

AUDITED ABRIDGED FINANCIAL STATEMENTS
 For the Year Ended 31 December 2023

Trustee's Statement

The Asset Manager has managed the scheme in accordance with the Collective Investments Act (Chapter 24:19), the Collective Investment Schemes (Internal Schemes) Rules, 1998 and the Tigere Real Estate Investment Trust Deed. The financial statements for the year ended 31 December 2023 were authorized for issue on 20th of March 2024.

On behalf of the Trustee
 Robert Mutakwa


Asset Manager's Report
Operating Environment

The first half of 2023 was characterised by inflationary pressures and a depreciating local currency unit, commensurate with the widespread use of the US Dollar by various economic agents. However, following a government-enforced tightening of liquidity in June, the pace of depreciation slowed down during the second half of year. The REIT saw an increase in USD receipts as the reporting period progressed- as ZWL liquidity tightened in the market. We foresee a difficult upcoming operating environment characterised by varied exchange rate movements and new monetary policy measures. The reduction of gold deliveries and an ongoing agricultural season featuring below-average rainfall will further add to economic pressures.

Property Market Overview

The outward migration of businesses from the CBD to the suburbs has resulted in an uptick in suburban property values. Additionally, the ever-growing need for a proven inflation-hedge in the face of currency instability has seen investors continue to invest in the real estate sector in search of value preservation. The pace of new developments around the country has increased substantially with a key focus on cluster housing, corporate offices, student accommodation and shopping centres in attractive locations.

Portfolio Report Prospects

Highland Park Phase 1 and Chinamano Corner maintained 100% occupancy in the second half of the year and all tenants have swiftly met their operational mandates to date. Highland Park Phase 2 officially opened for trading in December 2023, and it was well received by consumers, evidenced by the increased foot traffic and turnovers across all tenants. Phase 2 has provided further boost to Phase 1 tenants and as it stands, there is an extensive waiting list of tenants for the available spaces. The Tigere REIT holds a pre-emptive right to acquire Phase 2, details of which will be made available in due course.

	US\$
Rental Revenue	1 481 038
Total Comprehensive Income	1 104 736
Net Asset Value	22 546 948

Key Ratios

Occupancy level	100%
Rent per m ²	\$17.75

Dividend Announcement

The REIT declared a final dividend of USD 312 367 (being 0.0434 United States cents per unit) in respect of the quarter ended 31 December 2023.

On behalf of the Asset Manager
 Brett Abrahamse


Statement of Financial Position as at 31 December 2023

	Notes	Audited 31 Dec 23	Audited 31 Dec 22
Reviewed		US\$	US\$
Non-Current Assets		22 379 960	22 104 944
Investment Properties	5	22 360 000	22 100 000
Property, Plant & Equipment	6	19 960	4 944
Current Assets		575 715	1 300 936
Trade and Other Receivables	7	192 755	835 533
Cash and Cash Equivalents	8	382 960	465 403
Total Assets		22 955 675	23 405 880
Equities and Liabilities			
Shareholders' Equity		22 546 948	22 423 809
Unit Holders' Fund		22 100 000	22 100 000
Distributable Reserve		-	193 769
Retained Earnings		446 948	130 040
Liabilities			
Current Liabilities		408 727	219 688
Trade and Other Payables	9	408 727	219 688
Long-Term Liabilities		-	762 383
Value Added Tax Loan	10	-	762 383
Total Liabilities		408 727	982 071
Total Equity and Liabilities		22 955 675	23 405 880

Statement of Comprehensive Income for the year ended 31 December 2023

		Audited Year Ended 31 Dec 23	Audited Two Months Ended 31 Dec 22
		US\$	US\$
Rental Revenue	3	1 481 038	205 032
Utilities Income		323 888	37 408
Utilities Expense		(313 647)	(41 641)
Net Property Income		1 491 279	200 799
Other Income		19 600	566
Total Income		1 510 879	201 365
Total Operating Expenses		(387 155)	(71 325)
Distributable income before exchange movements and fair value adjustments		1 123 724	130 040
Fair Value movements		97 466	-
Exchange movements		(116 454)	-
Profit after exchange movements and fair value adjustments		1 104 736	130 040
Weighted average number of units		719 323 000	719 323 000
Basic and diluted earnings per unit - USD cents		0.1536	0.0181

Statement of Changes in Equity as at 31 December 2023

Audited	Stated Capital	Distributable Reserve	Retained Earnings	Total
2022				
Opening Balance	22 100 000	193 769	-	22 293 769
Profit for the two months	-	-	130 040	130 040
Closing Balance	22 100 000	193 769	130 040	22 423 809
2023				
Opening Balance	22 100 000	193 769	130 040	22 423 809
Current Year profit	-	-	1 104 736	1 104 736
Dividends Paid	-	(193 769)	(787 828)	(981 597)
Closing Balance	22 100 000	-	446 948	22 546 948

Statement of Cashflow for the Year Ended 31 December 2023

	Audited Year Ended 31 Dec 23	Audited Two Months Ended 31 Dec 22
	US\$	US\$
Cash flows from operating activities		
Profit for the year	1 104 730	130 040
Adjustment for non-cash items		
Depreciation	727	24
Allowance for credit losses	996	-
Fair value adjustments	(97 466)	-
Profit after adjusting for non-cash items	1 008 993	130 064
Changes in working capital		
Trade and other payables	189 039	130 178
Trade and other receivables	641 782	(73 150)
Cash generated from operations	830 821	57 028
Cash flows from investing activities		
Purchase of property plant and equipment	(15 743)	(4 968)
Expenditure on additional investment property	(162 534)	-
Net cash from investing activities	(178 277)	(4 968)
Cash flows from financing activities		
Dividend paid	(981 597)	-
Repayment of loan	(762 383)	-
Net cash from financing activities	(1 743 980)	
Total cash movement for the period	(82 443)	182 124
Opening cash and cash equivalents	465 403	283 279
Closing cash and cash equivalents	382 960	465 403

Notes to the Financial Statements
1. Corporate Information

Tigere Real Estate Investment Trust was registered in Zimbabwe in 2022 and was listed on the Zimbabwe Stock Exchange on 30 November 2022. Tigere's registered office is number 3 Natal Road, Belgravia, Harare.

2. Basis of Preparation
2.1 Basis of preparation and accounting principles

The Trust's abridged financial statements for the year ended 31 December 2023 have been prepared in accordance with International Financial Reporting Standards. The accounting policies used in the current period are consistent with those applied in the previous period unless otherwise stated. These abridged interim financial statements have been prepared on the assumption that the Trust will continue to operate on a going concern basis.

2.2 Statement of compliance

These abridged financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee ("IFRSIC") interpretations applicable and in a manner required by The Companies and Other Business Entities Act (Chapter 24:31) and of the Zimbabwe Stock Exchange Listing Regulations.

2.3 Reporting currency

The financial statements of the Trust are presented in United States Dollars (US\$), which was the Trust's functional currency as at the reporting date. The exchange rates used to translate foreign currency balances were obtained from the Reserve Bank of Zimbabwe Interbank Market. The financial statements have been prepared under the assumption that the Trust operates on a going concern basis. All information presented has been rounded off to the nearest dollar.

2.4 Auditor's statement

The abridged financial results should be read in conjunction with the complete set of financial statements of Tigere Real Estate Investment Trust for the year ended 31 December 2023, which have been audited by PKF Chartered Accountants (Zimbabwe), signed by Sydney Bvurere, PAAB Practising certificate 0209 and an unqualified opinion has been issued thereon. The auditor's report for year ended then ended carries key audit matter ("KAM") outlining area of the audit process that required significant attention of the auditor, being investment properties. The auditor's report on the financial statements and the full set of financial statements, is available for inspection at the Fund's registered office and same has been lodged with the ZSE.

	Audited 31 Dec 23	Audited 31 Dec 22
	US\$	US\$
3. Rental Revenue		
Retail rent	1 055 406	162 646
Turnover rent	425 632	42 386
	1 481 038	205 032
4. Operating Expenses		
Secretarial fees	69 598	12 414
Audit fees	7 878	6 100
Asset Manager fees	177 493	30 722
Property management fees	113 483	18 164
Depreciation	727	24
Other expenses	17 976	3 901
	387 155	71 325
5. Investment Properties		
Fair value as at 01 January 2023	22 100 000	22 100 000
Additions	162 534	-
Fair value adjustments	97 466	-
	22 360 000	22 100 000
Fair value as at 31 December 2023		
• During the period, an additional shop was constructed at Highland Park Phase 1.		

6. Property, Plant and Equipment

Audited	US\$	US\$	US\$
	Other Equipment	Computer Equipment	Total
Cost			
Opening Balance	4 422	546	4 968
Additions	15 743	-	15 743
Closing Balance	20 165	546	20 711
Accumulated Depreciation			
Opening Balance	-	(24)	(24)
Depreciation for the year	(609)	(118)	(727)
Closing Balance	(609)	(142)	(751)
Carrying amount as at 31 Dec 22	4 422	522	4 944
Carrying amount as at 31 Dec 23	19 556	404	19 960

7. Trade and Other Receivables

	Audited US\$	Audited US\$
Trade receivables	186 126	75 810
Prepayments	6 629	11 070
Value added tax asset	-	748 653
	192 755	835 533

8. Cash and cash equivalents

US\$ Balances	361 185	399 238
ZWL Balances	21 775	126 165
	382 960	465 403

9. Current Liabilities

Creditors	407 108	202 704
Value Added Tax	1 619	16 984
	408 727	219 688

10. Long Term Liabilities

Value Added Tax Loan	-	762 383
	-	762 383

The loan was settled during the course of the year. The loan bore an interest rate of 0% for the first three years, and thereafter 12.5%. The loan had a repayment date of 30 September 2027, it was secured by the underlying and ownership in investment property mentioned under note 5. The loan related to funds procured to settle the Value Added Tax asset on Highland Park and Chinamano Corner.

11. Going Concern

The Trustee has assessed the ability of the Trust to continue operating as a going concern and believes that the preparation of these financial statements as a going concern is still appropriate.

12. Subsequent Events

There are no subsequent events.

13. Contingencies

There were no contingent assets or liabilities for the period ending 31 December 2023.

Independent Auditor’s Report

To the Trustee of Tigere Real Investment Trust Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tigere Real Investment Trust set out on pages 42 to 60, which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and other Business Entities Act (Chapter 24:31).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the financial statements section of our report. We are independent of the Trust in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Zimbabwe. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Zimbabwe. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter	How our audit addressed the Key Matter
<p>Valuation of Investment Property</p> <p>The Trust held investment property valued at USD 22 360 000 as at 31 December 2023.</p> <p>We have identified the valuation of investment properties as representing a key audit matter due to the significance of the balance to the financial statements as a whole, combined with the level of judgment associated with determining fair values.</p>	<p>In evaluating the appropriateness of the valuation and the compliance to IFRS13 we employed various audit procedures including the following:</p> <ul style="list-style-type: none"> • Evaluated Trust’s independent external valuer’s competence and capabilities as evidenced by licence with the professional body. • Reviewed the methods, assumptions and inputs used by the external valuers. • Reviewed the financial statements for adequate disclosures of the assumptions, judgements and various inputs to the valuation <p>We satisfied that the Trust’s investment property valuation is adequate and appropriate.</p>

Other information

The Trustee is responsible for the other information that may be presented along with these financial statements. Other information does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, 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 Trustee for the Financial Statements

The Trustee is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies and other Business Entities Act (Chapter 24:31), and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the Trust'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 Trustee either intends to liquidate the Trust to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements .

Our objectives are to obtain reasonable assurance about whether the 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 International Standards on Auditing 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 financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 internal controls.
- 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 Trust's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee.
- Conclude on the appropriateness of the Trustee's 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 Trust'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 Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information or business of the Trust to express and audit opinion on the financial statements. We are responsible for the direction, supervision and performance of the Trust audit. We remain solely responsible for our audit opinion.

We communicate with the Trustee 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 have provided the Trustee with a statement that we have complied with relevant ethical requirements regarding independence.



PKF Chartered Accountants (Zimbabwe)

Registered Public Auditors (Zimbabwe)

Harare

Per: Sydney Bvurere

Engagement Partner

Registered Public Auditor (Zimbabwe)

PAAB Practicing number of Engagement Partner 0209

Date: 20 MARCH 2024