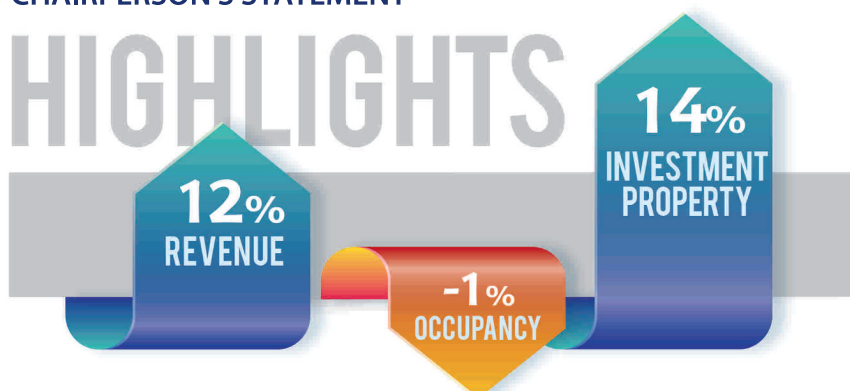




## AUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### CHAIRPERSON'S STATEMENT

# HIGHLIGHTS



I am pleased to present to you the condensed consolidated financial statements of Mashonaland Holdings Limited for the year ended 31 December 2024. The 2024 financial period was marked by significant reinvestment as the Group sought to bring new products to our customers.

#### Operating environment

The economic environment was largely pronounced by volatility as the country sought to recover from the effects of the El Nino induced drought which adversely impacted agricultural output and power generation. Further, falling commodity prices on the international markets weighed down on the mining sector's performance. Economic activity was, however, buoyed by improved performance in the real estate and financial services sectors.

During the year, the Government introduced a new currency and implemented a tight monetary policy framework to control inflationary headwinds and exchange rate volatility experienced in the first half of the year. While the tight monetary policy position led to an improved stability in exchange rates and prices, it also saw a notable decrease in liquidity in the formal sectors of the economy.

Despite the challenging macroeconomic environment, the Group achieved notable successes in 2024:

- Revenue growth:** 12% increase in revenue, driven by our strategic focus on sustainable property management services supported by effective voids management, efficient rent reviews and timely property upgrades and renovations.
- Socially responsible real estate investments:** The Group added a day hospital facility to its portfolio. The development was handed over to the contracted tenant who has made significant progress towards preparing the facility for public access. The facility is expected to significantly support the delivery of health services in the country.
- Portfolio expansion:** We successfully added an expansive flagship property to our portfolio, the Pomona Commercial Centre, increasing our total assets under management to US\$94.9million following an investment of US\$14.6million.
- Customer satisfaction:** We maintained a high level of customer satisfaction and a well engaged human resource base.

#### Property market

In 2024, the Zimbabwe property market showed notable resilience despite limited long-term financing options and volatility which affected tenant operating models. The market saw continued investment into residential and retail property segments. These segments offer a lower market risk due to high occupier demand.

The growing informal sector of the economy continues to strengthen demand for miniature retail spaces in CBD and suburban locations. Property owners are responding by transforming their buildings into smaller units to meet the needs of small and medium-sized enterprises (SMEs). The property market continues to witness demand for high-quality living spaces, driven by the growing urban population in the country.

Emerging trends also indicate that property investors are preferring to invest in hospitality real estate in attractive tourism destinations in the country. This sector is forecast to record significant investments in the short to medium term as investors are looking to capitalise on an ageing hospitality sector offering in the country.

Overall, the property market continues to present opportunities for property investors and homebuyers, despite the persisting economic challenges.

#### Change in functional and reporting currency

The Board assessed the Group's business trends against the requirements of IAS 21 and concluded that the business had met the threshold to change its functional currency from the local currency to the United States Dollar. This change in the Group's functional currency was implemented retrospectively with effect from 1 January 2023. Further information on the change in functional and reporting currency is outlined in the Group's audited financial statements.

#### Financial performance for the year

Revenue increased by 12% from US\$6.2million to US\$7million. Rental income contributed to the positive performance having improved from US\$4.9 million in 2023 to US\$5.6million in current year. Rental income growth was supported by portfolio rebalancing and optimisation which saw the Group introducing SME retail facilities and handing over of the day-hospital facility to its tenants.

The Group recorded fair value gains on investment properties of US\$742,907, down from US\$1,871,811 in 2023. The decrease in fair value gains was a result of lower volatility in the USD property market. The decreased fair value gains consequently contributed to a 9% decrease in profit after tax which closed the period at US\$3.7million compared to US\$4.1million in 2023.

While profit after tax decreased by 9% owing to a lower fair value gain on properties in 2024, the quality of earnings improved. Sustainable profits, excluding fair value and non-recurring gains, improved by 10% from US\$ 2,453,725 in 2023 to US\$ 2,696,146 in 2024.

#### Investment property

The Group performed an open market valuation of its investment properties as at 31 December 2024. The investment property portfolio was valued at US\$91.6million compared to US\$80.7million in December 2023. The growth in the asset base was due to property capital gains of US\$742,907 and investments of US\$10.1million which were made into property development projects during the year.

#### Property development projects

##### Pomona Commercial Centre Development Project

The construction works on the Pomona Commercial Centre Development commenced in the 3<sup>rd</sup> quarter of 2023 and were completed in the 4<sup>th</sup> quarter of 2024. The complex is designed to offer prime wholesaling and flexible warehousing space with a total lettable area of 14,000sqm.

The Pomona Commercial Centre was designed to provide a modern mixed-use facility in an environmentally friendly manner ensuring ground water recharge and optimal usage of renewable energy and natural lighting. The Development was delivered at a total investment value of US\$14.6million using a sustainable balance of debt and equity financing. The development was successfully pre-leased with a pre-opening occupancy of 82%.

##### Milton Park Day Hospital

The Milton Park Day Hospital is a 2,134m<sup>2</sup> modern hospital facility that was built under a develop and lease arrangement with one of the leading medical insurance and hospital brands. The Hospital is now under the management of the operator under a long-term lease. The investment into the hospital facility was in line with the Group's plans to achieve a balanced property portfolio while also making socially responsible property investments which enhance societal well-being.

##### Chiyedza House SME Centre

The company repurposed office space at Chiyedza House to offer SME retail facilities. The facility comprises of 60 offices that are furnished and equipped with complimentary Wi-Fi, telephones, boardrooms and a shared reception. The retail facility also provides decent trading space to 40 retailers drawn from various trades. The facility was fully let out during the year.

#### Dividend

The Board declared and paid an Interim dividend of US\$ 200 000 during the year. Further to this, the Board has declared a final dividend of US\$ 230 000 payable from the Group's profits for the year. A separate dividend notice will be issued to this effect.

#### Outlook

Zimbabwe's economy is projected to experience a 6% GDP growth in 2025, recovering from a 2% growth in 2024. The agricultural, mining and services sectors are forecast to support economic growth in 2025. The positive outlook is forecast to support the Group in further realizing its portfolio diversification, and performance optimisation strategy. The Group remains focussed on pursuing its strategic growth plans while continuously improving efficiencies and customer service delivery.

#### Appreciation

On behalf of the Board, I would like to express my sincere gratitude to our shareholders, esteemed tenants and partners for their continued support. I also thank my fellow board members, management and staff for their commitment throughout the year.

Harare  
19 March 2025

  
Eng. G. Bema  
Board Chairperson

Directors: Eng. G. Bema (Chairperson), P. Musarurwa (Deputy Chairperson), K. Musundire (Managing Director), T. Chaparamhosva, T. Masunda, M. Mubayiwa, Dr. B. Shumba, I. Tigere.

### Audited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

		Group	
		31 Dec 2024 Audited USD	31 Dec 2023 Restated* USD
	Notes		
<b>Revenue</b>	2	<b>7,040,710</b>	<b>6,286,745</b>
Property expenses		(1,632,676)	(1,694,834)
<b>Net property income</b>		<b>5,408,034</b>	<b>4,591,911</b>
Other income	3	113,946	557,807
Allowance for credit losses/(gains)		(7,022)	9,762
Administrative expenses		(2,507,251)	(2,150,529)
<b>Operating profit</b>		<b>3,007,707</b>	<b>3,008,951</b>
<b>Fair value adjustments</b>		<b>1,016,798</b>	<b>1,772,823</b>
Investment held for trading		273,891	(98,988)
Investment property		742,907	1,871,811
<b>Profit before finance income and tax</b>		<b>4,024,505</b>	<b>4,781,774</b>
Finance income	4	210,052	341,841
Net exchange losses		(298,144)	(279,761)
Finance cost	5	(270,569)	(217,305)
<b>Profit before tax</b>		<b>3,665,844</b>	<b>4,626,549</b>
Tax credit/(expense)	6	62,664	(523,789)
Current tax		(474,490)	(190,773)
Deferred tax		537,154	(333,016)
<b>Profit after tax</b>		<b>3,728,508</b>	<b>4,102,760</b>
<b>Other comprehensive income</b>			
Gains on revaluation of vehicles and equipment		122,946	-
Tax		(31,659)	-
<b>Total</b>		<b>91,287</b>	<b>-</b>
<b>Total comprehensive income</b>		<b>3,819,795</b>	<b>4,102,760</b>
Weighted average number of shares		1,690,249,809	1,690,249,809
Basic and diluted earnings per share - cents	16	0.22	0.24

\*Comparative figures have been restated to effect the change in functional currency from 1 January 2023.

### Audited Condensed Consolidated Statement of Financial Position

		Group		
		31 Dec 2024 Audited USD	31 Dec 2023 Restated* USD	1 Jan 2023 Restated* USD
	Notes			
<b>Assets</b>				
<b>Non-current assets</b>		<b>93,076,524</b>	<b>82,124,734</b>	<b>77,883,424</b>
Vehicles and equipment		295,528	151,435	147,047
Investment property	7	91,595,000	80,665,000	76,882,000
Long-term receivables		1,185,996	1,308,299	854,377
<b>Current assets</b>		<b>1,832,243</b>	<b>3,555,412</b>	<b>8,182,201</b>
Investments held for trading		834,790	672,289	770,901
Inventories		39,115	85,259	418,646
Trade and other receivables	10	519,697	1,837,658	996,075
Contract asset receivable from customers		-	738,773	-
Cash and cash equivalents		438,641	221,433	5,996,579
Asset held for sale	8	-	2,950,000	-
<b>Total assets</b>		<b>94,908,767</b>	<b>88,630,146</b>	<b>86,065,625</b>
<b>Equity and liabilities</b>				
Equity		83,899,221	80,489,914	76,802,455
<b>Non-current liabilities</b>		<b>7,891,278</b>	<b>4,745,517</b>	<b>5,303,618</b>
Deferred taxation		3,633,794	4,136,501	3,803,485
Non-current portion of borrowings	9	4,257,484	609,016	1,500,133
<b>Current liabilities</b>		<b>3,118,268</b>	<b>3,394,715</b>	<b>3,959,552</b>
Trade and other payables	11	1,155,469	1,196,820	1,755,756
Liabilities payable from contracts with customers		35,574	102,100	247,873
Current portion of borrowings	9	1,150,910	1,490,804	1,523,726
Income tax payable		418,691	79,463	122,862
Accruals		357,624	525,528	309,335
<b>Total equity and liabilities</b>		<b>94,908,767</b>	<b>88,630,146</b>	<b>86,065,625</b>
Net asset value per share -cents		4.96	4.76	4.54

\*Comparative figures have been restated to effect the change in functional currency from 1 January 2023.

### Audited Condensed Consolidated Statement of Cash Flows

		Group	
		31 Dec 2024 Audited USD	31 Dec 2023 Restated* USD
<b>Net cash inflow/(outflow) from operating activities</b>		<b>5,028,558</b>	<b>(1,041,090)</b>
Profit before tax		3,665,844	4,626,549
Non-cash items		(872,998)	(3,062,393)
Increase/(decrease) in working capital		2,389,158	(2,367,613)
Tax paid		(153,446)	(237,633)
<b>Net cash outflow from investing activities</b>		<b>(7,366,102)</b>	<b>(3,255,855)</b>
Interest received		197,449	302,444
Dividends received		25,038	5,328
Proceeds from disposal of vehicles and equipment		20,561	6,091
Net proceeds from disposal of investment property		2,900,000	1,400,000
Net proceeds from disposal of investments held for trading		111,389	-
Purchase of vehicles and equipment		(117,405)	(119,234)
Additions and refurbishment of investment property		(10,503,134)	(4,850,484)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>2,554,752</b>	<b>(1,478,201)</b>
Dividend paid		(357,598)	(381,033)
Loan raised		6,079,820	-
Loan repayment		(2,914,197)	(924,039)
Finance costs		(253,273)	(173,129)
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>217,208</b>	<b>(5,775,146)</b>
Cash and cash equivalents at the beginning of the period		221,433	5,996,579
<b>Cash and cash equivalents at the end of the period</b>		<b>438,641</b>	<b>221,433</b>

\*Comparative figures have been restated to effect the change in functional currency from 1 January 2023.

### Audited Condensed Consolidated Statement of Changes in Equity

		Group		
		31 Dec 2024 Audited USD	31 Dec 2023 Restated* USD	1 Jan 2023 Restated* USD
<b>Balance at beginning of the period</b>		<b>80,489,914</b>	<b>76,802,455</b>	<b>76,207,811</b>
Total comprehensive income		3,819,795	4,102,760	1,051,727
Dividend declared		(410,488)	(415,301)	(457,083)
<b>Balance at end of the period</b>		<b>83,899,221</b>	<b>80,489,914</b>	<b>76,802,455</b>

\*Comparative figures have been restated to effect the change in functional currency from 1 January 2023.





**AUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

**Notes to the audited condensed consolidated financial statements**

**1. Basis of preparation and accounting policies**

Mashonaland Holdings Limited and its subsidiaries' (the Group) condensed consolidated financial statements for the year ended 31 December 2024 have been prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS Accounting Standards as issued by the International Accounting Standards Board except for non-compliance to IFRS in the recognition of the investment property balance on date of change in functional currency as detailed in note 1.3. The accounting policies adopted in the current year are in compliance with IFRS requirements which was not the case in prior period (Non-compliance with IAS 21 "The Effects of Changes in Foreign Exchange Rates"). These audited condensed consolidated financial statements have been prepared under the assumption that the Group operates on a going concern basis.

**1.1 Functional currency**

These audited condensed consolidated financial statements are presented in United States Dollars ("USD") which is the functional currency and presentation currency of the Group. During the current 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 with effect from 1 January 2023. In the prior year the wrong currency was used, hence the restatement of prior year to align with IAS 21 requirements. The Group assessed its functional currency in accordance with the requirements of IAS 21. In assessing the change in functional currency, management has considered the following primary and secondary factors:

- The currency that mainly influences sales prices for goods and services (this will often be the currency in which sales prices for its goods and services are denominated and settled).
- The currency of the country whose competitive forces and regulations mainly determine the sales prices of its goods and services.
- The currency in which labour, material and costs of providing services are denominated.
- Currency in which funds from financing activities (debt and equity instruments) are generated.
- The currency in which receipts from operating activities are usually retained.

Based on the above, all the primary and secondary indicators have been satisfied as per IAS 21 requirements and management's conclusion is that the group's functional currency has changed from ZW\$ to USD in prior years. The change in functional currency is with effect from 1 January 2023, hence the presentation of the third/opening balance sheet.

**1.2 Restatement of prior period balances**

Comparative balances have been restated in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" to effect the change in functional currency from 1 January 2023. This is because the prior year financial statements were prepared in Zimbabwe Dollars which was not in compliance with IAS 21 in the prior year. The restatement has been performed on all comparative amounts presented. An impact analysis is impracticable because of different functional and presentation currencies i.e. ZW\$ and USD.

**1.3 Conversion process and exchange rates**

In the preparation of general purpose financial statements, 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 except for the following:

**1.3.1 Investment property**

The Group adopted the USD valuation determined at 31 December 2022 as the opening balances for investment property. These USD based valuations were determined by an independent professional valuer (EPG Global) as at 31 December 2022. This was not in compliance with IAS 21 in that IAS 21 requires that an entity translates all previously reported ZWL amounts into the new functional currency using the exchange rate at the date of the change, which for the Group was 1 January 2023. The Directors believe that 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.

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

The deferred tax balances are based on the closing value of investment property at each balance sheet date.

**1.4 Valuation of investment properties**

The Group's investment property valuation was performed by EPG Global an independent and professional valuer as at 31 December 2024. The valuation was performed on IFRS 13 Fair Value Measurement level 3 valuation inputs.

	Group	
	31 Dec 2024 Audited USD	31 Dec 2023 Restated* USD
<b>2. Revenue</b>	<b>7,040,710</b>	<b>6,286,745</b>
IFRS 16 rental income	5,560,705	4,910,145
<b>Revenue from contract with customers</b>		
a) Recognised based on stage of completion Mashview Gardens housing project	816,881	1,192,800
b) Recognised at a point in time	64,672	157,933
Land inventory sales	598,452	25,867
Property services income	-	-
<b>3. Other income</b>		
Service charges	135,607	77,191
Dividend income	25,038	5,328
Sundry income	-	75,288
Loss on disposal of vehicles and equipment	(46,699)	-
Profit on disposal of asset held for sale	-	400,000
<b>Total</b>	<b>113,946</b>	<b>557,807</b>
<b>4. Finance income</b>		
This comprises of:		
Interest received from tenants' balances	96,600	188,920
Interest received from staff balances	113,452	152,921
<b>Total</b>	<b>210,052</b>	<b>341,841</b>
<b>5. Finance costs</b>		
Loan Interest	270,569	217,305
<b>Total</b>	<b>270,569</b>	<b>217,305</b>
<b>6. Tax</b>		
Current income tax	(474,490)	(190,776)
Deferred tax	537,154	(333,013)
<b>Total</b>	<b>62,664</b>	<b>(523,789)</b>

	Group		
	31 Dec 2024 Audited USD	31 Dec 2023 Restated* USD	1 Jan 2023 Restated* USD
<b>7. Investment property</b>			
Opening balance	80,665,000	76,882,000	75,274,000
Disposals	-	(803,000)	-
Net reclassification to held for sale	-	(2,950,000)	(2,370,000)
Borrowing costs capitalised	444,898	-	-
Improvements/additions	9,742,195	5,664,189	-
Fair value adjustments	742,907	1,871,811	3,978,000
<b>Closing balance</b>	<b>91,595,000</b>	<b>80,665,000</b>	<b>76,882,000</b>
<b>8. Asset held for sale</b>			
Opening balance	2,950,000	-	1,419,927
Net reclassification from investment property	-	2,950,000	2,370,000
Disposals	(2,950,000)	-	(3,789,927)
<b>Closing balance</b>	<b>-</b>	<b>2,950,000</b>	<b>-</b>
<b>9. Borrowings</b>			
Interest bearing loan	5,408,394	2,099,820	3,023,859
<b>The loan is presented on the statement of Financial Position as follows</b>			
Non-current liabilities	4,257,484	609,016	1,500,133
Current liabilities	1,150,910	1,490,804	1,523,726
<b>Total</b>	<b>5,408,394</b>	<b>2,099,820</b>	<b>3,023,859</b>

The loan details and terms are as follows:

- The loans are denominated in (USD) currency with a 36-60-month tenure
- Loan repayments are done monthly, and the group is compliant with loan covenants
- Interest rates ranges from 8.5%-17% per annum payable monthly
- The Group secured the loans against some of its investment properties with a carrying value of USD 32,690,000 (2023: USD7,950,000).

**10. Trade and other receivables**

	Group		
	31 Dec 2024 Audited USD	31 Dec 2023 Restated* USD	1 Jan 2023 Restated* USD
Rent receivables	272,004	591,019	214,698
Other receivables	247,693	1,246,639	781,377
<b>Net receivables</b>	<b>519,697</b>	<b>1,837,658</b>	<b>996,075</b>

**11. Trade and other payables**

Trade payables	1,077,132	1,156,332	1,741,031
Dividend payable	78,337	40,488	14,725
<b>Total</b>	<b>1,155,469</b>	<b>1,196,820</b>	<b>1,755,756</b>

**12. Segment information**

	31 December 2024 Audited					Total
	Office/retail	Industrial	Pure retail	Residential, health and land	Reconciling items	
Rental income	3,714,113	840,547	418,117	2,067,933	-	7,040,710
Net property income	2,852,845	645,632	321,160	1,588,397	-	5,408,034
Assets	44,959,914	24,210,293	5,473,454	17,529,855	2,735,251	94,908,767
Liabilities	1,202,069	907,765	206,039	496,699	8,196,974	11,009,546

	31 December 2023 Restated*					Total
	Office/retail	Industrial	Pure retail	Residential, health and land	Reconciling items	
Revenue	3,378,767	858,608	244,544	1,804,826	-	6,286,745
Net property income	2,467,891	627,137	178,616	1,318,267	-	4,591,911
Assets	44,942,157	13,176,051	5,631,973	17,814,642	7,065,323	88,630,146
Liabilities	173,666	96,136	9,304	2,211,810	5,649,316	8,140,232

**13. Related parties**

Related party	Relationship	Nature of transaction	Transaction		Balance	
			31 Dec 2024 Audited USD	31 Dec 2023 Restated* USD	31 Dec 2024 Audited USD	31 Dec 2023 Restated* USD
ZB Life Assurance Limited	Direct shareholder	Rent accrued	191,335	101,752	15,709	37,463
ZB Bank Limited	Indirect shareholder	Rent accrued	460,021	339,144	26,424	2,571
ZB Life Assurance Limited	Direct shareholder	Interest received	4,900	1,584	-	-
ZB Bank Limited	Indirect shareholder	Interest received	10,512	-	-	-
ZB Bank Limited	Indirect shareholder	Finance cost	311,371	-	-	-
FBC Crown Bank	Direct shareholder	Finance cost	163,038	-	-	-
ZB Financial Holdings Limited	Indirect shareholder	Dividends received	15,301	6,719	-	-
ZB Financial Holdings Limited	Indirect shareholder	Investment in equities	-	-	605,337	337,873
ZB Bank Limited	Indirect shareholder	Bank balances	-	-	241,819	71,901
ZB Bank Limited	Indirect shareholder	Loan payable	-	-	4,169,559	2,099,820
FBC Crown Bank	Direct shareholder	Loan payable	-	-	1,238,835	-
FBC Crown Bank	Direct shareholder	Bank balances	-	-	67,096	-

**14. Compensation of key management personnel of the Group**

	Group	
	31 Dec 2024 Audited USD	31 Dec 2023 Restated* USD
Non-executive directors' emoluments	232,157	194,013
Short and long-term employee benefits	164,273	232,316
Post-employment pension and medical benefits	11,079	20,226
<b>Total compensation paid to key management</b>	<b>407,509</b>	<b>446,555</b>

	Group		
	31 Dec 2024 Audited USD	31 Dec 2023 Restated* USD	1 Jan 2023 Restated* USD
<b>Loans and advances to key management personnel in the Group</b>			
Short term loans and advances	126,814	50,734	57,405
Long term loans and advances	169,981	466,022	476,659
Interest charge	26,016	18,908	20,779
Expected credit loss allowance	(742)	(1,344)	(2,821)
<b>Total</b>	<b>322,069</b>	<b>534,320</b>	<b>552,022</b>

**15. Commitments for capital expenditure**

Authorised and contracted	10,213,204	3,488,125	1,136,000
Authorised and not yet contracted	11,537,908	11,537,908	3,408,000

**16. Earnings per share - cents**

	Group	
	31 Dec 2024 Audited USD	31 Dec 2023 Restated* USD
Basic and diluted earnings per share - cents	0.22	0.24
Headline earnings per share - cents	0.22	0.24

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

**17. 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 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 the viability of the Group beyond the next 12-month period.

**18. Subsequent events**

**Final dividend**

On the 19<sup>th</sup> of March 2025, the board approved a final dividend of USD 230,000 which represents 0.014 US cents per share. A separate dividend notice will be issued to the shareholders.

**Independent auditor's report**

The condensed financial results should be read in conjunction with the full set of financial statements of Mashonaland Holdings Ltd for the financial year ended 31 December 2024, which have been audited by Axcantium, signed by Stelios Michael PAAB Practice Certificate number 0443. A qualified opinion on the audited consolidated financial statements was issued with respect to the departure by the Group from IAS 21 "The Effects of Changes in Foreign Exchange Rates" in the determination of opening balances for investment property and related deferred tax, that has affected the comparative balances and transactions. The Group elected to adopt a balance determined through a United States Dollar (USD) based valuation of investment property that was performed at 31 December 2022 as explained in note 1.3.1. This departure resulted in misstatements which carried over to the comparative balances for investment property and deferred tax with the related entries affecting an exchange reserve. The report also includes communication of a key audit matter relating to investment property as reported in the auditor's report of the audited consolidated financial statements. The audit reports on the condensed financial statements and full set of the consolidated financial statements are available at the Company's registered office.

**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF MASHONALAND HOLDINGS LIMITED**

**REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

**Qualified opinion**

We have audited the accompanying consolidated financial statements of Mashonaland Holdings Limited and its subsidiaries ("the Group") set out on pages 9 to 55, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of material accounting policy information.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31).

**Basis for Qualified Opinion**

**Non-compliance with International Accounting Standard (IAS) 21 "The Effects of Changes in Foreign Exchange Rates" with respect to the effect of change in functional currency on comparatives**

IAS 21 requires that an entity translates all items into the new functional currency using the exchange rate at the date of the change, which for the Group was 1 January 2023. The qualification is based on the departure by the Directors from IAS 21 in the determination of opening balances for investment property and related deferred tax, that has affected the comparative balances and transactions. The Directors have elected to adopt a balance determined through a United States Dollar (USD) based valuation of investment property that was performed at 31 December 2022. This departure from IAS 21 has resulted in the following misstatements at date of change (1 January 2023):

- Investment property is understated by \$20 826 513; and deferred tax is understated by \$1 041 326 (with the related entries affecting an exchange reserve).

The impact of this misstatement carries over to the comparative period ended 31 December 2023, as the fair value adjustments on investment property recognised in the statement of profit or loss and other comprehensive income would be overstated by \$20 826 513 whilst related deferred tax expense would have been overstated by \$1 041 326 for the period then ended.

The above matter only impacts the comparative financial information; our opinion on the current year consolidated financial statements is modified because of the effects of the matter on the comparability of the current period's financial information with that of the prior period.

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 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 consolidated 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 qualified opinion.

**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF MASHONALAND HOLDINGS LIMITED  
REPORT ON THE AUDIT OF THE 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the 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
<b>Valuation of Investment Property</b>	
<p>As included in notes 1.6(i),(iii) and note 12 to the consolidated financial statements, investment property amounting to \$91 595 000 has been considered to be an area where significant judgements were applied.</p> <p>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.</p> <p>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:</p> <ul style="list-style-type: none"> <li>• Use of unobservable information such as: <ul style="list-style-type: none"> <li>- capitalisation rates;</li> <li>- market rentals; and</li> <li>- market comparable property values</li> </ul> </li> <li>• The current economic environment is volatile given the valuation intricacies impacting property in the Zimbabwean market.</li> </ul>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> <li>• We assessed the competence, capabilities, objectivity and independence of the directors' independent valuers, and assessed their qualifications.</li> <li>• We made enquiries of the directors' independent external valuers to obtain an understanding of the valuation techniques and judgements adopted.</li> <li>• We assessed the work performed by the independent external valuers in valuing investment property by performing the following: <ul style="list-style-type: none"> <li>- Reviewed the valuation methods used and assessed whether they are appropriate and consistent with the reporting requirements;</li> <li>- Engaged an auditor's valuation specialist to assess reasonability of inputs and methods used by the independent valuer on selected properties;</li> <li>- Assessed the reasonableness of capitalisation rates, expected rentals and market comparable property values by comparing to historic trends, market information and market conditions at reporting date;</li> <li>- 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</li> <li>- Evaluated the consolidation financial statement disclosures for appropriateness and adequacy.</li> </ul> </li> </ul> <p>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.</p>

**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF MASHONALAND HOLDINGS LIMITED  
REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**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), and the Analysis of Shareholders, 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 consolidated financial statements and our auditor's report thereon.

Our opinion on the 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 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 consolidated financial statements**

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the 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 consolidated financial statements, including the disclosures, and whether the 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 consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.



**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF MASHONALAND HOLDINGS LIMITED  
REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**Auditor's responsibilities for the audit of the consolidated financial statements (continued)**

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 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, except for the matter described in the Basis for Qualified Opinion section of our report, the 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.



**Axcentium**  
**Chartered Accountants (Zimbabwe)**  
**Per Stelios Michael**  
**(PAAB Practice Certificate 0443)**  
**Partner**  
**Registered Auditor**

**Date: 26 March 2025**