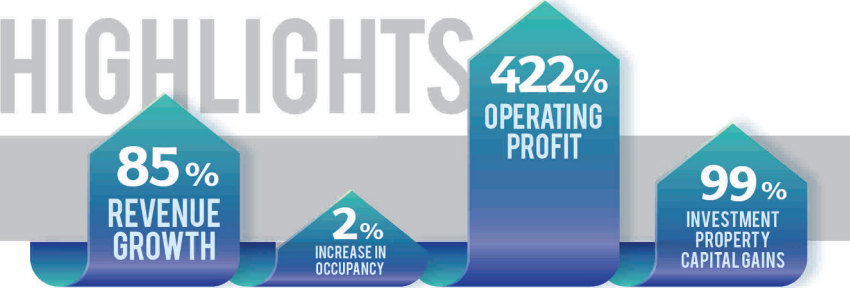




AUDITED CONDENSED CONSOLIDATED INFLATION ADJUSTED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

CHAIRMAN'S STATEMENT



Chairman's statement
I am pleased to present the Mashonaland Holdings Limited inflation adjusted financial results for the year ended 31 December 2023.

Operating environment
The country's macro-economic environment continues to be marked by hyper-inflation, foreign currency liquidity shortages and rapid deterioration in the local currency exchange rate. The country's economic output is forecast to be constrained due to the El Nino weather phenomenon which has impacted on the performance of the agricultural sector.

The market has embraced the United States Dollar as the preferred transactional currency. Property market players have reported foreign currency revenue contributions averaging above 70%. However, low market confidence and foreign currency liquidity challenges have led to uncertainty over the sustainability of monetary policy structures.

The Group continues to navigate these economic headwinds by reducing Zimbabwe Dollar exposure in operations while implementing flexible funding models to support ongoing property development projects.

Property market
The property market performance continues to reflect the broader macroeconomic issues affecting the economy. United States Dollar liquidity shortages in the formal sectors of the economy have contributed to limited long-term capital to support property development projects. Property developers have opted to prioritize residential and building repurposing projects, which can deliver superior returns in the short-term, to counter the lack of appropriately priced long term development capital.

Increasing construction costs, exacerbated by high lending rates and an increased tax burden emanating from recent changes to fiscal regulations, have hindered the commencement of development projects required to support occupier market demand for new and modernized facilities especially in the retail and out of CBD office segments.

In the occupier sub-market, demand remains suppressed for the CBD office sector with no major occupancy gains recorded by market players. The market continues to witness positive demand for suburban offices and strategically located retail and warehousing space.

Reporting currency
The Board has considered the current operating environment and impact of exchange rate disparities in implementing the requirements of International Financial Reporting Standards (IFRS) and have concluded that it is necessary to present the 2023 financial statements in both Zimbabwe Dollars and US Dollars to adequately inform users of the Group's financial performance. While the Group has maintained the Zimbabwe Dollar as its functional currency, supplementary unaudited US Dollar based financial information has been included in the Group's announcement of financial results for the year.

Inflation adjusted financial performance
Revenue increased by 85% in the period under review to ZW\$33.9billion. Rental income contributed to the improved revenue performance posting a 141% growth to ZW\$29.6billion and thereby contributing 87% of the Group's revenue performance. The Group now earns 74% of its rental revenue in foreign currency. The portfolio occupancy level increased to 89% from 87% in December 2022.

Further, the Group earned revenue of ZW\$3.4billion from the Mashview Gardens housing project as construction works on the project were completed.

Operating profit before fair value adjustments increased by 422% to ZW\$88.6billion supported by revenue growth. Included in operating profit are foreign exchange gains amounting to ZW\$71 billion realized on conversion of foreign currency balances on hand.

The Group posted a profit after tax of ZW\$324 billion up from ZW\$83billion in 2022. The improved profit position was realized due to the improved operating profitability and a 99% capital gain recorded on investment properties.

The Group's collections percentage remained resilient at 94% due to continuous credit control engagements which sought to ensure timely realization of value from rentals in the hyperinflationary environment.

Investment property
The Group performed an open market valuation of its investment properties as at 31 December 2023. The Group's investment property portfolio was valued at ZW\$647billion which represents a 99% capital gain over the course of the reporting period. The capital gain is reflected in the growth in rental income in inflation adjusted terms.

Property development projects

Pomona Commercial Centre Development Project
In the 3rd quarter of the year, the Group commenced construction works on the project. The development concept consists of wholesaling and flexible warehousing with 14,000sqm lettable space. The anchor tenant has been secured and 60% of the development has been successfully pre-leased. The project construction works have a target completion period of Q4 2024. The project achieved a 35% stage of completion at the end of the financial period.

12 Van Praagh Day Hospital Project
Construction work on the pre-leased development commenced in Q3 2022 with a planned 15month construction period. The project has now been completed and has been handed over to the tenant to commence tenant fit outs. The development started earning rentals under a long-term lease from January 2024 in line with the Agreement to Develop and Lease (ADL) with the property tenant.

Mashview Gardens
Construction of the housing units under phases 1, 2, 3 has been completed. Site clearance and road resurfacing have now been completed and processes are underway to handover the units to beneficial owners.

Dividend
The Board declared and paid an interim dividend of US\$128 414 and ZW\$258 980 496 during the year. Further to this, the Board has declared a final dividend of US\$100 000 and ZW\$3 768 517 047 payable from the Group's profits for the year. A separate dividend notice will be issued to this effect.

Outlook
The Government of Zimbabwe has forecast that the economy will grow by 3.5% in 2024 down from 5.5% in 2023. The Ministry of Finance and Economic Development anticipates that the overall impact of the El Nino weather phenomenon will outweigh expected improvements in other sectors of the economy.

Despite current economic headwinds, the Group remains focused on its strategic objectives, notably portfolio diversification and portfolio performance optimization. Major focus continues to be set on completion of on-going property development projects which are key to the Group's portfolio diversification roadmap.

Appreciation
On behalf of the Board, I would like to thank our esteemed tenants for the continued loyalty and all our other stakeholders for their support. I also thank my fellow board members, management, and staff for their unwavering commitment.

Harare
26 March 2024


Eng. G. Bema
Board Chairperson

Audited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income		Inflation adjusted Group		* Historical cost Group	
	Notes	31 Dec 2023 Audited ZW\$ 000	31 Dec 2022 Audited ZW\$ 000	31 Dec 2023 Unaudited ZW\$ 000	31 Dec 2022 Unaudited ZW\$ 000
Revenue	2	33 880 602	18 352 958	18 891 484	2 885 507
Property expenses		(10 131 138)	(8 411 006)	(5 031 466)	(1 132 311)
Net property income		23 749 464	9 941 952	13 860 018	1 753 196
Other income	3	7 354 071	(1 679 785)	5 353 168	1 341 644
Net exchange gains		70 588 763	14 421 148	21 395 483	2 237 279
Allowance for credit losses		(167 558)	(149 936)	(376 937)	(48 217)
Administrative expenses		(12 884 852)	(5 540 648)	(7 571 327)	(772 101)
Operating profit before fair value adjustments		88 639 888	16 992 731	32 660 405	4 511 801
Fair value adjustments		320 800 164	85 057 891	585 772 730	52 254 793
Investment held for trading		1 570 739	(4 820 951)	3 577 735	169 162
Investment properties		309 772 026	89 878 842	563 306 760	52 085 631
Non-current assets held for sale		9 457 399	-	18 888 235	-
Profit before finance income and tax		409 440 052	102 050 622	618 433 135	56 766 594
Finance income	4	1 893 451	495 901	1 086 869	88 519
Finance cost	5	(1 471 012)	(1 287 136)	(939 670)	(187 802)
Exchange losses on borrowings		(33 441 887)	(14 569 574)	(14 456 506)	(1 973 163)
Monetary (loss)/gain		(31 796 642)	743 216	-	-
Profit before tax		344 623 962	87 433 029	604 123 828	54 694 148
Tax expense	6	(20 992 097)	(4 560 713)	(32 829 518)	(2 620 223)
Profit after tax		323 631 865	82 872 316	571 294 310	52 073 925
Weighted average number of shares		1 687 584 009	1 690 249 809	1 687 584 009	1 690 249 809
Basic and diluted earnings per share – ZW\$ 000	13	0.19	0.05	0.34	0.03

*The historical cost results are included as unaudited supplementary information.

Audited Condensed Consolidated Statement of Financial Position		Inflation adjusted Group		* Historical cost Group	
	Notes	31 Dec 2023 Audited ZW\$ 000	31 Dec 2022 Audited ZW\$ 000	31 Dec 2023 Unaudited ZW\$ 000	31 Dec 2022 Unaudited ZW\$ 000
Assets					
Non-current assets		656 334 380	325 086 345	654 938 943	67 478 277
Vehicles and equipment		1 595 259	964 199	199 822	28 350
Investment property	7	646 773 075	321 312 543	646 773 075	66 865 248
Long-term receivables		7 966 046	2 809 603	7 966 046	584 679
Current assets		19 913 592	26 907 010	17 467 342	5 474 796
Inventories		285 572	1 376 710	32 971	69 653
Assets held for trading		4 104 138	2 535 092	4 104 138	527 554
Contract asset receivable from customers		2 953 704	-	760 055	92 278
Trade and other receivables		11 218 390	3 275 573	11 218 390	681 648
Cash and cash equivalents		1 351 788	19 719 635	1 351 788	4 103 663
Asset held for sale	8	21 366 529	-	21 366 529	-
Equity and liabilities		697 614 501	351 993 355	693 772 814	72 953 073
Equity		639 471 149	318 304 511	636 244 565	66 175 591
Non-current liabilities					
Non-current portion of borrowings	10	3 717 877	4 933 157	3 717 877	1 026 592
Deferred tax		35 779 384	15 734 774	35 354 781	3 166 003
Current liabilities		18 646 091	13 020 913	18 455 591	2 584 887
Current portion of borrowings	10	9 100 944	5 010 744	9 100 944	1 042 737
Trade and other payables		7 044 679	5 773 769	7 044 679	1 201 523
Liabilities payable from contracts with customers		380 162	815 127	189 662	44 859
Accruals		2 120 306	1 017 243	2 120 306	211 689
Income tax payable		-	404 030	-	84 079
Net asset value per share - ZW\$ 000		0.38	0.19	0.38	0.04

*The historical cost results are included as unaudited supplementary information.

Audited Condensed Consolidated Statement of Cash Flows		Inflation adjusted Group		* Historical cost Group	
		31 Dec 2023 Audited ZW\$ 000	31 Dec 2022 Audited ZW\$ 000	31 Dec 2023 Unaudited ZW\$ 000	31 Dec 2022 Unaudited ZW\$ 000
Net cash inflow from operating activities		8 132 482	5 411 523	13 735 773	2 812 116
Profit before tax		344 623 962	87 433 029	604 123 828	54 694 148
Non-cash items		(327 654 632)	(83 303 282)	(588 270 971)	(52 133 845)
(Decrease)/increase in working capital		(9 641 019)	282 542	(2 839 777)	120 529
Finance costs		1 471 012	1 287 136	939 669	187 802
Tax paid		(666 841)	(287 902)	(216 976)	(56 518)
Net cash outflow from investing activities		(17 633 390)	6 596 145	(10 677 435)	1 210 756
Interest received		46 034	296 292	20 083	60 151
Dividend received		54 237	48 587	35 641	8 727
Proceeds from disposal of asset held for trading		-	957 049	-	164 194
Proceeds from disposal of investment property		9 158 781	18 543 211	6 861 415	2 343 303
Proceeds from disposal of asset held for sale		-	2 491 095	-	518 398
Proceeds from disposal of vehicles and equipment		37 177	-	24 168	-
Additions to assets held for trading		-	(138 145)	-	(27 586)
Purchase of vehicles and equipment		(717 108)	(144 927)	(212 455)	(18 841)
Improvements to investment property		(26 212 511)	(2 907 626)	(17 406 287)	(455 146)
Purchase of investment property		-	(12 549 391)	-	(1 382 444)
Net cash outflow from financing activities		(8 866 939)	2 367 502	(5 810 213)	(242 744)
Dividend paid		(2 151 684)	(1 078 476)	(1 163 530)	(189 664)
Loan raised		-	6 989 564	-	585 849
Loan repayment		(5 390 529)	(2 256 450)	(3 853 299)	(451 128)
Finance costs		(1 324 726)	(1 287 136)	(793 384)	(187 801)
Increase in cash and cash equivalents		(18 367 847)	14 375 170	(2 751 875)	3 780 128
Cash and cash equivalents at the beginning of the period		19 719 635	5 344 465	4 103 663	323 535
Cash and cash equivalents at the end of the period		1 351 788	19 719 635	1 351 788	4 103 663

*The historical cost results are included as unaudited supplementary information.

Audited Condensed Consolidated Statement of Changes in Equity		Inflation adjusted Group		* Historical cost Group	
		31 Dec 2023 Audited ZW\$ 000	31 Dec 2022 Audited ZW\$ 000	31 Dec 2023 Unaudited ZW\$ 000	31 Dec 2022 Unaudited ZW\$ 000
Balance at beginning of the period		318 304 511	236 934 570	66 175 591	14 301 376
Total comprehensive income		323 631 865	82 872 316	571 294 310	52 073 925
Dividend declared		(2 465 227)	(1 502 375)	(1 225 336)	(199 710)
Balance at end of the period		639 471 149	318 304 511	636 244 565	66 175 591



AUDITED CONDENSED CONSOLIDATED INFLATION ADJUSTED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Notes to the condensed consolidated inflation adjusted financial statements

1. Basis of preparation and accounting policies

The Group's condensed consolidated inflation adjusted financial statements for the year ended 31 December 2023 have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), except for International Accounting Standard (IAS) 21 – “The Effects of Changes in Foreign Exchange Rates” as highlighted under note 1.1 below, the Zimbabwe Stock exchange Listing requirements and in the manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter24:31) (COBE). The Group's condensed consolidated inflation adjusted financial statements have been prepared based on the statutory records that are maintained under the historical cost basis and are presented in the Zimbabwean Dollars (ZWS). The audited condensed consolidated inflation adjusted financial statements have been prepared under the assumption that the Group operates on a going concern basis.

1.1 Reporting currency

These condensed consolidated financial statements are presented in Zimbabwe Dollars (“ZWS”). During the period, the Group assessed that it had met the indicators stipulated in International Accounting Standard (IAS) 21 “The Effects of Changes in Foreign Exchange Rates” for reporting in United States Dollars. The Group has however maintained the Zimbabwe Dollar as the functional and reporting currency for the year while assessing the impact of the long term national monetary policy environment.

1.2 Hyperinflation

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 inflation adjusted amounts are the primary set of results. The historic information is supplementary.

The Group used the price indices provided by the Zimbabwe Statistical Office as reported on the Reserve Bank of Zimbabwe website up to February 2023. Due to lack of an officially published ZWS Consumer Price Index (CPI) the Group adopted an estimated CPI for periods after February 2023. The estimated CPI was derived by adjusting the last published CPI (February 2023) by the monthly movement of the Total Consumption Poverty Line. Below are the indices and adjustment factors used up to 31 December 2023.

	Index	Conversion factor
CPI as at 31 December 2023	65 703	1.00
CPI as at 31 December 2022	13 673	4.81

1.3 Valuation of investment properties

The Group's investment property valuation was performed by EPG Global, an independent and professional valuer as at 31 December 2023. The valuation was performed based on IFRS 13 Fair Value Measurement level 3 valuation inputs. Material judgements were applied in performing the valuation as a result of uncertainties resulting from inflationary environment.

	Inflation adjusted Group		* Historical cost Group	
	31 Dec 2023 Audited ZW\$ 000	31 Dec 2022 Audited ZW\$ 000	31 Dec 2023 Unaudited ZW\$ 000	31 Dec 2022 Unaudited ZW\$ 000
2. Revenue	33 880 602	18 352 958	18 891 484	2 885 507
IFRS 16 rental income	29 597 734	12 293 536	17 890 316	1 848 734
Revenue from contract with customers				
a) Recognised based on stage of completion				
Mashview Gardens housing project	3 388 122	5 614 603	580 676	962 263
b) Recognised at a point in time				
Land inventory sales	606 346	333 735	251 102	54 102
Property services income	288 400	111 084	169 390	20 408
3. Other income				
Service charges	992 832	184 669	681 157	28 148
Dividend income	48 543	50 361	35 741	9 097
Profit on disposal of investment property	6 275 598	995 414	4 612 154	207 146
Profit on disposal of vehicles and equipment	37 098	-	24 116	-
(Loss)/profit on disposal of asset held for sale	-	(2 910 229)	-	1 097 253
	7 354 071	(1 679 785)	5 353 168	1 341 644
4. Finance income				
This comprises of:				
Interest received from tenants' balances	674 698	129 240	396 112	24 239
Interest received from staff balances	1 218 753	140 566	690 757	25 112
Interest receivable on money market investments	-	226 095	-	39 168
Total	1 893 451	495 901	1 086 869	88 519
5. Finance costs				
Loan arrangement fee	-	(459 990)	-	(38 555)
Loan Interest	(1 471 012)	(827 146)	(939 670)	(149 247)
Total	(1 471 012)	(1 287 136)	(939 670)	(187 802)
6. Tax				
Current income tax expense	(947 487)	(990 859)	(640 740)	(175 290)
Deferred tax	(20 044 610)	(3 569 854)	(32 188 778)	(2 444 933)
Total	(20 992 097)	(4 560 713)	(32 829 518)	(2 620 223)
7. Investment properties				
Opening balance	321 312 543	230 351 817	66 865 248	13 944 702
Disposals	(1 147 949)	(1 269 292)	(860 000)	(264 140)
Net reclassification to held for sale	(11 909 130)	(17 675 275)	(2 478 294)	(1 070 000)
Improvements/additions	28 745 585	20 026 451	19 939 361	2 169 054
Fair value adjustments	309 772 026	89 878 842	563 306 760	52 085 632
Closing balance	646 773 075	321 312 543	646 773 075	66 865 248
8. Asset held for sale				
Opening balance	-	4 667 125	-	282 532
Net reclassification form investment property	11 909 130	17 675 275	2 478 294	1 070 000
Disposals	-	(22 342 400)	-	1 352 532
Fair value adjustments	9 457 399	-	18 888 235	-
Closing balance	21 366 529	-	21 366 529	-
9. Commitments for capital expenditure				
Authorised and contracted	47 306 000	11 972 868	47 306 000	2 491 557
Authorised and not yet contracted	-	22 947 018	-	4 775 281
10. Borrowings				
Interest bearing loan	12 818 821	9 943 901	12 818 821	2 069 329
The loan is presented on the statement of financial position as follows:				
Non-current liabilities	3 717 877	4 933 157	3 717 877	1 026 592
Current liabilities	9 100 944	5 010 744	9 100 944	1 042 737
Total	12 818 821	9 943 901	12 818 821	2 069 329

The above loan is foreign currency denominated (USD) and has a 36-month tenure. The loan carries an interest rate of 8.5% per annum payable quarterly. The Group secured the loan against one of its investment properties with a carrying value of ZW\$62 billion.

11. Segment information

31 Dec 2023 ZW\$ 000	Inflation adjusted					
	Office	Industrial	Pure retail	Residential, and health	Land	Reconciling items
Rental income	16 574 731	9 175 297	887 932	2 959 774	-	-
Net property income	181 939 986	39 573 665	20 241 794	92 610 046	(1 004 079)	-
Assets	345 748 327	72 169 732	43 314 089	195 911 721	-	40 470 632
Liabilities	22 028 632	6 180 086	2 554 446	14 126 539	-	13 253 649
31 Dec 2022 ZW\$ 000	Inflation adjusted					
	Office	Industrial	Pure retail	Residential, and health	Land	Reconciling items
Revenue	8 565 077	1 908 056	997 402	823 001	-	-
Net property income	55 529 030	12 571 444	6 571 504	24 968 265	48 544	-
Assets	177 989 539	37 700 255	23 435 689	84 668 418	-	28 199 454
Liabilities	10 436 668	1 807 803	1 077 260	5 028 964	-	15 338 149
31 Dec 2023 ZW\$ 000	Historical cost					
	Office	Industrial	Pure retail	Residential, and health	Land	Reconciling items
Revenue	10 018 577	5 545 998	536 709	1 789 032	-	-
Net property income	314 977 713	67 628 666	38 673 590	156 791 244	(1 264 548)	-
Assets	345 748 327	72 169 732	43 314 088	193 718 072	-	38 822 595
Liabilities	19 474 185	6 180 086	2 554 446	13 607 338	-	15 712 194
31 Dec 2022 ZW\$ 000	Historical cost					
	Office	Industrial	Pure retail	Residential, and health	Land	Reconciling items
Revenue	1 288 039	286 958	149 992	123 765	-	-
Net property income	29 122 688	6 468 821	3 811 046	14 148 106	243 681	-
Assets	37 039 683	7 845 436	4 876 975	17 651 563	-	5 539 416
Liabilities	2 273 372	376 657	224 365	866 282	-	3 036 806

12. Related parties transactions and balances

			Inflation adjusted			
			Transaction		Balance	
			31 Dec 2023 ZW\$ 000	31 Dec 2022 ZW\$ 000	31 Dec 2023 ZW\$ 000	31 Dec 2022 ZW\$ 000
Related party	Relationship	Nature of transaction				
ZB Life Assurance Limited	Direct shareholder	Rent accrued	1 123 857	524 901	511 522	86 628 774
ZB Bank Limited	Indirect shareholder	Rent accrued	2 355 871	756 849	15 705	-
ZB Life Assurance Limited	Direct shareholder	Interest received	246 078	-	-	-
ZB Bank Limited	Indirect shareholder	Interest received	37 262	184 515	-	-
ZB Bank Limited	Indirect shareholder	Finance cost	1 471 012	827 146	-	-
ZB Financial Holdings Limited	Indirect shareholder	Dividends received	44 211	36 550	-	-
ZB Financial Holdings Limited	Indirect shareholder	Investment in equities	-	-	-	-
ZB Bank Limited	Indirect shareholder	Bank balances	-	-	2 062 379	1 304 704
ZB Bank Limited	Indirect shareholder	Loan payable	-	-	439 169	18 167 242
			-	-	12 818 821	9 943 900
			* Historical cost			
			Transaction		Balance	
			31 Dec 2023 ZW\$ 000	31 Dec 2022 ZW\$ 000	31 Dec 2023 ZW\$ 000	31 Dec 2022 ZW\$ 000
Related party	Relationship	Nature of transaction				
ZB Life Assurance Limited	Direct shareholder	Rent accrued	680 261	-	511 522	18 027
ZB Bank Limited	Indirect shareholder	Rent accrued	1 425 989	546 933	15 705	-
ZB Life Assurance Limited	Direct shareholder	Interest received	140 250	-	-	-
ZB Bank Limited	Indirect shareholder	Interest received	21 237	153 603	-	-
ZB Bank Limited	Indirect shareholder	Finance cost	939 669	187 802	-	-
ZB Financial Holdings Limited	Indirect shareholder	Dividends received	32 545	6 835	-	-
ZB Financial Holdings Limited	Indirect shareholder	Investment in equities	-	-	-	-
ZB Bank Limited	Indirect shareholder	Bank balances	-	-	2 062 379	271 509
ZB Bank Limited	Indirect shareholder	Loan payable	-	-	439 170	3 780 609
			-	-	12 818 821	2 069 329

12.1 Compensation of key management personnel of the Group

	Inflation adjusted Group		* Historical cost Group	
	31 Dec 2023 Audited ZW\$ 000	31 Dec 2022 Audited ZW\$ 000	31 Dec 2023 Unaudited ZW\$ 000	31 Dec 2022 Unaudited ZW\$ 000
Non-executive directors' emoluments	1 184 254	381 710	679 052	59 175
Short and long-term employee benefits	1 418 054	469 088	782 278	62 344
Post-employment pension benefits	123 459	40 310	77 297	6 435
Total compensation paid to key management	2 725 767	891 108	1 538 627	127 954

12.2 Loans and advances to key management personnel in the Group

Short term loans and advances	296 574	188 866	296 574	39 265
Long term loans and advances	2 555 986	1 408 952	2 555 986	292 921
Interest charge	253 270	64 391	140 904	13 387
Expected credit loss allowance	(8 215)	(9 283)	(8 215)	(1 930)
Total	3 097 615	1 652 926	2 985 249	343 643

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 8% per annum.

13. Earnings per share

Basic and diluted earnings per share	0.19	0.05	0.34	0.03
Headline earnings per share	0.19	0.05	0.34	0.03

- The calculation of basic and diluted earnings per share has been based on the profit/(loss) attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.
- The calculation of headline earnings per share has been based on the profit/(loss) attributable to ordinary shareholders adjusted for profits or losses from events that do not happen often and weighted-average number of ordinary shares outstanding.

14. 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.

15. Subsequent events

Disposal of asset held for sale
Subsequent to year end, the Group concluded the disposal of one of its landbank which was classified as IFRS 5 asset held for sale with a carrying amount of ZW\$ 21.4 billion at 31 December 2023. The disposal was completed at a price above the carrying amount at 31 December 2023.

Dividend declaration

The Board of Directors declared a final dividend of ZW\$2.23 and 0.0059 US cents per share to be paid from the company's distributable profits.

Independent auditor's report
The condensed financial results should be read in conjunction with the complete set of financial statements of Mashonaland Holdings Limited for the financial year ended 31 December 2023, which have been audited by Deloitte & Touche (Zimbabwe), signed by Stelios Michael PAAB practice certificate number 0443, and an adverse audit opinion has been issued thereon. The adverse opinion is in respect of the Group's selection to report in Zimbabwe Dollars despite having met the indicators stipulated in IAS 21 for adoption of a United States Dollars (USD) functional currency. The Group maintained the Zimbabwe Dollar (ZWD) functional and reporting currency while assessing the impact of the long term national monetary policy environment. The auditor's report on the condensed financial statements and the full set of financial statements is available for inspection at the Company's registered office.

The Group has presented unaudited United States Dollars denominated financial information as supplementary to these condensed financial statements.



FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2023 PRESENTED IN UNITED STATES DOLLARS - SUPPLEMENTARY INFORMATION AND ACCOMPANYING NOTES

Statement of comprehensive income for the year ended 31 December 2023

	Notes	31 Dec 2023 Unaudited USD	31 Dec 2022 Unaudited USD
Revenue	iv)	6 464 790	5 583 709
Property expenses		(1 694 833)	(2 558 967)
Net property income		4 769 957	3 024 742
Other income		557 807	1 115 476
Allowance for credit losses expense		(54 716)	(45 617)
Administrative expenses		(1 908 454)	(1 685 688)
Operating profit before fair value adjustments		3 364 594	2 408 913
Fair value adjustments gain/(loss)		1 969 824	(866 049)
Investments held for trading	v)	(98 988)	(1 466 728)
Investment property		1 871 812	600 679
Non-current assets held for sale		197 000	-
Profit before finance income and tax		5 334 418	1 542 864
Finance income		341 840	153 231
Finance costs		(349 835)	(376 578)
Profit before tax		5 326 423	1 319 517
Tax expense		(523 789)	(378 257)
Profit for the year		4 802 634	941 260

Statement of financial position as at 31 December 2023

	Notes	31 Dec 2023 Unaudited USD	31 Dec 2022 Unaudited USD
Assets			
Non-current assets			
Vehicles and equipment	v)	434 506	293 348
Investment property		80 665 000	76 882 000
Long-term receivables		1 308 555	854 794
		82 408 061	78 030 142
Current assets			
Inventories		46 779	418 851
Investments held for trading		672 289	771 277
Contract asset receivable from customers		483 839	134 910
Trade and other receivables		1 837 658	861 652
Cash and cash equivalents		221 433	5 999 506
Assets held for sale		2 950 000	-
		6 211 998	8 186 196
Total assets		88 620 059	86 216 338
Equity			
Share capital		175 464	175 464
Share premium		350 929	350 929
Retained earnings		80 449 909	76 602 314
		80 976 302	77 128 707
Non-current liabilities			
Non-current portion of borrowings		588 078	1 500 865
Deferred tax		3 958 294	3 625 280
		4 546 372	5 126 145
Current liabilities			
Current portion of borrowings		1 511 742	1 524 470
Trade and other payables		1 153 972	1 756 613
Liabilities payable from contracts with customers		84 348	247 994
Accruals		347 323	309 486
Tax payable		-	122 923
Total equity and liabilities		88 620 059	86 216 338

Notes to the unaudited supplementary financial statements

- i. Presentation currency

The unaudited supplementary information is presented in United States Dollars ("USD").
- ii. Conversion procession and exchange rates

In the preparation of this supplementary information, the Group separated transactions based on the currency in which they occurred. Transactions which occurred in United States Dollars are reported in United States Dollars, and transactions which occurred in Zimbabwe Dollars were converted to United States Dollars based on the prevailing Reserve Bank of Zimbabwe interbank rate.
- iii. Basis of preparation

a) Investment property

The Group adopted the USD valuation determined at 31 December 2022 and 31 December 2023 as the opening and closing balances for investment property respectively. These USD based valuations were determined by an independent professional valuer (EPG Global) as at 31 December 2022 and 31 December 2023 respectively.

The investment property fair value gain is based on the movement of the fair value of investment property at each balance sheet date.

The Group believes use of the USD based valuations in presenting investment property and determining the fair value gain achieves fair presentation and also allows comparability with prior periods.
- b) Investment property acquisitions and disposals

Investment property acquisition and disposal transactions are conducted in United States Dollars. These transactions are recorded based on the USD cost incurred and proceeds received.
- c) Profit on disposal of investment property

The profit on disposal of investment property was determined by comparing USD proceeds against the most recent USD valuation of the respective property.
- d) Revenue and expenses

In the current year, the revenue and expenses were separated based on transacting currency, such that USD transactions were recorded in USD and ZW\$ transactions were converted to USD based on monthly average rates.

	31 Dec 2023 Unaudited USD	31 Dec 2022 Unaudited USD
iv. Revenue		
Revenue for the year is comprised as follows:		
Revenue from property management services		
Rental	5 056 194	4 116 504
Property services	29 113	29 356
	5 085 307	4 145 860
Revenue from contracts with customers		
Stand sales	186 683	138 726
Mashview gardens housing project	1 192 800	1 299 123
	1 379 483	1 437 849
Revenue for the period	6 464 790	5 583 709

- v. Investment property
- The company's investment property was valued in United States Dollars at 31 December 2022 and 31 December 2023 by EPG Global, an independent professional property valuer. The fair value gain on investment property of USD1 871 812 is arising from analysis of the valuations performed at the end of each reporting period as presented below.

	Office USD	Industrial USD	Pure retail USD	Residential USD	Health USD	Land and WIP USD	Total USD
Opening balance	42 630 000	12 710 000	5 350 000	2 961 000	2 987 000	10 244 000	76 882 000
Disposals	-	-	-	-	-	(1 000 000)	(1 000 000)
Transfer to non-current asset held for sale	-	-	-	-	-	(2 753 000)	(2 753 000)
Improvements	188 476	-	22 718	7 414	1 405 039	4 040 541	5 664 188
Fair value adjustment	1 221 524	3 910 000	(22 718)	400 586	357 961	(3 995 541)	1 871 812
Closing balance	44 040 000	16 620 000	5 350 000	3 369 000	4 750 000	6 536 000	80 665 000



INDEPENDENT AUDITOR'S REPORT ON THE CONDENSED INFLATION ADJUSTED FINANCIAL STATEMENTS

TO THE SHAREHOLDERS OF MASHONALAND HOLDINGS LIMITED

Denial of opinion

The condensed inflation adjusted consolidated financial statements of Mashonaland Holdings Limited and its subsidiaries ("the Group" / "Mashonaland Holdings Limited"), set out on pages 5 to 14, which comprise the condensed inflation adjusted consolidated statement of financial position as at 31 December 2023, and the condensed inflation adjusted consolidated statement of profit or loss and other comprehensive income, the condensed inflation adjusted consolidated statement of changes in equity, and the condensed inflation adjusted consolidated statement of cash flows for the year then ended, and related notes, are derived from the audited inflation adjusted consolidated financial statements of Mashonaland Holdings Limited for the year ended 31 December 2023.

As a result of the adverse audit opinion on the audited inflation adjusted consolidated financial statements discussed in *The audited inflation adjusted consolidated financial statements and our report thereon* section of our report, it is inappropriate to express an opinion on the accompanying condensed inflation adjusted consolidated financial statements.

Summary inflation adjusted consolidated financial statements

The condensed inflation adjusted consolidated financial statements do not contain all the disclosures required by the International Financial Reporting Standards and the requirements of the Companies and Other Business Entities Act (Chapter 24:31) as applicable to annual financial statements. Reading the condensed inflation adjusted consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited inflation adjusted consolidated financial statements of the Group and the auditor's report thereon.

The audited inflation adjusted consolidated financial statements and our report thereon

In our report dated 26 March 2024, we expressed an adverse audit opinion on the audited inflation adjusted consolidated financial statements of Mashonaland Holdings Limited for the year ended 31 December 2023. The basis for our adverse audit opinion was that the Group has assessed that it has met the indicators stipulated in IAS 21 for reporting in United States Dollars (USD), but has maintained the Zimbabwe Dollar (ZWD) as the functional and reporting currency for the purposes of the inflation adjusted consolidated financial statements while assessing the impact of the long term national monetary policy environment.

IAS 21 requires that the functional currency of an entity reflect the underlying transactions, events and conditions that are relevant to the entity, and to change the functional currency when there is a change in those underlying transactions, events and conditions. Whilst the Group's indicators have provided evidence of a change in functional currency for the entity to United States Dollars from the beginning of the current financial year ended 31 December 2023, management have elected to maintain the Zimbabwe Dollar as the entity's functional currency.

This does not comply with the requirements of IAS 21, which requires that when there is a change in an entity's functional currency, the entity shall apply the translation procedures applicable to the new functional currency prospectively from the date of the change.

We were unable to quantify the effect of the departure from IAS 21, but the effect is considered to be material and pervasive to the inflation adjusted consolidated financial statements as a whole.



**INDEPENDENT AUDITOR'S REPORT
ON THE CONDENSED INFLATION ADJUSTED FINANCIAL STATEMENTS**

TO THE SHAREHOLDERS OF MASHONALAND HOLDINGS LIMITED (continued)

Directors' responsibility for the condensed inflation adjusted consolidated financial statements

The directors are responsible for the preparation of the condensed inflation adjusted consolidated financial statements in accordance with the requirements of the ZSE and the requirements of the Companies and Other Business Entities Act (Chapter 24:31) as applicable to condensed financial statements.

The listings requirements require condensed reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS).

Auditor's responsibility

Our responsibility is to express an opinion on whether the condensed inflation adjusted consolidated financial statements are consistent, in all material respects, with the inflation adjusted consolidated audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.



DELOITTE & TOUCHE
CHARTERED ACCOUNTANTS (ZIMBABWE)
Per: Stelios Michael
(PAAB Practice Certificate 0443)
Partner
Registered Auditor
Harare, Zimbabwe

Date: 26 March 2024