Contents

Corporate Information

Registered Office
9th Floor, Zimre Centre
Cnr Leopold Takawira Street/ Kwame Nkrumah Avenue
HARARE
Telephone: 758758
Fax: 772972
E-mail: zhl@zimre.co.zw

Transfer Secretaries
ZB Transfer Secretaries
21 Natal Road
Avondale
HARARE

Auditors
BDO Zimbabwe Chartered Accountants
Kudenga House
3 Baines Avenue
HARARE

Legal Advisors
Chinogwenya and Zhangazha Legal Practitioners
21 Nigel Philips Road,
Eastlea
HARARE

Bankers
NMB
Angwa City Branch
HARARE

Directors and Management

Main Board

B N Kumalo
E Zvandasara
C von Seidel
A E Adamjee
H B W Rudland
I Mvere
J Maguranyanga
B Ndebele (appointed 1 October 2015)
A J Nduna* (retired 31 December 2015)
T Nyika*
J.M. Matiza (resigned 19 August 2015)

*executive

Audit and Risk Management Committee

E Zvandasara
I Mvere
J Maguranyanga
T Nyika

Finance and Investments Committee

H B W Rudland
A E Adamjee
C von Seidel
B Ndebele
T Nyika

Human Resources and Nomination Committee

J Maguranyanga
B N Kumalo
I Mvere
H B W Rudland

Executive Management

A. J Nduna - Group Chief Executive Officer (retired 31 December 2015)
T Nyika - Chief Financial Officer
P Mundangepfupfu – Corporate Affairs Manager
S. Mhlanga - Company Secretary

Corporate Governance

Introduction

The Group is committed to maintaining the highest standards of Corporate Governance and is guided by the Principles of Corporate Governance in Zimbabwe as laid out in the Manual of Best Practice and also the code of practice as set out in the King Reports. Corporate Governance is core in ensuring the creation and enhancement of shareholder value.Good corporate governance is the responsibility of the Board and as such the Board will continue to review and improve its governance practices to ensure full compliance with legal and regulatory requirements.

The Board is chaired by a non-executive chairman and comprises three executive directors and eight non-executive directors. The Board enjoys a strong mix of skills and experience .The combined and varied knowledge, experience and skills of the Board members provide a balance of competence that is required and add value to the function of the Board and its direction to the Group.

The role of the Board is to determine overall policies, plans and strategies of the Group and to ensure that these are implemented in an ethical and professional manner. The Board meets regularly, at least four times a year and guides corporate strategy, risk management practices and annual budgets and business plans. Special Board meetings may be convened on an ad-hoc basis to consider issues requiring urgent attention or decisions.

Board Committees

Board Accountability and delegated functions

The Board is supported by various committees in executing its responsibilities. The committees meet quarterly to assess, review performance and provide guidance to management on both operational and policy issues.

Each committee acts within certain written terms of reference under which certain functions of the Board are delegated with clearly defined purposes. The Board may take independent advice at the Group's expense where necessary.

Audit and Risk Management Committee

The Audit and Risk Management Committee is chaired by a non-executive director and the independent auditors have unrestricted access to the committee and attend all meetings. The main roles and responsibilities of the Audit and Risk Management Committee include the monitoring of the financial reporting process, the effectiveness of the Group's internal control, internal audit and risk management system and the audit of the Company and consolidated financial accounts. The Committee is also responsible for managing the relationship with external and internal auditors. The Committee meets at least four times in a year.

Finance and Investments Committee

The Company has a Finance and Investments Committee chaired by a non-executive director and is responsible for the formulation of investment policies and reviewing investment strategies affecting the assets and liabilities to ensure optimum return on resources. The Finance and Investments Committee also deals with the Group and Company resource requirements and major acquisitions and disposals.

Human Resources and Nominations Committee

The Committee which is chaired by a non- executive director is made up of four non-executive directors and the Group Chief Executive Officer. It assists the Board in the review of critical personnel issues. Staff compensation policies and manpower development proposals made by the committee are presented to the Board for approval. It also deals with the identification and recommendation of potential directors to the Board. The Committee meets as often as directed by changes in the environment.

Executive Committee and Subsidiary Boards

The Group has an Executive Committee which is made up of the Group Chief Executive Officer and Managing Directors of subsidiary units. The Committee meets once every month and provides a forum for senior management to discuss policy and strategy.

Each unit has a Board of Directors or Subsidiary Boards responsible for business monitoring, strategy formulation within the main strategy and exploiting opportunities. The Boards meet once every quarter to review information that is incorporated in the main Board.

Analyst Briefing

The Group recognizes the importance of maintaining dialogue with its shareholders and stakeholders and of keeping the market informed to ensure that its strategies and performance are well understood. The Group makes presentations on the results to investors, analysts and the media.

Financial Reporting and disclosure, internal control and role of the auditors

The Board has, through the Audit and Risk Management Committee, established transparent arrangements for financial reporting , external auditing and the review of the internal control environment including compliance issues. The Audit and Risk Management Committee's terms of reference extend to the Company's compliance and risk management activities as a whole and not just the financial aspects of internal control.

The Audit and Risk Management Committee has access, as it may require, to the company's internal and external auditors throughout the year, in addition to presentations from both on a quarterly basis . Any significant findings or identified risks are closely examined and are reported by the Audit and Risk Management Committee Chairman to the Board with recommendation for action.

Financial Reporting and Disclosures

The Board with the assistance of the Audit and Risk Management Committee , has ultimate responsibility for the preparation of the accounts and for the monitoring of internal control systems. The Board strives to present a balanced assessment of the Company's financial position and prospects and it endeavors to present all financial and other information so as to be comprehensible to investors. The Group publishes half yearly financial reports so that its shareholders can monitor the Group's financial position regularly.

Risk Management, Compliance and Internal Control

The Board recognizes its overall responsibility to maintain risk management and internal control systems to safeguard shareholders' investments, Group assets and for reviewing the effectiveness of the systems. Such system are designed to manage the risk of failure to achieve business objectives and to give reasonable assurance against material misstatement or loss. Through the Audit and Risk Management Committee, the Board reviews the process and procedures to ensure the effectiveness of the Group's system of internal controls which are monitored by the Internal Audit Department.

In 2015, the Board reviewed procedures and the key risks faced by the Group and the effectiveness of the risk management and internal control systems. The Board delegates the responsibility to the Audit and Risk Management Committee for more regular reviews of both key risks and internal controls and for monitoring the activities of the internal audit function. The Committee has kept these areas under regular reviews during 2015

Internal Audit

The Head of Internal Audit reports to the Chairman of the Audit and Risk Management Committee functionally and to the Group Chief Executive Officer operationally but has direct and regular access to the Audit and Risk Management Committee Chairman and other members of the committee. He attends and regularly presents at the Audit and Risk Management Committee meetings. Its main activities are to address the following issues at each of the business units of the Group:

- Appraising of systems, procedures and management controls
- Evaluating the integrity of management and financial information
- Assessing the controls over the Group assets, and
- Reviewing compliance with applicable legislation, regulation, Group policies and procedures

External Audit

The Audit and Risk Management Committee has the primary responsibility for making recommendations on the appointment , re-appointment and removal of the external auditors as well as for determining the remuneration of , and overseeing the work of the external auditors. The Audit and Risk Management Committee assesses annually at least the objectivity and independence of the external auditors taking into account relevant regulatory requirements. The Committee reviews and approves the annual external audit plan each year and ensures it is consistent with the scope of the auditors engagement.

The Committee also considers the fees paid to the external auditors and whether the fee levels for non-audit services, individually and in aggregate, relative to the audit fee are appropriate so as not to undermine their independence.

Annual General Meeting

The Group communicates with its shareholders through an Annual General Meeting and also at half year when half year results are announced. The Board also ensures that sufficient contact is maintained with major shareholders to understand issues and concerns.

Worker Participation

Worker participation and employer/employee relations are handled through regular Works Council and Worker's Committee meetings. Regular meetings ensure information dissemination, consultation and resolutions of conflict areas timeously and to the benefit of all parties.

Corporate Social Responsibility

The Group seeks to be an active player within the Community in which it operates. The Group's role goes beyond provision of insurance, reinsurance and related services and it is committed to playing a leading and effective role in the country's sustainable development while tangibly proving to be a responsible and caring corporate citizen.

BN Kumalo
Chairman
17 March 2016

S Kudenga
Group Chief Executive Officer
17 March 2016

Directors' Responsibility Statement

The Directors are required by the Companies Act Chapter 24:03), to maintain adequate accounting records and are responsible for the content and integrity of the consolidated financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated financial statements fairly present the state of affairs of the Group as at the end of the financial year and the results of its operations for the year then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the consolidated financial statements.

The Directors acknowledge that they are ultimately responsible for the system of financial control established by the Group and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the Board sets standards for internal controls aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored through the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known of risk across the Group. While operating risk cannot be fully eliminated, the Group endeavours to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints.

The Directors are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated financial statements. However, any system of internal financial control can provide only reasonable and not absolute assurance against material misstatement or loss.

The directors have assessed the ability of the Group to continue operating as a going concern and believe that the preparation of the financial statements on a going concern basis is appropriate. However, the directors believe that under the current economic environment, a continuous assesment of the ability of the Group to operate as a going concern will need to be performed to determine the continued appropriateness of the going concern assumption.

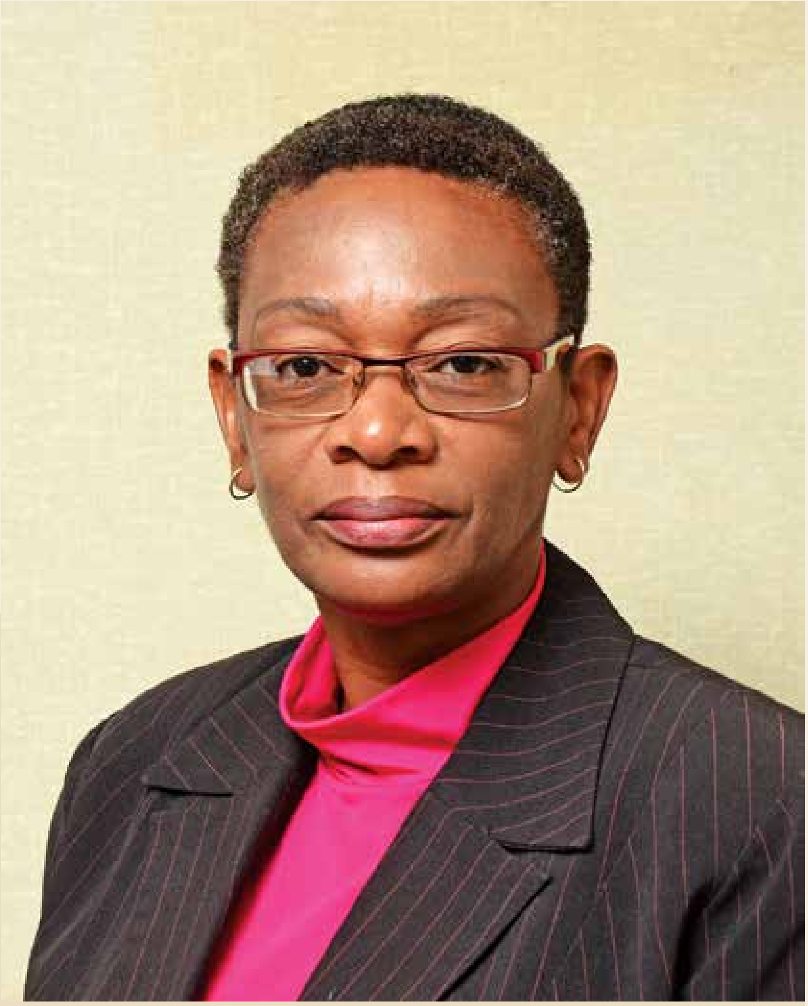
The external auditors are responsible for independently auditing and reporting on the Group's consolidated financial statements. The consolidated financial statements and related notes have been examined by the Group's external auditors and their report is presented on pages 14 to 15.

The financial statements and the related notes set out on pages 16 to 56, which have been prepared on the going concern basis, were approved by the Board and were signed on its behalf by:

B N Kumalo
Chairman
17 March 2016

T. Nyika
Group Chief Financial Officer
17 March 2016

Company Secretary's Statement



Sibongile Mhlanga - *Company Secretary*

I, Sibongile Mhlanga, Company Secretary of Zimre Holdings Limited, certify that, to the best of my knowledge and belief, all returns as are required of a public listed company have, in terms of the Companies Act, in respect of the year ended 31 December 2015, been lodged with the Registrar of Companies and that all such returns are true, correct and up to date.

S. Mhlanga
Company Secretary
HARARE
17 March 2016

Directors' Report

The Directors present to members the Annual Report together with the audited consolidated financial statements of the Group for year ended 31 December 2015.

Share Capital
During the year the Group increased the authorised share capital from 900 000 000 to 2 000 000 000 ordinary shares of a nominal value of $0.01 per share. As a result of the rights offer undertaken in February 2015 , the issued share capital increased to 1 530 676 272 from 780 676 272 as shares of $0.01 nominal value per share.

Reserves
Details of movements on the non-distributable reserves are shown in the consolidated Statement of Changes in Equity on page 19

Group Operating results
The results are set out in the attached consolidated financial statements. Comments on specific issues of the Group operations are contained in the Chairman's Statement and the Group Chief Executive Officer's report.

Dividends
The Directors do not recommend a dividend for 2015. (2014: Nil).

Directorate
Mr J M Matiza resigned from the Board during the year. Members will be asked to confirm the appointment of Mr Belmont Ndebele who joined the Board in October 2015. Mr A. J Nduna retired on 31 December 2015.

Directors' Shareholding
The directors who held office during the year ended 31 December 2015 held directly or indirectly the following number of shares in the company.

	2015	2014
B N Kumalo	1 031 315	1 031 315

Auditors
Shareholders will be requested to approve the remuneration of the Auditors for the financial year ended 31 December 2015 at the Annual General Meeting and authorize Directors to appoint Auditors for the year 2016.

Annual General Meeting
The 18th Annual General Meeting of members of the Company will be held on 22 June 2016 at 7th Floor Insurance Centre, 30 Samora Machel Avenue, Harare at 1430 hours.

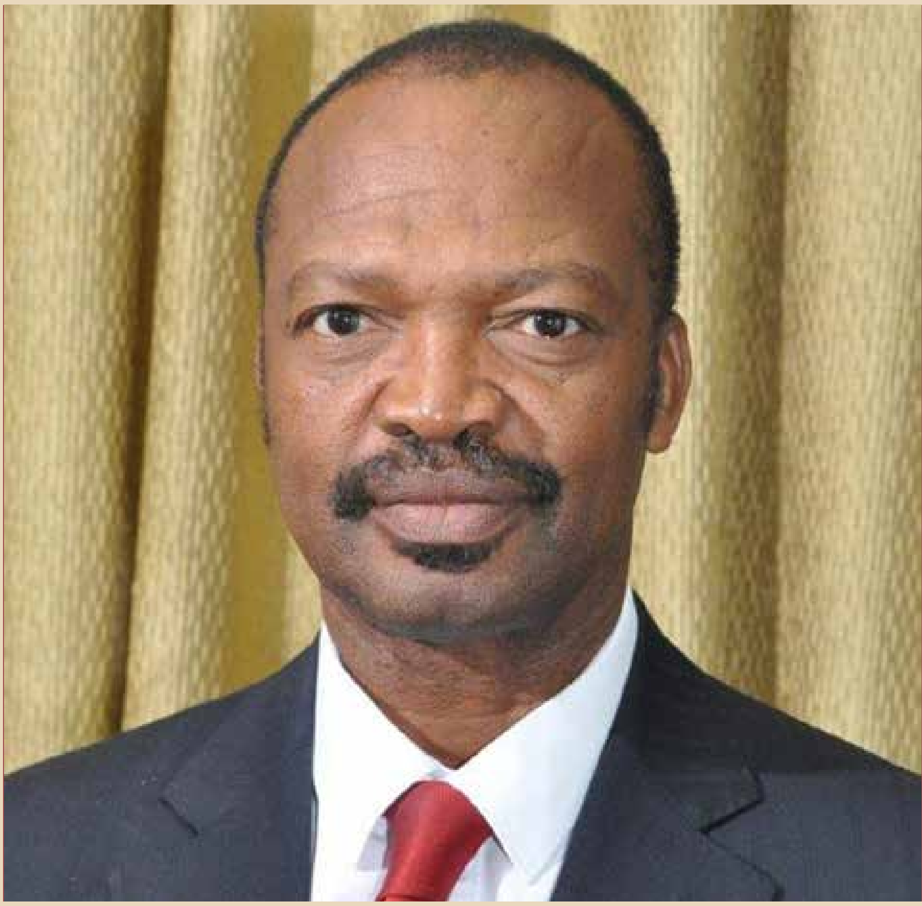
Directors' Responsibility for Financial Reporting
A detailed report setting out the Directors' responsibility for financial reporting forms part of this report.

Going Concern
The Directors consider that the Group has adequate resources to continue operating for the foreseeable future. It is therefore appropriate to adopt the going concern basis in preparing the annual consolidated financial statements. The directors are satisfied that the Group is in a sound financial position and has access to facilities and resources to meet its foreseeable cash requirements.

The Board of Directors assume responsibility for the Group's consolidated financial statements which were approved by the Board on 17 March 2016.

B N Kumalo
Chairman
17 March 2016

T. Nyika
Group Chief Financial Officer
17 March 2016



Chairman's Statement

B. N. Kumalo - *Chairman*

INTRODUCTION

I take this opportunity to present the ZimRe Holdings Limited (ZHL) full year results for 2015. The Group has operations and investments in the following key business segments: reinsurance, reassurance, short term insurance and property. Group performance during the period under review was adversely affected by property valuation losses, translation losses arising from exogenously driven regional and local macro economic factors. The performance was also affected by the poor performance and subsequent impairment of the Group's investment in the agro industrial associate company.

OPERATING ENVIRONMENT

The Zimbabwean economy continued to underperform with real GDP growth of 1,5% registered in 2015. Output from the key sectors of the economy namely agriculture and mining, continued to be weak owing to the El Niño induced prevailing drought, and low prices of commodities on the international market. Inflation remained negative and closed the year at -2,47%.

In South Africa, weak economic growth persisted on the back of power shortages, weak domestic demand worsened by rising unemployment, labour and social tensions. The country's investment rating is under threat and the rand was unstable throughout 2015.

Growth prospects for the Mozambican economy still remain strong. However, the implementation of planned major investments in the energy and mining sectors has been stalled on account of continued weakness in international commodity prices.

In 2015, the Zambian economy was adversely affected by the collapse of the kwacha, power shortages, the slump in copper prices and reduced agricultural output.

The Malawi economy remained weak and characterized by a depreciating currency, upsurge in inflation, high interest rates as donor support remained limited.

GROUP PERFORMANCE

Against the backdrop of an increasingly challenging business environment in both domestic and regional markets in which the Group operates, the ZHL Group recorded gross premium written (GPW) of $72 million in 2015 which was 3% below that achieved in 2014. The domestic insurance and reinsurance operations contributed $38 million of the GPW which was 51% of the total premium. Business acquisition in the reinsurance operations of the Group is expected to improve following the recapitalization concluded during 2015 and the subsequent easing of liquidity pressures in the operations. This is expected to translate into improved international credit ratings and increased market confidence.

The Group incurred an operating loss of $0.33 million in 2015 compared to a profit of $0.75 million in 2014. The operating loss was a result of the decline in both insurance business written and other income and the impact of the staff rationalization costs.

A loss for the period of $5.2 million was recorded in 2015 compared to a loss of $3.7 million in 2014. The deterioration in the loss position was mainly attributed to the negative fair value adjustments of Group investment properties of $4 million in the current year, retrenchment costs, and the impact of the performance of our agro industrial associate.

The Group was carrying its investment in an agro industrial associate at an amount of $15.9 million on an equity accounting basis. The Board resolved to impair this investment to reflect the net realizable value based on ZSE prices as at 31 December 2015. As a result other comprehensive income reflects an impairment loss of $14.6 million. Also included in other comprehensive income are exchange losses arising from translation of regional operations amounting to $4.1 million. These adjustments coupled with a loss for the period of $5.2 million have resulted in a total comprehensive loss of $24.2 million in 2015 compared to a loss of $4.2 million in 2014.

Shareholders' Funds came down 19% from $46 million in 2014 to $37 million in 2015. Total assets came down by 6% from $154 million in 2014 to $143 million in December 2015.

SECTOR PERFORMANCE

Reinsurance
Total revenue in 2015 at $26 million was 5% below total revenue in 2014. An operating loss of $2,9 million was recorded in 2015, compared to a loss of $2,8 million in 2014 mainly due to reduced business retention and once-off costs associated with staff rationalization.

Life Reassurance
Total revenue was $4,9 million in 2015 compared to $4,7 million in 2014. Operating profit increased by 140% from $0,52 million in 2014 to $1,25 million in 2015 mainly due to a favourable claims experience in the period under review.

General Insurance
Total revenue at $29,9 million, declined by a marginal 1% from the previous year's level mainly due to a slowing down in business growth in the domestic market. Operating profit declined by 34% from $1,8 million in 2014 to $1,2 million in 2015 mainly due to an unfavourable claims experience.

Property
Total revenue declined by 19% from $4,9 million in 2014 to $4 million in 2015 mainly due to increased void levels and challenges in effecting meaningful rental increases. Operating profit declined by 81% from $1,4 million in 2014 to $0,3 million in 2015. Negative fair valuation adjustments on investment properties of $4 million were incurred.

CAPITALIZATION OF KEY OPERATIONS
Key domestic direct insurance and reinsurance operations are adequately capitalized. The current capitalization levels of the domestic reinsurance and insurance operations exceed the new minimum statutory thresholds of $5 million and $2.5 million, respectively.

RESTRUCTURING OF GROUP INVESTMENT PORTFOLIO
In 2015, the Group disposed of some of its interests in general insurance and retail insurance broking businesses and investments as part of investment portfolio restructuring.

The Group will continue to review the structure of its investment portfolio with a view to streamline it in order to allow focus on key operations.

DIVIDEND
No dividend has been recommended by the Board for the year ended 31st December 2015.

DIRECTORATE
Mr. Albert Joel Nduna retired as Chief Executive Officer of the Group and ex-officio member of the ZHL Board with effect from 31st December 2015, after serving the Group for nearly 32 years. On behalf of the Board, I would like to thank him for his invaluable service and contribution to the growth of the Group, and wish him well in his retirement. I am pleased to announce the appointment of Mr Stanley Kudenga as Group Chief Executive Officer with effect from 1 March 2016. Mr Kudenga is a Chartered Accountant and holder of an MBL degree. He brings to the Group extensive experience in the financial and insurance sectors.

EXTERNAL AUDITORS
Following the appointment of Mr Stanley Kudenga as Group Chief Executive Officer, who is related to a senior partner at BDO Zimbabwe,the External Auditors have expressed their intention to resign at the next Annual General meeting. I wish to convey my sincere gratitude to the auditors for their unwavering professional guidance during their tenure.

FUTURE PROSPECTS
The Minister of Finance and Economic Development projected the economy to grow by 2.7% in 2016 and recently the IMF projected an even lower growth of 1.4%. There is an anticipated poor harvest due to erratic rainfall.

The Group will remain focused on turning around its non performing entities to unlock shareholder value. Management is also working on measures to enhance credit ratings and stimulate business growth and improve its profitability.

APPRECIATION
I would like to express my appreciation to my fellow Directors, Management and Staff throughout the Group for their commitment and hard work in a very difficult operating environment. I would also want to thank our various stakeholders for their continued support.

B N Kumalo
Chairman

17th March 2016

Group Chief Executive Officer's Report

S Kudenga - *Group Chief Executive Officer*

Measures to strengthen its key operations in order to enhance credit ratings and stimulate business growth and profitability, including consummating strategic and technical partnerships with external parties to enhance competitiveness in the market, will be implemented.

BACKGROUND

Gross Premium Written in 2015 at $72 million, was 3% below the $74 million written in 2014. The loss for the year was $5.2 million compared to a negative $3.7 million in 2014. Performance in the period under review was negatively affected by:-

- The continued devaluation of regional currencies against the strengthening United States Dollar resulting in a significant reduction in performance on conversion of the local currency denominated numbers to United States Dollars, the Group's reporting currency.
- Translation losses arising from the value lost on the Balance Sheets of Regional operations due to the continued strengthening of the United States Dollar against regional currencies.
- Property valuation losses due to the tight liquidity situation in Zimbabwe.
- Share of losses from Associates, particularly the Agro-Industrial operations.
- Restructuring and downsizing costs in key strategic business units.
- Premium reversals and bad debt provisions in certain strategic business units.

Total Comprehensive Income was a negative $24.2 million compared to a negative $4.2 million in 2014 mainly due to the impairment of the investment in the Agro-Industrial sector.

REINSURANCE SECTOR

GPW at $31, 04 million was in line with that written in 2014 mainly due to the weak performance in the key domestic reinsurance operations. Regional operations contributed 72% (73% in 2014) of the business written by the reinsurance business segment. An operating loss of $2,9 million was recorded in 2015 compared to a negative $2,8 million in 2014 mainly due to an increase in retrocession costs and operating expenses. The Regional reinsurance operations achieved GPW of $22,25 million which was in line with that recorded in 2014. An operating profit of $0.82 million was achieved compared to $0,99 million in 2014. Credit control remains a challenge in both the domestic and regional operations and was having a negative impact on investment income growth.

There are signs of recovery in the domestic reinsurance business segment. Market confidence is improving following recapitalization as evidenced by increased facultative business inflows and upward reviews of treaty placements in the 2016 renewals. We are optimistic of the upward review of the Credit Ratings of the domestic Reinsurance operations in 2016. Significant turnaround in the Group's performance is expected in the short to medium term due to the anticipated business inflows and cost realignment initiatives being implemented. In view of the increasing demands on capital by the regional operations, the onerous regulatory requirements in some jurisdictions, increased competition, and inability of some of the companies to meaningfully penetrate the respective domestic markets, a review of the regional investment portfolio has been done and steps to restructure and streamline the portfolio of businesses will be implemented in 2016.

LIFE AND HEALTH

GPW at $5,14 million was 7% below the $5.52 million achieved in 2014 mainly due to reduced participation on key accounts; increased competition; the difficult operating environment which saw company closures and downsizing; and the selective acceptance of certain lines of business. The domestic market contributed 72% of the business written in 2015, Zambia 16%, Malawi 10% and Mozambique 3%. Operating profit at $1,25 million, was 141% above the $0,52 million achieved in 2014 mainly due to a favourable claims experience in the year under review. The domestic non-life and life reinsurance operations are to operate under a composite licence in the near future in order to optimize capital resources, and cut costs. An application to effect the amalgamation will be lodged with the Insurance and Pensions Commission (IPEC) in terms of Section 33 of the Insurance Act 24:07.

GENERAL INSURANCE SECTOR

GPW at $39,7 million, declined by 4% from the previous year's level of $41.14 million mainly due to the slowing down in business growth in the domestic market triggered by the economic challenges and underperformance of some regional operations. Sector operating profit declined by 34% from $1.8 million in 2014 to $1.2 million in 2015 mainly due to an unfavourable claims experience and decline in investment and other revenue during the year under review. Debtors' collection efficiency remained weak resulting in premium reversals, underperforming investment activities and returns and a weakening solvency position.

PROPERTY SECTOR

Total revenue declined from $4,9 million in 2014 to $4,0 million mainly due to declining rentals and increased void levels (23.8%) as well as the reduced sales of inventory property. Operating profit declined from $1,4 million in 2014 to $0,26 million in 2015 mainly due to retrenchments costs and increase in bad debts written off. Profit after tax was a negative $3,00 million in 2015 from a positive $0,25 million in 2014 mainly due to negative fair valuations on the Group's investment properties. The property portfolio declined by 6% from $60,7 million as at 31 December 2014 to $56,8 million in 2015 with all major buildings recording revaluation losses. Income diversification remains a critical strategic focus area in view of the underperformance of the rental income which is unlikely to grow in the short term and the slow uptake of stands on sale.

OUTLOOK

The ZHL Group will continue to address structural and other challenges that are inhibiting sound performance. Measures to strengthen its key operations in order to enhance credit ratings and stimulate business growth and profitability, including consummating strategic and technical partnerships with external parties to enhance competitiveness in the market, will be implemented.

It will also diversify its income streams through exploring and pursuing profitable business opportunities that might arise in the high growth sectors of the economy. The Group will continue to enhance operational efficiencies in all its operations in order to align costs to revenues.

S. KUDENGA
Group Chief Executive Officer

17 March 2016

Tel/Fax: +263 4 703876/7/8
Cell: +263 772 573 266/7/8/9
bdo@bdo.co.zw
www.bdo.co.zw

Kudenga House
3 Baines Avenue
P.O. Box 334
Harare
Zimbabwe

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ZIMRE HOLDINGS LIMITED

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of **ZIMRE HOLDINGS LIMITED AND ITS SUBSIDIARIES** set out on pages 16 to 56 which comprise the consolidated statement of financial position as at 31 December 2015, the consolidated statement of 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, which include a summary of the significant accounting policies and other explanatory notes.

Directors' responsibility for the consolidated financial statements

Directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act (Chapter 24:03). This responsibility includes designing, implementing and maintaining internal control relevant for the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our modified audit opinion.

Basis for Qualified Opinion

Non compliance with disclosure requirements of International Financial Reporting Standard (IFRS) 12

The Group could not comply with the disclosure requirements of IFRS 12 "Disclosure of Interests in Other Entities" in respect of a material equity accounted listed associate. Amongst others, the Standard requires the disclosure of summary accounting information of material associates. Despite recognition of an impairment loss on the investment in associate, applicable disclosures could not be made. It was not possible to disclose financial information about the associate as the accounting information was not readily available.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the consolidated financial statements present fairly, in all material respects, the financial position of **Zimre Holdings Limited and its subsidiaries (the Group)** as at 31 December 2015 and of the results of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the disclosure requirements of the Companies Act (Chapter 24:03).

BDO

BDO Zimbabwe
Chartered Accountants

Harare
17 March 2016

Consolidated Statement of Profit or Loss

for the year ended 31 December 2015

	Note	2015 US$	2014 US$
Gross premium		**72,116,792**	**74,022,980**
Premium ceded		(20,625,229)	(21,779,720)
Net premium written		51,491,563	52,243,260
Unearned premium provision		(2,200,436)	1,024,882
Earned premium		**49,291,127**	**53,268,143**
Brokerage commission and fees	3.1	5,893,861	6,880,226
Total insurance revenue		**55,184,988**	**60,148,369**
Rental revenue		3,439,145	4,020,747
Stand sales revenue	3.2	576,628	686,847
Net property operating costs		(547,059)	(340,058)
Investment revenue	3.3	3,809,817	2,122,705
Other revenue		769,508	727,008
Total revenue		**63,233,027**	**67,365,618**
Total claims and expenses		**(63,565,664)**	**(66,614,277)**
Net benefits and claims	3.4	(23,725,514)	(23,910,617)
Commission and acquisition expenses		(13,869,925)	(15,407,579)
Operating and administrative expenses	3.5	(25,970,225)	(27,296,080)
(Loss)/profit from operations		**(332,638)**	**751,341**
Other gains/(losses)	3.6	1,600,977	(959,866)
Finance costs		(158,612)	(326,862)
Profit/(loss) before property fair valuations		**1,109,728**	**(535,387)**
Investment property fair value losses	19	(3,965,349)	(499,189)
Loss before share of net loss of associates		**(2,855,621)**	**(1,034,575)**
Share of associates' net loss	4.2	(2,214,716)	(2,544,033)
Loss before tax		**(5,070,337)**	**(3,578,609)**
Income tax expense	5	(179,475)	(351,556)
Loss from continuing operations		**(5,249,812)**	**(3,930,165)**
Profit on discontinued operations, net of tax	8.1	80,190	191,219
Loss for the year		**(5,169,622)**	**(3,738,945)**
Loss for the year attributable to:			
Owners of the parent		(4,581,558)	(5,133,665)
Non-controlling interest		(588,064)	1,394,719
		(5,169,622)	**(3,738,945)**

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2015

	Note	2015 US$	2014 US$
Loss for the year		**(5,169,622)**	**(3,738,945)**
Other comprehensive income			
Items that will not be reclassified to profit or loss :			
Gains on property, plant and equipment revaluations	**25**	141,931	11,550
Share of other comprehensive income of associates		(719,583)	1,896,069
Impairment of investment in associate	**4.4**	(14,654,527)	-
Tax relating to items that will not be reclassified	**25**	(41,996)	(3,464)
		(15,274,176)	1,904,155
Items that will or may be reclassified to profit or loss			
Exchange losses arising on translating foreign operations		(4,143,109)	(1,545,358)
Investments in equity instruments		371,288	(909,831)
Tax relating to items that may be reclassified	**25**	(2,757)	60,657
		(3,774,578)	(2,394,531)
Other comprehensive income for the year, net of tax		**(19,048,754)**	**(490,376)**
TOTAL COMPREHENSIVE INCOME		**(24,218,375)**	**(4,229,322)**
Total comprehensive income attributable to:			
Owners of the parent		(22,752,059)	(5,240,828)
Non-controlling interest		(1,466,316)	1,011,506
		(24,218,375)	**(4,229,322)**
Basic and diluted earnings per share (cents)	**6.1**	(0.26)	(0.66)
Headline earnings per share (cents)	**6.1**	(0.24)	(0.65)

Consolidated Statement of Financial Position

as at 31 December 2015

ASSETS	Note	2015 US$	2014 US$
Non-current assets		**75,139,247**	**92,888,989**
Intangible assets	**16**	131,157	194,656
Property and equipment	**18**	4,564,098	5,721,382
Investment property	**19**	56,760,522	60,679,106
Investment in equity-accounted associates	**4.3**	5,289,685	19,658,829
Available-for-sale investments	**28**	7,729,010	5,937,860
Deferred tax	**10**	664,775	697,156
Current assets		**64,650,696**	**57,070,813**
Trade and other receivables	**11**	26,925,206	28,617,453
Projects under development and consumables	**14**	6,479,947	6,338,955
Deferred acquisition costs	**15**	3,056,557	2,966,249
Financial assets at fair value through profit or loss	**29**	6,282,132	4,552,516
Cash and cash equivalents		21,906,854	14,595,640
Assets in disposal group classified as held for sale	**8.3**	3,602,794	3,973,134
Total assets		**143,392,737**	**153,932,937**
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent		**36,939,066**	**46,012,054**
Share capital	**7**	15,306,763	7,806,763
Share premium		11,562,694	5,165,974
Other capital reserves		26,279,193	25,797,818
Revaluation reserve		2,540,517	13,923,211
Mark-to-market reserve		4,987,361	1,929,583
Foreign currency translation reserve		(10,262,302)	(7,080,836)
Accumulated loss		(13,475,160)	(1,530,460)
Non-controlling interest		**41,163,194**	**43,531,571**
Total equity		**78,102,260**	**89,543,624**
Non-current liabilities		**6,877,419**	**7,934,770**
Deferred tax	**10**	1,464,968	3,054,695
Borrowings	**17**	243,586	502,622
Life fund	**9**	5,168,865	4,377,453
Current liabilities		**56,334,382**	**53,925,337**
Trade and other payables	**12**	27,420,069	23,930,643
Borrowings	**17**	736,586	1,274,457
Insurance and other provisions	**13**	28,177,727	28,720,237
Liabilities directly associated with assets in disposal group classified as held for sale	**8.3**	2,078,676	2,529,206
TOTAL EQUITY AND LIABILITIES		**143,392,737**	**153,932,937**

B. N. Kumalo
Chairman
17 March 2016

T. Nyika
Group Chief Financial Officer
17 March 2016

Consolidated Statement of Changes in Equity

for the year ended 31 December 2015

2015	Share capital US$	Share premium US$	Other capital reserves US$	Revaluation reserve US$	Mark-to -market reseve US$	Foreign currency translation reserve US$	Accumulated loss US$	Total attributable to equity holders of parent US$	Non-controlling interest US$	Total equity US$
31 December 2014	**7,806,763**	**5,165,974**	**25,797,818**	**13,923,211**	**1,929,583**	**(7,080,836)**	**(1,530,460)**	**46,012,053**	**43,531,571**	**89,543,624**
Comprehensive income for the year										
Loss	-	-	-	-	-	-	(4,581,558)	(4,581,558)	(588,064)	(5,169,622)
Impairment of investment in associate (Note 4.4)	-	-	-	(11,482,628)	(3,171,899)	-	-	(14,654,527)	-	(14,654,527)
Other comprehensive income	-	-	481,375	99,935	(342,052)	(3,181,466)	-	(2,942,208)	(1,466,316)	(4,408,524)
Total comprehensive income for the year	**-**	**-**	**481,375**	**(11,382,693)**	**(3,513,951)**	**(3,181,466)**	**(4,581,558)**	**(22,178,293)**	**(2,054,380)**	**(24,232,673)**
Contributions by and distributions to owners										
Dividend	-	-	-	-	-	-	-	-	(313,996)	(313,996)
Rights issue	7,500,000	7,500,000	-	-	-	-	-	15,000,000	-	15,000,000
Share issue costs	-	(1,103,280)	-	-	-	-	-	(1,103,280)	-	(1,103,280)
Reclassifications	-	-	-	-	6,571,729	-	(6,571,729)	-	-	-
Transfer to Life Fund	-	-	-	-	-	-	(791,413)	(791,413)	-	(791,413)
Total Contributions by and distributions to owners	**7,500,000**	**6,396,720**	**-**	**-**	**6,571,729**	**-**	**(7,363,142)**	**13,105,307**	**(313,996)**	**12,791,311**
31 December 2015	**15,306,763**	**11,562,694**	**26,279,193**	**2,540,517**	**4,987,361**	**(10,262,302)**	**(13,475,160)**	**36,939,066**	**41,163,194**	**78,102,260**

2014	Share capital US$	Share premium US$	Other capital reserves US$	Revaluation reserve US$	Mark-to -market reseve US$	Foreign currency translation reserve US$	Accumulated loss US$	Total attributable to equity holders of parent US$	Non-controlling interest US$	Total equity US$
31 December 2013	**7,748,469**	**5,181,829**	**28,258,631**	**13,623,179**	**2,778,756**	**(5,833,477)**	**3,603,205**	**55,360,592**	**39,954,683**	**95,315,275**
Comprehensive income for the year										
Loss	-	-	-	-	-	-	(5,133,665)	(5,133,665)	1,394,719	(3,738,945)
Other comprehensive income	-	-	-	1,989,369	(849,173)	(1,247,359)	-	(107,163)	(383,213)	(490,376)
Total comprehensive income for the year	**-**	**-**	**-**	**1,989,369**	**(849,173)**	**(1,247,359)**	**(5,133,665)**	**(5,240,828)**	**1,011,506**	**(4,229,321)**
Contributions by and distributions to owners										
Dividend	-	-	-	-	-	-	-	-	(541,761)	(541,761)
Issue of share capital	58,294	(15,855)	-	-	-	-	-	42,439	-	42,439
Treasury shares	-	-	-	-	-	-	-	-	(1,043,008)	(1,043,008)
Total Contributions by and distributions to owners	**58,294**	**(15,855)**	**-**	**-**	**-**	**-**	**-**	**42,439**	**(1,584,769)**	**(1,542,330)**
Changes in degree of control	-	-	(2,460,813)	(1,689,337)	-	-	-	(4,150,150)	4,150,150	-
31 December 2014	**7,806,763**	**5,165,974**	**25,797,818**	**13,923,211**	**1,929,583**	**(7,080,836)**	**(1,530,460)**	**46,012,053**	**43,531,571**	**89,543,624**

Consolidated Statement of Cash Flows

for the year ended 31 December 2015

	Note	2015 US$	2014 US$
Cash flows from operating activities			
Loss before tax		**(5,070,337)**	**(3,578,609)**
Adjusted for:			
Depreciation charge		829,903	953,111
Unrealised gains on equities		-	691,061
Fair value adjustment of investment properties		3,965,349	499,189
Investment income		(3,290,414)	(2,122,705)
Finance costs		158,612	326,862
Share of loss of associate		2,214,716	2,544,033
Change in unearned premium provision		2,200,436	(1,024,882)
Change in policyholder reported claims provision		1,970,621	(2,124,546)
Change in incurred but not reported claims provision		284,432	(221,957)
Change in deferred acquisition costs provision		(90,308)	(807,276)
Amortisation of intangible assets		63,499	50,626
Impairment of non-current assets		2,022	233,457
Other gains and losses		(1,600,977)	959,866
		6,707,891	**(43,161)**
Decrease/(increase) in trade and other receivables		1,692,247	(1,828,652)
Increase in projects under development and consumables		(140,993)	(2,085,270)
Increase in trade and other payables		2,409,045	4,183,941
Adjustments for exchange rates on current payables and receivables		(5,939,185)	5,193,362
Changes in working capital		**(1,978,886)**	**5,463,381**
Cash (utilised in)/generated from operations		***(341,332)***	***1,841,612***
Interest paid		(5,786)	(315,469)
Income taxes paid		(501,622)	(1,449,093)
Net cash (utilised in)/generated from operating activities		***(848,740)***	***77,050***
Cash flows from investing activities			
Purchase of property and equipment		(752,318)	(1,784,517)
Acquisition of intangible assets		-	(82,659)
Acquisition and development of investment properties		(170,458)	(299,676)
Investment revenue		3,290,414	2,122,705
(Purchase)/disposal of investments		(5,121,744)	488,579
Proceeds from sale of property and equipment		73,269	46,028
Net cash (outflow to)/inflow from investing activities		***(2,680,837)***	***490,460***
Cash flows from financing activities			
Dividends paid		(313,996)	(541,761)
Proceeds from issue of shares		13,896,720	42,439
Repayment of borrowings		(582,059)	(487)
Net cash inflow from/(outflow to) financing activities		***13,000,665***	***(499,809)***
Net increase in cash and cash equivalents		**9,471,087**	**67,701**
Cash and cash equivalents at beginning of year		14,595,640	15,519,016
		24,066,727	15,586,717
Effect of exchange rate movements		(2,159,873)	(991,077)
Cash and cash equivalents at end of year	**21**	**21,906,854**	**14,595,640**

1 General information

1.1 Nature of business

Zimre Holdings Limited is a company incorporated and domiciled in Zimbabwe. The company's shares are publicly traded through the Zimbabwe Stock Exchange. Zimre Holdings Limited is a holding company of companies in general insurance, reinsurance, life reassurance, reinsurance broking and property.

1.2 Currency

The financial statements are expressed in United States Dollars.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial statements are based on the statutory records that are maintained under the historical cost convention, except for investment property, revalued property and equipment, financial assets held at fair value through profit or loss and available for sale financial assets that have been measured at fair value.

2.2 Basis of consolidation

The consolidated financial statements consist of the financial statements of Zimre Holdings Limited and its subsidiaries as at 31 December 2015.

2.3 Significant accounting judgments, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the consolidated financial statements:

i) Operating lease commitments – Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

ii) Non-current assets held for sale

The Group has determined that a former associate involved in reinsurance business and subsequently converted to a subsidiary through a debt to equity conversion be classified as a non-current asset held for sale as a result of the following:

- The Board of Directors met in December 2014 and decided to sale a 62% owned reinsurance subsidiary of the Group.
- The Board decided that the carrying amount will be recovered principally through sale rather than continuing ownership.
- The Group is actively looking for a buyer for its stake and management is confident that a buyer will be found within a year.

Refer to note 8 for detailed disclosures.

iii) Consolidation of entities in which the Group holds less than majority of voting rights

The Group considers that it controls a General Insurer even though it owns less than 50% of the voting rights. This is because the Group is the single largest shareholder of the General Insurer with a 33% equity interest.

- There is a management agreement in place that entails Zimre Holdings Limited to provide technical and operational assistance to the General Insurer extending to financing decisions.
- There is an understanding with another shareholder on voting arrangements.
- The Chairman of the Board of Directors of the General Insurer is also the Zimre Holdings Limited Group Chief Executive Officer.
- The Zimre Holdings Limited shareholding in the General Insurer is primarily to derive business for a 100% Zimre Holdings Limited owned Reinsurance subsidiary.
- The General Insurer management team attends the Zimre Holdings Limited Group executive committee and Group strategic meetings.
- Significant business for the General Insurer comes from another Zimre Holdings Limited subsidiary in insurance broking.

Since 1 November 2009, which is the date of significant change in shareholding in the General Insurer, there is no history of the other shareholders collaborating to exercise their votes collectively or to outvote the Group.

Estimates and assumptions

The key assumptions concerning the future and other key resources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below;

i. Revaluation of properties

The Group measures land and buildings at revalued amounts with changes in fair value being recognised in other comprehensive income. The Group engaged independent valuation specialists to determine fair value as at 31 December 2015.

ii. ***Allowance for credit losses***
The Group estimates allowance for credit losses based on individual receivable recoverability assessment and the length of time the receivable has been outstanding.

iii. ***Valuation of investment property***
The Group measures investment property at fair valuation at each reporting date with the changes in fair value being recognised in profit and loss. The Group engages independent professional valuers to perform the valuation.

iv. ***Outstanding claims under insurance contracts***
The Group estimates outstanding claims under insurance contacts based on reported claims and unreported claims estimates. It may take significant time before the ultimate cost of a claim is established. Estimates for reported claims are based on assessors' reports. Estimates for unreported claims are based on prior experience on claims development and are generally based on a percentage of premiums for the period.

v. ***Unearned premium under insurance contracts***
The Group estimates provision for unearned premium on a time proportional bases based on the duration of the policies outstanding at the reporting date. Deferred acquisition costs are amortized over the period in which the related premiums are earned.

vi. ***Fair valuation of financial instruments***
Where fair values of financial instruments recorded on the Statement of Financial Position cannot be derived from active markets, they are determined using a variety of valuation techniques that include discounted cash flow models. The inputs to these models are derived from observable market data where possible, but where market data is not available judgment is required to establish fair value. The judgments include liquidity risk, credit risk and discount rates.

vii. ***Valuation of life reassurance policyholder liabilities***
The policyholder liabilities are computed by an independent Actuary in accordance with the Financial Soundness Valuation Methodology as per guidelines issued by the Actuarial Society of South Africa. Under this method, the policyholders' liabilities are valued using realistic expectations of future experience with prescribed margins for prudence and deferral profit.

Significant assumptions used in the valuation include, but are not limited to:

- Mortality: SA56-62 mortality table
- Valuation discount rate: 6.5% per annum
- Expenses: taken into account implicitly via the net premium valuation basis

2.4 Summary of significant accounting policies

a) Investment in associates
The Group's investment in its associate is accounted for using the equity method. An associate is an entity in which the Group has significant influence. Under the equity method, the investment in the associate is carried in the statement of financial position at deemed cost plus post acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The income statement reflects the share of the results of operations of the associate. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The share of profit of associates is shown on the face of the Statement of Comprehensive Income. This is the profit attributable to equity holders of the associate and therefore is profit after tax and non-controlling interests in the subsidiaries of the associates.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognizes any remaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the remaining investment and proceeds from disposal are recognised in profit or loss. Where an associate's year end is different from the Group's reporting date, the Group uses the associate's reporting date if there is no more than three months difference in reporting dates. The Group adjusts for significant or material transaction between the associate's and the Group's reporting date.

b) Foreign currency translation reserve
The Group's consolidated financial statements are presented in United States Dollars, which is also the parent company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances
Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

All differences are taken to the income statement with the exception of all monetary items that provide an effective hedge for a net investment in a foreign operation. These are recognised in other comprehensive income until the disposal of the net investment, at which time they are recognised in the income statement. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Group companies
The assets and liabilities of foreign operations are translated into United States Dollars at the rate of exchange prevailing at the reporting date and their income statements are translated at exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

c) Revenue recognition
Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the company's activities. Revenue is shown net of value-added tax and discounts.

Premium revenue recognition
Premiums written comprise the premiums on insurance contracts entered into during the year. Premiums are disclosed gross of commission to intermediaries and exclude taxes and levies based on premiums.

Premiums written include adjustments to premiums written in prior accounting periods. Outward reinsurance premiums (premiums ceded) are accounted for in the same accounting period as the premiums for the related direct insurance or inwards reinsurance business. An estimate is made at the reporting date to recognise retrospective adjustments to premiums or commissions. The earned portion of premiums received, including unclosed business, is recognised as revenue.

Unearned premiums are brought into account, based on the pattern of booking of renewals and new business. Premiums are earned from the date of attachment of risk, over the indemnity period, based on the pattern of risk underwritten. Outward reinsurance premiums are recognised as an expense in accordance with the pattern of reinsurance service received. A portion of the outwards reinsurance premiums are treated as prepayments.

Brokerage commission and fees
Commission revenues are recognized at the later of the billing or the effective date of the related reinsurance policies. Commission revenues related to instalment premiums are recognized periodically as billed. Contingent commissions are recognized as revenue when received. The income effects of subsequent premium adjustments are recorded when the adjustments become known.

Rental income
Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Stand sales revenue
Revenue from the sale of stands is recognized when a binding contract has been signed between the buyer and the Group, a significant deposit has been received such that it is highly unlikely that the customer would rescind the contract and the Group has allocated the stand to the buyer.

The Group accounts for proceeds from sale of stands that have not yet been developed as deferred income. Once the stands have been developed and allocated to customers, proceeds associated with such stands are transferred from deferred income to revenue from sale of stands as the Group will have discharged its obligation to the customers concerned.

Investment revenue:

i) Interest income
Interest income is accrued on a time proportion basis taking into account the principal outstanding and effective rate over the period to maturity.

ii) Dividend income
Revenue is recognized when the Group's right to receive payment is established.

Other income
Revenue is recognized when goods have been delivered and services rendered to the customer.

d) Financial assets
Initial recognition
The Group determines the classification of its financial assets at initial recognition. Financial assets are recognized initially at fair value plus, in the case of investments not at fair value through profit and loss, directly attributable transaction costs. The Group's financial assets include cash and cash equivalents, trade and other receivables, quoted and unquoted financial instruments.

The Group classifies its investments into the following categories: financial assets at fair value through profit and loss, loans and receivables, available for sale financial assets and cash and cash equivalents. The classification depends on the purpose for which the financial assets were acquired. On initial recognition, financial assets are recognised at fair value, and in the case of financial assets other than those at fair value through profit and loss, they are initially recognised at cost directly attributable to their acquisition. Management determines the classification of its financial assets at initial recognition and re-evaluates this at every reporting date.

Subsequent measurement
The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss
These assets are initially recognised and subsequently measured at fair value with changes in the fair value recognised in profit or loss. Transaction costs are recognised as an expense in profit or loss.

Loans and receivables
These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables) but also incorporate other types of contractual monetary assets. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less allowance for credit losses.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within other operating and administrative expenses in profit or loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

From time to time, the company elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the consolidated statement of comprehensive income (operating profit).

The company's loans and receivables comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and – for the purpose of the statement of cash flows - bank overdrafts. Bank overdrafts are shown separate from borrowings in current liabilities on the statement of financial position.

Available-for-sale financial investments
Available-for-sale financial investments include equity investments. Equity investments classified as available-for-sale are those that are neither classified as held for trading nor designated at fair value through profit or loss. After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealised gains or losses recognised as other comprehensive income in the mark-to-market reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other income or if the investment is determined to be impaired, then the cumulative loss is reclassified from the mark-to-market reserve to profit or loss. Interest earned whilst holding available-for-sale financial investments is reported as interest income using the effective interest method. The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term is still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets and management's intention to do so significantly changes in the foreseeable future, the Group may elect to reclassify these financial assets.

iii. Impairment of financial assets
The Group assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after initial recognition of the asset (an incurred 'loss event') and that the loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

iv. Derecognition of financial assets
Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or where they have been transferred and the Group has also transferred substantially all risks and rewards of ownership. Gains and losses are recognised in profit or loss when the financial assets are derecognized or impaired.

e) Financial Liabilities
The Group's financial liabilities include borrowings, trade and other payables, bank overdrafts and related party payables. Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. Trade payables and other short-term monetary liabilities, are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Offsetting
If a legally enforceable right exists to off-set recognised amounts of financial assets and liabilities and the Group intends to settle on a net basis, the relevant financial assets and liabilities are off set.

Fair value measurement hierarchy
IFRS 7 requires certain disclosures which require the classification of financial assets and financial liabilities measured at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the fair value measurement. The fair value hierarchy has the following levels:

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

The level in the fair value hierarchy within which the financial asset or financial liability is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement. Financial assets and financial liabilities are classified in their entirety into only one of the three levels.

f) Taxes

Current income tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be received from or paid to the tax authorities. The tax and tax laws used to compute are those that are substantially enacted by the reporting date.

Deferred tax
Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the statement of financial position differs from its tax base, except for differences arising on:-
- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Deferred tax is recognized in profit or loss except to the extent that it relates to terms charged or credited to equity.
Deferred income tax assets are recognized for all deductable temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which he the deductable temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Un-recognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled , based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised. The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted at the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:
- the same taxable company; or
- different Group companies which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Value added tax
Revenues, expenses and assets are recognised net of the amount of value added tax except:

- Where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.
- Receivables and payables that are stated with the amount of value added tax included.

g) Pensions and other post employment benefits
The Group makes defined pension contributions to independently administered defined contribution funds as well as the National Social Security Authority (NSSA). These are charged to the statement of profit or loss in the year to which they relate.

h) Property and equipment
Equipment is stated initially at cost and subsequently at cost, net of accumulated depreciation and accumulated impaired loss. Such cost includes the cost of replacing part of the plant and equipment and borrowing cost for long term construction projects if the recognition criteria is met. All other repairs and maintenance costs are recognized in profit or loss when incurred.

Land and buildings are measured at fair value less accumulated depreciation and impairment loss recognised after the date of the revaluation. Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.
Any revaluation surplus is credited to the assets revaluation

reserve included in the equity section of the statement of financial position, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

The Group's policy is to depreciate property and equipment evenly over the expected life of each asset, with the exception that no depreciation is charged on freehold land and assets under construction and not yet in use. The expected useful lives of the property and equipment are as follows:

Freehold buildings	40 years
Computers and office equipment	3 years
Motor vehicles	5 years
Furniture and fittings	10 years

The assets' residual values and useful lives are reviewed at each reporting date and adjusted if appropriate. The residual value of an asset is the estimated amount that would currently be obtained from disposal of the asset, after deducting the estimated costs of disposal, if the asset was already of the age and in condition expected at the end of its useful life. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the assets) is included in profit or loss in the year the asset is derecognized.

Impairment of property and equipment
The carrying amount of property and equipment is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Impairment loss is recognised directly through profit or loss when the carrying amounts of the assets exceed the fair values of the respective assets.

i) Leases
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recorded as receivables at the amount of the company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the company's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

j) Borrowing costs
Interest costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the asset. All other borrowing costs are recognised as an expense in the period in which they are incurred.

k) Investment property
Investment property is property held to earn rentals or for capital appreciation. Investment property is initially measured at cost including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of the investment property are included in profit or loss in the period which they arise. Fair values of investment property are determined by independent professional valuers annually.

l) Projects under development and consumables
Inventories of land development projects for disposal in the normal course of trade and office consumables are valued intially at cost and subsequently at the lower of cost and net realisable value. Cost in the case of finished products consists of direct materials labour and an appropriate portion of manufacturing overheads. Cost in the case of materials, spares and general consumables is the purchase cost on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

m) Cash and Cash equivalents
Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less net of outstanding bank overdrafts.

n) Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

o) Insurance contracts
i) Short term insurance contracts
Contracts under which the Group accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder or other beneficiary if a specified uncertain future event (the insured event) adversely affects the policyholder, are

classified as insurance contracts. Insurance risk does not include financial risk. Short-term insurance is the providing of benefits under short term policies which includes engineering, guarantee, liability, miscellaneous, motor, accident and health, property, transportation or a contract comprising a combination of any of those policies. Motor, property and personal insurance contracts mainly compensate the Group's customers for damage suffered to their properties or for the value of property lost. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities (business interruption cover).

ii) Basis of accounting for underwriting activities

Underwriting results are determined on an annual basis whereby the incurred costs of claims, commission and related expenses are charged against the earned proportion of premiums.

iii) Premiums

Gross premiums

Gross premium relates to business incepted during the year and adjustment premiums on policies already in force net of cancellations and lapses. Gross written premium is recognized as revenue and accounted for as and when a policy on the related risks is prepared and premiums agreed.

Outward reinsurance premiums

Outward reinsurance premium is recognized and accounted for as and when the risk is transferred to reinsurers.

Earned premiums

Earned premium is recognized as revenue to the extent that the net written premium relates to risks expired in the accounting period.

Unearned premium

Unearned premium represents the proportion of premium written in the year that relates to unexpired terms of policies in force at the balance sheet date generally estimated on the 1/365 basis.

iv) Reinsurance contracts

Contracts entered into by the company with reinsurers where by the company recovers losses on insurance contracts issued are classified as reinsurance contracts held. The benefits to which the company is entitled under its reinsurance contracts are recognized as reinsurance assets. The assets consist of short term balances due from reinsurers (classified as reinsurance receivables) and the amounts recoverable are measured consistently in accordance with the terms of reinsurance contracts. Reinsurance payables are primarily premiums payable for reinsurance contracts and are recognized as an expenses when due.

The company assesses its reinsurance assets for impairment on an annual basis at reporting date. If there is objective evidence that the asset is impaired, the carrying amount is reduced to the recoverable amount and the impairment loss recognized in profit or loss.

v) Claims incurred

Claims incurred comprise the settlement and handling costs of paid and outstanding claims arising during the year and adjustment to prior year claims provisions. Outstanding claims comprise claims incurred up to, but not paid, at the end of the accounting period, whether reported or not.

vi) Outstanding claims

Provision is made for the estimated cost of claims net of anticipated recoveries under reinsurance arrangements notified but not settled at period end using the best information available at the time. Provision is also made for the cost of claims Incurred But Not Reported (IBNR) until after the reporting date and for the estimated administrative expenses that will be incurred after the reporting date in settling claims outstanding at that date. Outstanding claims do not include any provision for possible future claims where claims arise under contracts not in existence at reporting date.

vii) Unexpired risk provision

An unexpired risk provision is made for any deficiencies arising when unearned premiums net of associated acquisition costs are insufficient to meet expected claims and expenses likely to arise after the end of the financial year from contracts concluded before that date. The expected claims are calculated having regard to events that have occurred prior to the reporting date. Unexpired risk surpluses and deficits, are aggregated where business classes are managed together.

viii) Deferred acquisition costs (DAC)

DAC are made up of commissions and other acquisition costs that vary with and are related to securing new contracts and renewing existing contracts that are capitalized and shown as part of prepayments. These costs are amortized over the period in which the related premiums are earned. The carrying amount of the deferred acquisition costs is reviewed at each reporting date for any indication of impairment. Any impairment loss is recognized in profit or loss when the carrying amount exceeds the recoverable amount.

ix) Liability adequacy test

At each reporting date the liability adequacy test is performed to ensure the adequacy of the outstanding claim liabilities net of DAC.In performing these tests, current best estimates of future contractual cash flows and claims handling and administration costs are used. Any deficiency is immediately charged to the profit or loss initially by writing off DAC and by subsequently establishing a provision for losses arising from liability adequacy tests. Any DAC written off as a result of this test is not reinstated.

x) Long term insurance contracts

Insurance contracts sold as long term business (with the exception of unit linked assurance contracts) are categorized into insurance contracts, contracts with a discretionary participation feature, or investment contracts. For the Group's unit linked assurance business, contracts are separated into an insurance component and an investment component, and each component is accounted for separately in accordance with the accounting policy for that component. Contracts under which the transfer of insurance risk from the policyholder to the Group is not significant are classified as investment contracts. Contracts under which the Group accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder or other beneficiary if a specified uncertain future event (the insured event) adversely affects the policyholder are classified as insurance contracts. Insurance risk does not include financial risk.

Financial risk is the risk of a possible future change in one or more specified variable(s) i.e. interest rate, security price, commodity price, foreign exchange rate, index of price or rate,a credit rating or credit index or other variable provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

Contracts with a discretionary participating feature are those under which the policyholder holds a contractual right to receive additional payments as a supplement to guaranteed minimum payments. These additional payments, the amount of which is at the Group's discretion, represent a significant portion of the total contractual payments and are contractually based on: The performance of a specified pool of contracts or a specified type of contract, Realised and/ or unrealised investment returns on a specified pool of assets (Life fund assets).

xi) Life reassurance policy holder liabilities

Life Reassurance policy holder liabilities are policyholders' liabilities computed by an independent actuary in accordance with the Financial Soundness Valuation Methodology as set out in the guidelines issued by the Actuarial Society of South Africa. Under this method, the policyholders' liabilities are valued using realistic expectations of future experience with prescribed margins for prudence and deferral profit emergence.

xii) Profit allocation in the Life Reassurance subsidiary company

The Board of the life reassurance subsidiary, in consultation with an independent actuary, has set the profit participation rules between shareholders and policyholders in that company. In terms of these rules shareholder assets and life reassurance non-current assets (policyholder assets) in the Life Reassurance Company are managed separately, and net investment returns from such assets are credited to shareholder funds and policyholder funds respectively. Shareholder funds are also credited with administration, investment and service charges for managing policyholder funds at rates set out in the Profit Participation Rules. These rates are reviewed annually by the Life Reassurance Company Board, in consultation with the independent actuary. At reporting date, an independent valuation of policy holder liabilities is carried out. The value of policy holder liabilities is then deducted from the total value of policy holder assets. Any actuarial surplus (i.e. excess of assets over liabilities) is split between policy holders and shareholders as per recommendations from the independent actuary. The surplus allocated to shareholders is debited from the life assurance fund and credited to the shareholders' funds. If there is a deficit (policyholder liabilities in excess of policyholder assets) the total amount is debited against the shareholders' funds.

p) Intangible assets

The Group carries intangible assets at cost less accumulated amortization and accumulated impairment losses. The assets with finite useful lives are armotised over their life on a straight line basis. Intangible assets with indefinite useful economic lives are tested for impairment annually at the financial year end.

q) Consolidation of subsidiaries

Subsidiaries are fully consolidated from the date of acquisition , being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases .The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, income and expenses, unrealised gains and losses and dividends resulting from intra – group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Losses are attributed to the non – controlling interest even if that results in a deficit balance.
If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary.
- Derecognises the carrying amount of any non – controlling interest.
- Derecognises the cumulative translation differences recorded in equity.
- Recognises the fair value of the consideration received.
- Recognises the fair value of any investment retained.
- Recognises any surplus or deficit in profit or loss.
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss.

2.5 Changes in accounting policy and interpretations

a) New standards, interpretations and amendments effective from 1 January 2015, and that have not had a material impact on the Group

- **IFRS 13 – Fair Value Measurement (2010 – 2012 Cycle),** The amendment clarifies that short term receivables and payables with no stated interest rate can continue to be measured at the invoice amount without discounting, where the effect of discounting is immaterial.
- **IAS 24 Related Party Disclosures,** The amendment clarifies that an entity that provides key management personnel services to the reporting entity (or to the parent of a reporting entity) is a related party of the reporting entity. However, it is not necessary to analyse the total amount paid into the categories set out in IAS 24.17
- **IFRS 13 Fair Value Measurement (2011 – 2013 Cycle),** the amendment contains an exception that permits the fair value of a Group of financial assets and financial liabilities to be measured on a net basis (the 'portfolio exception'). The amendment clarifies that the portfolio exception applies to all contracts within the scope of the financial instruments standards, including certain contracts for the purchase or sale of non-financial items that are scoped into those standards.

b) New standards, interpretations and amendments not yet effective and not early adopted

The following new standards, interpretations and amendments, which are not yet effective and have not been adopted early in these financial statements, will or may have an effect on the Group's future financial statements:

- **IFRS 5 Non-current Assets Held for Sale and Discontinued Operations (2012-2014 Cycle)**
  Changes in methods of disposal methods.
  The amendment clarifies that the reclassification of an asset or disposal group from being held for sale to being held for

distribution to owners, or vice versa is considered to be a continuation of the original plan of disposal.

Upon reclassification, the classification, presentation and measurement requirements of IFRS 5 are applied. If an asset ceases to be classified as held for distribution to owners, the requirements of IFRS 5 for assets that cease to be classified as held for sale apply.

i) ***Mandatory adoption for periods beginning on or after 1 January 2016***

- **IFRS 9 Financial Instruments (2009):** This applies to all assets within the scope of IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 requires that on initial recognition, all financial assets are measured at fair value (plus an adjustment for certain transaction costs if they are not measured as at fair value through profit or loss) and are classified into one of two subsequent measurement categories, namely amortised cost or fair value. IFRS 9 (2009) eliminates the Held to Maturity (HTM), Available for Sale (AFS) and Loans and Receivables categories. In addition, the exception under which equity instruments and related derivatives are measured at cost rather than fair value, where the fair value cannot be reliably determined, has been eliminated with fair value measurement being required for all of these instruments.

IFRS 9 (2009) includes an option which permits investments in equity instruments to be measured at fair value through other comprehensive income. This is an irrevocable election to be made, on an instrument by instrument basis, at the date of initial recognition. Where the election is made, no amounts are subsequently recycled from other comprehensive income to profit or loss. Where this option is not taken, equity instruments within the scope of IFRS 9 (2009) are classified as at fair value through profit or loss. Irrespective of the approach adopted for the equity instrument itself, dividends received on an equity instrument are always recognised in profit or loss (unless they represent a return on the cost of investment).

Subsequent reclassification of financial assets between the amortised cost and fair value categories is prohibited, unless an entity changes its business model for managing its financial assets in which case reclassification is required.
IFRS 9 (2009) can only be applied if an entity's date of initial application is before February 2015.

IFRS 9 Financial Instruments (2010): As noted above, IFRS 9 (2009) was published in November 2009 and contained requirements for the classification and measurement of financial assets. Equivalent requirements for financial liabilities were added in October 2010, with most of them being carried forward unchanged from IAS 39. In consequence:

- A financial liability is measured as at fair value through profit or loss (FVTPL) if it is held for trading, or is designated as at FVTPL using the fair value option
- Other liabilities are measured at amortised cost.

Some changes have been made, in particular to address the issue of where changes in the fair value of an entity's financial liabilities designated as at FVTPL using the fair value option, which arise from changes in the entity's own credit risk, should be recorded.

IFRS 9 (2010) requires that changes in the fair value of financial liabilities designated as at FVTPL which relate to changes in an entity's own credit risk should be recognised directly in other comprehensive income (OCI). However, as an exception, where this would create an accounting mismatch (which would be where there is a matching asset position that is also measured as at FVTPL), an irrevocable decision can be taken to recognise the entire change in fair value of the financial liability in profit or loss.

IFRS 9 (2010) can only be applied if an entity's date of initial application is before February 2015.

IFRS 9 Financial Instruments (2013): Three significant changes/additions were made compared to the previous version of IFRS 9 as follows:

- Addition of the new hedge accounting requirements.
- Withdrawal of the previous effective date of 1 January 2015 and leaving it open pending the completion of outstanding phases of IFRS 9.
- Making the presentation of changes in 'own credit' in other comprehensive income (OCI) for financial liabilities under the fair value option available for early adoption without early application of the other requirements of IFRS 9.

Key changes introduced by the new hedge accounting model include:

- Simplified effectiveness testing, including removal of the 80-125% highly effective threshold.
- More items will now qualify for hedge accounting, e.g. pricing components within a non-financial item, and net foreign exchange cash positions.
- Entities can hedge account more effectively the exposures that give rise to two risk positions (e.g. interest rate risk and foreign exchange risk, or commodity risk and foreign exchange risk) that are managed by separate derivatives over different periods.
- Less profit or loss volatility when using options, forwards, and foreign currency swaps.
- New alternatives available for economic hedges of credit risk and 'own use' contracts which will reduce profit or loss volatility.

IFRS 9 (2013) can only be applied if an entity's date of initial application is before February 2015.

IFRS 9 Financial Instruments (2014): Incorporates the final requirements on all three phases of the financial instruments projects – classification and measurement, impairment, and hedge accounting.

IFRS 9 (2014) adds the following to the existing IFRS 9:

- New impairment requirements for all financial assets that

are not measured at fair value through profit or loss.
- Amendments to the previously finalised classification and measurement requirements for financial assets.

In a major change, a new 'expected loss' impairment model in IFRS 9 (2014) replaces the 'incurred loss' model in IAS 39 Financial Instruments: Recognition and Measurement. Under IFRS 9 (2014), the impairment model is a more 'forward looking' model in that a credit event (or impairment 'trigger') no longer has to occur before credit losses are recognised. For financial assets measured at amortised cost or fair value through other comprehensive income (FVTOCI), an entity will now always recognise (at a minimum) 12 months of expected losses in profit or loss. Lifetime expected losses will be recognised on these assets when there is a significant increase in credit risk after initial recognition.

In other changes, IFRS 9 (2014) also introduces additional application guidance to clarify the requirements for contractual cash flows of a financial asset to be regarded as giving rise to payments that are Solely Payments of Principal and Interest (SPPI), one of the two criteria that need to be met for an asset to be measured at amortised cost. Previously, the SPPI test was restrictive, and the changes in the application of the SPPI test will result in additional financial assets being measured at amortised cost.

A third measurement category has also been added for debt instruments, namely Fair Value Through Other Comprehensive Income (FVTOCI). This new measurement category applies to debt instruments that meet the SPPI contractual cash flow characteristics test and where the entity is holding the debt instrument to both collect the contractual cash flows and to sell the financial assets.

Application date is for annual reporting periods commencing on or after 1 January 2018.

IFRS 10 - Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
The amendments clarify the accounting for transactions where a parent loses control of a subsidiary, that does not constitute a business as defined in IFRS 3 Business Combinations, by selling all or part of its interest in that subsidiary to an associate or a joint venture that is accounted for using the equity method.

In the case of any retained interest in the former subsidiary, gains and losses from the re-measurement are treated as follows:
- The retained interest is accounted for as an associate or joint venture using the equity method.
- The parent recognises the gain or loss in profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The remainder is eliminated against the carrying amount of the investment in the associate or joint venture.
- The retained interest is accounted for at fair value in accordance with IFRS 9 Financial Instruments.
- The parent recognises the gain or loss in full in profit or loss.

Mandatory effective date has been deferred indefinitely.

Amendments to IFRS 11 – Accounting for Acquisitions of Interests in Joint Operations
The amendments require an entity to apply all of the principles of IFRS 3 Business Combinations when it acquires an interest in a joint operation that constitutes a business as defined by IFRS 3.

IFRS 14 – Regulatory deferral accounts - The IASB has issued IFRS 14, 'Regulatory deferral accounts' specific to first time adopters ('IFRS 14'), an interim standard on the accounting for certain balances that arise from rate-regulated activities ('regulatory deferral accounts').

Rate regulation is a framework where the price that an entity charges to its customers for goods and services is subject to oversight and/or approval by an authorised body.

IAS 19 Employee benefits Annual Improvements (2012-2014 Cycle) Discount rate - regional market issue.
The guidance in IAS 19 has been clarified and requires that high quality corporate bonds used to determine the discount rate for the accounting of employee benefits need to be denominated in the same currency as the related benefits that will be paid to the employee.

Amendments to IAS 27 separate financial statements – Equity Method in Separate Financial Statements.
The amendments include the introduction of an option for an entity to account for its investments in subsidiaries, joint ventures, and associates using the equity method in its separate financial statements. The accounting approach that is selected is required to be applied for each category of investment.

Before the amendments, entities either accounted for its investments in subsidiaries, joint ventures or associates at cost or in accordance with IFRS 9 Financial Instruments (or IAS 39 Financial Instruments: Recognition and Measurement for those entities that have yet to adopted IFRS 9). The option to present its investments using the equity method result in the presentation of a share of profit or loss, and other comprehensive income, of subsidiaries, joint ventures and associates with a corresponding adjustment to the carrying amount of the equity accounted investment in the statement of financial position. Any dividends received are deducted from the carrying amount of the equity accounted investment, and are not recorded as income in profit or loss.

A consequential amendment was also made to IAS 28 Investments in Associates and Joint Ventures, to avoid a potential conflict with IFRS 10 Consolidated Financial Statements for partial sell downs.

IAS 34 Interim Financial Reporting (2012-2014 Cycle) - Annual disclosures of information 'elsewhere in the interim financial report' improvements

The requirements of paragraph 16A of IAS 34 require additional disclosures to be presented either in the:
- Notes to the interim financial statements or
- Elsewhere in the interim financial report.

The amendment clarifies, that a cross-reference is required, if the disclosures are presented 'elsewhere' in the interim financial report, such as in the management commentary or the risk report of an entity. However, to comply with paragraph 16A of IAS 34, if the disclosures are contained in a separate document from the interim report, that document needs to be available to users of the financial statements on the same terms and at the same time as the interim report itself.
None of the new standards, interpretations and amendments, which are effective for the periods beginning after 1 January 2016 and which have not been adopted early, are expected to have a material effect on the future financial statements.

ii) Mandatory adoption for periods beginning on or after 1 January 2017

Amendments to IAS 1: Disclosure Initiative - The amendments to IAS 1 Presentation of Financial Statements are a part of a major initiative to improve disclosure requirements in IFRS financial statements.
The amendments being made to IAS 1 include:
- Materiality: Aggregation or disaggregation should not obscure useful information. Materiality applies to each of the primary financial statements, the notes and each specific disclosure required by IFRSs.
- Line items in primary financial statements: Additional guidance for the line items required to be presented in primary statements, in particular that it may be appropriate for these to be disaggregated, and new requirements regarding the use of subtotals.
- Accounting policies: Removal of the examples in IAS 1.120 in respect of income taxes and foreign exchange gains and losses.
- In addition, the following amendments to IAS 1 were made which arose from a submission received by the IFRS Interpretations Committee:
- Equity accounted investments: An entity's share of other comprehensive income will be split between those items that will and will not be reclassified to profit or loss, and presented in aggregate as single line items within those two groups.

IFRS 15 Revenue from Contracts with Customers:
Supersedes IAS 18 Revenue, IAS 11 Construction Contracts and related Interpretations (IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue – Barter Transactions Involving Advertising Services).

The objective of IFRS 15 is to clarify the principles of revenue recognition. This includes removing inconsistencies and perceived weaknesses and improving the comparability of revenue recognition practices across companies, industries and capital markets. In doing so IFRS 15 establishes a single revenue recognition framework. The core principle of the framework is, that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To accomplish this, IFRS 15 requires the application of the following five steps:
- Identify the contract
- Identify the performance obligation(s)
- Determine the transaction price
- Allocate the transaction price to each performance obligation
- Recognise revenue when each performance obligation is satisfied.

IFRS 15 also includes specific guidance related to several additional topics, some of the key areas are:
- Contract costs
- Sale with a right of return
- Warranties
- Principal vs. agent considerations
- Customer options for additional goods and services
- Customers unexercised rights
- Non-refundable upfront fees (and some related costs)
- Licensing Repurchase agreements
- Consignment arrangements
- Bill-and-hold arrangements
- Customer acceptance.

Furthermore the guidance significantly enhances the required qualitative and quantitative disclosures related to revenue. The main objective of the requirements is the disclosure of sufficient information in terms of the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. In order to meet this objective, IFRS 15 requires specific disclosures for contracts with customers and significant judgements.

		2015 US$	2014 US$
3.	**Loss before tax**		
	Loss before tax includes the following items:		
3.1	**Brokerage commission and fee income**		
	Reinsurance commission and fees	4,765,140	3,942,135
	Brokerage commission and fees	1,128,721	2,938,091
		5,893,861	**6,880,226**
3.2	**Stand sales revenue**		
	Sale of stands	1,654,437	2,033,362
	Cost of sales of stands	(1,077,809)	(1,346,515)
		576,628	**686,847**
3.3	**Investment revenue**		
	Interest income	3,290,414	1,731,442
	Dividend received	519,403	391,263
		3,809,817	**2,122,705**
3.4	**Net benefits and claims**		
	(i). Gross benefits and claims paid		
	Life insurance contracts	1,891,446	2,127,259
	Non-life insurance contracts	25,775,763	30,974,996
		27,667,209	**33,102,255**
	(ii). Claims ceded to reinsurers		
	Life insurance contracts	(649,781)	(376,468)
	Non-life insurance contracts	(6,224,355)	(9,983,705)
		(6,874,136)	**(10,360,173)**
	(iii). Gross change in contract liabilities		
	Change in outstanding claims provision	2,309,315	440,683
	Change in IBNR claims provision	400,984	(36,940)
		2,710,299	**403,743**
	(iv). Change in contract liabilities ceded to reinsurers		
	Change in outstanding claims provision	338,693	752,995
	Change in IBNR claims provision	(116,551)	11,797
		222,142	**764,792**
	Net benefits and claims	**23,725,514**	**23,910,617**
3.5	**Included in operating and administrative expenses are the following**		
	Depreciation of property and equipment	829,903	953,111
	Amortisation of intangible assets	63,499	50,626
	Employee benefit expense	15,115,607	13,637,526
	Impairment of non-current assets	2,022	233,457
	Auditors' remuneration	216,930	469,363
	Non-executive directors remuneration for services as directors	317,954	579,848
	Allowance for credit losses	1,968,541	1,338,853
3.6	**Other gains/ (losses)**		
	Unrealised gains/(losses) on financial assets through profit or loss	771,837	(691,061)
	Realised gains/(losses) on disposal of financial assets through profit or loss	3,551	(501,787)
	Profit on disposal of property and equipment	14,324	552,226
	Realised exchange gains/(losses)	792,549	(68,334)
	Unrealised exchange gains	376,300	17,110
	Other losses	(357,584)	(268,021)
		1,600,977	**(959,866)**

4 Investment in equity-accounted associates

4.1 Details of the Group's associates are as follows:

Published Activity	Country of incorporation	Proportion of ownership interest held as at 31 December	
		2015	2014
Agro-retail	Zimbabwe	28%	28%
General insurance	Zambia	33%	33%
General insurance	Zimbabwe	24%	24%
Reinsurance broking	Zambia	49%	49%
Life assurance	Zimbabwe	20%	-

The Group has a listed associate in Agro-retail sector in which it has a 28% shareholding. The market value of that associate at 31 December 2015 was USD1.2 million (2014: USD1.1 million). The primary business of all the other associates is in the insurance and assurance sectors.

The Group has no investments in associates in which it owns less than 20% of the ordinary share capital.

The reporting dates of all associates is 31 December, except for the Agro-retail whose reporting date is 30 September. The financial statements taken into account for that associate are for the year ended 30 September 2015. Management has determined that there were no significant transactions to take into account for the period 1 October to 31 December 2015 in respect of the associate.

	2015 US$	2014 US$
4.2 Summarised financial information in respect of the Group's associates		
Share of associates' statement of financial position		
Statement of financial position		
Non-current assets	75,324,317	72,266,285
Current assets	37,559,728	67,552,725
Non-current liabilities	(29,585,792)	(10,197,609)
Current liabilities	(35,536,641)	(48,132,283)
Equity	**47,761,612**	**81,489,118**
Group's share of equity	5,289,685	19,658,829
Statement of comprehensive income		
Revenue	38,158,825	73,258,294
Cost of sales	(32,113,121)	(62,195,078)
Administration expenses	(11,302,002)	(22,554,039)
Claims and commissions	(471,909)	(652,308)
Other gains and losses	1,075,070	2,324,687
Finance costs	(2,258,548)	(4,000,837)
Profit before tax	6,911,686)	(13,819,281)
Income tax expense	1,773,870	3,546,691
Profit after tax	**(5,137,815)**	**(10,272,590)**
Group's share of associates' net loss	**(2,214,716)**	**(2,544,033)**
4.3 Aggregate group investment in associates		
Opening balance/deemed cost	**19,658,829**	**21,328,266**
Additions	2,018,792	-
Share of associates' other comprehensive income for the year	(711,133)	1,896,069
Share of associates' net profit/(loss) for the year	(2,214,716)	(2,544,033)
Impairment loss	(14,654,527)	-
Other changes in reserves since acquisition	1,192,440	(1,021,473)
Carrying amount of the investment	**5,289,685**	**19,658,829**

The above summarised financial information in associates excludes balances of the Agro-retail associate per note 4.1. It was not possible to disclose financial information about the associate as the associate's audit had not been signed off and its results had not been published by the time of approval of these financial statements.

4.4 Impairment of investment in associate

An impairment loss of USD14,654,527 was recognised for an investment in an associate in the Agro-retail business. The impairment loss was due to the fact that the investment in associate's market value, based on listed share price, was below its carrying amount in the Group's statement of financial position as at 31 December 2015. The directors concluded that the investment was impaired as at reporting date. The full impairment loss was recognised in other comprehensive income as there were sufficient funds which had previously been capitalised to the investment in associate through the revaluation reserve and the mark-to-market reserve since acquisition date.

After applying the equity method, the Group calculated the amount of impairment loss as the difference between the market value and the investment in associate's carrying value, at 31 December 2015, as shown below:

	US$
Market value	15,846,687
Carrying value	1,192,160
Impairment loss	**(14,654,527)**

5 Income tax expense

	2015 US$	2014 US$
Current tax	-	(1,251,804)
Deferred tax	(179,475)	900,248
	(179,475)	**(351,556)**

5.1 Tax rate reconciliation

	2015	2014
Standard tax	25,75%	25.75%
Non-taxable items	-4,35%	-4.35%
Non-deductible items	2.36%	2.36%
Foreign tax differential	6.20%	9.81%
Effect of share of profit in associates	-43.68%	-71.09%
Effect of unutilised tax loss	10.22%	27.70%
	-3.50%	**-9.82%**

6 Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year. Diluted earnings per share recognises the dilutive impact of shares in the calculation of the weighted average number of shares. There were no instruments or share options which had a dilutive effect on the earnings per share for the current or comparative period.

6.1 Basic and diluted earnings per share

	2015 US$	2014 US$
Loss attributable to shareholders	(4,581,558)	(5,133,665)
Weighted average number of shares in issue	1,530,676,272	780,676,272
Basic and diluted earnings per share (cents)	**(0.26)**	**(0.66)**
Headline earnings	(4,285,894)	(5,088,272)
Headline earnings per share (cents)	**(0.24)**	**(0.65)**

7 Share capital of the company

Authorised

	2015 Number	2015 US$	2014 Number	2014 US$
Ordinary shares of US$0.01 each	2,000,000,000	20,000,000	900,000,000	9,000,000

Issued and fully paid

	2015 Number	2015 US$	2014 Number	2014 US$
Ordinary shares of US$0.01 each				
At 1 January	780,676,272	7,806,763	780,676,272	7,806,763
Issued during the year	750,000,000	7,500,000	-	-
At 31 December	**1,530,676,272**	**15,306,763**	**780,676,272**	**7,806,763**

All the unissued shares are under the control of the directors subject to the limitations of the Companies Act and Zimbabwe Stock Exchange requirements.

8 Discontinued operations

The Group has determined that a former associate in reinsurance business incorporated in Zimbabwe and subsequently converted to a subsidiary through a debt to equity conversion be classified as a non-current asset held for sale.

The above decision was a business strategy as the Group has another significant subsidiary involved in reinsurance business in the same market.

8.1 The company's financial statements for the year-ended 31 December are presented below.

	2015 US$	2014 US$
Statement of comprehensive income		
Gross premium	**2,661,032**	**3,777,332**
Premium ceded	(809,049)	(1,188,995)
Net premium written	1,851,983	2,588,337
Unearned premium provision	238,629	270,254
Earned premium	2,090,612	2,858,591
Brokerage commission and fees	277,819	404,114
Total insurance revenue	2,368,431	3,262,705
Investment revenue	41,657	53,486
Total revenue	**2,410,088**	**3,316,191**
Total claims and expenses	**(2,495,928)**	**(2,921,020)**
Net benefits and claims	(310,979)	(767,177)
Commission and acquisition expenses	(706,802)	(941,113)
Operating and administrative expenses	(1,478,147)	(1,212,730)
Operating (loss)/profit	(85,840)	395,170
Other gains / (losses)	198,827	(99,719)
Profit before tax	112,987	295,451
Income tax expense	(32,797)	(104,232)
Profit after tax	**80,190**	**191,219**

8.2 Net cash flows

	2015 US$	2014 US$
Operating	(80,214)	(92,912)
Investing	2,162	60,235
Net Cash outflow	**(78,052)**	**(32,677)**

8.3 The following major classes of assets and liabilities relating to these operations have been classified as held for sale in the consolidated statement of financial position as at 31 December :

	2015 US$	2014 US$
Equipment	29,641	30,649
Investment property	711,000	518,050
Equity investments	37,047	5,241
Trade and other receivables	2,383,338	2,899,375
Cash and cash equivalents	441,768	519,820
Assets in disposal group classified as held for sale	**3,602,794**	**3,973,134**
Deferred tax	4,420	4,087
Unearned premium provision	403,814	642,443
Provision for incurred but not yet reported claims	433,891	129,416
Provision for reported claims	166,678	204,431
Trade and other payables	1,069,873	1,548,828
Liabilities directly associated with assets in disposal group classified as held for sale	**2,078,676**	**2,529,206**

		2015 US$	2014 US$
9	**Life Fund**		
	Opening balance	**4,377,453**	**4,377,453**
	Charge to profit and loss for the year	791,412	-
		5,168,865	**4,377,453**

The life fund relates to a pool of policyholder funds for a reassurance subsidiary. The transfer to life fund is determined by actuarial valuation and profit participation rules between shareholders and policyholders as set by the company Board. The balance at year-end represents the company's liability to meet long-term life reassurance contracts.

The last actuarial valuation was done as at 31 December 2015 by LE van As, a fellow of the Institute of Actuaries of South Africa and a Consulting Actuary from Zimbabwe Actuarial Consultants (Private) Limited. The life fund had a surplus of US$1,443,453.

10 Deferred tax

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 25.75%.

		2015 US$	2014 US$
	The movement on the deferred tax account is as shown below:		
	At 1 January	2,357,539	660,170
	Recognised through profit or loss		
	Tax expense	(179,475)	900,248
	Recognised through other comprehensive income:	(2,232,186)	(57,194)
		(54,122)	1,503,224
	Discontinued operations	854,315	854,315
	At 31 December	**800,193**	**2,357,539**
	Reflected in the Statement of Financial Position as follows :		
	Deferred tax asset	(664,775)	(697,156)
	Deferred tax liability	1,464,968	3,054,695
		800,193	**2,357,539**
11	**Trade and other receivables**		
	Insurance receivables	23,238,062	24,943,036
	Less: allowance for credit losses	(3,676,488)	(3,768,520)
	Net trade receivables	**19,561,574**	**21,174,516**
	Other trade receivables		
	Rental receivables	1,344,830	2,394,132
	Stand sales receivables	621,307	389,324
	Other trade receivables	729,604	2,756,769
	Less: allowance for credit losses	(1,968,540)	(911,901)
	Other trade receivables - net	**727,201**	**4,628,324**
	Total trade and other receivables - net	**20,288,775**	**25,802,839**
	Receivables from related parties	6,490,442	2,402,167
	Total financial assets other than cash and cash equivalents	**26,779,217**	**28,205,006**
	Prepayments	145,989	412,447
	Total trade and other receivables	**26,925,206**	**28,617,453**

The carrying amount of trade and other receivables classified as loans and receivables approximates their fair values.

As at 31 December 2015, trade receivables of USD5,645,028 (2014: USD3,057,072) were past due but not impaired. They relate to customers who have negotiated payment plans and are adhering to them. The ageing analysis of these receivables is as follows:

	2015 US$	2014 US$
0-30 days	2,896,221	1,568,452
31-60 days	1,112,495	602,473
61-90 days	663,653	359,402
91-120 days	786,389	425,870
Above 120 days	186,270	100,875
	5,645,028	**3,057,072**

As at 31 December 2015, trade receivables of USD1,003,935 (2014:USD768,012) were past due and impaired.The main factors considered in determining that the amounts due are impaired are that the debtors have a default history and the balances have not been settled within the stipulated credit period. The aging of these receivables is as follows:

	2015 US$	2014 US$
91-120 days	786,389	425,870
Above 120 days	217,546	342,142
	1,003,935	**768,012**
Movements in the allowance for credit losses for trade and other receivables are as follows:		
At 01 January	4,680,421	4,109,580
Increase during the year	1,968,541	1,338,853
Receivables written off during the year	(1,003,935)	(768,012)
At 31 December	**5,645,028**	**4,680,421**

The movement in allowances for credit losses has been included in operating and administration expenses line item in the statement of profit or loss.

		2015 US$	2014 US$
12	**Trade and other payables**		
12.1	**Insurance payables**		
	Due to policyholders	1,684,072	2,157,817
	Due to reinsurers	9,314,562	10,136,985
	Due to brokers, agents and intermediaries	1,103,238	1,370,630
	Due to insurers	112,573	338,038
	Total insurance payables	**12,214,445**	**14,003,470**
12.2	**Non-insurance trade payables**	**311,238**	**916,442**
	Total trade payables	**12,525,684**	**14,919,912**
12.3	**Other payables**		
	Accruals	4,769,191	3,482,484
	Other payables	8,674,084	3,024,947
	Total other payables	**13,443,275**	**6,507,431**
	Total financial liabilities, excluding borrowings, classified as financial liabilities measured at amortised cost	**25,968,959**	**21,427,343**
	Other payables-tax, penalties and social security payments	1,451,110	2,503,300
	Total trade and other payables	**27,420,069**	**23,930,643**

		2015 US$	2014 US$
13	**Insurance and other provisions**		
	Provision for policyholders' reported claims	10,800,824	10,568,226
	Provision for incurred but unreported claims	3,136,647	3,028,221
	Unearned premium provision	12,764,152	3,313,428
	Other provisions	1,476,104	1,810,362
		28,177,727	**28,720,237**
	Reconciliation of movement in provisions		
	Opening balance	28,720,237	27,959,688
	Charge for the year through profit and loss	(542,510)	760,549
	Closing balance	**28,177,727**	**28,720,237**
14	**Projects under development and consumables**		
	Consumables	201,971	73,370
	Projects under development	6,277,976	6,265,585
		6,479,947	**6,338,955**
15	**Deferred acquisition costs**		
	Opening balance	2,966,249	3,773,525
	Expenses deferred	180,616	-
	Amortisation	(90,308)	(807,276)
		3,056,557	**2,966,249**
16	**Intangible assets**		
	At 1 January 2015	468,494	385,835
	Additions - externally acquired	-	82,659
	Accumulated amortisation at the beginning of the year	(273,838)	(223,212)
	Amortisation charge for the year	(63,499)	(50,626)
	Net book value at 31 December	**131,157**	**194,656**
	Cost	468,494	468,494
	Accumulated amortisation	(337,337)	(273,838)

The intangible assets relate to computer software that the group acquired from various vendors. The software licences have a finite life of up to 5 years and are amortised over that period. The amortisation costs are included in operating and administrative expenses in the statement of profit or loss and other comprehensive income.

		2015 US$	2014 US$
17	**Borrowings**		
	The book value of borrowings are as follows:		
	Principal amount	980,172	1,777,079
	Short-term portion of long term loans	736,586	502,622
		243,586	**1,274,457**

The Group's borrowings relate to bank loans from two different financial institutions as described below:

Infrastructure Development Bank of Zimbabwe (IDBZ) Loan

The IDBZ loan is repayable over 2 years, through four six monthly instalments from 30 June 2016. The rate of interest for the loan is 14% per annum. The loan is unsecured and was borrowed to fund working capital.

CABS loan

The loan accrues interest at 13% per annum over three years and is secured by a first mortgage bond of US$1,500,000 over stand 16883 Harare, see note 19.

18 Property and equipment

2015	Freehold land & buildings US$	Motor vehicles US$	Equipment & computers US$	Furniture & fittings US$	Total US$
Cost or valuation					
At 1 January 2015	**2,874,306**	**4,286,205**	**1,495,340**	**1,015,379**	**9,671,230**
Additions	25,881	552,929	129,398	44,111	752,319
Revaluation surplus	99,935	-	-	-	99,935
Disposals	-	(460,289)	(17,015)	(6,718)	(484,022)
Foreign exchange movements	(720,989)	(456,346)	(155,585)	(229,807)	(1,562,727)
At 31 December 2015	**2,279,133**	**3,922,499**	**1,452,138**	**822,965**	**8,476,736**
Accumulated depreciation and impairment					
At 1 January 2015	**(356,626)**	**(2,166,909)**	**(952,887)**	**(473,427)**	**(3,949,849)**
Depreciation	(36,585)	(553,616)	(161,687)	(78,016)	(829,904)
Disposals	-	405,317	16,147	3,614	425,078
Impairment	2,022	-	-	-	2,022
Foreign exchange movements	33,923	196,714	91,209	118,169	440,015
At 31 December 2015	**(357,266)**	**(2,118,494)**	**(1,007,218)**	**(429,660)**	**(3,912,638)**
Net book value at 31 December 2015	**1,921,867**	**1,804,005**	**444,920**	**393,305**	**4,564,098**

Property and equipment was valued as at 31 December 2015 by an independent valuer and the valuation methodology used conforms to International Valuation Standards. The market value was determined by reference to observable prices in an open market. Where there were no comparable prices, the market value was determined by capitalising normal cash flows using yield levels, hence they are categorised as level 3. The level 3 category is because of the significance of unobservable inputs which were used.

The valuation technique and significant unobservable inputs used in determining the fair value measurement of property and equipment, as well as the inter-relationship between key unobservable inputs and fair value, is detailed below:

Discounted cash flows: The valuation model considers the present value of net cash flows to be generated from using the property and equipment, taking into account expected growth rates and inflation adjustments. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the economic life of the property and equipment.

There were no changes to the valuation techniques of level 3 fair value measurement in the period. The fair value measurement is based on the highest and best use, which does not differ from their actual use.

Property and equipment

2014	Freehold land & buildings US$	Motor vehicles US$	Equipment & computers US$	Furniture & fittings US$	Total US$
Cost or valuation					
At 1 January 2014	**2,519,131**	**3,968,737**	**1,430,260**	**920,698**	**8,838,825**
Additions	582,015	865,591	204,151	132,760	1,784,517
Revaluation surplus	8,086	-	-	-	8,086
Disposals	-	(401,651)	(60,773)	(28,797)	(491,221)
Foreign exchange movements	(234,926)	(146,472)	(78,298)	(9,282)	(468,977)
At 31 December 2014	**2,874,306**	**4,286,205**	**1,495,340**	**1,015,379**	**9,671,230**
Accumulated depreciation and impairment					
At 1 January 2014	**(135,233)**	**(1,993,605)**	**(832,682)**	**(407,368)**	**(3,368,888)**
Depreciation	(43,261)	(619,726)	(194,220)	(95,904)	(953,111)
Disposals	-	391,812	44,403	14,795	451,010
Impairment	(233,457)	-	-	-	(233,457)
Foreign exchange movements	55,325	54,610	29,612	15,050	154,597
At 31 December 2014	**(356,626)**	**(2,166,909)**	**(952,886)**	**(473,427)**	**(3,949,848)**
Net book value at 31 December 2014	**2,517,680**	**2,119,296**	**542,454**	**541,952**	**5,721,382**

19 Investment property

	2015 US$	2014 US$
Opening balance	**60,679,106**	**61,336,225**
Additions	170,458	299,676
Fair value loss recognised in profit or loss	(3,965,349)	(499,189)
Disposals	-	-
Transfer to inventory	(678,487)	(457,606)
Transfer from inventory	554,794	-
Impairment	-	-
Carrying amount 31 December	**56,760,522**	**60,679,106**

Investment property with a carrying amount of US$11,000,000 was pledged as security for a medium-term loan with Central Africa Building Society (CABS) as disclosed in Note 17.

19.1 Valuation of investment properties

Valuation for properties was determined by professional valuers at 31 December 2015. The independent professional valuers used the following valuation basis:

The implicit investment approach was applied on the commercial and industrial properties. The approach is based on the principle that rentals and capital values are inter-related. Professional judgment was used to adjust the market evidence.

Rental income earned from investment property during the year amounted to US$ 3,574,507 (2014 - US$ 3,616,702) whilst direct operating costs amounted to US$ 1,436,367 (2014 - US$ 1,476,727).

20 Cash and cash equivalents

	2015 US$	2014 US$
Cash and bank balances	2,654,430	4,424,662
Short-term deposits	19,252,424	10,170,978
	21,906,854	**14,595,640**

21 Capital commitments

	2015 US$	2014 US$
Authorised and contracted for	-	-
Authorised but not contracted for	3,078,086	9,051,410
	3,078,086	**9,051,410**

Capital expenditure will be financed from internal cash generation, bank loans and supplier credits.

22 USD Translation rates

The following translation rates to USD were used in the compilation of these financial statements:

	Statement of financial position		Statement of comprehensive income	
	2015	**2014**	**2015**	**2014**
South African Rand (ZAR)	15.40	11.62	12.76	10.85
Zambian Kwacha (ZMK)	10.95	6.43	8.77	6.20
Malawi Kwacha (MWK)	643.04	479.78	497.71	422.93
Mozambican New Metical (MZN)	46.88	33.30	38.50	31.33
Botswana Pula	11.04	9.68	10.13	9.10
Ugandan Shilling	3,350.19	2,814.60	3,238.53	2,631.67

23 Segment Information

For management purposes, the Group is organised into business units based on products and services as well as on geographical areas as shown below. Management evaluates segment performance based on operating profit/(loss) consistent with the consolidated financial statements. No segments have been aggregated.

Reinsurance

The segment offers short-term reinsurance products and services to general insurance companies locally, regionally and internationally. These products offer protection of policyholder's assets and indemnification of other parties that have suffered damage as a result of policyholder's accident, e.g., employee liability claims and asbestos. Revenue in this segment is derived primarily from insurance premiums, investment income and fair value gains and losses on investments.

Life Reassurance

The life reassurance segment offers its services to Life assurance companies and medical aid societies locally, regionally and internationally. The products are savings, protection products and other long-term contracts (both with and without insurance risk and with and without discretionary participating features). It comprises a wide range of whole life, term assurance, unitised pensions, guaranteed pensions, pure endowment pensions and mortgage endowment products. Revenue from this segment is derived primarily from insurance premium, fees and commission income, investment income and fair value gains on investments.

General insurance

The segment offers short-term insurance to individuals and businesses. General insurance products offered include motor, household, commercial and business interruption insurance. These products offer protection of policyholder's assets and indemnification of other parties that have suffered damage as a result of policyholder's accident. Revenue in this segment is derived primarily from insurance premiums, investment income and fair value gains and losses on investments.

Property

This segment is engaged in leasing, developing, managing, selling and buying properties. It also offers consultancy services related to property development. It derives its revenue primarily from rentals, sales of properties, investment income and estate agency fees.

Insurance broking

The segment offers retail insurance broking services to individuals and businesses. Its main revenue streams are broking fees and commissions and income.

Reinsurance broking

The segment offers insurance broking services to general insurance, life insurance, reinsurance and life reassurance companies. It gets its revenue from brokerage fees and commissions and income.

23.1 Information about products and services

2015	Reinsurance	Life Reassurance	General insurance	Property	Reinsurance broking	Other & adjustments	Total
	US$	US$	US$	US$	US$	US$	US$
Gross premium	31,043,940	5,135,741	39,660,112	-	-	(3,723,001)	72,116,792
Premium ceded	(10,219,583)	(984,111)	(13,144,536)	-	-	3,723,001	(20,625,229)
Net premium written	**20,824,357**	**4,151,630**	**26,515,576**	**-**	**-**	**-**	**51,491,563**
Unearned premium provision	(1,149,355)	-	(1,051,081)	-	-	-	(2,200,436)
Net premium earned	**19,675,002**	**4,151,630**	**25,464,495**	**-**	**-**	**-**	**49,291,127**
Brokerage fees and commission	3,271,379	591,320	2,809,092	-	131,577	(909,507)	5,893,861
Total insurance revenue	**22,946,381**	**4,742,950**	**28,273,587**	**-**	**131,577**	**(909,507)**	**55,184,988**
Rental income	37,703	-	-	3,566,616	-	(165,174)	3,439,145
Investment and other revenue	3,149,949	164,870	1,677,876	393,308	20,446	(797,555)	4,608,894
Total revenue	**26,134,033**	**4,907,820**	**29,951,463**	**3,959,924**	**152,023**	**(1,872,236)**	**63,233,027**
Claims and expenses	**(29,016,233)**	**(3,652,837)**	**(28,774,743)**	**(3,700,741)**	**(143,475)**	**1,722,364**	**(63,565,665)**
Net benefits and claims	(8,505,716)	(1,217,859)	(14,153,014)	-	-	151,075	(23,725,514)
Commission and acquisition expenses	(7,962,453)	(1,552,783)	(5,248,317)	-	-	893,628	(13,869,925)
Other operating and administrative expenses	(12,548,064)	(882,195)	(9,373,412)	(3,700,741)	(143,475)	677,661	(25,970,226
Segment result	**(2,882,200)**	**1,254,983**	**1,176,720**	**259,183**	**8,548**	**(149,872)**	**(332,638)**

2014	Reinsurance US$	Life Reassurance US$	General insurance US$	Property US$	Insurance broking US$	Reinsurance broking US$	Other & adjustments US$	Total US$
Gross premium	31,224,155	5,518,061	41,141,248	-	-	-	(3,860,484)	74,022,980
Premium ceded	(9,284,553)	(1,128,366)	(15,227,285)	-	-	-	3,860,484	(21,779,720)
Net premium written	21,939,603	4,389,695	25,913,963	-	-	-	-	52,243,260
Unearned premium provision	1,649,768	-	(624,886)	-	-	-	-	1,024,882
Net premium earned	**23,589,371**	**4,389,695**	**25,289,077**	**-**	**-**	**-**	**-**	**53,268,143**
Brokerage fees and commission	2,482,105	229,960	3,296,355	-	1,352,373	149,786	(630,354)	6,880,226
Total insurance revenue	**26,071,476**	**4,619,655**	**28,585,432**	**-**	**1,352,373**	**149,786**	**(630,354)**	**60,148,369**
Rental income	72,478	-	147,538	4,158,306	-	-	(357,575)	4,020,747
Investment and other revenue	1,270,664	105,283	1,471,585	731,988	2,146	16,415	(401,579)	3,196,502
Total revenue	**27,414,618**	**4,724,938**	**30,204,555**	**4,890,294**	**1,354,519**	**166,201**	**(1,389,507)**	**67,365,618**
Claims and expenses	**(30,224,453)**	**(4,203,164)**	**(28,428,931)**	**(3,508,147)**	**(1,256,723)**	**(190,086)**	**1,197,227**	**(66,614,277)**
Net benefits and claims	(9,521,041)	(1,800,089)	(12,589,487)	-	-	-		(23,910,617)
Commission and acquisition expenses	(8,866,153)	(1,543,933)	(5,627,847)	-	-	-	630,354	(15,407,579)
Other operating and administrative expenses	(11,837,259)	(859,141)	(10,211,597)	(3,508,147)	(1,256,723)	(190,086)	566,873	(27,296,080)
Segment result	**(2,809,835)**	**521,774**	**1,775,624**	**1,382,147**	**97,796**	**(23,885)**	**(192,281)**	**751,341**

23.2 Information about geographical areas

Information below shows operating results in the countries in which the Group operates

2015	Zimbabwe US$	Malawi US$	Zambia US$	Mozambique US$	Botswana US$	Uganda US$	South Africa US$	Total US$
Gross premium	39,146,532	17,162,005	3,832,312	7,602,423	2,140,672	890,289	1,342,559	72,116,792
Premium ceded	(9,541,178)	(4,670,715)	(1,068,149)	(3,763,277)	(836,245)	(240,162)	(505,502)	(20,625,229)
Net premium written	29,605,354	12,491,290	2,764,163	3,839,146	1,304,427	650,126	837,057 -	51,491,563
Unearned premium provision	(1,056,081)	(803,122)	(253,518)	(154,332)	3,035	108,308	(44,726)	(2,200,436)
Net premium earned	**28,549,273**	**11,688,168**	**2,510,646**	**3,684,814**	**1,307,461**	**758,434**	**792,331**	**49,291,127**
Brokerage fees and commission	2,487,004	1,188,846	306,323	1,376,251	285,435	85,769	164,233	5,893,861
Total insurance revenue	31,036,277	12,877,014	2,816,969	5,061,065	1,592,896	844,203	956,563	55,184,988
Rental revenue	3,381,213	19,905	-	37,703	-	324	-	3,439,145
Investment and other revenue	3,355,924	464,236	105,537	203,126	278,932	124,402	76,737	4,608,894
Total revenue	**37,773,414**	**13,361,155**	**2,922,506**	**5,301,895**	**1,871,828**	**968,929**	**1,033,300**	**63,233,027**
Total claims and expenses	**(38,250,024)**	**(12,451,846)**	**(2,981,465)**	**(5,726,118)**	**(1,371,566)**	**(1,519,792)**	**(1,264,855)**	**(63,565,665)**
Net benefits and claims	(14,484,266)	(6,213,963)	(953,243)	(1,109,168)	(238,410)	(552,097)	(174,368)	(23,725,514)
Commission and acquisition expenses	(6,760,989)	(2,786,243)	(1,125,497)	(2,051,563)	(601,091)	(147,007)	(397,535)	(13,869,925)
Operating and administrative expenses	(17,004,769)	(3,451,640)	(902,725)	(2,565,386)	(532,065)	(820,688)	(692,952)	(25,970,225)
Segment result	**(476,610)**	**909,309**	**(58,959)**	**(424,223)**	**500,262**	**(550,862)**	**(231,555)**	**(332,638)**

2014	Zimbabwe US$	Malawi US$	Zambia US$	Mozambique US$	Botswana US$	Uganda US$	South Africa US$	Total US$
Gross premium	37,231,626	17,533,309	3,830,759	10,729,648	1,834,200	1,648,489	1,214,949	74,022,980
Premium ceded	(9,517,662)	(4,917,136)	(770,387)	(5,157,543)	(755,343)	(343,347)	(318,301)	(21,779,720)
Net premium written	27,713,964	12,616,172	3,060,372	5,572,105	1,078,856	1,305,142	896,649 -	52,243,260
Unearned premium provision	1,702,228	(139,262)	55,615	(501,920)	26,953	90,252	(208,983)	1,024,882
Net premium earned	**29,416,192**	**12,476,910**	**3,115,987**	**5,070,185**	**1,105,809**	**1,395,394**	**687,666**	**53,268,143**
Brokerage fees and commission	3,619,712	1,195,976	191,044	1,410,875	258,479	105,417	98,724	6,880,226
Total insurance revenue	**33,035,904**	**13,672,886**	**3,307,030**	**6,481,060**	**1,364,289**	**1,500,811**	**786,390**	**60,148,369**
Rental revenue	3,928,434	19,835	-	72,478	-	-	-	4,020,747
Investment and other revenue	1,468,217	675,424	92,120	526,197	153,549	188,478	92,516	3,196,502
Total revenue	**38,432,556**	**14,368,145**	**3,399,150**	**7,079,735**	**1,517,838**	**1,689,289**	**878,905**	**67,365,618**
Total claims and expenses	**(38,408,126)**	**(13,164,479)**	**(3,534,971)**	**(7,433,123)**	**(1,339,253)**	**(1,655,722)**	**(1,078,603)**	**(66,614,277)**
Net benefits and claims	(13,162,942)	(6,590,811)	(1,505,545)	(1,863,788)	(241,040)	(341,002)	(205,490)	(23,910,617)
Commission and acquisition expenses	(7,596,251)	(2,952,235)	(1,082,083)	(2,576,645)	(511,094)	(391,033)	(298,239)	(15,407,579)
Other operating and administrative expenses	(17,648,933)	(3,621,434)	(947,343)	(2,992,691)	(587,119)	(923,686)	(574,874)	(27,296,080)
Segment result	**24,430**	**1,203,666**	**(135,821)**	**(353,389)**	**178,585**	**33,567**	**(199,698)**	**751,341**

24 Related parties

24.1 Principal subsidiaries

Country of incorporation	2015	2014
Zimbabwe	100%	100%
Malawi		74%
Zimbabwe	31%	29%
Zimbabwe	85%	85%

24.2 Transactions with related parties

The Group enters into transactions with its associates and subsidiaries in the normal course of business at arm's length.

Outstanding balances at 31 December 2015 are unsecured and interest free. Settlement will take place in cash. There was no provision for doubtful debts during the year and at year-end.

24.3 Compensation to key management personnel

Key management personnel of the Group includes all directors, executive and non-executive, and senior management. The summary of compensation to key management personnel for the year is as follows:

	2015 US$	2014 US$
Short term employee benefits	1,825,863	1,689,099
Long term employee benefits	751,110	579,848
	2,576,973	**2,268,947**

25 Other comprehensive income	2015 Before tax US$	2015 Tax US$	2015 Net of tax US$	2014 Before tax US$	2014 Tax US$	2014 Net of tax US$
Exchange differences on translating foreign operations	(4,143,109)	-	(4,143,109)	(1,545,358)	46,361	(1,498,997)
Gains on equity instruments	371,288	(2,757)	368,531	(909,831)	14,297	(895,534)
Gains on property and equipment revaluations	141,932	(41,996)	99,935	11,550	(3,464)	8,086
Share of other comprehensive income of associates	(15,374,110)	-	(15,374,110)	1,896,069	-	1,896,069
Other comprehensive income net of tax	**(19,003,999)**	**(44,754)**	**(19,048,753)**	**(547,570)**	**57,194**	**(490,376)**

26 Capital management

The primary objective of the Group's capital management is to ensure that all its insurance companies maintain a strong credit rating and healthy capital ratios in order to support the business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, or issue new shares. No changes were made in the objectives, policies or processes during the year ended 31 December 2015.

The Group monitors capital for its insurance companies by using solvency ratios, which is average shareholders' funds divided by net written premium.

27 Financial instruments

The Group is exposed through its operations to the following financial risks:

- Interest rate risk
- Foreign exchange risk
- Credit risk
- Liquidity risk
- Insurance risk

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

i) Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Trade and other receivables
- Cash and cash equivalents
- Investments in quoted and unquoted equity securities
- Trade and other payables
- Bank overdrafts
- Borrowings

ii) Financial instruments by category

A summary of the financial instruments held by category is provided below:

Financial assets

	At fair value through profit or loss		Loans and receivables		Available-for-sale	
	2015 US$	2014 US$	2015 US$	2014 US$	2015 US$	2014 US$
Cash and cash equivalents	-	-	21,906,854	14,595,640	-	-
Trade and other receivables	-	-	26,779,217	28,205,006	-	-
At fair value through profit or loss	6,282,132	4,552,516	-	-	-	-
Available-for-sale investments	-	-	-	-	7,729,010	5,937,860
Total financial assets	**6,282,132**	**4,552,516**	**48,686,072**	**42,800,646**	**7,729,010**	**5,937,860**

Financial liabilities

	At amortised cost	
	2015 US$	2014 US$
Trade and other payables	25,968,959	21,427,343
Borrowings	980,172	1,777,079
	26,949,131	**23,204,422**

iii) Financial instruments not measured at fair value

Financial instruments not measured at fair value includes cash and cash equivalents, trade and other receivables, trade and other payables and borrowings.

Due to their short-term nature, the carrying value of cash and cash equivalents, trade and other receivables, trade and other payables and borrowings approximates their fair value.

iv) Fair value hierarchy

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

2015
Financial assets

	Level 1 US$	Level 2 US$	Level 3 US$	Total US$
At fair value through profit or loss	6,282,132	-	-	6,282,132
Available-for-sale investments	1,821,761	3,356,860	2,550,389	7,729,010
Total financial assets	**8,103,893**	**3,356,860**	**2,550,389**	**14,011,142**

2014
Financial assets

	Level 1 US$	Level 2 US$	Level 3 US$	Total US$
At fair value through profit or loss	4,552,516	-	-	4,552,516
Available-for-sale investments	1,470,744	2,138,524	2,328,592	5,937,860
Total financial assets	**6,023,260**	**2,138,524**	**2,328,592**	**10,490,375**

The classification above is explained as follows:
Level 1: Quoted prices in an active market for identical assets.
Level 2: Other techniques for which inputs other than quoted prices included in Level 1 are observable for the asset or liability, either directly or indirectly.
Level 3: Techniques for which inputs are not based on observable market data.

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives monthly reports from the Group Chief Finance Officer through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The Group's internal auditors also review the risk management policies and processes and report their findings to the Audit and Risk Management Committee.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

(i) Interest rate risk

Interest rate is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest on fixed interest rate instruments is priced at inception of the financial instrument and is fixed until maturity. The Group has no significant concentration of interest rate risk. All Group borrowings have fixed interest rates that are not subject to market rate adjustments.

(ii) Foreign exchange risk

As a result of significant investment operations in Malawi, Zambia, South Africa,Botswana and Mozambique, the Group's balance sheet can be affected significantly by movements in the USD exchange rate against the functional currencies of these countries. The Group also has transactional currency exposures. Such exposure arises from normal trading activities as well as investments by an operational unit in currencies other than the unit's functional currency. Approximately 40% of the Group's total assets are denominated in currencies other than the functional currency of the holding company. Changes in the USD relative to the currencies of the countries mentioned above has an impact on the Groups results and net assets.

Changes in the exchange rate could have a significant impact on the Group profit before tax. The translation exchange rates used in compilation of the Group financial statements are disclosed on note 22. The Group financial assets are primarily denominated in the same currencies as its insurance and investment contract liabilities, which mitigates the foreign currency exchange rate risk of the foreign operations. The currency risk is effectively managed by the Group through non-derivative financial instruments.

The table below illustrates the hypothetical sensitivity to the Group's reported profit after tax to an increase and decrease to year-end exchange rates, assuming all other variables remain unchanged. The sensitivity rates represent the Directors' assessment of a possible change. The impact on the Group's profit before tax is due to changes in the fair values of monetary assets and liabilities.

Currency	Change in variables	2015 Impact on profit before tax US$	Change in variables	2014 Impact on profit before tax US$
South African Rand	+10%	20,111	+10%	16,500
Zambian Kwacha	+10%	(13,202)	+10%	12,210
Malawi Kwacha	+10%	(85,922)	+10%	68,540
Mozambican New Metical	+10%	(23,521)	+10%	21,914
Botswana Pula	+10%	(26,532)	+10%	13,600
South African Rand	-10%	(24,580)	-10%	(16,792)
Zambian Kwacha	-10%	16,135	-10%	(20,718)
Malawi Kwacha	-10%	105,016	-10%	(143,418)
Mozambican New Metical	-10%	28,748	-10%	(1,753)
Botswana Pula	-10%	32,428	-10%	(5,339)

(iii) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities primarily through trade receivables, and from its financing activities. The financing activities include deposits with banks and financial institutions and foreign exchange transactions.

The Group trades only with recognised creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis.

With respect to credit risk arising from other financial assets of the Group, which comprise cash and cash equivalents, and available-for-sale financial investments, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

v) Insurance risk

The principal risk that the Group faces under insurance contracts is that the actual claims and benefit payments, or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities.

The above risk exposure is mitigated by diversification across a large portifolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements.

The Group purchases reinsurance as part of its risks mitigation programme. Reinsurance ceded is placed on both a proportional and non-proportional basis. The Group's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Group substantially dependent upon any single reinsurance contract

The Group principally issues the types of insurance contracts set in the table below. The table sets out the concentration of insurance contract liabilities (outstanding claims and IBNR by type of contract:

2015

Class of insurance	Gross liability US$	Reinsurance recovery US$	Net liability US$
Motor	9,569,010	3,157,773	6,411,237
Accident	4,368,461	1,441,592	2,926,869
Fire	3,744,395	1,235,650	2,508,745
Engineering	1,456,153	480,533	975,620
Liability	416,044	137,293	278,751
Agriculture	624,066	205,942	418,124
Marine	416,044	137,294	278,750
Aviation	208,022	68,647	139,375
Total	**20,802,196**	**6,864,724**	**13,937,471**

2014

Class of insurance	Gross liability US$	Reinsurance recovery US$	Net liability US$
Motor	5,626,116	(731,395)	4,894,721
Fire	7,521,439	(3,986,362)	3,535,076
Accident	3,107,759	(932,328)	2,175,431
Engineering	1,613,138	(661,386)	951,751
Agriculture	377,679	(241,715)	135,964
Life and Health	1,189,689	(237,938)	951,751
Liability	1,406,529	(998,636)	407,893
Aviation	647,450	(511,485)	135,964
Marine	971,175	(563,281)	407,893
Total	**22,460,973**	**(8,864,527)**	**13,596,447**

Sensitivities

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant showing the impact on gross and net liabilities, profit before tax and equity.

2015	Change in assumptions	Impact on net liabilities US$	Impact on profit before tax US$	Impact on equity US$
Average claim cost	+10%	220,749	(223,152)	(93,883)
Average number of claims	+10%	181,330	(156,349)	(66,366)
2014				
Average claim cost	+10%	224,999	(157,499)	(116,943)
Average number of claims	+10%	184,724	(110,834)	(82,295)

(iv) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial instruments. The Group manages liquidity risk by maintaining adequate cash resources, banking facilities and by continuosly monitoring forecast and actual cash flows.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2015 *(continued)*

Maturity analysis (contractual undiscounted cash flow basis)

2015		**Carrying amount**	**Up to 1 year**	**No maturity date**	**Total**
Financial assets		**US$**	**US$**	**US$**	**US$**
At fair value through profit and loss		6,282,132	6,282,132	-	6,282,132
Available for sale financial assets		7,729,010	-	7,729,010	7,729,010
Trade and other receivables		26,925,206	26,925,206	-	26,925,206
Cash and cash equivalents		21,906,854	21,906,854	-	21,906,854
Total undiscounted assets		**62,843,202**	**55,114,192**	**7,729,010**	**62,843,202**
Financial liabilities	**Up to 3 months**	**Between 3 and 12 months**	**Between 1 and 2 years**	**Over 2 years**	**Total**
	US$	**US$**	**US$**	**US$**	**US$**
Borrowings	184,146	552,439	243,586	-	980,172
Trade and other payables	112,573	1,995,309	20,542,996	4,769,191	27,420,069
Insurance and other provisions	10,800,824	3,136,647	1,476,104	12,764,152	28,177,727
Total undiscounted liabilities	**11,097,543**	**5,684,395**	**22,262,686**	**17,533,343**	**56,577,968**
Total liquidity gap					**6,265,234**

2014		**Carrying amount**	**Up to 1 year**	**No maturity date**	**Total**
Financial assets		**US$**	**US$**	**US$**	**US$**
Financial assets at fair value through profit and loss		4,552,516	4,552,516	-	4,552,516
Available for sale financial assets		5,937,860	-	5,937,860	5,937,860
Trade and other receivables		28,617,453	28,617,453	-	28,617,453
Cash and cash equivalents		14,595,640	14,595,640	-	14,595,640
Total undiscounted assets		**53,703,469**	**47,765,609**	**5,937,860**	**53,703,469**
Financial liabilities	**Up to 3 months**	**Between 3 and 12 months**	**Between 1 and 2 years**	**Over 2 years**	**Total**
	US$	**US$**	**US$**	**US$**	**US$**
Borrowings	318,614	955,843	502,622	-	1,777,079
Trade and other payables	338,038	3,074,259	17,035,862	3,482,484	23,930,643
Insurance provisions	10,568,226	3,028,221	1,810,362	13,313,428	28,720,237
Total undiscounted liabilities	**11,224,877**	**7,058,322**	**19,348,846**	**16,795,912**	**54,427,957**
Total liquidity gap					**(724,488)**

28 Available-for-sale investments

	2015 US$	2014 US$
1 January	**5,937,860**	**4,670,216**
Exchange differences	4,202,862	253,905
Additions	1,845,214	1,985,000
Disposals	(742,975)	(122,088)
Net losses transferred to equity	(3,513,951)	(849,173)
	7,729,010	**5,937,860**

29 Financial assets at fair value through profit or loss

	2015 US$	2014 US$
1 January	**4,552,516**	**4,552,516**
Exchange differences	(148,755)	14,800
Additions	986,451	254,801
Disposals	(108,080)	(106,801)
Unrealised fair value gain/ (loss)	1,000,000	(162,800)
31 December	**6,282,132**	**4,552,516**

30 Material partly owned subsidiaries

Financial information of subsidiaries that have material non-controlling interests are provided below:

Country of incorporation	Nature of business	2015 %	2014 %
Zimbabwe	General insurer	69	71
Zimbabwe	Property	52	52
Malawi	General insurer	-	26

Accumulated balances of material non-controlling interests

		2015 US$	2014 US$
Zimbabwe	General insurer	11,946,577	12,191,478
Zimbabwe	Property	26,534,144	28,109,737
Malawi	General insurer	-	839,776
		38,480,721	**41,140,991**

Profit/(loss) allocated to material non-controlling interests

		2015 US$	2014 US$
Zimbabwe	General insurer	744,849	815,878
Zimbabwe	Property	(1,575,593)	132,475
Malawi	General insurer	-	175,810
		(830,744)	**1,124,163**

The summarised financial information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations.

Summarised statement of profit or loss for 2015:

	General insurer (Zimbabwe) US$	General insurer (Malawi) US$	Property (Zimbabwe) US$	Reinsurance (Mozambique) US$
Gross Premium	**39,660,112**	**-**	**-**	**7,602,423**
Total revenue	**29,951,463**	**-**	**5,450,714**	**5,301,895**
Total claims and expenses	**(28,774,743)**	**-**	**(4,783,358)**	**(5,726,117)**
Net benefits and claims	(14,153,014)	-	- (1,109,168)	
Commission and acquisition expenses	(5,248,317)	-	-	(2,051,563)
Operating and administration	(9,373,412)	-	(4,783,358)	(2,565,386)
Operating profit	**1,176,720**	**-**	**667,356**	**(424,222)**
Other gains/(loss)	(51,951)	-	(3,733,018)	-
Finance costs	(23,454)	-	(30,961)	-
Profit before share of associates	**1,101,315**	**-**	**(3,096,623)**	**(424,222)**
Share of associates	(184,583)	-	-	-
Profit before tax	**916,732**	**-**	**(3,096,623)**	**(424,222)**
Income tax	126,181	-	89,192	-
Profit after tax	**1,042,913**	**-**	**(3,007,431)**	**(424,222)**
Dividends paid	285,990	-	204,134	-

Summarised statement of profit or loss for 2014:

	General insurer (Zimbabwe) US$	General insurer (Malawi) US$	Property (Zimbabwe) US$	Reinsurance (Mozambique) US$
Gross Premium	**28,728,141**	**7,347,993**	**-**	**8,585,914**
Total revenue	**21,569,824**	**5,931,533**	**3,989,129**	**6,405,571**
Total claims and expenses	**(19,258,317)**	**(5,341,579)**	**(2,713,297)**	**(5,876,559)**
Net benefits and claims	(7,928,776)	(2,094,415)	-	(1,716,859)
Commission and acquisition expenses	(3,986,657)	(1,745,394)	-	(2,185,265)
Operating and administration	(7,342,884)	(1,501,770)	(2,713,297)	(1,974,435)
Operating profit	**2,311,507**	**589,954**	**1,275,832**	**529,012**
Other gains/(loss)	(613,561)	70,923	(798,558)	70,169
Finance costs	(39,986)	-	-	-
Profit before share of associates	**1,657,960**	**660,877**	**477,274**	**599,181**
Share of associates	(472,272)	-	-	-
Profit before tax	**1,185,688**	**660,877**	**477,274**	**599,181**
Income tax	(46,553)	(251,034)	(308,687)	(218,793)
Profit after tax	**1,139,135**	**409,843**	**168,587**	**380,388**
Dividends paid	375,129	-	412,000	-

Summarised statement of financial position at 31 December 2015

	General insurer (Zimbabwe) US$	General insurer (Malawi) US$	Property (Zimbabwe) US$	Reinsurance (Mozambique) US$
Non-current assets	**14,207,202**	**-**	**48,050,635**	**1,085,462**
Property and equipment	1,458,202	-	1,496,425	86,212
Investment properties	9,762,841	-	46,554,210	443,473
Other non-current assets	2,986,159	-	-	555,777
Current assets	**27,121,353**	**-**	**6,145,661**	**5,914,794**
Trade and other receivables	12,380,779	-	2,854,794	3,174,549
Inventories	3,278,730	-	2,998,453	-
Deferred acquisition costs	1,274,745	-	-	228,948
Short-term investments	1,699,291	-	180,091	1,270,787
Cash and cash equivalents	8,487,808	-	112,323	1,240,510
Non-current liabilities including deferred tax	**349,286**	**-**	**2,575,923**	**2,837**
Current liabilities	**22,011,500**	**-**	**1,177,161**	**4,332,910**
Trade and other payables	7,288,176	-	735,427	2,133,692
Short-term borrowings	53,429	-	441,734	-
Insurance & other provisions	14,669,895	-	-	2,199,218
Total equity	**18,967,769**	**-**	**50,443,212**	**2,664,509**

Summarised statement of financial position at 31 December 2014

	General insurer (Zimbabwe) US$	General insurer (Malawi) US$	Property (Zimbabwe) US$	Reinsurance (Mozambique) US$
Non-current assets	**11,845,033**	**1,547,314**	**52,676,049**	**1,211,916**
Property and equipment	864,185	1,172,887	1,643,844	154,360
Investment properties	9,159,080	-	50,349,100	624,324
Other non-current assets	1,821,768	374,427	683,104	433,232
Current assets	**18,991,506**	**6,260,169**	**4,958,578**	**6,342,785**
Trade and other receivables	8,448,299	3,425,455	1,326,914	3,491,999
Inventories	2,953,745	6,605	3,355,403	-
Deferred acquisition costs	914,759	462,305	-	241,080
Short-term investments	1,734,647	45,277	50,153	1,694,865
Cash and cash equivalents	4,940,056	2,320,527	226,108	914,841
Non-current liabilities including deferred tax	**487,774**	**79,122**	**3,430,375**	**3,994**
Current liabilities	**12,479,393**	**5,312,038**	**633,750**	**5,311,298**
Trade and other payables	4,388,881	2,458,410	583,633	2,292,783
Short-term borrowings	53,660	-	-	-
Insurance & other provisions	8,036,852	2,853,628	50,117	3,018,515
Total equity	**17,869,372**	**2,416,323**	**53,570,501**	**2,239,409**

Summarised cash flow information for:
2015

	General insurer (Zimbabwe) US$	General insurer (Malawi) US$	Property (Zimbabwe) US$	Reinsurance (Mozambique) US$
Operating	4,979,973	-	446,994	(14,222)
Investing	(2,115,029)	-	(155,272)	41,913
Financing	(344,027)	-	(405,507)	-
Net (decrease)/increase in cash and cash equivalents	**2,520,917**	**-**	**113,785**	**27,691**
2014				
Operating	2,023,850	65,511	3,018,864	(111,665)
Investing	(1,965,706)	107,764	(1,850,632)	(228,057)
Financing	(103,301)	(47,066)	(1,043,869)	-
Net (decrease)/increase in cash and cash equivalents	**(45,157)**	**126,209**	**124,363**	**(339,722)**

31 Events after the reporting date

31.1 Approval of consolidated financial statements
The consolidated financial statements were approved by the Board of Directors for issue on 17 March 2016.

31.2 Directorship
Mr. S. Kudenga was appointed Group Chief Executive Officer on 1 March 2016 taking over from Mr. A.J Nduna who retired on 31 December 2015.

Company Statement of Financial Position

as at 31 December 2015

Assets	Note	2015 US$	2014 US$
Non-current assets		**40,434,287**	**30,415,677**
Office equipment		391	391
Investment in subsidiaries	B	37,857,132	29,544,647
Investment in associates	C	870,639	870,639
Available-for-sale investments	D	279,388	-
Loan to subsidiary	J	1,426,737	-
Current assets		**3,402,930**	**414,906**
Trade and other receivables		501,742	199,528
Financial assets at fair value through profit or loss	E	-	211,005
Cash and cash equivalents		2,901,188	4,374
TOTAL ASSETS		**43,837,217**	**30,830,584**
EQUITY AND LIABILITIES			
Equity		**40,155,977**	**25,498,587**
Share capital	G	15,306,762	7,806,762
Share premium	G	11,562,694	5,165,974
Other shareholder reserves	F	13,286,521	12,525,851
Non-current liability			
Deferred tax		**1,734,789**	**1,431,545**
Current liabilities		**1,946,451**	**3,900,452**
Trade and other payables		1,946,451	3,436,903
Borrowings		-	463,549
Total liabilities		**3,681,240**	**5,331,997**
TOTAL EQUITY AND LIABILITIES		**43,837,217**	**30,830,584**

Company Statement of Comprehensive Income

for the year ended 31 December 2015

	Note	2015 US$	2014 US$
Investment income		531,594	174,152
Other income		-	183,786
Revenue	**H.1**	**531,594**	**357,939**
Less operating and administrative expenses	**H.2**	(296,354)	(269,104)
Operating profit		**235,240**	**88,835**
Other gains/(losses)	**H.3**	990,191	(23,738)
Finance cost		-	(229,275)
Profit/(loss) before tax	**H**	1,225,431	(164,178)
Income tax	**I**	(303,244)	1,187
Profit/(loss) after tax		**922,186**	**(162,991)**
Other Comprehensive Income			
Loss on available-for-sale investments		-	(73,529)
Tax on changes in available-for-sale investments		-	16,716
Other comprehensive income net of tax		**-**	**(56,813)**
Total comprehensive income for the year		**922,186**	**(219,805)**

A Corporate information

The company is a holding company of investments in subsidiaries, associates and other strategic investments for the Group, with its risks consistent with those of the operating subsidiary companies. These risks are disclosed in the Consolidated financial statements.

B Investment in subsidiaries

	2015 US$	2014 US$
Opening balance	29,544,647	29,878,967
Additions	8,675,012	-
Disposals	(362,527)	(334,320)
Closing balance	**37,857,132**	**29,544,647**

The principal subsidiaries are those listed on note 24 to the Consolidated Financial Statements.

C Investment in associates

The investment in associates held at company level are accounted for as available for sale financial instruments of the holding company. As a result, they are accounted for at cost. All investments in associates for the company are domiciled in Zimbabwe.

	2015 US$	2014 US$
Closing balance	**870,639**	**870,639**

D Available for sale investments

The available for sale investments relates to shares in listed companies. The companies' shares are listed on the Zimbabwe Stock Exchange, and the fair value changes refer to changes in the share price.

	2015 US$	2014 US$
1 January	**-**	**-**
Additions	279,388	-
31 December	**279,388**	**-**

E Financial assets at fair value through profit or loss

	2015 US$	2014 US$
1 January	**-**	**-**
Additions	-	60,475
Unrealised fair value gain/ (loss)	-	150,530
31 December	**-**	**211,005**

F Other shareholder reserves

	Retained earnings US$	Market-to -market reserve US$	Other capital reserves US$	Total US$
Balance at 01 January 2014	**(4,590,156)**	**(5,263,097)**	**22,436,357**	**12,583,104**
Changes for the year	10,712	(56,813)	(11,152)	(57,253)
Closing balance at 31 December 2014	**(4,579,444)**	**(5,319,910)**	**22,425,205**	**12,525,851**
Changes for the year	990,191	-	(229,521)	760,670
Closing balance at 31 December 2015	**(3,589,253)**	**(5,319,910)**	**22,195,684**	**13,286,521**

G Share capital

	Share capital US$	Share premium US$	Total US$
Balance at 01 January 2014	**7,748,469**	**5,181,829**	**12,930,298**
Movement for the year	58,293	(15,855)	42,438
Balance at 31 December 2014	**7,806,762**	**5,165,974**	**12,972,736**
Issue of new shares	7,500,000	6,426,720	13,926,720
Balance at 31 December 2015	**15,306,762**	**11,592,694**	**26,899,457**

The share capital of the company consists of:		
Authorised ordinary shares of USD0.01 each	2,000,000,000	900,000,000
Issued ordinary shares of USD0.01 each	1,530,676,272	780,676,272

All unissued shares are under the control of the directors.

Notes to the Company Financial Statements

***for the year ended 31 December 2015** (continued)*

		2015 US$	2014 US$
H	**Loss before tax**		
	Loss before tax includes the following:		
H.1	**Revenue**		
	Dividend income	90,308	174,153
	Interest income	441,286	-
	Other revenue	-	183,786
		531,594	**357,939**
H.2	**Other gains/(losses)**		
	Fair value loss on listed shares	(8,444)	(23,738)
	Profit on disposal of property and equipment	1,200	-
	Gain on disposal of subsidiary	997,435	-
		990,191	**(23,738)**
H.3	**Operating and administration expenses**		
	Audit fees	23,784	23,064
	Directors' fees	82,100	84,050
	Allowance for credit losses	-	97,000
	Other operating expenses	190,470	64,990
		296,354	**269,104**
I	**Income tax expense**		
	Current	-	-
	Deferred	303,244	(1,187)
		303,244	**(1,187)**
	Tax rate reconciliation		
	Profit/(loss) before tax	1,225,431	(164,178)
	Tax at statutory rate of 25.75%	315,548	(42,276)
	Non (taxable)/deductible items	(12,304)	41,089
		303,244	**(1,187)**
J	**Loan to subsidiary**		
	Principal amount	1,426,737	-

The loan is unsecured, interest free and repayable in full on 31 December 2018.

Analysis of Shareholders

as at 31 December 2015

Analysis Of Shareholders for Zimre Holdings Limited as at 31 December 2015

Size of shareholding	Number of Shareholders	% No. of Shareholders	Shares Held	% of Shares Held
1-1000	2,207	72.41	450,843	0.03
1001-2000	238	7.81	364,197	0.03
2001-3000	88	2.89	219,368	0.02
3001-4000	68	2.23	240,796	0.02
4001-5000	43	1.41	198,194	0.02
5001-10000	109	3.58	781,449	0.06
10001-20000	96	3.15	1,412,821	0.11
20001-50000	63	2.07	1,952,560	0.13
50001-100000	43	1.41	3,217,576	0.21
100001-500000	45	1.48	8,794,121	0.57
500001-1000000	16	0.52	12,385,218	0.81
1000001-10000000	22	0.72	48,163,519	3.15
10000001-50000000	4	0.13	76,470,432	5.00
50000001-100000000	1	0.03	68,123,292	4.41
100000001-99999999999	5	0.16	1,307,901,886	85.43
	3,048	**100**	**1,530,676,272**	**100**

Size of shareholding	Number of Shareholders	% No. of Shareholders	Total Holding	% of Total Holding
INDIVIDUALS	2,820	92.43	30,426,944	1.99
COMPANIES	180	6.00	1,056,654,165	69.03
FCDA RESIDENT AND NEW NON RESIDENT	9	0.30	183,503,052	11.99
PENSION FUNDS	17	0.56	243,582,766	15.91
NOMINEE COMPANY	20	0.64	16,203,959	1.06
INSURANCE COMPANIES	2	0.07	305,386	0.02
Totals	**3,048**	**100**	**1,530,676,272**	**100**

Zimre Holdings Limited top 10 Shareholders as at 31 December 2015

Holder Number	Shareholder Name	Number of Shares	Percentage of Total Issued Shares
957658	DAY RIVER CORPORATION (PRIVATE) LIMITED	614,769,314	40.16
6178	GOVERNMENT OF ZIMBABWE	331,728,844	21.67
2222	NATIONAL SOCIAL SECURITY AUTHORITY	203,905,526	13.32
956903	LALIBELA LIMITED-NNR	157,498,202	10.29
646233	NICKDALE ENTERPRISES (PVT) LTD	68,123,292	4.45
7554	LOCAL AUTHORITIES PENSION FUND	34,788,794	2.27
950147	HAYES-NNR NOEL	15,187,617	0.99
956762	STANBIC NOMINEES (PVT)LTD-A/C 140043470003	14,790,368	0.97
402111	MARIOT COMPUTING AND MANAGEMENT SERVICES (PVT) LTD	11,703,653	0.76
956902	VON SEIDEL-NNR RICHARD JOHN	8,535,224	0.56
TOTAL HOLDING OF TOP SHAREHOLDERS		**1,461,030,834**	**95.45**
REMAINING HOLDING		**69,645,438**	**4.55**
TOTAL ISSUED SHARES		**1,530,676,272**	**100**

Notice of an Annual General Meeting

Notice is hereby given that the 18th Annual General Meeting (AGM) of members of Zimre Holdings Limited (ZHL) will be held in the NICOZDIAMOND Auditorium, 7th Floor Insurance Centre, 30 Samora Machel Avenue, Harare on Wednesday, 22 June 2016 at 1430 hours, to consider the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Annual Financial Statements together with the reports of the Directors and Auditors for the year ended 31 December 2015.

2. To elect Directors of the company.
   2.1 In terms of Article 75 of the Articles of Association of the Company, Messrs A E Adamjee, H B W Rudland and C von Seidel retire by rotation and being eligible, offer themselves for re-election.
   2.2 To confirm the appointment of Mr B Ndebele and note the resignation of Mr J M Matiza.

3. To approve the remuneration of the Directors.

4. To approve the remuneration of the Auditors for the past year.

5. To appoint Auditors for the current year.

6. To transact all such other business as may be transacted at an Annual General Meeting.

Note

(a) In terms of section 129 of the Companies Act (Chapter 24:03), a member of the company is entitled to appoint one or more proxies to attend, vote and speak in his/her stead. A proxy need not be a member of the Company.

(b) Proxy forms must be lodged at the registered office of the Company not less than forty-eight (48) hours before the time appointed for holding the meeting.

By order of the Board

S Mhlanga
Company Secretary
1 June 2016

Registered Office
9th Floor, Zimre Centre
Cnr Leopold Takawira/Kwame Nkrumah Ave
HARARE

Proxy Form

I/We..

Of..

Being a member/ members of the above company, hereby appoint

Mr/Mrs/Ms..

Or failing him/her..

Of..

Or failing him/her..

Of..

As my/ our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on 22 June 2016 and at any or adjournment thereof.

SIGNED this...Day of..2016

Signature of Member...

NOTES

1. A member entitled to attend and vote at the meeting of the Company shall be entitled to appoint another person, whether a member of the Company or not, as his/her proxy to attend, vote and speak in his/her stand.
2. Proxy forms should be lodged at the registered office of the Company by no later than 48 hours before the time of the holding of the meeting.
3. Any alterations or corrections made to this form of proxy (including the deletion of alternatives) must be initiated by the signatory/signatories.
4. Shareholders are requested to submit key questions in writing at least five days before the date of the meeting to enable comprehensive answers to be prepared. This will not preclude them from raising questions from the floor.

....

Change of address Advice

Shareholders should of necessity keep the Transfer Secretaries advised of any change in name or address:

Shareholder's name in full (Block Letters)..

New Address (Block Letters)..

....

Signature/s of Signature member/ s ....

Notes