended 31 December 2021 ZW$	12 months ended 30 September 2020 ZW$	15 months ended 31 December 2021 ZW$	12 months ended 30 September 2020 ZW$
3.	**Revenue**	**561 488 553**	**312 682 296**	**427 075 761**	**93 486 674**
	Rental income	556 401 534	311 530 975	422 450 703	93 094 610
	Property services income	5 087 019	1 151 321	4 625 058	392 064
3.1	**Future minimum rentals receivable under non-cancellable operating leases as at period/year end are as follows**				
	Within 1 year	501 666 998	462 704 236	501 666 998	256 539 158
	After 1 year but not more than 5 years	929 301 332	1 388 112 707	929 301 332	769 617 474

These figures represent the remaining future rental amounts at year end.

As set out in note 16 property rental income earned during the year was ZW$ 556.4 million (2020: 311.5 million). All operating lease contracts contain market review clauses to ensure continued alignment of rentals to market conditions.

		Inflation Adjusted		Historical Cost	
		15 months ended 31 December 2021 ZW$	12 months ended 30 September 2020 ZW$	15 months ended 31 December 2021 ZW$	12 months ended 30 September 2020 ZW$
4.0	**Property expenses**				
	Costs related to vacant space	(52 140 748)	(25 572 979)	(39 464 837)	(7 145 760)
	Repairs, maintenance, utilities and legal costs	(29 977 443)	(8 148 742)	(23 409 538)	(2 507 921)
	Property insurance costs	(4 257 158)	(2 204 169)	(3 126 595)	(767 789)
	Property management expenses	(30 200 449)	(17 516 005)	(22 535 051)	(6 452 104)
	Total	**(116 575 798)**	**(53 441 895)**	**(88 536 021)**	**(16 873 574)**
5.	**Profit before finance income, monetary loss and tax**				
	Profit before finance income and tax was arrived at after charging:				
	-external audit fees	(16 784 195)	(6 735 945)	(11 938 440)	(2 737 417)
	-depreciation (note 8)	(2 810 871)	(3 629 866)	(2 964 583)	(806 224)
	-non-executive directors' emoluments	(8 666 226)	(3 567 621)	(6 323 889)	(923 396)
	-allowance for credit losses on trade receivables	(916 691)	(9 613 158)	(4 562 625)	(2 685 766)
5.1	**Administrative expenses**				
	Staff related costs (Note 5.2)	(84 904 316)	(27 663 468)	(65 045 981)	(7 088 145)
	Consultancy	(5 821 982)	(8 086 177)	(4 411 283)	(2 296 371)
	Intermediate money transfer tax	(3 743 022)	(3 493 491)	(2 562 268)	(853 913)
	Office expenses	(84 138 335)	(54 243 349)	(64 968 260)	(21 309 958)
	Total	**(178 607 655)**	**(93 486 485)**	**(136 987 792)**	**(31 548 387)**

Notes to the consolidated financial statements (continued)

For the 15 months ended 31 December 2021

		Inflation Adjusted		Historical Cost	
		15 months ended 31 December 2021 ZW$	12 months ended 30 September 2020 ZW$	15 months ended 31 December 2021 ZW$	12 months ended 30 September 2020 ZW$
5.2	**Staff related costs**				
	Salaries and other staff related expenses	(80 147 728)	(25 943 807)	(62 910 195)	(6 677 770)
	Contributions to defined contribution fund	(138 038)	(32 924)	(111 209)	(10 986)
	Contribution to National Social Security Authority Scheme	(4 618 550)	(1 686 737)	(2 024 577)	(399 389)
	Total	**(84 904 316)**	**(27 663 468)**	**(65 045 981)**	**(7 088 145)**
6.	**Finance income**				
	This comprises of:				
	Interest received from tenant receivables	14 348 071	6 029 979	10 524 984	1 368 941
	Interest receivable on staff balances receivables	173 699	280 622	113 803	62 649
	Total	**14 521 770**	**6 310 601**	**10 638 787**	**1 431 590**
7.	**Tax credit/(expense)**				
	Current income tax	(68 314 503)	(41 699 459)	(43 789 472)	(16 932 854)
	Deferred income tax – current year	10 314 130	6 889 769	(148 907 541)	(24 603 225)
	Deferred capital gains tax credit/(expense)	110 929 935	92 898 650	(123 122 458)	(356 342 829)
	Total	**52 929 562**	**58 088 960**	**(315 819 471)**	**(397 878 908)**
	Effects of changes in tax rate	-	-	-	-
	Total tax credit/(expense)	**52 929 562**	**58 088 960**	**(315 819 471)**	**(397 878 908)**

Notes to the consolidated financial statements (continued)

For the 15 months ended 31 December 2021

7.1 Tax rate reconciliation

	Inflation Adjusted			
	15 months ended 31 December 2021 ZW$	Rate %	15 months ended 31 December 2021 ZW$	Rate %
(Loss)/profit before tax	**(1 352 192 480)**		**(657 852 197)**	
Tax using the standard rate	(334 261 981)	(24.72)	(162 621 063)	(24.72)
Net effects of tax adjustments	387 191 544	28.63	220 710 023	33.55
Fair value adjustments	412 080 504	(30.47)	159 666 791	0.24
Non-deductible expenses	3 177 200	(0.23)	1 908 486	-
Exempt income	(51 235)	-	(47 686)	-
Other	(28 014 925)	2.07	59 182 432	0.09
Total tax credit/(expense)	**52 929 562**	**3.91**	**58 088 960**	**8.83**

	Historical Costs			
	15 months ended 31 December 2021 ZW$	Rate %	15 months ended 31 December 2021 ZW$	Rate %
Profit before tax	**5 960 120 593**		**7 911 517 210**	
Tax using the standard rate	(1 473 341 811)	(24.72)	(1 955 727 054)	(24.72)
Exempt or non-taxable	1 157 522 340	19.42	1 557 848 146	19.69
Fair value adjustments	(1 414 301 092)	(23.73)	(1 831 126 239)	(23.15)
Non-deductible expenses	1 985 750	0.03	815 593	0.01
Exempt income	(32 022)	(0.00)	(20 379)	(0.00)
Other	254 825 024	4.28	272 482 969	4.44
Total tax expense	**(315 819 471)**	**(5.30)**	**(397 878 908)**	**(5.03)**

Notes to the consolidated financial statements (continued)

For the 15 months ended 31 December 2021

7.2 Deferred tax

	15 months ended 31 December 2021 Rate %	12 months ended 30 September 2020 Rate %
The following tax rates were applied in computing deferred tax		
Deferred capital gains tax		
Investment property acquired before February 2019	5	5
Investment property acquired on or after February 2019	20	20
Deferred income tax	24.72	24.72
Investments held for trading	1	1

Investment property acquired before 22 February 2019 are taxed at a capital gains tax rate of 5% on gross proceeds and no deductions are allowed in respect of the of the capital amount; for investment property acquired on or after 22 February 2019 they are taxed at a capital gains tax rate of 20% on the capital gain amount.

	Inflation Adjusted 2021		
	Balance at 1 October ZW$	Recognised in profit or loss ZW$	Balance at 31 December ZW$
Deferred tax liability – analysis of temporary differences			
Investment property	818 594 154	(121 359 053)	697 235 100
Non- current asset held for sale	3 697 462	10 429 118	14 126 580
Investment in quoted shares	1 871 273	3 078 724	4 949 997
Property and equipment	12 112 247	2 188 022	14 300 270
Provision	(6 115 807)	35 764	(6 080 043)
Other (Inventory and allowance for credit losses)	27 506 890	(15 616 640)	11 890 250
Closing balance	**857 666 219**	**(121 244 065)**	**736 422 154**

	Inflation Adjusted 2020		
	Balance at 1 October ZW$	Recognised in profit or loss ZW$	Balance at 31 December ZW$
Investment property	925 678 701	(107 084 547)	818 594 154
Non- current asset held for sale	5 019 941	(1 322 479)	3 697 462
Investment in quoted shares	1 449 479	421 794	1 871 273
Property and equipment	10 742 232	1 370 015	12 112 247
Provision	(6 954 767)	838 960	(6 115 807)
Prepayments	52 542	(52 542)	-
Other (inventory and allowance for credit losses)	21 466 510	6 040 380	27 506 890
Closing balance	**957 454 638**	**(99 788 419)**	**857 666 219**

Notes to the consolidated financial statements (continued)

For the 15 months ended 31 December 2021

7.2 Deferred tax (continued)

	Historical Cost 31 December 2021		
	Balance at 1 October ZW$	Recognised in profit or loss ZW$	Balance at 31 December ZW$
Investment property	449 936 370	247 298 730	697 235 100
Non- current asset held for sale	2 050 000	12 076 580	14 126 580
Investment in quoted shares	1 037 498	3 912 499	4 949 997
Property and equipment	362 983	2 876 190	3 239 173
Provision	(3 390 814)	(2 689 229)	(6 080 043)
Other (inventory and allowance for credit losses)	(955 229)	8 555 229	7 600 000
Closing balance	**449 040 808**	**272 029 999**	**721 070 807**

	Historical Cost 30 September 2020		
	Balance at 1 October ZW$	Recognised in profit or loss ZW$	Balance at 31 December ZW$
Investment property	66 852 017	383 084 353	449 936 370
Non- current asset held for sale	366 500	1 683 500	2 050 000
Investment in quoted shares	105 826	931 672	1 037 498
Property and equipment	821 127	(458 144)	362 983
Provision	(64 425)	(3 326 389)	(3 390 814)
Prepayments	(2 022)	2 022	-
Other (inventory and allowance for credit losses)	15 731	(970 960)	(955 229)
Closing balance	**68 094 754**	**380 946 054**	**449 040 808**

Notes to the consolidated financial statements (continued)

For the 15 months ended 31 December 2021

8. Property and equipment

Inflation Adjusted

	31 December 2021			30 September 2020		
	Motor vehicles ZW$	Computers, furniture and fittings ZW$	Total ZW$	Motor vehicles ZW$	Computers, furniture and fittings ZW$	Total ZW$
Cost						
Balance at 1 October	71 074 322	10 867 760	81 942 082	64 109 172	9 581 265	73 690 437
Additions	6 978 160	8 240 141	15 218 301	9 355 997	1 286 650	10 642 647
Disposals	(48 612)	-	(48 612)	(2 390 847)	(155)	(2 391 002)
Balance at period/year end	**78 003 870**	**19 107 901**	**97 111 771**	**71 074 322**	**10 867 760**	**81 942 082**
Accumulated depreciation						
Balance at 1 October	26 544 445	8 109 486	34 653 931	20 714 399	7 917 209	28 631 608
Depreciation for the period/year	1 639 539	1 171 332	2 810 871	3 437 434	192 432	3 629 866
Disposals	(48 612)	-	(48 612)	(1 861 540)	(155)	(1 861 695)
Balance at period/year end	**28 135 370**	**9 280 818**	**37 416 190**	**22 290 293**	**8 109 486**	**30 399 779**
Carrying amount at period/year end	**49 868 499**	**9 827 082**	**59 695 581**	**48 784 029**	**2 758 274**	**51 542 303**

Historical Cost

	31 December 2021			30 September 2020		
	Motor vehicles ZW$	Computers, furniture and fittings ZW$	Total ZW$	Motor vehicles ZW$	Computers, furniture and fittings ZW$	Total ZW$
Cost						
Balance at 1 October	3 524 644	585 594	4 110 238	2 554 164	242 143	2 796 307
Additions	6 978 160	8 057 308	15 035 468	1 386 000	343 537	1 729 537
Disposals	(36 500)	-	(36 500)	(415 520)	(86)	(415 606)
Balance at period/year end	**10 466 304**	**8 642 902**	**19 109 206**	**3 524 644**	**585 594**	**4 110 238**
Accumulated depreciation						
Balance at 1 October	968 839	262 240	1 231 079	564 935	199 298	764 233
Depreciation for the year	1 973 311	991 272	2 964 583	743 196	63 028	806 224
Disposals	(36 500)	-	(36 500)	(339 292)	(86)	(339 378)
Balance at period/year end	**2 905 650**	**1 253 512**	**4 159 162**	**968 839**	**262 240**	**1 231 079**
Carrying amount at period/year end	**7 560 654**	**7 389 390**	**14 950 044**	**2 555 805**	**323 354**	**2 879 159**

Notes to the consolidated financial statements (continued)

For the 15 months ended 31 December 2021

9. Investments held for trading

	Inflation Adjusted		Historical Cost	
	15 months ended 31 December 2021 ZW$	12 months ended 30 September 2020 ZW$	15 months ended 31 December 2021 ZW$	12 months ended 30 September 2020 ZW$
Listed securities				
Balance at 1 October	187 127 278	144 949 282	103 749 805	10 582 592
Additions	280 669	123 140	174 685	22 170
Disposals	(8 218 989)	(10 530 635)	(340 179)	(1 443 627)
Fair value gain recognised in profit or loss	315 810 751	52 585 491	391 415 398	94 588 670
Balance at end of period/year	**494 999 709**	**187 127 278**	**494 999 709**	**103 749 805**

Measurement of fair value Hierarchy (Level 1)

The fair value of listed securities was determined using the quoted market prices provided by the Zimbabwe Stock Exchange for listed equities and the entire fair value of the listed securities of ZW$ 494 999 709 (2020: ZW$ 187 127 278) has been categorized under level 1, based on the quoted prices (prices unadjusted) on the Zimbabwe Stock Exchange.

10. Investment property

Inflation Adjusted

31 December 2021	Office ZW$	Industrial ZW$	Retail ZWL$	Residential ZW$	Health ZW$	Land ZW$	Total ZW$
Fair value at 1 October	10 519 729 136	1 942 415 454	1 314 709 124	585 281 115	470 064 604	1 368 298 870	16 200 498 303
Disposals	-	-	(90 181 991)	-	-	-	(90 181 991)
Reclassifications from/(to) inventory net	-	-	-	-	-	(60 522 230)	(60 522 230)
Reclassification from/(to) assets held for sale	-	-	-	-	-	(379 870 001)	(379 870 001)
Improvements	16 997 313	-	-	1 397 970	-	67 898 081	86 293 364
Fair value (loss)/gain recognised in profit or loss	(1 270 626 449)	(291 845 454)	(172 247 133)	(26 179 085)	(69 864 604)	19 247 280	(1 811 515 445)
Fair value at 31 December	**9 266 100 000**	**1 650 570 000**	**1 052 280 000**	**560 500 000**	**400 200 000**	**1 015 052 000**	**13 944 702 000**

30 September 2020	Office ZW$	Industrial ZW$	Retail ZWL$	Residential ZW$	Health ZW$	Land ZW$	Total ZW$
Fair value at 1 October	11 116 673 515	1 992 724 989	1 420 218 313	594 603 424	504 207 632	1 414 995 452	17 043 423 325
Improvements	20 496 922	419 340	-	2 938 946	-	8 844 372	32 699 580
Fair value loss recognised in profit or loss	(617 441 301)	(50 728 875)	(105 509 189)	(12 261 255)	(34 143 028)	(55 540 954)	(875 624 602)
Fair value at 30 September	**10 519 729 136**	**1 942 415 454**	**1 314 709 124**	**585 281 115**	**470 064 604**	**1 368 298 870**	**16 200 498 303**

Notes to the consolidated financial statements (continued)

For the 15 months ended 31 December 2021

10. Investment property (continued)

Historical Cost

31 December 2021	Office ZW$	Industrial ZW$	Retail ZWL$	Residential ZW$	Health ZW$	Land ZW$	Total ZW$
Fair value at 1 October	5 832 500 002	1 076 942 000	728 919 999	324 500 000	260 620 000	758 631 999	8 982 114 000
Disposals	-	-	(50 000 000)	-	-	-	(50 000 000)
Reclassifications from/ (to) inventory	-	-	-	-	-	(148 869 631)	(148 869 631)
Reclassification from/ (to) assets held for sale	-	-	-	-	-	(379 870 001)	(379 870 001)
Improvements	14 138 887	-	-	1 037 058	-	57 945 948	73 121 893
Fair value gain recognised in profit or loss	3 419 461 391	573 628 000	297 639 995	234 962 943	139 580 000	802 933 410	5 468 205 739
Fair value at 31 December	**9 266 100 280**	**1 650 570 000**	**976 559 994**	**560 500 001**	**400 200 000**	**1 090 771 725**	**13 944 702 000**

30 September 2020	Office ZW$	Industrial ZW$	Retail ZWL$	Residential ZW$	Health ZW$	Land ZW$	Total ZW$
Fair value at 1 October	811 616 441	145 486 720	103 688 620	43 411 360	36 811 660	103 307 304	1 244 322 105
Improvements	3 843 038	85 440	-	840 086	-	2 873 419	7 641 983
Transfer to assets held for sale	-	-	-	-	-	-	-
Fair value gain recognised in profit or loss	5 017 040 523	931 369 840	625 231 379	280 248 554	223 808 340	652 451 276	7 730 149 912
Fair value at 30 September	**5 832 500 002**	**1 076 942 000**	**728 919 999**	**324 500 000**	**260 620 000**	**758 631 999**	**8 982 114 000**

Below is a summary of transfers to and from investment properties to inventory during the year:

10. (b) Investment property transfers

	Inflation Adjusted		Historical Cost	
	15 months ended 31 December 2021 ZW$	12 months ended 30 September 2020 ZW$	15 months ended 31 December 2021 ZW$	12 months ended 30 September 2020 ZW$
Transfer to inventory	152 000 000	-	152 000 000	-
Transfer from inventory	(91 477 770)	-	(3 130 369)	-
Net movement	**60 522 230**	**-**	**148 869 631**	**-**

Notes to the consolidated financial statements (continued)

For the 15 months ended 31 December 2021

10. Investment property (continued)

10. (b) Investment property transfers (continued)

The following transfers were done during the year:

i. During the year the company commenced development on its Mashview Gardens project in Bluff Hill, Harare. The development is being constructed with a view to sell in the next 12 months. In this regard, the project was consequently transferred from investment property to inventory at its carrying amount of ZW$ 152 000 000. The determined carrying value is lower than the fair value less cost to sell determined as ZWL 385 million at 31 December 2021.

ii. Company land bank in Ruwa with a carrying amounting of ZW$ 91 477 770 was transferred from inventory to investment property in line with the company's plans to develop an investment property at the site.

Impact of COVID-19 on investment property valuations

The property valuations reflect the external valuers' assessment of the economic impact of COVID-19 at the valuation date. External valuers are faced with an unprecedented set of circumstances on which to base a judgement as a result of the COVID-19 pandemic. Consequently, less certainty and a higher degree of caution should be attached to the valuations provided than would normally be the case.

11. Measurement of fair value

(a) Hierarchy (Level 3)

The fair value of investment property adopted for financial reporting was determined by an independent external valuer, EPG Global. EPG Global has recognised professional qualification and recent experience in the location and category of the property being valued. The fair value of investment property of ZW$13.9.0 billion has been categorized under level 3 in the fair value hierarchy based on the inputs to the valuation techniques used. (See Note 1(e) – significant estimates and judgements)

11.1 Measurement of fair value

(b) Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Income approach

This method was applied on all investment property classes except residential and undeveloped land. Anticipated future cash flow benefits in the form of annual market rental income were capitalized into present values using an all-risk yield.

All risk yield for the different asset classes were determined by the rates/yields at which similar properties in the different asset classes traded in the recent past.

Direct comparison approach

This method considered comparable market evidence i.e., the sales evidence either achieved or on the market, of similar properties situated in the comparable residential suburbs and undeveloped land with that of the subject properties. This comprises of complete transactions as well as transactions where offers had been made but the transaction had not been completed.

	31 December 2021			
Significant unobservable inputs	**Office**	**Industrial**	**Retail**	**Other**
Occupancy rate	81%	100%	100%	100%
Yields	4%	12%	5%	5%
Market rentals (ZW$)	349 492 232	100 481 387	45 683 166	65 831 768

	30 September 2020			
Significant unobservable inputs	**Office**	**Industrial**	**Pure retail**	**Other**
Occupancy rate	79%	100%	100%	100%
Yields	7%	12%	5%	5%
Market rentals (ZW$)	95 038 367	47 480 845	13 596 561	12 160 240

Notes to the consolidated financial statements (continued)

For the 15 months ended 31 December 2021

11.1 Measurement of fair value (continued)

(c) Inter-relationship between key unobservable inputs and fair value measurement

The estimated fair value would increase/(decrease) if the all-risk yields were lower/(higher) as shown in the sensitivity analysis below:

Sensitivity analysis to significant changes in unobservable inputs within Level 3 of the hierarchy

Yield rate risk and sensitivity

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

All figures in ZW$	2021		2020	
	10% increase in yield	10% decrease in yield	10% increase in yield	10% decrease in yield
Effect on fair value adjustment on investment property	(912 581 818)	1 115 377 778	(579 261 818)	707 986 667
Effect on deferred tax expense	45 629 091	(55 768 889)	28 963 091	(35 399 333)
Effect on loss for the year	(866 952 727)	1 059 608 889	(550 298 727)	672 587 334
Effect on equity	(866 952 727)	1 059 608 889	(550 298 727)	672 587 334

Significant increases/(decreases) in the comparable transacted properties and rental per square meter in isolation would result in a significant higher/(lower) fair value measurement. Significant increases/(decreases) in the long-term vacancy rate and prime yield in isolation would result in a significant lower/(higher) fair value measurement. Investment property is stated at fair value, which was determined based on valuations performed by EPG Global, an independent property valuer, as at 31 December 2021 and 30 September 2020.

12. Inventories

	Inflation Adjusted		Historical Cost	
	15 months ended 31 December 2021 ZW$	12 months ended 30 September 2020 ZW$	15 months ended 31 December 2021 ZW$	12 months ended 30 September 2020 ZW$
Land	166 903 925	119 225 147	153 046 950	4 115 325
Consumables	9 857 485	22 400 185	6 521 807	8 848 399
Total	**176 761 410**	**141 625 332**	**159 568 757**	**12 963 724**

Inventory was valued at the lower of cost and net realizable value. No impairment reversal was recorded during the year (2020: Nil).

Notes to the consolidated financial statements (continued)

For the 15 months ended 31 December 2021

13. Trade and other receivables

	Inflation Adjusted		Historical Cost	
	15 months ended 31 December 2021 ZW$	12 months ended 30 September 2020 ZW$	15 months ended 31 December 2021 ZW$	12 months ended 30 September 2020 ZW$
Rent receivables	24 128 118	27 230 134	24 128 118	15 097 324
Impairment allowance on rental receivables	(6 980 154)	(4 352 551)	(6 980 154)	(2 413 204)
	17 147 964	**22 877 583**	**17 147 964**	**12 684 120**
Sundry receivables	6 639 395	5 265 594	6 639 395	2 919 426
Total	**23 787 359**	**28 143 177**	**23 787 359**	**15 603 546**

During the current year management computed loss-factors as set out in note Q (Financial instruments). The Group computed the impairment allowance by focusing on the entire receivable portfolio over a 24-month period. The 24-month average net flow rate used to compute the loss given default (LGD). Debtors over 120 days for sitting tenants and vacated tenants were provided for in full. In order to determine the portfolio impairment allowance, management applies loss factors on the gross amount outstanding for all rental receivables that are less than 90 days past due. The carrying amount trade receivables approximates its fair value.

Movements in the impairment allowance on rental receivables were as follows;

	Inflation Adjusted		Historical Cost	
	15 months ended 31 December 2021 ZW$	12 months ended 30 September 2020 ZW$	15 months ended 31 December 2021 ZW$	12 months ended 30 September 2020 ZW$
Opening balance	6 063 463	8 953 508	2 413 204	653 686
Charge for the year	916 691	(4 600 957)	4 566 950	1 759 518
Closing balance	**6 980 154**	**4 352 551**	**6 980 154**	**2 413 204**

Included in sundry receivables are receivables to short term staff loans. During the year, other staff loans granted amounted to ZW$ 0.81 million (2020: ZW$ 0.08 million). There were no long outstanding trade and other receivables written off during the year.

Notes to the consolidated financial statements (continued)

For the 15 months ended 31 December 2021

14. Assets held for sale

Assets held for sale comprise of a land bank for which a disposal agreement of sale was signed off immediately prior to the reporting date. The conditions of the sale agreement had not been wholly met at 31 December 2021 to enable the disposal to be recognised in the annual financial statements. The proceeds of disposal are expected to be less than the carrying amount of the related net asset and accordingly an impairment loss of ZWL$ 168 658 400 has been recognised on the classification of the assets held for sale. The major classes of assets comprising the properties classified as held for sale are as follows:

	Inflation Adjusted		Historical Cost	
	15 months ended 31 December 2021 ZW$	12 months ended 30 September 2020 ZW$	15 months ended 31 December 2021 ZW$	12 months ended 30 September 2020 ZW$
Assets				
Opening balance	(73 949 232)	100 439 767	41 000 000	7 333 000
Net reclassification from investment property	379 870 001	-	379 870 001	-
Reclassification from investment property	453 819 233	-	451 190 000	-
Reclassification to investment property	(73 949 232)	-	(71 319 999)	-
Net fair value adjustment	(171 287 633)	(26 490 535)	(138 338 401)	33 667 000
Fair value adjustment	(2 629 233)	(26 490 535)	306 996 801	33 667 000
Reversal of fair value adjustments (impairments)	(168 658 400)	-	(168 658 400)	-
Closing balance	**282 531 600**	**73 949 232**	**282 531 600**	**41 000 000**

15. Share capital and premium

	15 months ended 31 December 2021 ZW$	12 months ended 30 September 2020 ZW$	15 months ended 31 December 2021 ZW$	12 months ended 30 September 2020 ZW$
Ordinary shares of ZW$0.0005				
Authorised				
Authorised share capital 2 500 000 000 at 30 September	1 250 000	1 250 000	1 250 000	1 250 000
Issued and fully paid up				
1 859 073 947 shares at 1 October	36 973 216	36 973 216	929 537	929 537
At period/year end	**36 973 216**	**36 973 216**	**929 537**	**929 537**
Share premium				
Share premium at 1 October	73 946 447	73 946 447	1 859 074	1 859 074
At period/year end	**73 946 447**	**73 946 447**	**1 859 074**	**1 859 074**

15.1 (Loss)/earnings per share

Basic (loss)/earnings per share

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

	15 months ended 31 December 2021 ZW$	12 months ended 30 September 2020 ZW$	15 months ended 31 December 2021 ZW$	12 months ended 30 September 2020 ZW$
(i) (Loss)/profit attributable to ordinary shares	(1 403 050 409)	(671 978 343)	5 644 301 122	7 513 638 302
(ii) Weighted average number of ordinary shares (basic)	Number of shares	Number of shares	Number of shares	Number of shares
Issued ordinary shares at 1 October	1 859 073 947	1 859 073 947	1 859 073 947	1 859 073 947
Effects of treasury shares held	(171 489 938)	(168 824 138)	(171 489 938)	(168 824 138)
Weighted-average number of ordinary shares at period/year end	**1 687 584 009**	**1 690 249 809**	**1 687 584 009**	**1 690 249 809**
Basic and diluted (loss)/earnings per share (ZW$ cents)	(83.14)	(39.76)	334.46	444.53

There are no transactions with a potential dilutive effect.

Notes to the consolidated financial statements (continued)

For the 15 months ended 31 December 2021

16. Operating segments

16.1 Basis for segmentation

For investment property, discrete financial information for each segment in the property portfolio is provided to the Group executive committee for performance monitoring. The individual properties are aggregated into segments with similar economic characteristics. The executive directors consider that this is best achieved by aggregating into the office, industrial, retail and other segments. The other segment is made up of residential properties, specialized properties and undeveloped land. The segment information provided includes revenue, other income, investment property fair value adjustments, property expenses and segment profit or loss. Segment information provided also includes the segment assets and liabilities.

16.2 Reportable segments

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

- Office segment - acquires, develops and leases offices and shops housed in office complexes.
- Industrial segment - acquires, develops and leases warehouses and factories.
- Pure Retail - acquires, develops and leases shops; and
- Other - comprises of residential, specialized 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

16.3 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.

	Inflation Adjusted 31 December 2021				
	Office/retail ZW$	Industrial ZW$	Pure retail ZW$	Other ZW$	Total ZW$
Segment profit					
Revenue	349 492 232	100 481 387	45 683 166	65 831 768	561 488 553
Other income	16 925 662	1 364 199	130 656	568 168	18 988 685
Fair value adjustment	(1 270 626 449)	(291 845 454)	(172 247 133)	(76 796 409)	(1 811 515 445)
	(904 208 555)	**(189 999 868)**	**(126 433 311)**	**(10 396 473)**	**(1 231 038 207)**
Property expenses	(88 695 616)	(13 093 802)	(10 630 102)	(4 156 278)	(116 575 798)
Segment (loss)/profit	**(992 904 171)**	**(203 093 670)**	**(137 063 413)**	**(14 552 751)**	**(1 347 614 005)**
Reconciliation of segment loss					
Loss from operating segments					(1 347 614 005)
Fair value on investments held for trading					315 810 751
Fair value on assets held for sale					(171 287 633)
Administrative expenses					(178 607 655)
Other income					15 900 984
Allowance for credit losses					(916 691)
Finance income					14 521 770
Monetary loss					(103 787 492)
Loss before tax as per consolidated statement of profit or loss					**(1 455 979 971)**

Notes to the consolidated financial statements (continued)

For the 15 months ended 31 December 2021

16. Operating segments (continued)

16.3 Information about reportable segments (continued)

	Inflation Adjusted				
	30 September 2020				
	Office/retail ZW$	Industrial ZW$	Pure retail ZW$	Other ZW$	Total ZW$
Segment profit					
Revenue	175 912 626	88 783 046	25 330 889	22 655 735	312 682 296
Other income	5 057 389	2 038 732	41 570	13 357 487	20 495 178
Fair value adjustment	(617 441 295)	(50 728 877)	(105 509 191)	(101 945 239)	(875 624 602)
	(436 471 280)	**40 092 901**	**(80 136 732)**	**(65 932 017)**	**(542 447 128)**
Property expenses	(46 443 851)	(2 051 289)	(2 741 987)	(2 204 768)	(53 441 895)
Segment (loss)/profit	**(482 915 131)**	**38 041 612**	**(82 878 719)**	**(68 136 785)**	**(595 889 023)**
Reconciliation of segment profit					
Loss from operating segments					**(595 889 023)**
Fair value on investments held for trading					52 585 491
Fair value on assets held for sale					(26 490 535)
Administrative expenses					(93 486 485)
Other income					8 730 912
Allowance for credit losses					(9 613 158)
Finance income					6 310 601
Monetary loss					(72 215 106)
Loss before tax as per consolidated statement of profit or loss					**(730 067 303)**

	Historical Cost				
	31 December 2021				
Segment profit					
Revenue	265 828 501	76 427 498	34 747 232	50 072 530	427 075 761
Other income	15 140 460	1 220 313	116 875	508 242	16 985 890
Fair value adjustment	3 633 562 138	647 246 269	412 635 819	774 761 513	5 468 205 739
	3 914 531 009	**724 894 080**	**447 499 926**	**825 342 285**	**5 912 267 390**
Property expenses	(67 361 812)	(9 944 372)	(8 073 262)	(3 156 575)	(88 536 021)
Segment profit	**3 847 169 287**	**714 949 708**	**439 426 664**	**822 185 710**	**5 823 731 369**
Reconciliation of segment profit					
Profit from operating segments					**5 823 731 369**
Fair value on investments held for trading					391 415 398
Fair value on assets held for sale					(138 338 401)
Administrative expenses					(136 987 792)
Other income					14 223 857
Allowance for credit losses					(4 562 625)
Finance income					10 638 787
Profit before tax as per consolidated statement of profit or loss					**5 960 120 593**

Notes to the consolidated financial statements (continued)

For the 15 months ended 31 December 2021

16. Operating segments (continued)
16.3 Information about reportable segments (continued)

	Historical Cost 30 September 2020				
	Office/retail ZW$	**Industrial ZW$**	**Pure retail ZW$**	**Other ZW$**	**Total ZW$**
Segment profit					
Revenue	52 799 098	26 378 247	7 553 645	6 755 684	93 486 674
Other income	1 609 495	648 819	13 230	4 250 969	6 522 513
Fair value adjustment	5 017 040 523	931 369 840	625 231 379	1 156 508 170	7 730 149 912
	5 071 449 116	**958 396 906**	**632 798 254**	**1 167 514 823**	**7 830 159 099**
Property expenses	(14 544 350)	(622 019)	(925 639)	(781 566)	(16 873 574)
Segment profit	**5 056 904 766**	**957 774 887**	**631 872 615**	**1 166 733 257**	**7 813 285 525**
Reconciliation of segment profit					
Profit from operating segments					**7 813 285 525**
Fair value on investments held for trading					94 588 670
Fair value on assets held for sale					33 667 000
Administrative expenses					(31 548 387)
Other income					2 778 578
Allowance for credit losses					(2 685 766)
Finance income					1 431 590
Profit before tax as per consolidated statement of profit or loss					**7 911 517 210**

	Inflation Adjusted 31 December 2021				
Segment assets					
Investment property	9 266 100 000	1 650 570 000	1 052 280 000	1 975 752 000	13 944 702 000
Current assets	9 057 466	4 246 465	1 024 137	5 251 787	19 579 855
Total assets	**9 275 157 466**	**1 654 816 465**	**1 053 304 137**	**1 981 003 787**	**13 964 281 855**
Reconciliation					
Total segment assets					**13 964 281 855**
Property and equipment					59 695 581
Investments held for trading					494 999 709
Trade and other receivables					4 207 504
Inventories					176 761 410
Asset held for sale					282 531 600
Cash and cash equivalents					323 535 378
Total assets as per consolidated statement of financial position					**15 306 013 037**

Notes to the consolidated financial statements (continued)

For the 15 months ended 31 December 2021

16. Operating segments (continued)

16.3 Information about reportable segments (continued)

	Inflation Adjusted				
	30 September 2020				
	Office/retail ZW$	Industrial ZW$	Pure retail ZW$	Other ZW$	Total ZW$
Segment assets					
Investment property	10 519 729 136	1 942 415 454	1 314 709 124	2 423 644 589	16 200 498 303
Current assets	15 355 326	1 853 805	884 959	82 538 828	100 632 918
Total assets	**10 535 084 462**	**1 944 269 259**	**1 315 594 083**	**2 506 183 417**	**16 301 131 221**
Reconciliation					
Total segment assets					**16 301 131 221**
Property and equipment					51 542 303
Trade and other receivables					1 108 450
Investments held for trading					187 127 278
Inventories					141 625 332
Tax receivable					351 041
Cash and cash equivalents					63 967 528
Total assets as per consolidated statement of financial position					**16 746 853 153**

	Historical Cost				
	31 December 2021				
Segment assets					
Investment property	9 266 100 000	1 650 570 000	1 052 280 000	1 975 752 000	13 944 702 000
Current assets	9 057 466	4 246 465	1 024 137	5 251 787	19 579 855
Total assets	**9 275 157 466**	**1 654 816 465**	**1 053 304 137**	**1 981 003 787**	**13 964 281 855**
Reconciliation					
Total segment assets					**13 964 281 855**
Property and equipment					14 950 044
Investments held for trading					494 999 709
Assets held for sale					282 531 600
Inventories					159 568 757
Trade and other receivables					4 207 504
Cash and cash equivalents					323 535 378
Total assets as per consolidated statement of financial position					**15 244 074 847**

Notes to the consolidated financial statements (continued)

For the 15 months ended 31 December 2021

16. Operating segments (continued)
16.3 Information about reportable segments (continued)

	Historical Cost 30 September 2020				
	Office/retail ZW$	**Industrial ZW$**	**Pure retail ZW$**	**Other ZW$**	**Total ZW$**
Investment property	5 832 500 002	1 076 942 000	728 919 999	1 343 751 999	8 982 114 000
Current assets	4 392 869	530 339	253 171	50 617 980	55 794 358
Total assets	**5 836 892 871**	**1 077 472 339**	**729 173 170**	**1 394 369 979**	**9 037 908 358**
Reconciliation					
Total segment assets					**9 037 908 358**
Property and equipment					2 879 159
Investments held for trading					103 749 805
Loan receivable					379 280
Inventories					12 963 724
Trade and other receivables					429 907
Cash and cash equivalents					35 465 800
Total assets as per consolidated statement of financial position					**9 193 776 034**

	Inflation Adjusted 31 December 2021				
Segment liabilities					
Deferred tax liability	478 832 177	85 294 355	54 377 302	102 098 362	720 602 196
Current liabilities	16 167 410	1 574 874	731 618	4 340 077	22 813 979
Total segment liabilities	**494 999 587**	**86 869 229**	**55 108 920**	**106 438 439**	**743 416 175**
Reconciliation					
Total segment liabilities					**743 416 175**
Deferred tax on property and equipment					15 819 958
Provisions					15 890 028
Trade and other payables					171 109 100
Tax payable					16 578 694
Total liabilities as per consolidated statement of financial position					**962 813 955**

Notes to the consolidated financial statements (continued)

For the 15 months ended 31 December 2021

16. Operating segments (continued)

16.3 Information about reportable segments (continued)

	Historical Cost 31 December 2021				
	Office/retail ZW$	Industrial ZW$	Pure retail ZW$	Other ZW$	Total ZW$
Segment liabilities					
Deferred tax liability	590 766 691	89 708 441	63 935 350	101 110 691	845 521 173
Current liabilities	17 821 534	4 832 894	910 752	1 589 845	25 155 025
Total segment liabilities	**608 588 225**	**94 541 335**	**64 846 102**	**102 700 536**	**870 676 198**
Reconciliation					
Total segment liabilities					**870 676 198**
Deferred tax on property and equipment					12 145 047
Provisions					24 899 235
Trade and other payables					4 114 901
Tax payable					19 770 435
Total liabilities as per consolidated statement of financial position					**931 605 816**

	Historical Cost 31 December 2021				
Segment liabilities					
Deferred tax liability	471 644 334	84 013 985	53 561 034	100 565 744	709 785 097
Current liabilities	15 770 218	1 536 184	713 644	4 233 453	22 253 499
Total segment liabilities	**487 414 552**	**85 550 169**	**54 274 678**	**104 799 197**	**732 038 596**
Reconciliation					
Total segment liabilities					**732 038 596**
Deferred tax on property and equipment and assets held for sale					11 285 710
Provisions					15 890 029
Trade and other payables					166 905 392
Tax payable					16 578 694
Total liabilities as per consolidated statement of financial position					**942 698 421**

Notes to the consolidated financial statements (continued)

For the 15 months ended 31 December 2021

16. Operating segments (continued)
16.3 Information about reportable segments (continued)

	Historical Cost 31 December 2021				
	Office/retail ZW$	Industrial ZW$	Pure retail ZW$	Other ZW$	Total ZW$
Segment liabilities					
Deferred tax liability	313 491 752	47 603 998	33 927 446	53 654 629	448 677 825
Current liabilities	9 880 872	2 679 523	504 952	881465	13 946 812
Total segment liabilities	**323 372 624**	**50 283 521**	**34 432 398**	**54 536 094**	**462 624 637**
Reconciliation					
Total segment liabilities					**462 624 637**
Deferred tax on property and equipment					362 983
Provisions					13 804 993
Trade and other payables					2 281 443
Tax payable					10 961 410
Total liabilities as per consolidated statement of financial position					**490 035 466**

17. Treasury shares

	Inflation Adjusted			
	31 December 2021		30 September 2020	
	Number of shares	ZW$	Number of shares	ZW$
Authorised	200 000 000	-	200 000 000	-
Balance at 1 October	168 824 138	121 123 499	168 364 253	121 075 391
Reclassified from investments held for trading				48 108
Repurchased during the year	2 665 800	3 427 345	459 885	-
At period/year end	**171 489 938**	**124 550 844**	**168 824 138**	**121 123 499**

	Historical Cost			
	31 December 2021		30 September 2020	
Authorised	200 000 000	-	200 000 000	-
Balance at 1 October	168 824 138	3 070 409	168 364 253	3 043 736
Reclassified from investments held for trading	-	-	459 885	26 673
Repurchased during the year	2 665 800	2 113 865	-	-
At period/year end	**171 489 938**	**5 184 274**	**168 824 138**	**3 070 409**

Notes to the consolidated financial statements (continued)

For the 15 months ended 31 December 2021

18. Trade and other payables

	Inflation Adjusted		Historical Cost	
	15 months ended 31 December 2021 ZW$	12 months ended 30 September 2020 ZW$	15 months ended 31 December 2021 ZW$	12 months ended 30 September 2020 ZW$
Trade payables	28 344 043	25 345 442	18 344 043	14 052 386
Revenue received in advance	164 090 027	-	159 325 839-	
Dividend payable	1 489 009	3 924 484	1 489 009	2 175 869
	193 923 079	**29 269 926**	**189 158 891**	**16 228 255**

The carrying amount of trade and other payables approximates fair value. Trade payables are non-interest bearing and are normally settled within 30 days. The Groups' exposure to liquidity risk related to trade and other payables is disclosed in note 22.

19. Cash and cash equivalents

	Inflation Adjusted		Historical Cost	
	15 months ended 31 December 2021 ZW$	12 months ended 30 September 2020 ZW$	15 months ended 31 December 2021 ZW$	12 months ended 30 September 2020 ZW$
Balances with banks	**323 535 378**	**63 967 528**	**323 535 378**	**3 5 465 800**

The carrying amount of cash and cash equivalents approximates fair value. Cash and cash equivalents comprise bank balances, cash on hand and money market instruments

20. Subsidiaries

The consolidated financial statements include the financial statements of Mashonaland Holdings Limited and the subsidiaries listed in the following table. There are no control restrictions on all the subsidiaries owned by Mashonaland Holdings Limited.

Name	Country of incorporation	2021 Equity holding	2020 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 15 months ended 31 December 2021

21. Related party transactions and balances

Inflation Adjusted

Related party	Relationship	Nature of transaction	Transaction amount 2021 ZWL	Transaction amount 2020 ZWL	Balance 15 months ended 31 December 2021 ZWL	Balance 12 months ended 30 September 2020 ZWL
ZB Life Assurance Limited	Direct shareholder	Rent accrued	23 743 636	8 145 234	-	2 599 269
ZB Bank Limited	Indirect shareholder	Rent accrued	36 027 954	2 594 021	(2 804 983)	8 161 704
ZB Life Assurance Limited	Direct shareholder	Interest received	279 159	-	-	-
ZB Bank Limited	Indirect shareholder	Interest received	254 583	-	-	-
ZB Financial Holdings Limited	Indirect shareholder	Dividends received	4 755 979	617 040	-	618 288
ZB Financial Holdings Limited	Indirect shareholder	Investment in money market securities	-	-	1 046 064	-
ZB Financial Holdings Limited	Indirect shareholder	Investment in equities	-	-	406 712 075	168 414 273
ZB Bank Limited	Indirect shareholder	Bank balances	-	-	46 763 767	13 329 883

Historical Cost

Related party	Relationship	Nature of transaction	Transaction amount 2021 ZWL	Transaction amount 2020 ZWL	Balance 15 months ended 31 December Audited 2021 ZWL	Balance 12 months ended 30 September Unaudited 2020 ZWL
ZB Life Assurance Limited	Direct shareholder	Rent accrued	18 027 477	4 525 130	-	1 441 123
ZB Bank Limited	Indirect shareholder	Rent accrued	27 354 408	1 441 123	(2 804 982)	4 525 130
ZB Life Assurance Limited	Direct shareholder	Interest received	204 272	-	-	-
ZB Bank Limited	Indirect shareholder	Interest received	199 857	-	-	-
ZB Financial Holdings Limited	Indirect shareholder	Dividends received	3 915 528	342 800	-	342 800
ZB Financial Holdings Limited	Indirect shareholder	Investment in money market securities	-	-	1 046 064	-
ZB Financial Holdings Limited	Indirect shareholder	Investment in equities	-	-	406 712 075	93 374 825
ZB Bank Limited	Indirect shareholder	Bank balances	-	-	46 763 767	7 390 547

	Inflation Adjusted		Historical Cost	
	15 months ended 31 December Audited 2021 ZW$	12 months ended 30 September Audited 2020 ZW$	15 months ended 31 December Unaudited 2021 ZW$	12 months ended 30 September Unaudited 2020 ZW$
Compensation of key management personnel in the Group				
Non-executive directors' emoluments	8 666 226	3 567 432	6 323 889	923 396
Short term employee benefits	23 636 625	4 108 210	18 108 236	3 157 251
Post-employment pension and medical benefits	4 613 766	612 911	3 534 649	447 290
Total compensation paid to key management	**36 916 617**	**8 288 553**	**27 966 774**	**4 527 937**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the 15 months ended 31 December 2021

22. Financial risk management

22.1 Risk management framework

The 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 Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the other risks faced by the Group.

22.2 Treasury risk management

The Group 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.

22.3 Interest rate risk management

At year end, the Group did not have any long-term loans or overdrafts hence there was no exposure to the interest rate risk.

22.5. 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 property, 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.

22.6 Exposure to credit risk

(a) Exposure to credit risk

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

	Inflation Adjusted		**Historical Cost**	
	15 months ended 31 December Audited 2021 ZW$	**12 months ended 30 September Audited 2020 ZW$**	**15 months ended 31 December Unaudited 2021 ZW$**	**12 months ended 30 September Unaudited 2020 ZW$**
Trade and other receivables	23 787 359	28 143 177	23 787 359	7 286

(b) 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.

Credit risk grades

The Group allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgment. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of debtor. The grades are according to the number of days in arrears which ranges from 0-30 to +120 days.

Notes to the consolidated financial statements (continued)

For the 15 months ended 31 December 2021

22. Financial risk management (continued

22.6 Exposure to credit risk (continued

(c) Definition of default

The Group recognizes default in the following cases

- Arrears including restructuring loans >90 days
- Decease of client
- Force majeure, when a client becomes insolvent due to external factors beyond control.

(d) Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and expert credit assessment and including forward looking information.

The Group makes use of a forward-looking matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors (probability of default and loss given default) that are specific to the debtors.

The impact of forward looking macro-economic challenges on trade receivables at any point is likely to be insignificant given the prior tenure of the Group's trade receivables. A key assumption that the Group has therefore made, is that any forecasted macro-economic challenges are unlikely to affect the default behaviour of the current trade receivables. The ECL has therefore been calculated only with reference to probability of default used to calculate the lifetime ECL (i.e., no adjustments have been made for any forward-looking information). The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality.

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 ZW$24.1 million (2019: ZW$27.1 million), of which ZW$ 0.9 million (2019: ZW$ 9.6 million) has been provided for. No receivable was written off during the year (2020:ZW$ 30 964).

22.7 Fair values of financial instruments

The fair value of the financial assets is 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 investments held for trading approximate their carrying amounts.

	Inflation Adjusted		Historical Cost	
	15 months ended 31 December Audited 2021 ZW$	**12 months ended 30 September Audited 2020 ZW$**	**15 months ended 31 December Unaudited 2021 ZW$**	**12 months ended 30 September Unaudited 2020 ZW$**
Financial assets measured at fair value				
Investments held for trading	**Level 1**	**Level 1**	**Level 1**	**Level 1**
Fair value adjustments	315 810 751	52 585 491	391 415 398	94 588 670
Carrying amount	494 999 709	187 127 278	494 999 709	103 749 805

Notes to the consolidated financial statements (continued)

For the 15 months ended 31 December 2021

22. Financial risk management (continued)

22.8 Liquidity risk

The Group's main objective is to maintain a balance between continuity through a well-managed portfolio of short term and long-term investments. For disclosure on measurement of fair values see notes 9 ,10 and 11.

The following table set out the remaining contractual maturities of the Groups' liabilities within a year.

	Inflation Adjusted		Historical Cost	
	15 months ended 31 December Audited 2021 ZW$	12 months ended 30 September Audited 2020 ZW$	15 months ended 31 December Unaudited 2021 ZW$	12 months ended 30 September Unaudited 2020 ZW$
Trade and other payables	226 391 801	73 939 597	221 627 614	40 994 658

23. Business risks

23.1 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 or are constantly monitored by the executive Directors and the Board include industry competition; behavioural change of target customers; technological changes and development; economic factors; organizational 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.

23.2 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 15 months ended 31 December 2021

24. Capital management

The Group's policy is to maintain a strong capital base so as to retain 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.

	Inflation Adjusted		Historical Cost	
	15 months ended 31 December 2021 ZW$	12 months ended 30 September 2020 ZW$	15 months ended 31 December 2021 ZW$	12 months ended 30 September 2020 ZW$
Commitment and contingencies				
Authorised and contracted	84 229 174	501 237 085	84 229 174	277 903 096
Authorised but not contracted	1 127 239 709	1 885 581 364	1 127 239 709	1 045 431 224

The capital expenditure will be financed from the Group's own resources and through a bank loan.

25. Pension and retirement benefits

25.1 Defined contribution plan

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.

25.2 National Social Security Authority Scheme (NSSA)

All employees are members of the National Social Security Scheme to which both the employees and the Group contribute. The Group's obligations under the scheme are limited to specific contributions as legislated from time to time and are presently 4.5% of pensionable emoluments. Employees contribute the same amount.

	Inflation Adjusted		Historical Cost	
	15 months ended 31 December 2021 ZW$	12 months ended 30 September 2020 ZW$	15 months ended 31 December 2021 ZW$	12 months ended 30 September 2020 ZW$
Defined contributions for the year	4 618 550	1 264 039	2 024 577	323 882
NSSA contributions for the year	138 038	81 353	111 209	20 845
Total	**4 756 588**	**1 34555 392**	**2 135 786**	**344 727**

26. Going concern

The Directors assessed the ability of the Group to continue operating as a going concern and concluded that the use of the going concern assumption is appropriate in the preparation of the inflation adjusted financial statements. The Directors have considered the impact of macro-economic conditions on the Group's business and are satisfied that adequate measures have been put in place to ensure viability of the Group beyond the next 12-month period.

The COVID-19 pandemic continues to have a global impact that has altered the operating environment and the Group's business prospects. The Group has continued with implementation of heightened health and safety protocols in all its properties. However, the severity and impact of the pandemic cannot be reasonably estimated at this point in time. The Group will continue implementing measures to minimize the adverse impacts of the pandemic.

27. Subsequent events

Approval of financial statements

The Group consolidated financial statements for the 15months period ended 31 December 2021 were authorised by the Board of Directors for issue on 7 April 2022.

Dividend declaration

The Board of Directors declared a final dividend of 3.003 cents per share to be paid from the company's distributable profits.

SHAREHOLDERS' INFORMATION

Our commitment to our shareholders is to create long term shareholder value using a strategic investment policy and by maintaining a broad tenant base.

Analysis of shareholders

For the 15 months ended 31 December 2021

Size of shareholding	Number of shareholders	%	Issued shares	%
1-100	183	8.25	9 210	0.00
101-200	135	6.09	22 761	0.00
201-500	228	10.48	80 347	0.00
501-1000	270	12.22	210 617	0.01
1001-5000	599	27.32	1 538 473	0.08
5001-10000	218	9.83	1 666 999	0.09
10001-50000	288	12.99	6 769 735	0.36
50001-100000	75	3.57	5 490 673	0.30
100001-500000	101	4.56	24 069 394	1.29
500001-1000000	36	1.62	23 926 152	1.29
1000001-10000000	53	2.39	166 749 622	8.97
10000001-and above	15	0.68	1 628 539 964	87.60
Total	**2 201**	**100**	**1 859 073 947**	**100**
Companies	473	21.33	1 308 681 616	70.40
Residents	1 680	76.50	375 996 808	20.22
Non-Residents	48	2.17	174 395 523	9.38
Total	**2 201**	**100**	**1 859 073 947**	**100**
Trade Classifications				
Pension funds (Including life companies)	100	4.51	165 930 645	8.93
Other corporate Bodies	289	13.03	545 008 572	29.31
Non-Residents	48	2.17	174 395 523	9.38
Investment, Trust and Property companies	17	0.77	4 746 270	0.26
Residents' individuals	1 680	76.50	375 905 544	20.22
Nominee companies	63	2.84	83 963 866	4.52
Insurance companies	4	0.18	509 123 527	27.39
Total	**2 201**	**100**	**1 859 073 947**	**100**

Major shareholders	Shareholding 30 Sept 2021	%
ZB Life Assurance Limited	470 048 820	25.28
Africa Enterprise Network Trust	348 995 283	18.77
Mashonaland Holdings Limited	171 489 938	9.22
SCB Nominees ZW0000009816	111 659 300	6.01
The Roy Turner Trust	92 000 000	4.95
Mega Market (Pvt) Ltd	122 624 536	6.60
ZB Financial Holdings Limited	88 119 535	4.74
Old Mutual Life Assurance of Zimbabwe Limited	71 328 272	3.84
ZB Financial Holdings Group Pension Fund	43 919 172	2.36
Stanbic Nominees (Pvt) Ltd-A/C 140043470003	23 662 610	1.27
Total	**1 543 847 466**	**83.04**

CONTACT DETAILS

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