FIRST MUTUAL

PROPERTIES

Go Beyond

2022

ANNUAL REPORT

Vision

"To be the dominant and best performing real estate company in Sub Saharan Africa, excluding South Africa, in terms of income return."

Mission

"To preserve and maximise stakeholder value through innovative real estate solutions."

Values

- **Integrity** - We are true to self and true to others.
- **Accountability** - We take responsibility for our actions.
- **Professionalism** - We display expert competence in the way we do business.
- **Sustainability** - We believe in the continuance and preservation of future generations.
- **Care** - We show concern and seek the well-being of all our stakeholders.
- **Innovation** - We strive for creativity and relevance in our market.

ABOUT THIS REPORT

First Mutual Properties Limited, a Company listed on the Zimbabwe Stock Exchange ("ZSE") since 2007, is pleased to present the annual report for the year ended 31 December 2022. This report integrates both financial and sustainability information to demonstrate our commitment to responsible business practices and values.

Reporting Scope

This report contains information for First Mutual Properties Limited formerly known as Pearl Properties (2006) limited incorporated and domiciled in Zimbabwe. Its principal activities are property investment, development, and management. In this report all references to 'our', 'we', 'us', 'the business', 'FMP', and 'the Company' refer to First Mutual Properties Limited.

Reporting Frameworks

In developing this report, we were guided by the following reporting requirements:

- The Companies and other Business Entities Act [Chapter 24:31];
- SI.134 of 2019 Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) Rules;
- International Financial Reporting Standards ("IFRS"); and
- Global Reporting Initiative ("GRI") Standards.

Sustainability Data

The report was compiled using qualitative and quantitative data extracted from company policy documents, records and from personnel accountable for material issues herein presented. In some cases, estimations were made and confirmed for consistency with business activities.

Data and Assurance

The Financial statements were audited by Ernst and Young Chartered Accountants (Zimbabwe) in accordance with the International Standards of Auditing (ISAs). The independent auditors' report is found on page 54.

Sustainability information was validated for compliance with the GRI Standards by the Institute for Sustainability Africa (INSAF), an independent subject matter expert. A GRI Content Index is contained on page 143 to 146. The sustainability data provided in this report was not externally assured.

Report Declaration

The Directors take responsibility to confirm that this report has been prepared in accordance with the GRI Standards 'Core' option.

Restatements

First Mutual Properties did not make any reinstatement of data previously published.

Forward Looking Statements

This report may contain forward looking statements which are based on current estimates and projections by First Mutual Properties. These statements however, do not guarantee future developments and results as these may be affected by several anticipated and unanticipated risks and uncertainties. Stakeholders are cautioned against placing undue reliance on forward looking statements contained herein. We commit to publicly share any revisions of the forward-looking statements to reflect changes in circumstances and or events after the publication of this report through trading and website updates.

Feedback on the Report

The Company values opinions and feedback from all stakeholders on how we can improve our operations and reporting. We welcome any suggestions and or inquiries you may have. Kindly share your feedback with Dulcie Kandwe (Mrs), Company Secretary, Email: dkandwe@firstmutual.co.zw.

E K Moyo
(Chairman)

C K Manyowa
(Managing Director)


GEORGE SQUARE
Pick n Pay

CONTENTS

Business Profile

First Mutual Properties Limited's principal activities are property investment, development, and management. The Company is listed on the Zimbabwe Stock Exchange and its growth is centred on property acquisitions and developments.

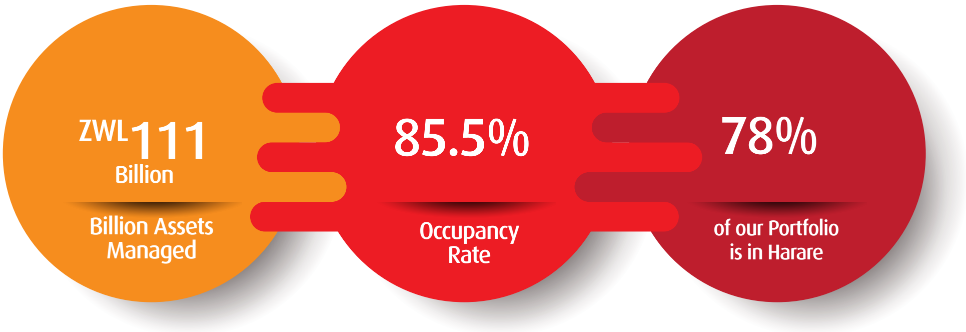
Product and Service Offerings

First Mutual Properties Limited also trades as Oyster Real Estate. Oyster Real Estate is a fully licensed unit that provides professional property services that include:

- Property management,
- Facilities management,
- Property development,
- Property investment, and
- Property valuations.

A detailed description of our products and services can be accessed on https://www.firstmutual.co.zw

Our Assets



MEMBERSHIPS AND BUSINESS ASSOCIATION

First Mutual Properties is a member of the following:

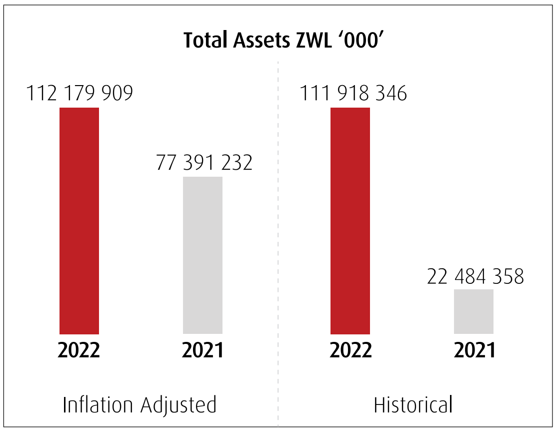
- Estate Agents Council of Zimbabwe;
- Real Estate Institute of Zimbabwe;
- Valuers Council of Zimbabwe;
- Royal Institute of Surveyors; and
- National Property Owners Association.

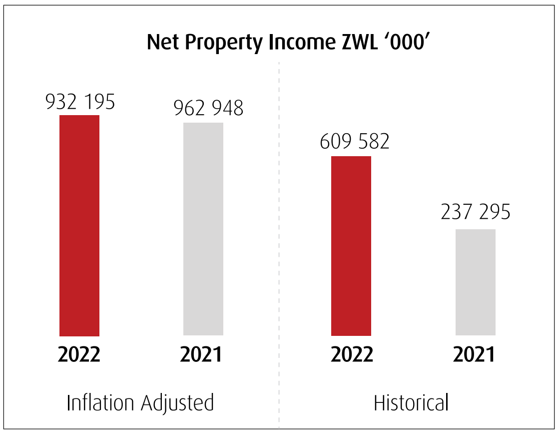
AWARDS

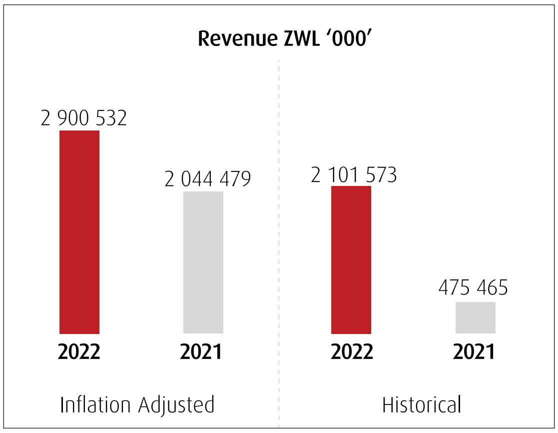
- Best Board Practices – Chartered Governance and Accountancy Institute in Zimbabwe (CGIZim)
- Best Shareholder Treatment - – Chartered Governance and Accountancy Institute in Zimbabwe (CGIZim)
- Overall Best Corporate Governance Practices - – Chartered Governance and Accountancy Institute in Zimbabwe (CGIZim)

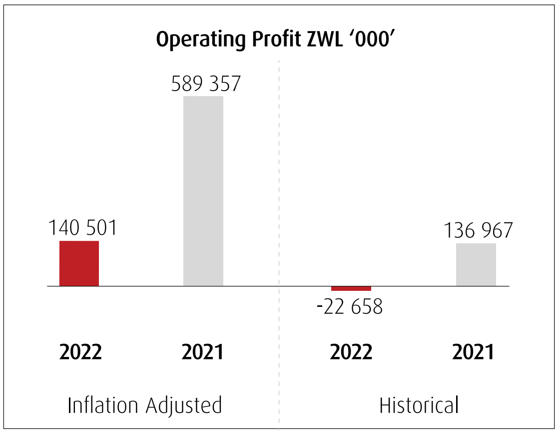
Performance Highlights

Financial Highlights









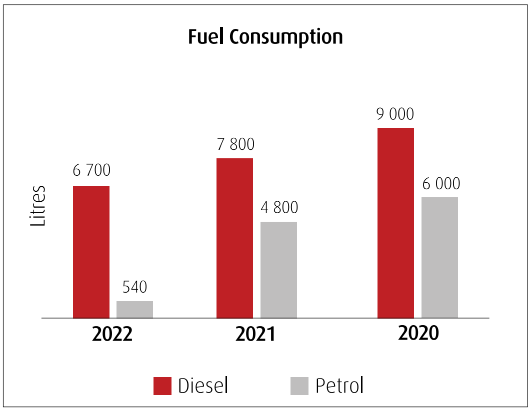
Financial Highlights	Inflation Adjusted		Historical	
	ZWL		ZWL	
	2022	2021	2022	2021
Cash Generated from Operating Activities	(604,286,291)	143,203,024	(573,891,562)	24,434,703
Profit before Income Tax	34,794,008,168	24,420,489,025	89,103,773,286	12,882,011,629

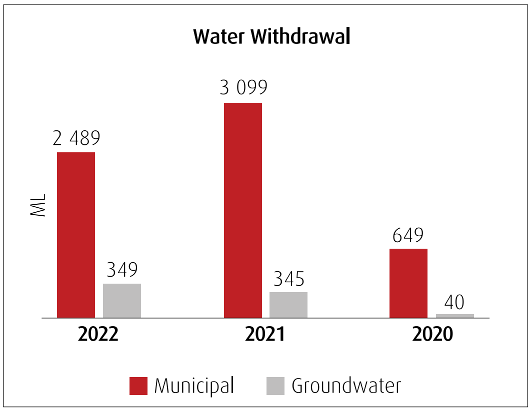
Share Performance				
Basic Earnings Per Share	2,554	1,615	6,437	896
Equity	99,268,409,966	68,005,231,588	99,152,728,650	19,761,647,713

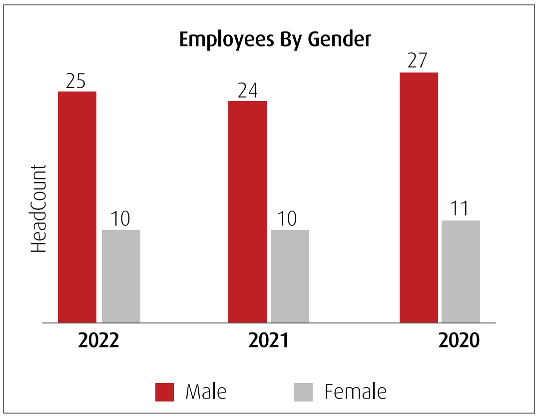
Performance Highlights

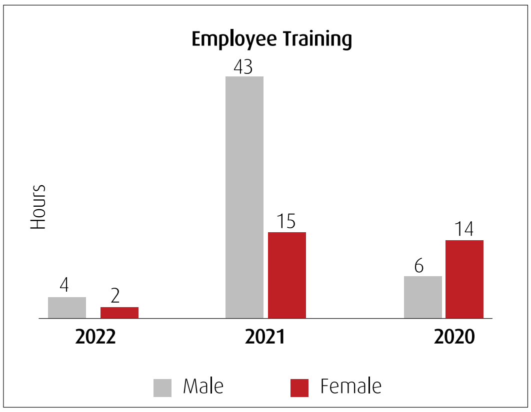
Operational Highlights	2022	2021	2020
Occupancy Rate (%)	85.52%	89.93%	89.67%
Annual Rentals (ZWL)	2,041,383,319	465,720,878	175, 625,667
Total Floor space (square meters-m2)	124,178	123,516	123,450

Sustainability Highlights









LEADERSHIP

Chairman's Statement

Managing Director's Review of Operations

"The year 2022 saw First Mutual Properties making significant progress on the sustainability journey through harnessing renewable energy and improving energy efficiency of its properties."

Chairman's Statement

Overview of Operating Environment

The global macroeconomic conditions remained largely uncertain due to multiple shocks. Inflationary pressures and supply chain disruptions had a spill-over effect on the local economy. As a result, the local US dollar inflation increased. Despite the forgoing, Zimbabwe's economic situation was relatively stable on the back of tight monetary measures adopted by the authorities. Sustaining macroeconomic stability will go a long way in stimulating the demand for supporting infrastructure including properties among others.

The Zimbabwe dollar depreciated by 516% against the United States dollar to ZWL671 in December 2022 from ZWL109 last year. Annual inflation rose to 244% at year-end from 61% in December 2021. However, inflationary pressures started to recede during the last quarter of the year due to monetary policy interventions by the authorities to limit money supply growth and "speculative" foreign currency activities.

Management continued to closely monitor the business environment and adapted its strategies to protect the business from the exogenous shocks as demonstrated by the performance achieved during the year.

Property Market long-term impacts

The property market fundamentals were mixed during the year. The leasing market for commercial space was the most active segment, with buoyant activity in the retail and industrial sectors. However, the office segment was subdued because of the need by people to re-adjust their newly-formed working habits of working from home to back to the office . The CBD office experienced the highest vacancy rates forcing most owners to re-model their properties to cater for the Small and Medium Enterprises (SMEs) sector. Further, the retail, industrial and residential sectors enjoyed relatively huge activity during the year. In contrast, commercial property transactions were low due to huge investment requirements. Limited commercial property developments seen during the period under review have largely been self-funded, and are being used as a hedge against currency and inflation risks as well as possible future rental increases.

The industry grappled with "twin evils" of rising defaults on lease obligations and construction cost inflation. Management continues to closely manage these risks given their potentially huge impact on the company's strategy.

Business performance overview

The Group's inflation adjusted Net Property Income after administration expenses was ZWL140.5 million (FY 2021: ZWL589.4 million) despite a 42% growth in inflation adjusted revenue to ZWL2.9 billion (FY 2021: ZWL2.0 billion). In historical terms, revenue grew by 342% from ZWL475.4 million in December 2021 to ZWL2.1 billion largely due to the repricing of rentals and relatively good occupancy that stood at 85.5%. Foreign and local currency rental mix was 70% to 30% at the end of the year. This has enabled the Company to preserve value from foreign currency and inflation risks while creating capacity to finance its on-going capital and growth expenditure programs from internal resources.

Collections decreased to 72% from 82% in the prior year particularly on the back of the country's contractionary policies.

The business strives to maintain buildings in lettable and safe conditions. Against this strategic imperative, a total of ZWL528 million was deployed towards maintenance of buildings. The Company will continue to commit resources towards enhancing the quality of its product offering.

Property valuations
An independent property valuation conducted by Knight Frank Zimbabwe as at 31 December 2022 valued the property portfolio at ZWL 109.3 billion (FY 2021: ZWL 22 billion), representing a growth of 397%.

Developments
The Group is at early construction stages of a new office block in Arundel Office Park. The contractor is already on site, and was working on pile foundations in the basement at the end of the year. The project is expected to be completed by December 2023.

Following the successful completion of the construction of Mbare retail warehouse, the premises were handed over to the tenant (Gain Cash and Carry) during the year. The tenant started operations in July 2022.

Various projects to provide university students accommodation are being pursued. At this stage, the most advanced one involves constructing a 430-bed facility in Chinhoyi, which started in October 2022. First Mutual Properties is a co-investor and project manager in the project with other pension funds. The project is expected to be completed in November 2023.

Sustainability
The year 2022 saw First Mutual Properties making significant progress on the sustainability journey through harnessing renewable energy and improving energy efficiency of its properties. Some of the notable green projects implemented during the year include the solar system installation at the head office, replacement of all traditional light bulbs with low energy consumption LED lights and erection of waste management centres. FMP will pursue more of such initiatives going forward as we strive to manage our business sustainably.

FMP was conferred the prestigious Overall Best Corporate Governance award at the Chartered Governance and Accountancy Institute in Zimbabwe Awards 2022. The Company also received the third overall prize on Best Board Practices and Best Shareholder Treatment. These accolades reaffirm the Company's efforts to improve corporate governance and sustainability practices.

Dividend
At a meeting held on 24 February 2023, your Board resolved that a final dividend of ZWL 175.4 million being 14.1821 ZWL cents per share and an additional USD150,000 (being 0.011818 United States cents per share) be declared from the profits of the Company for the fourth quarter ended 31 December 2022. This brings the cumulative dividend for the year ended 31 December 2022 to ZWL 477.8 million being 38.5786 ZWL cents per share and USD 400,000 being 0.03229 United States Cents per share.

The dividend will be payable on or about 26 April 2023 to all shareholders of the Company registered at close of business on 14 April 2023. The shares of the Company will be traded cum-dividend on the Zimbabwe Stock Exchange up to 11 April 2023 and ex-dividend as from 12 April 2023.

Business Outlook

The Company remains focused on delivering on its strategy despite the environmental uncertainty caused by the global geopolitical tensions as well as a volatile and complex economic environment. This involves developing a sustainable and well-diversified business portfolio, delivering on new projects within budget, schedule and acceptable quality as well as creating value for all our stakeholders.

Acknowledgements

The FMP management and staff have continued to deliver favourable results in the face of a challenging business environment. I would like to thank them all for their invaluable commitment. On behalf of the board, I would also want to thank our key stakeholders and my fellow board members for their immense contribution.

Elisha K. Moyo
Chairman of the board
24 February 2023

"Despite the increased strain on our cash flows in this period, we managed to break ground for the construction of a new office block in the prestigious Arundel Office Park Complex"

Managing Director's Review Of Operations

Economic Overview

The year started on a positive note with relaxed COVID-19 restrictions which allowed businesses more time for operations. Global inflation emerged as the main concern in the wake of the Russia-Ukraine conflict as opposed to an earlier outcry of the COVID-19 pandemic with lifting of lockdowns and travel restrictions. During the first half of the year the Government of Zimbabwe introduced several measures to dampen the inflationary pressure but the effects remained notable despite an increase in year-on-year inflation which moved from 60.7% as at 31 December 2021 to 243.8% in December 2022.

Demand for foreign currency continues to grow with most manufacturers accessing foreign currency through the Reserve Bank of Zimbabwe interbank auction market for import substitution resulting in increased capacity utilisation and demand for industrial space. Gold coins which were introduced during the month of July 2022 appeared to have stabilised the exchange rate volatility.

The government continued with implementation of high impact infrastructural development projects such as roads and dams which are critical to attracting investments and driving real estate advancement, since state of infrastructure is directly connected to the real estate sector performance.

Property Market Overview

Space absorption was insignificant during the year as demand remained weak with supply continuing to outstrip demand especially in the CBD Offices and Suburban Shopping centres. However, Retail Warehousing, Office Parks and CBD Retail continued to attract strong demand, hence low vacancy levels In these sectors.

The gap between the auction rate and alternative market rates continues narrow down to between 15% and 25% due to various measures to contain the exchange rates. Many Landlords resorted to United States Dollar rental rates as a value preservation strategy and minimise lease administration difficulties.

There continues to be limited development activity on the property market being affected by limited liquidity, with the majority of developments being mainly in the industrial / retail warehousing sectors. Owner occupied office park style buildings, cluster houses and residential house conversions and new commercial developments especially in suburbs just outside the CBD and on major roads are also on the increase as investors seek to hedge value in property and improve balance sheet positioning. However, these have been seen to be putting pressure on existing infrastructure which also needs upgrading to cater for expansion.

Overview of Business Performance

The Group's inflation adjusted Net Property Income after administration expenses decreased by 76% to ZWL140.5 million (FY 2021: ZWL589.4 million) despite growth in inflation adjusted revenue of 42% to ZWL2,901 billion (FY 2021: ZWL2,044 billion).

Managing Director's Review of Operations (continued)

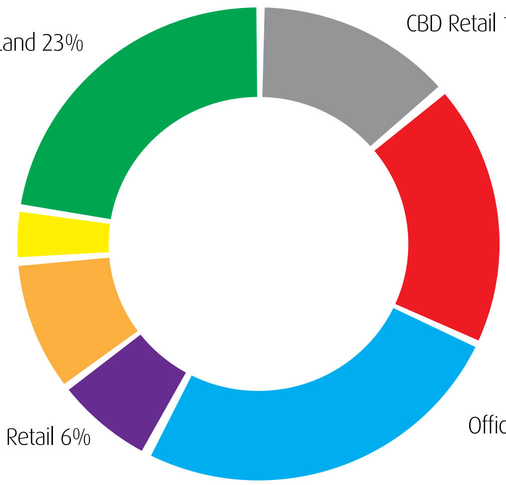
Revenue continues to be mainly dominated by rental income. In historical terms, revenue grew by 342% from ZWL0,475 billion in December 2021 to ZWL2,102 billion driven by the repricing of rentals and stable occupancy level during the period. Sustained revenue growth has been facilitated by rental income growth that has been anchored by the solidity in the occupancy level above 80% throughout the year.

Although there are tenants who intentionally postpone fulfilling their lease obligations, anticipating an inflation-driven reduction in their value, we have managed to improve our collection rate to 86% in FY 2022 up from 82%. Despite the increased strain on our cash flows in this period, we have continued with our maintenance initiatives, dedicating ZWL 528 million towards this end with ZWL109 million channelled towards improvements. This is in accordance with our strategy to augment the tenant experience, specifically by prioritizing the health and safety of our tenants.

Property Portfolio Structure and Performance Overview

The diversified nature of the property portfolio continued building resilience especially in times of weak economic performance during the extreme exchange rate volatility periods, balancing risk and return for a stable investment proposition for our shareholders.

Set out below is the property portfolio spread by value:



An independent property valuation conducted by Knight Frank Zimbabwe as at 31 December 2022 valued the property portfolio at ZWL 109.334 billion (FY 2021: ZWL 22.039 billion). The growth in property values of 396% is driven by the growth in rentals in line with the inflationary pressure.

Set out below are the valuation movements by sector for FY 2022:

All figure in ZWL 000's	2022 Valuation	2021 Valuation	Movement %
CBD Retail	15,378,440	2,992,800	414%
CBD Office	19,330,000	3,825,000	405%
Office Park	29,010,000	5,640,000	414%
Suburban Retail	6,870,000	1,500,000	358%
Industrial	10,315,000	2,074,000	397%
Residential	3,672,000	834,000	340%
Land	24,758,400	5,173,200	379%
Total	**109,333,840**	**22,039,000**	**396%**

The growth attained from the land bank is a result of its conversion from residential to commercial zoning. In contrast, the surge in the industrial sector's value was a consequence of its enhanced rental potential and increased demand. The retail sector demonstrated its ability to safeguard against inflation. The Group primarily owns high-end retail supermarkets in its retail portfolio, which remained resilient despite the local currency's weakening and generated higher rental income due to strong demand for such properties.

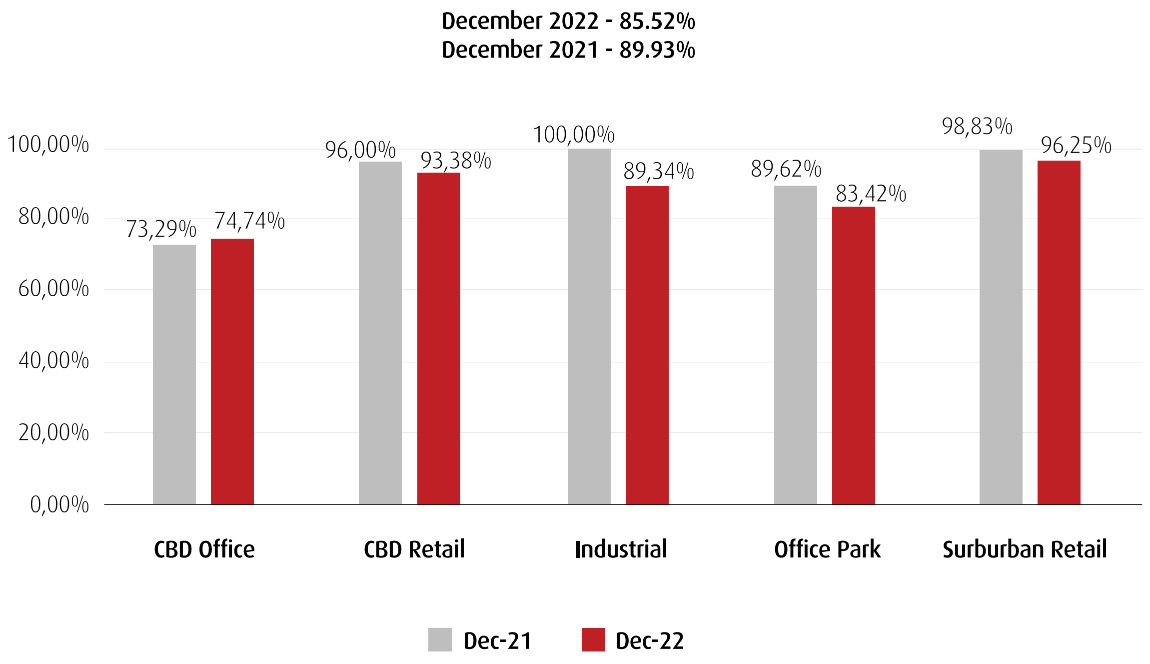
Set out below is an overview of the property portfolio performance:

	CBD Retail	CBD Office	Office Parks	Suburban Retail	Ind.	Resi.	Land	Total
Value (ZWL millions)	15.378	19.330	29.010	6.870	10.315	3.672	24.758	109.583
% Portfolio weight by value	14%	18%	27%	6%	9%	3%	23%	100%
Number of Properties	16	7	12	6	7	33	12	93
Gross Lettable Area "GLA") m²	21,948	31,741	25,769	7,723	36,997	-		124,178
Land Bank Area (m²)							643,005	643,005
Effective ZWL Rental per sqm at period end	2,955.83	3,558.64	6,523.61	3,473.94	1,324.90		5.01	3,488.69
Occupancy level at period end	93%	75%	83%	96%	89%	100%	-	86%
Forward Rental Yield	3%	2%	2%	3%	2%	4%	-	2%
Historic Rental Yield	14%	10%	12%	13%	11%	18%	-	12%

Occupancy levels

The portfolio occupancy level declined during the year closing at 85.52% down from 89.93% in the year 2022. This was mainly driven by net lettings in the industrial sector, as industrial sector reflected the most decrease in occupancy levels compared to the other sectors during the period under review.

Set out below is an analysis of the occupancy levels by sector:



The central business district office sector experienced a marginal increase in occupancy by 1.45% compared to the same period in the prior year as the business continued marketing vacant spaces through online platforms and restructuring space offering criteria to cater for SMEs, providing space adequate for the rising informal sector.

Arrears Management

The collection rate improved marginally to 86% (FY2021: 82%) as property management team continue to engage tenants regularly to clear dues on time. However, the general illiquidity across the economy is affecting the settlement of obligations across various sectors.

The business will continue to monitor and evaluate collection plans through regular internal and tenant engagement with an objective to reduce the arrears position.

Sector Review

Suburban Retail

The suburban portfolio is made up of free-standing supermarkets in medium and high-density areas and a community shopping centre in a low-density residential area. Despite the macro-economic instability, the sector has experienced sustained demand as supermarkets reprice their products to hedge against inflation, while government monetary policies also sought to preserve disposable incomes. Resultantly, performance remained strong within our suburban retail cluster driven by the location of the assets, the tenant mix and turnover rentals.

Set out below is the summary of key performance areas of the suburban retail sector:

Suburban Retail	2022	2021	Movement.
Value (ZWL millions)	6.870	1,500	358%
% Portfolio weight by value	6%	7%	-1%
GLA m^2	7,723	7,723	0%
Average rental (ZWL) per m^2 @31 December	3473.94	584.89	493%
Occupancy level at period end	96%	99%	-3%
Rental yield	13%	8%	5%

CBD Retail

The CBD retail sector has been buoyant attracting tenants during the year driven by massive leasing efforts and accommodating of SME's. The sector remains dominated by SMEs and informal businesses however more formal and established retail outlets still occupy a significant portion within the asset class.

Set out below is the summary of key performance areas of the CBD retail sector:

CBD Retail	2022	2021	Movement
Value (ZWL millions)	15.378	2,993	420%
% Portfolio weight by value	14%	14%	0%
GLA m^2	21,948	21,267	3%
Average rental (ZWL) per m^2 @ 31 December	2955.83	314.36	840%
Occupancy level at period end	93%	96%	-3%
Rental yield	14%	6%	8%

CBD Offices

Although the overall economic climate for the CBD Office industry remained weak, the Group's CBD Office sector had a relatively positive year. Occupancy rates increased from 73% on December 31, 2021 to 75% on December 31, 2022 due to strategic leasing efforts through online platforms and the restructuring of spaces to accommodate SMEs. However, the City's central business district bylaws remained a significant hindrance to corporate occupiers, resulting in an imbalance between supply and demand

Set out below is the summary of key performance areas of the CBD office sector:

CBD Office	2022	2021	Movement
Value (ZWL millions)	19.885	3,825	420%
% Portfolio weight by value	18%	17%	1%
GLA m^2	31,741	31,760	0%
Average rental (ZWL) per m^2 @31 December	3558.64	386.53	821%
Occupancy level at period end	74.74%	73.29%	2%
Rental yield	10%	6%	4%

Office Parks

The Office Park sector had a steady performance, exhibiting resilience, though a decrease of 6% in the occupancy level was observed, from 89.62% to 83.42%. The space consistently received favourable inquiries from blue chip corporates and international organisations and therefore, some of the vacancies were transitional and created as part of strategic leasing efforts to attract high profile tenants.

The prime location and quality of assets, along with the limited supply of similarly located prime assets in the market, make office park properties premium location for tenants. The Office Park sector is the primary focus for expansion because of its ideal location and ambience away of the CBD unattractive environment.

Set out below is the summary of key performance areas of the office park sector:

Office Park	2022	2021	Movement.
Value (ZWL millions)	29.010	5,640	405%
% Portfolio weight by value	27%	26%	0%
GLA m^2	25,769	25,769	0%
Average rental (ZWL) per m^2 @31 December	6523.61	594.45	997%
Occupancy level at period end	83.42%	89.62%	-6%
Rental yield	12%	5%	7%

Industrial

The industrial sector suffered from low-capacity utilisation in the productive sectors as traditional manufacturing continues to suffer from competitive pricing of imports. Retail warehousing and light niche industrial remain key potential occupiers in the industrial sector due to the notable shift towards light industrial and retail warehousing. In addition, the focus was also on agro based businesses for larger industrial space to use as storage warehousing space.

Set out below is the summary of key performance areas of the industrial sector:

Industrial	2022	2021	Movement.
Value (ZWL millions)	10.315	2,074	387%
% Portfolio weight by value	9%	9%	0%
GLA m^2	36,997	36,997	0%
Average rental (ZWL) per m^2 @31 December	1324.90	106.45	1145%
Occupancy level at period end	89%	100%	-11%
Rental yield	11%	5%	6%

Property Developments

The Group broke ground towards year end for the construction of a new office block at Arundel Office Park. The project involves construction of a double-storey office building with a basement. Construction work was still in the basement with piling, capping and concrete works for columns underway.

Construction of a four storey student accommodation facility in Chinhoyi were in progress with construction work still at foundation levels.

Following the completion of the construction of Mbare retail warehouse, the premises were handed over to the tenant (Gain Cash and Carry) for fit out which was done during the month of June 2022 with the tenant starting operations in July 2022.

Outlook

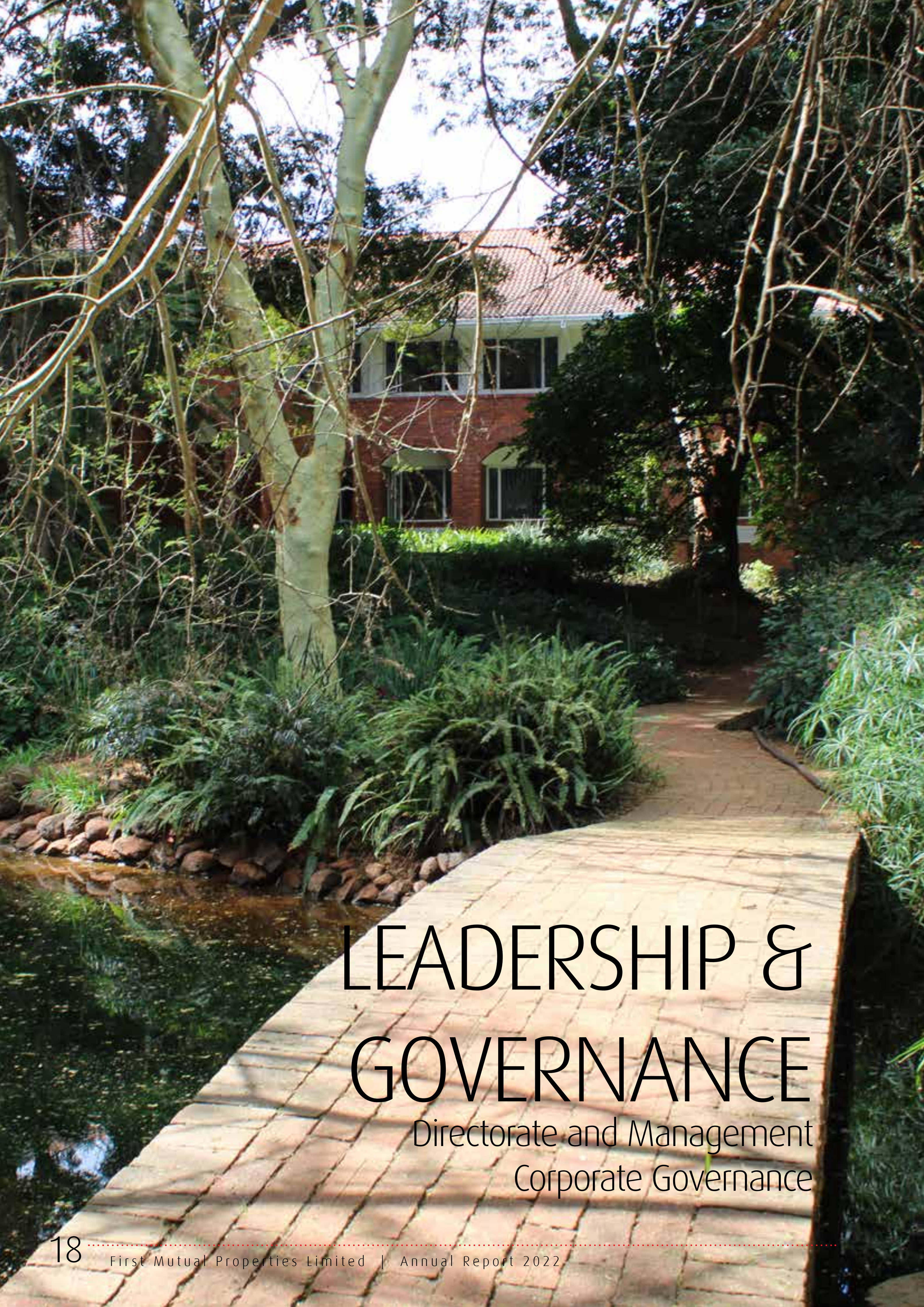
In 2023, it is anticipated that the nation will experience better economic activity due to GDP growth and improvements in inflation rates, which are projected to decline using the blend of the US$ and the ZWL coupled with various controls on money supply. Government policies will focus on stabilising exchange rates and inflation. As the real estate sector recovers, there will be a higher demand for quality properties in the right areas. The property portfolio should grow and become more competitive by sector and location, and existing properties will continue to be improved.

Managing Director's Review of Operations (continued)

Maintaining sustained operating profit growth will be critical to the Group's efforts, as well as distributing quarterly dividends to shareholders. The goal is to secure sustainable earnings by finding competitively priced funding and implementing capital recycling initiatives to grow the property portfolio. The industry continues to experience challenges to access long term credit facilities from financiers. The Group will continue to focus on creating an unmatched competitive profile by providing excellent tenant experiences, with an emphasis on environmentally friendly, sustainable buildings that meet the ESG standards. The Group will also continue to diversify its portfolio to maximise yields in alternative and traditional property asset classes. However, low levels of disposable income will likely limit yields while the economy recovers.

C K Manyowa
Managing Director
Harare

24 February 2023

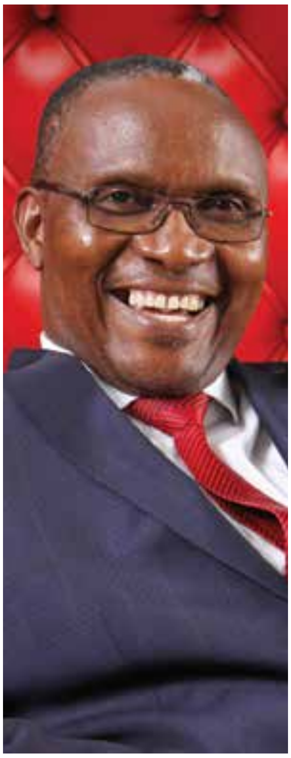


LEADERSHIP & GOVERNANCE

Directorate and Management

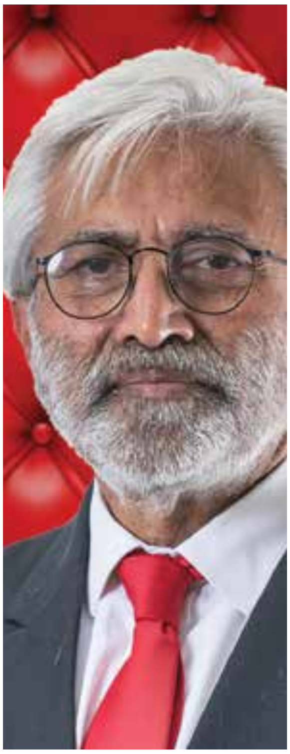
Corporate Governance

Board of Directors



Elisha K Moyo
Chairman, Independent,
Non-Executive.

Tenure: 11 years
Key Skills: Legal
Qualifications:
Master's in Business Administration (UZ), Bachelor of Laws (UZ),
Other Commitments:
First Mutual Holdings Limited, NicozDiamond Insurance Limited, Vice Chairman National Biotechnology Authority, and Councillor -University of Zimbabwe Council
Complete Corporate Solutions (Pvt) Ltd



Dr. Shasekant Jogi
Independent
Non-Executive Director

Tenure: 9 years
Key Skills: Urban Planning, Environmental Design and Project Management
Qualifications:
Ph.D. Environmental Design and Planning (Virginia Polytechnic Institute and State University), Masters in Environmental Planning for Developing Countries (University of Nottingham), BA (Hons) Geography (University of Rhodesia), Diploma in Education (University of Rhodesia), BA (Gen) Geography and English (University of London). Fellow : Zimbabwe Institute of Regional and Urban Planning
Other Commitments:
Centre for the Built Environment (Pvt) Ltd t/a Sasha Jogi Planners International, Zimbabwe Agricultural Society, Zimbabwe National Heritage Project Trust.

William M Marere
Non-Independent
Non-Executive Director

Tenure: 9 years
Key Skills: Accounting and Finance
Qualifications:
Bachelor of Accounting Science (UNISA), Postgraduate Diploma in Applied Accountancy (UZ), Chartered Accountant (Zimbabwe), Associate Member of the Association of Corporate Treasurers (UK), South African Institute of Chartered Accountants (SAICA).
Other Commitments:
Group Finance Director First Mutual Holdings Limited, Tasbrew Investments (Pvt) Ltd and Associated Family-Owned Companies, Ace Equipment Hire (Pvt) Ltd, First Mutual Life Assurance Company (Pvt) Ltd, Dairyhill Investments, First Mutual Wealth Management (Pvt) Ltd, First Mutual Microfinance (Pvt) Ltd, MedTech Holdings, Tasbrew Investments (Pvt) Ltd.

Douglas Hoto
Non-Independent,
Non-Executive Director

Tenure: 11 years
Key Skills: Actuary
Qualifications:
Bachelor of Science Honours Degree in Mathematics (UZ), Fellow of the Institute and Faculty of Actuaries of the United Kingdom (FIFA), Fellow of the Actuarial Society of South Africa (FASSA).
Other Commitments:
Group Chief Executive Officer of First Mutual Holdings Limited, Trustee of the S V Muzenda Foundation, Chairman for University of Zimbabwe Council, Director of Rainbow Tourism Group, Snaffham Investments (Pvt) Ltd, Steadstone Investments, Zimbabwe Leadership Forum

Board of Directors

Sharon Wekwete
Independent, Non-Executive Director

Tenure: 3 years
Key Skills: Legal
Qualifications: Master of Laws (UNISA), Master of Science in Development Studies (NUST), Bachelor of Laws (UZ).
Other Commitments: Outbox Consultants (Pvt) Ltd.

Evlyn Mkondo
Independent, Non-Executive Director

Tenure: 9 years
Key Skills: Accounting and Finance
Qualifications: Chartered Accountant Zimbabwe, Bachelor of Accountancy (Hons) (UZ).
Other Commitments: First Mutual Holdings Limited, Schweppes Zimbabwe Limited, Standard Chartered Bank Zimbabwe, Padenga Holdings Limited

Temba Ruvingo
Independent Non-Executive Director

Tenure: 3 years
Key Skills: Accounting and Finance
Qualifications: Chartered Accountant (ICAZ), Master of Business Leadership (UNISA), Bachelor of Accounting Science Honours Degree (UNISA), Bachelor of Commerce Honours Degree in Accounting (NUST).
Other Commitments: Finance Director AFC Commercial Bank Ltd , Non-Executive Director of the National Biotechnology Authority of Zimbabwe.

Dr. Arnold M. Chidakwa
Independent Non-Executive Director

Tenure: 5 years
Key Skills: Economics and Finance
Qualifications: Ph.D. Finance & Entrepreneurship (Wits University), Master of Science in Economics (UZ), Bachelor of Science in Economics (Hons) (UZ), Associate Member (Chartered Institute of Management Accountants), Chartered Global Management Accountant (CGMA), Diploma in Banking.
Other Commitments: First Mutual Wealth Management (Pvt) Ltd, Quality Insurance Company (Pvt) Ltd.

Christopher K Manyowa
Managing Director

Tenure: 6 years
Key Skills: Real Estate
Qualifications: Master's in Business Administration (UZ), BSc Rural & Urban Planning (UZ).Fellow- Real Estate Institute of Zimbabwe, Registered Estate Agent (Zimbabwe), Registered Valuers (Zimbabwe). Member of the Zimbabwe Institute of Regional and Urban Planners.
Other Commitments: Dialogue on Shelter for the Homeless in Zimbabwe.

Senior Management

Tafadzwa Andrew Muzorewa
MSc Real Estate Finance & Investment (UWE), (UK), BSc Accounting & Finance (UK).
Head of Property Portfolio & Services

Nyaradzo Chingodza
MSc in Rural and Urban planning (UZ), BSc in Rural and Urban Planning (UZ) .
Senior Property Manager

Esward Munyangadzi
MSc Property Investment (UCEM) (UK).
AREIZ, NDREE (UNISA).
Property Investment Manager

Shingai Munemero
BBA Business Management (Solusi University), Association of Chartered Certified Accountants in progress.
Financial Accountant

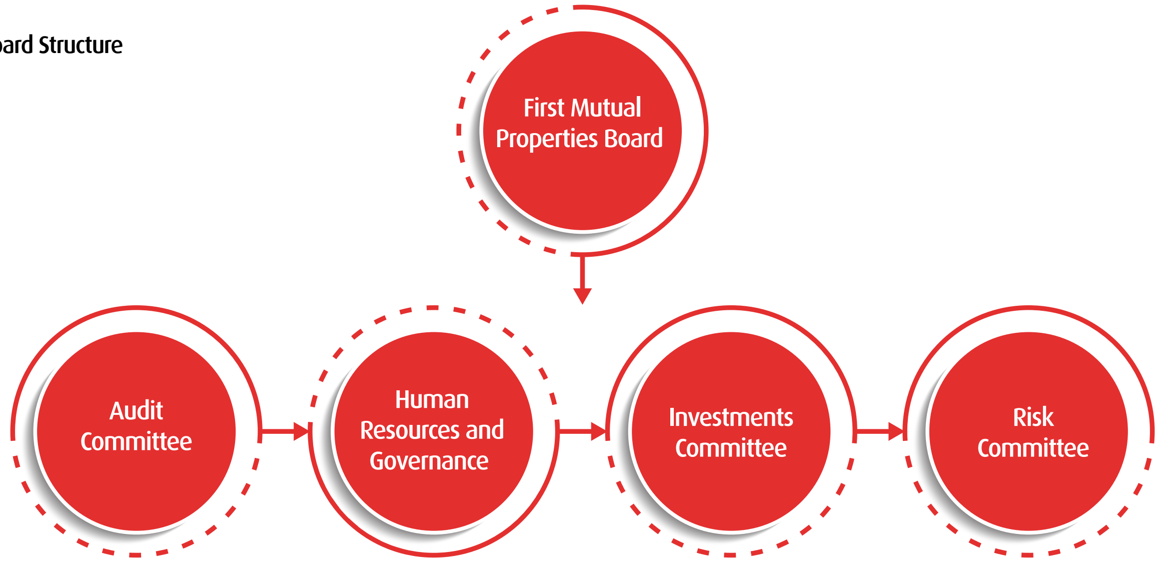
Dulcie Kandwe
MBA (UZ), LLBS Hons (UZ), Member of the Law Society of Zimbabwe.
Company Secretary

Dumisani Leroy Tshabalala
CA(Z) BCom General Accounting (NMU)(SA)
Member of the Institute of Chartered Accountants of Zimbabwe (ICAZ)
Finance Executive

Corporate Governance

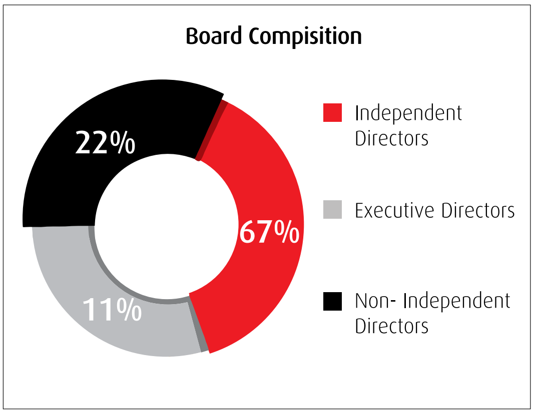
Integrity is a core value which is embedded in how First Mutual Properties is governed in the best interest of a broad range of stakeholders. We are guided by our corporate governance principles to ensure compliance with National Code on Corporate Governance, SI134 of 2019 Securities and Exchange (Zimbabwe Stock Exchange Listing Requirements) Rules, and Companies and Other Business Entities Act (24:31), and The National Code of Corporate Governance in Zimbabwe (ZIMCODE). First Mutual Properties is committed to excellent corporate governance based on international practices. The Human Resources and Governance Committee is responsible for our corporate governance practices.

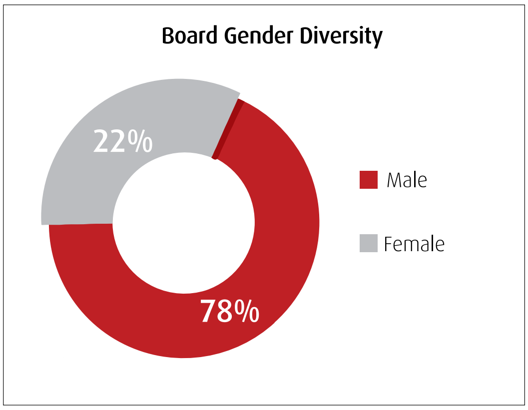
Board Structure

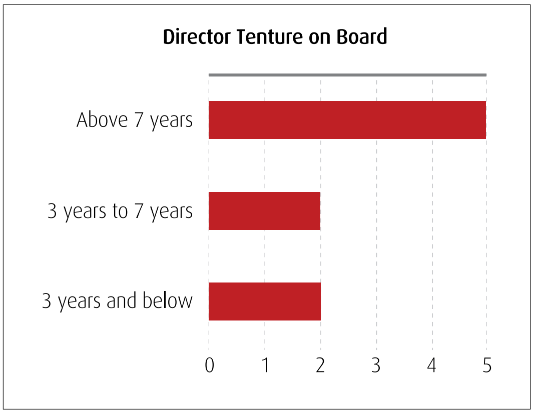


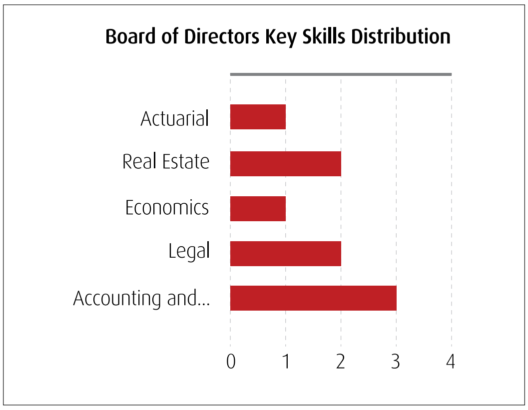
Board Composition

The Board of Directors is chaired by an independent non-executive director and comprises of one executive director who serves as the Managing Director, two non-independent non-executive directors and five additional independent non-executive directors. The Board benefits from different contributions, skills, expertise and talents from the diverse membership.









Board Responsibility

The Board's responsibility is to formulate the Company's overall policies, objectives, and strategies and to oversee their professional and ethical implementation. The Board is ultimately in charge of ensuring the integrity of the Company's accounting and financial reporting systems, including independent audits, risk management, and adherence to regulatory obligations. To ensure accountability by management, Board members have unrestricted access to information about the business' operations, which is disclosed through Board meetings, Board and Management Committees, as well as Company-organised Strategic Planning activities. As per policy, a third of the directors are required to retire on a rotational basis each year along with any director(s) appointed to the Board during the year. Executive directors are employed under performance-driven service contracts that outline the duties of their specific office. These contracts are only renewed once the Executive director meets the performance targets set.

The Board oversees corporate strategy, risk management procedures, annual budgets, and business plans during its regular meetings. When necessary, ad hoc special Board meetings may be held to discuss matters requiring immediate attention or decisions. The Company Secretary maintains an attendance register of Directors for all scheduled meetings during the year through which Directors can evaluate their devotion to the Company's' business. The Board of directors and committees of the Board convene at least once every quarter or more often as the circumstances may require. Each board meeting is preceded by committee meetings. The Company's shareholders meet at least once every year and the independent auditors deliver their report at each Annual General Meeting.

Stakeholder Direct Communication with the Board

Stakeholders are provided platforms to interact with the Board of directors and management. Shareholders exercise their right to vote on agenda matters during annual general meetings. Information is conveyed through press releases announcing interim and annual results, analyst briefings, annual reports to shareholders, and content on the Company's website. Communication between the Company and clients is conducted in person, by telephone, email, and a variety of digital platforms such as WhatsApp, Facebook, mobile apps, and Email, and a call centre was established for client queries.

Board Nomination

In accordance with the Group Human Resources and Governance Committee's recommendations, and the Group's nominations policy, the Board is in charge of electing new members and filling any vacancies that may arise between annual shareholder meetings. The assessment focuses on the Board's contribution to the Company and specifically on areas in which the Board or management believes that the Board could improve.

Board Evaluation

The Board of Directors evaluates its own performance and that of its Committees on an annual basis. All Directors provide comments to the Group Human Resources and Governance Committee, which then provides an assessment of the Board's performance to the Board. The Group Company Secretary facilitates the process annually, and once every three years an independent consultant is enlisted to assist. The evaluation concentrates on the Board's contribution to the Company, particularly areas where the Board or management believes the Board could have performed much better.

Directors' Remuneration

The Group Human Resources and Governance Committee determines non-executive directors' fees as well as executive director's compensation packages. The committee aims to attract and retain high calibre individuals who significantly contribute to the development of the business to ensure the Company is competitive at the highest levels. In addition to a basic salary package, the business offers its employees, including executive directors, a performance-related profit share. The Committee draws external market survey data from independent advisors to ensure that the remuneration policy is appropriate. The compensation of non-executive directors is routinely reviewed in accordance with industry standards.

Directors' Declaration

The Directors' are required to declare in writing at any time during the year when they hold any material interests in any significant contracts with the Company that could create a conflict of interest, in accordance with the Companies and other Business Entities Act [Chapter 24:31] and the Company's Articles of Association.

Business Ethics

The Board is committed to enforcing the highest standards of ethical behaviour amongst all its employees. All employees are accountable for ensuring that the business is conducted in a manner that is above reproach under all reasonable circumstances. Moreover, all employees are required to observe the company's Code of Ethics. The business uses a fraud hotline system that is independently run.

Corporate Governance (continued)

Share Dealing
In accordance with the Zimbabwe Stock Exchange Listing Requirements, the Company operates a "closed period" before the publication of its interim and year-end financial results during which period directors and staff of the Company may not deal directly or indirectly in the shares of First Mutual Properties Limited.

Board Committees
The Board is supported by various committees in executing its responsibilities. The committees meet at least four times a year to evaluate the performance of the business and to advise management on both operational and policy matters. The business periodically evaluates the number of committees as necessitated by the prevailing environment. Each committee operates in accordance with specific written terms of reference, under which certain Board tasks are delegated with clearly defined objectives. Annually, the Board decides and approves adoption of terms of reference and membership of the committees. The Audit Committee reviews the effectiveness of controls, and the Board keeps track of it through an independent evaluation by external auditors. Some board committees are co-shared between the parent company First Mutual Holdings and First Mutual Properties.

The structure and composition of the committees are subject to continuous review and the position as of 31 December 2022 is outlined below:

Committee Members and Responsibilities		
Committee	**Members**	**Responsibilities**
Audit	E. Mkondo (Chairperson) Dr. S. Jogi W. M. Marere R. Kupara	Four (4) non-executive directors make up the committee, The Audit Committee has written terms of reference and is tasked with ensuring financial discipline within the Company, sound corporate values, and financial procedures. This Committee is further tasked with reviewing and approving the interim and annual consolidated financial statements and considering any accounting policy changes. The Committee deliberates on the reports and findings of internal and independent external auditors and also recommends the appointment of the independent external auditors and approves their fees. The Managing director attends the committee on invitation. The audit partner and audit manager are invited to attend all meetings. Both the internal and independent auditors have unrestricted access to the Audit Committee to ensure their continued independence and objectivity.
Human Resources and Governance	S. V. Rushwaya (Chairperson) E. K. Moyo A. R. T. Manzai	Three (3) non-executive directors from First Mutual Holdings Group make up this committee, one of whom serves as chair. This committee's responsibilities include managing employee development, establishing remuneration guidelines that are applicable to the whole First Mutual Holdings Limited Group, and approving compensation plans for executives and non-executive directors. In accordance with the Strategy, the Committee is responsible for assessing the supporting organisational structure and making recommendations to the Board. The Committee reviews recruitment procedures and strives to ensure that staff remuneration packages remain competitive. The committee acts as the Nomination Committee for Directors in the First Mutual Holdings Limited Group. The committee also considers wider corporate governance issues and related party transactions.

Corporate Governance (continued)

Committee Members and Responsibilities		
Committee	**Members**	**Responsibilities**
Investment Committee	A. R. T. Manzai (Chairman) M. Mukondomi A. Masiiwa Dr. A. M. Chidakwa	The committee comprises four (4) non-executive director's, three of which are from the First Mutual Holdings Limited Group. The committee formulates investment strategy and policy as well as reviews the performance of money market, equity, and property investments within the First Mutual Holdings Limited Group (Including First Mutual Properties). The committee assists the Board in the implementation of its investment policies and ensures that portfolio management is conducted in accordance with the Company's policies.
Risk Committee	G. Baines (Chairman) E. K. Moyo J. Katurura J. Mberi	This committee comprises four (4) non-executive directors of First Mutual Holdings Group, one of whom is the chairperson. The committee advises on the Group's overall risk strategy, current risk exposures, and risk governance. The committee considers and approves the remit of the risk management function and reviews reports on material breaches of risk limits, as well as the adequacy of remedial action. The committee also advises the Board on the risk aspects of proposed strategic transactions. The committee liaises with other Board committees as necessary.

Board Meetings

Board meeting are held at scheduled intervals throughout the year and the Directors ensure that they give adequate time to discharge their duties effectively.

The table below sets out details of each Director's attendance at Board meetings during the year ended 31 December 2022.

Board Member	Main Board
E. K. Moyo	8
S. Wekwete	5
D. Hoto	8
Dr. S. Jogi	7
R. Temba	8
C. K. Manyowa	8
Dr. A. M. Chidakwa	8
W. M. Marere	8
E. Mkondo	8

Committee Member	Human Resource & Governance Committee	Investments Committee	Risk Committee	Audit Committee
S. V. Rushwaya	9	-	-	-
A. R. T. Manzai	8	4	-	-
E. K. Moyo	9	-	4	-
M. Mukondomi	-	4	-	-
A. Masiiwa	-	4	-	-
Dr. A. M. Chidakwa	-	4	-	-
J. Katurura	-	-	4	-
G. Baines	-	-	4	-
J. Mberi	-	-	2	-
Dr. S. Jogi	-	-	-	4
C. K. Manyowa	-	-	-	5
W. M. Marere	-	-	-	5
E. Mkondo	-	-	-	5

BUSINESS ETHICS AND COMPLIANCE

Business Conduct
Anti-Corruption
Compliance Matters and Declaration
Cybersecurity and Data Privacy
Risk Management

Business Conduct and Compliance

Business Conduct

At First Mutual Properties, integrity is a key value in achieving our objectives as a business. The Group has a Code of Ethics which provides a framework to ensure all staff, contractors and other stakeholders within our influence conduct all processes and activities in a manner that is morally and ethically acceptable. This establishes trust and transparency with stakeholders and pulls the business towards sustainable investors.

First Mutual has formulated policies and procedures consistent with relevant anti-bribery and anti-corruption regulations in order to prevent, detect and flag bribery and corruption activities in a timely manner to hedge against the risk of fines, loss of business, debarment from lucrative markets and other negative qualitative effects such as a negative press.

The Group upholds the principle of integrity and does not accommodate any form of law violation within its value system. Compliance with generally acceptable practices and other relevant industry codes of conduct forms part of our corporate culture. Our Audit Committee is responsible for handling any breaches which may occur while the Compliance department conducts awareness trainings for all employees to safeguard from breaches out of ignorance.

Compliance reports are part of the quarterly Audit Committee meeting report. For the period under review we had no penalties attributable to poor business conduct which is a quantified measure of progress towards our zero tolerance to ethics violations.

Anti-Corruption

First Mutual Properties commits to keep its operations transparent and above board, with a zero-tolerance stance to fraud and corruption. This commitment is embedded in our business conduct and is expected of all our employees and business partners.

We subscribe to an 'Anonymous tip off facility' in partnership with Deloitte, a platform that allows employees to report any irregular activities while incentivising the whistle-blowers with prizes related to the magnitude of the case reported. Such reporting platforms serve as a deterrent to employees who may be tempted to engage in corrupt activities particularly the procurement and letting personnel.

Our finance policies have clauses that define corrupt activities and regular training and awareness programmes are conducted for staff. Internal and external audits are carried out on a planned and adhoc basis to aid the reporting platforms to identify any possible cases of corrupt activities. For the year 2022, we had zero reported cases of corruption, an indication of effective anti-corruption practices and employees support.

	2022
Board members who received communications on anti-corruption	9
Proportion of employees who have received communications on anti-corruption	100%
Number of operations assessed for risk related to corruption	1

Compliance Matters and Declarations

The Group is committed to complying with applicable legal, regulatory, and industry standards and will always seek to do what is lawful and right. Whenever the Group joins membership or adopts best practices that bring mandatory or voluntary obligations, constructive effort is made to ensure the business complies with such commitments. During the year, great effort was made to comply with the following instruments:

- The Companies and other Business Entities Act (Chapter 24:31);
- Real Estate Institute of Zimbabwe ("REIZ") Regulations;
- Regional, Town and Country Planning Act Chapter (29:12).
- Environmental Management Act Chapter (20:27);
- Public Accountants and Auditors Board Zimbabwe ("PAABZ") Pronouncements;
- Securities and Exchange Commission of Zimbabwe ("SECZIM"); and
- Zimbabwe Stock Exchange Listing Requirements;

Cybersecurity and Data Privacy

Cybersecurity and privacy protection is a global threat to many businesses which requires safeguarding servers and databases from any attacks or intrusion. We strive to build client confidence by upholding the highest standards in protecting any information in our custody.
The Company complies with the principles of data protection and has implemented the following actions to safeguard its systems

- Use of the information security policy

Business Ethics, and Compliance (continued)

- Disaster recovery plan
- Use of the defence-in-depth methodology to secure its information assets

We conduct risk assessments, penetration tests, and internal and external vulnerability assessments to assess the effectiveness of our systems. Our goal is to achieve a 95% system uptime with 0% data leakages, and through engagement with senior leadership, adequate resources have been allocated to successfully run the cybersecurity programme.

Risk Management
Risk Management provides the foundation for designing, implementing, monitoring, reviewing and continually improving risk mitigation throughout the Company. Our company's Risk Management Framework has been developed based on the ISO31000: Risk Management developed by the International Standards Organisation (ISO).

Internal Controls
The Group's internal controls are set out in the relevant procedures manuals which sets the required standards and key control activities. Management monitors and evaluates systems, designed to ensure maximum accountability at all levels. Internal controls involve monitoring loss prevention, and detecting any irregularities or fraudulent activities.

The internal audit function evaluates and assesses the business's operations. Its mandate is to examine the accuracy and completeness of financial and operational data, internal regulatory systems, strategies for asset protection, effective use of business resources, and operational efficiency. The head of the Internal Audit has unrestricted access to the Chairperson of the First Mutual Properties Audit Committee. A report is furnished to directors every quarter and any items considered to be serious are communicated immediately. The accounting policies are reviewed periodically by the First Mutual Properties Limited Audit Committee as well as the independent auditor.

The review mechanism is supported by IT-generated data, operational, policy, and procedure manuals that are routinely updated in accordance with changes well as commercial risks within the Company's principal activities. Adequate segregation of duties is in place to enhance the effectiveness of these controls.

Financial Risk
Financial risk is the possibility of losing money on a property investment or business venture. Examples for financial risk include; credit risk, market risk, foreign exchange risk, shape risk, volatility risk, sector risk, liquidity risk, and inflation risk. Our financial risk management aims to protect the Company from these risks by using several financial instruments. Investment and Financial Risk Management subject involves managing the relationship between internal aspects of financial institutions and the external factors that influences investments.

Sustainability Risk
Sustainability Risk Management (SRM) is a business strategy that aligns profit goals with Company's environmental policies. We have a SRM framework which enables us to identify emerging issues of concern that may affect our supply chain, operations and production. The goal of our SRM is to make this alignment efficient enough to sustain and grow the business while preserving the environment. We have nominated Sustainability Champions to spearhead the sustainability drive and have embedded sustainability in our monthly management reports to strengthen credibility and integrity of our sustainability reporting.

Business Ethics, and Compliance (continued)

During the year, our risk assessment results are presented in the risk matrix below:

Risk Category	Risk Description	Risk Mitigation Measures
Regulatory & Compliance risk	Potential risk arising from industry regulatory violations or adverse regulatory amendments/rulings/decisions. Potential risk arising from unethical employee actions or deviations from internal policies (e.g., Code of Conduct)	At the beginning of each year, the compliance department circulates a code of conduct for every employee to familiarise with and sign to acknowledge having read and understood. Further, a calendar of all statutory payments and returns is circulated to all compliance officers. Trainings on compliance are conducted regularly.
Environment Health and Safety – Safety Risk	Potential risk arising from threats or inadequate safeguards to maintain both the well-being of the Company's human capital and the public's safety.	The Company through its property management team runs regular building inspections to ensure there are no potential dangers posed to tenants.
Skill and competency risk	Potential risk arising out of lack of skill set availability as required for the job descriptions.	Human Resources Department conducts a rigorous exercise at selection point and there is a dedicated department for talent and organisational development that deals with training employees to meet evolving business requirements.

Statement of The Directors' Responsibilities

31 December 2022

Directors' Responsibilities

The Directors of the Company are responsible for maintaining adequate accounting records and for the preparation of financial statements that present fair and accurate information. The financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") and in a manner required by the Companies and other Business Entities Act [Chapter 24:31]. In discharging this responsibility, the company maintains a system of internal controls designed to provide reasonable assurance that the assets are safeguarded and that transactions are executed and recorded in accordance with International Financial Reporting Standards and in the manner required by the Companies and other Business Entities Act [Chapter 24:31]

The Directors have satisfied themselves that the Company has sound financial positions and adequate resources to continue in operational existence for the foreseeable future. Accordingly, they are satisfied that it is appropriate to adopt the going concern basis in preparing the financial statements.

E K Moyo
Chairman
Harare
24 February 2023

C K Manyowa
Managing Director
Harare
24 February 2023

Certification of Compliance by the Company Secretary

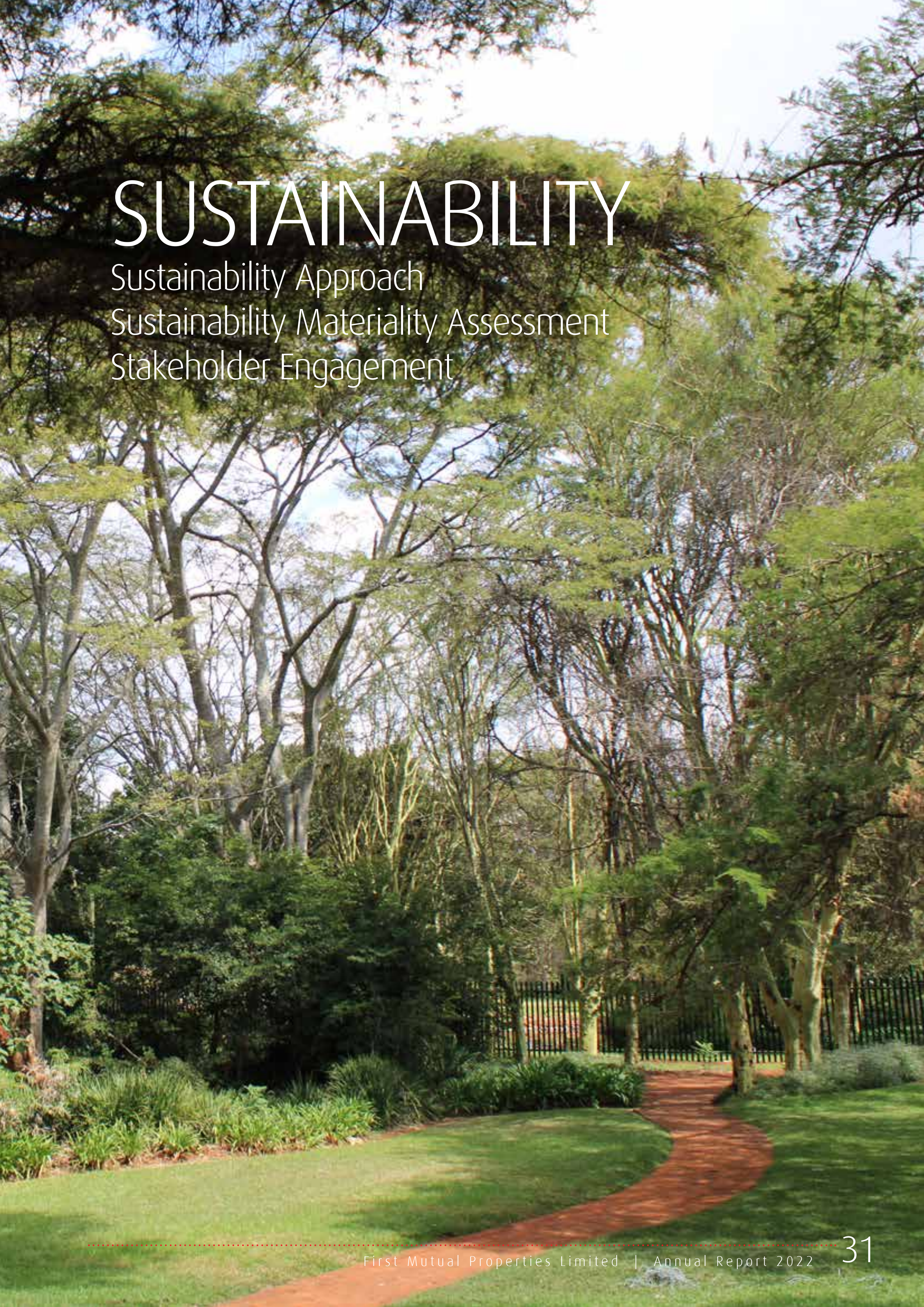
In my capacity as Company Secretary of First Mutual Properties Limited and its subsidiary companies, I confirm that, in terms of the Companies and other Business Entities Act (Chapter 24:31), the Company lodged with the Registrar of Companies all such returns as are required of a public quoted company and private limited liability companies in terms of this Act, and that all such returns are true, correct and up to date.

Dulcie Kandwe
Company secretary
24 February 2023

Declaration by Finance Executive

31 December 2022
The financial statements on page 59 to 138 have been prepared under the supervision of the Finance Executive Dumisani .L. Tshabalala.

Dumisani Leroy Tshabalala
Finance Executive
24 February 2023
CA(Z) BCom General Accounting (NMU)(SA)
Member of the Institute of Chartered Accountants of Zimbabwe (ICAZ)



SUSTAINABILITY

Sustainability Approach
Sustainability Materiality Assessment
Stakeholder Engagement

Sustainability Approach

First Mutual Properties took a steering effort in support of long-term value creation for both the Group and society through sustainable property development and management. This approach helps ensure an equilibrium of social, economic, and environmental values that defines the properties and services we offer to our clients.

Our strategy of developing and managing sustainable properties requires us to maximise social benefits while minimising negative impacts on the natural environment and eco-system from emissions, waste, and pollutants which may come out of our properties and tenants. As a result, we make every effort to manage and create sustainable, green buildings. Additionally, we urge our tenants to be accountable for controlling their operational impacts on the environment.

While we strive to meet the International Green Certification Standards (IGCS) for our properties, our sustainability plans will improve property evaluation, sustainable construction and management of environmental impacts, resource efficiency, and sustainable procurement.

Sustainability Management

The Managing Director, supported by various heads of departments is ultimately responsible for operational sustainability matters. The head of departments identify sustainability issues and present them to the managing director. The topics included in this report are approved by the senior executives.

Contractors Management

For projects tenders, we have a system for screening contractors who do not meet regulatory and internal requirements. We ensure suppliers are regulated to ensure efficiency in provision of the services required. Contractors must be legally registered businesses that abide by the NSSA and occupational health and safety regulations before engagement for any construction projects.

Tenants

We conduct clearance processes to manage tenants who have a history of defaulting. We require prospective tenants to fill out appropriate application forms and produce copies of their identification, employment letters, and bank statements for the previous three months. For companies, we require them to submit registration documents, and audit reports and if they meet the required criteria we accept the tenants. Furthermore, we conduct routine property inspections to ensure good tenant upkeep of our properties.

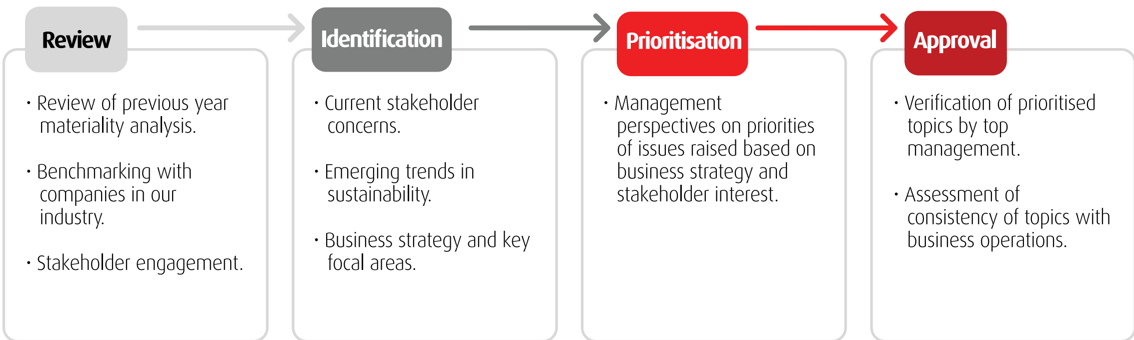
Sustainability Materiality Assessment

We conduct a sustainability materiality assessment annually to assess the most significant operational impacts to the business and its stakeholders. The varying nature of sustainability impacts and stakeholder concerns requires the Company to take appropriate measures.

Materiality Assessment Approach

The Group applies a structured methodology informed by the GRI Standards which involves reviewing, identification, prioritisation and approval. Each year we evaluate and refresh our previous year materiality analysis by assessing new stakeholder concerns, benchmarking with our industry and global trends. This process enables us to identify the most relevant topics and impacts to the business. We employ a combination of multiple strategies that includes desktop research, benchmarking, and management evaluations. Senior management prioritise and approve the final list of material issues based on their assessment of stakeholders and business interest to report.

Materiality Process



Sustainability Approach (continued)

Identified material topic were:

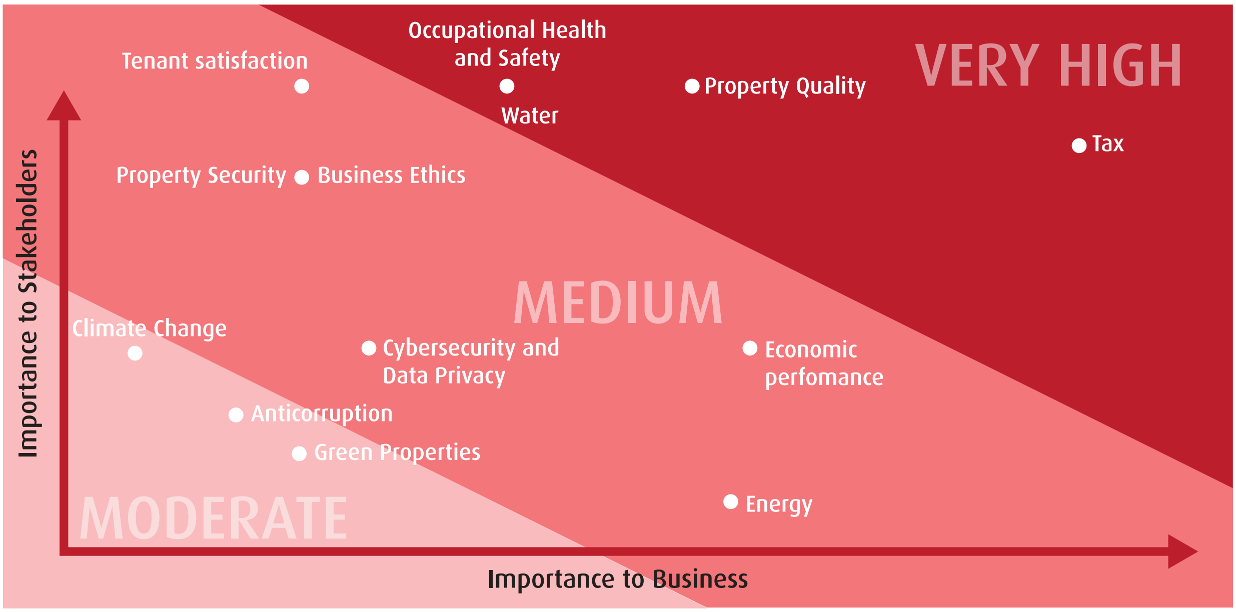
Environmental
- Climate Change
- Water
- Energy
- Waste
- Biodiversity
- Green Properties

Economic
- Tax
- Economic Performance
- Procurement
- Corporate Social Responsibility
- Anti-corruption

Social
- Occupational Health and Safety
- Diversity and Inclusion
- Property Portfolio
- Property Quality
- Education and Training
- Labour Relations
- Human Rights
- Cybersecurity and Data Privacy
- Tenant Satisfaction
- Property Security
- Property Valuation

Governance
- Business Ethics and Compliance

Materiality Matrix



The matrix above illustrates that topics considered 'Very High' are those with significant impacts and opportunities to warrant management attention. Those considered 'High' reflects those under management and monitoring while 'Medium' reflect those least material to both the business and stakeholders.

During the year, tax, property quality, water and occupational health and safety were considered very significant to both stakeholders and the business.

STAKEHOLDER ENGAGEMENT

Our business operations affect and are affected by different groups and entities as such we place a premium on stakeholder engagement. Through our engagement platforms we communicate our decisions and actions transparently to create shared principles and vision and to build and maintain trust.

Defining Stakeholder Groups

First Mutual Properties Limited defines its stakeholders as either individuals, groups or organisations who are impacted by the outcome of our operations and those who have potential to impact the business. The primary stakeholders in a typical corporation are its investors, employees, customers, and suppliers. However, with the increasing attention on corporate social responsibility, the concept has been extended to include communities, governments, and trade associations.

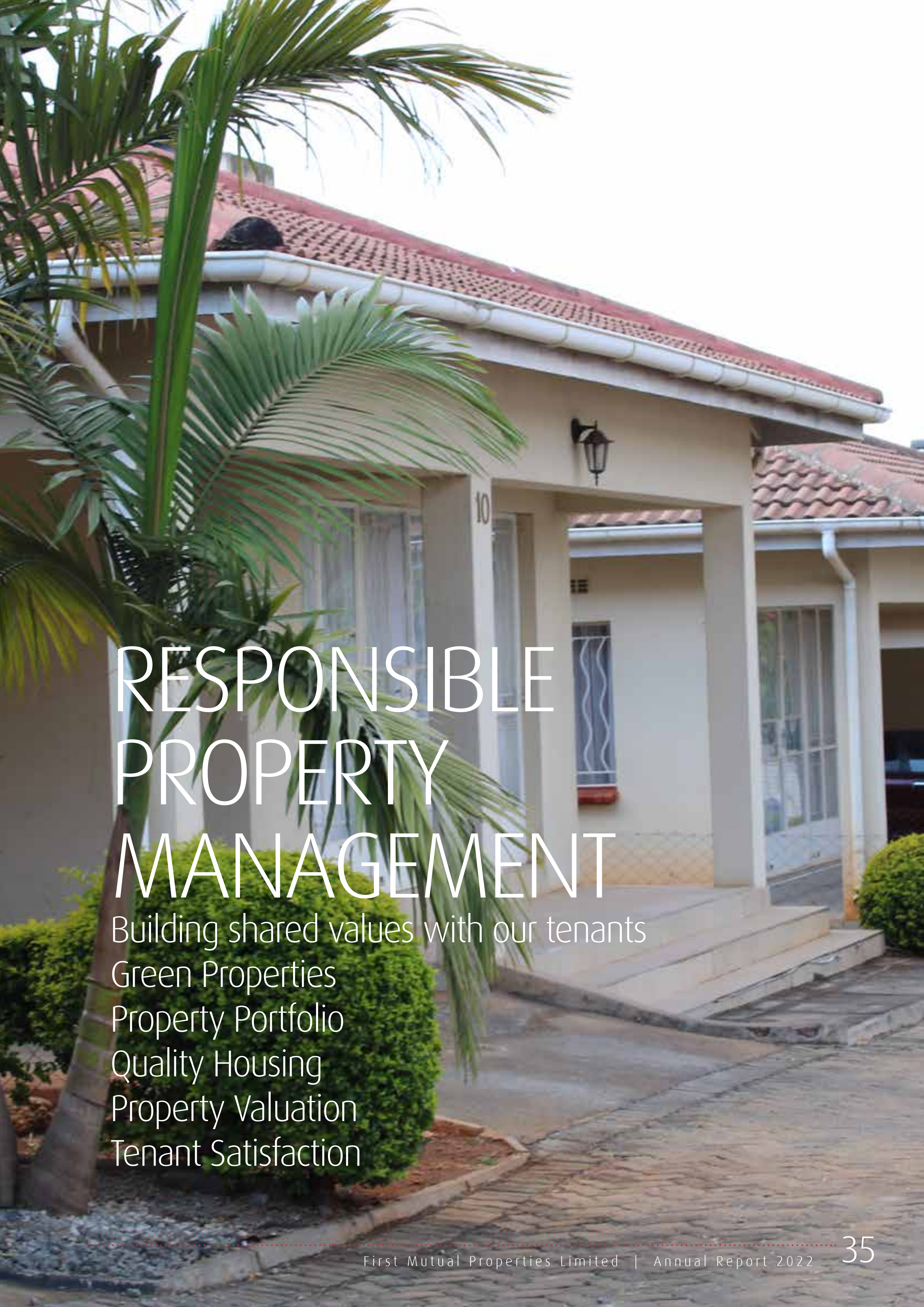
Sustainability Approach (continued)

Categorisation of stakeholders

- External stakeholders – tenants, government, regulators, communities, suppliers, investors, etc.
- Internal stakeholders – employees and management, etc.

Our stakeholder engagement for FY2022 was as follows

Stakeholder	Key Issues Raised	FMP response to issues	Engagement Method	Frequency of Engagement
Employees/ Staff	· Employees' alignment with the business strategy. · Talent management through recruiting, rewarding and retaining.	· Integrated talent management. · Transformation. · Employee engagement.	· Electronic communication. · Employee updates. · Training and development. · Wellness days. · Engagement surveys.	· Monthly · Quarterly · Annually
Tenants	· Maintaining a client base and attracting new clients. · Provision of high-quality infrastructure and associated property management services.	· Continuous engagements with tenants and attending to queries. · Assistance in the form of rental deferments and discounts.	· Personal interaction and meetings. · Print communication. · Operational notices. · On-site property teams.	· Daily · Ad-hoc
Government and regulators	· The provision of regulatory frameworks which are fair and transparent to all competing participants.	· Ongoing engagement with tax consultants on tax related matters. · Dedicated Group Compliance department that ensures compliance. · Best practice recommendations for accounting and disclosures.	· Tax legislation. · Personal interaction and meetings with ZSE. · Formal responses on policy and regulation.	· Monthly · Ad-hoc
Suppliers	· Provision of services which preserve and enhance our properties. · Providing sustainable business and growth opportunities in a transparent and equitable manner.	· Working with suppliers to ensure compliance.	· Personal interaction and meetings.	· Daily. · Ad-hoc
Shareholders and Potential Investors	· Sustainable returns on investment. · Business growth.	· Continuous strengthening and evaluation of governance structures. · Dividend pay-out to shareholders · Continuous engagement with analyst and investor community.	· Annual Reports. · Analyst briefings. · Annual general meetings.	· Annually · Quarterly · Bi-annually
Communities	· Impact of First Mutual Properties in communities.	· Donations	· Social media pages and direct engagements.	· Ad-hoc



RESPONSIBLE PROPERTY MANAGEMENT

Building shared values with our tenants
Green Properties
Property Portfolio
Quality Housing
Property Valuation
Tenant Satisfaction

Responsible Property Management

Building shared values with our tenants

As First Mutual Properties Limited, we strive to ensure that our buildings offer fulfilment by managing any elements that threaten our tenants' safety and health. We ensure our properties meet local and international building standards, and these efforts contribute to the wellbeing of our tenants, and improve our brand image. We continue to align our spaces to our client's needs.

Green Properties

Green properties refers to buildings whose construction and operations are associated with minimal negative environmental footprint related to construction materials, and environmental disturbance. By substituting thermal or fossil fuel energy with solar, this lowers heating and lighting overheads which makes properties more economic to run and provide a favourable pricing model to our clients. More so, green properties tend to be preferable for our clients.

Our goal is to convert all our buildings to green properties by installing LED lights, solar geysers, and solar systems. More so, we have been integrating more ventilation in our new properties for natural air to limit use of air conditioners. In addition, we built waste management sites around our properties. The Group continues to encourage and build shared values with tenants and office occupants for opportunities to save energy.

Property Portfolio

Having a diverse property portfolio enables us to penetrate new markets. By so doing, this widens our client base, creates multiple streams of income which boost overall profitability. Our goal is to have a well-balanced property portfolio to eliminate unsystematic risk which may arise where one type of the property goes through a recession and its losses are offset by another well-performing property type. With this strategy in mind, the Group now focuses on extending its services to the health and tourism sectors.

First Mutual Properties aims to bridge the gap between small and large companies to promote diffusion of ancillary services and other benefits between the two camps. We strive to balance providing a variety of properties while ensuring our lease agreements are mutually beneficial to ourselves and our clients. Currently, our plan to provide university students accommodation is being pursued and the most advanced project is in Chinhoyi which started in October 2022 where we are constructing a 430-bed facility. We target a 100% occupancy rate by engaging with stakeholders and ensure concerns are addressed timeously.

Quality Housing

Our quality management systems ensure adherence to sustainable building standards. High quality buildings attract low risk tenants who are able to pay higher rentals due to mostly stable incomes.

During the year, the Company ensured quality and availability of properties through the following:

- Conducting market research before construction to reduce voids,
- Signing single year residential leases to minimise loss from defaulting tenants,
- Incorporating sustainable features like solar systems and,
- Ensuring availability of annual budgets to support routine maintenance and refurbishments.

We monitor progress reports and conduct bi-weekly site meetings to ensure new developments comply with green building standards and are articulated in the architect's site and building plan. Supplier risk is common when undertaking projects, as such we conduct due diligence as guided by procurement procedures before awarding tenders to contractors. Further, we integrate expectations of tenants when developing properties for instance, having designs that incorporate the preferences of our anchor tenants, and having a tenant mix where services compliment rather than compete with each other. We seek professional advice from experts in the industry and engage third parties to give an independent opinion on the value of the properties.

Property Valuation

Properties gain value through good construction, regular maintenance and proximity to facilities and services. We take responsibility for our properties and ensure that planned maintenance is done within the required time period to ensure our properties are in good shape to attract and retains tenants. We aim to utilise all undeveloped land on existing office parks to improve value and lettable area such as our Arundel Office Park. We are in the processes of identifying sites where we can achieve a tenant mix of businesses that complement each other such as having a clinic, pharmacy, supermarket, beauty parlour etc, occupying the same business park. This creates value on each space as proximity to the next service creates client and customer convenience.

Responsible Property Management (continued)

Our commitments to improving property value include:

- Increasing the portfolio lettable area,
- Developing Green buildings,
- Reducing vacancy levels,
- Marketing Oyster Real Estate,
- Reducing operating expenses,
- Aligning rentals with the market and ensure that rents are negotiated on time,
- Improving on rental collections,
- Constructing buildings that suit requirements of prospective tenants and modern-day requirements

Our target is to ensure that all new developments qualify as green buildings. We took into account this vision into our Arundel new block 13 which is already under construction. First Mutual Properties Limited is currently in the process of disposing non-performing assets to recycle that capital and use it for lucrative sectors, for example, sale of George Square Residential Units of which 3 have been sold so far.

Tenant Satisfaction

First Mutual Properties places a premium on tenant satisfaction, as it is the upstream factor that drives profitability and enhances corporate brand. Client satisfaction is a value embedded in all our operations from construction, handover to building services as it leads to business growth due to more referrals and support from satisfied tenants.

Our Customer Relationship Management module (CRM) is our guiding framework for ensuring tenant satisfaction. We have lease requirements which stipulate our roles and responsibilities while also highlighting our expectations from tenants. We aim to carry out our obligations timeously and adequately at all times. Regular inspections of buildings are conducted and ensure any faults are attended in real time to boost tenant comfort.

We believe that independent feedback from our clients is key in helping us to improve our services as such, we carry out customer satisfaction surveys. Where deficiencies are highlighted, these are incorporated in staff training programmes for action and implementation. To further extend our reach to remote stakeholders, we invested in online platforms for quicker and more convenient engagements. We aim to provide a memorable occupancy experience for our clients. During the year, we received minimal tenant complaints.

RESPONSIBLE OPERATIONS

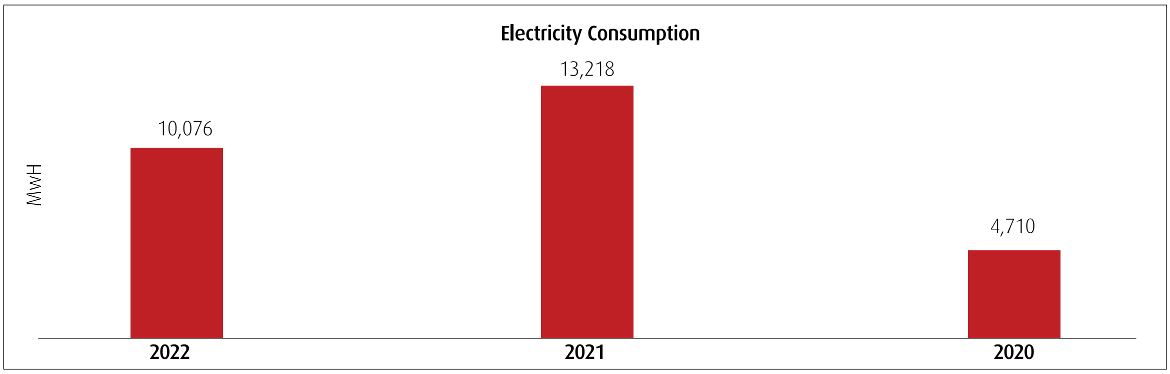
Responsible Operations

First Mutual Properties Limited is dedicated to reducing adverse effects on the environment. We monitor our operations to ensure efficient use of environmental resources such as energy and water which contribute significantly to operational efficiency and long-term sustainability. First Mutual Properties conducts impact evaluations prior to developing through the Environmental Management Agency. Our diverse property portfolios are actively managed by a team of real estate and other professionals who ensures that we achieve zero demolitions and penalties.

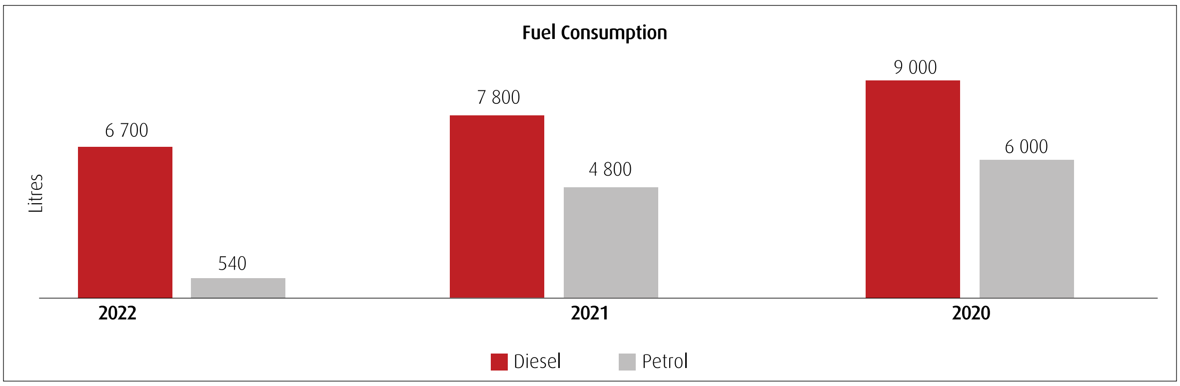
Energy

In light of the global energy crisis, energy conservation is fundamental in our operations which requires us to efficiently manage and conserve while seeking alternative clean sources of energy and management systems. We have been implementing energy management initiatives across all our operations through installation of electric metres, replacement of inefficient lighting, heating solutions, and construction of green buildings which are designed to allow natural heating and cooling. Regular inspections and service checks are conducted on our solar plant at the First Mutual Head Office in addition to tracking fuel usage of our motor vehicles and generators at our different properties. During 2022, we targeted to reduce energy use by 50% and we managed to achieve a 24% reduction through our combined efforts. All fuel forms are subject to monthly audits and tracking in order to assess the effectiveness of our management systems.

	2022	2021	2020
Electricity (MwH)	10,076	13,218	4,710



Liquid Fuels	2022	2021	2020
Diesel (litres)	6,700	7,800	9,000
Petrol (litres)	540	4,800	6,000
Total	**7,240**	**12,600**	**15,000**



Responsible Operations (continued)

Water

Water is essential for our property operations, garden maintenance, and employee health and wellness. Our major sources include borehole and municipal water. Due to inconsistent municipal supplies, we implemented several measures to stabilise water supply throughout our properties.

Conserving Water

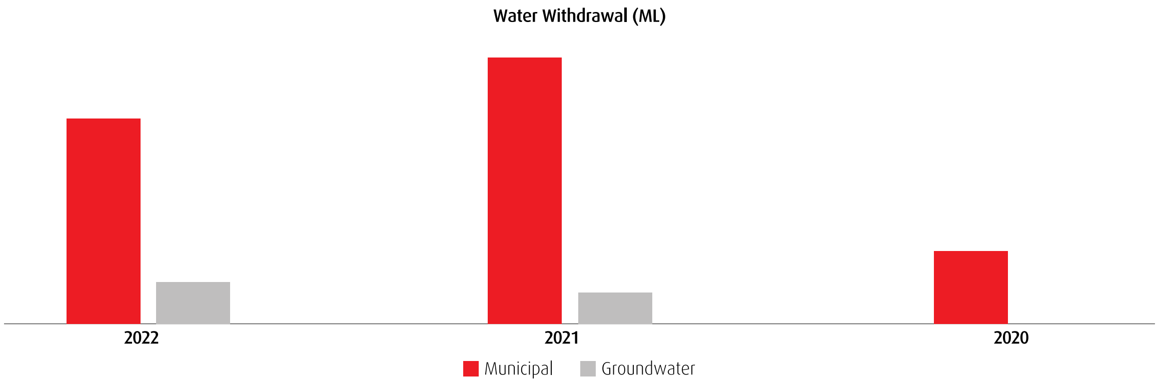
First Mutual Properties invested in boreholes and installed reservoir tanks of 5000 litres at several residential and commercial property units for dependable water supply to tenants. During the period, the following steps were implemented to monitor water usage and ensure efficiency:

- Installation of separate metres for clients to track usage.
- Installation of flow metres on boreholes to track withdrawal.
- Adopting dry gardens with drought resistant plants that require less watering.
- Repairing of damaged underground pipes.

The Company regularly assess its performance in relation to water use as part of the evaluation process. We evaluated various properties' water consumption levels and implemented measures. During the year, our controls were 80% effective, which reduced the volumes of municipal water.

During FY2022, our water is below:

Source	2022	2021	2020
Municipal	2,489.06	3,099.38	649.20
Borehole	348.69	344.64	40.23
Total	**2,837.75**	**3,444.02**	**689.43**



In FY2022, we replaced dilapidated pipes which were causing underground leakages at our buildings thereby reducing municipality water consumption by 20%.

Waste

As First Mutual Properties, we recognise our contributions in waste generation and therefore ensure we have appropriate waste management processes. Our primary waste streams include construction rubble, paper, plastic, and food waste, which requires responsible management during interim storage, transportation, recycling, and disposal. Waste management is crucial for environmental cleanliness and maintaining ambience at all of our properties.

Managing wastes

As a Company, our aim is to reduce waste directed to disposal and increase the proportion that is recycled. Construction rubble is donated to communities for filling of pot holes while some is taken to the municipal site for further management. At our sites, including offices, we invested in colour coded bins to allow waste segregation. Non-recyclable waste is collected at regular intervals by the municipal waste collection service department and third-party waste collectors are engaged in cases where there may be delays by municipal services.

We have waste contractors assigned to manage wastes at both our construction sites and office premises. Regular performance evaluations

Responsible Operations (continued)

are conducted, with improvements made as required. Our goal is to reduce waste generation and to manage the waste that cannot be avoided. We have two waste segregation sites at Arundel and First Mutual Park that contribute to our goal for good waste management practices.

Waste Production for FY2022 was as follows

Waste Generated	Unit	2022	2021	2020
Solid waste	Tons	240	336	1 416

Data; First Mutual Park

Waste Generated	Unit	2022	2021	2020
Solid waste	Tons	2,184	1,098	-

Data from other properties excluding First Mutual Park and no data was available for 2020.

Procurement

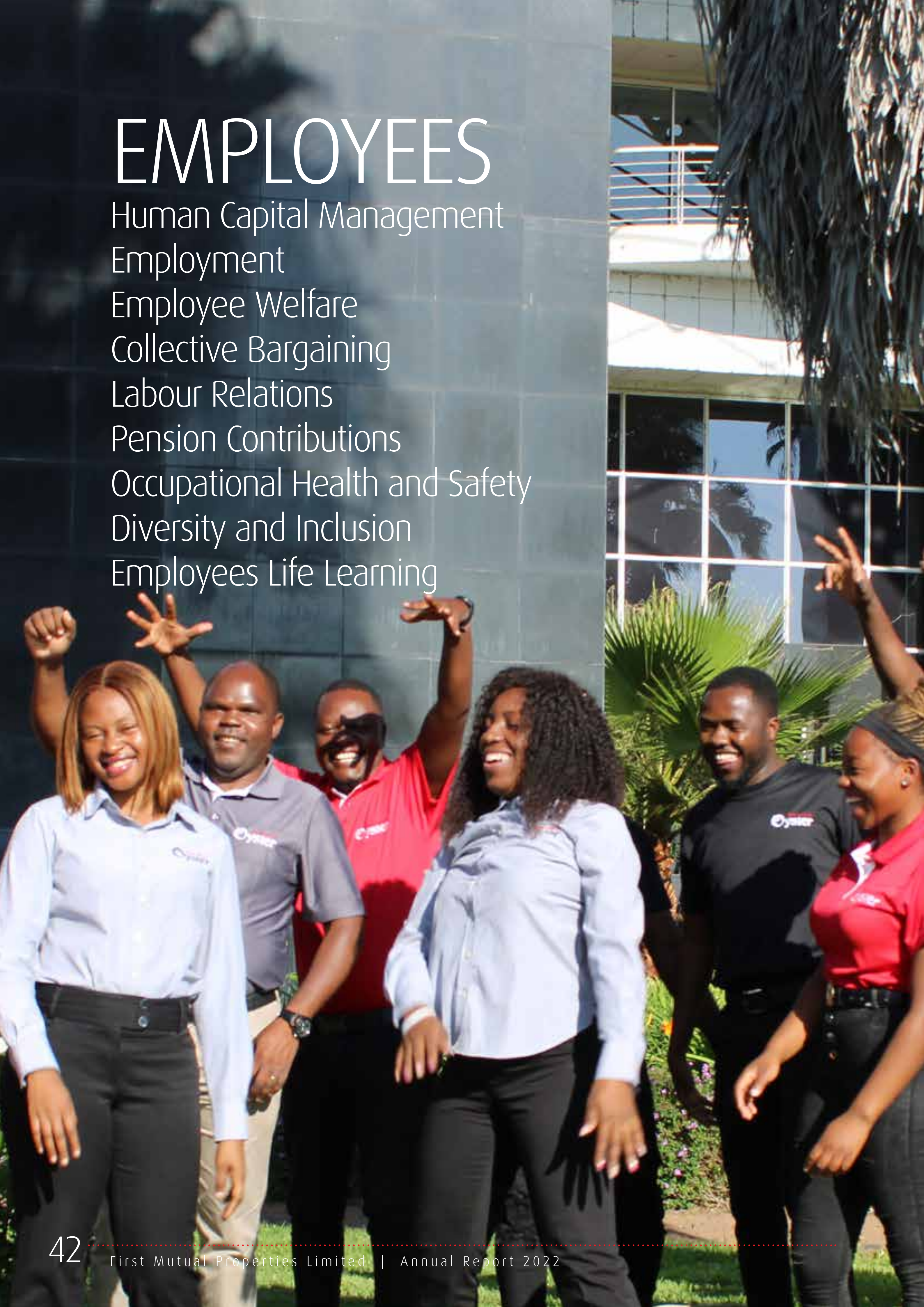
First Mutual Properties has a resilient supply chain built on ethical sourcing and sustainable policies. Our procurement procedures promote the expansion of small enterprises through generation of economic activities and subsequent job creation. Our sustainable procurement practices enhance our achievement of corporate goals.

Responsible Sourcing

We have a Procurement Policy that guides how we source materials in a responsible manner. Our goal is to ensure timely delivery of goods and services. Our processes are such that payments are made after delivery of satisfactory goods and services to ensure we deliver quality services to our clients. We conduct weekly and monthly meetings to track our procurement procedures with the aid of the Internal Procurement Requisition Register. The number of requests processed on time and the amount spent against the budget are used to evaluate our performance towards our commitments. For the period under review we managed to meet the set goals and targets. Regular engagements with our stakeholders help us to improve the management of our procurement practices.

Our procurement for FY2022:

	2022	2021	2020
Spending on Local Suppliers (ZWL)	2,305,936,512	69,098,904	76,070,224
Spending on Foreign Suppliers (ZWL)	80,017,227	3,382,670	3,862,488
Total Procurement spend (ZWL)	2,385,953,739	72,481,574	79,932,712
Number of suppliers (Count)	207	201	117



EMPLOYEES

Human Capital Management
Employment
Employee Welfare
Collective Bargaining
Labour Relations
Pension Contributions
Occupational Health and Safety
Diversity and Inclusion
Employees Life Learning

Employees

Building confidence in our business starts with our employees who are the cornerstone of First Mutual Properties. Our strategy is underpinned by building a human capital base which sustains our performance, stakeholder relations, expertise, excellent tenant service, and value creation. We thrive to provide a conducive work environment driven by a corporate culture of excellent and consistent service even in challenging times. First Mutual Properties continues to uphold gender inclusion, diversity, and social development among our employees.

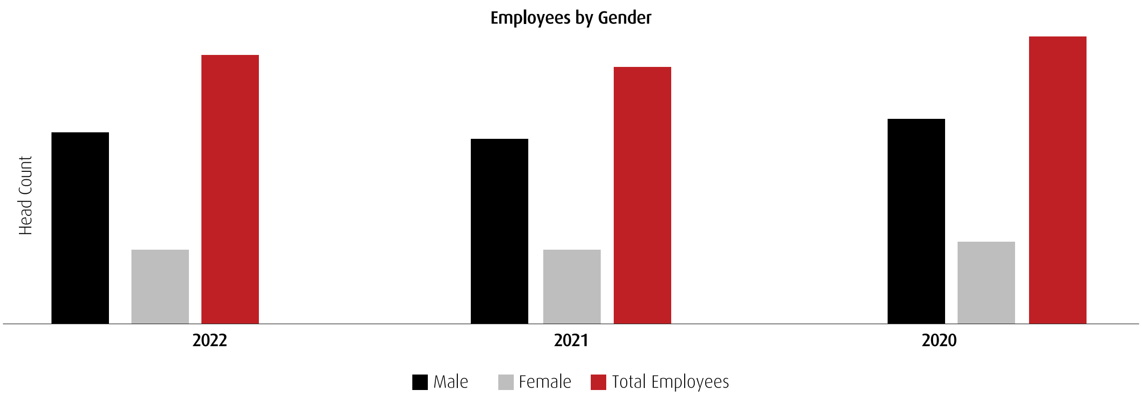
Human Capital Management

First Mutual Properties believes in best practices in human capital management where employees are central to how we deliver value and sustain our corporate brands. In light of the radical economic and technological advancements, our employees remain a significant core element of our business. First Mutual Properties recognises that its competitive advantage hinges largely on its employees and the talents that reside them, their holistic wellbeing, and continued professional development.

Employment

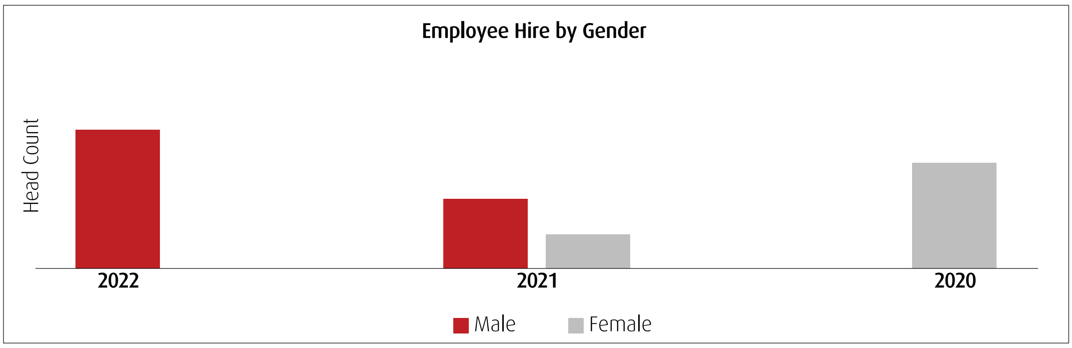
During the year, our total employees head count is below:

Gender	2022	2021	2020
Male	25	24	27
Female	10	10	11
Total	**35**	**34**	**38**



Employee Hire

Contract Type (by headcount)	2022	2021	2020
Permanent	33	31	35
Contract	2	3	3
Total	**35**	**34**	**38**

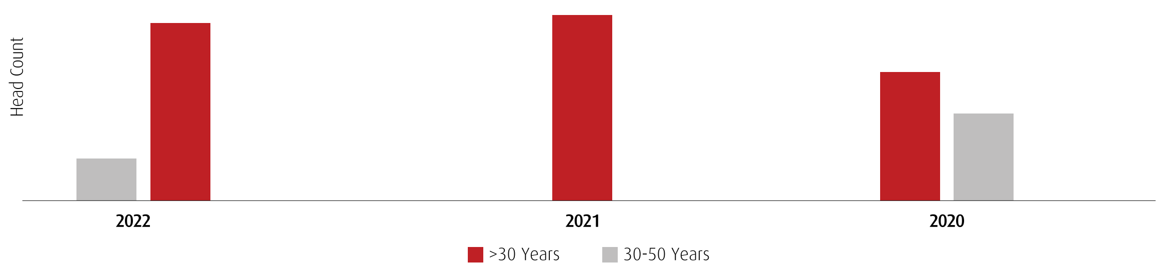


Gender	2022	2021	2020
Male	4	2	-
Female	0	1	3
Total	**4**	**3**	**3**

Employees (continued)

Employee Hire

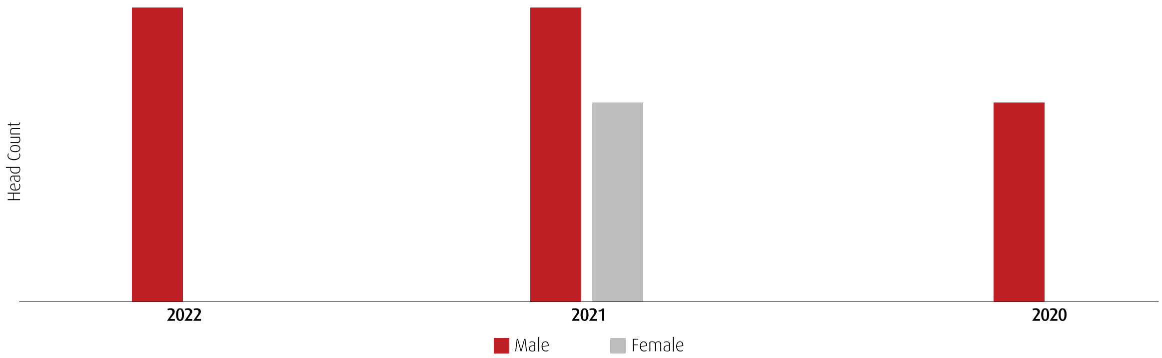
Employees Hire by Age



Age	2022	2021	2020
Under 30 years old	3	3	2
30- 50 years old	1	0	1
Total	**4**	**3**	**3**

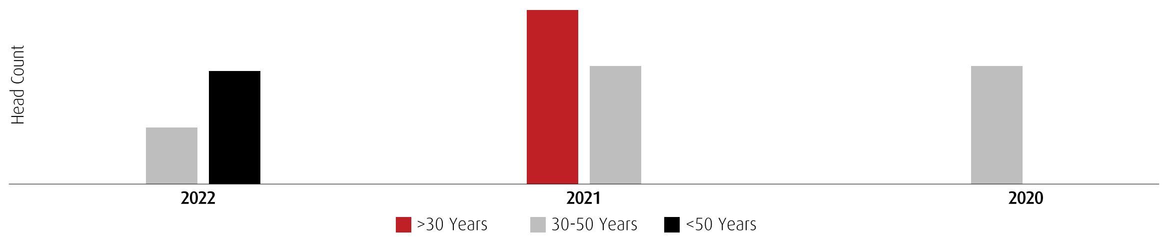
Turnover

Employees Turnover by Gender



Gender	2022	2021	2020
Male	3	3	1
Female	0	2	1
Total	**3**	**3**	**3**

Employees Turnover by Age



Age	2022	2021	2020
Under 30 years old	-	3	-
30- 50 years old	1	2	2
Over 50 years old	2	-	-
Total	**3**	**5**	**2**

Employees (continued)

Employee Welfare

The Company engages employees to assess level of wellness in different aspects such as emotional, rational wellbeing. Through these assessments, we receive feedback on issues affecting staff members and integrate the feedback into our human capital management strategy for the following year.

Collective Bargaining

Our remuneration policies are guided by industry collective bargaining agreements. During the year, a large proportion of our employees were covered by these agreements. Employee representative committees facilitated liaison between management and the rest of the employees.

Labour Relations

As First Mutual Properties, we believe employees perform better where management incorporates their views and opinions in decision-making processes, therefore we aim to provide platforms for regular employee engagements. Engagement gives management access to a wider pool of ideas that informs our strategy and decisions. Healthy labour relations also ensure that complaints related to labour remain minimal and creates a conducive workplace.

We have a Grievance and Works Council which facilitates engagements between management and employees. We value employee contributions and take necessary efforts to address any concerns as much as possible. Our labour relations management is guided by our internal Code of Conduct, national laws, and international best practices and we hold Works Council meetings Quarterly. The Council provides a forum for employees to participate in the decision-making process and discuss employees' concerns with management.

Our goal is to always be transparent and provide a safe working environment characterised by minimal labour grievances. We are pleased to report that during the reporting period, we did not experience recordable labour related cases. The few minor cases experienced were handled internally by our Human Resources Department and the Committee. Our aim is to continuously improve our labour relations practices to sustain our target of zero labour cases.

Pension Contributions

The Company contributes to a statutory social security scheme under the National Social Security Authority (NSSA). During the year, our contributions were as follows:

	2022 (ZWL)	2021 (ZWL)	2020 (ZWL)
Pension Contribution	9,314,039	1,010,014	965,018

Occupational Health and Safety

Our operations, particularly in construction projects come with a number of occupational health and safety (OHS) risks. As such, we have (OHS) management procedures and processes to safeguard employees, contractors, visitors and clients from these risks. We are committed to providing a safe working environment, and encourage employees and contractors to follow safe practices and make healthy choices within workplaces and construction sites. Compliance with all the governmental health and safety legislations is part of our safety culture.

Occupational Health Services

First Mutual Properties through the Group (First Mutual Holdings Limited) has an internal clinic and subscribes medical aid schemes for employees. We provide breakfast and lunch catering services to all employees through the Group's initiatives. In addition to providing a healthy diet to our employees, we also host sports tournaments to further enhance employees' natural state.

Employees (continued)

Occupational Risk Management

Our defence mechanism against potential work related injuries comprises of personnel medical checks, service of fire equipment as well as wellness and training sessions. Mock drills are conducted to evaluate employees' emergency preparedness. Hazard preparedness takes collective effort and as such, we engage employees through surveys and channels designed for them to air out any deficiencies in our controls.

Occupational Health and Safety Performance

We monitor safety and health reports to evaluate the strategies created to manage employees' safety as our vision is to have zero cases of harm to staff and any contracted personnel working within our premises. During the reporting period, we did not experience any recordable cases of safety or health incidents directly related to our Company.

Diversity and Inclusion

At First Mutual Properties, we believe a diverse workplace empowers us to accomplish exceptional results. We always seek to ensure that equal opportunities are provided to both men and women across all levels including senior management. Our strengths are our management's collective experience and expertise which enable us to continually look for opportunities to grow our business.
By valuing different viewpoints, promoting collaboration, we provide fair and equitable opportunities for all employees. We firmly believe that inclusion is imperative for development, retention and driving long term value. We are committed to identifying and eliminating challenges faced by our personnel based on gender, age, race, and disability. We provide Disability-friendly parking, restroom facilities, access ramps, and elevators to aid the disabled with access to all our offices.

We engage in team-building exercises to encourage inclusivity as a means of preventing discrimination and racial segregation. To monitor the efficacy of actions, we have quarterly reports outlining staff movements and hiring in line with diversity and inclusion KPIs.

Employees Life Learning

We train our employees to encourage skills development, creativity and entrepreneurial thinking. Our employee involvement programs and initiatives are driven by the Company's vision of being a top employer with a thriving workforce. Initiatives are planned to attract, nurture, and keep the top talent in the real estate sector.

Management Approach

Our learning strategy states that every employee must enrol for at least three courses each calendar year. Training needs analysis are conducted to schedule training programmes for the year whilst ad-hoc trainings are also held when required. Internal training programs are either facilitated by qualified internal or external trainers depending on training objectives and our internal capacity. Staff development programs are planned and funded according to the Company's learning and development strategy. Annually, we set budget allocations for staff training and Study Loan Assistance Program facilities to assist employees to pursue professional qualifications.

We conducts periodic audits to make sure all training and educational goals are achieved and changes are made in preparation for the following year. Our goal is to improve employees' skills, broaden their experience, and enhance their future career opportunities. We expect each employee to enrol for three courses per calendar year. We are now living in a digital era hence, there is need for employees to be Tech-savvy. The Company is currently implementing programs to digitalise our operations by enhancing use of Microsoft Office 365 applications to improve productivity.

Below are the average training hours per employee:

Gender	Unit	2022	2021	2020
Male	Hours	4	43	6
Female	Hours	2	15	14

Training by Employee Category	Unit	2022	2021	2020
Executives	Hours	2	-	2
Senior Management	Hours	-	16	2
Rank and File	Hours	4	42	16


REAL ESTATE
Oyster

CLIMATE CHANGE AND BIODIVERSITY

Climate Change
Emissions
Biodiversity

Climate Change

Climate change is a long-term shift in global or regional climate patterns and it comes with global rise in temperatures due to greenhouse gas generating activities. First Mutual Properties contributes to climate change through our construction projects, transport activities which use fossil -based fuels, back-up generators, and grid electricity generated from thermal processes. It is therefore important that the Company tracks and manages its greenhouse generating activities so as to reduce its carbon footprint.

Management Approach

We view climate change as one of our operational risks and as such have invested in process to ensure our real estate development and maintenance and utility management activities are as environmentally friendly as possible. Through our "green procurement" policies, all construction supplies and services are sourced from environmentally conscious suppliers evaluated before contracting. For our existing properties, the company installed solar panels at First Mutual Park and solar geysers on the majority of our residential properties to reduce reliance on grid electricity and generator use. In addition, we take part in afforestation initiatives to increase carbon sinks close to our operations.

Through various policies and procedures, our procurement and energy management departments combined efforts have assisted us in meeting our greenhouse gas reduction goals. As we continue on our sustainability journey, we are establishing baselines for tracking our contributions to climate change. Internal checks and audits are conducted to evaluate our performance towards our commitments to reduce climate change.

Greenhouse Gas Emissions

First Mutual Properties calculates its carbon footprint by converting its energy consumption into carbon dioxide (CO2e) equivalency using internationally accepted conversion factors.

Scope 1: Direct Emissions

These are direct Greenhouse Gas (GHG) emissions from operations that are primarily owned or controlled by First Mutual Properties, these are emissions from fuel consumed by generators and vehicles. We applied emission factors obtained from the United Kingdom (UK) Government GHG Conversion Factors to convert liquid bio-fuel usage and coal combustion as presented below:

Scope 1 Emissions	2022	2021	2020
Diesel (Kg CO_2e litres)	14,405	19,596	22,611
Petrol (Kg CO_2e Litres)	1,647	10,529	13,161
Total Scope 1 Emissions (Kg CO_2e)	**16,052**	**30,125**	**35,772**

Scope 2: Indirect Emissions

These are emissions from the consumption of energy generated and supplied by a third party in which First Mutual Properties has no direct control. Our Scope 2 emissions were calculated using emission factors obtained from the Southern African Power Pool 2015 using Operating Margin factors and the Global Warming Potential rates from the Intergovernmental Panel on Climate Change (IPCC) as presented below:

Scope 2 Emissions	2022	2021	2020
Electricity (Kg CO2e MwH)	3,542	4,646	4,833

Biodiversity

Our construction and property management operations may at times take place in new territories which may result in ecosystem disturbances. We aim however, to preserve as much of the natural environment as possible and safeguard biodiversity. Biodiversity management entails that we keep parts of construction land undisturbed and where disturbances occur rehabilitation of the land is done. Our construction practices are guided by our Green Construction Policy which provides a green framework for our diverse property portfolio.

In collaboration with the Environmental Management Authority (EMA), our construction activities are screened early in the planning process to determine whether an Environmental Impact Assessment will be required depending on the nature of the project. Biodiversity effects are considered when existing or new assets are planned near special areas of conservation and designated sites, as defined by national regulations.

As part of our Environmental Management Systems we have developed new metrics to assess our progress in managing biodiversity. These are incorporated into our systems and procedures, including those designed for reforestation and nature-based solutions.

INVESTING IN COMMUNITY AND ECONOMIC DEVELOPMENT

Corporate Social Responsibility
Sustainable Development Goals
Direct Economic Value Generation and distribution
Payments to Government

Corporate Social Responsibility (CSR)

The Company continues to support the Corporate Social Responsibility Programme to mitigate the widening gap experienced by disadvantaged families who are unable to afford the education-related costs for their children through the First Mutual Foundation. For the period under review the Foundation promoted access and retention in education for a total of 84 beneficiaries in 2 primary schools, 23 secondary schools and 2 tertiary institutions. Additionally, we launched a Scholarship Fund with Africa University offering support to 6 students to avail bursaries and ancillary support for students with multiple vulnerabilities.

During the Year, we contributed towards:

- Installation of a cycle track alongside Borrowdale Road,
- Continued communication to stakeholders through notices and press releases, and
- Sponsorship of Industry Associations for corporate goodwill.

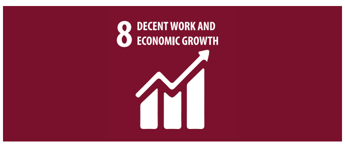
A Crisis Management Committee was set up to address and track any CSR potential impacts. We require our CSR beneficiaries and partners to confirm receipt of donation and payment, and report implementation. We are pleased to report that we noticed an improvement in school attendance, transition and completion to tertiary level by the beneficiaries during the course of the year. Going forward, we will reinforce adherence to Memorandum of Agreement between First Mutual and CSR partners.

Our CSR Activities for the FY2022 were the following:

Category	Purpose of Investing in the segment	Beneficiaries	Materials Donated	Value (ZWL/US$)	
Education	Supporting talent but disadvantaged students with, scholarships.	Students	Funding/ Fees -Scholarship		ZWL262,574
Infrastructure	Cycle track along Borrowdale Road	Community	Cycle track along Borrowdale Road	USD 4, 000	
Total				**USD 4,000**	**ZWL 262,574**

Sustainable Development Goals (SDGs)
The UN supported Sustainable Development Goals (SDGs) presents an opportunity to contribute to sustainable development. The business identified 4 Sustainable Development Goals (SDG) it believes it can significantly contribute to. The Goals are presented below along with our contribution:

Our SDGs Contributions are as follows:

Sustainable Development Goals	SDG Target	Business Actions	Impact
	Target 4.3	FMP contributed ZWL262,574 towards education through the First mutual Foundation scholarship and education support.	Contribution to equal education support.
	Target 8.1; 8.3; and 8.8	The Company supports decent work and creates employment opportunities within the company and the supply chain and have 35 employees. First Mutual Properties contributed ZWL316,186,006 and US$453,327 in taxes. Further, ZWL9,314,039 in pension contribution for employees.	Contributed taxes for economic development and employee welfare post-employment.
	Target 9.4	First Mutual Properties ensures its properties are sustainable, with adoption of clean and environmentally friendly technologies.	Contributing to eco-friendly, ecological and green buildings.
	Target 11.2	The Company contributed US$4 000 in the construction of the Borrowdale cycle track road.	Contributing access to safe transport system children.

Direct Economic Value Generation and Distribution

Corporate Social Responsibility (CSR) (continued)

First Mutual Properties Limited seeks to be the dominant real estate Company in Zimbabwe in terms of income returns, employment creation, infrastructure development and payments to government. The business contributes positive economic impacts, community development, and employment. We are guided by our business strategy, budgets, and priorities developed to drive growth, performance innovation, service excellence, and stakeholder inclusion.

The Company relies on internal and external auditors for financial integrity across our business value chain. Regularly, we evaluate occupancy rate, rental yields, and return on capital employed to track our performance goals on a monthly, quarterly and annual basis.
The economic value generated and distributed for the year is presented on pages 59 to 138 of the financial statements.

Payments to Government

First Mutual Properties is committed to good tax practices by employing various tax compliance strategies to ensure correct and timeous tax payments. Tax remittances are a major contribution to government revenue which will be directed to civil service and infrastructure developments. Tax compliance boosts our company's reputation and provides security for our stakeholders.

Management Approach

Our tax compliance culture ensures timely filing and lodgement of requisite tax information, reporting of complete and accurate information, good record keeping and payment of tax obligations. Voluntary disclosures to tax authorities where any errors may be detected is part of our approach to being a good corporate citizen. We have a dedicated Group Compliance Officer who conducts quarterly reviews on all tax filling correspondences between the business and the tax authorities.

Engaging with tax authorities

We engage the Zimbabwe Revenue Authority (ZIMRA) on:

- Upfront tax clearances;
- Real-time discussions;
- Voluntary disclosures;
- Tax audit management; and
- Dispute resolution.

We also pledge to offer our employees ongoing training so they may have adequate knowledge on taxpayer behaviour, business operations, and difficulties faced by entrepreneurs like cash flow management. To stay current with adjustments and procedures, Company representatives attends ZIMRA Tax update seminars. We conduct regular internal and external audits, group assessments, reconciliations, and tax health checks to ensure compliance.

Our primary goal as First Mutual Properties is to be fully compliant and maintain a good corporate citizen status. The Company did not incur any tax penalties during the reporting period.

During the year, our payment to the government were as follows:

	2022	2021	2020
	(ZWL)	**(ZWL)**	**(ZWL)**
Corporate Tax – Group	112,684,402	29,407,569	10,772,997
Corporate Tax – Subsidiaries	16,665,227	4,485,185	212,185
Value Added Tax (VAT)	100,399,917	31,595,510	11,150,430
PAYE	75,171,175	21,244,378	6,416,583
Withholding Tax-20% on Directors Fees	3,652,373	1,822,255	776,871
Withholding Tax-10%	-	514,815	212,185
Withholding tax -1/3	5,357,777	-	-
Aids Levy	2,255,135	637,331	192,497
Grand Total	**316,186,006**	**84,707,043**	**29,309,378**

Summary Total Tax Payments by Currency

	2022	2021	2020
Total Tax Payments (ZWL)	316,186,006	84,707,043	29,309,378
Total Tax Payments (USD)	453,327	633,733	172,470

Building a better working world

Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors
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Independent Auditor's Report

To the Shareholders of First Mutual Properties Limited

Report on the Audit of the Inflation Adjusted Consolidated and Company Financial Statements

Qualified Opinion

We have audited the inflation adjusted consolidated and company financial statements of First Mutual Properties Limited ("the Consolidated and Company"), as set out on pages 59 to 138 which comprise the inflation adjusted consolidated and company statements of financial position as at 31 December 2022 and the inflation adjusted consolidated and company statements of profit or loss, inflation adjusted consolidated and company statements of other comprehensive income, inflation adjusted consolidated and company statements of changes in equity and inflation adjusted consolidated and company statements of cash flows for the year then ended, and notes to the inflation adjusted consolidated and company financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the inflation adjusted consolidated and company financial statements present fairly, in all material respects, the financial position of the Consolidated and Company as at 31 December 2022 and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Other Business Entities Act (Chapter 24:31).

Basis for Qualified Opinion

Valuation of Investment Properties in prior year and consequential impact on application of IAS 29 - *Financial Reporting in Hyperinflationary Economies*

Our audit opinion for the year ended 31 December 2020 was modified due to the incorrect valuation of investment properties. The concern was inappropriate application of a conversion rate to a USD valuation to calculate ZWL property values which was not an accurate reflection of market dynamics. These misstatements have not been corrected in terms of *IAS 8 – Accounting Polices, Changes in Accounting Estimates and* Errors. As opening balances enter into the determination of financial performance, the following elements on the 2021 inflation adjusted Consolidated and Company Financial Statements were impacted.

Inflation Adjusted (Consolidated and Company) Statement of Profit or Loss (Comparatives only)

- Fair Value adjustments
- Income tax expense
- Monetary (loss)/gain

Inflation Adjusted (Consolidated and Company) Statement of Financial Position and Inflation Adjusted (Consolidated and Company) Statement of Changes in Equity (Comparatives only)

- Retained earnings

Furthermore, notwithstanding that IAS 29 - Financial Reporting in Hyperinflationary Economies has been applied correctly, it is noted that its application on prior year corresponding numbers was based on financial information which was not in compliance with IAS 8 as described above, therefore the inflation adjusted corresponding numbers for line items above also remain misstated.

Our opinion on the current period's Inflation Adjusted Consolidated and Company Financial Statements is therefore modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.

The effects of the above departures from IFRS are material but not pervasive to the Inflation Adjusted Consolidated and Company Financial Statements.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further descried in the *Auditor's Responsibilities for the Audit of the consolidated and Company Inflation adjusted annual financial statements section* of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Zimbabwe, and we have fulfilled our ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the inflation adjusted financial statements of the current period. These matters were addressed in the context of our audit of the inflation adjusted financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters communicated in our report.

For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the inflation adjusted financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the inflation adjusted financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed the matter</th></tr>
<tr><td colspan="2">Issue: Current Year Valuation of Investment Properties (Consolidated and Company)</td></tr>
<tr><td>Consolidated
• Note 6 – Investment Property
• Note 6.1 – Fair Value Hierarchy
• Note 6.2 - Investment property held for sale

Company
• Note 1 – Investment Property
• Note 1.1 – Fair Value Hierarchy
• Note 1.2 - Investment property held for sale

As included in the above notes to the inflation adjusted consolidated and company financial statements the below accounts have been considered to be an area where significant judgements were applied:

- Investment property amounting to ZWL$109 333 840 000 for the Group and ZWL$66 495 847 479 for the Company
- Investment property held for sale amounting to ZWL$ 38 400 000 for the Group and ZWL$ 38 400 000 for the Company

In determining the fair values of investment property, the directors make use of independent external valuers. The determination of the fair value of investment property was considered to be a matter of most significance to our current year audit due to the following:

• Uncertainties resulting from the hyperinflationary environment
• Excessive market volatility
• Lack of transactions conducted in ZWL
Due to the high level of estimation, significant judgement and complexity involved in determining the fair values of the investment properties the valuation of the investment properties was considered to be a Key Audit Matter.</td><td>We performed audit procedures to assess the adequacy of the valuation which included the following:

• Assessed the competence, capabilities and objectivity of management's valuation expert and obtained an understanding of their work.

• Inspected profiles of the individuals performing the valuation, in order to assess their experience and competence.

• We involved the EY valuation experts to review the work done by management's expert.

• Assessed the appropriateness of the valuation methodologies adopted by management's specialist based on our knowledge of the industry.

• Compared the inputs used in the valuation by management's valuation expert with available market data.

• Identified, evaluated, and tested significant assumptions used by management's valuation expert by comparing them to those used by other valuers in the industry.

• Assessed completeness and appropriateness of the investment properties disclosures in accordance with the relevant financial reporting standards.</td></tr>
</table>

First Mutual Properties Limited

Other information

The directors are responsible for the other information. The other information comprises the Chairman's Statement, Managing Director's Review of Operations, the Leadership and Governance Reports, Statement of Directors' Responsibilities and the Sustainability Reports but does not include the inflation adjusted consolidated financial statements and our auditor's report thereon. Our opinion on the inflation adjusted consolidated and company financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the inflation adjusted consolidated and company financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the inflation adjusted consolidated and company financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified Opinion section above, the Group and Company did not comply with the requirements of *IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors* because of the prior years' matters that were not resolved. We have concluded that the other information is materially misstated for the same reasons.

Responsibilities of the Directors for the Inflation adjusted Consolidated and Company Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Inflation adjusted Consolidated and Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the inflation adjusted consolidated and company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these inflation adjusted consolidated and company financial statements.

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

- Identify and assess the risks of material misstatement of the inflation adjusted consolidated and company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is enough and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the inflation adjusted consolidated and company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the inflation adjusted consolidated and company financial statements, including the disclosures, and whether the inflation adjusted financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the inflation adjusted consolidated and company financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the inflation adjusted consolidated and company financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mr Fungai Kuipa (PAAB Practicing Certificate Number 335).

Ernst & Young

Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors

Harare

30 March 2023

Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2022

		Audited Inflation adjusted		Unaudited Historical	
	Note	**2022**	**2021**	**2022**	**2021**
ASSETS		**ZWL**	**ZWL**	**ZWL**	**ZWL**
Non-current assets					
Investment property	6	109 333 840 000	75 760 451 410	109 333 840 000	22 039 000 000
Investment in associate	7	303 836 775	43 112 304	245 383 120	8 702 073
Vehicles and equipment	8	122 462 867	28 077 991	95 998 676	2 833 280
Financial assets at fair value through profit or loss- Unquoted shares	10	62 142 988	29 007 213	62 142 988	8 438 307
Financial assets at fair value through profit or loss - Quoted shares	10.1	3 052 820	4 806 695	3 052 820	1 398 286
Financial assets at amortised cost	9	79 295 978	1 342 361	79 295 978	390 498
		109 904 631 428	**75 866 797 974**	**109 819 713 582**	**22 060 762 444**
Current assets					
Inventories		9 506 746	1 652 605	8 671 693	121 410
Trade and other receivables	11	1 551 400 425	729 402 047	1 375 590 131	192 676 861
Cash and cash equivalents	12	675 970 178	793 380 229	675 970 178	230 797 290
		2 236 877 349	**1 524 434 881**	**2 060 232 002**	**423 595 561**
Investment property held for sale	**6.2**	**38 400 000**	**-**	**38 400 000**	**-**
Total assets		**112 179 908 777**	**77 391 232 855**	**111 918 345 584**	**22 484 358 005**
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Ordinary share capital	13	259 463 031	259 464 093	1 197 581	1 198 166
Retained earnings		99 008 946 935	67 745 767 495	99 151 531 069	19 760 449 547
Total shareholders' equity		**99 268 409 966**	**68 005 231 588**	**99 152 728 650**	**19 761 647 713**
Non-current liabilities					
Deferred tax liabilities	14	11 914 722 275	8 954 491 996	11 845 550 789	2 598 083 000
Current liabilities					
Trade and other payables	15	981 791 171	408 743 482	905 080 780	118 004 638
Current income tax liability	24.3	14 985 365	22 765 789	14 985 365	6 622 654
		996 776 536	**431 509 271**	**920 066 145**	**124 627 292**
Total liabilities		**12 911 498 811**	**9 386 001 267**	**12 765 616 934**	**2 722 710 292**
Total equity and liabilities		**112 179 908 777**	**77 391 232 855**	**111 918 345 584**	**22 484 358 005**

The notes on pages 63 to 119 are an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 24 February 2023 and signed on its behalf by:

CHAIRMAN
E. K. MOYO
24 February 2023

MANAGING DIRECTOR
C. K. MANYOWA
24 February 2023

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2022

		Audited Inflation adjusted		Unaudited Historical	
		Restated*		Restated*	
	Note	**2022**	**2021**	**2022**	**2021**
		ZWL	**ZWL**	**ZWL**	**ZWL**
Revenue	16	2 900 531 635	2 044 478 864	2 101 572 854	475 465 488
Allowance for credit losses	17	(125 914 999)	(83 868 662)	(125 914 999)	(24 397 709)
Property expenses	18	(1 842 421 939)	(997 662 357)	(1 366 076 370)	(213 771 352)
Net property income		**932 194 697**	**962 947 845**	**609 581 485**	**237 296 427**
Employee related expenses	19	(325 751 426)	(180 544 208)	(286 238 258)	(46 078 327)
Other expenses	20	(465 943 094)	(193 046 941)	(346 001 986)	(54 250 089)
Net property income after administration expenses		**140 500 177**	**589 356 696**	**(22 658 759)**	**136 968 011**
Fair value adjustments	21	33 574 174 294	23 782 301 042	87 405 249 919	12 629 753 627
Other income	22	1 811 473 323	305 161 496	1 296 118 163	96 776 135
Finance income	23	370 165 959	73 835 134	310 441 826	18 513 856
Share of profit from associate	7	70 305 747	-	114 622 137	-
Net monetary gain/ (loss)		(1 172 611 332)	(330 165 343)	-	-
Profit before income tax		**34 794 008 168**	**24 420 489 025**	**89 103 773 286**	**12 882 011 629**
Income tax expense	24	(3 213 761 171)	(4 444 629 898)	(9 501 073 321)	(1 798 911 876)
Profit for the year		**31 580 246 997**	**19 975 859 127**	**79 602 699 965**	**11 083 099 753**
Total comprehensive profit for the year		**31 580 246 997**	**19 975 859 127**	**79 602 699 965**	**11 083 099 753**
Attributable to:					
-Owners of the parent		31 580 246 997	19 975 859 127	79 602 699 965	11 083 099 753
Profit for the year		**31 580 246 997**	**19 975 859 127**	**79 602 699 965**	**11 083 099 753**
Basic earnings per share (ZWL cents)	**25.1**	**2 554**	**1 615**	**6 437**	**896**
Diluted earnings per share (ZWL cents)**	**25.2**	**2 551**	**1 613**	**6 429**	**895**

* Reclassifiaction of employee related expenses and other expenses to property expenses was done and disclosed in note 18.
**The Diluted Earnings Per Share (DEPS) has changed, refer to Note 25.2 for more information.

The notes on pages 63 to 119 are an integral part of the financial statements.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2022

	Audited Inflation Adjusted			
	Attributable to owners of the parent			
	Ordinary Shares ZWL	Treasury Shares ZWL	Retained earnings ZWL	Shareholders' equity ZWL
Balance as at 1 January 2021	264 271 080	(4 806 987)	47 983 650 590	48 243 114 683
Profit for the year		-	19 975 859 127	19 975 859 127
Total comprehensive income for the year	**-**	**-**	**19 975 859 127**	**19 975 859 127**
Transactions with owners in their capacity as owners:				
Dividend declared and paid	-	-	(213 742 222)	(213 742 222)
Balance as at 31 December 2021	**264 271 080**	**(4 806 987)**	**67 745 767 495**	**68 005 231 588**
Balance as at 1 January 2022	264 271 080	(4 806 987)	67 745 767 495	68 005 231 588
Profit for the year		-	31 580 246 997	31 580 246 997
Transactions with owners in their capacity as owners:				
Acquisition of treasury shares	-	(1 062)	(9 356 820)	(9 357 882)
Dividend declared and paid	-	-	(307 710 737)	(307 710 737)
Balance as at 31 December 2022	**264 271 080**	**(4 808 049)**	**99 008 946 935**	**99 268 409 966**

The notes on pages 63 to 119 are an integral part of the financial statements.

	Unaudited Historical			
	Attributable to owners of the parent			
	Ordinary Shares ZWL	Treasury Shares ZWL	Retained earnings ZWL	Shareholders' equity ZWL
Balance as at 1 January 2021	1 238 157	(39 991)	8 723 959 159	8 725 157 325
Profit for the year	-	-	11 083 099 753	11 083 099 753
Total comprehensive income for the year	**-**	**-**	**11 083 099 753**	**11 083 099 753**
Transactions with owners in their capacity as owners:				
Dividend declared and paid	-	-	(46 609 365)	(46 609 365)
Balance as at 31 December 2021	**1 238 157**	**(39 991)**	**19 760 449 547**	**19 761 647 713**
Total equity at the beginning of the financial year	**1 238 157**	**(39 991)**	**19 760 449 547**	**19 761 647 713**
Profit for the year	-	-	79 602 699 965	79 602 699 965
Total comprehensive income for the year	**-**	**-**	**79 602 699 965**	**79 602 699 965**
Transactions with owners in their capacity as owners:				
Acquisition of treasury shares	-	(585)	(5 152 164)	(5 152 749)
Dividend declared and paid	-	-	(206 466 279)	(206 466 279)
Balance as at 31 December 2022	**1 238 157**	**(40 576)**	**99 151 531 069**	**99 152 728 650**
			-	-

The notes on pages 63 to 119 are an integral part of the financial statements.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2022

		Audited Inflation Adjusted		Unaudited Historical	
	Note	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Cash flows from operating activities					
Profit before income tax		34 794 008 168	24 420 489 025	89 103 773 286	12 882 011 629
Adjustment for non-cash items and other adjustments:					
Depreciation	8	15 139 795	10 649 760	4 433 275	495 766
Allowance for credit losses	17	125 914 999	83 868 662	125 914 999	24 397 709
Fair value adjustment on investment property	21	(33 574 174 294)	(23 782 301 042)	(87 405 249 919)	(12 629 753 627)
Fair value movement on unquoted shares	10	(33 135 775)	(2 835 368)	(53 704 681)	(3 701 751)
Fair value movement on quoted shares	10.1	1 570 913	(1 137 321)	(1 824 653)	(501 394)
Finance income	23.2	(370 165 959)	(73 835 134)	(310 441 826)	(18 513 856)
Exchange (gain)	22	(1 668 695 076)	(267 116 972)	(1 160 595 020)	(60 216 936)
Net monetary loss/(gain)		827 345 052	330 165 343	-	-
Dividend received		(534 321)	(4 682 748)	(294 214)	(1 055 645)
Loss/(Profit) from disposal of investment property	22	-	7 831 068	-	(9 915 762)
Loss/(Profit) from disposal of vehicles and equipment	22	(14 466)	(10 405 978)	80 877	(2 691 603)
Share of profit of associate	7	(70 305 747)	-	(114 622 137)	-
Other non cash items		4 226 648	2 224 241	2 322 512	501 417
Cash flows generated from operating activities before working capital adjustments		**51 179 937**	**712 913 536**	**189 792 499**	**181 055 947**
Working capital adjustments					
(Increase) in trade and other receivables		(947 913 377)	(525 324 933)	(1 308 828 270)	(167 301 887)
Decrease/(increase) in inventory		(7 854 141)	1 840 977	(8 793 104)	60 182
Increase/(Decrease) in trade and other payables		573 047 686	117 126 638	787 076 143	65 193 287
Cash flow from operating activities after working capital adjustments		**(331 539 895)**	**306 556 218**	**(340 752 732)**	**79 007 529**
Income tax paid	24.3	(272 746 396)	(163 353 194)	(233 138 830)	(54 572 826)
Net cash generated from operating activities		**(604 286 291)**	**143 203 024**	**(573 891 562)**	**24 434 703**
Cash flows from investing activities					
Additions to investment property	6	(146 174 777)	-	(44 794 299)	-
Improvements to investment property	6	(109 149 436)	(72 138 832)	(43 223 704)	(15 756 372)
Purchase of vehicles and equipment	8	(109 801 632)	(15 302 752)	(97 853 547)	(3 291 164)
Investment in associate	7	(88 140 629)	(43 112 303)	(30 325 033)	(8 702 073)
Acquisitions of equities	10.1	-	(3 669 374)	-	(896 892)
Proceed on disposal of property, plant and equipment		309 818	13 063 049	199 179	3 430 000
Proceed on disposal of investment property		151 204 130	272 909 792	102 611 021	61 135 762
Maturity/(Issuance) of long term investments		536 447	-	395 229	-
Finance income received	23.2	124 048 417	18 067 680	68 305 028	4 073 048
Dividend received		534 321	4 682 748	294 214	1 055 645
Net cash generated from investing activities		**(176 633 341)**	**174 500 008**	**(44 391 912)**	**41 047 954**
Cash flows from financing activities					
Repurchase of treasury shares		(9 357 882)	-	(5 152 749)	-
Dividends paid to Company's shareholders		(254 773 010)	(193 731 451)	(206 466 278)	(46 609 365)
Net cash used in financing activities		**(264 130 892)**	**(193 731 451)**	**(211 619 027)**	**(46 609 365)**
Inflation effect on cashflows		(1 388 017 525)	(406 948 254)	-	-
Net (decrease)/increase in cash and cash equivalents		**(2 433 068 049)**	**(282 976 673)**	**(829 902 501)**	**18 873 292**
Cash and cash equivalents at the beginning of the year		793 380 229	685 336 654	230 797 290	124 031 592
Effects of changes in foreign currency		2 315 657 998	391 020 248	1 275 075 389	87 892 406
Cash and cash equivalents at end of the year	12	**675 970 178**	**793 380 229**	**675 970 178**	**230 797 290**

The notes on pages 63 to 119 are an integral part of the financial statements.

1 GENERAL INFORMATION

First Mutual Properties Limited ("the Company") and its subsidiary, (together "the Group"), principal activities are property investment, development and management. The Company and its subsidiary are incorporated and domiciled in Zimbabwe. The Company is a public limited company, which is listed on the Zimbabwe Stock Exchange and its parent company is First Mutual Holdings Limited, which is also listed on the Zimbabwe Stock Exchange.

The registered office of the Company is First Floor, First Mutual Park, 100 Borrowdale Road, Borrowdale, Harare, Zimbabwe.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Statement of Compliance

The Group and Company's financial statements have been prepared in accordance with International Financial Reporting Standard ("IFRS") as issued by the International Accounting Standards Board ("the IASB"), International Financial Reporting Interpretations Committee ("IFRIC") as issued by the IFRS Interpretations Committee ("IFRS IC") and in a manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) of 2019. 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.

(a) Basis of preparation

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company's accounting policies. The areas involving a higher degree of judgement of areas that are complex or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

(b) Inflation adjustments

International Accounting Standard ("IAS") 29 "Financial Reporting in Hyperinflationary Economies" requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of a measuring unit current at the balance sheet date, and that corresponding figures for previous periods be stated in the same terms to the latest balance sheet date. On 11 October 2019, the PAAB issued pronouncement 01/2019 which advised that there was a broad market consensus within the accounting and auditing professions that the factors and characteristics to apply the Financial Reporting in Hyperinflationary Economies Standard (IAS 29), in Zimbabwe have been met. First Mutual Properties Limited has therefore complied with this consensus and has applied IAS 29 accordingly. The restatement has been calculated by means of conversion factors derived from the consumer price index (cpi) prepared by the Zimbabwe Central Statistical Office. The conversion factors used to restate the financial statements at 31 December 2022, using December 2021 base year, are as follows:

Unaudited Historical cost accounting

The financial statements of First Mutual Properties Limited are based on a Unaudited Historical cost except for investment properties which are measured at fair value as well as financial assets held at fair value through profit or loss.

Restatement of non-monetary items

Items in the statement of comprehensive income

The Group and Company uses the month on month method where items in the profit and loss account are restated from the month they were incurred hence the relevant monthly conversion factors were applied.

Items in the statement of financial position

Investment properties

Investment property was revalued as at 31 December 2022 and therefore was not restated as they are already expressed at the measuring unit current at the reporting date.

Deferred tax liabilities

Deferred tax liabilities relating to investment properties have not been restated since there has been no restatement of investment property which is carried at fair value.
Deferred tax liabilities relating to Property plant and equipment have been recalculated based on the restated carrying amounts as per the provisions of the standard.

Property, plant and equipment

Vehicles and equipment purchased in September 2018 and earlier carried a $USD value cost hence it was first been translated to a ZWL value as at 30 September 2018 using a rate of 1:1.
Additions during the year ended 31 December 2022 were restated using the conversion factors prevailing in the month of purchase.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Statement of Compliance (continued)

Share capital and retained earnings
Share capital carried a $USD value hence it was first translated to a ZWL value as at 30 September 2018 using a rate of 1:1. A relevant conversion factor was then applied. Treasury shares bought back during the years 2016, 2019 and 2022 were restated using the relevant monthly conversion factor. Restated retained earnings are derived from all the other amounts in the restated statement of financial position.

Items in the statement of cash flows
"The Group and Company presents the monetary gain or loss on cash and cash equivalents and the effect of inflation on operating, investing and financing cash flows as one number."

2.2 Foreign currency translation

(a) Functional and presentation currency
The Group's consolidated and Company's separate financial statements are presented in Zimbabwe Dollar ("ZWL"), which is also the parent company's functional currency .For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency

(b) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of transaction or valuation where items are re-measured. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. Translation differences on non-monetary financial assets and liabilities such as equity securities at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Transactions in currencies other than ZWL are initially recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in currencies other than ZWL are re-translated at the functional currency spot rate of exchange ruling at the reporting date. All differences arising from settlement or translation of monetary items are taken to statement of comprehensive income. Non-monetary items that are measured in terms of Unaudited Historical cost in a foreign currency are translated using the exchange rates as at the date of the initial transaction and are not subsequently restated. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

2.3 New standards, interpretations and amendments

2.3.1 New standards, interpretations and amendments, effective for the first time for 31 December 2022 year ends that are relevant to the Group and Company.

Standard/interpretation	Effective date	Executive summary
Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	1 January 2022	In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. The amendments are not expected to have a material impact on the Group and Company.
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	1 January 2022	In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The amendments were not applicable to the Group and Company in the current year.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 New standards, interpretations and amendments (continued)

2.3.1 New standards, interpretations and amendments, effective for the first time for 31 December 2022 year ends that are relevant to the Group and Company.

Standard/interpretation	Effective date	Executive summary
IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary "as a first-time adopter"	1 January 2022	As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. There is no material impact on the Group and Company.
IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities	1 January 2022	As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group and Company will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Group and Company.
Reference to the Conceptual Framework – Amendments to IFRS 3	1 January 2022	The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements. The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the ConceptualFramework, to determine whether a present obligation exists at the acquisition date. 'The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date. In accordance with the transitional provisions, the Group and Company applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). These amendments had no impact on the consolidated financial statements of the Group and Company as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 New standards, interpretations and amendments (continued)

2.3.1 New standards, interpretations and amendments issued but not effective for 31 December 2022 year ends that are relevant to the Group and Company but have not been early adopted

Standard/interpretation	Effective date	Executive summary
Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies	1 January 2023	In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.
		The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary. The Group and Company is currently assessing the impact of the amendments to determine the impact they will have on the Group and Company's accounting policy disclosures.
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	1 January 2024	In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify: ,What is meant by a right to defer settlement , That a right to defer must exist at the end of the reporting period, That classification is unaffected by the likelihood that an entity will exercise its deferral right , That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Group and Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Ammendments to IFRS 10 and IAS 28		In December 2015, the IASB decided to defer the effective date of the ammendments until such time as it has finalised any ammendments that result from its research project on the equity method. Early application of the ammendments is still permitted. The ammendments address the conflict between IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The ammendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not cosntitute a business, however,is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The ammendments must be applied prospectively. Early application is permitted and must be disclosed. The impact on the Group and Company is not expected to be material.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 New standards, interpretations and amendments (continued)

2.3.1 New standards, interpretations and amendments issued but not effective for 31 December 2022 year ends that are relevant to the Group and Company but have not been early adopted

Standard/interpretation	Effective date	Executive summary
Definition of Accounting Estimates - Ammendments to IAS 8	1 January 2023	In February 2021, the Board issued ammendments to IAS 8, in which it introduces a new definition of "accounting estimates". The ammendments clarify the distinction between chnages in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The ammended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not correction of errors. This aspect of the definition was retained by the Board. The ammendments apply to changes in accounting polices and changes in accounting estimates that occur on or after the start of the effective date. Earlie application is permitted. The Group and Company will apply this from the effective date and no material impact is expected.
Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Ammendments to IAS 12	1 January 2023	In May 2021, the Board issued ammendments to Ias 12, which narrow the scope of the intitial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary difference. The ammendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. Under the ammendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal. Nevertheless, it is possible that the resulting deferred tax assets and liabilities are not equal (e.g., if the entity is unable to benefit from the tax deductions or if different tax rates apply to the taxable and deductible temporary differences). In such cases, which the Board expects to occur infrequently, an entity would need to account for the difference between the deferred tax asset and liability in profit or loss. An entity should apply the ammendments to transactions that occur on or after the beginning of the earliest comparative period presented. This will be applied as such by the Group and Company with no material impact expected.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 New standards, interpretations and amendments (continued)

2.3.1 New standards, interpretations and amendments issued but not effective for 31 December 2022 year ends that are relevant to the Group and Company but have not been early adopted

Standard/interpretation	Effective date	Executive summary
Lease Liability in a Sale and Leaseback - Ammendments to IFRS 16	1 January 2024	In September 2022, the Board issued Lease Liability in a Sale and Leaseback (Ammendments to IFRS 16). The ammendments to IFRS 16 specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leasbeack transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. After the commencement date in a sale and leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFSR 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46, the seller lessee determines "lease payments" or "revised lease payments" in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease, as required by paragraph 46(a) of IFSR 16. The ammendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease laibility arising from a leasback may result in a seller-lessee determining "lease payments" that are different from the general definition of lease payments in Appendix A of IFSR 16. The seller-lessee will need to develop and apply an accounting policy that results in infromation that is relevant and realiable in accordance with IAS 8. A seller-lessee applies the ammendment to annaul reporting periods beginning on or after 1 January 2024. Ealrier application is permitted and that fact must be dsiclosed. No material impact is expected for the Group and Company.

2.4 Basis of consolidation

(a) Subsidiaries
Subsidiaries are all entities (including structured entities) over which the Group has control. The consolidated financial statements comprise the financial statements of First Mutual Properties Limited and its subsidiary as at 31 December 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:
- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- the contractual arrangement with other equity holders of the investee;
- rights arising from other contractual arrangements and
- the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control of the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Group's financial results from the date the Group gains control until the date the Group ceases to control the subsidiary.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Basis of consolidation (continued)

(b) Loss of control
If the Group loses control of the 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 or receivable;
• recognises the fair value of any investment retained;
• recognises any surplus or deficit in profit or loss; and
• reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

(c) Separate financial statements of the Company
In the Company's separate financial statements, investments in subsidiaries are accounted for at cost. These are then eliminated at consolidation.

(d) Common control transactions
"A combination involving entities or businesses under common control is a business combination in which all the combining entities or" businesses are ultimately controlled by the same party or parties both before and after the business combination, and the control is not transitory. Common control transactions are excluded from the scope of IFRS 3, "Business combinations". The Board of Directors made a policy choice to use predecessor accounting for common control transactions.

No assets or liabilities are restated to their fair values. Instead, the acquirer incorporates predecessor carrying values. These are the carrying values of the acquired entity. They are generally the carrying amounts of assets and liabilities of the acquired entity from the consolidated financial statements of the highest entity that has common control for which consolidated financial statements are prepared.

These amounts include any goodwill recorded at the consolidated level in respect of the acquired entity. If no consolidated financial statements are produced, the values used are those from the financial statements of the acquired entity. Gain or losses on acquisition are accounted directly in the statement of changes in equity utilising available reserves.

The acquired entity's results and statement of financial position are incorporated prospectively from the date on which the business combination between entities under the same carrying occurred. Consequently, the financial statements do reflect the results of the acquired entity for the period after the transaction occurred.

2.5 Segment reporting
Operating segments are reported in a manner consistent with the international reporting that is done to the chief operating decision maker ("CODM"). Where appropriate two or more segments are aggregated into a single operating segment. The CODM who is responsible for allocating resources and assessing performance has been identified as the management committee, which is made up of the managing director, head of finance, property investments manager and property services manager.

2.6 Investment property
Investment property comprises completed property and property under construction or development and undeveloped land that is held to earn rentals or for capital appreciation or both. Property held under a lease is classified as investment property when it is held to earn rentals or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in production or administrative functions.

Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment property is included in the profit or loss in the period in which they arise. Fair values are determined annually by an accredited external independent valuer, applying valuation models recommended by the International Valuation Standards Committee.

Investment property is derecognised when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the profit or loss in the year of derecognition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group and Company accounts for such property in accordance with the policy stated under vehicles and equipment up to the date of change in use. The difference between the cost-based measurement and fair value is treated as a revaluation adjustment.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Investment property (continued)

A full valuation of investment property that incorporates physical inspection of the property being valued is conducted by the Group and Company after every
three years, and during each year, quarterly desktop valuations are conducted.

2.7 Investment in associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

Significance influence generally accompanies a shareholding of between 20% and 50% of the voting rights. The Group's investment in its associate is accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost.

The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, 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 aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of an associate' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.8 Vehicles and equipment

Vehicles and equipment are stated at inflation adjusted cost, net of accumulated depreciation and accumulated impairment losses, if any. Such
cost includes the cost of replacing part of the vehicles and equipment and borrowing costs for long-term construction projects if the recognition
criteria are met. When significant parts of vehicles and equipment are required to be replaced at intervals, the Group and Company recognises such parts as
individual assets with specific useful lives and depreciation. Likewise, when a major inspection is performed, its cost is recognised in the
carrying amount of the vehicles and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs
are recognised in the profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the asset as follows:

Motor vehicles	5 years
Computers	5 years
Equipment and machinery	5 years
Office equipment	5 years
Office furniture	10 years

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Vehicles and equipment (continued)

The depreciable amount of an asset is determined after deducting its residual value. If the assets' residual values and useful lives differ from the previous estimates, the Group and Company account prospectively for the change in estimate.

An item of vehicles and equipment and any significant part initially recognized is derecognised 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 amount of the asset) is included in the profit or loss when the asset is derecognised.

2.9 Impairment of non-financial assets

The Group and Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group and Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's ("CGU") fair value less costs of disposal or its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available.

The Group and Company bases its impairment calculation on detailed budgets and forecast financial information, which are prepared separately for each of the Group and Company's CGUs to which the individual assets are allocated. These budgets and forecast financial information generally cover a period of five years.

For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

For assets excluding goodwill, an assessment is made at each reporting date whether there is any indication that previously recognised impairment allowances may no longer exist or may have decreased. If such indication exists, the Group and Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment allowance is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment allowance was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment allowance been recognised for the asset in prior years. Such reversal is recognised in the profit or loss.

2.9.1 Financial instruments

2.9.2 Investments and other financial assets

(i) Classification of financial assets

The Group and Company classifies its financial assets as at amortised cost only if both of the following criteria are met:
- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

The Group and Company classifies the following financial assets at fair value through profit or loss ("FVPL"):
- debt investments that do not qualify for measurement at amortised cost; and
- equity investments for which the Group and Company has not elected to recognise fair value gains and losses through other comprehensive income ("OCI").

(ii) Initial recognition and measurement of financial assets

Measurement

At initial recognition, the Group and Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9.2 Investments and other financial assets (continued)

(iii) Subsequent measurement of financial assets

Financial assets at fair value through profit and loss
These assets are subsequently measured at fair value. Net gains and losses including any interest on dividend income are recognised in profit or loss.

Financial asset at amortised cost
These asset are subsequently measured at amortised cost using the effective interest method. Interest income, foreign exchange gain and losses and impairment are recognised in profit or loss.

(iv) Impairment of financial assets

Simplified approach
The Group and Company applies the simplified approach forward looking to measure expected credit losses. The simplified approach uses a lifetime expected credit loss allowance for all trade receivables. To measure the expected credit losses, rental receivables and operating cost receivables have been grouped based on shared credit characteristics and the days past due. The Group applied the practical expedient to calculate expected credit losses using a provision matrix. . However, in order to comply with the IFRS 9 requirements, The Group and Company took into account how current and forward-looking information might affect its customers' historical default rates and, consequently, the effect of the information on current expectations and estimates of expected credit losses. The expected credit loss rates are based on the following:

The Group and Company consider the following as constituting an event of default

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources which indicates the debtor is unlikely to pay it's creditors, including the Group and or company.

Irrespective of the above analysis, the Group and Company consider that default has occurred when a financial asset is more than 120 days past due unless the Group and Company have reasonable and supportable information to demostrate that default has not occurred.

(a) Occupancy status of the tenant
Where a tenant who remains in occupancy of the premises and continues to default on the payment of rent and operating costs, the past due account remains covered under general allowance for credit losses. The tenant who relinquishes occupancy of premises and honours agreed payment plans will not be considered for specific write-off and they will be provided for at 100%.

(b) Length of time of non-payment
The length of time a tenant stays without making payment towards past due balances is used as a measure of the extent of delinquency of outstanding amounts. All past due amounts over three months are referred to collection agencies and lawyers for collection while amounts that are over six months past due may qualify for specific write-off subject to the fulfilment of additional qualification criteria. All tenant account balances that are over three months are profiled with relevant percentages of general allowance applied to arrive at a general allowance for credit losses amount.

(c) Analysis of results of collection efforts undertaken so far in order to recover amounts that are past due
When the efforts of lawyers, collection agencies or direct approaches by the Group and Company to tenants does not yield significant recovery of past due amounts and the prospects of significant recoveries consider remote, the outstanding balance is considered for specific write off. All material write offs are approved by the Audit Committee. Significant managerial judgment is exercised in analysing the likelihood of success of current collection efforts with assessment of prospects of recovery rated from more highly probable to remote.

The Unaudited Historical credit loss rates are adjusted to reflect current and forward looking information on macroeconomic factors (such as market interest rates or growth rates) affecting the ability of the cedants to settle the receivables.

General approach
The Group and Company applies the general approach on financial assets such as debt instruments measured at amortised cost. The Group and Company considers the probability of default upon initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group and Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9.2 Investments and other financial assets (continued)

General approach (continued)

The Group and Compnay recognises an allowance for expected credit losses (ECLs) for all debt instrument except those held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group and Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group and Company may also consider a financial asset to be in default when internal or external information indicates that the Group and Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Write-off

Debt instruments are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group and Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group and Company's procedures for recovery of amounts due.

2.9.3 Trade and other payables

(i) Initial recognition and measurement

These amounts represents liabilities for goods and services provided to the Group and Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after reporting period. They are recognised initially at their fair value.

(iii) Subsequent measurement

After initial recognition, borrowings, loans and other payables and trade and other payable balances are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate method amortization process.

(iv) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such a modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the profit or loss.

2.9.4 Off-setting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group and Company or the counterparty.

2.10 Trade and other receivables

These are amounts due from tenants and other customers for services offered in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group and Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group and Company's allowance for impairment policies and the calculations are provided in note 11.

2.11 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk changes in value. For the purposes of the statement of cash flows, cash and cash equivalents comprise of bank and cash balances and short term deposits as defined above.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Fair value measurement

The Group and Company measures financial instruments, such as equity investments and non-financial assets such as investment property, at fair value at reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group and Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
- level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.13 Leases

The Group and Company has numerous leasing contracts as the lessor of investment property. The leases are operating leases, which are those leases where the Group and Company retains a significant portion of risks and rewards of ownership. Contractual rental income is recognised on a straight-line basis over a period of lease term.

2.14 Borrowing costs

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

2.15 Inventories

Consumables
Consumables are valued at cost (based on invoice value).

Property classified as inventory
Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory property and is measured at the lower of cost and net realisable value ("NRV") based on the specific identification of the property.

Cost includes, amount paid to acquire the land, amounts paid to contractors for construction, borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

Non-refundable commissions paid to sales or marketing agents on the sale of real estate units are expensed when paid.

The cost of inventory recognised in profit or loss from disposal is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 Share capital

(a) Ordinary shares
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(b) Treasury shares (repurchase and reissue of ordinary shares)
When share capital recognised as equity is bought back the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as an equity deduction. The Company's own shares reacquired in a share buyback scheme are deducted from equity and are classified as treasury shares and are presented in a separate reserve for owned shares. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within the share premium.

2.17 Provisions

Provisions are recognised when the Group and Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an out flow 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. When the Group and Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit or loss net of any reimbursement.

2.18 Employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' service up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as trade and other payables in the balance sheet.

2.19 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.20 Current versus non-current classification

Asset is current when it is:
- expected to be realized or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading; or
- expected to be realized within twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:
- it is expected to be settled in normal operating cycle;
- it is held primarily for the purposes of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

2.21 Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group and Company expects to be entitled in exchange for those goods. The Group and Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the services before transferring them to the customer.

(i) Rental income
The Group and Company are the lessors on operating lease transactions. Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease term and is included in revenue in the profit or loss due to its operating nature.

Services and management charges are recognised in the accounting period in which they are incurred.

Tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the directors are reasonably certain that the tenant will exercise that option.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Revenue recognition (continued)

Amounts received from tenants to terminate leases or to compensate for dilapidations are recognised in profit or loss when the right to receive them arises.

(ii) Property services income

Property services income comprises income due from property-related services to other parties. The income is recognised at a point in time when the related services have been provided. Property services income will be generated from the following services:

- project management;
- property management;
- property valuations.

(v) Finance income/expenses

For all financial instruments measured at amortised cost , interest income or expense is recorded using the effective interest method ("EIM"), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period.

2.23 Current income and deferred tax

(i) Income tax

The income tax expense for the year is the tax payable on the current years taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unusual tax losses. Income tax assets and liabilities for the current year are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in Zimbabwe where the Group and Company operate and generate taxable income.

Income tax relating to items recognised directly in other comprehensive income or equity is recognised in other comprehensive income or equity and not in the profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes liabilities where appropriate.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in relation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 Value added tax

Revenues, expenses and assets are recognised net of the amount of value added tax, except when the value added tax incurred on 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.

The net amount of value added tax recoverable from or payable to the taxation authority is included as part of receivables or payables in the statement of financial position.

2.25 Employment benefits

(i) Post-employment benefits

The Group and Company operates one defined contribution pension plan, which requires contributions to be made to the fund. The pension plan is funded by payments from employees and the Group and Company. The Group and Company contribution to the defined contribution pension plan is charged to the profit or loss in the period to which the contributions relate.

Retirement benefits are also provided for the Group and Company's employees through the National Social Security Authority ("NSSA") Scheme. The cost of retirement benefits applicable to the NSSA Scheme is determined by the systematic recognition of legislated contributions.

(ii) Termination benefits

The Group and Company recognises termination benefits as a liability and/or expense when there is a demonstrable commitment to either terminate the employment of an employee or a group of employees before normal retirement date or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

2.26 Selection of a general price index

IAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of a measuring unit current at the balance sheet date, and that corresponding figures for previous periods be stated in the same terms to the latest balance sheet date The restatement has been calculated by means of conversion factors derived from the month-on-month consumer price index ("CPI") prepared by the Zimbabwe National Statistics Agency. The conversion factors used to restate the financial statements as at 31 December 2022 are as follows:

Date	CPI	Conversion factor
31 December 2022	13 672,91	1,00
30 November 2022	13 349,42	1,02
31 October 2022	13 113,95	1,04
30 September 2022	12 713,12	1,08
31 August 2022	12 286,26	1,11
31 July 2022	10 932,83	1,25
30 June 2022	8 707,35	1,57
31 May 2022	6 662,17	2,05
30 April 2022	5 507,11	2,48
31 March 2022	4 766,10	2,87
28 February 2022	4 483,06	3,05
31 January 2022	4 189,97	3,26
31 December 2021	3 977,50	3,44

All other items on the statement of comprehensive income are restated by applying the relevant monthly conversion factors.

The application of the IAS 29 restatement procedures has the effect of amending some of the accounting policies for non-monetary assets and liabilities used when preparing financial statements under the historical cost convention.

The main considerations and procedures applied for the above-mentioned restatement are as follows:
- financial statements are stated in terms of a measuring unit current at the balance sheet date;
- the corresponding figures for the previous period are restated to the measuring unit current at the balance sheet date;
- monetary assets and liabilities that are carried at amounts current at the balance sheet date are not restated because they are already expressed, in the monetary unit current at the balance sheet date;
- the non-monetary assets and liabilities that are not carried at amounts current at the balance sheet date and component of shareholders' equity are restated by applying the relevant conversion factors from the date of the transaction to the balance sheet date;

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.26 Selection of a general price index (continued)

• additions to property and equipment acquired are restated using the relevant conversion factors from the date of the transaction to the balance sheet date;
• comparative financial statements are restated using general inflation indices in terms of the measuring unit current at the balance sheet date;
• all items in the statement of comprehensive income are restated by applying the relevant monthly conversion factors;
• the effect of inflation on the net monetary position of the Group and Company is included in the Group and Company's statement of comprehensive income as a gain or loss on net monetary position; and
• items in the cashflow statement are expressed in terms of the measuring unit current at the balance sheet date.

2.27 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:
• the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
• by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:
• the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
• the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2,3 Non-current assets held for sale

First Mutual Properties Limited classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The Group and Company classifies assets as held for sale when the following criteria are met;
• the assets must be available for immediate sale in their present condition
• sale must be highly probable
• the asset must be currently marketed actively at a price that is reasonable in relation to its current fair value
• the sale should be completed, or expected to be so, within a year from the date of the classification, and
• the actions required to complete the planned sale will have been made, and it is unlikely that the plan will be significantly changed or withdrawn.

Assets classified as held for sale cease to be depreciated at the date at which they qualify to be reclassified. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

Additional disclosures are provided in Note 6.2

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group and Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities affected in future periods.

3.1 Significant estimates and assumptions

The Group and Company based their estimates and assumptions on parameters available when the financial statements were prepared, existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group and Company. Such changes are reflected in the assumptions when they occur.

3.1.1 Valuation of investment property

The Group and Company carry investment property at fair value, with changes in fair value being recognised in of profit or loss which is inline with guidance given under IAS 40- Investment property.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

3.1.1 Valuation of investment property (continued)

Valuation approach

The valuations have been undertaken using the appropriate valuation methodologies and professional judgement.

Valuations of commercial and industrial properties are based on the comparative and investment methods. The investment method involves the capitalisation of expected rental income by an appropriate yield. The comparative approach seeks to ascribe to the subject property a value similar to that achieved for comparable properties. Through the comparative method, rental value rates and capitalisation rates for similar properties sold are assessed. After appropriate adjustments to the comparable to reflect the type of the property, quality, location and risk, the rental value and capitalisation rates of the subject property are determined.

With regards to the residential properties and pieces of undeveloped stands, we took into consideration sales evidence either achieved or on the market, of similar properties situated in comparable suburbs as that of the subject properties.

The market/fair value reflects the price that would be paid for a property on the open market and therefore is more accurately representative of the property's worth in terms of achievable value.

Refer note 6 for the carrying amount of investment property and the estimates and assumptions used to value investment property.

3.1.2 Allowance for credit losses

The Group and Company assesses its allowance for credit losses at each reporting date. Key assumptions applied in this calculation are the estimated trade receivables recovery rates within the Group's debtors' book, as well as an estimation or view on current and future market conditions that could affect the trade receivables recovery rates.

Refer to note 2.9.1 and note 4.1 for further details on the allowance for credit losses and the carrying amount of trade and other accounts receivables.

3.2 Going concern assumption

The Directors have assessed the ability of the Group and Company to continue operating as going concerns and believe that the preparation of these financial statements on a going concern basis is appropriate. Based on the Unaudited Historical financial performance throughout 2022, the business continues to experience sound financial performance, continues to implement futuristic plans in response to the market trends to ensure sustainable earnings and continues to purse borrowing capabilities due to the positive cash flow position. These all provide evidence of business continuity and the thrust to implement strategic plans and targets. It is to this effect that First Mutual Properties Limited financial statements will continue to be prepared under the going concern basis.

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and Company's principal financial liabilities comprise borrowings and trade payables which arise directly from the Group and Company's operations. The Group has various financial assets such as trade and other receivables, and cash and cash equivalents which arise directly from its operations. The main risks arising from the Group and Company's financial instruments are credit risk, liquidity risk and market risk .

The Group and Company's senior management oversees the management of these risks within the Board approved framework of the risk management matrix. As such, the Group and Company's senior management is supported by Group Internal Audit Management Department that advise on financial risks and the appropriate financial risk governance framework for the Group and Company. The Group Audit Department provides assurance to the Group and Company's senior management that the Group and Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Group and Company policies on risk management.

These risks are managed as follows:

4.1 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 and Company is exposed to credit risk from its investing and operating activities, including deposits with banks and other financial institutions and financial assets measured at amortised cost.

The credit rating of tenants is assessed according to the Group and Company's criteria prior to entering into lease arrangements.

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

4.1 Credit risk (continued)

(i) Risk management

Credit risk is managed on a Group and Company basis. If tenants are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors on a case by case basis, to assess the recoverability of the receivable. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors.

Analysis by credit quality of trade receivables is as follows:
Tenants are assessed according to the Group and Company's criteria prior to entering into lease arrangements. Credit risk is managed by requiring tenants to pay rentals in advance. The credit quality of the tenant is assessed based on an extensive credit rating criteria at the time of entering into a lease agreement. At inception of the lease tenants are classified into good, acceptable and watch list categories. Outstanding tenants' receivables are regularly monitored and all tenants that accrue arrears are classified in watch list category as rental obligations are payable in advance. An impairment analysis is performed at each reporting date on an individual basis for major tenants paying in USD. The remainder of the tenants who pay in ZWL currency are assessed collectively.

For trade receivables, the Group and Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The analysis of impairment and risk exposure of trade receivables is as follows:

Group - Audited Inflation Adjusted

	Current	More than 30 days past due	More than 60 day past due	More than 90 days past due *	More than 120 days past due *	Total
31 December 2022						
Expected loss rate	7,42%	15,01%	23,84%	44,75%	100%	
Gross carrying amount-trade receivables relating to other tenants provided for	215 679 332	121 338 566	96 351 981	59 233 344	70 636 599	563 239 822
Credit loss allowance*	**16 093 539**	**18 411 738**	**23 282 828**	**27 090 671**	**70 636 599**	**155 515 375**
Expected loss rate	3,43%	3,43%	3,43%	3,43%	3,43%	
Gross carrying amount-trade receivables relating to related party tenants provided for	79 042 761	11 209 181	1 383 522	726 531	12 096 741	104 458 736
Credit loss allowance**	**2 707 578**	**383 966**	**47 392**	**24 887**	**414 369**	**3 578 192**
Total credit loss allowance	**18 801 117**	**18 795 704**	**23 330 220**	**27 115 558**	**71 050 968**	**159 093 567**

	Current	More than 30 days past due	More than 60 day past due	More than 90 days past due *	More than 120 days past due *	Total
31 December 2021						
Expected loss rate	6,65%	13,37%	32,56%	41,56%	100%	
Gross carrying amount-trade receivables relating to other tenants provided for	122 802 412	52 457 566	42 867 440	19 781 917	74 475 446	312 384 781
Credit loss allowance*	**8 183 449**	**7 037 644**	**14 010 166**	**8 290 525**	**74 475 446**	**111 997 230**
Expected loss rate	4,52%	4,52%	4,52%	4,52%	4,52%	
Gross carrying amount-trade receivables relating to related party tenants provided for	8 784 180	1 579 132	3 339 935	10 756 304	21 053 335	45 512 886
Credit loss allowance**	**396 853**	**71 343**	**150 892**	**485 950**	**951 150**	**2 056 188**
Total credit loss allowance	**8 580 302**	**7 108 987**	**14 161 058**	**8 776 475**	**75 426 596**	**114 053 418**

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

4.1 Credit risk (continued)

(i) Risk management (continued)

Company - Audited Inflation Adjusted

	Current	More than 30 days past due	More than 60 day past due	More than 90 days past due *	More than 120 days past due *	Total
31 December 2022						
Expected loss rate	7,42%	15,01%	23,84%	44,75%	100%	
Gross carrying amount-trade receivables relating to other tenants provided for	163 174 302	89 431 252	55 549 968	47 977 469	60 264 492	416 397 483
Credit loss allowance*	**12 183 098**	**13 588 914**	**13 502 935**	**21 956 077**	**60 264 492**	**121 495 516**
Expected loss rate	3,43%	3,43%	3,43%	3,43%	3,43%	
Gross carrying amount-trade receivables relating to related party tenants provided for	79 042 785	11 209 181	1 383 522	726 531	12 096 741	104 458 760
Credit loss allowance**	**2 707 579**	**383 966**	**47 392**	**24 887**	**414 369**	**3 578 193**
Total credit loss allowance	**14 890 677**	**13 972 880**	**13 550 327**	**21 980 964**	**60 678 861**	**125 073 709**

	Current	More than 30 days past due	More than 60 day past due	More than 90 days past due *	More than 120 days past due *	Total
31 December 2021						
Expected loss rate	6,65%	13,37%	32,56%	41,56%	100%	
Gross carrying amount-trade receivables relating to other tenants provided for	107 074 351	44 832 596	33 660 359	18 391 457	69 631 314	273 590 077
Credit loss allowance*	**7 097 124**	**5 938 263**	**10 818 750**	**7 465 125**	**69 631 314**	**100 950 576**
Expected loss rate	4,52%	4,52%	4,52%	4,52%	4,52%	
Gross carrying amount-trade receivables relating to related party tenants provided for	8 784 180	1 579 131	3 339 933	10 756 303	21 053 334	45 512 881
Credit loss allowance**	**396 853**	**71 343**	**150 892**	**485 951**	**951 150**	**2 056 189**
Total credit loss allowance	**7 493 977**	**6 009 606**	**10 969 642**	**7 951 076**	**70 582 464**	**103 006 765**

*Credit loss allowance at different loss rates
**Credit loss allowance for 2022 is 3.43% (2021: 4.52%). Related party balances are provided for at a same rate over different bands as they have low default probability.

Group - Unaudited Historical

	Current	More than 30 days past due	More than 60 day past due	More than 90 days past due *	More than 120 days past due *	Total
31 December 2022						
Expected loss rate	7,42%	15,01%	23,84%	44,75%	100%	
Gross carrying amount-trade receivables relating to other tenants provided for	215 679 332	121 338 566	96 351 981	59 233 344	70 636 599	563 239 822
Credit loss allowance*	**16 093 539**	**18 411 738**	**23 282 828**	**27 090 671**	**70 636 599**	**155 515 375**
Expected loss rate	3,43%	3,43%	3,43%	3,43%	3,43%	
Gross carrying amount-trade receivables relating to related party tenants provided for	79 042 761	11 209 181	1 383 522	726 531	12 096 741	104 458 736
Credit loss allowance**	**2 707 578**	**383 966**	**47 392**	**24 887**	**414 369**	**3 578 192**
Total credit loss allowance	**18 801 117**	**18 795 704**	**23 330 220**	**27 115 558**	**71 050 968**	**159 093 567**

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

4.1 Credit risk (continued)

(i) Risk management (continued)

	Current	More than 30 days past due	More than 60 day past due	More than 90 days past due *	More than 120 days past due *	Total
31 December 2021						
Expected loss rate	6,65%	13,37%	32,56%	41,56%	100%	
Gross carrying amount-trade receivables relating to other tenants provided for***	35 723 683	15 260 103	12 470 300	5 754 634	21 665 188	90 873 908
Credit loss allowance*	**2 380 596**	**2 047 277**	**4 075 610**	**2 411 745**	**21 665 187**	**32 580 415**
Expected loss rate	4,52%	4,52%	4,52%	4,52%	4,52%	
Gross carrying amount-trade receivables relating to related party tenants provided for	2 555 351	459 375	971 599	3 129 049	6 124 494	13 239 868
Credit loss allowance**	**115 446**	**20 754**	**43 895**	**141 365**	**276 693**	**598 153**
Total credit loss allowance	**2 496 042**	**2 068 031**	**4 119 505**	**2 553 110**	**21 941 880**	**33 178 568**

Company - Unaudited Historical

	Current	More than 30 days past due	More than 60 day past due	More than 90 days past due *	More than 120 days past due *	Total
31 December 2022						
Expected loss rate	7,42%	15,01%	23,84%	44,75%	100%	
Gross carrying amount-trade receivables relating to other tenants provided for	163 174 302	89 431 252	55 549 968	47 977 469	60 264 492	416 397 483
Credit loss allowance*	**12 183 098**	**13 588 914**	**13 502 935**	**21 956 077**	**60 264 492**	**121 495 516**
Expected loss rate	3,43%	3,43%	3,43%	3,43%	3,43%	
Gross carrying amount-trade receivables relating to related party tenants provided for	79 042 785	11 209 181	1 383 522	726 531	12 096 741	104 458 760
Credit loss allowance**	**2 707 579**	**383 966**	**47 392**	**24 887**	**414 369**	**3 578 193**
Total credit loss allowance	**14 890 677**	**13 972 880**	**13 550 327**	**21 980 964**	**60 678 861**	**125 073 709**

	Current	More than 30 days past due	More than 60 day past due	More than 90 days past due *	More than 120 days past due *	Total
31 December 2021						
Expected loss rate	6,65%	13,37%	32,56%	41,56%	100%	
Gross carrying amount-trade receivables relating to other tenants provided for***	31 148 332	13 041 971	9 791 925	5 350 144	20 256 009	79 588 381
Credit loss allowance*	**2 064 580**	**1 727 463**	**3 147 215**	**2 171 633**	**20 256 011**	**29 366 902**
Expected loss rate	4,52%	4,52%	4,52%	4,52%	4,52%	
Gross carrying amount-trade receivables relating to related party tenants provided for	2 555 351	459 375	971 599	3 129 049	6 124 494	13 239 868
Credit loss allowance**	**115 446**	**20 754**	**43 895**	**141 365**	**276 693**	**598 153**
Total credit loss allowance	**2 180 026**	**1 748 217**	**3 191 110**	**2 312 998**	**20 532 704**	**29 965 055**

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

4.1 Credit risk (continued)

(i) Risk management (continued)

*Credit loss allowance at different loss rates
**Credit loss allowance for 2022 is 3.43% (2021: 4.52%). Related party balances are provided for at a same rate over different bands as they have low default probability.
***There was a change in numbers for historical cost 2021 for Group and Company for other tenants and there was no impact to the primary financial statements and Note 11.

Change of provisioning matrix
At 31 December 2022, the Group and Company revised its Expected Credit Loss (ECL) provisioning matrix in line with changes in market and economic conditions affecting the tenants ability to settle their arrears. The revision resulted in higher ECL rates being applied in the year ended 2022 with the exception of the 60 days category as compared to the prior year. The revision took into account historical data for the past two years which showed an improvement in the 60 day category thus the lower loss rate from prior year. Forward looking information was incorporated by adjusting historical loss rates using estimated GDP movements in the Zimbabwean economy.

The closing credit loss allowances for trade receivables as at 31 December 2022 reconcile to the opening loss allowances as follows:

	Audited Inflation Adjusted			
	Group		Company	
	2022	2021	2022	2021
	ZWL	ZWL	ZWL	ZWL
Credit loss allowances as at 31 December 2021	114 053 418	48 518 643	103 006 763	35 673 672
Increase in credit loss allowance recognised in profit or loss during the year	125 914 999	83 868 663	95 108 654	80 813 212
Inflation effect	(80 874 850)	(18 333 888)	(73 041 708)	(13 480 121)
Expected credit losses allowances as at 31 December 2022	**159 093 567**	**114 053 418**	**125 073 709**	**103 006 763**

	Unaudited Historical Amounts			
	Group		Company	
	2022	2021	2022	2021
	ZWL	ZWL	ZWL	ZWL
Credit loss allowances as at 31 December 2021	33 178 568	8 780 859	29 965 055	6 456 188
Increase in credit loss allowance recognised in profit or loss during the year	125 914 999	24 397 709	95 108 654	23 508 867
Expected credit losses allowances as at 31 December 2022	**159 093 567**	**33 178 568**	**125 073 709**	**29 965 055**

	Audited Inflation Adjusted		Unaudited Historical	
	2022	2021	2022	2021
The Group's maximum exposure to credit risk by class of financial asset is as follows:	ZWL	ZWL	ZWL	ZWL
Financial assets at fair value through profit or loss - Unquoted shares (note 10)	62 142 988	29 007 213	62 142 988	8 438 307
Financial assets at fair value through profit or loss - Quoted shares (note 10.1)	3 052 820	4 806 695	3 052 820	1 398 286
Financial assets at amortised cost (note 9)	79 295 978	1 342 361	79 295 978	390 498
Trade other receivables (excluding prepayments) (note 11)	746 123 276	438 902 028	746 123 276	127 678 248
Cash and cash equivalents (note 12)	675 970 178	793 380 229	675 970 178	230 797 290
	1 566 585 240	**1 267 438 526**	**1 566 585 240**	**368 702 629**

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

4.1 Credit risk (continued)

	Audited Inflation Adjusted		Unaudited Historical	
	2022	2021	2022	2021
	ZWL	ZWL	ZWL	ZWL
The Company's maximum exposure to credit risk by class of financial asset* is as follows:				
Financial assets at fair value through profit or loss - Unqouted shares (note 6)	62 142 988	29 007 212	62 142 988	8 438 307
Financial assets at fair value through profit or loss - Qouted shares (note 6.1)	3 052 820	4 806 696	3 052 820	1 398 286
Financial assets at amortised cost (note 5)	79 295 978	1 342 361	79 295 978	390 498
Trade other receivables (excluding prepayments) (note 7)	599 280 961	400 107 315	599 280 961	116 392 721
Cash and cash equivalents (note 8)	144 772 765	173 112 408	144 772 765	50 359 050
	888 545 512	**608 375 992**	**888 545 512**	**176 978 862**

*The company disclosure is new compared to prior year annual financial statements and does not impact the primary annual financial statements.

Financial assets at amortised cost
The Group and Company hold treasury bills which are classified as financial assets at amortised cost. The financial assets are assessed under the 12-month ECLs, as there has been no significant increases in credit risk since initial recognition. Assessment of the credit risk of these financial assets involves looking at the government's ability to payback. The company receives coupon payments bi-annually and there has not been any defaults so far. The coupon payment is insignificant which made it easier for the Government to settle its coupon obligations, which further reduces the probability of default closer to nil. Therefore these financial assets have little to no credit risk.

Liquidity and solvency status of the tenant
As may be revealed by a review of the tenant's financial records and through other means such as reading press reports, it may be determined that a deteriorating liquidity and solvency status of a defaulting tenant renders the past due amount uncollectable and therefore such balances are written off after Audit Committee approval has been granted.

Security arrangements
The Group and Company considers directors guarantees as vital security in the event that all other means of recovery of past due amounts does not yield meaningful results. Unsecured past due amounts that have gone through all reasonable recovery effort and remain uncollectable are specific write-off subject to fulfilment of additional such balances are written off after Audit Committee approval has been granted.

The Group and Company holds no collateral in respect of these trade receivables. Trade receivables that are past due, without payment plans and whose chances of recovery are rated remote are considered for specific write-off. An assessment of amounts that has been done based on the history of the tenant account and management is satisfied with the chances of recovery. Estimation process used with regards to the assessment of the credit quality of trade receivables, using the following broad criteria:
- occupancy status of the tenant;
- length of period of non-payment or adherence to agreed payment plans;
- analysis of results of collection efforts undertaken so far in order to recover the amounts that are past due through inspection of subsequent receipts from tenants, consideration of adherence to payment plans that were in place, and through inspection;
- liquidity, solvency and past payment status of the tenant; and
- security arrangements in place.

Related party expected credit losses
Related party receivables are short term receivables arising from leases entered into with related parties, mainly fellow subsidiaries of First Mutual Holdings Limited and the Company. The Group and Company has assessed that the related parties have sufficient liquidity at the reporting date to be able to repay the receivable on demand. The related party receivables have a different risk profile as compared to third parties therefore separate expected credit loss rates was applied.

4.2 Liquidity risk
The Group and Company monitors its risk to shortage of funds using a recurring liquidity planning tool. This tool involves daily, weekly and monthly cash flow forecasts and considers the maturity of both its financial investments and financial assets (tenant debtors, other financial assets). The Group and Company objective is to maintain a balance between continuity of funding and flexibility through use of bank loans or borrowings from related parties within the Group.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

4.2 Liquidity risk

As at 31 December 2022, the table below analyses the maturity profile of the Group and Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Group - Audited Inflation adjusted

Maturity profile	On demand	Less than 3 months	3 - 12 months	1 to 5 years	Total
	ZWL	ZWL	ZWL	ZWL	ZWL
Year ended 31 December 2022					
Trade and other payables	953 588 903	-	-	-	953 588 903
Amounts owing to Group companies (Note 15)	28 202 268	-	-	-	28 202 268
	981 791 171	**-**	**-**	**-**	**981 791 171**
Year ended 31 December 2021					
Trade and other payables	379 556 806	-	-	-	379 556 806
Amounts owing to Group companies (Note 15)	29 186 676	-	-	-	29 186 676
	408 743 482	**-**	**-**	**-**	**408 743 482**

The inflation adjusted disclosure is new compared to prior year annual financial statements and does not impact the primary annual financial statements.

Group - Historical cost

Maturity profile	On demand	Less than 3 months	3 - 12 months	1 to 5 years	Total
	ZWL	ZWL	ZWL	ZWL	ZWL
Year ended 31 December 2022					
Trade and other payables	876 878 512	-	-	-	876 878 512
Amounts owing to Group companies (Note 15)	28 202 268	-	-	-	28 202 268
	905 080 780	**-**	**-**	**-**	**905 080 780**
					-
Year ended 31 December 2021					
Trade and other payables	109 514 124	-	-	-	109 514 124
Amounts owing to Group companies (Note 15)	8 490 514	-	-	-	8 490 514
	118 004 638	**-**	**-**	**-**	**118 004 638**

Company -Audited Inflation adjusted

Maturity profile	On demand	Less than 3 months	3 - 12 months	1 to 5 years	Total
	ZWL	ZWL	ZWL	ZWL	ZWL
Year ended 31 December 2022					
Trade and other payables	881 651 028	-	-	-	881 651 028
Amounts owing to Group companies (Note 11)	28 159 678	-	-	-	28 159 678
	909 810 706	**-**	**-**	**-**	**909 810 706**
Year ended 31 December 2021					
Trade and other payables	375 993 367	-	-	-	375 993 367
Amounts owing to Group companies (Note 11)	29 186 606	-	-	-	29 186 606
	405 179 973	**-**	**-**	**-**	**405 179 973**

The inflation adjusted disclosure is new compared to prior year annual financial statements and does not impact the primary annual financial statements.

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

4.2 Liquidity risk (continued)

Company - Historical Cost

Maturity profile	On demand	Less than 3 months	3 - 12 months	1 to 5 years	Total
	ZWL	ZWL	ZWL	ZWL	ZWL
Year ended 31 December 2022					
Trade and other payables	813 620 427	-	-	-	813 620 427
Amounts owing to Group companies (Note 11)	28 159 678	-	-	-	28 159 678
	841 780 105	**-**	**-**	**-**	**841 780 105**
Year ended 31 December 2021					
Trade and other payables	108 728 062	-	-	-	108 728 062
Amounts owing to Group companies (Note 11)	8 490 493	-	-	-	8 490 493
	117 218 555	**-**	**-**	**-**	**117 218 555**

4.3 Market risk

(i) Equity price risk

The Group and Company's listed and unlisted securities are susceptible to market price risk arising from uncertainties about the future values of the investments. The Group and Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group and Company's senior management on a regular basis.

Equity price sensitivity

The table below demonstrates the sensitivity of pre tax profits and equity to a 5% change in equity price. The effects are assumed to have arisen from movements in qouted equity value. The method used assumes either a 5% increase or decrease in the equity price and illustrates the impact of the profit and equity. There has been no change from prior periods in the method and assumptions used.

Audited Inflation Adjusted

Group		Change in Equity price	" Effect on profit before income tax ZWL "	"Effect on equity ZWL"
	2022	+5%	152 641	114 908
		-5%	(152 641)	(114 908)
	2021	+5%	240 335	180 924
		-5%	(240 335)	(180 924)

Company		Change in Equity price	" Effect on profit before income tax ZWL "	"Effect on equity ZWL"
	2022	+5%	152 641	114 908
		-5%	(152 641)	(114 908)
	2021	+5%	240 335	180 924
		-5%	(240 335)	(180 924)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

4.3 Market risk (continued)

Unaudited historical cost

Group		Change in Equity price	Effect on profit before income tax ZWL	Effect on equity ZWL
	2022	+5%	152 641	114 908
		-5%	(152 641)	(114 908)
	2021	+5%	69 914	52 631
		-5%	(69 914)	(52 631)

Company		Change in Equity price	Effect on profit before income tax ZWL	Effect on equity ZWL
	2022	+5%	152 641	114 908
		-5%	(152 641)	(114 908)
	2021	+5%	69 914	52 631
		-5%	(69 914)	(52 631)

The inflation adjusted and historical cost disclosure is new compared to prior year annual financial statements and does not impact the primary annual financial statements.

(ii) Currency risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group and Company's exposure to foreign exchange risk relates mainly to operating activities i.e. rental income denominated in USD currency

The Group and Company manages its foreign currency risk by tracking lease rentals to movements in foreign currency exchange rates. Rentals are pegged at USD rates and payable at the equivalent ZWL rate each month. Risk is also managed by holding some of the rental receipts in foreign currency i.e. USD which is more stable than the local ZWL currency.

Foreign currency sensitivity

The table below demonstrates the sensitivity of pre tax profits and equity to a 5% change in USD and ZWL exchange rates. The effects are assumed to have arisen from movements in foreign denominated rental income and cash and cash equivalents. The method used assumes either a 5% increaseor decrease in the exchnage rate and illustrates the impact of the profit and equity. There has been no change from prior periods in the method and assumptions used.

Audited Inflation Adjusted

Group		Change in USD rate	Effect on profit before income tax ZWL	Effect on equity ZWL
	2022	+5%	105 078 643	112 901 711
		-5%	(105 078 643)	(112 901 711)
	2021	+5%	81 722 129	101 189 430
		-5%	(81 722 129)	(101 189 430)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

4.3 Market risk (continued)

Company		Change in USD rate	Effect on profit before income tax ZWL	Effect on equity ZWL
	2022	+5%	75 977 284	64 434 338
		-5%	(75 977 284)	(64 434 338)
	2021	+5%	57 288 988	51 782 771
		-5%	(57 288 988)	(51 782 771)

The inflation adjusted disclosure is new compared to prior year annual financial statements and does not impact the primary annual financial statements.

Unaudited Historical

Group		Change in USD rate	Effect on profit before income tax ZWL	Effect on equity ZWL
	2022	+5%	105 078 643	112 901 711
		-5%	(105 078 643)	(112 901 711)
	2021	+5%	23 773 274	29 436 385
		-5%	(23 773 274)	(29 436 385)

Company		Change in USD rate	Effect on profit before income tax ZWL	Effect on equity ZWL
	2022	+5%	75 977 284	64 434 338
		-5%	(75 977 284)	(64 434 338)
	2021	+5%	16 665 582	15 063 803
		-5%	(16 665 582)	(15 063 803)

4.4 Capital management

Capital of the Group and Company comprises equity and retained earnings. The primary objective of the Group and Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios to support its business and maximise shareholder value.

The Group and Company 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 and Company adjusts the dividend payments to shareholders or issue new shares.

	Audited Inflation Adjusted		Unaudited Historical	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Maximum borrowing limit (50% of shareholders 'equity)	49 634 204 983	34 002 615 794	49 576 364 325	9 880 823 857
Borrowings	-	-	-	-
Borrowing headroom	**49 634 204 983**	**34 002 615 794**	**49 576 364 325**	**9 880 823 857**
Company maximum borrowing limit (50% of shareholders ' equity)*	34 612 177 886	25 698 339 773	29 720 384 614	6 072 215 749
Borrowings	-	-	-	-
Borrowing headroom	**34 612 177 886**	**25 698 339 773**	**29 720 384 614**	**6 072 215 749**

*The company disclosure is new compared to prior year annual financial statements and does not impact the primary annual financial statements.

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

4.4 Capital management

The directors shall borrow an aggregate principal amount at any one time not exceeding 50% of the total shareholders equity as set out in the latest consolidated and separate audited statement of financial position of the Group and Company. As at 31 December 2022, the Group and Company was not exposed to any external capital restrictions (2021: no exposure)

The Group and Company monitors capital using a gearing ratio, which is net debt divided by total capital plus debt. The Group and Company includes within net debt interest bearing loans and borrowings less cash and cash equivalents. No changes were made in the objective or processes for managing capital during the years ended 31 December 2022 and 31 December 2021.

A gearing ratio is a non-IFRS measure.

	Audited Inflation Adjusted		Unaudited Historical	
	2022	2021	2022	2021
	ZWL	ZWL	ZWL	ZWL
The table below sets out the Group's capital position;				
Net debt				
Borrowings	-	-	-	-
Loans and other payables	-	-	-	-
Less: cash and cash equivalents	(675 970 178)	(793 380 229)	(675 970 178)	(230 797 290)
	(675 970 178)	**(793 380 229)**	**(675 970 178)**	**(230 797 290)**
Capital				
Ordinary share capital	264 271 080	264 271 080	1 238 157	1 238 157
Treasury shares	(4 808 049)	(4 806 987)	(40 576)	(39 991)
Retained earnings	99 008 946 935	67 745 767 495	99 151 531 069	19 760 449 547
Total capital	**99 268 409 966**	**68 005 231 588**	**99 152 728 650**	**19 761 647 713**
Capital and net debt	**98 592 439 788**	**67 211 851 359**	**98 476 758 472**	**19 530 850 423**

	Audited Inflation Adjusted		Unaudited Historical	
	2022	2021	2022	2021
	ZWL	ZWL	ZWL	ZWL
The table below sets out the Company's capital position;				
Net debt				
Borrowings/overdraft	-	-	-	-
Loans and other payables	-	-	-	-
Less: cash and cash equivalents	(144 772 765)	(173 112 408)	(144 772 765)	(50 359 050)
	(144 772 765)	**(173 112 408)**	**(144 772 765)**	**(50 359 050)**
Capital				
Ordinary share capital	264 271 080	264 271 080	1 238 157	1 238 157
Treasury shares	(4 808 049)	(4 806 987)	(40 576)	(39 991)
Retained earnings	69 224 355 772	51 396 679 545	59 440 769 228	12 144 431 497
Total capital	**69 483 818 803**	**51 656 143 638**	**59 441 966 809**	**12 145 629 663**
Capital and net debt	**69 339 046 038**	**51 483 031 230**	**59 297 194 044**	**12 095 270 613**

5 SEGMENTAL REPORTING

For investment property that include offices, retail and industrial properties, financial information is provided to the management committee, for each of the segments in the property portfolio. The information provided includes gross rentals net rentals, property expenses and valuation gains or losses. The individual properties are aggregated into segments with similar economic characteristics. The directors consider that this is best achieved by aggregating into retail, office and industrial segments. The Group's segments are all domiciled in Zimbabwe.

Aggregated segments
The Office and Retail segments have two segments each that have been aggregated into a single operating segment because the aggregated segments have similar economic characteristics and the nature of the products and type of customers are similar: The segments that have been aggregated are;
- CBD offices and Office Parks for the office segment and
- CBD retail and Suburban retail for the retail segment.

Consequently the Group is considered to have three reportable operating segments: office, retail and industrial properties.

5 SEGMENTAL REPORTING (continued)

Office segment
The office segment acquires, develops and leases offices in the central business district and office parks. Office comprise the high rise central business district buildings and office parks in Zimbabwe.

Retail segment
The retail segment acquires, develops and leases shops in the central business district and selected suburban locations throughout Zimbabwe

Industrial segment
The industrial segment comprises properties situated in designated industrial areas of Zimbabwe.

Other segment
Other comprises residential properties, undeveloped land and income generated from other property services, and Group administration costs, profit or loss from disposals of investment property, finance income and income taxes are not reported to the board on a segment basis.

Other assets (both current and non-current) are not allocated to segments and have been provided in the reconciliation of segment assets to assets disclosed in the statement of financial position.

Adjustment segment
The adjustment column relates to rental income for space occupied by First Mutual Properties Limited and management fees charged. The Company occupies an insignificant portion of the property and management has classified this property as investment properties as opposed to owner occupied. Management fees relates to asset management fees charged by First Mutual Properties Limited to its subsidiaries for properties managed on behalf of the subsidiaries.

Major customer
First Mutual Holdings Limited, the parent of the Company and its other subsidiaries contributed 11.48% (FY2021: 12.28%) of total revenue. The operating leases are for lettable space within the office segment.

Segment reporting FOR THE YEAR ENDED 31 DECEMBER 2022

	AUDITED INFLATION ADJUSTED					
All figures in ZWL	**Office**	**Retail**	**Industrial**	**Other**	**Consolidation adjustment**	**Total**
Revenue	1 424 318 885	982 671 526	302 520 681	201 605 240	(10 584 697)	2 900 531 635
Allowance for credit losses	(86 760 314)	(24 348 711)	(8 796 057)	(6 009 917)	-	(125 914 999)
Property expenses	(1 124 742 445)	(485 649 204)	(107 458 576)	(124 571 714)	-	(1 842 421 939)
Segment results	**212 816 126**	**472 673 611**	**186 266 048**	**71 023 609**	**(10 584 697)**	**932 194 697**
Net gain from fair value adjustment on investment property	14 932 695 998	6 820 310 595	3 165 539 491	8 655 628 210	-	33 574 174 294
Segment profit	**15 145 512 124**	**7 292 984 206**	**3 351 805 539**	**8 726 651 819**	**(10 584 697)**	**34 506 368 991**
Employee related expenses	-	-	-	(325 751 426)	-	(325 751 426)
Other expenses	(179 109 576)	(88 452 918)	(59 571 239)	(466 415 164)	327 605 803	(465 943 094)
Other income	1 196 538 414	-	-	614 934 909	-	1 811 473 323
Finance income	213 570 969	68 149 067	47 418 030	41 027 893	-	370 165 959
Share of profit of associate				70 305 747		70 305 747
Net monetary /(loss)					(1 172 611 332)	(1 172 611 332)
Profit before income tax	**16 376 511 931**	**7 272 680 355**	**3 339 652 330**	**8 660 753 778**	**(855 590 226)**	**34 794 008 168**

5 **SEGMENTAL REPORTING (continued)**

Reconciliation of segment assets for 2022

All figures in ZWL	Office	Retail	Industrial	Other	Consolidation adjustment	Total
Assets						
Investment property	48 340 000 000	22 248 440 000	10 315 000 000	28 430 400 000		109 333 840 000
Trade receivables (note 11)	377 647 518	50 901 594	38 749 466	42 150 650	(844 237)	508 604 991
Segment assets	**48 717 647 518**	**22 299 341 594**	**10 353 749 466**	**28 472 550 650**	**(844 237)**	**109 842 444 991**
Other non-current assets	-	-	-	570 791 428		570 791 428
Other current assets	-	-	-	1 766 672 358		1 766 672 358
Total assets	**48 717 647 518**	**22 299 341 594**	**10 353 749 466**	**30 810 014 436**	**(844 237)**	**112 179 908 777**
Current liabilities	**315 916 404**	**96 134 334**	**60 498 414**	**523 383 147**	**844 237**	**996 776 536**
Capital expenditure *	**80 823 201**	**174 501 012**	**-**	**109 801 632**	**-**	**365 125 845**

*Capital expenditure is for investment property, vehicles and equipment.

Segment reporting FOR THE YEAR ENDED 31 DECEMBER 2022

Unaudited Historical

All figures in ZWL	Office	Retail	Industrial	Other	Consolidation adjustment	Total
Revenue	1 031 986 643	711 992 167	219 190 593	146 072 566	(7 669 115)	2 101 572 854
Allowance for credit losses	(86 760 314)	(24 348 711)	(8 796 057)	(6 009 917)	-	(125 914 999)
Property expenses	(833 947 992)	(360 087 930)	(79 675 898)	(92 364 550)	-	(1 366 076 370)
Segment results	**111 278 337**	**327 555 526**	**130 718 638**	**47 698 099**	**(7 669 115)**	**609 581 485**
Net gain from fair value adjustment on investment property	38 875 000 000	17 755 640 000	8 241 000 000	22 533 609 919	-	87 405 249 919
Segment profit	**38 986 278 337**	**18 083 195 526**	**8 371 718 638**	**22 581 308 018**	**(7 669 115)**	**88 014 831 404**
Employee related expenses	-	-	-	(286 238 258)	-	(286 238 258)
Other expenses	(133 003 944)	(65 683 741)	(44 236 661)	(346 352 538)	243 274 898	(346 001 986)
Other income	856 129 180	-	-	439 988 983	-	1 296 118 163
Finance income	179 112 531	57 153 610	39 767 406	34 408 279		310 441 826
Share of profit of associate				114 622 137	-	114 622 137
Profit before income tax	**39 888 516 104**	**18 074 665 395**	**8 367 249 383**	**22 537 736 621**	**235 605 783**	**89 103 773 286**

5 SEGMENTAL REPORTING (continued)

Reconciliation of segment assets for 2022

All figures in ZWL	Office	Retail	Industrial	Other	Consolidation adjustment	Total
Assets						
Investment property	48 340 000 000	22 248 440 000	10 315 000 000	28 430 400 000		109 333 840 000
Trade receivables (note 13)	377 647 518	50 901 594	38 749 466	42 150 650	(844 237)	508 604 991
Segment assets	**48 717 647 518**	**22 299 341 594**	**10 353 749 466**	**28 472 550 650**	**(844 237)**	**109 842 444 991**
Other non-current assets	-	-	-	485 873 582		485 873 582
Other current assets	-	-	-	1 590 027 011		1 590 027 011
Total assets	**48 717 647 518**	**22 299 341 594**	**10 353 749 466**	**30 548 451 243**	**(844 237)**	**111 918 345 584**
Current liabilities	**291 603 964**	**88 735 984**	**55 842 549**	**483 039 411**	**844 237**	**920 066 145**
Capital expenditure *	**27 862 210**	**60 155 793**	**-**	**97 853 547**	**-**	**185 871 550**

*Capital expenditure is for investment property, vehicles and equipment.

Segment reporting for the year ended 31 December 2021

AUDITED INFLATION ADJUSTED

All figures in ZWL	Office	Retail	Industrial	Other	Consolidation adjustment	Total
Revenue	1 197 148 573	524 142 844	203 206 694	125 869 651	(5 888 898)	2 044 478 864
Allowance for credit losses	(30 953 119)	(18 815 242)	(11 370 036)	(22 730 265)	-	(83 868 662)
Property expenses	(657 164 443)	(112 719 588)	(26 424 836)	(201 353 490)	-	(997 662 357)
Segment results	**509 031 011**	**392 608 014**	**165 411 822**	**(98 214 104)**	**(5 888 898)**	**962 947 845**
Net loss from fair value adjustment on investment property	10 051 652 198	4 786 417 971	2 282 185 088	6 662 045 785	-	23 782 301 042
Segment profit / (loss)	**10 560 683 209**	**5 179 025 985**	**2 447 596 910**	**6 563 831 681**	**(5 888 898)**	**24 745 248 887**
Employee related expenses	-	-	-	(180 544 208)	-	(180 544 208)
Other expenses	(32 825 704)	(26 065 655)	(9 816 769)	(222 679 818)	98 341 005	(193 046 941)
Other income	189 880 390	-	-	115 281 106	-	305 161 496
Finance income	41 184 401	13 484 141	7 409 361	11 757 231	-	73 835 134
Net monetary loss	-	-	-	-	(330 165 343)	(330 165 343)
Profit before income tax	**10 758 922 296**	**5 166 444 471**	**2 445 189 502**	**6 287 645 992**	**(237 713 236)**	**24 420 489 025**

Reclassifiaction of employee related expenses and other expenses to property expenses was done and disclosed in note 18 .

5 SEGMENTAL REPORTING (continued)

Reconciliation of segment assets for 2021

All figures in ZWL	Office	Retail	Industrial	Other	Consolidation adjustment	Total
Assets						
Investment property	32 536 533 989	15 444 283 138	7 129 505 705	20 650 128 578	-	75 760 451 410
Trade receivables	128 848 730	58 270 970	32 747 861	26 878 806	(2 902 118)	243 844 249
Segment assets	**32 665 382 719**	**15 502 554 108**	**7 162 253 566**	**20 677 007 384**	**(2 902 118)**	**76 004 295 659**
Other non-current assets	-	-	-	106 346 563		106 346 563
Other current assets	-	-	-	1 280 590 633		1 280 590 633
Total assets	**32 665 382 719**	**15 502 554 108**	**7 162 253 566**	**22 063 944 580**	**(2 902 118)**	**77 391 232 855**
Current liabilities	**98 098 498**	**23 754 681**	**7 978 809**	**298 754 199**	**2 923 084**	**431 509 271**
Capital expenditure *	**4 000 117**	**68 332 710**	**-**	**15 108 757**	**-**	**87 441 584**

*Capital expenditure is for investment property, vehicles and equipment.

Segment reporting FOR THE YEAR ENDED 31 DECEMBER 2021

Unaudited Historical

All figures in ZWL	Office	Retail	Industrial	Other	Consolidation adjustment	Total
Revenue	278 409 741	121 895 040	47 257 896	29 272 337	(1 369 526)	475 465 488
Allowance for credit losses	(9 004 379)	(5 473 425)	(3 307 586)	(6 612 319)	-	(24 397 709)
Property expenses	(140 812 100)	(24 152 679)	(5 662 109)	(43 144 464)		(213 771 352)
Segment results	**128 593 262**	**92 268 936**	**38 288 201**	**(20 484 446)**	**(1 369 526)**	**237 296 427**
Net gain from fair value adjustment on investment property	5 337 998 648	2 541 860 000	1 211 970 000	3 537 924 979	-	12 629 753 627
Segment profit	**5 466 591 910**	**2 634 128 936**	**1 250 258 201**	**3 517 440 533**	**(1 369 526)**	**12 867 050 054**
Employee related expenses	-	-	-	(46 078 327)	-	(46 078 327)
Other expenses	(9 224 686)	(7 324 975)	(2 758 711)	(62 577 525)	27 635 808	(54 250 089)
Finance costs	-	-	-	-	-	-
Other income	60 216 936	-	-	36 559 199	-	96 776 135
Finance income	10 326 819	3 381 093	1 857 867	2 948 077	-	18 513 856
Profit before income tax	**5 527 910 979**	**2 630 185 054**	**1 249 357 357**	**3 448 291 957**	**26 266 282**	**12 882 011 629**

Reclassifiaction of employee related expenses and other expenses to property expenses was done and disclosed in note 18 .

Reconciliation of segment assets for 2021

All figures in ZWL	Office	Retail	Industrial	Other	Consolidation adjustment	Total
Assets						
Investment property	9 465 000 000	4 492 800 000	2 074 000 000	6 007 200 000		22 039 000 000
Trade receivables (note 11)	37 482 580	16 951 244	9 526 476	7 819 145	(844 237)	70 935 208
Segment assets	**9 502 482 580**	**4 509 751 244**	**2 083 526 476**	**6 015 019 145**	**(844 237)**	**22 109 935 208**
Other non-current assets	-	-	-	21 762 444		21 762 444
Other current assets	-	-	-	352 660 353		352 660 353
Total assets	**9 502 482 580**	**4 509 751 244**	**2 083 526 476**	**6 389 441 942**	**(844 237)**	**22 484 358 005**
Current liabilities	**28 332 532**	**6 860 760**	**2 304 417**	**86 285 346**	**844 237**	**124 627 292**
Capital expenditure *	**871 352**	**14 885 021**	**-**	**3 291 163**	**-**	**19 047 536**

*Capital expenditure is for investment property, vehicles and equipment.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

All figures in ZWL	Audited Inflation adjusted		Unaudited Historical	
6 INVESTMENT PROPERTY	**2022**	**2021**	**2022**	**2021**
As at 1 January	75 760 451 410	51 917 010 429	22 039 000 000	9 395 892 350
Improvements to existing property	109 149 436	72 138 832	43 223 704	15 756 372
Reclassification to held for sale	(38 400 000)	-	(38 400 000)	-
Disposals	(217 709 917)	-	(160 027 922)	-
Additions to investment property	146 174 777	-	44 794 299	-
Fair value adjustments	33 574 174 294	23 771 302 149	87 405 249 919	12 627 351 278
As at 31 December	**109 333 840 000**	**75 760 451 410**	**109 333 840 000**	**22 039 000 000**

6.1 Fair value hierarchy

The following table shows an analysis of the fair values of investment property recognised in the statement of financial position by level of the fair value hierarchy;

All figures in ZWL	AUDITED INFLATION ADJUSTED Group				
All figures in ZWL	**Level 1**	**Level 2**	**Level 3**	**Total**	**Total gain/(loss) in the period in the statement of profit or loss**
31 December 2022					
CBD offices	-	-	19 330 000 000	19 330 000 000	5 971 224 941
Office parks	-	-	29 010 000 000	29 010 000 000	8 961 471 057
CBD retail	-	-	15 378 440 000	15 378 440 000	4 714 296 250
Suburban retail	-	-	6 870 000 000	6 870 000 000	2 106 014 345
Industrial	-	-	10 315 000 000	10 315 000 000	3 165 539 491
Residential	-	-	3 672 000 000	3 672 000 000	1 117 939 487
Land	-	-	24 758 400 000	24 758 400 000	7 537 688 723
Total	**-**	**-**	**109 333 840 000**	**109 333 840 000**	**33 574 174 294**
31 December 2021					
CBD offices	-	-	13 148 678 553	13 148 678 553	4 062 078 147
Office parks	-	-	19 387 855 436	19 387 855 436	5 989 574 053
CBD retail	-	-	10 287 938 608	10 287 938 608	3 188 388 467
Suburban retail	-	-	5 156 344 531	5 156 344 531	1 598 029 502
Industrial	-	-	7 129 505 704	7 129 505 704	2 282 185 088
Residential	-	-	2 866 927 559	2 866 927 559	924 914 467
Land	-	-	17 783 201 019	17 783 201 019	5 737 131 318
Total	**-**	**-**	**75 760 451 410**	**75 760 451 410**	**23 782 301 042**

Gains and losses recorded in profit or loss for recurring fair value measurements categorised within level 3 of the fair value hierarchy amount to ZWL33.574 billion (2021: ZWL23.782 billion) and are presented in the consolidated statement of profit or loss in line item 'fair value adjustments'

All gains and losses recorded in profit or loss for recurring fair value measurements categorised within level 3 of the fair value hierarchy are attributable to changes in unrealised gains or losses relating to investment property held at the end of the reporting period.

6 INVESTMENT PROPERTY (continued)

6.1 Fair value hierarchy (continued)

	Unaudited Historical Group				
All figures in ZWL	**Level 1**	**Level 2**	**Level 3**	**Total**	**Total gain/(loss) in the period in the statement of profit or loss**
31 December 2022					
CBD offices	-	-	19 330 000 000	19 330 000 000	15 505 000 000
Office parks	-	-	29 010 000 000	29 010 000 000	23 370 000 000
CBD retail	-	-	15 378 440 000	15 378 440 000	12 385 640 000
Suburban retail	-	-	6 870 000 000	6 870 000 000	5 370 000 000
Industrial	-	-	10 315 000 000	10 315 000 000	8 241 000 000
Residential	-	-	3 672 000 000	3 672 000 000	2 910 009 919
Land	-	-	24 758 400 000	24 758 400 000	19 623 600 000
Total	**-**	**-**	**109 333 840 000**	**109 333 840 000**	**87 405 249 919**
				-	-
31 December 2021					
CBD offices	-	-	3 825 000 000	3 825 000 000	2 129 560 000
Office parks	-	-	5 640 000 000	5 640 000 000	3 208 438 648
CBD retail	-	-	2 992 800 000	2 992 800 000	1 692 060 000
Suburban retail	-	-	1 500 000 000	1 500 000 000	849 800 000
Industrial	-	-	2 074 000 000	2 074 000 000	1 211 970 000
Residential	-	-	834 000 000	834 000 000	478 064 979
Land	-	-	5 173 200 000	5 173 200 000	3 059 860 000
Total	**-**	**-**	**22 039 000 000**	**22 039 000 000**	**12 629 753 627**
				(0)	0

Gains and losses recorded in profit or loss for recurring fair value measurements categorised within level 3 of the fair value hierarchy amount to ZWL87.405 billion (2021: ZWL12.630 billion) and are presented in the consolidated statement of profit or loss in line item 'fair value adjustments'

All gains and losses recorded in profit or loss for recurring fair value measurements categorised within level 3 of the fair value hierarchy are attributable to changes in unrealised gains or losses relating to investment property held at the end of the reporting period.

Valuation techniques used to derive level 3 fair values
The table below presents the following for each class of the investment property:
• the fair value measurements at the end of the reporting period;
• the level of the fair value hierarchy (in this case level 3) within which the fair value measurements are categorized in their entirety;
• a description of the valuation techniques applied;
• the inputs used in the fair value measurement, including the ranges of rent charged to different units within the same building; and
• level 3 fair value measurements, quantitative information about the significant unobservable inputs used in the fair value measurement.

6 INVESTMENT PROPERTY (continued)

6.1 Fair value hierarchy (continued)

AUDITED INFLATION ADJUSTED

All amount in ZWL

Class of property	Fair value 31 December, 2022	Valuation technique	Key unobservable inputs	Range	weighted average
CBD offices	19 330 000 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL2,000-ZWL3,500 5.50%-8.5%	23%
Office parks	29 010 000 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL4,000-ZWL5,000 5.00%-6.00%	6%
CBD retail*	15 378 440 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL4,000-ZWL10,000 4.50%-6.00%	0%
Suburban retail*	6 870 000 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL900-ZWL20,000 4.00%-5.50%	4%
Industrial	10 315 000 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL1,000-ZWL3,500 7.00%-10.00%	10%
Residential	3 672 000 000	Market comparable	Comparable transacted properties prices		
Land - residential	9 600 000 000	Market comparable	Rate per square metre	ZWL1,500.00-ZWL20,000.00	
Land - commercial	15 158 400 000	Market comparable	Rate per square metre	ZWL20,000.00-ZWL 86,000.00	
Total	**109 333 840 000**				

Class of property	Fair value 31 December, 2021	Valuation technique	Key unobservable inputs	Range	weighted average
CBD offices	13 148 678 553	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL500-ZWL700 5.5.00%-8.5%	26%
Office parks	19 387 855 435	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL700-ZWL980 5.00%-6.00%	13%
CBD retail*	10 287 938 608	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL750-ZWL2000 4.00%-5.00%	0%
Suburban retail*	5 156 344 531	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL900-ZWL3200 4.00%-5.00%	0%
Industrial	7 129 505 705	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL160-ZWL440 7.00%-10.00%	0%
Residential	2 866 927 559	Market comparable	Comparable transacted properties prices		
Land - residential	27 500 504	Market comparable	Rate per square metre	ZWL3500.00-ZWL6000.00	
Land - commercial	17 755 700 515	Market comparable	Rate per square metre	ZWL7000.00-ZWL14000.00	
Total	**75 760 451 410**				

*Rent is also charged based on a percentage of turnover revenue.

The inflation adjusted disclosure is new compared to prior year annual financial statements and does not impact the primary annual financial statements.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

6 INVESTMENT PROPERTY (continued)

6.1 Fair value hierarchy (continued)

Unaudited Historical

All amount in ZWL

Class of property	Fair value 31 December, 2022	Valuation technique	Key unobservable inputs	Range	weighted average
CBD offices	19 330 000 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL2,000-ZWL3,500 5.50%-8.5%	23%
Office parks	29 010 000 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL4,000-ZWL5,000 5.00%-6.00%	6%
CBD retail*	15 378 440 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL4,000-ZWL10,000 4.50%-6.00%	0%
Suburban retail*	6 870 000 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL900-ZWL20,000 4.00%-5.50%	4%
Industrial	10 315 000 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL1,000-ZWL3,500 7.00%-10.00%	10%
Residential	3 672 000 000	Market comparable	Comparable transacted properties prices		
Land - residential	9 600 000 000	Market comparable	Rate per square metre	ZWL1,500.00-ZWL20,000.00	
Land - commercial	15 158 400 000	Market comparable	Rate per square metre	ZWL20,000.00-ZWL 86,000.00	
Total	**109 333 840 000**				

Class of property	Fair value 31 December, 2021	Valuation technique	Key unobservable inputs	Range	weighted average
CBD offices	3 825 000 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL500-ZWL700 5.5.00%-8.5%	26%
Office parks	5 640 000 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL700-ZWL980 5.00%-6.00%	13%
CBD retail*	2 992 800 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL750-ZWL2000 4.00%-5.00%	0%
Suburban retail*	1 500 000 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL900-ZWL3200 4.00%-5.00%	0%
Industrial	2 074 000 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL160-ZWL440 7.00%-10.00%	0%
Residential	834 000 000	Market comparable	Comparable transacted properties prices		
Land - residential	8 000 000	Market comparable	Rate per square metre	ZWL3500.00-ZWL6000.00	
Land - commercial	5 165 200 000	Market comparable	Rate per square metre	ZWL7000.00-ZWL14000.00	
Total	**22 039 000 000**				

*Rent is also charged based on a percentage of turnover revenue.

6 INVESTMENT PROPERTY (continued)

6.1 Fair value hierarchy (continued)

The table below shows an analysis of the lettable space of the portfolio, split per sector and its respective contribution to the total portfolio.

GROUP

	December 2022	December 2021	December 2022	December 2021
Sector				
CBD offices	31 741	31 760	25,56%	25,72%
Office park	25 769	25 769	20,75%	20,86%
CBD retail	21 948	21 267	17,67%	17,22%
Suburban retail	7 723	7 723	6,22%	6,25%
Industrial	36 997	36 997	29,80%	29,95%
Total	**124 178**	**123 516**	**100,00%**	**100,00%**

COMPANY

	December 2022	December 2021	December 2022	December 2021
Sector				
CBD offices	13 369	13 388	12,64%	12,73%
Office park	25 769	25 769	24,35%	24,51%
CBD retail	21 948	21 267	20,74%	20,23%
Suburban retail	7 723	7 723	7,30%	7,35%
Industrial	36 997	36 997	34,97%	35,18%
Total	**105 806**	**105 144**	**100,00%**	**100,00%**

The compnay disclosure is new compared to prior year annual financial statements and does not impact the primary annual financial statements.

Descriptions and definitions

The table above includes the following descriptions and definitions relating to valuation techniques and key unobservable inputs made in determining the fair values:

i. Income approach / Income capitalisation method

Under the income capitalisation method, a property's fair value is estimated based on the annualised net operating income generated by the property, which is divided by the capitalisation rate (discounted by the investor's rate of return). Under the income capitalisation method, over (above market rent) and under-rent situations are separately capitalised (discounted).

ii. Market approach / Market comparable method

Under the market comparable method, a property's fair value is estimated based on comparable transactions. The unit of comparison applied by the Group and Company is the price per square metre ("sqm").

iii. Rent per square metre

The rent at which space could be let in the market conditions prevailing at the date of valuation. The unit of comparison is the rental rate per square metre.

iv. Vacancy rate

The Group and Company determines the vacancy rate which can be based on the percentage of estimated vacant space divided by the total lettable area.

v. Prime yield

The prime yield is defined as the internal rate of return of the cash flows from the property, assuming a rise to Estimated Rental Value ("ERV") at the next review, but with no further rental growth.

Leasing arrangements

Some of the investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable on leases of investment properties are as follows:

Minimum lease payments under non-cancellable operating leases of investment properties not recognised in the financial statements are receivable as follows:

6 INVESTMENT PROPERTY (continued)

6.1 Fair value hierarchy (continued)

GROUP	Audited Inflation adjusted		Unaudited Historical	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Within 1 year	1 096 712 158	295 647 924	1 096 712 158	86 005 092
Between 1 and 2 years	530 682 232	86 451 509	530 682 232	25 149 069
Between 2 and 3 years	660 233 391	296 519 490	660 233 391	86 258 634
Between 3 and 4 years	561 391 607	1 641 613 590	561 391 607	477 551 562
Between 4 and 5 years	367 914 052	672 225 849	367 914 052	195 553 025
Later than 5 years	9 382 119 770	20 691 379	9 382 119 770	6 019 200
Total	**12 599 053 210**	**3 013 149 741**	**12 599 053 210**	**876 536 582**

The disclosure included minimum leasse payments between 1 year to 5 years compared to prior year annual financial statements to comply with IFRS 16 however, no prior period numbers are impacted and there is no impact on the primary annual financial statements.

COMPANY	Audited Inflation adjusted		Unaudited Historical	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Within 1 year	173 988 958	52 299 104	173 988 958	15 214 006
Between 1 and 2 years	435 123 832	21 612 877	435 123 832	6 287 267
Between 2 and 3 years	660 233 391	56 338 703	660 233 391	16 389 140
Between 3 and 4 years	561 391 607	604 822 785	561 391 607	175 945 221
Between 4 and 5 years	367 914 052	168 056 462	367 914 052	48 888 256
Later than 5 years	235 928 712	4 138 276	235 928 712	1 203 840
Total	**2 434 580 552**	**907 268 207**	**2 434 580 552**	**263 927 730**

The compnay disclosure is new compared to prior year annual financial statements and does not impact the primary annual financial statements.

Sensitivity analysis to significant changes in unobservable inputs within Level 3 of the hierarchy.

Yield rate risk and sensitivity
The rental rate represents the net income expected in year zero divided by the current property values (Unaudited Historical and/or trailing income yield). The risk arises when vacancy levels in the portfolio increase. This increase will consequently result in a reduction in net incomes. Where net incomes remain constant, a reduction in the yield rates will result in the increased property values. The table below highlights the sensitivity to a reasonable possible change in the yield rate applied to values of the investment properties. With all other variables held constant, the Group and Company's profit before income tax, investments property, and deferred tax are affected through the impact on the fluctuating yield rate as follows:

Group Sensitivity analysis. **Audited inflation adjusted**

All figures in ZWL	2022 Increase in yield 10%	2022 Decrease in yield 10%	2021 Increase in yield 10%	2021 Decrease in yield 10%
	ZWL	ZWL	ZWL	ZWL
Investment property	(38 133 811 034)	126 089 896 422	(24 335 492 162)	68 058 476 961
Deferred tax effect	9 426 678 088	(31 169 422 395)	6 015 733 663	(16 824 055 505)
Profit for the year	(28 707 132 946)	94 920 474 027	(18 319 758 500)	51 234 421 456
Equity	(28 707 132 946)	94 920 474 027	(18 319 758 500)	51 234 421 456

Company Sensitivity analysis.

All figures in ZWL	2022 Increase in yield 10%	2022 Decrease in yield 10%	2021 Increase in yield 10%	2021 Decrease in yield 10%
	ZWL	ZWL	ZWL	ZWL
Investment property	(20 241 196 219)	51 740 743 183	(13 257 523 510)	31 148 588 037
Deferred tax effect	5 003 623 705	(12 790 311 715)	3 277 259 811	(7 699 930 962)
Profit for the year	(15 237 572 514)	38 950 431 468	(9 980 263 699)	23 448 657 074
Equity	(15 237 572 514)	38 950 431 468	(9 980 263 699)	23 448 657 074

The inflation adjusted disclosure is new compared to prior year annual financial statements and does not impact the primary annual financial statements.

6 INVESTMENT PROPERTY (continued)

6.1 Fair value hierarchy (continued)

Group sensitivity analysis. **Unaudited historical cost**

All figures in ZWL	2022 Increase in yield 10%	2022 Decrease in yield 10%	2021 Increase in yield 10%	2021 Decrease in yield 10%
	ZWL	ZWL	ZWL	ZWL
Investment property	(38 133 811 034)	126 089 896 422	(7 079 286 116)	19 798 466 691
Deferred tax effect	9 426 678 088	(31 169 422 395)	1 749 999 528	(4 894 180 966)
Profit for the year	(28 707 132 946)	94 920 474 027	(5 329 286 588)	14 904 285 725
Equity	(28 707 132 946)	94 920 474 027	(5 329 286 588)	14 904 285 725

Company sensitivity analysis.

All figures in ZWL	2022 Increase in yield 10%	2022 Decrease in yield 10%	2021 Increase in yield 10%	2021 Decrease in yield 10%
	ZWL	ZWL	ZWL	ZWL
Investment property	(20 241 196 219)	51 740 743 183	(3 856 663 407)	9 061 241 307
Deferred tax effect	5 003 623 705	(12 790 311 715)	953 367 194	(2 239 938 851)
Profit for the year	(15 237 572 514)	38 950 431 468	(2 903 296 213)	6 821 302 456
Equity	(15 237 572 514)	38 950 431 468	(2 903 296 213)	6 821 302 456

The compnay disclosure is new compared to prior year annual financial statements and does not impact the primary annual financial statements.

Significant increases/(decreases) in the comparable transacted properties and rental per square metre in isolation would result in a significant higher/(lower) fair value measurement. Significant increases/(decreases) in the long-term vacancy rate and prime yield in isolation would result in a significant lower/(higher) fair value measurement.

Investment property is stated at fair value, which was determined based on valuations performed by Knight Frank Zimbabwe, an independent property valuer, as at 31 December 2022 and 31 December 2021. Investment property is stated based on a full valuation. Knight Frank Zimbabwe is an industry specialist in valuing the types of properties owned by the Group and Company. The fair values of the property portfolio have been determined using income capitalisation method except for land and residential properties whose fair values are determined using comparable transactions. Valuation models in accordance with those recommended by the International Valuation Standards Committee have been applied.

Valuation process
Management Committee that determines the Group and Company's policies and procedures for property valuations comprises the Managing Director, Head of Finance, Property Investment Manager and Property Services Manager. Each year, the Management Committee decides and recommends to the Audit Committee, which external valuer to appoint to be responsible for the external valuations of the Group and Company's property portfolio. The selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Consideration is normally given to rotate external valuers every five years. In addition, the Managing Director is responsible for recruiting personnel in the Group and Company's internal Valuation Department. The Group's internal Valuation Department comprises two employees, both of whom hold relevant internationally recognised professional qualifications and are experienced in valuing the types of properties in the applicable locations.

The Management Committee decides, after discussions with the Group and Company's external valuers and the Group's internal Valuation Department;
- whether a property's fair value can be reliably determined;
- which valuation method should be applied for each property (the methods that are applied for fair value measurements categorized within level 3 of the fair value hierarchy are market comparable and the income capitalization method) and;
- the assumptions made for the unobservable inputs that are used in the valuation methods (the major unobservable inputs are rental per square metre, rate per square metre, vacancy rate and prime yield).

As at each year-end, all properties are valued by external valuers. At each reporting date, the internal Valuation Department analyses the movements in each property's value. For this analysis, the internal Valuation Department verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts (for example rent amounts in lease agreements), market reports (for example market rent, capitalisation rates in property market reports) and other relevant documents. In addition, the accuracy of the computation is tested on a sample basis. For each property, the latest valuation is compared with the valuations of the preceding annual period. If fair value changes (positive or negative) are abnormal, the changes are further analysed for example by having discussions with external valuers.

6 INVESTMENT PROPERTY (continued)

6.1 Fair value hierarchy (continued)

The internal Valuation Department also compares each property's change in fair value with relevant external sources (e.g. the investment property database or other relevant benchmark) to determine whether the change is reasonable.

On an annual basis, after the Management Committee has discussed the valuations with the internal Valuation Department, they present the valuation results to the Audit Committee and the Group's independent auditor. This includes a discussion of the major assumptions used in the valuations, with an emphasis on:
- properties with fair value changes that are abnormal; and
- investment properties under construction.

6.2 Investment property held for sale

During the year ended 31 December 2022, the directors of First Mutual Properties Limited decided to dispose of a residential parcel of land, known as 472 Goodhope Township of Lot 4 of Goodhope, Harare as part of the Group's ongoing capital recycling strategy. Conditions for the classification as held for sale (as stipulated in IFRS 5- Non-current assets held for sale and discontinued operations) were met as at 31 December 2022. The asset was reclassified to current assets from investment property as disclosed below. The sale of the resdential parcel of land is expected to be completed within a year from the reporting date. This is a parcel of land falling under the Other segment.

Investment property held for sale	**Audited Inflation adjusted**		**Unaudited Historical**	
	2022 ZWL	**2021 ZWL**	**2022 ZWL**	**2021 ZWL**
As at 1 January	-	269 741 964	-	48 817 650
Reclassification to held for sale	38 400 000	-	38 400 000	-
Fair value adjustment	-	10 998 899	-	2 402 350
Disposal	-	(280 740 863)	-	(51 220 000)
As at 31 December	**38 400 000**	**-**	**38 400 000**	**-**

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7 INVESTMENT IN ASSOCIATE

	Audited Inflation adjusted		**Unaudited Historical**	
	2022 ZWL	**2021 ZWL**	**2022 ZWL**	**2021 ZWL**
As at 1 January	43 112 304	-	8 702 073	-
Additions	190 418 724	43 112 304	122 058 910	8 702 073
Share of profits	70 305 747	-	114 622 137	-
As at 31 December	**303 836 775**	**43 112 304**	**245 383 120**	**8 702 073**

The Group has a 24.41% interest in Infrastructure Fund Zimbabwe (Private) Limited, which is involved in the supply of solar power at First Mutual Park in Harare, Zimbabwe. Infrastructure Fund Zimbabwe (Private) Limited is a private entity that is not listed on any public exchange. The Group's interest in Infrastructure Fund Zimbabwe (Private) Limited was accounted for at cost in the Group consolidated financial statements since operations of Infrastructure Fund Zimbabwe (Private) Limited are yet to commence.

On 1 September 2022 the Group acquired 29.49% interest in Greencroft Properties (Private) Limited , which is involved in development of properties in Harare, Zimbabwe. Greencroft Properties (Private) Limited is a private entity that is not listed on any public exchange. The Group's interest in Greencroft Properties (Private) Limited was accounted for at cost in the Group consolidated financial statements. Interest in Greencroft Properties (Private) Limited arose from the Group participating in purchase of land at which development is yet to start for the construction of a hospital. The acquisation is in line with the Group strategy to increase the portfolio.

On 1 May 2022 the Group acquired a 22.97% interest in Sterling Holdings, which is involved in development of properties in Zvishavane, Zimbabwe. Sterling holdings is a private entity that is not listed on any public exchange. The Group's interest in Sterling holdings was accounted for at cost in the Group consolidated financial statements. Interest in Sterling holdings arose from the Group participating in purchase of land at which development is yet to start for the construction of a student accommodation. The acquisation is in line with the Group strategy to increase the portfolio.

On 1 August 2022 the Group acuired 37.48% interest in Builstate Investments (Private) Limited , which is involved in Fast-moving consumer goods in Harare, Zimbabwe. Builstate Investments (Private) Limited is a private entity that is not listed on any public exchange. The Group's interest in Builstate Investments (Private) Limited was accounted for using the equity method in the consolidated financial statements. The acquisation is in line with the Group strategy to increase the portfolio.

7 INVESTMENT IN ASSOCIATE (continued)

The breakdown of the costs capitalised are shown below:

		Audited Inflation adjusted		Unaudited Historical	
	% Holding	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Infrastructure Fund Zimbabwe (Private) Limited	24,41%	52 534 337	43 112 304	16 227 106	8 702 073
Greencroft Properties (Private) Limited	29,49%	72 334 638	-	67 257 017	-
Sterling holdings	22,97%	24 521 304	-	22 800 000	-
Builstate Investments (Private) Limited	37,48%	154 446 496	-	139 098 997	-
		303 836 775	**43 112 304**	**245 383 120**	**8 702 073**

7.1 INVESTMENT IN ASSOCIATE

The following table shows the summarised financial information of the Group's interest in Builstate Investments (Private) Limited:

	Audited Inflation adjusted		Unaudited Historical	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Current assests	11 878 630	-	11 878 630	-
Non-current assets	403 769 033	-	362 820 529	-
Current liabilities	(3 570 566)	-	(3 570 566)	-
Non - Current liabilities	-	-	-	-
Equity	**412 077 097**	**-**	**371 128 593**	**-**
Group's share of equity - 37.48%	154 446 496	-	139 098 997	-
Goodwill	-	-	-	-
Group's carrying amount of the investment	**154 446 496**	**-**	**139 098 997**	**-**
Revenue	13 731 126	-	13 136 945	-
Cost of sales	(1 825 909)	-	(1 742 438)	-
Finance costs	(364 294)	-	(358 289)	-
Monetary loss	(379 942)	-	-	-
Profit before tax	**11 160 981**	**-**	**11 036 218**	**-**
Income tax expense	(2 852 916)	-	(2 728 153)	-
Profit for the year	**8 308 065**	**-**	**8 308 065**	**-**
Group's share of profit for the year	**3 113 863**	**-**	**3 113 863**	**-**

The associate had no contingent liabilities or capital commitments as at 31 December 2022.

"There are no significant restrictions on the ability of the associates to transfer funds to the Group in the form of cash dividends, or to repay loans or advances made by the Group. Builstate" Investments (Private) Limited has a reporting period which ended 31 December 2022 aligned to the group. All the share of profits of Builstate Investments (Private) Limited have been recognised in the current year.

8 VEHICLES AND EQUIPMENT INFLATION ADJUSTED

All figures in ZWL

	Audited Inflation adjusted Group					
Year ended 31 December 2021	**Motor vehicles**	**Computers**	**Office equipment**	**Equipment and machinery**	**Office furniture**	**Total**
Opening net book amount	-	8 143 778	8 437 330	795 179	6 057 625	23 433 912
Additions	-	14 884 117	418 635	-	-	15 302 752
Disposal	-	(591 916)	-	-	-	(591 916)
Depreciation on disposal	-	583 003	-	-	-	583 003
Depreciation charge	-	(5 735 851)	(3 137 705)	(276 568)	(1 499 636)	(10 649 760)
Closing net book amount	**-**	**17 283 131**	**5 718 260**	**518 611**	**4 557 989**	**28 077 991**
As at 31 December 2021						
Cost	-	44 203 049	44 573 931	36 253 504	22 129 892	147 160 376
Accumulated depreciation	-	(26 919 918)	(38 855 671)	(35 734 893)	(17 571 903)	(119 082 385)
Net book amount	**-**	**17 283 131**	**5 718 260**	**518 611**	**4 557 989**	**28 077 991**
						-
Year ended 31 December 2022						
Opening net book amount	-	17 283 131	5 718 260	518 611	4 557 989	28 077 991
Additions	96 853 615	5 738 275	4 202 971	-	3 006 771	109 801 632
Disposals	-	(2 750 694)	-	-	-	(2 750 694)
Depreciation disposal	-	2 473 733	-	-	-	2 473 733
Depreciation charge	(3 309 870)	(6 122 596)	(3 394 570)	(208 440)	(2 104 319)	(15 139 795)
Closing net book amount	**93 543 745**	**16 621 849**	**6 526 661**	**310 171**	**5 460 441**	**122 462 867**
As at 31 December 2022						
Cost	**96 853 615**	**47 190 630**	**48 776 901**	**36 253 504**	**25 136 663**	**254 211 313**
Accumulated depreciation	(3 309 870)	(30 568 781)	(42 250 240)	(35 943 333)	(19 676 222)	(131 748 446)
Net book amount	**93 543 745**	**16 621 849**	**6 526 661**	**310 171**	**5 460 441**	**122 462 867**
						-

There are no contractual commitments for the acquisition of property, plant and equipment

8 VEHICLES AND EQUIPMENT

All figures in ZWL

Year ended 31 December 2021	Motor vehicles	Computers	Office equipment	Equipment and machinery	Office furniture	Total
Opening net book amount	-	95 080	49 691	1 278	30 230	176 279
Additions	-	3 206 664	84 500	-	-	3 291 164
Disposals	-	(172 191)	-	-	-	(172 191)
Depreciation disposal	-	33 794	-	-	-	33 794
Depreciation charge	-	(453 892)	(33 710)	(1 006)	(7 158)	(495 766)
Closing net book amount	**-**	**2 709 455**	**100 481**	**272**	**23 072**	**2 833 280**
As at 31 December 2021						
Cost	-	3 245 858	301 657	103 682	173 365	4 010 919
Accumulated depreciation	-	(536 403)	(201 176)	(103 410)	(150 293)	(1 177 639)
Net book amount	**-**	**2 709 455**	**100 481**	**272**	**23 072**	**2 833 280**
Year ended 31 December 2022						
Opening net book amount	-	2 709 455	100 481	272	23 072	2 833 280
Additions	93 153 012	2 000 247	1 269 128	1 431 160	-	97 853 547
Disposals	-	(302 049)	-	-	-	(302 049)
Depreciation disposal	-	47 173	-	-	-	47 173
Depreciation charge	(3 235 238)	(932 757)	(179 269)	(84 139)	(1 872)	(4 433 275)
Closing net book amount	**89 917 774**	**3 522 069**	**1 190 340**	**1 347 293**	**21 200**	**95 998 676**
As at 31 December 2022						
Cost	93 246 569	4 944 057	1 570 785	1 534 842	173 365	101 469 618
Accumulated depreciation	(3 328 795)	(1 421 988)	(380 445)	(187 549)	(152 165)	(5 470 942)
Net book amount	**89 917 774**	**3 522 069**	**1 190 340**	**1 347 293**	**21 200**	**95 998 676**

There are no contractual commitments for the acquisition of property, plant and equipment

9 FINANCIAL ASSETS AT AMORTISED COST

All figures in ZWL	Audited Inflation adjusted 2022	Audited Inflation adjusted 2021	Unaudited Historical 2022	Unaudited Historical 2021
As at 1 January	1 342 361	6 021 644	390 498	390 498
Additions	79 095 849	-	79 095 849	-
Loss due to inflation effect	(843 301)	(4 679 283)		-
Amortised interest	23 168 124	760 950	12 757 110	500 861
Repayments of interest	(23 168 124)	(760 950)	(12 757 110)	(500 861)
Repayments of principal	(298 931)	-	(190 369)	-
As at 31 December	**79 295 978**	**1 342 361**	**79 295 978**	**390 498**
Short-term portion	-	-	-	-
Long-term portion	79 295 978	1 342 361	79 295 978	390 498
Total	79 295 978	1 342 361	79 295 978	390 498

The carrying amounts closely approximate the fair values of the financial assets at amortised cost.
The financial assets are held to maturity.
During the year the Group made some investments through First Mutual Microfinance which were classified as financial assets at amortised cost.

10 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - UNQUOTED SHARES

	Audited Inflation adjusted		Unaudited Historical	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
As at 1 January	29 007 213	26 171 845	8 438 307	4 736 556
Fair value adjustment	33 135 775	2 835 368	53 704 681	3 701 751
As at 31 December	**62 142 988**	**29 007 213**	**62 142 988**	**8 438 307**

The Group has an investment of 8.91% of the ordinary shares of First Mutual Property Fund One (Private) Limited ("FMPFO") which is incorporated and domiciled in Zimbabwe and is unquoted. The fair value of the Group's investment in FMPFO is based on the net asset value of FMPFO. FMPFO is a property holding company which owns one building that is leased out to one tenant. The building constitutes 98% of the total assets of FMPFO. The fair value of the building was therefore a significant element in determining the net asset value of FMPFO. The building was valued by an independent valuer using the income approach. The investment in FMPFO is categorised as level 3 in the IFRS 13 'Fair value measurement' hierarchy. This implies that the fair value is determined with reference to unobservable inputs. Key unobservable inputs used in the valuation included rental per square metre and the capital rate/prime yield. The total lettable space is 2 508 square metres (2021: 2 508 square metres).

Description of significant unobservable inputs to valuation*:
The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at 31 December 2022 and 2021 are shown below:

Audited inflation adjusted

	Valuation technique	Significant unobservable inputs	Range of inputs 2 022	2 021	Sensitivity of the input to fair value
Non-listed equity investments – FMPFO	Income	Rental per square metre	ZWL900-ZWL3200	ZWL980-ZWL1600	10% (2021: 10%) increase (decrease) in the rentals would result in an increase (decrease) in fair value by ZWL 4,900,500(2021: ZWL 3,792,989)
	Capitalisation	Capital rate/yield	4.00%-5.00%	4.00%-5.00%	5% (2021: 5%) increase (decrease) in the capital rate would result in an increase (decrease) in fair value by ZWL 2,450,250 (2021: ZWL 1,896,493)

Historical cost

	Valuation technique	Significant unobservable inputs	Range of inputs 2 022	2 021	Sensitivity of the input to fair value
Non-listed equity investments – FMPFO	Income	Rental per square metre	ZWL900-ZWL3200	ZWL980-ZWL1600	10% (2021: 10%) increase (decrease) in the rentals would result in an increase (decrease) in fair value by ZWL 4,900,500(2021: ZWL 1,102,613)
	Capitalisation	Capital rate/yield	4.00%-5.00%	4.00%-5.00%	5% (2021: 5%) increase (decrease) in the capital rate would result in an increase (decrease) in fair value by ZWL 2,450,250 (2021: ZWL 551,306)

10 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - UNQUOTED SHARES (continued)

Reconciliation of fair value measurement of non-listed equity investments classified as equity instruments designated at fair value through profit or loss (Level 3):

	Audited inflation adjusted	Unaudited historical cost
	ZWL	ZWL
As at 1 January 2021	**26 171 845**	**4 736 556**
Remeasurement recognised in profit or loss**	2 835 368	3 701 751
As at 1 January 2022	**29 007 213**	**8 438 307**
Remeasurement recognised in profit or loss**	33 135 775	53 704 681
As at 31 December 2022	**62 142 988**	**62 142 988**

**The fair value adjustments form part of the line item "Other income" on the statement ofcomprehensive income.

*The disclosure is new compared to prior year annual financial statements to comply with IFRS 13 however, no prior period numbers are impacted and there is no impact on the primary annual financial statements.

10.1 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - QUOTED SHARES

All figures in ZWL	Audited Inflation adjusted		Unaudited Historical	
	2022	2021	2022	2021
As at 1 January	4 806 695	-	1 398 286	-
Additions	-	3 669 374	-	896 892
Disposals	(182 962)	-	(170 119)	-
Fair value adjustment	(1 570 913)	1 137 321	1 824 653	501 394
As at 31 December	**3 052 820**	**4 806 695**	**3 052 820**	**1 398 286**

These are quoted equity investments in Delta (Pvt)Ltd. The fair value of the shares is determined by the value of the share price, which falls under Level 1 hierachy.

11 TRADE AND OTHER RECEIVABLES

	Audited Inflation adjusted		Unaudited Historical	
	2022	2021	2022	2021
	ZWL	ZWL	ZWL	ZWL
Tenant receivables	451 032 883	248 282 859	451 032 883	72 226 417
Tenant operating cost recoveries	216 665 675	109 614 808	216 665 675	31 887 359
Trade receivables	**667 698 558**	**357 897 667**	**667 698 558**	**104 113 776**
Less: allowance for credit losses	(159 093 567)	(114 053 418)	(159 093 567)	(33 178 568)
Net trade debtors	**508 604 991**	**243 844 249**	**508 604 991**	**70 935 208**
Prepayments - other	964 370 716	404 553 437	788 560 422	98 177 182
Staff debtors	62 144 960	43 242 958	62 144 960	12 579 537
Group companies receivables	16 279 758	37 761 403	16 279 758	10 984 934
Total trade and other receivables	**1 551 400 425**	**729 402 047**	**1 375 590 131**	**192 676 861**

Reconciliation of gross trade receivables

	Audited Inflation adjusted		Unaudited Historical	
	2022	2021	2022	2021
	ZWL	ZWL	ZWL	ZWL
As at 1 January	357 897 667	248 472 785	104 113 776	44 968 374
Increase in trade receivables	2 820 407 579	2 001 579 325	2 041 383 319	465 720 877
Recovery due to payments	(2 683 822 481)	(1 803 532 653)	(1 477 798 537)	(406 575 475)
Inflation effect	173 215 793	(88 621 790)		
As at 31 December	**667 698 558**	**357 897 667**	**667 698 558**	**104 113 776**
Reconciliation of allowance for credit losses				
As at 1 January	114 053 418	48 518 641	33 178 568	8 780 859
Add: charge for the year	246 425 859	144 238 171	192 272 135	41 959 426
Recovery due to payments	(120 510 860)	(60 369 509)	(66 357 136)	(17 561 717)
Inflation effect	(80 874 850)	(18 333 885)		
As at 31 December	**159 093 567**	**114 053 418**	**159 093 567**	**33 178 568**

11 TRADE AND OTHER RECEIVABLES (continued)

(i) Classification of trade receivables
Trade receivables are amounts due from tenants for space leased in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group and Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Refer below for the movements in the allowance for credit losses:

	Audited Inflation adjusted		
Year ended 31 December 2021 All figures in ZWL	**Individually impaired ZWL**	**Collectively impaired ZWL**	**Total ZWL**
As at 1 January	42 393 974	6 124 669	48 518 643
Charge for the year	74 795 029	9 073 633	83 868 662
Inflation effect	(16 019 540)	(2 314 347)	(18 333 887)
As at 31 December 2021	**101 169 463**	**12 883 955**	**114 053 418**
Year ended 31 December 2022			
As at 1 January	101 169 463	12 883 955	114 053 418
Charge for the year	111 691 110	14 223 889	125 914 999
Inflation effect	(71 738 886)	(9 135 964)	(80 874 850)
As at 31 December 2022	**141 121 687**	**17 971 880**	**159 093 567**

	Unaudited Historical		
Year ended 31 December 2021 All figures in ZWL	**Individually impaired ZWL**	**Collectively impaired ZWL**	**Total ZWL**
As at 1 January	7 672 422	1 108 437	8 780 859
Charge for the year	21 758 155	2 639 554	24 397 709
As at 31 December 2021	**29 430 577**	**3 747 991**	**33 178 568**
Year ended 31 December 2022			
As at 1 January	29 430 577	3 747 991	33 178 568
Charge for the year	111 691 110	14 223 889	125 914 999
As at 31 December 2022	**141 121 687**	**17 971 880**	**159 093 567**

Trade receivables are normally on 30 day terms. Tenants are charged interest at 222% (2021: 47%) per annum on overdue amounts that remain outstanding after 30 days.

12 CASH AND CASH EQUIVALENTS

		Audited Inflation adjusted		Unaudited Historical	
		2022 ZWL	**2021 ZWL**	**2022 ZWL**	**2021 ZWL**
Short-term investments		224 594 132	40 042 271	224 594 132	11 648 447
Cash at bank and in hand :	USD	383 094 178	714 314 558	383 094 178	207 796 789
	ZWL	68 281 868	39 023 400	68 281 868	11 352 054
At 31 December		**675 970 178**	**793 380 229**	**675 970 178**	**230 797 290**

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and Company and earn interest at the short-term deposit rates.

12 CASH AND CASH EQUIVALENTS (continued)

Reconciliation of cash flow statement

The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:

	Audited Inflation adjusted		Unaudited Historical	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Bank balances:	675 970 178	793 380 229	675 970 178	230 797 290
Bank overdraft	-	-	-	-
Balances as per cash flow statements	**675 970 178**	**793 380 229**	**675 970 178**	**230 797 290**

13 ORDINARY SHARE CAPITAL

	2022			
	Audited Inflation adjusted		Unaudited Historical	
Authorised	Shares	ZWL	Shares	ZWL
2 000 000 000 ordinary shares with a nominal value of ZWL0.001 per share	2 000 000 000	2 000 000	2 000 000 000	2 000 000
Issued and paid				
1 238 157 310 ordinary shares with a nominal value of ZWL0.001 per share	1 238 157 310	264 271 080	1 238 157 310	1 238 157
Less: treasury shares				
Repurchased in 2016 at a price of 0.0163 cents per share.	(1 229 638)	(4 270 705)	(1 229 638)	(20 009)
Repurchased in 2019 at a price of 0.0163 cents per share.	(136 400)	(536 282)	(136 400)	(19 982)
Repurchased in 2022 at an average price of 876 cents per share.	(233 324)	(1 062)	(233 324)	(585)
As at 31 December	**1 236 557 948**	**259 463 031**	**1 236 557 948**	**1 197 581**

The shareholders at an annual general meeting held on 22 February 2022 passed an ordinary resolution for the Company to purchase its shares in terms of section 129 of the Companies and Other Business Entities Act (Chapter 24:31) and the Zimbabwe Stock Exchange Listing Requirements. Purchased shares will be used for treasury purposes. Acquisitions shall be of ordinary share which, in aggregate in any one financial year shall not exceed 10% (2021: 10%)of the Company's issued ordinary share capital.

ORDINARY SHARE CAPITAL

	2021			
	Audited Inflation adjusted		Unaudited Historical	
Authorised	Shares	ZWL	Shares	ZWL
2 000 000 000 ordinary shares with a nominal value of ZWL0.001 per share	2 000 000 000	2 000 000	2 000 000 000	2 000 000
Issued and paid				
1 238 157 310 ordinary shares with a nominal value of ZWL0.001 per share	1 238 157 310	264 271 080	1 238 157 310	1 238 157
Less: treasury shares				
Repurchased in 2016 at a price of 0.0163 cents per share.	(1 229 638)	(4 270 705)	(1 229 638)	(20 009)
Repurchased in 2019 at a price of 0.0163 cents per share.	(136 400)	(536 282)	(136 400)	(19 982)
As at 31 December	**1 236 791 272**	**259 464 093**	**1 236 791 272**	**1 198 166**

14 DEFFERED TAX LIABILITIES

	Audited Inflation adjusted		Unaudited Historical	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
As at 1 January	8 954 491 996	4 656 984 847	2 598 083 000	841 969 685
Recognised in the statement of profit or loss				
-Arising on inventory	(98 930)	(403 949)		
-Arising from prepayments	44 816 065	6 217 907		
-Arising on property plant and equipment	14 428 771	(272 491)	13 590 030	60 534
-Arising on investment properties	2 911 506 739	4 288 711 110	9 267 269 293	1 761 442 524
-Arising on financial assets at fair value through profit or loss	2 128 622	141 767	3 169 289	(2 231 071)
-Arising on leave pay provision	(1 417 063)	19 313 003	(5 434 635)	2 872 442
-Arising on provision for credit losses	(11 133 925)	(16 200 198)	(31 126 188)	(6 031 114)
As at 31 December	**11 914 722 275**	**8 954 491 996**	**11 845 550 789**	**2 598 083 000**
Deferred tax liability				
Arising on inventory	206 424	305 355		
Arising from prepayments	62 423 112	17 607 047		
-Arising on property plant and equipment	20 213 069	5 784 298	13 671 119	81 089
-Arising on investment properties	11 874 694 209	8 963 187 470	11 874 694 209	2 607 424 916
-Arising on financial assets at fair value through profit or loss	3 596 218	1 467 595	3 596 218	426 929
-Arising on leave pay provision	(7 082 827)	(5 665 764)	(7 082 827)	(1 648 192)
-Arising on provision for credit losses	(39 327 930)	(28 194 005)	(39 327 930)	(8 201 742)
As at 31 December	**11 914 722 275**	**8 954 491 996**	**11 845 550 789**	**2 598 083 000**

Deferred tax liabilities arose as a result of temporary differences arising from carrying amounts higher than income tax values. Investment properties are the main contributor.

15 TRADE AND OTHER PAYABLES

	Audited Inflation adjusted		Unaudited Historical	
All figures in ZWL	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Tenant payables	183 612 029	28 637 717	106 901 638	7 099 592
Related party payables	198 179 219	22 541 352	198 179 219	6 557 364
Sundry payables*	173 038 115	170 302 970	173 038 115	49 707 199
Suppliers creditors	370 107 326	135 155 011	370 107 326	39 482 526
Provision for leave days**	28 652 214	22 919 755	28 652 214	6 667 443
Group company payables	28 202 268	29 186 677	28 202 268	8 490 514
As at 31 December	**981 791 171**	**408 743 482**	**905 080 780**	**118 004 638**

* Sundry payables include accrued expenses, good tenant deposits, VAT and Share appreciation rights

15.1 **Leave pay provision reconciliation

	Audited Inflation adjusted		Unaudited Historical	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
At 1 January	22 919 755	12 793 606	6 667 443	1 440 457
Recognised during the period	41 260 205	24 030 848	22 719 189	5 417 342
Utilised during the period	(1 333 774)	(844 403)	(734 418)	(190 356)
Inflation effect	(34 193 972)	(13 060 296)		
At 31 December	**28 652 214**	**22 919 755**	**28 652 214**	**6 667 443**

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

16 REVENUE

	Audited Inflation Adjusted		Unaudited Historical	
All amount in ZWL	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Rental income	2 820 407 579	2 001 579 325	2 041 383 319	465 720 878
Property services income	80 124 056	42 899 539	60 189 535	9 744 610
	2 900 531 635	**2 044 478 864**	**2 101 572 854**	**475 465 488**

17 ALLOWANCE FOR CREDIT LOSSES

Allowance for credit losses	125 914 999	83 868 662	125 914 999	24 397 709
	125 914 999	83 868 662	125 914 999	24 397 709

18 PROPERTY EXPENSES

	Audited Inflation Adjusted		Unaudited Historical	
	2022 ZWL	2021 ZWL Restated	2022 ZWL	2021 ZWL Restated
Operating costs under recoveries	415 228 330	272 522 956	333 606 062	61 872 804
Maintenance costs	528 123 212	113 892 555	418 987 767	25 844 986
Valuation fees	7 128 094	5 834 617	5 059 914	2 112 643
Employee costs*	606 995 537	359 300 298	406 872 090	77 543 849
Other expenses*	244 537 449	220 077 310	168 375 674	40 329 531
Property cost of sales	-	7 346 368	-	1 795 646
Property security and utilities	40 409 317	18 688 253	33 174 863	4 271 893
As at 31 December	**1 842 421 939**	**997 662 357**	**1 366 076 370**	**213 771 352**
Property expenses arising from investment properties that generated rental income	1 802 012 622	971 627 736	1 332 901 507	207 703 813
Property expenses arising from investment properties that did not generate rental income	40 409 317	26 034 621	33 174 863	6 067 539
	1 842 421 939	997 662 357	1 366 076 370	213 771 352

Operating costs under recoveries relate to the operating costs attributable to the vacant spaces on buildings within the portfolio.

18,1 *Reclassification effect on property expenses and administration expenses

During the year the business reviewed its long term KPI's targets in line with the agency and asset management model, to ensure the cost centre is optimised, with the business targeting to manage more assets and have a greater number of square meters under management to drive the optimising of KPI's. The business also reviewed KPI's in line with regional best practice reporting for real estate investment companies, with the benchmark taken from leading listed property companies in South Africa. To this end, in order to achieve this, the current reporting format and allocation of expenses, namely staff related costs and property management related expenses, was reclassified from administration expenses to property expenses.

The effect of the reclassification is disclosed below.

	Audited Inflation Adjusted		Unaudited Historical	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Increase in property expenses	851 532 986	579 377 608	575 247 764	117 873 380
Decrease in employee costs (Note 19)	(606 995 537)	(359 300 298)	(406 872 090)	(77 543 849)
Decrease in other expenses (Note 20)	(244 537 449)	(220 077 310)	(168 375 674)	(40 329 531)
	-	-	-	-

The reclassification in 2022 was applied to the 2021 figures as the comparative and there is no impact on the SOFP, SoCI and SOCF.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

19 EMPLOYEE COSTS

	Audited Inflation Adjusted		Unaudited Historical	
	2022 ZWL	2021 ZWL Restated	2022 ZWL	2021 ZWL Restated
Salaries	39 912 215	29 529 994	28 092 073	6 934 999
Staff training	4 884 484	554 348	4 463 347	146 947
NSSA and levies	3 386 101	1 756 485	2 262 922	408 780
Pension contributions	3 649 342	3 422 822	2 689 400	802 042
General allowances	60 989 866	99 020 138	45 682 133	25 437 400
Motor vehicle allowance	15 667 747	14 039 233	11 244 398	3 218 259
Performance bonus	177 539 082	20 225 077	177 539 082	5 883 551
Other staff costs	19 722 589	11 996 111	14 264 903	3 246 349
	325 751 426	**180 544 208**	**286 238 258**	**46 078 327**

*Other staff costs include staff transport, staff meals, housing allowances and long service awards

20 OTHER EXPENSES

	Audited Inflation Adjusted		Unaudited Historical	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Directors' fees				
-For services as directors	29 985 390	10 931 824	21 532 046	5 148 229
Auditors' fees:				
-current year	7 527 628	1 746 002	4 535 184	790 869
-prior year	12 547 436	2 499 953	7 559 477	1 132 378
Information and communication technology expenses	10 082 454	8 096 061	7 159 070	1 858 623
Depreciation	3 027 959	2 129 952	886 655	99 153
Communication expenses	1 016 456	1 369 904	655 184	388 591
Fees and other charges*	109 865 910	10 717 429	82 687 986	8 859 968
Investment fees	803 186	605 189	442 260	340 933
Office costs	75 452 137	13 805 520	65 736 276	2 322 110
Travel and entertainment expenses	3 253 973	1 040 748	2 344 408	260 375
Group shared services	202 287 295	138 027 613	144 343 961	32 151 458
Advertising	10 093 270	2 076 746	8 119 479	897 402
	465 943 094	**193 046 941**	**346 001 986**	**54 250 089**

*Fees and other charges include bank charges, registration fees and listing fees

		Audited Inflation Adjusted		Unaudited Historical	
		ZWL 2022	ZWL 2021	ZWL 2022	ZWL 2021
21	**FAIR VALUE ADJUSTMENTS**				
	Fair value adjustment - investment property	33 574 174 294	23 771 302 149	87 405 249 919	12 627 351 277
	Fair value adjustments- Investment property held for sale	-	10 998 893	-	2 402 350
		33 574 174 294	23 782 301 042	87 405 249 919	12 629 753 627
22	**OTHER INCOME**				
	Exchange Gains/(Losses)	1 668 695 076	217 081 995	1 160 595 020	60 216 936
	Shared services	107 463 641	73 227 885	77 337 119	17 687 936
	Fair value gain on financial assets at fair value through profit and loss	31 564 863	3 972 688	55 529 334	4 203 145
	Profit/(Loss) on disposal of investment property held for sale and PPE**	14 466	2 574 910	(80 877)	12 607 366
	Gain on derecognition of financial assets at amortised cost	55 860	-	35 574	-
	Sundry income*	3 679 417	8 304 018	2 701 993	2 060 752
		1 811 473 323	**305 161 496**	**1 296 118 163**	**96 776 135**

*Sundry income comprises lease fees, bank interest, operating cost fee income, dividend received and investment income - Quoted shares.

**This includes profit/losses on disposal of both investment property held for sale and PPE which are shown separately in the Statement of Cash Flows

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

23 FINANCE INCOME

		Audited Inflation Adjusted		Unaudited historic	
		2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
23.1	**Finance income for statement of profit or loss**				
	Interest on overdue tenant accounts	354 954 581	71 837 649	297 684 716	18 012 995
	Interest on investments	15 211 378	1 997 485	12 757 110	500 861
		370 165 959	**73 835 134**	**310 441 826**	**18 513 856**
23,2	**Finance income for statement of cash flows**				
	Finance income received	124 048 417	18 067 680	68 305 028	4 073 048
	Finance income accrued	246 117 542	55 767 454	242 136 798	14 440 808
		370 165 959	**73 835 134**	**310 441 826**	**18 513 856**
24	**INCOME TAX EXPENSE**				
	Current income tax	253 530 892	147 122 749	253 530 892	42 798 561
	Deferred tax	2 960 230 279	4 297 507 149	9 247 542 429	1 756 113 315
		3 213 761 171	**4 444 629 898**	**9 501 073 321**	**1 798 911 876**
24.1	**Reconciliation of income tax charge**	**2022**	**2021**	**2022**	**2021**
	Accounting Profit	34 794 008 168	24 420 489 025	89 103 773 286	12 882 011 630
	Tax at Standard rate	24,72%	24,72%	24,72%	24,72%
	Notional accounting tax at standard rate	8 601 078 819	6 036 744 887	22 026 452 756	3 184 433 275
	Expenses not deductible for tax purposes*	149 088 468	162 118 277	99 834 896	37 115 837
	Effect of different tax rates- Investment property	(754 399 403)	(518 659 098)	(3 507 683 693)	(584 613 949)
	Impact of rebasing of unclaimed capital allowances	(3 025 818 705)	-	(3 025 818 704)	-
	Income not subject to tax**	(1 861 637 060)	(1 340 386 426)	(6 091 711 934)	(838 023 287)
	Inflation effect on adoption of IAS 29	105 449 052	104 812 258	-	-
	Effective tax for the period	**3 213 761 171**	**4 444 629 898**	**9 501 073 321**	**1 798 911 876**

*Expenses not deductible for tax purposes relate to disallowable deductions which are added back in the tax reconciliation, e.g. staff meals, entertainment expenses, donations and excess management fees.

**Income not subject to tax relate to non taxable income which is deducted in the tax reconciliation, e.g. profit on disposal of PPE and investment property, fair value gains on investment property that do not qualify for capital allowances and unrealised foreign exchange gains.

		2022	2021	2022	2021
24.2	**Reconciliation of income tax rate**				
	Notional tax rate	24,72%	24,72%	24,72%	24,72%
	Expenses not deductible for tax purposes*	0,43%	0,66%	0,11%	0,29%
	Effect of different tax rates- Investment property	-2,17%	-2,12%	-3,94%	-4,54%
	Impact of rebasing of unclaimed capital allowances	-8,70%	0,00%	-3,40%	0,00%
	Income not subject to tax	-5,35%	-5,49%	-6,84%	-6,51%
	Inflation effect on adoption of IAS 29	0,30%	0,43%		
	Effective tax rate for the period	**9,23%**	**18,20%**	**10,65%**	**13,96%**

24.3 Reconciliation of income tax paid

	Audited Inflation Adjusted		Unaudited Historical	
	2022	2021	2022	2021
Tax liability at beginning of the year	22 765 789	22 438 177	6 622 654	4 060 840
Current income tax expense (note 24)	253 530 892	147 122 749	253 530 892	42 798 561
Provision/(reversal) of interest and penalties	(12 029 351)	49 281 177	(12 029 352)	14 336 079
Tax liability at end of the year	(14 985 365)	(22 765 789)	(14 985 365)	(6 622 654)
Effects of inflation after adoption of IAS 29	23 464 431	(32 723 120)	-	-
Income tax paid	**272 746 396**	**163 353 194**	**233 138 829**	**54 572 826**

*Tax assets relates to receivables from Zimra for income tax paid for First Mutual Properties Limited and its subsidiaries.

25 EARNINGS PER SHARE

25.1 Basic earnings per share

Basic earnings/(loss) per share is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. As there are no dilutive equity instruments outstanding, basic and diluted earnings/(loss) per share are the same. The following reflects the income and ordinary share data used in the computations of basic and diluted earnings/(loss) per share:

	Audited Inflation Adjusted		Unaudited Historical	
	2022	2021	2022	2021
All figures in ZWL				
Earnings attributable to ordinary equity holders of the parent for basic earnings per share	31 580 246 997	19 975 859 127	79 602 699 965	11 083 099 754
Issued ordinary shares at 1 January	1 238 157 310	1 238 157 310	1 238 157 310	1 238 157 310
Effect of treasury shares held	(1 599 362)	(1 366 038)	(1 599 362)	(1 366 038)
Weighted average number of ordinary shares at 31 December	**1 236 557 948**	**1 236 791 272**	**1 236 557 948**	**1 236 791 272**
Basic and diluted earnings per share	2 553,88	1 615,14	6 437,44	896,00

25.2 Diluted earnings per share*

The Group has no arrangements or contracts that could result in dilution therefore, the diluted earnings per share are the same as the basic earnings per share. However diluted earnings per share has been calculated excluding the effect of treasury shares.

	Audited Inflation Adjusted		Unaudited Historical	
	2022	2021	2022	2021
All figures in ZWL				
Earnings attributable to ordinary equity holders of the parent for basic earnings per share	31 580 246 997	19 975 859 127	79 602 699 965	11 083 099 754
Issued ordinary shares at 1 January	1 238 157 310	1 238 157 310	1 238 157 310	1 238 157 310
Weighted average number of ordinary shares at 31 December	**1 238 157 310**	**1 238 157 310**	**1 238 157 310**	**1 238 157 310**
Diluted earnings per share	2 550,58	1 613,35	6 429,13	895,13

*The disclosure is new compared to prior year annual financial statements due to treasury shares having a dilutive effect which was not considered in the prior year. The impact is that diluted earnings per share in the prior year did in fact not equal basic earnings per share and this error has been corrected above for 2021. The Statement of Profit or loss has also been updated to refelct the correct figure of 895.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

26 RELATED PARTY DISCLOSURES

The financial statements include transactions between First Mutual Properties Limited Group and First Mutual Holdings Limited and its other subsidiaries.

26.1 Transactions and balances with related companies

26.1.1 Parent company's effective shareholding

First Mutual Holdings Limited directly owns 3.09% (2021: 3.09%) and controls 70.66% (2021: 70.66%) of the ordinary shares of First Mutual Properties Limited through a shareholding in the companies/funds listed below:

	2022	2021
First Mutual Life Assurance Company (Private) Limited, policyholders	40,85%	40,85%
First Mutual Life Assurance Company (Private) Limited, shareholders	17,67%	17,67%
FMRE Company (Private) Limited Shareholders	2,21%	2,21%
First Mutual Insurance Company Limited	0,35%	0,35%
First Mutual Life Medical Savings fund	5,35%	5,35%
First Mutual Life Managed Fund	0,65%	0,65%
FML - Econet Pension Fund	0,26%	0,26%
First Mutual Holdings Limited	3,09%	3,09%
First Mutual Wealth Management (Private) Limited	0,15%	0,15%
First Mutual Properties Limited	0,10%	0,10%
	70,66%	**70,66%**

26.1.2 Summary of related party transactions

Audited inflation adjusted

The following table provide the total amount of transactions that have been entered into with related parties for the Group and Company during the year ended 31 December 2022:

All figures in ZWL	Relationship to First Mutual Properties Limited	Rentals charged to related parties	Purchases from related parties	Amount owed to related parties	Amount owed by related parties	Group shared services
First Mutual Holdings Limited	Parent	85 757 664	-	-	748 133	74 330 407
First Mutual Life Assurance Company (Private) Limited	Intermediate Parent	199 267 213	33 014 391	-	7 503 133	42 018 122
First Mutual Wealth Management (Private) Limited	Fellow subsidiary	9 192 348	4 852 359	-	1 784 429	260 833
FMRE Company (Private) Limited	Fellow subsidiary	18 943 910	-	-	6 244 063	2 646 656
First Mutual Health Company (Private) Limited	Fellow subsidiary	87 419 752	100 555 284	28 018 472	-	25 901 158
NicozDiamond Insurance Company (Private) Limited	Fellow subsidiary	5 722 713	159 608 100	-	42 590	57 130 119
First Mutual Microfinance (Private) Limited	Fellow subsidiary	1 141 341	-	-	-	-
First Mutual Funeral (Private) Limited	Fellow subsidiary	4 054 828	-	183 796	-	-
Totals		**411 499 769**	**298 030 134**	**28 202 268**	**16 322 348**	**202 287 295**
Key management personnel of the Group						
Amounts owing to Key management		-	-	174 879 082	-	-
Other directors interests**		5 156 078	-	-	-	-

**During 2022 the Group and Company rented out premises to Eazstar Investments (Private) Limited, of which the spouse of one of the directors of the Company, is director and controlling shareholder. The Group also rented out premises to Arup Zimbabwe (Private) Limited of which one of the directors of the Company has 25.5% shareholding. The rentals were at market rates.

The following table provide the total amount of transactions that have been entered into with related parties for the Group and Company during the year ended 31 December 2021:

26.1.2 Summary of related party transactions (continued)

All figures in ZWL	Relationship to First Mutual Properties Limited	Rentals charged to related parties	Purchases from related parties	Amount owed to related parties	Amount owed by related parties	Group shared services
First Mutual Holdings Limited	Parent	28 383 720	-	-	28 406 056	38 994 338
First Mutual Life Assurance Company (Private) Limited	Intermediate Parent	64 454 201	19 822 541	13 156 109	-	29 572 678
First Mutual Wealth Management (Private) Limited	Fellow subsidiary	3 112 709	1 122 467	-	183 721	2 443 807
FMRE Company (Private) Limited	Fellow subsidiary	6 413 007	-	-	9 171 628	2 068 415
First Mutual Health Company (Private) Limited	Fellow subsidiary	35 314 619	21 553 479	4 334 460	-	20 356 169
NicozDiamond Insurance Company (Private) Limited	Fellow subsidiary	1 911 044	57 346 844	11 147 565	-	44 592 206
First Mutual Microfinance (Private) Limited	Fellow subsidiary	1 733 930	-	-	-	-
First Mutual Funeral (Private) Limited	Fellow subsidiary	2 969 483	-	548 543	-	-
Totals		**144 292 713**	**99 845 331**	**29 186 677**	**37 761 405**	**138 027 613**
Key management personnel of the Group						
Amounts owing to Key management		-	-	15 141 761	-	-
Other directors interests**		18 955 669	-	-	-	-

**During 2021 the Group and Company rented out premises to Eazstar Investments (Private) Limited, of which the spouse of one of the directors of the Company, is director and controlling shareholder. The Group also rented out premises to Arup Zimbabwe (Private) Limited of which one of the directors of the Company has 25.5% shareholding. The rentals were at market rates.

The inflation adjusted disclosure is new compared to prior year annual financial statements and does not impact the primary annual financial statements.

26.1.2 Summary of related party transactions (continued)

Unaudited historical cost

The following table provide the total amount of transactions that have been entered into with related parties for the Group and Company during the year ended 31 December 2022:

All figures in ZWL	Relationship to First Mutual Properties Limited	Rentals charged to related parties	Purchases from related parties	Amount owed to related parties	Amount owed by related parties	Group shared services
First Mutual Holdings Limited	Parent	47 220 914	-	-	748 133	53 039 146
First Mutual Life Assurance Company (Private) Limited	Intermediate Parent	109 722 904	18 178 780	-	7 503 133	29 982 418
First Mutual Wealth Management (Private) Limited	Fellow subsidiary	5 061 601	2 671 864	-	1 784 429	186 120
FMRE Company (Private) Limited	Fellow subsidiary	10 431 123	-	-	6 244 063	1 888 546
First Mutual Health Company (Private) Limited	Fellow subsidiary	48 136 113	55 368 957	28 018 472	-	18 482 009
NicozDiamond Insurance Company (Private) Limited	Fellow subsidiary	3 151 109	87 885 327	-	42 590	40 765 722
First Mutual Microfinance (Private) Limited	Fellow subsidiary	628 459	-	-	-	-
First Mutual Funeral (Private) Limited	Fellow subsidiary	2 232 718	-	183 796	-	-
Totals		**226 584 941**	**164 104 928**	**28 202 268**	**16 322 348**	**144 343 961**
Key management personnel of the Group Amounts owing to Key management		-	-	174 837 002	-	-
Other directors interests**		5 156 078	-	-	-	-

**During 2022 the Group and Company rented out premises to Eazstar Investments (Private) Limited, of which the spouse of one of the directors of the Company, is director and controlling shareholder. The Group also rented out premises to Arup Zimbabwe (Private) Limited of which one of the directors of the Company has 25.5% shareholding. The rentals were at market rates.

26 RELATED PARTY DISCLOSURES (CONTINUED)

26.1.2 Summary of related party transactions (continued)

The following table provide the total amount of transactions that have been entered into with related parties for the Group and Company during the year ended 31 December 2021:

For the year ended 31 December 2021

All figures in ZWL	Relationship to First Mutual Properties Limited	Rentals charged to related parties	Purchases from related parties	Amount owed to related parties	Amount owed by related parties	Group shared services
First Mutual Holdings Limited	Parent	8 256 931	-	-	8 263 428	11 343 599
First Mutual Life Assurance Company (Private) Limited	Intermediate Parent	18 749 969	5 766 452	3 827 161	-	8 602 803
First Mutual Wealth Management (Private) Limited	Fellow subsidiary	905 499	326 530	-	53 445	710 913
FMRE Company (Private) Limited	Fellow subsidiary	1 865 568	-	-	2 668 061	601 710
First Mutual Health Company (Private) Limited	Fellow subsidiary	10 273 155	6 269 988	1 260 911	-	3 012 648
NicozDiamond Insurance Company (Private) Limited	Fellow subsidiary	555 930	16 682 412	3 242 869	-	6 530 796
First Mutual Microfinance (Private) Limited	Fellow subsidiary	504 407	-	-	-	-
First Mutual Funeral (Private) Limited	Fellow subsidiary	863 834	-	159 573	-	-
Totals		**41 975 293**	**29 045 382**	**8 490 514**	**10 984 934**	**30 802 469**
Key management personnel of the Group Amounts owing to Key management		-	-	4 404 795	-	-
Other directors interests**		5 514 275	-	-	-	-

**During 2021 the Group and Company rented out premises to Eazstar Investments (Private) Limited, of which the spouse of one of the directors of the Company, is director and controlling shareholder. The Group also rented out premises to Arup Zimbabwe (Private) Limited of which one of the directors of the Company has 25.5% shareholding. The rentals were at market rates.

26 RELATED PARTY DISCLOSURES (CONTINUED)

26.1.2 Summary of related party transactions (continued)

Expense recognised during the period in respect of expected credit losses due from related parties for the Group and Company*

	Audited Inflation Adjusted		Unaudited Historical	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Allowance for credit losses	2 980 040	2 056 189	2 980 040	598 153
	2 980 040	**2 056 189**	**2 980 040**	**598 153**

For allowance for credit losses provided for related parties refer to note 4.1.

*The disclosure is new compared to prior year annual financial statements to comply with IAS 24. However, no prior period numbers are impacted and there is no impact on the primary annual financial statements.

26.2 Terms and conditions of transactions with related parties

There have been no guarantees provided or received for any related party receivables or payables.

The sale and purchases from related parties are made at terms equivalent to those that prevail in arm's length transactions. Expenses relating to bad or doubtful debts in respect of amounts owed by related parties have been accounted for in accordance with IFRS 9 and are included in note 11.

26.3 Remuneration of key management	Audited Inflation Adjusted		Unaudited Historical	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
The following remuneration was paid to key management during the year:				
Short term employee benefits	33 110 285	24 316 556	18 231 583	5 481 750
Post-employment benefits	2 701 281	1 389 748	1 487 412	313 295
Share appreciation rights	9 628 972	58 471 540	9 628 972	17 009 591
	45 440 538	**84 177 844**	**29 347 967**	**22 804 636**

Key management team includes executive directors and members of the management committee. Directors fees are disclosed on note 20. Prior year historical amounts have changed with reference to Note 18.1 which caused the difference when compared to prior year annual financial statemnsts.

26.4 BOND SECURITY AGREEMENT WITH FIRST MUTUAL MICROFINANCE LIMITED

First Mutual Microfinance Limited, a fellow subsidiary of First Mutual Holdings Limited, intended to raise ZWL 200,000,000.00 (Two hundred million Zimbabwe Dollars) by way of a bond issue to the market for the purposes of on-lending to customers in the key sectors of the economy. First Mutual Properties Limited agreed to provide a guarantee to cover amounts claimed by bondholders in the event First Mutual Microfinance fails to service their bond obligations.

27 FIRST MUTUAL HOLDINGS LIMITED GROUP PENSION FUNDS

First Mutual Properties Limited contributes to the First Mutual Holdings Limited Group Staff Pension and Life Assurance Scheme which is a defined contribution scheme managed by First Mutual Life Assurance Company (Private) Limited.

All employees are members of the First Mutual Holdings Limited Group Staff Pension and Life Assurance Scheme. The Group's contributions to the defined contribution pension plan are charged to the statement of profit or loss in the period to which they relate.

	Audited Inflation Adjusted		Unaudited Historical	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
All employees contribute to the pension fund at the same prescribed rate.				
Total employer contributions amounted to:	**3 649 342**	**3 422 822**	**2 689 400**	**802 042**

National Social Security Authority Scheme
The Group and its employees also contribute to the National Social Security Authority

Scheme. This is a social security scheme which was set up under the National Social

Security Act (Chapter 17.04). The Group's obligations under the scheme are limited to specific contributions as legislated from time to time.

	Audited Inflation Adjusted		Unaudited Historical	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Total employer contributions amounted to:	**3 386 101**	**1 756 485**	**2 262 922**	**408 780**

The inflation adjusted disclosure is new compared to prior year annual financial statements and does not impact the primary annual financial statements.

28 CONTINGENCIES AND COMMITMENTS

28.1 Contingencies
The Group and the Company do not have significant contingent liabilities that require disclosure as at 31 December 2022 and this was the same as at 31 December 2021.

29 Events after the balance sheet date
There were no events after the reporting date for the Group and Company which need to be disclosed in the financial statements.

30 Dividend declaration
At a meeting held on 24 February 2023, the Board resolved that a final dividend of ZWL 175.4 million being 14.1821 ZWL cents ZWL cents per share and an additional USD 150,000 (being 0.011818 United States cents per share) be declared from the profits for the quarter ended 31 December 2022. This brings the cumulative dividend for the year ended 31 December 2022 to ZWL 477.8 million being 38.5786 ZWL cents per share and USD 400,000 being 0.03229 United States Cents per share.

The dividend will be payable on or about 26 April 2023 to all shareholders of the Company registered at close of business on 14 April 2023. The shares of the Company will be traded cum-dividend on the Zimbabwe Stock Exchange up to 11 April 2023 and ex-dividend as from 12 April 2023.

Company Statement of Financial Position

AS AT 31 DECEMBER 2022

		Audited Inflation adjusted		Unaudited Historical	
ASSETS	**Notes**	**2022 ZWL**	**2021 ZWL**	**2022 ZWL**	**2021 ZWL**
Non-current assets					
Investment property	1	66 495 847 479	46 163 059 512	66 495 847 479	13 429 007 479
Investments in subsidiaries	2	10 001 419 419	10 001 419 419	46 858 428	46 858 428
Investment in associate	3	162 559 542	43 112 303	109 906 489	8 702 073
Vehicles and equipment	4	122 253 550	27 868 674	95 971 376	2 797 530
Financial assets at amortised cost	5	79 295 978	1 342 361	79 295 978	390 498
Financial assets at fair value through profit or loss-	6				
Unquoted shares		62 142 988	29 007 213	62 142 988	8 438 307
Financial assets at fair value through profit or loss -	6.1				
Quoted shares		3 052 820	4 806 695	3 052 820	1 398 286
Total non-current assets		**76 926 571 776**	**56 270 616 177**	**66 893 075 558**	**13 497 592 601**
Current assets					
Inventories		9 896 503	873 409	8 650 210	99 927
Trade and other receivables	7	810 624 820	501 050 623	678 303 185	129 784 785
Cash and cash equivalents	8	144 772 765	173 112 408	144 772 765	50 359 050
Total current assets		**965 294 088**	**675 036 440**	**831 726 160**	**180 243 762**
Investment property held for sale	1.2	38 400 000	-	38 400 000	-
Total assets		**77 930 265 864**	**56 945 652 617**	**67 763 201 718**	**13 677 836 363**
EQUITY AND LIABILITIES					
Ordinary share capital	9	259 463 031	259 464 093	1 197 581	1 198 166
Retained earnings		69 224 355 772	51 396 679 545	59 440 769 228	12 144 431 497
Total shareholders' equity		69 483 818 803	51 656 143 638	59 441 966 809	12 145 629 663
Non-current liabilities					
Deferred tax liabilities	10	7 529 932 723	4 868 325 066	7 472 751 172	1 410 332 539
		7 529 932 723	**4 868 325 066**	**7 472 751 172**	**1 410 332 539**
Current liabilities					
Current tax payable	20.3	6 703 632	16 003 940	6 703 632	4 655 606
Trade and other payables	11	909 810 706	405 179 973	841 780 105	117 218 555
		916 514 338	**421 183 913**	**848 483 737**	**121 874 161**
Total liabilities		**8 446 447 061**	**5 289 508 979**	**8 321 234 909**	**1 532 206 700**
Total equity and liabilities		**77 930 265 864**	**56 945 652 617**	**67 763 201 718**	**13 677 836 363**

The notes on pages 124 to 138 are an integral part of the financial statements.

The financial statements were authorised for issue by the Board of directors on 16 March 2023 and signed on its behalf by:

E. K. MOYO
CHAIRMAN
24 February 2023

C. K. MANYOWA
MANAGING DIRECTOR
24 February 2023

Company Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2022

		Audited Inflation adjusted		Unaudited Historical	
			Restated*		Restated*
		2022	2021	2022	2021
	Notes	ZWL	ZWL	ZWL	ZWL
Revenue	12	2 335 746 743	1 663 344 545	1 658 862 943	391 236 526
Allowance for credit losses	13	(95 108 654)	(80 813 210)	(95 108 654)	(23 508 866)
Property expenses	14	(1 543 592 112)	(887 280 916)	(1 125 510 223)	(188 367 915)
Net property income		**697 045 977**	**695 250 419**	**438 244 066**	**179 359 745**
Employee related expenses	15	(325 796 926)	(180 679 832)	(286 238 258)	(46 078 327)
Other expenses	16	(440 159 830)	(320 215 081)	(321 398 881)	(86 532 357)
Net property income after administration expenses		**(68 910 779)**	**194 355 506**	**(169 393 073)**	**46 749 061**
Fair value adjustments	17	20 401 644 241	14 027 752 856	53 195 559 539	7 611 048 844
Other income	18	557 056 044	237 208 517	457 378 077	73 871 455
Finance income	19	328 231 920	64 659 589	275 934 017	16 244 550
Net monetary gain/ (loss)		(222 566 227)	32 674 015	-	-
Profit before income tax		**20 995 455 199**	**14 556 650 483**	**53 759 478 560**	**7 747 913 910**
Income tax expense	20	(2 850 711 411)	(1 715 489 003)	(6 251 522 386)	(850 641 050)
Profit for the year		**18 144 743 788**	**12 841 161 480**	**47 507 956 174**	**6 897 272 860**
Total comprehensive profit for the year		**18 144 743 788**	**12 841 161 480**	**47 507 956 174**	**6 897 272 860**
Attributable to:					
-Owners of the parent		18 144 743 788	12 841 161 480	47 507 956 174	6 897 272 860
Profit for the year		**18 144 743 788**	**12 841 161 480**	**47 507 956 174**	**6 897 272 860**

* Reclassifiaction of employee related expenses and other expenses to property expenses was done and disclosed in note 14.

The notes on pages 124 to 138 are an integral part of the financial statements.

Company Statement Of Changes In Equity

FOR THE YEAR ENDED 31 DECEMBER 2022

	Audited Inflation adjusted Attributable to owners of the parent			
	Ordinary Shares ZWL	Treasury Shares ZWL	Retained earnings ZWL	Shareholders' equity ZWL
Balance as at 1 January 2021	264 271 080	(4 806 987)	38 769 260 287	39 028 724 380
Profit for the year	-	-	12 841 161 480	12 841 161 480
Total comprehensive income for the year	**-**	**-**	**12 841 161 480**	**12 841 161 480**
Transactions with owners in their capacity as owners:				
Dividend declared and paid	-	-	(213 742 222)	(213 742 222)
Balance as at 31 December 2021	**264 271 080**	**(4 806 987)**	**51 396 679 545**	**51 656 143 638**
Balance as at 1 January 2022	264 271 080	(4 806 987)	51 396 679 545	51 656 143 638
Profit for the year	-	-	18 144 743 788	18 144 743 788
Transactions with owners in their capacity as owners:				
Acquisition of treasury shares	-	(1 062)	(9 356 824)	(9 357 886)
Dividend declared and paid	-	-	(307 710 737)	(307 710 737)
Balance as at 31 December 2022	**264 271 080**	**(4 808 049)**	**69 224 355 772**	**69 483 818 803**

The notes on pages 124 to 138 are an integral part of the financial statements.

	Unaudited Historical Attributable to owners of the parent			
	Ordinary Shares ZWL	Treasury Shares ZWL	Retained earnings ZWL	Shareholders' equity ZWL
Balance as at 1 January 2021	1 238 157	(39 991)	5 293 768 002	5 294 966 168
Profit for the year	-	-	6 897 272 860	6 897 272 860
Total comprehensive income for the year	**-**	**-**	**6 897 272 860**	**6 897 272 860**
Transactions with owners in their capacity as owners:				
Acquisition of treasury shares				
Dividend declared and paid	-	-	(46 609 365)	(46 609 365)
Balance as at 31 December 2021	**1 238 157**	**(39 991)**	**12 144 431 497**	**12 145 629 663**
Total equity at the beginning of the financial year	**1 238 157**	**(39 991)**	**12 144 431 497**	**12 145 629 663**
Profit for the year	-	-	47 507 956 174	47 507 956 174
Total comprehensive income for the year	**-**	**-**	**47 507 956 174**	**47 507 956 174**
Transactions with owners in their capacity as owners:				
Acquisition of treasury shares	-	(585)	(5 152 164)	(5 152 749)
Dividend declared and paid	-	-	(206 466 279)	(206 466 279)
Balance as at 31 December 2022	**1 238 157**	**(40 576)**	**59 440 769 228**	**59 441 966 809**

The notes on pages 124 to 138 are an integral part of the financial statements.

Company Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Audited Inflation adjusted 2022 ZWL	Audited Inflation adjusted 2021 ZWL	Unaudited Historical 2022 ZWL	Unaudited Historical 2021 ZWL
Cash flows from operating activities					
Profit before income tax		20 995 455 199	14 556 650 483	53 759 478 560	7 747 913 910
Adjustment for non-cash items and other adjustments:					
Depreciation	4	15 139 796	10 649 760	4 390 893	489 265
Allowance for credit losses	13	95 108 654	80 813 210	95 108 654	23 508 866
Fair value adjustment on investment property	17	(20 401 644 241)	(14 027 752 856)	(53 195 559 539)	(7 611 048 844)
Fair value movement on unquoted shares	6	(33 135 776)	(2 835 367)	(53 704 681)	(3 701 751)
Fair value movement on quoted shares	6.1	1 570 913	(1 137 321)	(1 824 653)	(501 394)
Finance income	19	(328 231 920)	(64 659 589)	(275 934 017)	(16 244 550)
Exchange (gain)	18	(414 333 392)	(56 494 748)	(304 175 615)	(16 210 284)
Net monetary loss/(gain)		203 552 847	(32 674 015)	-	-
Dividend received		(533 113)	(98 289 220)	(293 549)	(22 157 617)
Loss/(profit) from disposal of investment property	18	-	7 831 068	-	(9 915 762)
Loss/(profit) from disposal of vehicles and equipment	18	(14 466)	(10 405 976)	80 877	(2 691 603)
Other non cash items		5 774 574	11 095 984	3 179 665	2 501 399
Cash flows generated from operating activities before working capital adjustments		**138 709 075**	**372 791 413**	**30 746 595**	**91 941 635**
Working capital adjustments					
(Increase) in trade and other receivables		(404 682 851)	(354 017 858)	(643 627 056)	(112 490 531)
Decrease/(increase) in inventory		(9 023 094)	2 620 176	(8 550 283)	81 665
Increase/(Decrease) in trade and other payables		504 630 731	134 633 607	724 561 555	68 087 213
Cash flow from operating activities after working capital adjustments		**229 633 861**	**156 027 338**	**103 130 811**	**47 617 982**
Interest paid		-	-	-	-
Income tax paid	20.3	(206 026 449)	(105 633 705)	(168 044 145)	(27 294 024)
Net cash generated from operating activities		**23 607 412**	**50 393 633**	**(64 913 334)**	**20 323 958**
Cash flows from investing activities					
Additions to investment property		(146 174 777)	-	(44 794 299)	-
Improvements to investment property	1	(41 078 866)	(68 149 442)	(24 914 084)	(14 885 020)
Purchase of vehicles and equipment	4	(109 801 633)	(15 093 433)	(97 853 547)	(3 248 914)
Investment in associate	3	(88 140 629)	(43 112 304)	(30 325 033)	(8 702 073)
Acquisitions of equities	6.1	-	(3 669 374)	-	(896 892)
Proceed on disposal of property, plant and equipment		309 818	13 063 048	199 179	3 430 000
Proceed on disposal of investment property		151 204 130	272 909 792	102 611 021	61 135 762
Maturity/(Issuance) of long term investments		536 447	-	395 229	-
Finance income received	19.2	110 246 923	15 853 063	60 705 484	3 573 801
Dividend received		533 113	98 289 220	293 549	22 157 617
Net cash generated from investing activities		**(122 365 474)**	**270 090 570**	**(33 682 501)**	**62 564 281**
Cash flows from financing activities					
Repurchase of treasury shares		(9 357 882)	-	(5 152 749)	-
Dividends paid to Company's shareholders		(254 773 010)	(193 731 451)	(206 466 278)	(46 609 365)
Net cash used in financing activities		**(264 130 892)**	**(193 731 451)**	**(211 619 027)**	**(46 609 365)**
Inflation effect on cashflows		(70 079 270)	23 446 316	-	-
Net (decrease)/increase in cash and cash equivalents		**(432 968 224)**	**150 199 068**	**(310 214 862)**	**36 278 874**
Cash and cash equivalents at the beginning of the year		173 112 410	(67 758 630)	50 359 050	(12 262 894)
Effects of changes in foreign currency		404 628 579	90 671 970	404 628 577	26 341 070
Cash and cash equivalents at end of the year		**144 772 765**	**173 112 408**	**144 772 765**	**50 359 050**

The notes on pages 124 to 138 are an integral part of the financial statements.

Notes to the Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2022

The accounting policies for Group are applicable to the Company as well unless otherwise stated.

1 INVESTMENT PROPERTY

	Audited Inflation adjusted		Unaudited historical	
	2022	2021	2022	2021
All figures in ZWL				
As at 1 January	46 163 059 512	32 078 128 019	13 429 007 479	5 805 469 829
Improvements to existing property	41 078 866	68 149 442	24 914 084	14 885 020
Reclassification to held for sale	(38 400 000)	-	(38 400 000)	-
Disposals	(217 709 917)	-	(160 027 922)	-
Additions to investment property	146 174 777	-	44 794 299	-
Fair value adjustments	20 401 644 241	14 016 782 051	53 195 559 539	7 608 652 630
As at 31 December	**66 495 847 479**	**46 163 059 512**	**66 495 847 479**	**13 429 007 479**

1.1 Fair value hierarchy
The following table shows an analysis of the fair values of investment property recognised in the statement of financial position by level of the fair value hierarchy;

Audited Inflation adjusted
Company

All amount in ZWL	Level 1	Level 2	Level 3	Total	Total gain/(loss) in the period in the statement of of profit or loss
31 December 2022					
CBD offices	-	-	19 330 000 000	19 330 000 000	5 930 652 787
Office parks	-	-	7 820 000 000	7 820 000 000	2 399 260 465
CBD retail	-	-	15 378 440 000	15 378 440 000	4 718 271 497
Suburban retail	-	-	6 870 000 000	6 870 000 000	2 107 790 204
Industrial	-	-	10 315 000 000	10 315 000 000	3 164 753 414
Residential	-	-	3 633 607 479	3 633 607 479	1 114 830 022
Land*	-	-	3 148 800 000	3 148 800 000	966 085 852
Total	**-**	**-**	**66 495 847 479**	**66 495 847 479**	**20 401 644 241**

Company

31 December 2021	Level 1	Level 2	Level 3	Total	Total gain/(loss) in the period in the statement of of profit or loss
CBD offices	-	-	13 148 678 553	13 148 678 553	3 995 541 350
Office parks	-	-	5 293 847 052	5 293 847 052	1 608 662 400
CBD retail	-	-	10 287 938 608	10 287 938 608	3 126 236 903
Suburban retail	-	-	5 156 344 531	5 156 344 531	1 566 878 961
Industrial	-	-	7 129 505 705	7 129 505 705	2 166 471 310
Residential	-	-	2 866 927 559	2 866 927 559	871 184 702
Land*	-	-	2 279 817 504	2 279 817 504	692 777 230
Total	**-**	**-**	**46 163 059 512**	**46 163 059 512**	**14 027 752 856**

*This consists of land earmarked for future developments.

Gains and losses recorded in profit or loss for recurring fair value measurements categorised within level 3 of the fair value hierarchy amount to ZWL 20.402 billion (2021: ZWL 14.028 billion) and are presented in the statement of profit or loss in line item 'fair value adjustments'.

All gains and losses recorded in profit or loss for recurring fair value measurements categorised within level 3 of the fair value hierarchy are attributable to changes in unrealised gains or losses relating to investment property held at the end of the reporting period.

1 INVESTMENT PROPERTY (CONTINUED)

1.1 Fair value hierarchy (continued)

Unaudited Historical
Company

All amount in ZWL	Level 1	Level 2	Level 3	Total	Total gain/(loss) in the period in the statement of of profit or loss
31 December 2022					
CBD offices	-		19 330 000 000	19 330 000 000	15 505 000 000
Office parks	-		7 820 000 000	7 820 000 000	6 280 000 000
CBD retail	-		15 378 440 000	15 378 440 000	12 385 640 000
Suburban retail	-		6 870 000 000	6 870 000 000	5 370 000 000
Industrial	-		10 315 000 000	10 315 000 000	8 241 000 000
Residential	-		3 633 607 479	3 633 607 479	2 928 327 018
Land*	-		3 148 800 000	3 148 800 000	2 485 592 521
Total	**-**	**-**	**66 495 847 479**	**66 495 847 479**	**53 195 559 539**

Company

31 December 2021	Level 1	Level 2	Level 3	Total	Total gain/(loss) in the period in the statement of of profit or loss
CBD offices	-	-	3 825 000 000	3 825 000 000	2 129 560 000
Office parks	-	-	1 540 000 000	1 540 000 000	855 450 000
CBD retail	-	-	2 992 800 000	2 992 800 000	1 692 060 000
Suburban retail	-	-	1 500 000 000	1 500 000 000	849 800 000
Industrial	-	-	2 074 000 000	2 074 000 000	1 211 970 000
Residential	-	-	834 000 000	834 000 000	480 461 193
Land*	-	-	663 207 479	663 207 479	391 747 651
Total	**-**	**-**	**13 429 007 479**	**13 429 007 479**	**7 611 048 844**

*This consists of land earmarked for future developments.

Gains and losses recorded in profit or loss for recurring fair value measurements categorised within level 3 of the fair value hierarchy amount to ZWL 53.196 billion (2021:ZWL 7.611 billion) and are presented in the statement of profit or loss in line item 'fair value adjustments'.

All gains and losses recorded in profit or loss for recurring fair value measurements categorised within level 3 of the fair value hierarchy are attributable to changes in unrealised gains or losses relating to investment property held at the end of the reporting period.

Valuation techniques used to derive level 3 fair values
The table on page 126 presents the following for each class of the investment property:
• the fair value measurements at the end of the reporting period;
• the level of the fair value hierarchy (in this case level 3) within which the fair value measurements are categorized in their entirety;
• a description of the valuation techniques applied;
• the inputs used in the fair value measurement, including the ranges of rent charged to different units within the same building; and
• level 3 fair value measurements, quantitative information about the significant unobservable inputs used in the fair value measurement.

Notes to the Financial Statements (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

1 INVESTMENT PROPERTY (CONTINUED)

1.1 Fair value hierarchy (continued)

Audited Inflation Adjusted

All amount in ZWL

Class of property	Fair value 31 December, 2022	Valuation technique	Key unobservable inputs	Range	weighted avarage
CBD offices	19 330 000 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL2,000-ZWL3,500 5.50%-8.5%	23%
Office parks	7 820 000 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL4,000-ZWL5,000 5.00%-6.00%	6%
CBD retail*	15 378 440 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL4,000-ZWL10,000 4.50%-6.00%	0%
Suburban retail*	6 870 000 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL900-ZWL20,000 4.00%-5.50%	4%
Industrial	10 315 000 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL1,000-ZWL3,500 7.00%-10.00%	10%
Residential	3 633 607 479	Market comparable	Comparable transacted properties prices		
Land - residential	38 400 000	Market comparable	Rate per square metre	ZWL1,500.00-ZWL20,000.00	
Land - commercial	3 110 400 000	Market comparable	Rate per square metre	ZWL20,000.00-ZWL 86,000.00	
Total	**66 495 847 479**				

Class of property	Fair value 31 December, 2021	Valuation technique	Key unobservable inputs	Range	weighted average
CBD offices	13 148 678 553	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL500-ZWL700 5.5.00%-8.5%	26%
Office parks	5 293 847 052	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL700-ZWL980 5.00%-6.00%	13%
CBD retail*	10 287 938 608	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL750-ZWL2000 4.00%-5.00%	0%
Suburban retail*	5 156 344 531	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL900-ZWL3200 4.00%-5.00%	0%
Industrial	7 129 505 705	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL160-ZWL440 7.00%-10.00%	0%
Residential	2 866 927 559	Market comparable	Comparable transacted properties prices		
Land - residential	27 500 504	Market comparable	Rate per square metre	ZWL3500.00-ZWL6000.00	
Land - commercial	2 252 317 000	Market comparable	Rate per square metre	ZWL7000.00-ZWL14000.00	
Total	**46 163 059 512**				

The inflation adjusted disclosure is new compared to prior year annual financial statements and does not impact the primary annual financial statements.

1 INVESTMENT PROPERTY (CONTINUED)

1.1 Fair value hierarchy (continued)

Unaudited Historical Cost

All amount in ZWL

Class of property	Fair value 31 December, 2022	Valuation technique	Key unobservable inputs	Range	weighted average
CBD offices	19 330 000 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL2,000-ZWL3,500 5.50%-8.5%	23%
Office parks	7 820 000 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL4,000-ZWL5,000 5.00%-6.00%	6%
CBD retail*	15 378 440 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL4,000-ZWL10,000 4.50%-6.00%	0%
Suburban retail*	6 870 000 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL900-ZWL20,000 4.00%-5.50%	4%
Industrial	10 315 000 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL1,000-ZWL3,500 7.00%-10.00%	10%
Residential	3 633 607 479	Market comparable	Comparable transacted properties prices		
Land - residential	38 400 000	Market comparable	Rate per square metre	ZWL1,500.00-ZWL20,000.00	
Land - commercial	3 110 400 000	Market comparable	Rate per square metre	ZWL20,000.00-ZWL 86,000.00	
Total	**66 495 847 479**				

Class of property	Fair value 31 December, 2021	Valuation technique	Key unobservable inputs	Range	weighted average
CBD offices	3 825 000 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL500-ZWL700 5.5.00%-8.5%	26%
Office parks	1 540 000 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL700-ZWL980 5.00%-6.00%	13%
CBD retail*	2 992 800 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL750-ZWL2000 4.00%-5.00%	0%
Suburban retail*	1 500 000 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL900-ZWL3200 4.00%-5.00%	0%
Industrial	2 074 000 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL160-ZWL440 7.00%-10.00%	0%
Residential	834 000 000	Market comparable	Comparable transacted properties prices		
Land - residential	8 000 000	Market comparable	Rate per square metre	ZWL3500.00-ZWL6000.00	
Land - commercial	655 207 479	Market comparable	Rate per square metre	ZWL7000.00-ZWL14000.00	
Total	**13 429 007 479**				

*Rent is also charged based on a percentage of turnover revenue.
For further information refer to note 6.1 in the consolidated financial statements.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 INVESTMENT PROPERTY (CONTINUED)

1.2 Investment property held for sale

During the year ended 31 December 2022, the directors of First Mutual Properties Limited decided to dispose of a residential parcel of land, known as 472 Goodhope Township of Lot 4 of Goodhope, Harare as part of the Group's ongoing capital recycling strategy. Conditions for the classification as held for sale (as stipulated in IFRS 5- Non-current assets held for sale and discontinued operations) were met as at 31 December 2022. The asset was reclassified to current assets from investment property as disclosed below. The sale of the resdential parcel of land is expected to be completed within a year from the reporting date.

Investment property held for sale	Audited Inflation adjusted		Unaudited Historical	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
At 1 January	-	269 741 964	-	48 817 650
Reclassification to held for sale	38 400 000	-	38 400 000	-
Fair value adjustment	-	10 998 899	-	2 402 350
Disposal	-	(280 740 863)	-	(51 220 000)
	38 400 000	**-**	**38 400 000**	**-**

2 INVESTMENTS IN SUBSIDIARIES

	% Holding	Audited Inflation adjusted 2022 ZWL	Audited Inflation adjusted 2021 ZWL	Unaudited Historical 2022 ZWL	Unaudited Historical 2021 ZWL
Arundel Office Park (Private) Limited	100%	9 988 613 075	9 988 613 075	46 798 428	46 798 428
Sticklip Enterprises (Private) Limited	100%	12 806 344	12 806 344	60 000	60 000
		10 001 419 419	**10 001 419 419**	**46 858 428**	**46 858 428**

3 INVESTMENT IN ASSOCIATE

	% Holding	Audited Inflation adjusted 2022	Audited Inflation adjusted 2021	Unaudited Historical 2022	Unaudited Historical 2021
Infrastructure Fund Zimbabwe (Private) Limited	24,41%	52 534 337	43 112 303	16 227 105	8 702 073
Greencroft Properties (Private) Limited	29,49%	72 334 638	-	67 257 017	-
Sterling holdings	22,97%	24 521 304	-	22 800 000	-
Builstate Investments (Private) Limited	37,48%	13 169 263	-	3 622 367	-
		162 559 542	**43 112 303**	**109 906 489**	**8 702 073**

The company has a 24.41% interest in Infrastructure Fund Zimbabwe (Private) Limited, which is involved in the supply of solar power at First Mutual Park in Harare, Zimbabwe. Infrastructure Fund Zimbabwe (Private) Limited is a private entity that is not listed on any public exchange. The company's interest in Infrastructure Fund Zimbabwe (Private) Limited was accounted for at cost in the Company separate financial statements.

On 1 September 2022 the company has a 29.49% interest in Greencroft Properties (Private) Limited , which is involved in development of properties in Harare, Zimbabwe. Greencroft Properties (Private) Limited is a private entity that is not listed on any public exchange. The company's interest in Greencroft Properties (Private) Limited was accounted for at cost in the Company separate financial statements. Interest in Greencroft Properties (Private) Limited arose from the Company participating in purchase of land at which development is yet to start for the construction of a hospital. The acquisation is in line with the Company strategy to increase the portfolio.

On 1 May 2022 the Group acquired a 22.97% interest in Sterling Holdings, which is involved in development of properties in Zvishavane, Zimbabwe. Sterling holdings is a private entity that is not listed on any public exchange. The company's interest in Sterling holdings was accounted for at cost in the Company separate financial statements. Interest in Sterling holdings arose from the Company participating in purchase of land at which development is yet to start for the construction of a student accommodation. The acquisation is in line with the Company strategy to increase the portfolio.

On 1 August 2022 the company has a 37.48% interest in Builstate Investments (Private) Limited , which is involved in Fast-moving consumer goods in Harare, Zimbabwe. Builstate Investments (Private) Limited is a private entity that is not listed on any public exchange. The company's interest in Builstate Investments (Private) Limited was accounted for at cost in the Company separate financial statements.The acquisation is in line with the Company strategy to increase the portfolio.

INVESTMENT IN ASSOCIATE RECONCILIATION	Audited Inflation adjusted		Unaudited Historical	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
As at 1 January	43 112 303	-	8 702 073	-
Additions	119 447 239	43 112 303	101 204 416	8 702 073
As at 31 December	**162 559 542**	**43 112 303**	**109 906 489**	**8 702 073**

4 VEHICLES AND EQUIPMENT

All figures in ZWL

Audited Inflation adjusted
Company

Year ended	Motor vehicles	Computers	Office equipment	Equipment and machinery	Office furniture	Total
31 December 2021						
Opening net book amount	-	8 143 778	8 437 330	795 179	6 057 625	23 433 912
Additions	-	14 884 117	209 316	-	-	15 093 433
Disposal	-	(591 914)	-	-	-	(591 914)
Depreciation on disposal	-	583 003	-	-	-	583 003
Depreciation charge	-	(5 735 852)	(3 137 705)	(276 568)	(1 499 635)	(10 649 760)
Closing net book amount	**-**	**17 283 132**	**5 508 941**	**518 611**	**4 557 990**	**27 868 674**
As at 31 December 2021						
Cost	-	44 203 049	44 573 931	36 253 504	22 129 892	147 160 376
Accumulated depreciation	-	(26 919 917)	(39 064 990)	(35 734 893)	(17 571 902)	(119 291 702)
Net book amount	**-**	**17 283 132**	**5 508 941**	**518 611**	**4 557 990**	**27 868 674**
Year ended 31 December 2022						
Opening net book amount	-	17 283 132	5 508 941	518 611	4 557 990	27 868 674
Additions	96 853 615	5 738 275	4 202 972	-	3 006 771	109 801 633
Disposals	-	(2 750 694)	-	-	-	(2 750 694)
Depreciation disposal	-	2 473 733	-	-	-	2 473 733
Depreciation charge	(3 309 870)	(6 122 596)	(3 394 571)	(208 441)	(2 104 318)	(15 139 796)
Closing net book amount	**93 543 745**	**16 621 850**	**6 317 342**	**310 170**	**5 460 443**	**122 253 550**
As at 31 December 2022						
Cost	96 853 615	47 190 630	48 776 901	36 253 504	25 136 663	254 211 313
Accumulated depreciation	(3 309 870)	(30 568 780)	(42 459 559)	(35 943 334)	(19 676 220)	(131 957 763)
Net book amount	**93 543 745**	**16 621 850**	**6 317 342**	**310 170**	**5 460 443**	**122 253 550**

There are no contractual commitments for the acquisition of property, plant and equipment

4 VEHICLES AND EQUIPMENT

All figures in ZWL

Year ended	Motor vehicles	Computers	Office equipment	Equipment and machinery	Office furniture	Total
31 December 2021						
Opening net book amount	-	95 080	49 691	1 278	30 230	176 279
Additions	-	3 206 664	42 250	-	-	3 248 914
Disposal	-	(172 191)	-	-	-	(172 191)
Depreciation on disposal	-	33 793	-	-	-	33 793
Depreciation charge	-	(453 891)	(27 210)	(1 006)	(7 158)	(489 265)
Closing net book amount	**-**	**2 709 455**	**64 731**	**272**	**23 072**	**2 797 530**
As at 31 December 2021						
Cost	-	3 245 858	301 657	103 682	173 365	3 824 562
Accumulated depreciation	-	(536 403)	(236 926)	(103 410)	(150 293)	(1 027 032)
Net book amount	**-**	**2 709 455**	**64 731**	**272**	**23 072**	**2 797 530**
Year ended 31 December 2022						
Opening net book amount	-	2 709 455	64 731	272	23 072	2 797 530
Additions	93 153 012	2 000 247	1 269 128	1 431 160	-	97 853 547
Disposals	-	(335 981)	-	-	-	(335 981)
Depreciation disposal	-	47 173	-	-	-	47 173
Depreciation charge	(3 235 237)	(932 758)	(136 887)	(84 139)	(1 872)	(4 390 893)
Closing net book amount	**89 917 775**	**3 488 136**	**1 196 972**	**1 347 293**	**21 200**	**95 971 376**
As at 31 December 2022						
Cost	93 246 569	4 944 057	1 570 785	1 534 842	173 365	101 469 618
Accumulated depreciation	(3 328 794)	(1 455 921)	(373 813)	(187 549)	(152 165)	(5 498 242)
Net book amount	**89 917 775**	**3 488 136**	**1 196 972**	**1 347 293**	**21 200**	**95 971 376**
						-

There are no contractual commitments for the acquisition of property, plant and equipment

5 FINANCIAL ASSETS AT AMORTISED COST

	Audited Inflation adjusted		Unaudited Historical	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
As at 1 January	1 342 361	9 679 125	390 498	390 498
Additions	79 095 849	-	79 095 849	-
Loss due to inflation effect	(843 301)	(8 336 764)	-	-
Amortised interest	23 232 729	760 950	12 792 684	500 861
Repayments of interest	(23 232 729)	(760 950)	(12 792 684)	(500 861)
Repayments of principal	(298 931)	-	(190 369)	-
As at 31 December	**79 295 978**	**1 342 361**	**79 295 978**	**390 498**
Short-term portion	-	-	-	-
Long-term portion	79 295 978	1 342 361	79 295 978	390 498
Total	**79 295 978**	**1 342 361**	**79 295 978**	**390 498**

The carrying amounts closely approximate the fair values of the financial assets at amortised cost.

6 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - UNQUOTED SHRES

	Audited Inflation adjusted		Unaudited Historical	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
As at 1 January	29 007 213	26 171 846	8 438 307	4 736 556
Fair value adjustment	33 135 775	2 835 367	53 704 681	3 701 751
As at 31 December	**62 142 988**	**29 007 213**	**62 142 988**	**8 438 307**

The Group has an investment of 8.91% of the ordinary shares of First Mutual Property Fund One (Private) Limited ("FMPFO") which is incorporated and domiciled in Zimbabwe and is unquoted. The fair value of the Group's investment in FMPFO is based on the net asset value of FMPFO. FMPFO is a property holding company which owns one building that is leased out to one tenant. The building constitutes 98% of the total assets of FMPFO. The fair value of the building was therefore a significant element in determining the net asset value of FMPFO. The building was valued by an independent valuer using the income approach. The investment in FMPFO is categorised as level 3 in the IFRS 13 'Fair value measurement' hierarchy. This implies that the fair value is determined with reference to unobservable inputs. Key unobservable inputs used in the valuation included rental per square metre and the capital rate/prime yield. The total lettable space is 2 508 square metres (2021: 2 508 square metres).

Description of significant unobservable inputs to valuation*:
The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at 31 December 2022 and 2021 are shown below:

Audited inflation adjusted

	Valuation technique	Significant unobservable inputs	Range of inputs 2022	2021	Sensitivity of the input to fair value
Non-listed equity investments – FMPFO	Income	Rental per square metre	ZWL900-ZWL3200	ZWL980-ZWL1600	10% (2021: 10%) increase (decrease) in the rentals would result in an increase (decrease) in fair value by ZWL 4,900,500(2021: ZWL 3,792,989)
	Capitalisation	Capital rate/ yield	4.00%-5.00%	4.00%-5.00%	5% (2021: 5%) increase (decrease) in the capital rate would result in an increase (decrease) in fair value by ZWL 2,450,250 (2021: ZWL 1,896,493)

Historical cost

	Valuation technique	Significant unobservable inputs	Range of inputs 2022	2021	Sensitivity of the input to fair value
Non-listed equity investments – FMPFO	Income	Rental per square metre	ZWL900-ZWL3200	ZWL980-ZWL1600	10% (2021: 10%) increase (decrease) in the rentals would result in an increase (decrease) in fair value by ZWL 4,900,500(2021: ZWL 1,102,613)
	Capitalisation	Capital rate/ yield	4.00%-5.00%	4.00%-5.00%	5% (2021: 5%) increase (decrease) in the capital rate would result in an increase (decrease) in fair value by ZWL 2,450,250 (2021: ZWL 551,306)

Reconciliation of fair value measurement of non-listed equity investments classified as equity instruments designated at fair value through profit or loss (Level 3):

6 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - UNQUOTED SHRES

	Audited inflation adjusted ZWL	Unaudited historical cost ZWL
As at 1 January 2021	26 171 846	4 736 556
Remeasurement recognised in profit or loss**	2 835 367	3 701 751
As at 1 January 2022	29 007 213	8 438 307
Remeasurement recognised in profit or loss**	33 135 775	53 704 681
As at 31 December 2022	**62 142 988**	**62 142 988**

**The fair value adjustments form part of the line item "Other income" on the statement ofcomprehensive income.

*The disclosure is new compared to prior year annual financial statements to comply with IFRS 13 however, no prior period numbers are impacted and there is no impact on the primary annual financial statements.

6,1 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - QUOTED SHARES

All figures in ZWL	Audited Inflation adjusted		Unaudited Historical	
	2022	2021	2022	2021
As at 1 January	4 806 695	-	1 398 286	-
Additions	-	3 669 374	-	896 892
Disposals	(182 962)	-	(170 119)	-
Fair value adjustment	(1 570 913)	1 137 321	1 824 653	501 394
As at 31 December	**3 052 820**	**4 806 695**	**3 052 820**	**1 398 286**

These are quoted equity investments in Delta (Pvt)Ltd. The fair value of the shares is determined by the value of the share price, which falls under Level 1 hierachy.

7 TRADE AND OTHER RECEIVABLES

	Audited Inflation adjusted		Unaudited Historical	
All figures in ZWL	2022	2021	2022	2021
Tenant receivables	353 531 728	235 430 050	353 531 728	68 487 486
Tenant operating cost recoveries	167 324 515	83 672 908	167 324 515	24 340 763
Trade receivables	**520 856 243**	**319 102 958**	**520 856 243**	**92 828 249**
Less: allowance for credit losses	(125 073 709)	(103 006 763)	(125 073 709)	(29 965 055)
Net trade debtors	**395 782 534**	**216 096 195**	**395 782 534**	**62 863 194**
Prepayments - other	336 417 568	203 950 071	204 095 933	43 357 118
Staff debtors	62 144 960	43 242 954	62 144 960	12 579 538
Group companies receivables	16 279 758	37 761 403	16 279 758	10 984 935
Total trade and other receivables	**810 624 820**	**501 050 623**	**678 303 185**	**129 784 785**
Reconciliation of gross trade receivables				
As at 1 January	319 102 958	202 481 644	92 828 249	36 644 940
Increase in trade receivables	2 090 159 906	1 416 493 107	1 519 545 684	333 311 638
Recovery due to payments	(1 982 299 780)	(1 254 997 757)	(1 091 517 690)	(227 128 329)
Effect of IAS 29	93 893 159	(44 874 036)		
As at 31 December	**520 856 243**	**319 102 958**	**520 856 243**	**92 828 249**
Reconciliation of allowance for credit losses				
As at 1 January	103 006 763	35 673 677	29 965 055	6 456 188
Add: charge for the year	203 947 425	125 200 316	155 038 764	36 421 243
Recovery due to payments	(108 838 771)	(44 387 106)	(59 930 110)	(12 912 376)
Effect of IAS 29	(73 041 708)	(13 480 124)	-	-
As at 31 December	**125 073 709**	**103 006 763**	**125 073 709**	**29 965 055**

7 TRADE AND OTHER RECEIVABLES (CONTINUE)

(i) Classification of trade receivables

Trade receivables are amounts due from tenants for space leased in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group and Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Refer below for the movements in the allowance for credit losses:

	Audited Inflation adjusted		
Year ended 31 December 2021 **All figures in ZWL**	**Individually impaired ZWL**	**Collectively impaired ZWL**	**Total ZWL**
As at 1 January	29 549 008	6 124 669	35 673 677
Charge for the year	71 739 575	9 073 635	80 813 210
Inflation effect	(11 165 773)	(2 314 351)	(13 480 124)
As at 31 December 2021	**90 122 810**	**12 883 953**	**103 006 763**
Year ended 31 December 2022			
As at 1 January	90 122 810	12 883 953	103 006 763
Charge for the year	80 884 765	14 223 889	95 108 654
Inflation effect	(63 905 746)	(9 135 962)	(73 041 708)
As at 31 December 2022	**107 101 829**	**17 971 880**	**125 073 709**

	Unaudited Historical		
Year ended 31 December 2021	**Individually impaired ZWL**	**Collectively impaired ZWL**	**Total ZWL**
As at 1 January	5 347 752	1 108 437	6 456 189
Charge for the year	20 869 312	2 639 554	23 508 866
As at 31 December 2021	**26 217 064**	**3 747 991**	**29 965 055**
Year ended 31 December 2022			
As at 1 January	26 217 064	3 747 991	29 965 055
Charge for the year	80 884 765	14 223 889	95 108 654
As at 31 December 2022	**107 101 829**	**17 971 880**	**125 073 709**
			-

Trade receivables are normally on 30 day terms. Tenants are charged interest at 222% (2021: 47%) per annum on overdue amounts that remain outstanding after 30 days.

8 CASH AND CASH EQUIVALENTS

		Audited Inflation adjusted		Unaudited Historical	
		2022 ZWL	**2021 ZWL**	**2022 ZWL**	**2021 ZWL**
Cash at bank and in hand :					
	USD	2 352 358	131 380 273	2 352 358	38 219 015
	ZWL	142 420 407	41 732 135	142 420 407	12 140 035
At 31 December		**144 772 765**	**173 112 408**	**144 772 765**	**50 359 050**

Reconciliation of cash flow statement
The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:

	Audited Inflation adjusted		Unaudited Historical	
	2022 ZWL	**2021 ZWL**	**2022 ZWL**	**2021 ZWL**
Bank balances:	144 772 765	173 112 408	144 772 765	50 359 050
Bank overdraft	-	-	-	-
Balances as per cash flow statements	**144 772 765**	**173 112 408**	**144 772 765**	**50 359 050**

9 ORDINARY SHARE CAPITAL

	2022			
	Audited Inflation adjusted		Unaudited Historical	
	Shares	ZWL	Shares	ZWL
Authorised				
2 000 000 000 ordinary shares with a nominal value of ZWL0.001 per share	2 000 000 000	2 000 000	2 000 000 000	2 000 000
Issued and paid				
1 238 157 310 ordinary shares with a nominal value of ZWL0.001 per share	1 238 157 310	264 271 080	1 238 157 310	1 238 157
Less: treasury shares				
Repurchased in 2016 at a price of 0.0163 cents per share.	(1 229 638)	(4 270 705)	(1 229 638)	(20 009)
Repurchased in 2019 at a price of 0.0163 and cents per share.	(136 400)	(536 282)	(136 400)	(19 982)
Repurchased in 2022 at an average price of 876 cents per share.	(233 324)	(1 062)	(233 324)	(585)
As at 31 December	**1 236 557 948**	**259 463 031**	**1 236 557 948**	**1 197 581**

The shareholders at an annual general meeting held on 22 February 2022 passed an ordinary resolution for the Company to purchase its shares in terms of section 79 of the Companies and Other Business Entities Act (Chapter 24:31) and the Zimbabwe Stock Exchange Listing Requirements. Purchased shares will be used for treasury purposes. Acquisitions shall be of ordinary share which, in aggregate in any one financial year shall not exceed 10% (2021: 10%) of the Company's issued ordinary share capital.

	2021			
	Audited Inflation adjusted		Unaudited Historical	
Authorised	Shares	ZWL	Shares	ZWL
2 000 000 000 ordinary shares with a nominal value of ZWL0.001 per share	2 000 000 000	2 000 000	2 000 000 000	2 000 000
Issued and paid				
1 238 157 310 ordinary shares with a nominal value of ZWL0.001 per share	1 238 157 310	264 271 080	1 238 157 310	1 238 157
Less: treasury shares				
Repurchased in 2016 at a price of 0.0163 cents per share.	(1 229 638)	(4 270 705)	(1 229 638)	(20 009)
Repurchased in 2019 at a price of 0.0163 and cents per share.*	(136 400)	(536 282)	(136 400)	(19 982)
As at 31 December	**1 236 791 272**	**259 464 093**	**1 236 791 272**	**1 198 166**

*In the prior year, the 2021 inflation adjusted figure for the 2019 shares repurchased were incorrectly included in the 2016 shares repruchased line and it has been corrected in the current year and has no impact on the figures presented in the primary financial statements.

10 DEFFERED TAX LIABILITIES

	Audited Inflation adjusted		Unaudited Historical	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
As at 1 January	4 868 325 066	3 254 932 004	1 410 332 539	589 391 582
Recognised in the statement of profit or loss				
-Arising on inventory	177 092	(578 310)	-	-
-Arising from prepayments	35 971 239	8 599 030	-	-
-Arising on property plant and equipment	13 914 891	753 212	13 297 416	60 533
-Arising on investment properties	2 616 287 827	1 598 633 825	6 074 897 423	825 475 786
-Arising on financial assets at fair value through profit or loss	2 128 622	141 767	3 169 289	(2 231 071)
-Arising on leave pay provision	(1 417 063)	19 313 003	(5 434 635)	2 872 442
-Arising on provision for credit losses	(5 454 951)	(13 469 465)	(23 510 860)	(5 236 733)
As at 31 December	**7 529 932 723**	**4 868 325 066**	**7 472 751 172**	**1 410 332 539**

10 DEFFERED TAX LIABILITIES

	Audited Inflation adjusted		Unaudited Historical	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Deferred tax liability				
-Arising on inventory	308 084	130 992	-	-
-Arising from prepayments	49 527 073	13 555 834	-	-
-Arising on property plant and equipment	20 724 900	6 810 010	13 378 506	81 090
-Arising on investment properties	7 493 777 496	4 877 489 669	7 493 777 496	1 418 880 073
-Arising on financial assets at fair value through profit or loss	3 596 218	1 467 595	3 596 218	426 929
-Arising on leave pay provision	(7 082 827)	(5 665 764)	(7 082 827)	(1 648 192)
-Arising on provision for credit losses	(30 918 221)	(25 463 270)	(30 918 221)	(7 407 361)
As at 31 December	**7 529 932 723**	**4 868 325 066**	**7 472 751 172**	**1 410 332 539**

Deferred tax liabilities arose as a result of temporary differences arising from carrying amounts higher than income tax values. Investment properties are the main contributor.

11 TRADE AND OTHER PAYABLES

	Audited Inflation adjusted		Unaudited Historical	
All figures in ZWL	2022	2021	2022	2021
Rentals received in advance	157 529 781	23 246 735	89 499 180	5 781 892
Sundry payables*	207 509 214	191 531 567	207 509 214	55 882 651
Trade payables	289 134 118	113 079 868	289 134 118	33 060 810
Leave pay provision	28 652 214	22 919 757	28 652 214	6 667 443
Related party payables	198 825 701	25 215 440	198 825 701	7 335 266
Group company payables	28 159 678	29 186 606	28 159 678	8 490 493
As at 31 December	**909 810 706**	**405 179 973**	**841 780 105**	**117 218 555**

* Sundry payables include accrued expenses, good tenant deposits, VAT and dividend liabilities and Share appreciation rights

11,1 *Leave pay provision reconciliation

	Audited Inflation adjusted		Unaudited Historical	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
At 1 January	22 919 757	12 793 606	6 667 443	1 440 457
Recognised during the period	41 260 205	24 030 848	22 719 190	5 417 342
Utilised during the period	(1 333 774)	(844 403)	(734 419)	(190 356)
Inflation effect	(34 193 974)	(13 060 294)	-	-
At 31 December	**28 652 214**	**22 919 757**	**28 652 214**	**6 667 443**

12 REVENUE

	Audited Inflation adjusted		Unaudited Historical	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Rental income	2 090 159 906	1 416 493 107	1 519 545 684	333 311 639
Property services income	245 586 837	246 851 438	139 317 259	57 924 887
	2 335 746 743	**1 663 344 545**	**1 658 862 943**	**391 236 526**

13 ALLOWANCE FOR CREDIT LOSSES

Allowance for credit losses	95 108 654	80 813 210	95 108 654	23 508 866
Specific write-offs	-	-	-	-
	95 108 654	**80 813 210**	**95 108 654**	**23 508 866**

14 PROPERTY EXPENSES	Audited Inflation adjusted 2022 ZWL	2021 ZWL Restated	Unaudited Historical 2022 ZWL	2021 ZWL Restated
Operating costs under recoveries	326 437 127	232 240 678	256 345 438	53 082 558
Maintenance costs	348 831 000	63 836 410	281 083 132	14 525 418
Valuation fees	7 128 094	8 455 333	5 059 914	2 112 644
Employee costs*	606 995 536	359 300 298	406 872 090	77 543 849
Other expenses*	244 537 449	220 077 310	168 375 674	40 329 531
Property security and utilities	9 662 906	3 370 887	7 773 975	773 915
As at 31 December	**1 543 592 112**	**887 280 916**	**1 125 510 223**	**188 367 915**
Property expenses arising from investment properties that generated rental income	1 533 929 206	883 910 029	1 117 736 248	187 593 999
Property expenses arising from investment properties that did not generate rental income	9 662 906	3 370 887	7 773 975	773 915
	1 543 592 112	**887 280 916**	**1 125 510 223**	**188 367 914**

Operating costs under recoveries relate to the operating costs attributable to the vacant spaces on buildings within the portfolio.

14.1 *Reclassification effect on property expenses and administration expenses

During the year the business reviewed its long term KPI's targets in line with the agency and asset management model, to ensure the cost centre is optimised, with the business targeting to manage more assets and have a greater number of square meters under management to drive the optimising of KPI's. The business also reviewed KPI's in line with regional best practice reporting for real estate investment companies, with the benchmark taken from leading listed property companies in South Africa. To this end, in order to achieve this, the current reporting format and allocation of expenses, namely staff related costs and property management related expenses, was reclassified from administration expenses to property expenses.

The effect of the reclassification is disclosed below.

	Audited Inflation Adjusted 2022 ZWL	2021 ZWL	Unaudited Historical 2022 ZWL	2021 ZWL
Increase in property expenses	851 532 985	579 377 608	575 247 764	117 873 379
Decrease in employee costs (Note 15)	(606 995 536)	(359 300 298)	(406 872 090)	(77 543 849)
Decrease in other expenses (Note 16)	(244 537 449)	(220 077 310)	(168 375 674)	(40 329 530)
	-	-	-	-

The reclassification in 2022 was applied to the 2021 figures as the comparative and there is no impact on the SOFP, SoCI and SOCF.

15 EMPLOYEE COSTS	Audited Inflation adjusted 2022 ZWL	2021 ZWL Restated	Unaudited Historical 2022 ZWL	2021 ZWL Restated
Salaries	39 912 214	29 529 994	28 092 073	6 934 999
Staff training	4 897 398	554 348	4 463 347	146 947
NSSA and levies	3 401 205	1 756 485	2 262 922	408 780
Pension contributions	3 649 342	3 422 822	2 689 400	802 042
General allowances	61 003 342	99 020 138	45 682 133	25 437 400
Motor vehicle allowance	15 667 747	14 039 233	11 244 398	3 218 259
Performance bonus	177 539 082	20 225 077	177 539 082	5 883 551
Other staff costs*	19 726 596	12 131 735	14 264 903	3 246 349
	325 796 926	**180 679 832**	**286 238 258**	**46 078 327**

*Other staff costs include staff transport, staff meals, housing allowances and long service awards

16	OTHER EXPENSES	Audited Inflation adjusted 2022	2021	Unaudited Historical 2022	2021
	All figures in ZWL				
	Directors' fees				
	-For services as directors	29 984 214	10 834 259	21 532 046	5 148 229
	Auditors' fees:				
	-current year	7 527 629	1 746 003	4 535 184	790 869
	-prior year	12 547 436	2 499 953	7 559 477	1 132 378
	Information and communication technology expenses	10 143 484	8 054 419	7 159 070	1 858 623
	Depreciation	3 027 959	2 129 952	886 655	92 653
	Communication expenses	1 016 456	1 368 155	655 184	388 591
	Fees and other charges*	85 715 661	138 294 566	58 211 217	41 524 720
	Investment fees	4 760 553	249 880	2 621 313	68 187
	Office costs	71 619 263	14 576 816	63 562 286	2 226 060
	Travel and entertainment expenses	3 116 973	1 040 748	2 213 008	260 375
	Group shared services	200 572 777	137 339 947	144 343 961	32 151 458
	Advertising	10 127 425	2 080 383	8 119 480	890 214
		440 159 830	**320 215 081**	**321 398 881**	**86 532 357**

*Fees and other charges include bank charges, registration fees and listing fees

17	FAIR VALUE ADJUSTMENTS	Audited Inflation adjusted 2022 ZWL	2021 ZWL	Unaudited Historical 2022 ZWL	2021 ZWL
	Fair value adjustment - investment property	20 401 644 241	14 016 753 957	53 195 559 539	7 608 646 494
	Fair value adjustments- Investment property held for sale	-	10 998 899	-	2 402 350
		20 401 644 241	**14 027 752 856**	**53 195 559 539**	**7 611 048 844**
18	**OTHER INCOME**				
	Exchange Gains/(Losses)	414 333 392	56 494 749	321 890 509	16 210 284
	Shared services	107 463 641	72 803 648	77 337 119	17 687 936
	Fair value gain on financial assets at fair value through profit and loss	31 564 862	3 972 688	55 529 334	4 203 145
	Profit / (loss) on disposal of investment property held for sale and PPE**	14 466	2 574 908	(80 877)	12 607 365
	Sundry income*	3 679 683	101 362 524	2 701 992	23 162 725
		557 056 044	**237 208 517**	**457 378 077**	**73 871 455**

*Sundry income comprises lease fees, bank interest, operating cost fee income, dividend received and investment income - Quoted shares.

**This includes profit/losses on disposal of both Investment property held for sale and PPE which are shown separately in the Statement of Cash Flows

19	FINANCE INCOME	Audited Inflation adjusted 2022 ZWL	2021 ZWL	Unaudited Historical 2022 ZWL	2021 ZWL
19.1	**Finance income for statement of profit or loss**				
	Interest on overdue tenant accounts	312 563 728	62 612 647	263 141 333	15 743 689
	Interest on investments	15 668 192	2 046 942	12 792 684	500 861
		328 231 920	**64 659 589**	**275 934 017**	**16 244 550**
19.2	**Finance income for statement of cash flows**				
	Finance income received	110 246 923	15 853 063	60 705 484	3 573 801
	Finance income accrued	217 984 997	48 806 526	215 228 533	12 670 749
		328 231 920	**64 659 589**	**275 934 017**	**16 244 550**

		Audited Inflation adjusted		Unaudited Historical	
		2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
20	**INCOME TAX EXPENSE**				
	Current income tax	189 103 754	102 095 941	189 103 753	29 700 093
	Deferred tax	2 661 607 657	1 613 393 062	6 062 418 633	820 940 957
		2 850 711 411	**1 715 489 003**	**6 251 522 386**	**850 641 050**

		Audited Inflation adjusted		Unaudited Historical	
20,1	**Reconciliation of income tax charge**	**2022**	**2021**	**2022**	**2021**
	Accounting Profit	**20 995 455 199**	**14 556 650 483**	**53 759 478 560**	**7 747 913 910**
	Tax at Standard rate	24,72%	24,72%	24,72%	24,72%
	Notional accounting tax at standard rate	5 190 076 525	3 598 403 999	13 289 343 100	1 915 284 319
	Expenses not deductible for tax purposes*	88 658 490	72 186 354	35 642 614	11 390 617
	Effect of different tax rates- Investment property	(336 643 057)	(1 117 514 223)	(1 259 621 982)	(251 924 397)
	Impact of rebasing of unclaimed capital allowances	(1 887 365 798)	-	(1 887 365 798)	-
	Income not subject to tax**	(304 830 697)	(1 049 776 351)	(3 926 475 548)	(824 109 489)
	Inflation effect on adoption of IAS 29	100 815 948	212 189 224	-	-
	Effective tax for the period	**2 850 711 411**	**1 715 489 003**	**6 251 522 386**	**850 641 050**

*Expenses not deductible for tax purposes relate to disallowable deductions which are added back in the tax reconciliation, e.g. staff meals, entertainment expenses, donations and excess management fees.

**Income not subject to tax relate to non taxable income which is deducted in the tax reconciliation, e.g. profit on disposal of PPE and investment property, fair value gains on investment property that do not qualify for capital allowances and unrealised foreign exchange gains.

20.2	**Reconciliation of income tax rate**	**2022**	**2021**	**2022**	**2021**
	Notional tax rate	24,72%	24,72%	24,72%	24,72%
	Expenses not deductible for tax purposes*	0,42%	0,50%	0,07%	0,15%
	Effect of different tax rates- Investment property	-1,60%	-7,68%	-2,34%	-3,25%
	Impact of future tax rate change	-8,99%	0,00%	-3,51%	0,00%
	Income not subject to tax	-1,45%	-7,21%	-7,30%	-10,64%
	Inflation effect on adoption of IAS 29	0,48%	1,46%	0,00%	0,00%
	Effective tax rate for the period	**13,58%**	**11,79%**	**11,64%**	**10,98%**

		Audited Inflation adjusted		Unaudited Historical	
20,3	**Reconciliation of income tax paid**	**2022**	**2021**	**2022**	**2021**
	Tax liability at beginning of the year	16 003 940	9 293 709	4 655 606	1 681 967
	Current income tax expense (note 20)	189 103 754	102 095 941	189 103 753	29 700 093
	Provision/(reversal) of interest and penalties	(34 526 839)	(2 462 560)	(19 011 582)	567 570
	Tax liability at end of the year	(6 703 632)	(16 003 940)	(6 703 632)	(4 655 606)
	Effects of inflation after adoption of IAS 29	42 149 226	12 710 555	-	-
	Income tax paid	**206 026 449**	**105 633 705**	**168 044 145**	**27 294 024**

*Tax assets relates to receivables from Zimra for income tax paid for First Mutual Properties Limited and its subsidiaries.

Risk Disclosures
The Company has the same risk profile as the Group as a whole. The disclosures are shown on the notes to the Group financial statements under note 4.

Refer to note 26, 27,28, 29 and 30 for disclosures relating to related parties, contingent assets and liabilities and events after the reporting period in the Group financial statements.

FIRST MUTUAL PROPERTIES LIMITED TOP 20:

SCHEDULE AS AT : 31-December-2022

Rank	Names	Country	Industry	Shares	Percentage
1	STANBIC NOMINEES (PVT) LTD.	ZIM	LN	799 507 758	64,57
2	DATVEST NOMINEES (PVT) LTD	WNP	LN	169 373 414	13,68
3	FIRST MUTUAL LIFE SHAREHOLDERS	ZIM	INS	96 403 627	7,79
4	SCB NOMINEES 033667800003	ZIM	LN	89 513 334	7,23
5	QuantAfrica Wealth Management	ZIM	LC	39 915 745	3,22
6	WORLDOVER CAPITAL LTD	WNP	LC	3 449 113	0,28
7	CIMAS MEDICAL AID SOCIETY	ZIM	PF	3 289 000	0,27
8	HIPPO VALLEY ESTATE PF-DATVEST	ZIM	PF	3 190 773	0,26
9	ZIMBABWE ELECTRICITY IND. PF	WNP	PF	2 429 261	0,20
10	ZB LIFE ASSURANCE LIMITED	ZIM	INS	1 713 761	0,14
11	RHYS SUMMERTON	UK	LR	1 291 674	0,10
12	MUTARE MART	ZIM	LC	1 013 900	0,08
13	Marsh Ret. Enhanc Fund-Datvest	ZIM	FM	1 003 079	0,08
14	MULTIMANAGER POOL-DATVEST	ZIM	PF	988 606	0,08
15	J-Soft (Pvt)Ltd	ZIM	LC	950 000	0,08
16	ZB FIN HOLDINGS GROUP PF	ZIM	PF	931 518	0,08
17	OAK TRUST	ZIM	TR	900 000	0,07
18	NATFOODS PENSION FUND-DATVEST	ZIM	PF	825 184	0,07
19	INNSCOR AFRICA PF - DATVEST	ZIM	PF	802 744	0,06
20	PUBLIC SERVICE COMMISS PF-DATV	ZIM	PF	758 588	0,06
	Selected Shares			1 218 251 079	98,39
	Non - Selected Shares			19 906 231	1,61
	Issued Shares			1 238 157 310	100,00

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the twentieth Annual General Meeting of First Mutual Properties Limited is to be held at First Mutual Office Park, 100 Borrowdale Road, Harare on Tuesday 27 June 2023 at 9.30am for the purpose of transacting the business set out in this AGM Notice.

AGENDA

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements and Reports of the Directors and Auditors for the financial year ended 31 December 2022.
2. To re - elect as an independent non-executive director, Mrs Sharon Wekwete, who retires by rotation in terms of the Articles of Association of the Company, and being eligible, offers herself for re-election.
   Sharon Wekwete is a lawyer by profession. She obtained her LLB (Hons) degree at the University of Zimbabwe and also holds a Master of Science degree in Development Studies as well as professional qualifications from the American University Washington College of Law. She started her career at Atherstone and Cook Legal Practitioners and has also worked with both local and international organisations including the World Bank, Luminate, Omidyar Network and International Committee of the Red Cross (ICRC). She has engaged in strategic litigation, knowledge development, institutional reform, policy and advocacy work and steered investments and grants on governance, data and digital rights as well as leadership development in Southern Africa. Sharon has also worked with Boehringer Ingelheim, Mastercard Foundation and Ashoka to facilitate various dynamic courses online on subjects ranging from social entrepreneurship and innovations in youth employment in Africa, to intrapreneurship in health and the role of corporations in creating social impact. Ms Wekwete is currently Regional Programme Manager at SNV (Netherlands Development Organisation) leading a USD14 million "Opportunities for Youth Employment" (OYE) programme, covering both Zimbabwe and Zambia, with strategic links to Mozambique and Tanzania.
3. To re - elect as an independent non-executive director, Mr Temba Ruvingo, who retires by rotation in terms of the Articles of Association of the Company, and being eligible, offers himself for re-election.
   Mr Ruvingo is a Chartered Accountant with more than a decade of post qualification experience. He is currently the Finance Director at AFC Commercial Bank (former Agribank), having joined the bank on 1 August 2017 as Head of Finance. Prior to that, he was the Finance Manager at NMB Bank from 1 July 2012 to 31 July 2017. Mr Ruvingo is a senior level Finance Executive with extensive experience in management, leadership and working with various stakeholders. He has an in-depth knowledge of International Financial Reporting Standards (IFRS), financial management and the local taxation framework acquired over his working experience in both private and public accounting.
4. To retire as an independent non-executive director, Ms Evlyn Mkondo, who retires by rotation in terms of the Articles of Association of the Company, and does not offer herself for re-election.
   Ms Mkondo graduated from the University of Zimbabwe with a Bachelor of Accountancy (Honours) degree and became a member of the Institute of Chartered Accountants of Zimbabwe in 1989 after serving articles with Coopers & Lybrand (now Ernst Young) in Harare. On leaving the profession she took up senior finance positions in organisations spanning power, retail, mobile communications and financial services. She later joined listed conglomerate Star Africa Corporation Limited (formerly ZSR Limited) as Group Finance Director and later as its Group Commercial Director. She was also a member of the Zimbabwe Sugar Association board. She spent a year as Chief Finance Officer of AIM listed African Consolidated Resources Limited before retiring in 2013. She currently holds several non-executive directorships.
5. To confirm as an independent non-executive director, Mr Amos Mazarire, who was appointed during the year.
   Mr Mazarire is a Senior Real Estate Consultant with over 35 years' experience who obtained a Bachelor of Science Degree (Land Administration) in the United Kingdom. He is a Member of the Royal Institution of Chartered Surveyors (RICS), a Fellow of the Real Estate Institute of Zimbabwe (REIZ), and is registered as both a valuer and an estate agent. He has extensive knowledge in various facets of the real estate market, having advised financial institutions, property companies, business organisations and high-net-worth individuals on property development, the valuation and management of property investments, and the disposal and acquisition of real estate assets. He is also the past President of the REIZ and a former Chairman of the RICS (Zimbabwe Group). He has sat on the boards of both the Valuers Council and the Estate Agents Council and has served on the RICS's Valuation Faculty Board at the institution's London head office."
6. To approve the Directors' remuneration for the financial year ended 31 December 2022.
   (NOTE: The Directors' Remuneration Report shall be available for inspection by shareholders at the registered office of the Company.)
7. To confirm the remuneration of the Auditors, Ernst & Young Chartered Accountants (EY), for the past audit.
   (NOTE: EY has served three years as external auditors of the Company.)
8. To re-appoint Ernst & Young Chartered Accountants (EY) as Auditors of the Company until the conclusion of the next Annual General Meeting.
9. To confirm the final dividend of ZWL175.4 million being ZWL14.1821 cents per share and USD 150,000 being USD 0.011818 cents per share declared on 24 February 2023 and the interim dividends declared during the year, being ZWL 40,000,000 declared on 9 May 2022 and ZWL$144,856,212 split as USD 100,000 being USD 0.008085 cents per share and ZWL 87 million being ZWL 7.034 cents per share declared on 30 August 2022 and ZWL175.4 million being ZWL14.1821 cents per share and USD 150,000 being USD 0.011818 cents per share declared on 9 November 2022.

SPECIAL BUSINESS

To consider and, if deemed fit, pass with or without modification, the following additional resolutions:

Notice of Annual General Meeting (continued)

1. Loans to Executive Directors

AS AN ORDINARY RESOLUTION

THAT the Company be and is hereby authorized to make any loan to any Executive Director or to enter into any guarantee or provide any security in connection with a loan to such Executive Director for the purpose of enabling him/her to properly perform his/her duty as an officer of the Company as may be determined by the Group Human Resources and Governance Committee, provided that the amount of the loan or the extent of the guarantee or security shall not exceed the annual remuneration of that Director. Any such loans, securities or guarantees made or provided during the six months preceding this Annual General Meeting are hereby ratified.

2. General Authority to Buy Back Shares

AS A SPECIAL RESOLUTION
THAT the Company authorises in advance, in terms of section 129 of the Companies and other Business Entities Act [Chapter 24:31] and the Zimbabwe Stock Exchange Listing Requirements the purchase by the Company of its own shares subject to the following terms and conditions:

a. The authority in terms of this resolution shall expire on the date of the Company's next Annual General Meeting; and
b. Acquisitions shall be of ordinary shares which, in the aggregate in any one financial year shall not exceed 10% of the Company's issued ordinary share capital; and
c. The maximum and minimum prices, respectively, at which such ordinary shares may be acquired will not be more than 5% (five per centum) above and 5% (five per centum) below the weighted average of the market price at which such ordinary shares are traded on the ZSE, as determined over the 5 (five) business days immediately preceding the date of purchase of such ordinary shares by the Company.

(NOTES:
i. The Directors will only exercise the authority if they believe that to do so would be in the best interests of shareholders generally.
ii. All shares purchased pursuant to this resolution shall be cancelled from time to time.
iii. If the maximum number of shares that can be purchased pursuant to the authority is purchased, the Directors believe that the Company will be able, in the ordinary course of business, to pay its debts for a period of twelve months after the date of this notice; the assets of the Company and the Group will be in excess of the liabilities of the Company and the Group; there will be adequate ordinary capital and reserves in the Company for a period of 12 months after the date of this notice; and there will be adequate working capital in the Company and the Group for a period of 12 months after the date of this notice.
iv. a press announcement will be published as soon as the Company has acquired ordinary shares constituting, on a cumulative basis in the period between annual general meetings, 3% (three per centum) of the number of ordinary shares in issue prior to the acquisition.)

3. Any Other Business
To transact any other business competent to be dealt with at a general meeting.

i. **NOTES:** Members may follow proceedings live on the Company website via a link which will be uploaded on the website or join the meeting virtually using the following link; https://escrowagm.com/eagmZim/Login.aspx
ii. Shareholders are advised to update their contact details with the transfer secretaries on the following contacts: Corpserve Registrars (Private) Limited, Second Floor, ZB Centre, Corner First Street and Kwame Nkrumah Avenue, Harare Telephone: +263 242 751 559 – 61, Email: corpserve@escrowgroup.org
iii. In terms of the Companies and Other Business Entities Act (Chapter 24:31) a member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote on a poll and speak in his stead. A proxy need not be a member of the Company.
iv. Proxy forms must be lodged at the registered office of the Company or the transfer secretaries not less than forty-eight hours before the time for holding the meeting.
v. Members may request a copy of the 2022 Annual Report from the registered office of the Company or from the office of the transfer secretaries. The 2022 Annual Report is also available for download from the Company's website https://firstmutualpropertiesinvestor.com

BY ORDER OF THE BOARD

D.D Kandwe (Mrs.)
Company Secretary
HARARE

1 June 2023

Registered Office
First Mutual Park
100 Borrowdale Road
Borrowdale
HARARE

PROXY FORM

I /We, ____

(full names)

of ____

(full address)

being the registered holder/s of ____ ordinary shares in FIRST MUTUAL PROPERTIES LIMITED, do hereby appoint:

____

(full names)

of ____

(full address)

as my/our proxy to vote for me/us on my/our behalf at the ANNUAL GENERAL MEETING of the Company to be held on Tuesday 27 June 2023 at 9:30 am and at any adjournment thereof.

I/We instruct my/our proxy or proxies to vote in the following way:

(Please mark the appropriate box with an "X" next to each resolution)

	ORDINARY BUSINESS	For	Against	Abstain
1	Adoption of the Audited Financial Statements and Reports of the Directors and Auditors for the financial year ended 31 December 2022			
2	Re-election of Mrs Sharon Wekwete as a director of the Company			
3	Re-election of Mr Temba Ruvingo as a director of the Company			
4	Retirement of Ms Evlyn Mkondo as a director of the Company			
5	Confirmation of appointment of Mr Amos Mazarire as director of the Company			
6	Confirmation of the remuneration of the Directors			
7	Confirmation of the remuneration of the Auditors, Ernst & Young Chartered Accountants Zimbabwe, for the past audit			
8	Re-appointment of Ernst & Young Chartered Accountants Zimbabwe as Auditors of the Company until the conclusion of the next A.G.M.			
9	Confirmation of the dividend			
	SPECIAL BUSINESS			
1	THAT the Company be authorised to make loans to Executive Directors in terms of Section 208 of the Companies and Other Business Entities Act [Chapter 24:31], subject to certain conditions.			
2	As a Special Resolution THAT the Company be authorised in terms of section 129 of the Companies & Other business Entities Act to purchase its own shares, subject to certain conditions.			

Details of the above resolutions are set out in the Notice of the Annual General Meeting.

Signed this ______________________________ day of ________________________________ 2023

____

SIGNATURE OF SHAREHOLDER

NOTES:

1. Members may follow proceedings live on the Company website via a link which will be uploaded on the website or join the meeting virtually using the following link; https://escrowagm.com/eagmZim/Login.aspx.
2. Shareholders are encouraged to participate in the AGM and to make use of proxy voting, as outlined in the AGM Notice.
3. In terms of section 171 of the Companies and Other Business Entities Act (Chapter 24:31), a member of the Company is entitled to appoint one or more persons to act in the alternative as his proxy, to attend and vote and speak in his stead. A proxy need not be a shareholder of the Company.
4. Unless otherwise instructed, the proxy will vote as he/she thinks fit.
5. This proxy form must be deposited at the Registered Office of the Company which is situated at First Floor, First Mutual Park, Borrowdale Road, Harare so as to be received by the Secretary not less than 48 hours before the meeting.
6. The proxy form must be signed and dated for it to be valid. Any alterations or corrections to this form must be initialled.
7. Anyone signing this proxy form in a representative capacity must be authorised to do so. Please stamp this form with your company or organisation's stamp and enclose proof of authorisation.
8. The return of this proxy form will not prevent you from attending the meeting and voting in person. However, should this happen, the proxy will be revoked.

GRI Content Index

GRI Standard	Disclosure	Page number(s)	Omission		
			Part Omitted	Reason	Explanation
GRI 101: Foundation 2016					
General Disclosures					
GRI 102: General Disclosures 2016	**Organisational profile**				
	102-1 Name of the organisation	Front cover			
	102-2 Activities, brands, products, and services	6,62			
	102-3 Location of headquarters	Back cover			
	102-4 Location of operations	6			
	102-5 Ownership and legal form	63,138			
	102-6 Markets served	6			
	102-7 Scale of the organisation	6-8			
	102-8 Information on employees and other workers	8, 42-43			
	102-9 Supply chain	41			
	102-10 Significant changes to the organisation and its supply chain	41			
	102-11 Precautionary Principle or approach	27-29			
	102-12 External initiatives	51			
	102-13 Membership of associations	6			
	Strategy				
	102-14 Statement from senior decision-maker	10			
	Ethics and integrity				
	102-16 Values, principles, standards, and norms of behaviour	1			
	Governance				
	102-18 Governance structure	22-23			
	Stakeholder engagement				
	102-40 List of stakeholder groups	33-34			
	102-41 Collective bargaining agreements	44	56% of our employees our covered by collective bargaining agreements		
	102-42 Identifying and selecting stakeholders	33			
	102-43 Approach to stakeholder engagement	33			
	102-44 Key topics and concerns raised	34			
	Reporting practice				
	102-45 Entities included in the consolidated financial statements.	6			
	102-46 Defining report content and topic Boundaries	2, 32			
	102-47 List of material topics	33			
	102-48 Restatements of information	2			
	102-49 Changes in reporting	2	There were changes in the list of material topics		
	102-50 Reporting period	2	The reporting period for this report is from 1 January 2022 to 31 December 2022.		
	102-51 Date of most recent report	2	31 December 2021		
	102-52 Reporting cycle	2	We report on an annual basis.		
	102-53 Contact point for questions regarding the report	2			
	102-54 Claims of reporting in accordance with the GRI Standards	2	This report has been prepared in accordance with the GRI Standards Core option.		
	102-55 GRI content index	139 -141			
	102-56 External assurance	2			

GRI Content Index

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
Material Topics					
200 series (Economic topics)					
Economic Performance					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	2, 32			
	103-2 The management approach and its components	57			
	103-3 Evaluation of the management approach	57			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	63-66			
	201-3 Defined benefit plan obligations and other retirement plans	45			
Indirect Economic Impacts					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	2, 32			
	103-2 The management approach and its components	51			
	103-3 Evaluation of the management approach	51			
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	51			
Procurement Practices					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	2, 32			
	103-2 The management approach and its components	41			
	103-3 Evaluation of the management approach	41			
300 series (Environmental topics)					
Energy					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	2, 32			
	103-2 The management approach and its components	39			
	103-3 Evaluation of the management approach	39			
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