

CHAIRMAN'S STATEMENT

THE ECONOMY

The environment was characterised by low economic activity, inflationary pressures, power challenges and foreign currency constraints that had a huge bearing on business. The Government adopted major policy reforms including the adoption of the mono currency regime. Fiscal and monetary policy reforms were intended to stimulate economic activity.

Exogenous factors particularly the climate change – drought and Cyclone Idai have had negative effects on the economy. Management continued to adapt its strategies in order to minimise the potential adverse effects of the external conditions on business sustainability.

THE PROPERTY MARKET

In 2019, the Zimbabwean property market remained subdued, characterised by high levels of voids. The Central Business District was less affected by power outages. Growth in the SME activities also stimulated the demand for working space. The Retail and office park sectors remained relatively stable during the year due to limited availability of quality space.

Rentals improved during the year as landlords frequently repriced space in line with currency changes and inflationary trends. The range of increases was influenced by the size, quality and location of the properties. The introduction of Statutory Instrument 133 of 2019 resulted in ZWL rental charges.

Development activity remains dominant in the residential and industrial sectors, with the latter focusing on warehousing and light industrial structures. The majority of industrial units are however earmarked for owner occupation. Office space development is also relatively active and mostly earmarked for owner occupation, with limited speculative activity.

Development risk remains high due to inflationary pressures affecting development costs. However in order to protect the value, property investors are entering into new developments taking a long term view, assuming the development risks and utilising available excess liquidity to hedge value and inflation risk in real assets.

FINANCIAL PERFORMANCE

The Group had a positive performance for the year in spite of the tough operating environment. An increase in operating profit of 88% was realised on the back of improved occupancy levels and turnover rentals. The value of the investment property portfolio grew by 53% driven by fair value gains.

Rental income decreased by 12% to ZWL 58.10 million (FY2018: ZWL 65.76 million) underpinned by foreign currency translations effect. In the period there were new lettings which improved occupancy levels to 85.70% (FY2018: 76.10%). Property expenses, at ZWL 14.04 million, were down by 11% in line with drop in revenue. However, the business maintained its strategic focus of investing in maintenance programmes to improve the quality of space aimed at attracting new tenants and retaining existing ones. Net property income marginally decreased by 13% to ZWL 43.31 million (FY 2018: ZWL 49.65 million) due to decrease in rentals. Administration expenses declined by 29% to ZWL 20.72 million in 2019 from ZWL 29.40 million in prior year largely due to cost containment measures implemented by the business.

An independent property valuation conducted by Knight Frank Zimbabwe as at 31 December 2019 valued the property portfolio at ZWL 1,392.13 million, being an 53% gain on the prior year, on a market value basis. The gain was driven by fair value gains of ZWL 485 million which were realised across the sectors. The Group's strategic land bank contributed significantly to the appreciation in value of property portfolio.

The company is at pre – construction stage of the Arundel Office Park extension with formal appointments of the design team having been concluded. In preparation of the project, some pre purchases of bulk materials have commenced. The construction work is set to commence in H2, 2020.

DIVIDEND

At a meeting held on 27 February 2020, your Board resolved that a final dividend of ZWL 4.2 million being ZWL 0.34 cents per share be declared from the profits for the year ended 31 December 2019. The dividend will be payable on or about 3 July 2020 to all shareholders of the Group registered at close of business on 3 June 2020. The shares of the Group will be traded cum-dividend on the Zimbabwe Stock Exchange up to 29 May 2020 and ex-dividend as from 1 June 2020.

TAX RESTRUCTURING

The Group embarked on a tax restructuring exercise to consolidate the property holdings to create operational efficiencies. The restructuring exercise was completed in the period under review.

OUTLOOK

The economic outlook remains uncertain due to climate change, power supply, foreign currency challenges, low productive sector capacity utilisation and the further potential adverse effects of COVID-19. These factors have ramifications for the country's recovery prospects and will affect demand for various real estate products. The Group will however continue to pursue and implement various strategies to preserve shareholder value and position the Group for growth.

In the short term the focus is on driving rental growth, managing operating and maintenance costs, all to ensure the going concern and sustainability of the property portfolio. With changing local and global and real estate trends, the Group will target investment opportunities in non-traditional real estate asset classes and provide property services to third parties to further diversify income streams. In addition, in light of the changing socio-economic environment, the Group will also focus on developing new products and tailoring existing stock to the changing requirements.

The depth and breadth of the economic impact of COVID-19 on the real estate sector remains uncertain. Long term behavioural changes will define market direction, as immediate reactions and changes may not be long term. The ability to ensure real estate products are agile and adaptable is critical. The focus for property investors will be on determining the right balance between capital preservation and further strengthening the competitive differentiation of existing products. COVID-19 has accelerated the need to diversify revenue streams, pursuing digital strategies, and focusing on enhancing tenant experience with owners and operators collaborating to protect their ecosystem to remain a going concern.

APPRECIATION

On behalf of the Board, I wish to thank all our stakeholders for their continued invaluable support.



E. K. Moyo
Chairman

STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2019	Note	Inflation Adjusted		Historical	
		AUDITED 31 Dec 2019 ZWL 000	RESTATED 31 Dec 2018 ZWL 000	AUDITED 31 Dec 2019 ZWL 000	AUDITED 31 Dec 2018 ZWL 000
ASSETS					
Investment properties	5	1 392 132	907 738	1 392 132	146 150
Vehicles and equipment	6	1 315	1 426	197	179
Financial assets at fair value through profit or loss		472	1 025	472	165
Financial assets at amortised cost	7	390	3 685	390	593
Total Non Current Assets		1 394 309	913 874	1 393 191	147 087
CURRENT ASSETS					
Inventory		196	196	100	22
Tax receivable		199	3 784	199	609
Trade and other receivables	8	7 848	7 098	7 848	1 143
Cash and cash equivalents	9	18 141	3 486	18 141	561
Total Current Assets		26 384	14 564	26 288	2 335
Total Assets		1 420 693	928 438	1 419 479	149 422
EQUITY AND LIABILITIES					
Ordinary share capital		10 468	10 490	1 198	1 218
Retained earnings		1 150 668	803 293	1 159 574	129 762
Total Shareholders' Equity		1 161 136	813 783	1 160 772	130 980
NON-CURRENT LIABILITIES					
Deferred tax liabilities	10	250 655	103 900	250 379	16 711
Total Non Current Liabilities		250 655	103 900	250 379	16 711
CURRENT LIABILITIES					
Borrowings	11	-	569	-	91
Current income tax liability		164	-	164	-
Trade and other payables	12	8 738	10 186	8 164	1 640
Total Current Liabilities		8 902	10 755	8 328	1 731
Total Liabilities		259 557	114 655	258 707	18 442
Total Equity and Liabilities		1 420 693	928 438	1 419 479	149 422

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR YEAR ENDED 31 DECEMBER 2019	NOTE	Inflation Adjusted		Historical	
		AUDITED 31 Dec 2019 ZWL 000	RESTATED 31 Dec 2018 ZWL 000	AUDITED 31 Dec 2019 ZWL 000	AUDITED 31 Dec 2018 ZWL 000
Revenue	13	58 109	65 761	23 996	8 077
Property expenses	14	(14 044)	(15 776)	(6 747)	(1 988)
Provision for credit losses		(755)	(340)	(755)	(55)
Net property income (NPI)		43 310	49 645	16 494	6 034
Employee related expenses	15	(10 252)	(12 154)	(4 476)	(1 541)
Other expenses	15	(10 475)	(17 243)	(4 379)	(2 048)
NPI after admin expenses		22 583	20 248	7 639	2 445
Fair value adjustment - investment properties		484 726	(296 821)	1 246 756	6 265
Net monetary (loss)/gain		(27 994)	320 660	-	-
Finance income	16	785	1 553	254	189
Other income	17	20 574	2 438	12 446	297
Finance costs		(4)	(444)	(1)	(53)
Profit before income tax		500 670	47 634	1 267 094	9 143
Income tax expense	18	(149 639)	(24 464)	(236 552)	(5 083)
Profit for the period		351 031	23 170	1 030 542	4 060
Other comprehensive income for the period		-	-	-	-
Total comprehensive profit for the period		351 031	23 170	1 030 542	4 060
Attributable to:					
Owners of the parent		351 031	23 170	1 030 542	4 060
Total profit for the period		351 031	23 170	1 030 542	4 060
Basic and diluted earnings per share (ZWL cents)		0.28	0.02	0.83	0.0033
Weighted average number of shares in issue		1 236 928	1 236 928	1 236 928	1 236 928

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - FOR THE 12 MONTHS ENDED 31 DECEMBER 2019

INFLATION ADJUSTED	ATTRIBUTE TO OWNERS OF THE PARENT		
	Ordinary share capital	Retained earnings	Total equity
At 1 January 2018	1 238	786 409	787 648
Adjustment of share capital for inflation	9 424	-	9 424
Acquisition of treasury shares	(172)	-	(172)
Profit for the period	-	23 170	23 170
Dividend paid	-	(6 286)	(6 286)
At 31 December 2018	10 490	803 293	813 783
Acquisition of treasury shares	(22)	-	(22)
Profit of the period	-	351 031	351 031
Dividend paid	-	(3 656)	(3 656)
At 31 December 2019	10 468	1 150 668	1 161 136
HISTORICAL	ATTRIBUTE TO OWNERS OF THE PARENT		
	Ordinary share capital	Retained earnings	Total equity
At 1 January 2018	1 238	126 432	127 670
Profit for the year	-	4 060	4 060
Acquisition of treasury shares	(20)	-	(20)
Dividend paid	-	(730)	(730)
At 31 December 2018	1 218	129 762	130 980
Profit of the period	-	1 030 542	1 030 542
Acquisition of treasury shares	(20)	-	(20)
Dividend paid	-	(730)	(730)
At 31 December 2019	1 198	1 159 574	1 160 772

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CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019	Inflation Adjusted		Historical	
	AUDITED 31 Dec 2019 ZWL 000	RESTATED 31 Dec 2018 ZWL 000	AUDITED 31 Dec 2019 ZWL 000	AUDITED 31 Dec 2018 ZWL 000
Profit before tax	500 670	47 634	1 267 094	9 143
Adjustment for non-cash items	(464 291)	(22 009)	(1 251 315)	(5 947)
Cash flows from operating activities before working capital adjustments	36 379	25 625	15 779	3 196
Working capital adjustments	(2 950)	4 178	(1 011)	696
Cash generated from operations	33 429	29 803	14 768	3 892
Tax paid	(3 351)	(9 241)	(2 082)	(1 179)
Interest paid	(4)	(444)	(1)	(53)
Net cash flow from operating activities	30 074	20 118	12 685	2 660
Net cash flows used in investing activities	2 635	(19 849)	1042	(2 341)
Net cash flows from financing activities	(3 785)	(15 258)	(842)	(1 830)
Net increase/ (decrease) in cash and cash equivalents	28 924	(14 989)	12 885	(1 511)
Inflation effect on cash flows	(24 546)	632	-	-
Opening cash and cash equivalents	3 486	17 843	561	2 072
Effects of changes in foreign currency	10 277	-	4 695	-
Cash and cash equivalents at 31 December	18 141	3 486	18 141	561

NOTES FOR THE CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDING 31 DECEMBER 2019

1. Corporate information

First Mutual Properties Limited is a public company incorporated and domiciled in Zimbabwe and its shares are publicly traded on the Zimbabwe Stock Exchange. The principal activities of the Group are property investment development and management. The consolidated financial statements of the Group for the twelve months ended 31 December 2019 were authorised for issue in accordance with a resolution of the directors at a meeting held on 27 February 2020.

2. Statement of Compliance

These financial results should be read in conjunction with the complete set of financial statements for the year ended 31 December 2019, which have been audited by PricewaterhouseCoopers Chartered Accountants (Zimbabwe). The Group's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("the IASB"), International Financial Reporting Committee Interpretations ("IFRIC") as issued by the International Financial Reporting Interpretations Committee ("IFRS IC") and in a manner required by the Zimbabwe Companies Act (Chapter 24:03) except for IAS 21, Effects of changes in foreign exchange rates. The financial statements are based on statutory records that are maintained under the historical cost convention except for investment properties and equity securities at fair value through profit or loss that have been measured on a fair value basis.

2.1. Inflation Adjustment

For the purpose of fair presentation in accordance with International Accounting Standard 29 "Financial Reporting in Hyper Inflationary Economies" the financial statements have been restated for changes in the general purchasing power of the ZWL and appropriate adjustments have been made. The restatement has been calculated by means of conversion factors derived from the month on month Consumer Price Index (CPI) prepared by the Zimbabwe Statistical Agency.

All items in the income statement are restated by applying the relevant monthly conversion factors. The conversion factors used are as follows:

Date	CPI	Conversion factor
31-Dec-19	551.63	1.00
31-Dec-18	88.81	6.21
30-Sep-18	64.06	8.61

3. Audit Opinion

These financial statements should be read in conjunction with the complete set of financial statements for the year ended 31 December 2019, which have been audited by PricewaterhouseCoopers Chartered Accountants (Zimbabwe).

An adverse audit opinion has been issued because of non-compliance with IAS 21, 'The Effects of Foreign Exchange Rates' and the impact on the inflation-adjusted amounts determined in terms of IAS29, 'Financial Reporting in Hyper-inflationary Economies. The auditor's report includes a section on key audit matters as defined by ISA 701, 'Communicating key audit matters in the independent auditor's report'. This includes both the rationale for determining the key audit matters and how they were addressed during the audit. Below are the key audit matters:

- valuation of investment property, and
- allowance for expected credit losses on trade receivables

The financial statements were audited by Clive K Mukondiwa, CA(Z), a member of the Institute of Chartered Accountants Zimbabwe ("ICAZ") Public Practice Certificate Number 253168 and a registered Public Auditor with the Public Accountants and Auditors Board, Public Auditor Certificate Number 0439. The auditor's report on the financial statements is available for inspection at the Company's registered office.

4. Functional and Presentation Currency

The reporting period is 1 January 2019 to 31 December 2019. The financial statements are presented in Zimbabwean dollars (ZWL) being the functional and reporting currency of the primary economic environment in which the Group operates. The Group has in previous financial periods used the United States of America Dollar ("US\$") as its presentation currency and functional currency. However, on 20 February 2019, the Reserve Bank of Zimbabwe ("RBZ") Governor announced a new Monetary Policy Statement ("MPS") whose highlights were:

- Denomination of Real Time Gross Settlement ("RTGS") balances, bond notes and coins collectively as RTGS dollars ("RTGS\$"). RTGS\$ become part of the multi-currency system.
- RTGS\$ to be used by all entities (including government) and individuals in Zimbabwe for purposes of pricing of goods and services, record debts, accounting and settlement of domestic transactions.
- Establishment of an inter-bank foreign exchange market where the exchange rate will be determined by market forces. The interbank market opened trading at a rate of US\$1 to RTGS\$ 2.5

The MPS announcement was followed by the publication of Statutory Instrument ("SI") 33 of 2019 on 22 February 2019. The SI gave effect to the Introduction of the RTGS\$ as legal tender and prescribed that "for accounting and other purposes" certain assets and liabilities and the effective date would be deemed to be RTGS\$ at a rate of 1:1 to the USD and would become opening RTGS\$ values from the effective date.

On 24 June 2019 another SI 142 was issued resulting in the abolishment of the multicurrency regime and introducing the ZWL as a mono-currency or sole tender. The ZWL was introduced at par with the RTGS\$.

5. Investment Properties

	Inflation Adjusted		Historical	
	AUDITED 31 Dec 2019 ZWL 000	RESTATED 31 Dec 2018 ZWL 000	AUDITED 31 Dec 2019 ZWL 000	AUDITED 31 Dec 2018 ZWL 000
At 1 January	907 738	1 183 652	146 150	137 457
Disposals	(1 178)	-	(1 086)	-
Additions	-	18 585	-	2 158
Improvements to existing properties	846	2 322	312	270
Fair value adjustments	484 726	(296 821)	1 246 756	6 265
	1 392 132	907 738	1 392 132	146 150

6. Vehicles & Equipment

	Inflation Adjusted		Historical	
	AUDITED 31 Dec 2019 ZWL 000	RESTATED 31 Dec 2018 ZWL 000	AUDITED 31 Dec 2019 ZWL 000	AUDITED 31 Dec 2018 ZWL 000
At 1 January	1 426	889	179	104
Additions	267	822	66	103
Disposals	(3)	-	(1)	-
Depreciation	(375)	(285)	(47)	(28)
	1 315	1 426	197	179

7. Financial Assets at Amortised

	AUDITED 31 Dec 2019 ZWL 000	RESTATED 31 Dec 2018 ZWL 000	AUDITED 31 Dec 2019 ZWL 000	AUDITED 31 Dec 2018 ZWL 000
Held at maturity investments	200	2 503	200	403
Housing bonds	190	1 182	190	190
Amortised interest	15	92	15	15
Repayments received	(15)	(92)	(15)	(15)
	390	3 685	390	593

8. Trade & Other Receivables

	AUDITED 31 Dec 2019 ZWL 000	RESTATED 31 Dec 2018 ZWL 000	AUDITED 31 Dec 2019 ZWL 000	AUDITED 31 Dec 2018 ZWL 000
Tenant receivables	4 718	10 841	4 718	1 745
Tenant operating cost recoveries	1 813	2 974	1 813	479
Property sales receivables	-	88	-	14
Trade receivables	6 531	13 903	6 531	2 238
Less: Allowance for Credit Losses	(2 353)	(9 937)	(2 353)	(1 600)
Net Trade Receivables	4 178	3 966	4 178	638
Prepayments	2 190	191	2 190	32
Other receivables	1 480	2 740	1 480	441
Related party receivables	-	201	-	32
	7 848	7 098	7 848	1 143

9. Cash & Cash Equivalents

	AUDITED 31 Dec 2019 ZWL 000	RESTATED 31 Dec 2018 ZWL 000	AUDITED 31 Dec 2019 ZWL 000	AUDITED 31 Dec 2018 ZWL 000
Cash at Bank: USD	17 823	36	17 823	6
Cash at Bank: ZWL	318	3 450	318	555
	18 141	3 486	18 141	561

10. Deferred Tax Liability

	AUDITED 31 Dec 2019 ZWL 000	RESTATED 31 Dec 2018 ZWL 000	AUDITED 31 Dec 2019 ZWL 000	AUDITED 31 Dec 2018 ZWL 000
At 1 January	103 900	81 959	16 711	13 144
Recognised in the statement of profit or loss	-	-	-	-
-Arising on vehicles and equipment	84	40	8	39
-Arising on investment properties	147 260	22 347	234 249	3 599
-Arising on unquoted shares	24	-	24	-
-Arising on assessed losses	-	(446)	-	(71)
-Arising on provisions for credit losses	(582)	-	(582)	-
-Arising on leave pay provisions	(31)	-	(31)	-
	250 655	103 900	250 379	16 711

11. Borrowings

	AUDITED 31 Dec 2019 ZWL 000	RESTATED 31 Dec 2018 ZWL 000	AUDITED 31 Dec 2019 ZWL 000	AUDITED 31 Dec 2018 ZWL 000
At 1 January	569	7 402	91	1 191
Amortised interest	-	310	-	50
Repayments of interest	-	(310)	-	(50)
Repayments of principal	(569)	(6 833)	(91)	(1 100)
	-	569	-	91
Short-term portion	-	569	-	91
Long-term portion	-	-	-	-
	-	569	-	91

12. Trade & Other Payables

	AUDITED 31 Dec 2019 ZWL 000	RESTATED 31 Dec 2018 ZWL 000	AUDITED 31 Dec 2019 ZWL 000	AUDITED 31 Dec 2018 ZWL 000
Tenant payables	1 289	1 870	715	301
Related party payables	4 087	839	4 087	135
Sundry payables	869	3 301	869	532
Trade payables	2 493	4 176	2 493	672
	8 738	10 186	8 164	1 640

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13. Revenue

	Inflation Adjusted		Historical	
	AUDITED 31 Dec 2019 ZWL 000	RESTATED 31 Dec 2018 ZWL 000	AUDITED 31 Dec 2019 ZWL 000	AUDITED 31 Dec 2018 ZWL 000
Rental income	57 424	65 256	23 565	8 014
Property Services income	685	505	431	63
	58 109	65 761	23 996	8 077

14. Property Expenses

	Inflation Adjusted		Historical	
	AUDITED 31 Dec 2019 ZWL 000	RESTATED 31 Dec 2018 ZWL 000	AUDITED 31 Dec 2019 ZWL 000	AUDITED 31 Dec 2018 ZWL 000
Maintenance costs	10 858	9 935	4 074	1 257
Property security and utilities	114	315	38	38
Valuation fees	113	141	39	18
Operating cost under recoveries	2 959	5 385	2 596	675
	14 044	15 776	6 747	1 988

15. Profit before income tax

Profit before income tax takes into account the following:

	Inflation Adjusted		Historical	
	AUDITED 31 Dec 2019 ZWL 000	RESTATED 31 Dec 2018 ZWL 000	AUDITED 31 Dec 2019 ZWL 000	AUDITED 31 Dec 2018 ZWL 000
Directors fees -for services as directors	492	434	284	56
Audit fees	374	494	174	67
Information communication and technology expenses	1 567	941	602	116
Fees and other charges	1 025	7 875	444	850
Depreciation	375	285	47	28
Office costs	2 470	1 607	759	198
Group shared services	3 854	4 981	1 579	611

16. Finance Income

	Inflation Adjusted		Historical	
	AUDITED 31 Dec 2019 ZWL 000	RESTATED 31 Dec 2018 ZWL 000	AUDITED 31 Dec 2019 ZWL 000	AUDITED 31 Dec 2018 ZWL 000
Interest on overdue tenants accounts	641	1 221	203	149
Interest on money market investments	144	332	51	40
	785	1 553	254	189

17. Other Income

	Inflation Adjusted		Historical	
	AUDITED 31 Dec 2019 ZWL 000	RESTATED 31 Dec 2018 ZWL 000	AUDITED 31 Dec 2019 ZWL 000	AUDITED 31 Dec 2018 ZWL 000
Exchange gains	19 133	-	11 574	-
Other income	1 441	2 438	872	297
	20 574	2 438	12 446	297

18. Income Tax Expense

	Inflation Adjusted		Historical	
	AUDITED 31 Dec 2019 ZWL 000	RESTATED 31 Dec 2018 ZWL 000	AUDITED 31 Dec 2019 ZWL 000	AUDITED 31 Dec 2018 ZWL 000
Current income tax	2 884	7 284	2 884	1 122
Deferred tax	146 755	17 180	233 668	3 961
	149 639	24 464	236 552	5 083

INFLATION ADJUSTED

SEGMENT REPORTING FOR THE YEAR ENDED 31 DECEMBER 2019

	Office	Retail	Industrial	Other	Adjustment	Total
	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Revenue	32 067	15 755	8 652	1 776	(141)	58 109
Property expenses and allowance for credit losses	(8 885)	(2 275)	(1 991)	(1 648)	-	(14 799)
Segment results	23 182	13 480	6 661	128	(141)	43 310
Fair value adjustment - Investment property	191 510	53 180	23 145	216 891	-	484 726
Segment profit	214 692	66 660	29 806	217 018	(141)	528 036
Employee related expenses	-	-	-	(10 252)	-	(10 252)
Other Expenses	(4 559)	(1 472)	(838)	(7 503)	3 897	(10 475)
Finance costs	-	-	-	(4)	-	(4)
Finance income	211	291	82	201	-	785
Other income	19 622	61	-	891	-	20 574
Net monetary loss	-	-	-	-	(27 994)	(27 994)
Profit before income tax expense	229 967	65 539	29 050	200 352	3 756	500 670

RECONCILIATION OF SEGMENT RESULTS FOR 31 DECEMBER 2019

	Office	Retail	Industrial	Other	Total
	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Assets					
Investment Property	635 873	209 502	85 396	461 361	1 392 132
Trade receivables	2 342	(780)	240	2 375	4 177
Segment Assets	638 215	208 722	85 636	463 736	1 396 309
Other non-current assets	-	-	-	2 178	2 178
Other Current assets	-	-	-	22 206	22 206
Total Assets	638 215	208 722	85 636	488 120	1 420 693
Current Liabilities	7 351	262	57	1 232	8 902
Capital expenditure	1 095	20	-	-	1 115

SEGMENT REPORTING FOR THE YEAR ENDED 31 DECEMBER 2018

	Office	Retail	Industrial	Other	Adjustment	Total
	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Revenue	34 096	20 181	8 550	3 247	(314)	65 760
Property expenses and allowance for credit losses	(9 126)	(3 464)	(1 659)	(1 866)	-	(16 115)
Segment results	24 970	16 717	6 891	1 381	(314)	49 645
Fair value adjustment - Investment property	(30 817)	(38 535)	(6 159)	(221 309)	-	(296 820)
Segment profit	(5 847)	(21 818)	732	(219 928)	(314)	(247 175)
Employee related expenses	-	-	-	(12 154)	-	(12 154)
Other Expenses	(11 051)	(3 155)	(1 435)	(17 575)	15 974	(17 243)
Finance costs	-	-	-	(444)	-	(444)
Finance income	371	623	160	398	-	1 553
Other income	430	(3)	-	2 012	-	2 438
Net monetary loss	-	-	-	-	320 660	320 660
Profit before income tax expense	(16 097)	(24 353)	(543)	(247 692)	336 319	47 634

RECONCILIATION OF SEGMENT RESULTS FOR 31 DECEMBER 2018

	Office	Retail	Industrial	Other	Total
	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Assets					
Investment Property	447 254	200 988	72 234	187 262	907 738
Trade receivables	1 306	635	364	1 661	3 966
Segment Assets	448 560	201 623	72 598	188 923	911 704
Other non-current assets	-	-	-	6 135	6 135
Other Current assets	-	-	-	10 599	10 599
Total Assets	448 560	201 623	72 598	205 657	928 438
Current Liabilities	5 477	256	230	4 792	10 755
Capital expenditure	7 554	6 887	-	1 274	15 716

HISTORICAL

SEGMENT REPORTING FOR THE YEAR ENDED 31 DECEMBER 2019

	Office	Retail	Industrial	Other	Adjustment	Total
	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Revenue	13 242	6 506	3 573	733	(58)	23 996
Property expenses and allowance for credit losses	(4 453)	(1 006)	(1 223)	(820)	-	(7 502)
Segment results	8 789	5 500	2 350	(87)	(58)	16 494
Fair value adjustment - Investment property	492 580	136 784	59 530	557 862	-	1 246 756
Segment profit	501 369	142 284	61 880	557 775	(58)	1 263 250
Employee related expenses	-	-	-	(4 476)	-	(4 476)
Other Expenses	(1 906)	(616)	(350)	(3 136)	1 629	(4 379)
Finance costs	-	-	-	(1)	-	(1)
Finance income	68	94	27	65	-	254
Other income	11 560	35	-	851	-	12 446
Profit before income tax expense	511 091	141 797	61 557	551 078	1 571	1 267 094

RECONCILIATION OF SEGMENT RESULTS FOR 31 DECEMBER 2019

	Office	Retail	Industrial	Other	Total
	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Assets					
Investment Property	635 873	209 502	85 396	461 361	1 392 132
Trade receivables	2 342	(780)	240	2 375	4 177
Segment Assets	638 216	208 722	85 636	463 736	1 396 309
Other non-current assets	-	-	-	1 060	1 060
Other Current assets	-	-	-	22 110	22 110
Total Assets	638 216	208 722	85 636	486 906	1 419 479
Current Liabilities	6 876	245	54	1 153	8 328
Capital expenditure	303	9	-	-	312

SEGMENT REPORTING FOR THE PERIOD ENDED 31 DECEMBER 2018

	Office	Retail	Industrial	Other	Adjustment	Total
	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Revenue	4 188	2 479	1 050	399	(39)	8 077
Property expenses and allowance for credit losses	(1 374)	(334)	(159)	(175)	-	(2 042)
Segment results	2 814	2 145	891	224	(39)	6 035
Fair value adjustment - Investment property	650	813	130	4 671	-	6 265
Segment profit	3 464	2 958	1 021	4 895	(39)	12 300
Employee related expenses	-	-	-	(1 541)	-	(1 541)
Other Expenses	(1 313)	(375)	(171)	(2 088)	1 898	(2 048)
Finance costs	-	-	-	(53)	-	(53)
Finance income	45	76	20	48	-	189
Other income	52	-	-	245	-	297
Profit before income tax expense	2 249	2 659	870	1 506	1 859	9 143

RECONCILIATION OF SEGMENT RESULTS FOR 31 DECEMBER 2018

	Office	Retail	Industrial	Other	Total
	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Assets					
Investment Property	72 010	32 360	11 630	30 150	146 150
Trade receivables	210	102	59	267	639
Segment Assets	72 220	32 462	11 689	30 417	146 789
Other non-current assets	-	-	-	937	937
Other current assets	-	-	-	1 697	1 697
Total Assets	72 220	32 462	11 689	33 051	149 422
Current Liabilities	834	39	35	632	1 638
Capital expenditure	1 216	1 109	-	205	2 530

19. Events after the balance sheet date

The onset of the global pandemic, Covid-19, occurred early 2020. The pandemic has affected most nations globally and has seen most nations implementing lockdowns. The depth and breadth of the economic impact on the real estate sector remains uncertain. Long term behavioural changes will define market direction, as immediate reactions and changes may not be long term. The ability to ensure real estate products are agile and adaptable is critical. The focus for property investors will be on determining the right balance between capital preservation and further strengthening the competitive differentiation of existing product. Covid-19 has accelerated the need to diversify revenue streams, pursuing digital strategies, and focus on enhancing tenant experience, with owners and operators collaborating to protect their ecosystem to remain a going concern. This has affected productive sectors of the economy and has led to uncertainty across the world. This event is a non adjusting event and directors will continue to assess the impact of Covid-19 going forward.

20. Going Concern

The Directors have assessed the ability of the Group to continue operating as a going concern, including the impact of COVID-19, and believe that the preparation of these financial statements on a going concern basis is still appropriate.