MASHONALAND HOLDINGS LIMITED

(Incorporated in Zimbabwe)

Leading property owners and developers

2022 ANNUAL REPORT

CONTENTS

BUSINESS PROFILE

Mashonaland Holdings Limited is a listed property company incorporated in Zimbabwe. The company was incorporated in 1966 and over the years it has streamlined its strategy and operations to focus on property investments and management.

The Group has a property portfolio that is distributed across office, retail, industrial, residential and health sectors with footprint across major cities which include Harare, Bulawayo, Kwekwe and Mutare.

The Group provides services that include:

- Property management
- Facilities management
- Property development
- Property investment research and advisory
- Property valuations

Membership of professional associations

Mashonaland Holdings Limited Group is a member, directly and indirectly through its key staff of the following professional associations among others:

- Estate Agents Council of Zimbabwe
- Real Estate Institute of Zimbabwe
- Valuers Council of Zimbabwe
- Royal Institute of Surveyors
- National Property Owners Association of Zimbabwe

REPORT BOUNDARIES

The Group 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
H. Munyati (Mr.)
S. Mutangadura (Ms.)
B. Musariri (Ms.)
B. Shumba (Mr.)
M. Mubayiwa (Mr.)

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

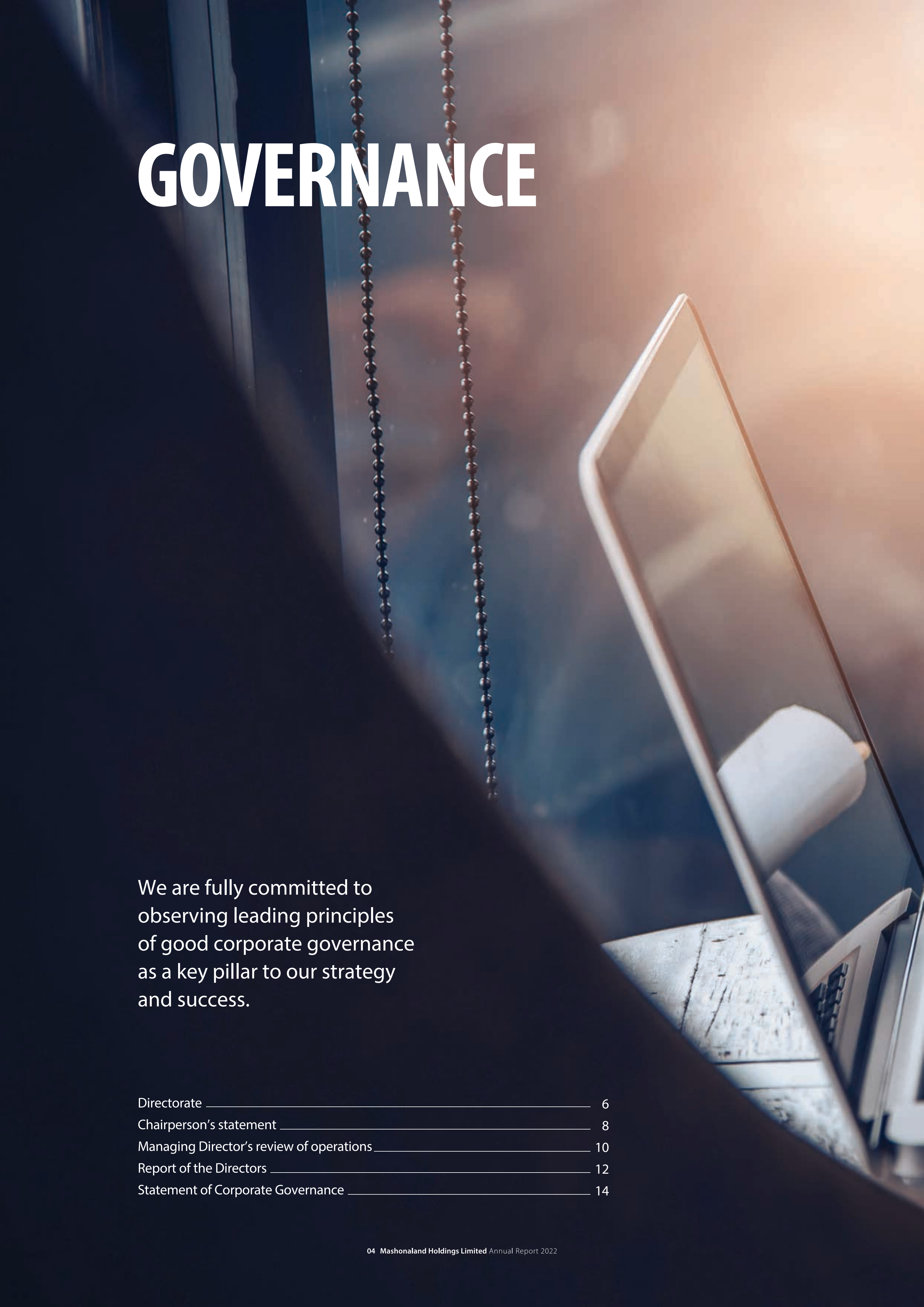
Transfer Secretaries
ZB Transfer Secretaries
21 Natal Road, Avondale, Harare

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.

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).

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.

DIRECTORATE (continued)

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.

M. Mubayiwa
NON-EXECUTIVE DIRECTOR
Bsc. Econ (UZ), CIMA, ACI (Kenya)

Mubaiwa Mubayiwa is currently the Chief Executive Officer of Standard Chartered Bank Zimbabwe. He has served as the Head, Commercial Banking, Zimbabwe and Southern Africa since 2015 following a two-year stint as Head for Financial Markets in Zimbabwe. Mubaiwa has also held different managerial positions in various African countries over the past 20 years that he has been with the Bank. Key roles held include Head of Sales in Cameroon in 2006 and Head of Wholesale Banking in Sierra Leone in 2008. He joined the Bank on the Africa Regional Management Trainee program after graduating from the University of Zimbabwe with a Bachelor of Science Degree in Economics. He is also a holder of a Chartered Institute of Management Accountants (CIMA) qualification.

B. Shumba
NON-EXECUTIVE DIRECTOR
Bcom (NUST) , MBA (UK), AICPU (USA), ACII (UK)

Brilliant Shumba is the current Chief Customer Experience Officer at ZB Financial Holdings and past Managing Director at ZB Reinsurance Limited. He is a past Board Member of Credsure, past Chairman of the Insurance Council of Zimbabwe and past Chairman of the Zimbabwe Reinsurance Association. Brilliant holds an MBA from Nottingham Trent University and is currently pursuing a Msc in Digital Business from the University of Salford. He holds a Bachelor of Commerce Honours in Insurance and Risk Management from the National University of Science and Technology Zimbabwe and has done an Executive Management Development Program with the School of Insurance, Pune, India.

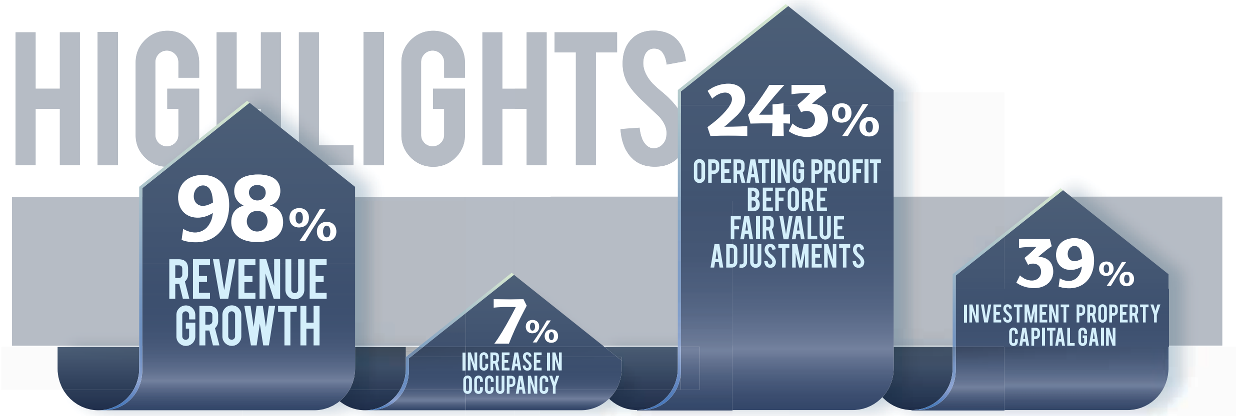
K. Musundire
EXECUTIVE DIRECTOR
CA(Z), Hons BCompt (UNISA), BCom (Hons) ACC (NUST)

Mr Kudakwashe Musundire is the Chief Finance Officer of Mashonaland Holdings Limited.

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 inflation adjusted financial results for the year ended 31 December 2022.

Operating environment

The economy recorded subdued growth in 2022 mainly due to the unstable macro-economic environment. The exogenous factors, such as the increase in international prices of oil and food continued to negatively impact the operating environment. At a local level, the combined effects of continued inflationary pressures, power supply disruptions and currency volatility continue to stifle economic recovery. Year-on-year inflation was at 60.6% at the beginning of the year, accelerated to 191.6% towards the end of the first half of the year and closed the year at a high of 243.8%. The inflation trend closely mirrors the annual growth in money supply which was estimated at 400% according to statistics released by the Reserve Bank of Zimbabwe. There are market concerns that inflation will remain on an upward trajectory in light of the expected growth in money supply during 2023.

The market continues to witness marked disparities in the pricing of goods and services depending on the currency of settlement, with an increased number of transactions being settled in foreign currency. These market dynamics present cost-push pressures which require the Group to continue to focus on increasing efficiencies while pursuing its portfolio diversification strategy.

Property market

The property market continues to evolve for survival in response to the headwinds in the mainstream economy. The incessant macro-economic challenges have seen some sectors within the property market failing to provide an automatic hedge against inflation. The retail and sub-urban office park sectors have proved a safer bet in the past year. The CBD office sector has seen rental growth significantly lagging inflation. The ability to hedge, however shifts between different subsectors as economic conditions and structural factors come into play. Whilst demand-driven inflation in the past has boded well for real estate in terms of hedging against inflation, supply side shocks, such as the increase in food and oils prices are more difficult to hedge as tenants' rent paying capacity is invariably impaired.

The occupier sub-market is expected to continue endearing itself with the informal sector through, among other measures, reconfiguration of low-rise buildings in the CBD into small to medium enterprise miniaturized retail facilities as demand for such facilities remains positive. Demand for warehousing and purpose-built industrial space as well as suburban offices has been steady though there is very limited potential of rental growth in real terms.

Frequent rent reviews, indexation and charging of rentals in USD, as the economy continues to dollarise, are some of the measures the occupier submarket has adopted in order to ensure inflation hedging. This attribute has attracted more investments towards specific pockets of the property market such as small sub-urban retail sector as opposed to the traditional, large and capital intensive centrally located retail malls. In the development sub-market, construction cost remains high mirroring the inflationary trends and high interest rates. However, capital values remain under pressure. As such, new developments for investment purposes remains under pressure for viability.

Inflation adjusted financial performance

Revenue for the year increased by 98% from ZW$1.9billion to ZW$3.8billion. The revenue growth was mainly driven by revenue earned from the Mashview Gardens cluster housing development amounting to ZW$1.2billion, which contributed 30% of the revenue performance. Rental income increased by 34% to ZW$2.6billion, despite the comparative period being longer following the change in financial year end in 2021, thereby also contributing to the improved revenue performance. The increase in rental income was driven in part by periodic rent reviews to align rentals with obtaining market conditions and also improved occupancy which grew from 81% in 2021 to 87% in December 2022.

CHAIRPERSON'S STATEMENT (continued)

Operating profit before fair value adjustments increased by 243% from ZW$1billion to ZW$3.5billion. The increase in operating profit was partly due to foreign exchange gains of ZW$3billion which were realized on foreign currency balances on hand following disposal of Charter House. Consequently, the Group's operating profit margin increased from 53% to 93% in 2022.

The Group recorded a profit for the year of ZW$17.2billion versus a loss of ZW$4.8billion recorded in 2021. The improved performance was due to the improved operating profitability and 39% capital gain recorded on investment properties.

Investment property

The Group's investment properties were valued at ZW$67billion at 31 December 2022, the valuation represents a 39% capital gain for the year. The capital gain was achieved through the Group's periodic rent reviews to hedge against rising inflation as well as firming values for the Group's strategically located land banks. This realignment is reflected in the growth in rental income in inflation adjusted terms. The Group's investment properties were valued by EPG Global, an independent and professional property valuer.

New property investments and projects

Pomona Wholesale Centre development

The Group acquired a 4ha site in Pomona for the development of a wholesale centre. The pre-construction phase works including design development, Environmental Impact Assessment (EIA) approvals, building plan approvals and tendering are almost complete. Demolition of existing structure is underway with works for the new development targeted to commence in April 2023. The Group has pre-leased 85% of the proposed development there by effectively eliminating the inherent market risk.

Acquisition of a 2ha Office Park land along Borrowdale Road

The Group acquired a 2ha site along Borrowdale Road for the development of an Office Park as part of the Group's diversification and growth strategy. The Group intends to appoint a project team by the third quarter of the year to commence pre-construction works. The Group intends to commence site work in the second quarter of 2024 after the completion and substantial progression of some of the current projects.

Mashview Gardens cluster housing development

The Group completed construction works on the 1st phase of the project and is set to complete construction work on phases 2 and 3 in the second quarter of 2023. All the 25 units were pre-sold prior to development.

Milton Park Day Hospital project

Construction works on the development are progressing in line with the construction programme and are set to be completed in August 2023. The hospital development was borne out of the Agreement to Develop and Lease entered into with the identified medical services operator.

Charter house disposal

The Group disposed of Charter house during the financial year as part of its diversification strategy, which entails reduction of Harare Central Business District (CBD) office exposure and deployment of the sales proceeds towards development of strategic investment assets in line with emerging market needs.

Dividend

The Board declared and paid an interim dividend of ZW$141,782,393 during the year. The Board has further declared a final dividend of ZW$212,404,088 payable from the Group's profits for the year. From this final dividend, a component amounting to US$200,000 will be paid in foreign currency.

Outlook

The Government of Zimbabwe has forecast that the economy will record a 3.8% growth due to the positive effects of a favourable rainy season during the 2022 to 2023 farming season. It is however noted that the resurgence of COVID-19 infections in developed countries and global supply chain disruptions emanating from geopolitical tensions in Europe as well as the ensuing harmonized elections in 2023 may have a negative impact on the speed of economic recovery in the short term. The Group's strategic focus will remain targeted at delivering on its long term strategy which is hinged on portfolio diversification and increasing operational efficiencies to ensure sustained business growth.

Appreciation

On behalf of the Board, I express appreciation to our valued tenants for their continued loyalty and all our other stakeholders for their support. I also thank my fellow board members, management and staff for their continued dedication.

ENG. G. BEMA
Board Chairperson
16 March 2023

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

Property market overview

The property market remains affected by slow space uptake particularly impacting the office space segment due to low economic activity in the formal sectors of the economy. The retail and residential segments continue to benefit from increased demand for quality space. Resultantly, these segments continue to witness a relatively higher level of investment and developmental activity as investors are attracted by the improved space absorption and yields.

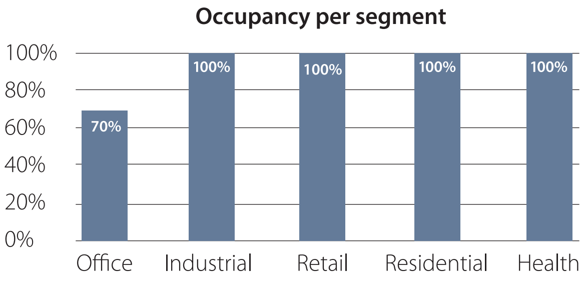
The industrial segment remains affected by power supply challenges which has impinged on the sector's ability to improve its capacity utilisation.

Among other macro-economic pressures, the property sector remains affected by distortions in exchange rates and inflationary pressures. As a result, most property owners are engaging tenants with a view of converting Zimbabwe Dollar denominated leases to United States Dollars to enable value preservation. The rate of conversion however remains low with the property market participants reporting average lease conversions of below 50%.

Business performance

• *Occupancy*

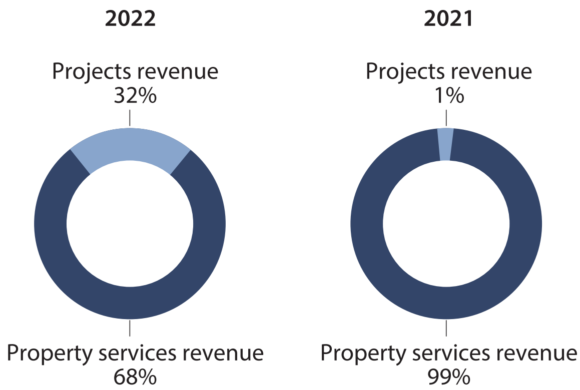
During the year, the Group managed to retain its key tenants through continuous tenant engagements and implementation of maintenance programs to preserve appeal of space offerings. The Group's occupancy percentage resultantly increased from 81% to 87%.



The Group continues to reconfigure its vacant office space in order to meet the size and flexible leasing requirements of SMEs and the informal sector.

• *Revenue*

Revenue increased by 98% from ZW$1.9billion in 2021 to ZW$3.8billion in December 2022. The revenue growth was driven by ZW$1.2billion earned from the Mashview Gardens project which was partially completed during the year. Projects revenue contributed 32% of Group revenue performance as shown below:



Property services revenue increased from ZW$1.9billion in 2021 to ZW$2.6billion in 2022. The improved revenue performance was on the back of an improved occupancy and rent reviews implemented to protect rental yields.

• *Collections*

The Group managed to achieve a collection level of 92% of its revenue during the year. Rental collections were sustained by continued credit risk assessments on tenant on-boarding, a robust credit control thrust and engagements with sitting tenants.

Property developments

• *Mashview Gardens, Bluff Hill, Harare*

The Group completed the first phase of the Bluff Hill 25-cluster housing project during the year. The project is progressing in line with sale agreement entered into with the off-taker and will be completed in the first half of 2023.

• *Day hospital project, Milton Park, Harare*

An Agreement to Develop and Lease the hospital development was signed off with a medical services operator. The project has a project budget of US$3million and is being funded using internally generated resources. The project, which commenced in May 2022, closed the year at 38% completion status and has a target completion of the 3rd quarter of 2023.

MANAGING DIRECTOR'S REVIEW OF OPERATIONS (continued)

Update on the implementation of the portfolio diversification strategy

During the course of the year, the Group determined a model property portfolio mix that takes into account the market dynamics and the needs of investors. The model portfolio entails reducing CBD office concentration, increasing sub-urban retail and office parks, venturing into the SME segment, increasing the Group's health portfolio, and venturing into the growing hospitality sector.

In pursuance of the strategy, the Group disposed of Charter House and some landbank in Mabelreign. The Group also commenced the construction of the Milton Park hospital. The Group acquired two strategic landbanks in Pomona and along Borrowdale Road for the development of a retail centre and office park respectively.

The Pomona retail centre is due for commencement on Q2 of 2023, having completed all the pre-construction works in Q1 of 2023. The Group also acquired a property in Alexendra Park, which is being leased as an office park.

The Group is at an advanced stage to secure a strategic land bank in Victoria Falls for the development of a bespoke hotel for an identified hotel operator.

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 2022. The property portfolio recorded a 39% capital gain as reflected below. The gain is reflected in the Group's property services revenue performance which increased by 34%.

Yields and property valuation

Sector	GLA(m^2)	2022 market values ZW$	2021 market values ZW$	Capital movements %	Rental yield %
Office	43 199	36 630 009 999	31 853 133 979	15%	6%
Industrial	48 445	7 833 830 000	5 673 997 405	38%	7%
Retail	5 012	4 874 159 999	3 617 316 436	35%	5%
Residential & health	5 233	5 341 198 002	3 302 501 139	62%	6%
Land banks	N/A	12 186 050 000	3 489 341 509	249%	N/A
Total/ average	**101 889**	**66 865 248 000**	**47 936 290 468**	**39%**	**6.5%**

Appreciation

I would like to express my sincere gratitude to our valued tenants and clients for their continued loyalty and to all our other stakeholders for the constant support. I also wish to thank our Board of Directors for their continued guidance, and to all our staff for the hard work and commitment to duty.

G. MAPFIDZA
Managing Director
16 March 2023

REPORT OF THE DIRECTORS

The Directors have pleasure in submitting their report for Mashonaland Holdings Limited (the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2022.

FINANCIAL PERFORMANCE

Inflation adjusted consolidated statement of profit or loss and other comprehensive income highlights

	31 December 2022 ZW$	31 December 2021* ZW$	30 September 2020 ZW$
Revenue	3 819 256 644	1 930 172 359	1 074 876 277
Operating profit	3 536 192 899	1 032 235 550	637 216 849
Profit / (loss) for the period	17 245 756 852	(4 823 124 365)	(2 309 991 927)

* 15 months period

Inflation adjusted consolidated statement of financial position highlights

	31 December 2022 ZW$	31 December 2021 ZW$	30 September 2020 ZW$
Investment property	66 865 248 000	47 936 290 468	55 690 813 069
Shareholder's funds	66 239 275 575	49 306 163 548	54 366 474 822

Authorised share capital

The Authorised share capital of the Company at 31 December 2022 was ZW$1 250 000 made up of 2 500 000 000 ordinary shares of ZW$0.0005 each.

Issued share capital

The Group secured shareholder authority in the 55th Annual General Meeting held on the 23rd of June 2022, to cancel 171,489,938 ordinary shares held as treasury shares. The treasury shares constituted 9.2% of the total issued share capital and had been acquired as part of the share buyback scheme. Accordingly, the issued share capital decreased from 1 859 073 947 ordinary shares to 1 687 584 009 ordinary shares of ZW$0.0005 each.

Dividend

The Directors declared an interim dividend of 8.401 cents per share and a final dividend of 12.586 cents per share bringing the total dividend to 20.987 cents per share (2021: 4.302 cents per share), in respect of the period ended 31 December 2022. The final dividend will amount to ZW$212 404 088; from the final dividend a component amounting to US$200,000 will be paid in foreign currency.

Auditors

Members will be asked to approve the remuneration of the Auditors amounting to ZW$ 37,642,000 for the period ended 31 December 2022. The Auditors Messrs Deloitte & Touche have been auditing the Group's financial statements for the past 4 years since 2019 and have offered themselves for reappointment as the Company auditors.

REPORT OF THE DIRECTORS (continued)

REPORT OF THE DIRECTORS (CONTINUED)

	31 December 2022 ZW$	31 December 2021 ZW$	30 September 2020 ZW$
Share Statistics *(inflation adjusted except where stated)*			
Number of shares in issue	1 687 584 009	1 859 073 947	1 859 073 947
Weighted average number of shares	1 687 584 009	1 687 584 009	1 690 249 809
Share price (ZW$ cents)- historical cost	958.80	299.93	41.75
Dividend per share (ZW$ cents)- historical cost	20.987	4.302	1.855
Net worth per share (ZW$ cents)	3 925.10	2 917.09	3 215.77
Basic and diluted (loss)/ earnings per share (ZW$ cents)	1 021.92	(285.35)	(136.68)
Profitability and asset management			
Operating profit (%)	92.6%	53.5%	59.3%
Occupancy (%)	87%	81%	79%
Collection (%)	92%	94%	90%
Debt to equity	3%	-	-
Return on equity	26%	-10%	-4%
Liquidity			
Current ratio	2.28	5.75	5.58
Human capital			
Number of employees	23	21	20

STATEMENT OF CORPORATE GOVERNANCE

The Directors of Mashonaland Holdings Limited are committed to maintaining and increasing shareholder value, ensuring a prudential and ethical basis for the Group's conduct of business operations and ensuring compliance with legal and regulatory requirements in pursuit of business strategic goals. The Group adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance.

The King's IV Code is the key benchmark for the Group's corporate governance parameters. The Group 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 the Companies and Other Business Entities Act (COBE) Chapter 24.31, ZSE Listing Rules, King IV Code and other internal governance frameworks in place.

The Governance, Risk and Compliance Committee plays a pivotal role in moulding the Group's corporate governance systems and fostering adherence with the established framework. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Group's needs.

The Board takes responsibility for ensuring the integrity of the Group'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 Group's affairs and this is availed through Board meetings and circulation of board papers.

Board composition and structure
The Board of Directors of Mashonaland Holdings Limited is composed of two executive directors and seven non-executive directors, five of whom are independent.

The composition and structure of the Board is reviewed periodically to align with best practice, respective skills, experience, background, age and gender. The Board is chaired by an independent non-executive director and meets at least once a quarter.

The Board has a healthy gender balance with four of the seven non-executive directors being females.

Board Committees
The Board is supported by various Committees in discharging its mandate. The Committees meet at least quarterly to assess and review the Group's performance and to provide oversight and guidance to management. Board Committee composition and terms of reference are determined and approved by the Board.

Audit Committee
The Audit Committee's mandate is to oversee and review the Group's accounting, auditing, internal control, financial reporting and risk management matters. The external auditors attend certain audit committee meetings and have unrestricted access to the Audit Committee. The Committee is chaired by an Independent Non-Executive Director.

Human Resources and Remuneration Committee
The Committee provides oversight on various human capital matters ranging from staff development, performance management and compensation matters. The Committee is chaired by a Non-Executive Director and comprises of two other Non-Executive Directors.

Investments Committee
The Committee provides oversight over the Group's investments and makes recommendations to the Board concerning new investment proposals as well as approving 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 oversight role over the Group's compliance with legislative framework, industry practices and other regulatory requirements. It has a mandate to oversee the risk management practices of the business. 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 other senior management. It meets monthly and is charged with implementing the policies, plans and strategies of the Group as approved by the Board.

STATEMENT OF CORPORATE GOVERNANCE (continued)

Board committee composition

Audit Committee	Investments Committee	Remuneration Committee	Risk Committee	Nomination Committee
H. Munyati *(Chairperson)* B. Musariri S. Mutangadura	B. Musariri *(Chairperson)* G. Bema B. Shumba M. Mubayiwa	P. Musarurwa *(Chairperson)* G. Bema M. Mubayiwa	S. Mutangadura *(Chairperson)* H. Munyati B. Shumba P. Musarurwa	P. Musarurwa *(Chairperson)* B. Shumba M. Mubayiwa

Board and Committee meeting attandance

	Board	Audit Committee	Investments Committee	Remuneration Committee	Risk Committee
Meetings held	**5**	**6**	**4**	**5**	**4**
G. Bema (Chairperson)	5	N/A	4	5	N/A
P. Musarurwa	5	N/A	N/A	5	4
B. Musariri	5	6	4	N/A	N/A
H. Munyati	5	6	N/A	N/A	4
M. Mubayiwa	4	N/A	4	5	N/A
B. Shumba	5	N/A	4	N/A	4
S. Mutangadura	5	6	N/A	N/A	4

Board and statutory meetings

The Board meets regularly to provide oversight and guide 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's shareholders meet at least once every year at the Annual General Meeting. The company's 55th Annual General Meeting was held on 23 June 2022.

Communication systems and stakeholder management

The Group uses a number of platforms to communicate with its stakeholders including but not limited to, physical and virtual shareholder meetings, electronic and print media notices and announcements, interim and annual reports, analyst briefings and quarterly trading updates. The Group also has an active website onto which it publishes operational and financial information. The Group 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 and in writing whether they have any material interest in any contract or business-related aspect 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.

Stakeholders

Mashonaland Holdings Limited believes that maintaining sound relationships with its stakeholders is key to sustainable value creation for the organisation. The Group implements an approved annual corporate social investment programme. Employee engagement programmes and customer care trainings are conducted periodically. The Group also participates in various activities organised by the entity's regulators and industry partners. Further details regarding the Group's stakeholder management and sustainability practices are reflected under the Sustainability Report section of this annual report.

SUSTAINABILITY

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

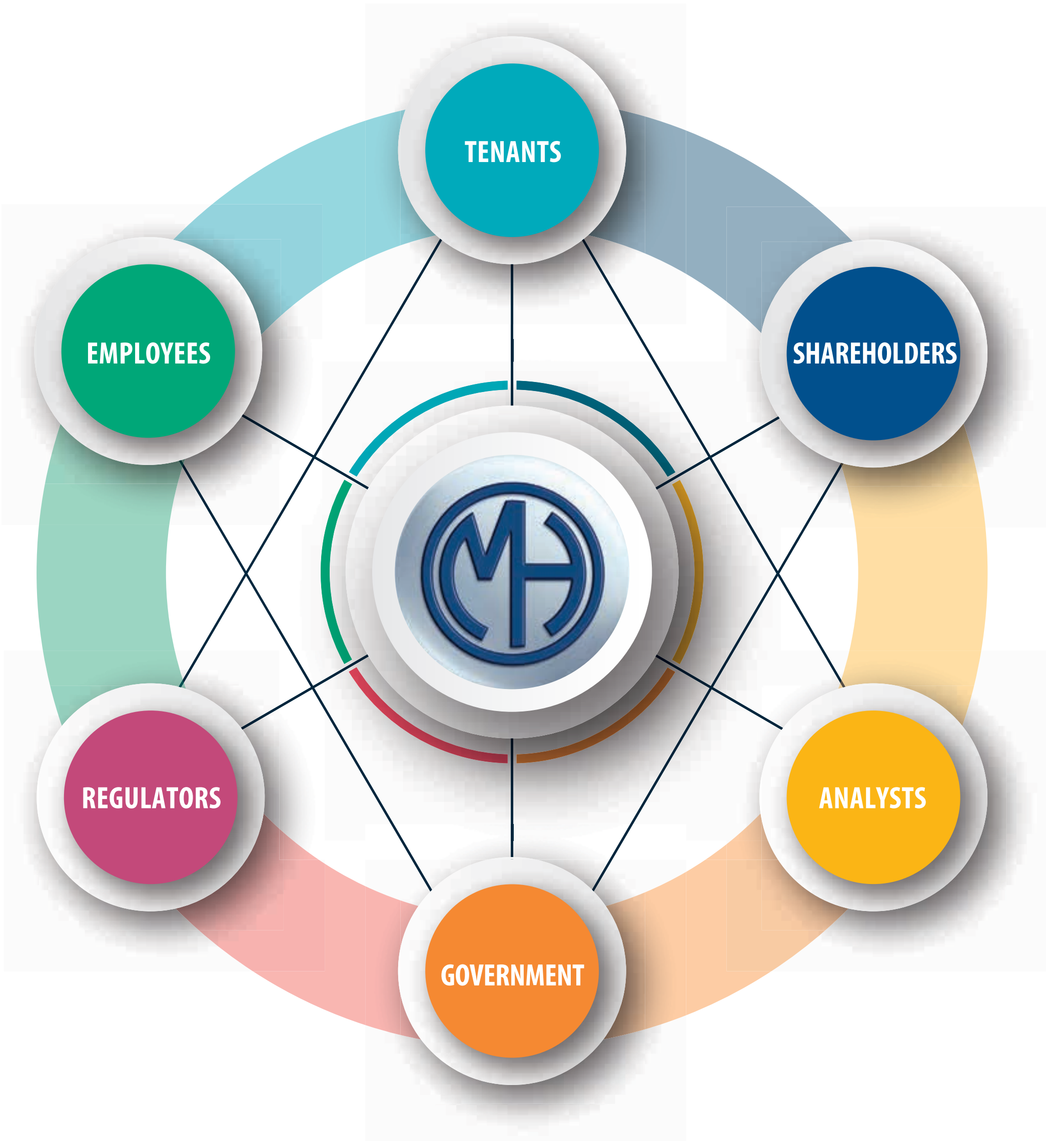
INTRODUCTION

Mashonaland Holdings Limited is a property entity which listed on the Zimbabwe Stock Exchange in 1969.

The Group has over the years developed unparalleled expertise in Property Research and Development, Property Management and Facilities Management. Our primary goal is to maximize the potential of property investments under our management to deliver quality earnings, underpinning growth, and sustained value creation for all stakeholders. This is delivered through taking a holistic approach towards the application of Environmental, Social and Governance (ESG) Principles in our 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 Group. It identifies our key stakeholders, how we relate with them and deliver on their expectations.

Our stakeholders



STAKEHOLDER MANAGEMENT

Stakeholder	Key Engagements	Key Interests	Engagement Outcomes	SDG's Supported
Investor Community	• Annual General Meeting • Annual Report • Regular market updates	• Exceptional and sustainable business performance • Achievement of minimum expected return on investment • Shareholder value growth • Accounting and transparency underpinned by total compliance to corporate governance principles, practices and leadership	• Resilient business performance amid challenging economic headwinds • Increased shareholder value as demonstrated by our annual results	• SDG 8 - Decent work & economic growth • SDG 9 - Industry innovation & Infrastructure
Board of Directors	• Board meetings • Annual General Meeting • Business Performance Updates	• Implementation of the company's long term strategy • Achievement of minimum expected return on investment • Shareholder value growth • Compliance to corporate governance principles, practices and leadership • Profit optimisation	• Resilient business performance amid challenging economic headwinds • Increased shareholder value • Unqualified opinion from external auditors • Key milestones recorded in strategy implementation	• SDG 8 - Decent work & economic growth • SDG 9 - Industry innovation & Infrastructure
Media	• Analyst and Media Briefings • Media Responses • Press Releases	• Information regarding the operations of the business • Telling the MHL story to inform and empower all stakeholders	• Positive coverage of MHL operations and brand • Support for MHL initiatives and events	• SDG 17 - Partnership for goals
Employees	• Quarterly staff updates • Annual strategy formulation exercise • Engagement survey • Quarterly performance review sessions	• High performance and high engagement culture • Regular communication on company performance and strategy • Fair remuneration • Training and development support • Enforcement of safety, health and hygiene regulations at the workplace	• Regular review of remuneration in line with the cost of living • Staff participation in strategy formulation and overall alignment to business objectives • Support towards personal development	• SDG 1 - No poverty • SDG 2 - Zero Hunger • SDG 3 - Good health & wellbeing • SDG 8 - Decent work & economic growth
Tenants	• Online Meetings • Physical Meetings • Memos • Monthly Account Statements	• Functional workplace that allows them to conduct their business without constraint • Fair rental • Regulator engagements with the Account Manager / Property Manager or Managing Director	• High lessee/lessor engagement • Market informed rent reviews • Quick query resolution • Excellent customer service	• SDG 9 - Industry innovation & Infrastructure • SDG 11 - Sustainable cities & communities
Regulators	• Annual Audit • Quarterly Seminars	• Compliance and promotion • Participation at regular events • Information sharing	• Participation in all regular initiatives, events • Provision of information upon request	• SDG 17 - Partnership for the goals
Environment	• Day to day operations • Property management and/or investment decisions	• Implementation of the ESG framework and its principles • Adoption of sustainable energy solutions • Active contribution towards the reduction of carbon footprint • Observation of modern property and facilities management practises	• Carbon emission certificates • Annual ESG report • Positive contribution towards the future wellbeing of the environment	• SDG 6 - Clean water & sanitation • SDG 7 - Affordable & clean energy • SDG 11 - Sustainable cities & communities • SDG 13 - Climate action
Society	• Corporate Social Responsibility Initiatives	• Consistent implementation of the ESG framework and principles • Infrastructure inclusion • Responsive Corporate Social Responsibility initiatives	• Responsive Corporate Social Responsibility Initiatives • Contribution towards inclusive infrastructure	• SDG 1 - No poverty • SDG 2 - Zero Hunger • SDG 3 - Good health & wellbeing • SDG 8 - Decent work & economic growth

OUR SUSTAINABILITY STRATEGY

Mashonaland Holdings Limited approach to sustainability 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:

Underpinning tenet:

To provide value to all our stakeholders in a sustainable manner by considering the sustainable development goals that are linked to each and every process and activity.

How we win

1. *By offering a win-win solution to all stakeholders, internal and external*
2. *Taking accountability of all our activities to promote ownership of processes that contribute to profit, people, and the planet*
3. *Having zero tolerance to harm towards people and the physical environment to ensure continuity and exercising our duty of care.*
4. *Considering the sustainable development goals that are linked to our activities and processes and actively monitoring progress and performance.*
5. *Compliance with all legal and other regulatory requirements in which our business operates within*
6. *Commitment and continual engagement of all our key stakeholders*
7. *Continual improvement of all our systems that contribute to the satisfaction of all our stakeholders.*

Alignment with United Nations' Sustainable Development Goals

The United Nations set sustainable development as a global priority through the 17 Sustainable Development Goals "SDGs". The SDGs provide a common framework for private and public sector interventions in driving societal transformation towards inclusion, equality, and sustainability. Mashonaland Holdings Limited seeks to entrench sustainable practices in all its business operations.

The Group has developed and adopted a sustainability agenda in its strategy which is executed through adoption of the 17 sustainable development goals that are linked to the business activities and plans.

OUR SUSTAINABILITY STRATEGY (continued)

Mashonaland Holdings Limited contribution towards attainment of SDG's

Sustainable goal	Mashonaland Holdings Limited's contribution
GOOD HEALTH & WELLBEING	• The Group provides medical health insurance for its employees and their immediate families. The cover is to ensure that staff members have continuous access to quality health support. • Though there were no COVID-19 cases amongst staff in 2022, there is a standing policy that provides for PPE for staff members, financial and material assistance to staff affected by COVID-19.
GENDER EQUALITY	• As at year-end, Board gender diversity ratio was 4 females to 3 males (non-executive directors). • Staff gender diversity ratio was as 8 females to 13 males as at 31 December 2022. • During the year, the Group recruited 4 new staff members and 50% were female and 50% male.
CLEAN WATER AND SANITATION	• The Group manages an expansive portfolio of properties which are invested with adequate facilities to guarantee the provision of clean water. • Regular maintenance of water sanitation infrastructure is carried out to ensure the continued provision of clean water.
DECENT WORK AND ECONOMIC GROWTH	• The Group strives to provide a fair compensation to its employees. During the year in view of the inflationary environment, the Group implemented regular cost of living reviews to ensure that remuneration is commensurate with obtaining cost of living. • Maintaining a safe and hygienic work environment, sharing health information and guidelines. • The Group strives to provide financial support for its employees to access accommodation in pursuit of the SDG objectives.
SUSTAINABLE CITIES AND COMMUNITIES	• The Group is an active member of the Zimbabwe Green Buildings Council whose mandate is to advocate for the adoption of sustainable building concepts in the local built environment • Within its own portfolio, the Group continues to steer towards adoption of clean alternative energy through adoption of solar energy • Where diesel powered generators are used as back-up power, the Group has Carbon Emissions Licenses for every generator set. These licenses are renewed every year upon satisfactory inspections and audits by Environmental Management Agency (EMA). As of 31 December 2022, all generator sets were licensed and in compliance with the set carbon emission parameters. • The Group strives to reduce it carbon footprint by implementing strategies to reverse the impact of carbon emissions from its operations. This is done through tree planting initiatives. • To ensure sustainability in Communities, the Group pays its taxes and statutory obligations on time.
RESPONSIBLE CONSUMPTION AND PRODUCTION	• The Group is mindful of ensuring responsible consumption of resources • During the year 2022, all buildings that were alternatively powered by generators, underwent regular carbon emission audits and compliance checks as administered by the Environmental Management Agency (EMA) • The Group continued with its digitization and automation initiatives aimed at reducing waste and improving efficiencies. Through automation of some processes paper usage has significantly reduced

SUSTAINABILITY INITIATIVES

Carbon footprint management

The 2022 operating year was associated with long hours of load-shedding and most companies relied on diesel powered generators as an alternative source of power. Mashonaland Holdings Limited ensured that all generator emissions were subject to regular checks and audits from Environmental Management Agency (EMA) to ensure all emissions were with approved thresholds. Furthermore, periodical servicing of generators helped to prevent release of harmful substances into the atmosphere.

Support to vulnerable members of society

During the year, Mashonaland Holdings Limited provided support to the National Rehabilitation Centre in Ruwa. Support provided comprised of a wide range of groceries and food items required by the Centre. The chosen beneficiary, National Rehabilitation Centre (NRC), was established in 1980 to offer Orthopaedic Services, Vocational Training and Psycho-Social Support for those disabled through injuries, illness, and congenital defects. The NRC also faces operational challenges such as shortage of food, water, and obsolete kitchen and laundry equipment.

Food hamper handover to the National Rehabilitation Centre in Ruwa

Digital skills training – Uncommon

Uncommon is an organization that was formed in Zimbabwe in 2017 with a vision to empower unemployed youths and school going children with technology skills. The organization runs 7 innovation hubs in Harare and Bulawayo's High-Density Suburbs where they deliver Coding, Web Design, Web Development and Digital Marketing lessons to the unemployed youths and kids. The organisation relies heavily on donor funding to cater for its operational costs. Mashonaland Holding Limited sponsored Uncommon school fees targeted at allowing 50 unemployed youths to get training in identified digital courses.

A day at the Uncommon Innovation Hub

SUSTAINABILITY INITIATIVES (continued)

Cancer awareness - KidzCan annual cancer fundraising

KidzCan is a non-governmental organization that focuses on paediatric cancer in Zimbabwe. Their mission is to increase survival rate and ensure improved quality of life for children living with cancer in a caring environment. KidzCan relies heavily on donations and various fundraising activities. They provide chemotherapy drugs, diagnostics, bus fares, food hampers, hygiene hampers, psychosocial support, awareness amongst other services. KidzCan faces the following challenges in the day to day running of the organization namely

- Scans, Tests & Chemotherapy- Shortage of funding to cover costs/fees for the sessions
- Food Supplies - Shortage of food for children suffering from cancer
- Bus Fare - Shortage of bus fare to cater for the affected Childrens' mobility to treatment centres

Mashonaland Holdings Limited participated in the September 2022 Cancer Awareness Month by donating financial resources to the KidzCan institution.

Some of KidzCan's 2022 cancer awareness campaigns

Inclusive infrastructure

The Group successfully opened the doors of Phase 2 of the Chiyedza House SME Flexible offices. The facility provides workspace for Small to Medium Entrepreneurs done via a less rigorous and "KYC-Lite" application process. The mantra behind this initiative is to ensure increased access to infrastructure for all regardless of economic class, background and balance sheet size. As at 31 December 2022, the facility housed 58 entrepreneurs who are supported by WI-FI, Boardroom, Telephone and Receptionist services.

Promoting economic development

The Group's real estate activity contributes towards stimulating economic growth in various ways including the value-added impact of the purchase of goods and services that stem from implementation of property development projects and real estate transactions. The Group 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 sponsorship.

Efforts towards attainment of sustainable environmental management

The Company is aware of global and national efforts by corporate entities, governments, and non-governmental organizations 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 EMA 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 City of Harare is our key stakeholder as we ensure approved zoning confirmations are secured before we make project development plans and designs.

SUSTAINABILITY INITIATIVES (continued)

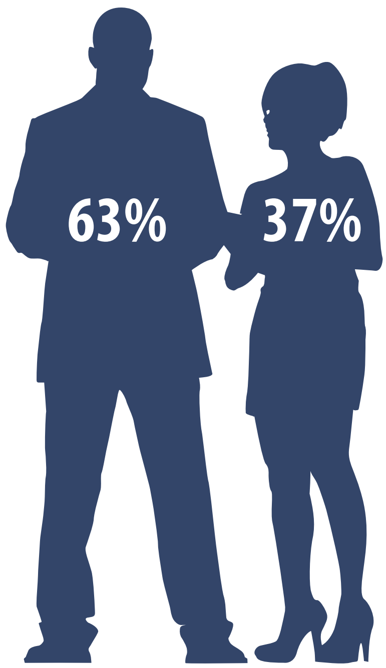
Promoting diversity in the workplace

Mashonaland Holdings Limited recognizes that gender balance at the workplace is vital for sustainable value creation. As at 31 December 2022, the company had a healthy gender mix at Board level with a ratio of 4 females to 3 males on the non-executive directors' panel. Furthermore, a 50-50 healthy gender mix also subsisted for the Executive Management level. During the year, there were 4 new staff recruitments recruited, 50% were female and 50% male. The company continues to make conscious effort to promote female applicants in recruitment processes in order to foster gender balance within the workplace.

Executive management

New staff employed in 2022

Overall staff gender diversity



Employee engagement

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 2022, an employee engagement survey was conducted as part of the long-term Culture Work and the results of the survey are used to inform decision making when cultivating remuneration packages, improving employee welfares, workplace standards and enhancing work output. An employee engagement score index of 75% was achieved during the year.

Employee engagement

Staff development

Every employee has a Personal Development Plan which speaks to personal aspirations and seeks to align those aspirations to the individual's role in the company. The company also assists staff financially to attain goals on the approved personal development plans.

Regulatory compliance

Mashonaland Holdings complies with the national legislative framework and subscribes to government gazettes and other online platforms for updates on new developments in the law and regulatory framework. During 2022, the Group did not receive any fines and/or sanctions which relate to non-conformity to regulatory guidelines. The organization is determined to enhance its compliance management systems and relevant personnel undertake trainings and attend workshops to enhance knowledge and skills in compliance management.

The company's operations also fall under the purview of Zimbabwe Revenue Authority (ZIMRA), Zimbabwe Stock Exchange (ZSE), Estate Agents Council (EAC), Environmental Management Authority (EMA) amongst others. These institutions are empowered to carry out periodic or on the spot checks for compliance. In 2022, there were no reported incidences of non-compliance from these institutions.

SUSTAINABILITY INITIATIVES (continued)

Accountability and transparency

As part of the listing requirements, Mashonaland Holdings Limited is required to publish its audited/ reviewed financial statements twice per year and this was fully complied with during the year. Furthermore, the audit report and review conclusion issued by the external auditors were unmodified. A similar audit by Estate Agents Council concerning Trust Accounts under the purview of the company also produced a clean report. The company subscribes to the Deloitte Tip Off Anonymous system which provides an anonymous reporting channel for unethical behavior in the workplace. This is a completely independent, confidential whistleblowing hotline service operating 24-hours a day, 7 days per week and 365 days a year. In addition, employees have coffee sessions in small groups with the Managing Director to foster free dialogue between managerial and non-managerial staff. This helps to ascertain staff welfare concerns as well as getting ideas of enhancing strategy implementation from all levels in the staff hierarchy.

Participative stakeholder management

The company also recognizes the importance of proactively engaging with its stakeholders as way of establishing long term and mutually beneficial relationships. Such implementation is guided by the annual Stakeholder Engagement Matrix that identifies stakeholders to be engaged and frequency thereof. During the year of 2022, all the identified stakeholders were engaged as per plan. Where possible, feedback from stakeholders was incorporated into the day-to-day operations or management of the business. All the relations with the identified internal and external stakeholders remained cordial during the period under review.

CORPORATE AWARD - BEST STAKEHOLDER PRACTICE AND SUSTAINABILITY IN 2022

RISK REPORT

Risk management approach

The Group's Board of Directors and Governance, Risk and Compliance Committee monitors and controls the company's risk management strategies. The Group's risk management framework and procedures are clearly defined and well established. The adopted risk management framework is aligned to ISO 31000 and 27000-5 International Risk Management Standards. The company adopts an integrated approach to risk management. Risk registers, based on a standardised methodology, are used to identify, assess, monitor and mitigate the risks. The company conducts an annual strategic planning and bi-annual strategy reviews with the aim of identifying issues that affect the operations of the company. The overall objective of the Group's risk management framework 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.

Tip-offs

The Group subscribes to a fraud reporting hotline, "Tip off Anonymous" which encourages all employees and stakeholders to report any suspicious or actual policy breaches without fear of being victimized. In addition, the Group has established appropriate channels where employees can disclose unethical conduct and criminal behaviour without fear of victimization.

TIP-OFFS
ANONYMOUS

Major risk exposures

The prevailing economic environment in Zimbabwe is volatile and remains uncertain, which generally makes the operating environment for businesses to be risky. The following are some of the key risks for which the business 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 macroeconomic environment remains characterised by inflationary headwinds and exchange rate distortions. These pressures have had an impact on the country's economic activity, resultantly growth in the property market remains slow. Due to these factors the Group considers market risk to be a significant risk having the following possible impacts: • The environment has resulted in a mismatch between cost of construction and rentals earned from properties. • Adverse macroeconomic conditions may affect the demand for projects.	• Evaluation of financial risks and market indicators prior to commencement of development activity. • Management has responded by pre-purchase of key building materials on all projects. • Management has adopted a pre-letting and preselling strategy as evidenced by Agreements to Develop and Lease (ADL) which are signed prior to embarking on developments.
Regulatory and Compliance Risk The risk of failure to comply with regulations resulting in reputational damage, penalties, and interest charges. The Group operates in a regulated industry with particular focus on Anti Money Laundering, Environmental and Tax regulations among others.	• The Group seeks to maintain its status as a responsible corporate citizen which abides to the country's laws and regulations. The Board of Directors have adopted a zero-tolerance to non-compliance and ensures that all legal and regulatory developments are closely tracked and relevant compliance mechanisms are timeously implemented. • The Group has identified its key regulators and registers have been put in place to track compliance status. Further, regular engagements with these key stakeholders are sought to ensure new developments and requirements are identified and complied with. • The Company has green status rating in terms of compliance with the major regulators who include ZIMRA, ZSE and RBZ among others.
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, price inflation etc.	• The company ensures that every project is governed by a project charter stipulating performance parameters and delivery timelines. A project steering committee is appointed to oversee project delivery and management. • Pre-sale and pre-lease arrangements are brokered prior to acquisition of land and commencement of development works. • Management meetings and Board Investments committee meetings are done to support the steering committee and provide further oversight on project implementation.
Credit risk Failure to pay rentals completely by tenants thereby affecting cashflows.	• Due diligence and vetting of prospective tenants. • Registration of security over receivables where appropriate. • Active engagement of debtors and instituting litigation where internal follow up measures have failed. • Negotiating USD rentals with tenants to preserve value especially in cases of late payments. Application of late payment penalties to manage loss of value on unpaid rentals.
Increasing competition	• Diversifying the business portfolio to align with current demand in the property sector and creation of innovative, customer-oriented leasing space solutions for tenants e.g. flexible leasing space.
Supply chain management risks Risk of failure in the supply chain potentially impacting on successful delivery of the Group's strategy.	• Due diligence checks on supplier capabilities are done and supply contracts documented where appropriate. The Group seeks to engage with reputable and registered professional services firms in discharging its projects. • The Group also adopts contract management practises with performance provisions which seek to ensure effective performance of contractual obligations.

FINANCIAL PERFORMANCE

Our revenue and operating profit for the year ended 31 December 2022 increased by 98% and 243%, respectively.

COMPLIANCE AND DECLARATIONS

Certificate of Compliance by Company Secretary

In my capacity as Company Secretary, I hereby confirm that, for the year ended 31 December 2022, the Company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31), and that all such returns are true, correct and up to date.

Egnes Madhaka
Company Secretary
16 March 2023

Declaration by Chief Finance Officer

These annual financial statements have been prepared under my supervision as Group Chief Finance Officer. I confirm that I am a member of the Institute of Chartered Accountants of Zimbabwe (ICAZ) and also a member of the Public Accountants and Auditors Board (PAAB).

Kudakwashe Musundire
Chief Finance Officer
16 March 2023

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 assesses 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 year ended 31 December 2022 have been prepared in accordance with the requirements of International Financial Reporting Standards (IFRS), the Zimbabwe Stock Exchange Listing requirements 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 for 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 year ended 31 December 2022, were approved by the Board of Directors on 16 March 2023 and signed by:

Harare 16 March 2023	Eng. G. Bema Board Chairperson
Harare 16 March 2023	G. Mapfidza Managing Director
Harare 16 March 2023	K. Musundire Chief Finance Officer

Independent Auditor's Report

Deloitte.

PO Box 267
Harare
Zimbabwe

Deloitte & Touche
Registered Auditors
West Block
Borrowdale Office Park
Borrowdale Road
Borrowdale
Harare
Zimbabwe

Tel: +263 (0) 8677 000261
+263 (0) 8644 041005
Fax: +263 90) 4 852130
www.deloitte.com

TO THE SHAREHOLDERS OF MASHONALAND HOLDINGS LIMITED

REPORT ON THE AUDIT OF THE INFLATION ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying inflation adjusted consolidated financial statements of Mashonaland Holdings Limited and its subsidiaries ("the Group") set out on pages 35 to 76, which comprise the inflation adjusted consolidated statement of financial position as at 31 December 2022, 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 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 2022, and its inflation adjusted consolidated financial performance and its inflation adjusted consolidated cash flows for the 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(e)(i), 2(f) and 12 to the consolidated financial statements, investment property amounting to ZW$ 66 865 248 000 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: - capitalisation rates; - market rentals; and - market comparable property values The current economic environment is volatile given the valuation intricacies impacting property in the Zimbabwean market.	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; - Engaged an auditor's valuation specialist to assess reasonability of inputs and methods used by the independent valuer on selected properties; - Assessed the reasonableness of capitalisation rates, expected rentals and market comparable property values by comparing to historic trends, market information and market condition 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; 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.

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 requirements 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.

Independent Auditor's Report (continued)

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

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.

The engagement partner on the audit resulting in this independent auditor's report is Stelios Michael.

Deloitte & Touche

Deloitte & Touche
Chartered Accountants (Zimbabwe)
PER: Stelios Michael Partner
(PAAB Practice Certificate 0443) Harare, Zimbabwe
17 March 2023

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2022

		Inflation adjusted		*Historical cost	
	Notes	31 December 2022 ZW$	15 months ended 31 December 2021 ZW$	31 December 2022 ZW$	15 months ended 31 December 2021 ZW$
Revenue	3	**3 819 256 644**	**1 930 172 359**	**2 885 507 337**	**427 075 761**
Property expenses	4	(1 750 333 260)	(400 740 820)	(1 132 311 315)	(88 536 021)
Net property income		**2 068 923 384**	**1 529 431 539**	**1 753 196 022**	**338 539 740**
Other income	5	2 651 482 008	119 936 682	3 578 923 421	31 209 747
Allowance for credit losses expense		(31 201 771)	(3 151 216)	(48 216 587)	(4 562 625)
Administrative expenses	6.1	(1 153 010 722)	(613 981 455)	(772 101 142)	(136 987 792)
Operating profit before fair value adjustments		**3 536 192 899**	**1 032 235 550**	**4 511 801 714**	**228 199 070**
Fair value adjustments (loss)/gain		17 700 575 483	(5 730 450 776)	52 254 792 852	5 721 282 736
Investments held for trading	11	(1 003 241 618)	1 085 630 650	169 161 655	391 415 398
Investment property	12	18 703 817 101	(6 227 263 269)	52 085 631 197	5 468 205 739
Assets held for sale	15	-	(588 818 157)		(138 338 401)
Profit/(loss) before finance income, monetary loss and tax		**21 236 768 382**	**(4 698 215 226)**	**56 766 594 566**	**5 949 481 806**
Finance income	7	103 197 188	49 920 019	88 519 469	10 638 787
Finance costs	8	(267 853 491)	-	(187 801 696)	-
Exchange losses on borrowings		(3 031 933 255)	-	(1 973 163 350)	-
Monetary gain/(loss)		154 663 878	(356 779 755)	-	-
Profit/(loss) before tax		**18 194 842 702**	**(5 005 074 962)**	**54 694 148 989**	**5 960 120 593**
Tax (expense)/credit.	9	(949 085 850)	181 950 597	(2 620 223 292)	(315 819 471)
Profit/(loss) for the period		**17 245 756 852**	**(4 823 124 365)**	**52 073 925 697**	**5 644 301 122**
Total comprehensive profit/(loss) for the period		**17 245 756 852**	**(4 823 124 365)**	**52 073 925 697**	**5 644 301 122**
Total comprehensive profit/(loss) attributable to the equity holders of the parent		**17 245 756 852**	**(4 823 124 365)**	**52 073 925 697**	**5 644 301 122**
Basic and diluted earnings/loss per share – cents	16.1	**1 021.92**	**(285.35)**	**3 085.71**	**333.93**

* The historical cost results are included as supplementary information; the auditors have not expressed an opinion on the historical results.
The notes on pages 39-76 are an integral part of these financial statements.

Consolidated statement of financial position

As at 31 December 2022

		Inflation adjusted		*Historical cost	
	Notes	31 December 2022 ZW$	31 December 2021 ZW$	31 December 2022 ZW$	31 December 2021 ZW$
ASSETS					
Non-current assets		**67 650 577 419**	**48 141 499 924**	**67 478 277 716**	**13 959 652 044**
Vehicles and equipment	**10**	200 650 158	205 209 456	28 350 455	14 950 044
Investment property	**12**	66 865 248 000	47 936 290 468	66 865 248 000	13 944 702 000
Long-term receivables	**14**	584 679 261	-	584 679 261	-
Current assets		**5 599 357 909**	**3 503 201 412**	**5 474 795 746**	**1 001 891 203**
Inventories	**13**	286 493 847	607 634 806	69 653 499	159 568 757
Investments held for trading	**11**	527 553 502	1 701 610 392	527 553 502	494 999 709
Trade and other receivables	**14**	681 647 987	81 771 396	681 647 987	23 787 359
Contract asset receivable from customers	**19.1**	-	-	92 278 185	-
Cash and cash equivalents	**20**	4 103 662 573	1 112 184 818	4 103 662 573	323 535 378
Assets held for sale	**15**	-	971 230 282	-	282 531 600
Total assets		**73 249 935 328**	**52 615 931 618**	**72 953 073 462**	**15 244 074 847**
EQUITY AND LIABILITIES					
Equity		**66 239 275 575**	**49 306 163 548**	**66 175 591 314**	**14 301 376 426**
Share capital	**16**	120 017 619	127 099 082	843 792	929 537
Share premium	**16**	240 035 303	254 198 215	1 687 584	1 859 074
Treasury shares	**18**	-	(428 155 828)	-	(5 184 274)
Retained earnings		65 879 222 653	49 353 022 079	66 173 059 938	14 303 772 089
Non-current liabilities		**4 301 003 340**	**2 531 523 893**	**4 192 594 985**	**721 070 807**
Non-current portion of borrowings	**22**	1 026 591 593	-	1 026 591 593	-
Deferred tax	**9.3**	3 274 411 747	2 531 523 893	3 166 003 392	721 070 807
Current liabilities		**2 709 656 413**	**778 244 177**	**2 584 887 163**	**221 627 614**
Current portion of borrowings	**22**	1 042 737 411	-	1 042 737 411	-
Trade and other payables	**19**	1 201 523 415	118 931 430	1 201 523 415	29 833 052
Liabilities payable from contracts with customers	**19.1**	169 628 235	547 698 308	44 858 985	159 325 839
Accruals		211 688 583	54 623 541	211 688 583	15 890 029
Tax payable		84 078 769	56 990 898	84 078 769	16 578 694
Total equity and liabilities		**73 249 935 328**	**52 615 931 618**	**72 953 073 462**	**15 244 074 847**

*The historical cost results are included as supplementary information; the auditors have not expressed an opinion on the historical results.
The notes on pages 39-76 are an integral part of these financial statements.

**Refer to note 19 and 19.1 for details on the reclassification

Eng. G. Bema
Board Chairperson
16 March 2023

G. Mapfidza
Managing Director

K. Musundire
Chief Finance Officer

Consolidated statement of changes in equity

For the year ended 31 December 2022

		Inflation adjusted				
	Notes	Share capital ZW$	Share premium ZW$	Treasury shares ZW$	Retained earnings ZW$	Total ZW$
Balance at 1 October 2020		**127 099 082**	**254 198 215**	**(416 373 991)**	**54 401 551 516**	**54 366 474 822**
Loss for the period		-	-	-	(4 823 124 365)	(4 823 124 365)
Dividends declared		-	-	-	(225 405 072)	(225 405 072)
Acquisition of treasury shares	**18**	-	-	(11 781 837)	-	(11 781 837)
Balance at 31 December 2021		**127 099 082**	**254 198 215**	**(428 155 828)**	**49 353 022 079**	**49 306 163 548**
Cancellation of treasury shares	**18**	(7 081 463)	(14 162 912)	428 155 828	(406 911 453)	-
Profit for the year		-	-	-	17 245 756 852	17 245 756 852
Dividends declared		-	-	-	(312 644 825)	(312 644 825)
Balance at 31 December 2022		**120 017 619**	**240 035 303**	**-**	**65 879 222 653**	**66 239 275 575**

		*Historical cost				
	Notes	Share capital ZW$	Share premium ZW$	Treasury shares ZW$	Retained earnings ZW$	Total ZW$
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	**18**	-	-	(2 113 865)		(2 113 865)
Profit for the period		-	-	-	5 644 301 122	5 644 301 122
Dividends declared		-	-	-	(44 551 399)	(44 551 399)
Balance at 31 December 2021		**929 537**	**1 859 074**	**(5 184 274)**	**14 303 772 089**	**14 301 376 426**
Cancellation of treasury shares	**18**	(85 745)	(171 490)	5 184 274	(4 927 039)	-
Profit for the year		-	-	-	52 073 925 697	52 073 925 697
Dividends declared		-	-	-	(199 710 809)	(199 710 809)
Balance at 31 December 2022		**843 792**	**1 687 584**	**-**	**66 173 059 938**	**66 175 591 314**

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

The notes on pages 39-76 are an integral part of these financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2022

		Inflation adjusted		*Historical cost	
	Notes	15 months ended 31 December 2022 ZW$	15 months ended 31 December 2021 ZW$	15 months ended 31 December 2022 ZW$	15 months ended 31 December 2021 ZW$
Cash flows from operating activities					
Profit/(loss) before tax		**18 194 842 702**	**(5 005 074 962)**	**54 694 148 989**	**5 960 120 593**
Adjusted for:					
Finance income	7	(103 197 188)	(49 920 019)	(88 519 469)	(10 638 787)
Depreciation	10	34 718 587	9 662 646	5 440 331	2 964 583
Allowance for credit losses		31 201 771	3 151 216	48 216 587	4 562 625
Fair value (gain)/loss investments held for trading	11	1 003 241 618	(1 085 630 650)	(169 161 655)	(391 415 398)
Fair value loss/(gain) on investment property	12	(18 703 817 101)	6 227 263 269	(52 085 631 197)	(5 468 205 739)
Fair value loss/(gain) on assets held for sale		-	588 818 157	-	138 338 401
Profit on disposal of investment property		(207 146 149)	39 643 468	(207 146 149)	9 411 818
Profit on disposal on asset held for sale		605 619 558		(1 097 253 079)	-
Finance costs		267 853 491	-	187 801 697	-
Unrealised exchange losses		1 469 320 840	-	1 469 320 840	-
Dividend in specie		(10 495 322)	(964 824)	(9 111 196)	(174 686)
Effects of inflation adjustments		(1 454 887 458)	60 986 234	-	-
		1 127 255 349	**787 934 535**	**2 748 105 699**	**244 963 410**
Changes in working capital:					
Decrease/(increase) in inventories		320 153 707	87 267 405	89 915 258	(2 374 367)
(Increase)/(decrease) in trade and other receivables		(1 076 027 480)	14 973 551	(1 242 539 889)	(8 183 813)
Decrease)/increase in contract asset with customers		-	-	(92 278 185)	-
Increase in contract liability with customers		(378 070 075)	-	44 858 985	-
Increase/(decrease) in trade and other payables		1 082 591 985	566 011 477	1 171 690 362	178 547 920
(Decrease)/increase in accruals		110 148 858	(30 970 035)	148 882 370	2 085 036
Cash generated from operating activities		**1 186 052 344**	**1 425 216 933**	**2 868 634 600**	**415 038 186**
Tax paid		(59 912 586)	(163 741 492)	(56 518 321)	(45 888 479)
Net cash flows generated from operating activities		**1 126 139 758**	**1 261 475 441**	**2 812 116 279**	**369 149 707**
Cash flows from investing activities					
Interest received		61 658 404	44 935 490	60 150 584	9 188 784
Dividends received		10 110 938	-	8 727 436	-
Proceeds on disposal of investment property		3 858 848 496	183 845 127	2 343 302 723	42 908 530
Proceeds on disposal of asset held for sale		518 397 857	-	518 397 857	-
Proceeds on disposal of investments held for trading		199 162 241	1 988 857	164 193 564	340 179
Additions of assets held for trading		(28 748 089)	(964 827)	(27 585 701)	(174 685)
Improvements to investment property		(605 078 018)	(296 641 962)	(455 145 957)	(73 121 893)
Acquisition of investment property		(2 611 532 519)	-	(1 382 444 206)	-
Acquisition of property and equipment	10	(30 159 289)	(52 314 413)	(18 840 742)	(15 035 468)
Net cash flows used in investing activities		**1 372 660 021**	**(119 151 728)**	**1 210 755 558**	**(35 894 553)**
Cash flows from financing activities					
Loan raised		1 454 530 716	-	585 849 482	-
Loan repayment		(469 568 022)	-	(451 128 501)	-
Finance costs		(267 853 491)	-	(187 801 696)	-
Acquisition of treasury shares	18	-	(11 781 837)	-	(2 113 865)
Dividends paid		(224 431 227)	(238 251 754)	(189 663 927)	(43 071 711)
Net cash flows used in financing activities		**492 677 976**	**(250 033 591)**	**(242 744 642)**	**(45 185 576)**
Increase in cash and cash equivalents		2 991 477 755	892 290 122	3 780 127 195	288 069 578
Cash and cash equivalents at the beginning of the period/year		1 112 184 818	219 894 696	323 535 378	35 465 800
Cash and cash equivalents at the end of the period/year	20	**4 103 662 573**	**1 112 184 818**	**4 103 662 573**	**323 535 378**

* The historical cost results are included as supplementary information; the auditors have not expressed an opinion on the historical results.
The notes on pages 39-76 are an integral part of these financial statements.

Notes to the consolidated financial statements

For the year ended 31 December 2022

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 31 December 2022 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.

The inflation adjusted consolidated financial statements of the Group for the year ended 31 December 2022 were authorised for issue in accordance with a resolution of the Directors on 16 March 2023.

(b) Basis of accounting

The Group's Inflation adjusted consolidated financial statements for the year ended 31 December 2022 have been prepared in accordance with the requirements of International Financial Reporting Standards (IFRS), the Zimbabwe Stock Exchange Listing requirements 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$).

(c) Functional and presentation currency

The Group operates in a multi-currency environment. These consolidated financial statements are presented in the Zimbabwean currency ("ZW$") which is the functional currency of the Group. The Group's management performed an assessment to evaluate whether the ZW$ was still the Group's functional currency for the year ended 31 December 2022 and concluded that the use of ZW$ was still appropriate as this is the currency in which the majority of the Group's operating activities are transacted.

(d) Inflation accounting

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 2022	13 672.91	1.00
31 December 2021	3 977.50	3.44

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 for the year ended 31 December 2022 is included in the following notes:

Note 12– investment property: Key valuation assumptions

e) Use of significant judgements and sources of estimate uncertainties

(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 approaches. The investment approach 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 approach, the rental value rates and capitalisation 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.

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 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 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.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2022

1. Basis of preparation (continued)

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

(i) Valuation approach for investment property (continued)

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 utilised. 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 land and residential properties that the Group develops and intends to sell before or on completion of construction.

(iii) Techniques used for valuing investment property

Traditionally the income capitalisation approach converts anticipated future cash flow benefits in the form of rental income into present values. This approach requires careful estimation of future benefits and application of investor yields or return requirements. One approach to value the property on this basis is to capitalise net rental income on the basis of an Initial Yield, generally referred to as the 'All Risks Yield' approach or 'Net Initial Yield' approach.

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 12.

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 unrealised gains and losses resulting from intra-group transactions are eliminated in full.

(i) Business combinations

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

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

Group applies the below definition in classifying an acquisition as a business combination or as an asset acquisition.

Definition of a business combination (IFRS 3- amendments effective from the 1st of January 2020:

The Group applies the amended definition of a business as contained in IFRS 3 (amendments effective from the 1st of January 2020). Under this definition, business combinations are required to have substantial processes that contribute to the creation of goods and services provided to customers thereby generating income for the Group. The Group designates acquisitions which do not involve inputs and outputs as asset acquisitions in line with the requirements of IFRS 3.

(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.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss. Current tax assets and liabilities are measured

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2022

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

(i) Current tax (continued

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 utilised except:

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and jointly controlled entities. The deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profits will be available against which the temporary differences can be utilised.

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

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2022

2. Summary of significant accounting policies (continued)

F. Investment property (continued)

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

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. Vehicles and equipment

Vehicles 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. Vehicles 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 Group 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 capitalisation.
- Evidence of obsolescence or physical damage of the asset.

Vehicles and equipment is 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 vehicles 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 vehicles and equipment.

Vehicles 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 vehicles 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 vehicles 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 include in profit or loss in the year the asset is derecognised.

H. 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 recognized at fair value i.e. investment property will continue to be recognised at fair value.

I. Inventories

(i) Property held for re-sale

Properties acquired for sale or construction of housing units for resale are classified as inventory and valued at the lower of cost or net realizable value. The inventory is derecognised to cost of sale in line with stage of completion .

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale. Cost is determined by reference to the actual costs attributable to the specific property.

(ii) Consumables

Consumable inventories (mainly construction materials and fuel) 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.

J. 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.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2022

2. Summary of significant accounting policies (continued)

K. Share Capital

(i) Ordinary shares

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

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

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction in equity. The 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.

L. 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 recognized 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.

M. 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 income tax), payable at such intervals as the Board may decide.

N. 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 recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

O. 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
- it is probable that the consideration to which the Group is 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.

Sale of residential stands and constructed housing units Revenue from sale of residential stands and constructed housing units is recognised as follows:

- Residential stands-point in time, recognised upon receipt of final instalment as per agreement of sale and passing of vacant possession,
- Constructed residential housing units- recognised over time based on stage of completion method.

Construction of residential properties (Mashview Gardens construction project)

The Group constructs and sells residential properties under short term contracts with customers. Such contracts are entered into before construction of the residential properties begins. Under the terms of the contracts, the Group is contractually restricted from redirecting the properties to another customer and has an enforceable right to payment for work done. Revenue from construction of residential properties is therefore recognised over time on a stage of completion basis. The stage of completion is determined by the project architects. The directors consider that this method provides an appropriate measure of the progress towards complete satisfaction of performance obligations under IFRS 15.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2022

2. Summary of significant accounting policies (continued)

O. Revenue from Contracts with Customers ("IFRS 15") (continued)

Construction of residential properties (Mashview Gardens construction project) (continued)

The Group becomes entitled to invoice customers for construction of residential properties based on achieving a series of performance-related milestones. The Group will previously have recognised a contract asset for any work performed in excess of advance payments received. If the advance payment received exceeds the revenue recognised to date under the stage of completion then the Group recognises a contract liability for the difference.

There is not considered to be a significant financing component in construction contracts with customers due to the short term nature (within 12 months) of the period between the recognition of revenue under the stage of completion method and the advance payment.

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 property management commission.

P. 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).

Q. 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 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.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2022

2. Summary of significant accounting policies (continued)

i) Amortised cost and effective interest method (continued)

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 is 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 gives 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 is 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 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

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2022

2. Summary of significant accounting policies (continued)

Trade and other receivables (continued)

Recognition and measurement (continued)
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.

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.

Expected credit losses on staff loans
- Staff loans running for more than one year are secured and recovered through payroll hence no specific ECL provision is made on these loans.
- Staff loans running for less than one year are also recovered through payroll and not secured.

ECL provisions on these loans are based on historic credit losses experience applicable to the financial services sector in the country adjusted for the rate of staff turnover.

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. However the ECL has been calculated after 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.

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 IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use
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.

The above amendment has no impact on the Group's current year financial statements.

B. 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

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2022

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

B. Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract (continued)

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.

The above amendment has no impact on the Group's current year financial statements.

C. 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 recognise 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.

The above amendments have no impact on the Group's current year financial statements.

D. 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 37 to determine whether at the acquisition date a present obligation exists because 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.

The above amendment has no impact on the Group's current year financial statements.

2.2 New standards, amendments and interpretations issued but not effective for 31 December 2022 year-ends that are relevant to the Group but have not been early adopted

The directors do not expect that the adoption of the Standards listed below will have a material impact on the financial statements of the Group in future periods, except as noted below:

A. 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 year ended 31 December 2022

		Inflation adjusted		Historical cost	
		31 December 2022 ZW$	15 months ended 31 December 2021 ZW$	31 December 2022 ZW$	15 months ended 31 December 2021 ZW$
3.	**Revenue**	**3 819 256 644**	**1 930 172 359**	**2 885 507 337**	**427 075 761**
	IFRS 16 rental income	2 558 288 987	1 912 685 229	1 848 734 004	422 450 703
	Revenue from contracts with customers				
	Recognised on stage of completion (overtime):				
	Mashview Gardens housing project (Note 19.3)	1 168 400 683	-	962 262 980	-
	Recognised at a point in time:				
	Property inventory sales	69 450 358	9 530 863	54 102 328	2 039 801
	Property services income	23 116 616	7 956 267	20 408 025	2 585 257
3.1	**Future minimum rentals receivable under non-cancellable operating leases as at year/period end are as follows**				
	Within 1 year	2 957 936 619	1 724 529 856	2 957 936 619	501 666 998
	After 1 year but not more than 5 years	8 237 038 090	3 194 565 118	8 237 038 090	929 301 332

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

As set out in note 3 above, property rental income earned during the year from investment property was ZW$2.558 billion (2021: ZW$1.912 billion). All operating lease contracts contain market review clauses to ensure continued alignment of rentals to market conditions.

		Inflation adjusted		Historical cost	
		31 December 2022 ZW$	15 months ended 31 December 2021 ZW$	31 December 2022 ZW$	15 months ended 31 December 2021 ZW$
4.	**Property expenses**				
	Costs related to vacant space	(199 669 294)	(179 238 971)	(144 360 381)	(39 464 837)
	Repairs & maintenance	(19 877 615)	(25 762 605)	(14 665 526)	(7 596 808)
	Utilities	(124 839 645)	(77 287 815)	(92 105 570)	(15 812 730)
	Property insurance costs	(25 479 412)	(14 634 401)	(9 023 192)	(3 126 595)
	Property management expenses	(152 718 278)	(103 817 028)	(99 473 067)	(22 535 051)
	Mashview Gardens development costs (Note 19.3)	(1 211 496 227)	-	(772 472 588)	-
	Cost of land inventory sold	(16 252 789)	-	(210 991)	-
	Total	**(1 750 333 260)**	**(400 740 820)**	**(1 132 311 315)**	**(88 536 021)**
5.	**Other income**				
	Service charges	38 429 595	112 829 421	28 148 613	34 985 625
	Dividend income	10 480 070	46 750 729	9 096 567	5 635 940
	Exchange gains	3 001 045 752	-	2 237 279 013	-
	Profit/(loss) on disposal of investment property	207 146 149	(39 643 468)	207 146 149	(9 411 818)
	(Loss)/profit on disposal of asset held for sale	(605 619 558)	-	1 097 253 079	-
	Total	**2 651 482 008**	**119 936 682**	**3 578 923 421**	**31 209 747**

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2022

		Inflation adjusted		Historical cost	
		31 December 2022 ZW$	15 months ended 31 December 2021 ZW$	31 December 2022 ZW$	15 months ended 31 December 2021 ZW$
6.	**Profit before finance income, monetary loss and tax**				
	Profit before finance income and tax was arrived at after charging:				
	- external audit fees	(84 458 772)	(23 155 476)	(72 107 021)	(11 938 440)
	- non-executive directors' emoluments	(79 357 660)	(29 791 008)	(59 175 270)	(6 323 889)
	- allowance for credit losses on trade receivables (note 14)	(31 201 772)	(3 151 216)	(48 216 587)	(4 566 950)
	- depreciation	(34 718 587)	(9 662 646)	(5 440 331)	(2 964 583)
6.1	**Administrative expenses**				
	Staff related costs (note 6.2)	(406 894 286)	(291 866 972)	(270 513 524)	(65 045 981)
	Consultancy	(49 705 822)	(20 013 638)	(43 298 221)	(4 411 283)
	Intermediate money transfer tax	(85 974 480)	(12 867 008)	(72 708 792)	(2 562 268)
	Office expenses	(610 436 134)	(289 233 837)	(385 580 605)	(64 968 260)
	Total	**(1 153 010 722)**	**(613 981 455)**	**(772 101 142)**	**(136 987 792)**
6.2	**Staff related costs**				
	Salaries and other staff related expenses	(395 276 275)	(275 515 731)	(263 289 825)	(62 910 195)
	Contributions to defined contribution fund	(10 945 826)	(15 876 722)	(6 959 229)	(2 024 577)
	Contributions to NSSA scheme	(672 185)	(474 519)	(264 470)	(111 209)
	Total	**(406 894 286)**	**(291 866 972)**	**(270 513 524)**	**(65 045 981)**
6.3	**Staff related costs-administration**				
	Salaries and other staff related expenses	(395 276 275)	(275 515 731)	(263 289 825)	(62 910 195)
	Contribution to pension fund	(10 945 826)	(15 876 722)	(6 959 229)	(2 024 577)
	Contribution to National Social Security Authority Scheme	(672 185)	(474 519)	(264 470)	(111 209)
	Sub total	**(406 894 286)**	**(291 866 972)**	**(270 513 524)**	**(65 045 981)**
	Staff related costs-property management				
	Salaries and other staff related expenses	(127 710 798)	(89 889 065)	(83 129 017)	(19 502 430)
	Contribution to pension fund	(2 393 754)	(2 154 488)	(1 558 133)	(467 440)
	Contribution to National Social Security Authority Scheme	(141 539)	(127 392)	(92 130)	(27 639)
	Sub total	**(130 246 091)**	**(92 170 945)**	**(84 779 280)**	**(19 997 509)**
	Total employee costs	**(537 140 377)**	**(384 037 917)**	**(355 292 804)**	**(85 043 490)**
7.	**Finance income**				
	This comprises of:				
	Interest received from tenants and staff balances	29 251 880	49 322 912	25 112 625	10 524 98
	Interest received from staff balances	26 894 869	597 107	24 238 890	113 803
	Interest receivable on money market investments	47 050 439	-	39 167 954	-
	Total	**103 197 188**	**49 920 019**	**88 519 469**	**10 638 787**

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2022

		Inflation adjusted		Historical cost	
		31 December 2022 ZW$	15 months ended 31 December 2021 ZW$	31 December 2022 ZW$	15 months ended 31 December 2021 ZW$
8.	**Finance costs**				
	Loan arrangement fees	(95 724 091)	-	(38 555 328)	-
	Interest charged	(172 129 400)	-	(149 246 368)	-
		(267 853 491)	**-**	**(187 801 696)**	**-**
9.	**Tax (expense)/credit**				
	Current income tax	(206 197 997)	(234 837 852)	(175 290 706)	(43 789 472)
	Deferred income tax – current year	(1 174 218)	35 455 841	30 651 730	(148 907 541)
	Deferred capital gains tax (expense)/credit	(741 713 635)	381 332 608	(2 475 584 316)	(123 122 458)
	Total tax (expense)/credit	**(949 085 850)**	**181 950 597**	**(2 620 223 292)**	**(315 819 471)**

9.1 Tax rate reconciliation

	Inflation Adjusted			
	31 December 2022 ZW$	Rate %	15 months ended 31 December 2021 ZW$	Rate %
Profit/(loss) before tax	**18 194 842 702**	**-**	**(5 005 074 962)**	**-**
Tax using the standard rate	(4 497 765 116)	(24.72)%	(1 149 058 575)	(24.72)%
Net effects of tax adjustments	5 446 850 966	29.94%	1 331 009 176	28.63%
Fair value adjustments	4 968 903 473	27.31%	1 416 567 434	30.47%
Non-deductible expenses	454 934 205	2.50%	10 921 939	0.23%
Exempt income	(25 510 345)	(0.14)%	(176 125)	-
Other	48 523 633	0.27%	(96 304 072)	(2.07)%
Total tax (expense)/credit	**949 085 850**	**5.22**	**181 950 597**	**3.91**

	Historical cost			
	31 December 2022 ZW$	Rate %	15 months ended 31 December 2021 ZW$	Rate %
Profit before tax	**54 694 148 989**	**-**	**5 960 120 593**	**-**
Tax using the standard rate	(13 520 393 630)	(24.72%)	1 473 341 811	24.72%
Exempt or non-taxable	10 900 170 338	19.93%	(1 157 522 340)	(19.42)%
Fair value adjustments	12 917 384 793	23.62%	(1 414 301 092)	(23.73)%
Non-deductible expenses	(2 050 753 507)	(3.75)%	1 985 750	0.03%
Exempt income	21 882 013	0.04%	(32 022)	0.00%
Other	11 657 039	0.02%	254 825 024	4.28%
Total tax expense	**(2 620 223 292)**	**(4.79)**	**(315 819 471)**	**(5.30)**

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2022

9.2 Deferred tax

	Historical cost	
	31 December 2022 Rate %	31 December 2021 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	1.5%	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 2022		
	Balance at 1 January ZW$	Recognised in profit or loss ZW$	Balance at 31 December ZW$
Deferred tax liability – Analysis of temporary differences			
Investment property	2 396 814 523	799 377 951	3 196 192 474
Non- current asset held for sale	48 561 514	(48 561 514)	-
Investment in quoted shares	17 016 104	(9 102 800)	7 913 304
Property and equipment	49 158 591	(5 368 452)	43 790 139
Accruals	(20 900 748)	(6 186 354)	(27 087 102)
Inventory	40 873 909	12 729 023	53 602 932
Closing balance	**2 531 523 893**	**742 887 854**	**3 274 411 747**

	Inflation adjusted 2021		
	Balance at 1 January ZW$	Recognised in profit or loss ZW$	Balance at 31 December ZW$
Investment property	2 813 998 258	(417 183 732)	2 396 814 526
Non- current asset held for sale	12 710 391	35 851 123	48 561 514
Investment in quoted shares	6 432 686	10 583 418	17 016 104
Property and equipment	41 637 045	7 521 542	49 158 587
Accruals	(21 023 691)	122 942	(20 900 749)
Inventory	94 557 651	(53 683 740)	40 873 911
Closing balance	**2 948 312 340**	**(416 788 447)**	**2 531 523 893**

	Historical cost 31 December 2022		
	Balance at 1 January ZW$	Recognised in profit or loss ZW$	Balance at 31 December ZW$
Investment property	697 235 100	2 486 747 591	3 183 982 691
Non- current asset held for sale	14 126 580	(14 126 580)	-
Investment in quoted shares	4 949 997	2 963 305	7 913 302
Property and equipment	3 239 173	(2 044 671)	1 194 502
Accruals	(6 080 043)	(21 007 060)	(27 087 103)
Inventory	7 600 000	(7 600 000)	-
Closing balance	**721 070 807**	**2 444 932 585**	**3 166 003 392**

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2022

9.2 Deferred tax (continued)

	Historical cost 31 December 2021		
	Balance at 1 January 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
Accruals	(3 390 814)	(2 689 229)	(6 080 043)
Inventory	(955 229)	8 555 229	7 600 000
Closing balance	**449 040 808**	**272 029 999**	**721 070 807**

10. Vehicles and equipment

Inflation adjusted

	31 December 2022			30 December 2021		
	Motor vehicles and fittings ZW$	Computer and furniture ZW$	Total ZW$	Motor vehicles ZW$	Computers, furniture and fittings ZW$	Total ZW$
Cost						
Balance at beginning of year/period	268 146 007	65 685 297	333 831 304	244 325 002	37 358 998	281 684 000
Additions	-	30 159 289	30 159 289	23 988 114	28 326 299	52 314 413
Disposals	-	-		(167 109)	-	(167 109)
Balance at year/period end	**268 146 007**	**95 844 586**	**363 990 593**	**268 146 007**	**65 685 297**	**333 831 304**
Accumulated depreciation						
Balance at beginning of year/period	96 718 120	31 903 728	128 621 848	91 249 152	27 877 159	119 126 311
Depreciation for the year/period	27 731 934	6 986 653	34 718 587	5 636 077	4 026 569	9 662 646
Disposals	-	-	-	(167 109)	-	(167 109)
Balance at year/period end	**124 450 054**	**38 890 381**	**163 340 435**	**96 718 120**	**31 903 728**	**128 621 848**
Carrying amount at year/period end	**143 695 953**	**56 954 205**	**200 650 158**	**171 427 887**	**33 781 569**	**205 209 456**

Historical cost

	31 December 2021			30 September 2020		
	Motor vehicles and fittings ZW$	Computer and furniture ZW$	Total ZW$	Motor vehicles ZW$	Computers, furniture and fittings ZW$	Total ZW$
Balance at beginning of year/period	10 466 304	8 642 902	19 109 206	3 524 644	585 594	4 110 238
Additions	-	18 840 742	18 840 742	6 978 160	8 057 308	15 035 468
Disposals	-	-	-	(36 500)	-	(36 500)
Balance at year/period end	**10 466 304**	**27 483 644**	**37 949 948**	**10 466 304**	**8 642 902**	**19 109 206**
Accumulated depreciation						
Balance at beginning of year/period	2 905 650	1 253 512	4 159 162	968 839	262 240	1 231 079
Depreciation for the year/period	2 643 703	2 796 628	5 440 331	1 973 311	991 272	2 964 583
Disposals	-	-	-	(36 500)	-	(36 500)
Balance at period end	**5 549 353**	**4 050 140**	**9 599 493**	**2 905 650**	**1 253 512**	**4 159 162**
Carrying amount at period end	**4 916 951**	**23 433 504**	**28 350 455**	**7 560 654**	**7 389 390**	**14 950 044**

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2022

11. Investments held for trading

	Inflation adjusted		Historical cost	
	31 December 2022 ZW$	31 December 2021 ZW$	31 December 2022 ZW$	31 December 2021 ZW$
Listed securities				
Balance at beginning of year/period	1 701 610 392	643 268 501	494 999 709	103 749 805
Additions	28 748 089	964 827	27 585 701	174 685
Disposals	(199 563 361)	(28 253 586)	(164 193 563)	(340 179)
Fair value (loss)/ gain recognised in profit or loss	(1 003 241 618)	1 085 630 650	169 161 655	391 415 398
Balance at end of period	**527 553 502**	**1 701 610 392**	**527 553 502**	**494 999 709**

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$ 527 553 502 has been categorised under level 1, based on the quoted prices (prices unadjusted) on the Zimbabwe Stock Exchange.

12. Investment property

	Office ZW$	Industrial ZW$	Retail ZWL$	Residential ZW$	Health ZW$	Land ZW$	Total ZW$
Inflation adjusted 31 December 2022							
Fair value 1 January	31 853 133 979	5 673 997 405	3 927 325 937	1 926 774 112	1 065 717 526	3 489 341 509	47 936 290 468
Disposals	-	-	-	-	-	(264 140 000)	(264 140 000)
Reclassification to assets held for sale	(3 678 230 686)	-	-	-	-	-	(3 678 230 686)
Improvements/additions	416 275 926	-	-	66 141 425	448 908 601	3 236 185 165	4 167 511 117
Fair value gain recognised in profit or loss	8 038 830 780	2 159 832 595	946 834 062	672 732 464	1 160 923 873	5 724 663 327	18 703 817 101
Fair value at 31 Dec	**36 630 009 999**	**7 833 830 000**	**4 874 159 999**	**2 665 648 001**	**2 675 550 000**	**12 186 050 001**	**66 865 248 000**
31 December 2021							
Fair value 1 October	36 162 607 958	6 677 244 979	4 519 442 470	2 011 961 643	1 615 893 505	4 703 662 515	55 690 813 070
Disposals	-	-	-	-	(310 009 502)	-	(310 009 502)
Reclassifications to inventory net	-	-	-	-	-	(208 051 144)	(208 051 144)
Reclassification to assets held for sale	-	-	-	-	-	(1 305 840 649)	(1 305 840 649)
Improvements/additions	58 429 942	-	-	4 805 660	-	233 406 360	296 641 962
Fair value (loss)/gain recognised in profit or loss	(4 367 903 921)	(1 003 247 574)	(592 116 533)	(89 993 190)	(240 166 477)	66 164 426	(6 227 263 269)
Fair value at 31 Dec	**31 853 133 979**	**5 673 997 405**	**3 927 325 937**	**1 926 774 113**	**1 065 717 526**	**3 489 341 508**	**47 936 290 468**

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2022

12. Investment property (continued)

	Historical cost 31 December 2022						
	Office ZW$	Industrial ZW$	Retail ZWL$	Residential ZW$	Health ZW$	Land ZW$	Total ZW$
Fair value 1 January 2022	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
Disposals	-	-	-	-	-	(264 140 000)	(264 140 000)
Reclassification to assets held for sale	(1 070 000 000)	-	-	-	-		(1 070 000 000)
Improvements/additions	378 447 011	-	-	49 947 027	352 402 993	1 388 257 772	2 169 054 803
Fair value gain recognised in profit or loss	28 055 462 989	6 183 260 000	3 821 880 000	2 055 200 973	1 922 947 007	10 046 880 228	52 085 631 197
Fair value at 31 December	**36 630 010 000**	**7 833 830 000**	**4 874 160 000**	**2 665 648 000**	**2 675 550 000**	**12 186 050 000**	**66 865 248 000**

	Historical cost 31 December 2021						
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 to inventory	-	-	-	-	-	(148 869 631)	(148 869 631)
Reclassification to assets held for sale	-	-	-	-	-	(379 870 001)	(379 870 001)
Improvements/additions	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**

12. (b) Investment property transfers

	Inflation adjusted		Historical cost	
	31 December 2022 ZW$	31 December 2021 ZW$	31 December 2022 ZW$	31 December 2020 ZW$
Transfer to inventory	-	522 515 014	-	152 000 000
Transfer from inventory	-	(314 463 870)	-	(3 130 369)
Net movement	**-**	**208 051 144**	**-**	**148 869 631**

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2022

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

12. 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$67.565 billion has been categorized under level 3 in the fair value hierarchy based on the inputs to the valuation techniques used. (See Note 1(d) – significant estimates and judgements).

12.1 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 was applied on residential properties and undeveloped land. The 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 2022				
Significant unobservable inputs	Office ZW$	Industrial ZWL$	Pure retail ZW$	Residential and health ZW$	Land banks ZW$
Occupancy rate	87%	100%	100%	100%	N/A
Yields	6%	7%	5%	6%	N/A
Capitalisation rate (ranges)	5%-7.5%	8.5%-10.5%	5.5%-6%	5.5%-6%	N/A
Rentals per square meter (ranges)	2 550 – 5 840	800 – 2 920	4 100 – 11 950	3 200 - 4 380	N/A
Land bank price per square meter (range)	N/A	N/A	N/A	N/A	5 100- 85 000
	30 December 2021				
Occupancy rate	81%	100%	100%	100%	N/A
Yields	4%	12%	5%	5%	N/A
Capitalisation rate ranges (ranges)	5%-8%	7%-8.5%	4.5%-5%	4.5%-5%	N/A
Rentals per square meter (ranges)	1 376-2 752	688-1 376	2 408-5 332	1 789- 2 580	N/A
Land bank price per square meter (range)	N/A	N/A	N/A	N/A	5 100- 85 000

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2022

12. Measurement of fair value (continued)

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

The estimated fair value would increase / (decrease) if 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

Sensitivity to capitalisation rates

Capitalisation rates represent an all-risk yield derived from property market sales transactions for similar properties. It is the closing yield on disposal of an income generating property determined from adjusted net income expected in year zero divided by the property value. Factors contributing to an increase in risk include the increase in vacancy levels, this increase will consequently result in a reduction in net incomes and ultimately property value. Where external factors and property specific factors improve, reduction in capitalization rates is expected, all things being constant, the result is increased property values. The table below highlights the sensitivity of the Group profit for the year and equity arising from a possible change in the capitalization rates applied in the valuation of investment property.

All figures in ZW$	Inflation adjusted 2022		Inflation adjusted 2021	
	10% increase in capitalisation rates	10% decrease in capitalisation rates	10% increase in capitalisation rates	10% decrease in capitalisation rates
Effect on fair value adjustment on investment property	(4 702 909 091)	5 748 000 000	(3 137 090 137)	3 834 221 280
Effect on deferred tax expense	235 145 455	(287 400 000)	156 854 507	(191 711 064)
Effect on profit for the year	(4 467 763 636)	5 460 600 000	(2 980 235 630)	3 642 510 216
Effect on equity	(4 467 763 636)	5 460 600 000	(2 980 235 630)	3 642 510 216

Sensitivity to observed market rentals

Observed market rentals are used in determining the potential income for investment properties. These market rentals are affected by several property specific and macro-economic factors. Where property specific and macro-economic factors improve, all things being constant, property potential incomes will improve the result being an increase in property values. The table below highlights the sensitivity of the Group profit for the year and equity arising from a possible change in market rentals applied in the valuation of investment property.

All figures in ZW$	Inflation adjusted 2022		Inflation adjusted 2021	
	10% increase in market rentals	10% decrease in market rentals	10% increase in market rentals	10% decrease in market rentals
Effect on fair value adjustment on investment property	4 702 909 091	(5 748 000 000)	3 137 090 137	(3 834 221 280)
Effect on deferred tax expense	(235 145 455)	287 400 000	(156 854 507)	191 711 064
Effect on profit for the year	4 467 763 636	(5 460 600 000)	2 980 235 630	(3 642 510 216)
Effect on equity	4 467 763 636	(5 460 600 000)	2 980 235 630	(3 642 510 216)

Sensitivity to changes in land value per square meter

The Group's land banks are valued based on sales evidence obtained from comparable market transactions. The value of land banks are sensitive to changes in demand and supply of similar land in the market. The table below highlights the sensitivity on the Group's equity and profit for the year arising from a possible change in land values.

All figures in ZW$	Inflation adjusted 2022		Inflation adjusted 2021	
	10% increase in land value per m^2	10% decrease in land value per m^2	10% increase in land value per m^2	10% decrease in land value per m^2
Effect on fair value adjustment on investment property	933 703 500	(933 703 500)	206 993 291	(206 993 291)
Effect on deferred tax expense	(46 685 175)	46 685 175	(10 349 665)	10 349 665
Effect on profit for the year	887 018 325	1 059 608 889	(550 298 727)	672 587 334
Effect on equity	887 018 325	1 059 608 889	(550 298 727)	672 587 334

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 2022.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2022

12. Measurement of fair value (continued)

Sensitivity to changes in the value of comparable residential properties observed in the valuation of residential properties

The Group's residential properties were valued based on the direct comparison approach. Under this approach residential property values were determined based on the values of similar transacted properties in the market. The value of residential properties are sensitive to changes in demand and supply of similar properties in the market. The table below highlights the sensitivity on the Group's equity and profit for the year arising from a possible change in residential property values.

All figures in ZW$	Inflation adjusted 2022		Inflation adjusted 2021	
	10% increase in property value	10% decrease in property value	10% increase in property value	10% decrease in property value
Effect on fair value adjustment on investment property	266 564 800	(266 564 800)	192 812 000	(192 812 000)
Effect on deferred tax expense	(13 328 240)	13 328 240	(9 640 600)	9 640 600
Effect on profit for the year	253 236 560	(253 236 560)	183 171 400	(183 171 400)
Effect on equity	253 236 560	(253 236 560)	183 171 400	(183 171 400)

13. Inventories

	Inflation adjusted		Historical cost	
	31 December 2022 ZW$	31 December 2021 ZW$	31 December 2022 ZW$	31 December 2020 ZW$
Mashview Gardens development land	219 456 342	522 515 050	63 840 000	152 000 000
Ruwa Windsor stands	34 980 932	51 233 714	714 826	1 046 947
Consumables	32 056 573	33 886 042	5 098 673	6 521 810
Total	**286 493 847**	**607 634 806**	**69 653 499**	**159 568 757**
The Mashview Gardens development land inventory movement is presented in the table below.				
Opening balance	522 515 050	522 515 050	152 000 000	152 000 000
Costs incurred during the year	908 437 519	-	684 312 588	-
Transfer to cost of sales	(1 211 496 227)	-	(772 472 588)	-
Closing balance	**219 456 342**	**522 515 050**	**63 840 000**	**152 000 000**

14. Trade and other receivables

Rent receivables	146 853 555	82 942 789	146 853 555	24 128 118
VAT receivable from disposal of non-current asset held for sale	354 185 050	-	354 185 050	-
Short term staff receivables	47 993 622	22 823 576	47 993 622	6 639 395
Prepayments and other receivables	184 081 165	-	184 081 165	-
	733 113 392	**105 766 365**	**733 113 392**	**30 767 513**
Impairment allowance on rental receivables	(51 465 405)	(23 994 969)	(51 465 405)	(6 980 154)
	681 647 987	**81 771 396**	**681 647 987**	**23 787 359**
Long-term receivables	588 410 597	-	588 410 597	-
Impairment allowance on long term staff loans	(3 731 336)	-	(3 731 336)	-
	584 679 261	**-**	**584 679 261**	-
Grand total	**1 266 327 248**	**81 771 396**	**1 266 327 248**	**23 787 359**

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2022

14. Trade and other receivables (continued)

Long term staff receivables consist of housing loans disbursed to staff issued over 10-to-20-year tenures. The loans are secured and bear an interest rate of 10% per annum. The pledged security is adequate to cover the credit exposure on the long-term loans receivable, hence low credit risk exposure to the Group.

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 90 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	
	31 December 2022 ZW$	**31 December 2021 ZW$**	**31 December 2022 ZW$**	**31 December 2021 ZW$**
Opening balance	23 994 969	20 843 753	6 980 154	2 413 204
Rental debtors charge for the year	28 787 161	3 151 216	44 485 251	4 566 950
Staff debtors charge for the year	2 414 610	-	3 731 336	-
Closing balance	**55 196 740**	**23 994 969**	**55 196 741**	**6 980 154**

There were no credit impaired debtors that were identified during the year (2021:nil) which require reclassification. The increase in ECL was a result of increase in current rental and staff debtors.

15. Assets held for sale

Assets held for sale comprise of a land bank which was classified as held for sale from prior year valued at ZW$971 230 282 (2021: ZW$ 282 531 600) and an office property which was classified as held for sale during the year valued at ZW$ 3 678 230 686. The conditions of the sale agreement were wholly met at 31 December 2022 to enable the disposal to be recognised in the annual financial statements. The proceeds of disposals were less than the carrying amount of the related net asset and accordingly a loss of ZW$ 605 619 558 has been recognised on the disposal of assets held for sale.

All assets classified as held for sale were sold during the year and the major classes of assets comprising the properties classified as held for sale were as follows:

	Inflation adjusted		Historical cost	
	31 December 2022 ZW$	**31 December 2021 ZW$**	**31 December 2022 ZW$**	**31 December 2021 ZW$**
COST				
Assets				
Opening balance	971 230 282	254 207 789	282 531 600	41 000 000
Net reclassification from investment property	3 678 230 686	1 305 840 650	1 070 000 000	379 870 001
Disposals during the period	(4 649 460 968)	-	(1 352 531 600)	-
Net fair value adjustment	-	(588 818 157)	-	(138 338 401)
Closing balance	**-**	**971 230 282**	**-**	**282 531 600**

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2022

16. Share capital and premium

	Inflation adjusted		Historical cost	
	31 December 2022 ZW$	31 December 2021 ZW$	31 December 2022 ZW$	31 December 2021 ZW$
Cost				
Ordinary shares of ZW$0.0005				
Authorised				
Authorised share capital 2 500 000 000 at year/period end	1 250 000	1 250 000	1 250 000	1 250 000
Issued and fully paid up 1 859 073 947 shares	127 099 082	127 099 082	929 537	929 537
Cancellation of treasury shares	(7 081 463)	-	(85 745)	
At period end	**120 017 619**	**127 099 082**	**843 792**	**929 537**
Share premium				
Share premium	254 198 215	254 198 215	1 859 074	1 859 074
Cancellation of treasury shares	(14 162 912)	-	(171 490)	-
At period end	**240 035 303**	**254 198 215**	**1 687 584**	**1 859 074**

The Group sought and secured Annual General Meeting approval, on the 23rd of June 2022, for the cancellation of 171,489,938 ordinary shares held by the Group as treasury shares. The treasury shares constituted 9.2% of the total issued share capital and were acquired as part of the concluded share buyback scheme. As at 31st of December 2022, processes to effect the cancellation, which include deregistration of the shares, were completed and therefore these Group financial statements reflect the full impact of the cancellation of the treasury shares.

16.1 Earnings/(loss) per share

Basic earnings/(loss) per share

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

	Inflation adjusted		Historical cost	
	31 December 2022 ZW$	31 December 2021 ZW$	31 December 2022 ZW$	31 December 2021 ZW$
(i) Profit/(loss) attributable to ordinary shares	17 245 756 852	(4 823 124 365)	52 073 925 697	5 644 301 122
(ii) Weighted average number of ordinary shares (basic)	-	-	-	-
Issued ordinary shares at beginning	1 859 073 947	1 859 073 947	1 859 073 947	1 859 073 947
Effects of treasury shares	(171 489 938)	(168 824 138)	(171 489 938)	(168 824 138)
Weighted-average number of ordinary shares at period end	**1 687 584 009**	**1 690 249 809**	**1 687 584 009**	**1 690 249 809**
Basic and diluted earnings/(loss) per share (ZW$ cents)	1 021.92	(285.35)	3 085.71	333.93

There are no transactions with a potential dilutive effect.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2022

17. Operating segments

17.1 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.

17.2 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.

17.3 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 2022				
	Office ZW$	**Industrial ZW$**	**Pure retail ZW$**	**Residential, health and land ZW$**	**Total ZW$**
Segment profit					
Rental income	1 782 395 484	397 067 081	207 559 678	171 266 744	2 558 288 987
Mashview Gardens housing sales (Note 19.3)	-	-	-	1 168 400 683	1 168 400 683
Land inventory sales	-	-	-	69 450 358	69 450 358
Property services income	-	-	-	23 116 616	23 116 616
Allowance for credit losses	(26 545 666)	(525 827)	-	(398 943)	(27 470 436)
Fair value adjustment	10 074 645 087	2 220 392 870	1 372 427 344	5 036 351 800	18 703 817 101
	11 830 494 905	**2 616 934 124**	**1 579 987 022**	**6 468 187 258**	**22 495 603 309**
Property expenses	(274 885 026)	(812 510)	(274 885 026)	(1 199 750 698)	(1 750 333 260)
Segment profit	**11 555 609 879**	**2 616 121 614**	**1 305 101 996**	**5 268 436 560**	**20 745 270 049**
Reconciliation of segment profit					
Profit from operating segments					**20 745 270 049**
Fair value on investments held for trading					(1 003 241 618)
Administrative expenses					(1 153 010 722)
Other income					2 651 482 008
Allowance for credit losses					(3 731 335)
Finance income					103 197 188
Finance costs					(267 853 491)
Exchange losses on borrowings					(3 031 933 255)
Monetary loss					154 663 878
Loss before tax as per consolidated statement of profit or loss					**18 194 842 702**

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2022

17. Operating segments (continued)

17.3 Information about reportable segments (continued)

	Inflation Adjusted 31 December 2021				
	Office ZW$	Industrial ZW$	Pure retail ZW$	Other ZW$	Total ZW$
Segment profit					
Rental income	1 190 529 399	342 285 277	155 617 628	224 252 925	1 912 685 229
Project inventory sales	-	-	-	9 530 863	9 530 863
Property services income	-	-	-	7 956 267	7 956 267
Allowance for credit losses	(1 742 210)	(840 220)		(450 836)	(3 033 266)
Fair value adjustment	(4 367 903 921)	(1 003 247 574)	(592 116 533)	(263 995 241)	(6 227 263 269)
	(3 179 116 732)	**(661 802 517)**	**(436 498 905)**	**(22 706 022)**	**(4 300 124 176)**
Property expenses	(304 899 941)	(45 011 238)	(36 542 025)	(14 287 616)	(400 740 820)
Segment (loss)/profit	**(3 484 016 673)**	**(706 813 755)**	**(473 040 930)**	**(36 993 638)**	**(4 700 864 996)**
Reconciliation of segment profit					
Loss from operating segments					**(4 700 864 996)**
Fair value on investments held for trading					1 085 630 650
Fair value on assets held for sale					(588 818 157)
Administrative expenses					(613 981 455)
Other income					119 936 682
Allowance for credit losses					(117 950)
Finance income					49 920 019
Monetary loss					(356 779 755)
Loss before tax as per consolidated statement of profit or loss					**(5 005 074 962)**

	Historical cost 31 December 2022				
	Office ZW$	Industrial ZW$	Pure retail ZW$	Residential, health and land ZW$	Total ZW$
Revenue	1 288 038 668	286 938 426	149 991 903	123 765 007	1 848 734 004
Mashview Gardens housing sales (Note 19.3)	-	-	-	962 262 980	962 262 980
Land inventory sales	-	-	-	54 102 328	54 102 328
Property services income	-	-	-	20 408 025	20 408 025
Allowance for credit losses	(42 987 674)	(851 516)	-	(646 042)	(44 485 232)
Fair value adjustment	28 055 462 989	6 183 260 000	3 821 880 000	14 025 028 208	52 085 631 197
	29 300 513 983	6 469 346 910	3 971 871 903	15 184 920 506	54 926 653 302
Property expenses	(177 826 379)	(525 622)	(177 826 379)	(776 132 935)	(1 132 311 315)
Segment profit	**29 122 687 604**	**6 468 821 288**	**3 794 045 524**	**14 408 787 571**	**53 794 341 987**
Reconciliation of segment profit					
Profit from operating segments					**53 794 341 987**
Fair value on investments held for trading					169 161 655
Fair value on assets held for sale					-
Administrative expenses					(772 101 142)
Other income					3 578 923 421
Allowance for credit losses					(3 731 355)
Finance income					88 519 469
Exchange losses on borrowings					(1 973 163 350)
Finance costs					(187 801 696)
Profit before tax as per consolidated statement of profit or loss					**54 694 148 989**

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2022

17. Operating segments (continued)

17.3 Information about reportable segments (continued)

	Historical cost 31 December 2021				
	Office ZW$	Industrial ZW$	Pure retail ZW$	Other ZW$	Total ZW$
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
Allowance for credit losses	(2 313 630)	(1 365 813)	-	(842 652)	(4 522 095)
Fair value adjustment	3 633 562 138	647 246 269	412 635 819	774 761 513	5 468 205 739
	3 912 217 469	**723 528 267**	**447 499 926**	**824 499 633**	**5 907 745 295**
Property expenses	(67 361 812)	(9 944 372)	(8 073 262)	(3 156 575)	(88 536 021)
Segment profit	**3 844 855 657**	**713 583 895**	**439 426 664**	**821 261 998**	**5 819 209 274**
Reconciliation of segment profit					
Profit from operating segments					**5 819 209 274**
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					(40 530)
Finance income					10 638 787
Profit before tax as per consolidated statement of profit or loss					**5 960 120 593**

	Inflation adjusted 31 December 2022				
	Office ZW$	Industrial ZW$	Pure retail ZW$	Residential, health and land ZW$	Total ZW$
Segment assets					
Investment property	36 630 009 999	7 833 830 000	4 874 159 999	17 527 248 002	66 865 248 000
Trade and other receivables	409 672 921	11 605 623	2 814 819	92 278 184	516 371 547
Total assets	**37 039 682 920**	**7 845 435 623**	**4 876 974 818**	**17 619 526 186**	**67 381 619 547**
Reconciliation					
Total segment assets					**67 381 619 547**
Property and equipment					200 650 158
Investments held for trading					527 553 502
Trade and other receivables					749 955 701
Inventories					286 493 847
Asset held for sale					-
Cash and cash equivalents					**4 103 662 573**
Total assets as per consolidated statement of financial position					**73 249 935 328**

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2022

17. Operating segments (continued)

17.3 Information about reportable segments (continued)

	Inflation adjusted 31 December 2021				
	Office ZW$	Industrial ZW$	Pure retail ZW$	Residential, health and land ZW$	Total ZW$
Segment assets					
Investment property	31 853 133 979	5 673 997 405	3 617 316 436	6 791 842 648	47 936 290 468
Trade and other receivables	31 135 934	14 597 643	3 520 572	18 053 537	67 307 686
Total assets	**31 884 269 913**	**5 688 595 048**	**3 620 837 008**	**6 809 896 185**	**48 003 598 154**
Reconciliation					
Total segment assets					48 003 598 154
Property and equipment					205 209 456
Investments held for trading					1 701 610 392
Trade and other receivables					14 463 711
Inventories					607 634 806
Asset held for sale					971 230 282
Cash and cash equivalents					1 112 184 818
Total assets as per consolidated statement of financial position					**52 615 931 618**

	Historical cost 31 December 2022				
	Office ZW$	Industrial ZW$	Pure retail ZW$	Residential, health and land ZW$	Total ZW$
Segment assets					
Investment property	36 630 009 999	7 833 830 000	4 874 159 999	17 527 248 002	66 865 248 000
Trade and other receivables	409 672 921	11 605 623	2 814 819	124 315 143	548 408 506
Total assets	**37 039 682 920**	**7 845 435 623**	**4 876 974 818**	**17 651 563 145**	**67 413 656 506**
Reconciliation					
Total segment assets					**67 413 656 506**
Property and equipment					28 350 455
Investments held for trading					527 553 502
Assets held for sale					-
Inventories					69 653 499
Trade and other receivables					810 196 927
Cash and cash equivalents					4 103 662 573
Total assets as per consolidated statement of financial position					**72 953 073 462**

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2022

17. Operating segments (continued)

17.3 Information about reportable segments (continued)

	Historical cost 31 December 2021				
	Office ZW$	**Industrial ZW$**	**Pure retail ZW$**	**Residential, health and land ZW$**	**Total ZW$**
Segment assets					
Investment property	9 266 100 000	1 650 570 000	1 052 280 000	1 975 752 000	13 944 702 000
Trade and other receivables	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**

	Inflation adjusted 31 December 2022				
	Office ZW$	**Industrial ZW$**	**Pure retail ZW$**	**Residential, health and land ZW$**	**Total ZW$**
Segment liabilities					
Deferred tax liability	1 815 791 170	374 617 604	223 520 631	841 772 459	3 255 701 864
Current liabilities	356 083 001	1 586 755	657 420	204 756 666	563 083 842
Total segment liabilities	**2 171 874 171**	**376 204 359**	**224 178 051**	**1 046 529 125**	**3 818 785 706**
Reconciliation					
Total segment liabilities					**3 818 785 706**
Deferred tax - other					18 709 883
Accruals					211 688 583
Trade and other payables					808 067 808
Tax payable					84 078 769
Borrowings					2 069 329 004
Total liabilities as per consolidated statement of financial position					**7 010 659 753**

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2022

17. Operating segments (continued)

17.3 Information about reportable segments (continued)

	Inflation adjusted 31 December 2021				
	Office ZW$	Industrial ZW$	Pure retail ZW$	Residential, health and land ZW$	Total ZW$
Segment liabilities					
Deferred tax liability	1 646 032 903	293 207 770	186 927 347	350 973 204	2 477 141 224
Current liabilities	55 577 069	5 413 785	2 515 009	14 919 443	78 425 306
Total segment liabilities	**1 701 609 972**	**298 621 555**	**189 442 356**	**365 892 647**	**2 555 566 530**
Reconciliation					
Total segment liabilities					**2 555 566 530**
Deferred tax - other					54 382 668
Accruals					54 623 541
Trade and other payables					588 204 432
Tax payable					56 990 898
Total liabilities as per consolidated statement of financial position					**3 309 768 070**

	Historical cost 31 December 2022				
	Office ZW$	Industrial ZW$	Pure retail ZW$	Residential, health and land ZW$	Total ZW$
Segment liabilities					
Deferred tax liability	1 815 791 170	374 617 604	223 520 631	770 053 286	3 183 982 691
Current liabilities	457 580 512	2 039 042	844 810	96 228 295	556 692 659
Total segment liabilities	**2 273 371 682**	**376 656 646**	**224 365 441**	**866 281 581**	**3 740 675 350**
Reconciliation					
Total segment liabilities					**3 740 675 350**
Deferred tax - other					(17 979 298)
Accruals					211 688 583
Trade and other payables					689 689 740
Tax payable					84 078 769
Borrowings					2 069 329 004
Total liabilities as per consolidated statement of financial position					**6 777 482 148**

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2022

17. Operating segments (continued)

17.3 Information about reportable segments (continued)

	IHistorical cost 31 December 2022				
	Office ZW$	Industrial ZW$	Pure retail ZW$	Residential, health and land ZW$	Total ZW$
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 - other					11 285 710
Accruals					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**

18. Treasury shares

	Inflation adjusted			
	31 December 2022		31 December 2021	
	Number of shares	ZW$	Number of shares	ZW$
Authorised	200 000 000	-	200 000 000	-
Balance at beginning of year/period	171 489 938	428 155 828	168 824 138	416 373 991
Cancelled during the year	(171 489 938)	(428 155 828)	-	-
Repurchased during the year	-		2 665 800	11 781 837
At end of period	**-**	**-**	**171 489 938**	**428 155 828**

	Historical cost			
	31 December 2022		31 December 2021	
	Number of shares	ZW$	Number of shares	ZW$
Authorised	200 000 000	-	200 000 000	-
Balance at beginning of period	171 489 938	5 184 274	168 824 138	3 070 409
Cancelled during the year	(171 489 938)	(5 184 274)	-	-
Repurchased during the year	-	-	2 665 800	2 113 865
At end of period	**-**	**-**	**171 489 938**	**5 184 274**

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2022

19. Trade and other payables

	Inflation adjusted		Historical cost	
	31 December 2022 ZW$	31 December 2021 ZW$	31 December 2022 ZW$	31 December 2021 ZW$
Trade payables**	556 542 390	113 812 814	556 542 390	28 344 043
VAT on disposal of non-current asset held for sale and other	625 858 779	-	625 858 779	-
Dividend payable	19 122 246	5 118 616	19 122 246	1 489 009
	1 201 523 415	**118 931 430**	**1 201 523 415**	**29 833 052**

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 24.

**During the year, the Group reclassified revenue received in advance from trade and other payables amounting to ZW$ 539 570 391 (Historic: ZW$ 153 372 372) as reflected in the prior year financial statements to customer contract liability under note 19.1. The comparatives have been updated accordingly. This did not affect the third balance sheet and it is therefore not presented.

19.1 Total contract liabilities with customers

	Inflation adjusted		Historical cost	
	31 December 2022 ZW$	31 December 2021 ZW$	31 December 2022 ZW$	31 December 2021 ZW$
Contract liability in respect of Mashview Gardens	108 528 371	539 570 391	-	153 372 372
Contract liability in respect of Ruwa stand sales	61 099 864	8 127 917	44 858 985	5 953 467
Total contract liability	**169 628 235**	**547 698 308**	**44 858 985**	**159 325 839**
Mashview Gardens project customer contract liabilities/(assets)				
Contract liabilities at beginning of the period**	539 570 391	-	153 372 372	-
Contract liability received during the period	876 886 795	539 570 391	856 140 555	153 372 372
Contract liability in respect of amounts received for MVG	**1 416 457 186**	**539 570 391**	**1 009 512 927**	**153 372 372**
Revenue for stage of completion recognised	(1 168 400 683)	-	(962 262 979)	-
Valued added tax	(139 528 132)	-	(139 528 133)	-
Contract liabilities/(assets) at the end of the period	**108 528 371**	**539 570 391**	**(92 278 185)**	**153 372 372**

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2022

19.1 Total contract liabilities with customers (continued)

Contract liability represents advance receipts from Mashview Gardens Cluster house development which are accounted for as per IFRIC 22 requirements. Contract liabilities are recognised as revenue over time, as or when the Group performs under the contract. A contract asset is recognised when the amounts received are not sufficient to match the revenue realized based on stage of completion.

The cumulative contract liabilities received of ZW$1 416 457 186 comprise of the first and second instalments paid under the contract. As at 31 December 2022, the Group had not yet received the third and final instalment which will be received on completion of the project.

**During the year, the Group reclassified revenue received in advance from trade and other payables amounting to ZW$ 539 570 391 (Historic: ZW$ 153 372 372) as reflected in the prior year financial statements to customer contract liability under note 19.1. The comparatives have been updated accordingly. This did not affect the opening balance sheet and it is therefore not presented. The total summary of contract liabilities with customers is presented in the table below.

	Inflation adjusted		Historical cost	
	31 December 2022 ZW$	31 December 2021 ZW$	31 December 2022 ZW$	31 December 2021 ZW$
Total Contract liabilities with customers				
Contract liabilities at the end of the year	**108 528 371**	**539 570 391**	**-**	**153 372 372**
Add contract liability in respect of Windsor stand sales	61 099 863	8 127 917	44 858 985	5 953 467
Total contract liability	**169 628 234**	**547 698 308**	**44 858 985**	**159 325 839**

19.2 Mashview Gardens Project Performance

Included in profit and loss are the following revenue, gains and expenses realised on the sale of development works in progress. Revenue from sold development works in progress at 31 December 2022 emanated from the sale of the Mashview Gardens housing project. Revenue and cost of sales from this project were recognised based on percentage of completion in accordance with IFRS 15 Revenue from Contracts with Customers. The stage of completion for the entire project was determined as 58% by the project architect as at 31 December 2022. The project is being delivered in phases and the stage of completion of the various phases were determined by the project architect as at 31 December 2022 as follows;

- 85% completion for phase 1
- 45% completion for phases 2 and 3

The Group has entered into agreements to develop and dispose the housing units under this project for a total consideration of ZW$ 2 306 584 106 (Historical cost ZW$1 899 639 847). The project is anticipated to be completed by the 31st of July 2023.

	Inflation adjusted		Historical cost	
	31 December 2022 ZW$	31 December 2021 ZW$	31 December 2022 ZW$	31 December 2021 ZW$
Mashview Gardens housing project				
Revenue recognised based on state of completion	1 168 400 683	-	962 262 980	-
Exchange gains on contract receipts	387 302 408	-	137 516 599	-
	1 555 703 091	**-**	**1 099 779 579**	**-**
Development costs recognised in property expenses	(1 211 496 228)	-	(772 472 588)	-
Recognised developer's profit	**344 206 863**	**-**	**327 306 991**	**-**
Developer's profit margin %	**22%**	**-**	**30%**	**-**

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2022

20. Cash and cash equivalents

	Inflation adjusted		Historical cost	
	31 December 2022 ZW$	31 December 2021 ZW$	31 December 2022 ZW$	31 December 2021 ZW$
Bank and cash balances on hand	4 103 662 573	1 112 184 818	4 103 662 573	323 535 378

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

21. 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.

	Country of incorporation	2022 Equity holding	2021 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%
Armhold Investments (Private) Limited	Zimbabwe	100%	-
Floraline (Private) Limited	Zimbabwe	100%	-

Subsidiaries acquired.

During the year the Group acquired Floraline (Pvt) Ltd and Armhold Investments (Pvt) Ltd which are wholly owned subsidiaries. The subsidiaries are property holding companies and the fair value of the properties acquired are included under note 12 as part of additions.

Subsidiaries disposal

During the year the Group disposed Natures Trail Investments (Pvt) Ltd, which was accounted for as asset held for sale in prior year - refer to note 15.

22. Borrowings

	Inflation adjusted		Historical cost	
	31 December 2022 ZW$	31 December 2021 ZW$	31 December 2022 ZW$	31 December 2021 ZW$
Loan financing raised	1 454 530 716	-	585 849 482	-
Finance costs	172 129 400	-	149 246 368	-
Foreign exchange losses	3 031 933 255	-	1 973 163 350	-
Loan repayment	(737 421 513)	-	(638 930 197)	-
Net effects of inflation	(1 851 842 854)	-	-	-
Closing balance	**2 069 329 004**	**-**	**2 069 329 004**	**-**
The loan balance is presented as follows:				
Current portion of borrowings	1 042 737 411	-	1 042 737 411	-
Non-current portion of borrowings	1 026 591 593	-	1 026 591 593	-
Closing balance	**2 069 329 004**	**-**	**2 069 329 004**	**-**

The loan details and terms are as follows:

- This is a foreign denominated (USD) currency loan with a 36-month tenure
- Interest rate 10.35% per annum payable quarterly.
- The Group secured the loan against one of its investment properties with a carrying value of ZW$ 6 593 800 000.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2022

23. Related party transactions and balances

Inflation adjusted

Related party	Relationship	Nature of transaction	Transaction amount 2022 ZWL	Transaction amount 2021 ZWL	Balance 31 December 2022 ZWL	Balance 30 September 2021 ZWL
ZB Life Assurance Limited	Direct shareholder	Rent accrued	109 232 126	81 621 094	-	-
ZB Bank Limited	Indirect shareholder	Rent accrued	157 500 553	123 849 650	-	(9 642 406)
ZB Life Assurance Limited	Direct shareholder	Interest received	-	959 637	-	-
ZB Bank Limited	Indirect shareholder	Interest received	38 397 637	875 154	-	-
ZB Bank Limited	Indirect shareholder	Finance costs	267 853 491	875 154	-	-
ZB Financial Holdings Limited	Indirect shareholder	Dividends received	7 605 973	16 349 148	-	-
ZB Financial Holdings Limited	Indirect shareholder	Investment in money market securities	-	-	-	3 595 948
ZB Financial Holdings Limited	Indirect shareholder	Investment in equities	-	-	271 509 436	1 398 112 930
ZB Bank Limited	Indirect shareholder	Bank balances	-	-	3 780 609 253	160 755 068
ZB Bank Limited	Indirect shareholder	Loan payable	-	-	2 069 329 004	-

Historical cost

Related party	Relationship	Nature of transaction	Transaction amount 2022 ZWL	Transaction amount 2021 ZWL	Balance 31 December 2022 ZWL	Balance 30 September 2021 ZWL
ZB Life Assurance Limited	Direct shareholder	Rent accrued		78 936 018	18 027 477	-
ZB Bank Limited	Indirect shareholder	Rent accrued	113 816 941	27 354 408	-	(2 804 982)
ZB Life Assurance Limited	Direct shareholder	Interest received	-	204 272	-	-
ZB Bank Limited	Indirect shareholder	Interest received	31 964 779	199 857	-	-
ZB Bank Limited	Indirect shareholder	Finance cost	187 801 696	199 857	-	-
ZB Financial Holdings Limited	Indirect shareholder	Dividends received	6 834 611	3 915 528	-	-
ZB Financial Holdings Limited	Indirect shareholder	Investment in money market securities	-	-	-	1 046 064
ZB Financial Holdings Limited	Indirect shareholder	Investment in equities	-	-	271 509 436	406 712 075
ZB Bank Limited	Indirect shareholder	Bank balances	-	-	3 780 609 253	46 763 767
ZB Bank Limited	Indirect shareholder	Loan payable	-	-	2 069 329 004	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

23. 1 Compensation of key management personnel in the Group

	Inflation adjusted		Historical cost	
	31 December 2022 ZW$	31 December 2021 ZW$	31 December 2022 ZW$	31 December 2021 ZW$
Non-executive directors' emoluments	79 357 660	29 791 008	59 175 270	6 323 889
Short and long-term employee benefits	97 523 457	81 253 233	62 343 500	18 108 236
Post-employment pension and medical benefits	8 380 415	15 860 276	6 435 188	3 534 649
Total compensation paid to key management	**185 261 532**	**126 904 517**	**127 953 958**	**27 966 774**
23.2 Loans and advances to key management personnel in the Group				
Short term loans and advances	39 265 259	-	39 265 259	-
Long term loans and advances	292 921 439	-	292 921 439	-
Interest charge	14 212 621	-	13 386 798	
Expected credit loss allowance	(1 929 842)	-	(1 929 842)	
Total	**344 469 477**	**-**	**343 643 654**	**-**

Loans to key management personnel consist of 10–20-year housing loans issued to the Group's key personnel. The loans are secured and carry an interest rate of 10% per annum.

24. Financial risk management

24.1 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.

24.2 Treasury risk management

The Group monitors its risk to a shortage of funds using recurring liquidity planning tools. Treasury management policy is in place to maximise returns on the available surplus funds.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2022

24. Financial risk management (continued)

24.3 Interest rate risk management

At year end, the Group has a long-term foreign denominated loan, hence there was exposure to interest rate risk. The risk is limited as there is no variable or floating rate on the existing loan. The table below shows the remaining contractual maturity for the foreign currency denominated loan with agreed payment periods and fixed interest rate. The table includes both interest and principal cashflow. All interest rate cashflows are fixed in nature.

Inflation adjusted	Rate (%)	0-3 months	4-12months	12-36months	Total (ZW$)
Borrowings	8.5	42 544 466	91 994 874	84 744 377	219 283 717

Historical cost	Rate (%)	0-3 months	4-12months	12-36months	Total (ZW$)
Borrowings	8.5	42 544 466	91 994 874	84 744 377	219 283 717

There were no existing borrowings in the prior year.

24.5 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.

24.6 Exposure to credit risk

(a) Exposure to credit risk

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

	Inflation adjusted		Historical cost	
	31 December 2022 ZW$	31 December 2021 ZW$	31 December 2022 ZW$	31 December 2021 ZW$
Trade receivables (age analysis)0-30 days	455 711 692	52 270 099	455 711 692	15 205 410
30-60 days	40 528 101	20 735 697	40 528 101	6 032 030
+90 days	4 798 812	9 936 993	4 798 812	2 890 679
Total	**501 038 605**	**82 942 789**	**501 038 605**	**24 128 119**

The Group has long term staff and other receivables of ZW$ 817 814 342 (2021: ZW$ 22 823 576) which has credit risk exposure. The other receivables are current.

(a) 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 +90 days.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2022

24. Financial risk management (continued)

(b) 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.

(c) Forward looking information

The group's expected credit loss rates are adjusted to reflect the current and forward looking information on macroeconomics factors such as inflation forecast, interest rates, and GDP growth which might affect the ability of the customers to settle the receivables.

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$ 146.9 million (2021: ZW$82.9 million), of which ZW$ 55.20 million (2021: ZW$ 23.99 million) has been provided for. No receivable was written off during the year (2021:ZW$ nil). The Group's current provision matrix is as follows:

	31 December 2022			31 December 2021		
Category	**(0 ≤ 30 days)**	**(31 to 90 days)**	**(91 days past due)**	**(0≤ 30 days)**	**(31 to 90 days)**	**(91 days past due)**
Corporates	6.31%	8.81%	8.83%	7.66%	8.46%	9.96%
Individuals and SME's	6.31%	9.81%	9.91%	7.48%	9.48%	10.48%
Long outstanding debtors	-	-	100%	-	-	100%

24.7 Exposure to foreign currency risk

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the end of the reporting period were as follows:

Inflation adjusted

	Liabilities		Assets		Net exposure	
	2022 ZW$	**2021 ZW$**	**2022 ZW$**	**2021 ZW$**	**2022 ZW$**	**2021 ZW$**
USD	2 069 329 004	-	3 855 984 724	881 046 607	1 786 655 720	881 046 607

Historical cost

	Liabilities		Assets		Net exposure	
	2022 ZW$	**2021 ZW$**	**2022 ZW$**	**2021 ZW$**	**2022 ZW$**	**2021 ZW$**
USD	2 069 329 004	-	3 855 984 724	256 297 103	1 786 655 720	256 297 103

The following table shows the Group's sensitivity to a 10% increase in the ZW$: USD rate. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a percentage change in foreign currency rates. A positive movement indicates an increase in profit where the ZW$ strengthens or weakens in a favourable manner against net exposure.

	Inflation adjusted		Historical cost	
	31 December 2022 ZW$	**31 December 2021 ZW$**	**31 December 2022 ZW$**	**31 December 2021 ZW$**
COST				
Sensitivity analysis at 10 % exposure				
Profit /loss	178 665 572	88 104 661	178 665 572	25 629 710

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2022

24. Financial risk management (continued)

24.8 Financial instruments

The financial assets are included as an estimate of the amount that the instrument could be exchanged for a current transaction between willing parties, other than in a forced or liquidation sale. The estimated fair values of all financial instruments approximate their carrying amounts shown in the financial statements. The following table summarises the Group's classification of financial instruments:

	Inflation adjusted		Historical cost	
	31 December 2022 ZW$	31 December 2021 ZW$	31 December 2022 ZW$	31 December 2021 ZW$
Financial instruments				
Assets as per statement of financial position				
At amortised costs				
Other receivables-staff loans	632 672 883	22 823 576	632 672 883	6 639 395
Trade receivables	155 342 132	58 947 820	155 342 132	17 147 964
Cash and cash equivalents	4 103 662 573	1 112 184 818	4 103 662 573	323 535 378
At fair value				
Equity instruments	**527 553 502**	**1 701 610 392**	**527 553 502**	**494 999 709**
Total financial assets	**5 419 231 090**	**2 895 566 606**	**5 419 231 090**	**842 322 446**
Liabilities as per statement of financial position				
At amortised cost				
Borrowings	2 069 329 004	-	2 069 329 004	-
Trade and other payables (excluding statutory obligations)	556 542 390	118 931 430	556 542 390	29 833 052
Total financial liabilities	**2 625 871 394**	**118 931 430**	**2 625 871 394**	**29 833 052**

24.9 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 funding management. The following table set out the remaining contractual maturities of the Groups' liabilities.

	Inflation adjusted 31 December 2022			
All figures in ZW$	**0-3 months**	**4-12 months**	**12-36 months**	**Total**
Borrowings	245 208 538	653 889 435	1 389 515 049	2 288 613 022
Trade and other payables	250 444 076	306 098 314	-	556 542 390
Total	**495 652 614**	**959 987 749**	**1 389 515 049**	**2 845 155 412**
	Historical cost 31 December 2022			
Borrowings	245 208 538	653 889 435	1 389 515 049	2 288 613 022
Trade and other payables	250 444 076	306 098 314	-	556 542 390
Total	**495 652 614**	**959 987 749**	**1 389 515 049**	**2 845 155 412**
	Inflation adjusted 31 December 2021			
Borrowings	-	-	-	-
Trade and other payables	118 931 430	-	-	118 931 430
Total	**118 931 430**	**-**	**-**	**118 931 430**
	Historical cost 31 December 2021			
Borrowings	-	-	-	-
Trade and other payables	29 833 052	-	-	29 833 052
Total	**29 833 052**	**-**	**-**	**29 833 052**

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2022

24. Financial risk management (continued)

24.10 Market risk

The Group is exposed to market risk through its listed and unlisted equity securities which are susceptible to market price risk arising from uncertainties about the future values of the investments. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's finance and investments committee on a regular basis.

25. Business risks

25.1 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; organisational structure; work processes; adequacy and quality of staff and adequacy of information for decision making.

Control of strategic risk has been handled through the following approaches:

- Policies, procedures, and risk limits.
- Comparisons of actual performance with projections.
- Effective independent reviews and internal control systems; and
- Business continuity planning.

25.2 Reputational risk

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

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

26. Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to shareholders.

The capital structure of the Group consists of debt and equity. Debt is defined by the Group as long- and short-term borrowings as disclosed in note 22. Equity includes capital and retained earnings. The Group manages its capital structure and adjusts it according to business requirements to fund strategic investments. To maintain or adjust the capital structure, the Group adjusts dividend payments to shareholders or issue new shares or implement share buyback schemes or secures debt financing from financial institutions.

The Group is not subject to any externally imposed capital requirements. The Group's Board Audit Committee monitors the Group's gearing and debt to equity ratio on a quarterly basis. As part of this review, the Committee considers the cost of capital and the Group's ability to meet commitments related to borrowings and equity (dividends).

The debt-to-equity position for the Group at 31 December 2022 is as follows:

Description	31 December 2022	31 December 2021
Debt to equity ratio	3%	0%

In line with the Mashonaland Holdings Limited Articles of Association, the Board of Directors have the authority to borrow up to 2 times the Group net asset position. As shown below, the Group has not exceeded this limit, and will continue reviewing borrowings to enable pursuit of strategic investments.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2022

26. Capital management (continued)

	Inflation adjusted		Historical cost	
	31 December 2022 ZW$	31 December 2021 ZW$	31 December 2022 ZW$	31 December 2021 ZW$
Borrowing limit (2 times the net asset position)	**132 478 551 150**	**98 612 327 096**	**132 351 182 628**	**28 602 752 852**
Borrowings	(2 069 329 004)	-	(2 069 329 004)	-
Borrowing headroom	**130 409 222 146**	**98 612 327 096**	**130 281 853 624**	**28 602 752 852**

27. Pension and retirement benefits

27.1 Defined contribution plan

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

27.2 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	
	31 December 2022 ZW$	31 December 2021 ZW$	31 December 2022 ZW$	31 December 2021 ZW$
Defined contributions for the year	11 103 618	15 876 722	6 959 229	2 024 577
NSSA contributions for the year	672 185	474 519	264 470	111 209
Total	**11 775 803**	**16 351 241**	**7 233 699**	**2 135 786**

28. 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.

29. Subsequent events

Reduction in loan interest

Subsequent to year end, the company renegotiated the interest rate on its bank loan from 10.35% to 8.5% with effect from 1 January 2023. The reduction in loan interest will result in a modification gain of ZW$ 50 696 112 which will be recognised in the consolidated statement of profit or loss for the 2023 financial year. Other loan terms and conditions remained unchanged as disclosed in note 22.

Approval of financial statements

The Group consolidated inflation adjusted financial statements for the year ended 31 December 2022 were authorised by the Board of Directors for issue on 16 March 2023 .

Dividend declaration

The Board of Directors declared a final dividend of 12.58 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

As at 31 December 2022

1. Shareholder analysis according to the number of shares held

Number of shares held	Number of shareholders	% of total holders	Total holding	% of total holding
1-100	224	8.78%	12 499	0.00%
101-200	180	7.06%	31 691	0.00%
201-500	295	11.56%	107 132	0.01%
501-1000	318	12.47%	252 287	0.01%
1001-5000	669	26.23%	1 707 972	0.10%
5001-10000	328	12.86%	1 795 676	0.11%
10001-50000	287	11.25%	6 598 167	0.39%
50001-100000	73	2.86%	5 323 018	0.32%
100001-500000	101	3.96%	22 356 580	1.32%
500001-1000000	27	1.06%	18 323 155	1.09%
1000001-10000000	39	1.53%	100 740 704	5.97%
10000001-1000000000000	10	0.38%	1 530 335 128	90.68%
Total	**2 551**	**100.00%**	**1 687 584 009**	**100.00%**

2. Shareholder analysis by category

Shareholders group	Number of shareholders	% holding	Total holding	% of total holding
Companies	287	11.26%	551 882 375	32.70%
Individuals	2 023	79.30%	42 081 504	2.49%
Insurance companies	4	0.16%	470 397 962	27.87%
Investment, trust, and property companies	39	1.53%	356 641 834	21.13%
Nominee company	69	2.70%	63 112 623	3.74%
Non-residents	46	1.80%	128 237 344	7.60%
Pension funds	83	3.25%	75 230 367	4.47%
Total	**2 551**	**100.00%**	**1 687 584 009**	**100.00%**

3. Top ten shareholders

Major shareholders	Number of shares	% holding
ZB Life Assurance Limited	470 048 820	27.85%
ZB Financial Holdings Limited	383 774 127	22.74%
Africa Enterprise Network Trust	348 995 283	20.68%
Mega Market (Pvt) Ltd	134 038 236	7.94%
SCB Nominees ZW0000009816	111 659 300	6.62%
Stanbic Nominees (Pvt)Ltd-Ac 140043470003	23 662 410	1.40%
ZESA Pension Fund	18 389 439	1.09%
The Roy Turner Trust	15 005 001	0.89%
FIELER-NNR Sean Michael	14 311 139	0.85%
Hippo Valley Estate Pension Fund	10 451 373	0.62%
Total	**1 530 335 128**	**90.68%**

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 56th Annual General Meeting of Mashonaland Holdings Limited will be held virtually and in the Mashonaland Holdings Limited Boardroom, 19th Floor, ZB Life Towers, 77 Jason Moyo Avenue, Harare on Thursday 08 June 2023 at 1100 hours.

AGENDA

ORDINARY BUSINESS

1. **Financial Statements and Statutory Reports**
   To receive, review and adopt the audited consolidated financial statements of Mashonaland Holdings Limited and its subsidiaries ("the Group"), and the reports of the directors and auditors for the 12-month period ended 31 December 2022.

2. **Directorate**

2.1 Retirement by rotation

2.1.1 To approve the re-election of Eng. G. Bema, an independent non-executive director, who retires by rotation in accordance with article 99 of the substituted Articles of Association. Eng. G. Bema, being eligible, has offered herself for re-election.

2.1.2 To approve the re-election of Mr H. Munyati, an independent non-executive director, who retires by rotation in accordance with article 99 of the substituted Articles of Association. Mr Munyati, being eligible, has offered himself for re-election.

2.1.3 To approve the re-election of Mrs P. Musarurwa, an independent non-executive director, who retires by rotation in accordance with article 99 of the substituted Articles of Association. Mrs P. Musarurwa, being eligible, has offered herself for re-election.

2.1.4 To note the retirement of Ms. B. Musariri, a non-executive director, who retires by rotation in accordance with article 99 of the substituted Articles of Association. Ms. B. Musariri has not offered herself for re-appointment.

2.1.5 To note the retirement of Ms. S Mutangadura, an independent non-executive director, who retires by rotation in accordance with article 99 of the substituted Articles of Association. Ms. S. Mutangadura has not offered herself for re-appointment.

2.2 New appointment
To confirm the appointment of Ms. Tandiwe Masunda, a ZB Financial Holdings Limited nominee non-executive director to the Mashonaland Holdings Limited Board of Directors.

2.3 Remuneration of directors
To approve non-executive directors' remuneration for the past financial year.

3. **External Auditors**

3.1 Auditors Remuneration
To approve the fees of the Auditors for the past financial year.

3.2 Appointment of Auditors
To re-appoint Deloitte & Touche (Zimbabwe) as Auditors for the ensuing year. Deloitte & Touche have been auditing Mashonaland Holdings Limited since July 2019.

4. **Dividend**
   To confirm the payment of an interim dividend of ZW$141 782 393 and a final dividend payable in United States Dollars and Zimbabwe Dollars amounting to US$200 000 and ZW$37 281 848 respectively. The interim and final dividend was paid in respect of the financial year ended 31 December 2022 to 1,687,584,009 ordinary shares in issue.

Any other business
To transact any other business as may be transacted at an Annual General Meeting.

Meeting details
Shareholders will be provided with an electronic link to join the virtual meeting by the company's transfer secretaries, ZB Transfer Secretaries who may be contacted through email to PMberikwazvo@zb.co.zw and RMutakwa@zb.co.zw.

By Order of the Board

Egnes Madhaka
Company Secretary
18 May 2023

ZB Life Towers
12th Floor
77 Jason Moyo Avenue
Harare

NOTES

CONTACT DETAILS

+263 (0) 8677 000302/3

MashAdmin@masholdings.co.zw

www.masholdings.co.zw