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Audited Financial Results

For the year ended 31 December 2023

CHAIRMAN'S STATEMENT

Overview of Operating Environment

The business environment remained uncertain due to global geopolitics, trade tensions and slow economic recovery. Global inflationary and supply chain pressures continued to have a negative knock-on effect on the domestic market. US dollar inflation on the domestic market and currency pressures remained high during the period under review. Average local inflation fell to 29.4% in 2023 from 41.9% in the prior year. The local unit depreciated by 89% against the US dollar, while the parallel market premium averaged 40% during the year. Despite these challenges, management continued to adapt its response plans to protect shareholder value. On a positive note, the country registered a good economic growth performance of about 3.5%. Notably, the demand for infrastructure and other supporting assets largely reflects market confidence in the country's economic prospects. We, therefore, look forward to continued implementation of measures to enhance macroeconomic stability and confidence.

Property Market Overview

The supply of space in the Central Business District Offices and suburban retail sectors remained high, driven by increased vacations/migration to office parks and suburban office sectors.

Most Tenants shifted to paying rentals in USD currency, however in line with the country's laws where the multicurrency system subsists, most tenants paid operating costs using local currency especially for utilities which were billed in the ZWL currency. Property transactions have also remained low as some economic agents use property as a hedge against currency volatility.

The market has seen an increase in the development of residential stands, cluster houses and high-rise flats. Further, investors are focusing on owner-occupied office park-style buildings and the conversion of residential properties into offices in the suburbs surrounding the CBD and on major arterial routes. There has been a significant increase in the development of industrial and warehousing properties in the country. There is a need for supporting infrastructure, including water, power and roads to support the densification-oriented type of development.

Business Performance Overview

The Group's inflation-adjusted Net Property Income rose by 295% to ZWL 17.714 billion (FY2022: ZWL 4.484 billion) while inflation-adjusted revenue was up 193% to ZWL 40.932 billion (FY2022: ZWL13.952 billion). Rental income remains the main source of revenue. In historical terms, revenue grew by 1,115% from ZWL 2.102 billion in December 2022 to ZWL 25.539 billion mainly due to timeous rental reviews and stable occupancy level that averaged 88.07% for the year under review compared with 85.52% last year.

Management continued to engage the tenants for timeous rental payments. For 2023, the collection rate achieved was 85% (FY 2022: 86%). The Company is committed to providing its tenants with a quality and safe product (property). To this end, ZWL 4.827 billion and ZWL 187.87 million were spent on maintenance and improvements, respectively during the year.

Property Valuations

An independent property valuation conducted by Knight Frank Zimbabwe as at 31 December 2023 valued the property portfolio at ZWL 1.067 trillion (FY 2022: ZWL 109.372 billion). The growth in rentals was in line with the inflationary environment which has been responsible for the growth in property values of 876%.

Developments

The Group has strategically positioned itself to generate shareholder value by pursuing various projects at varying execution stages.

The Group's flagship project is the Arundel Office Park extension, whose scope involves building a double-storey office block with a basement, providing a lettable area of 2,616.5 square metres, which is underway. Significant progress has been made on the project and it is nearing completion with glazing, wall and floor tiling, solar installation, lift installation and internal finishes now remaining.

The Group is a co-investor and Project Manager in constructing a 388 bed student accommodation building near the Chinhoyi University of Technology. The project is progressing well, with completion expected in H1 2024.

In Zvishavane, the Group is also a co-investor and Project Manager in the development of mixed-use duplex clusters, three to four-storey apartments, and student hostels, with the proposed designs having been approved by Zvishavane Town Council.

The project is in three phases. Phase A, comprising 6 duplex flats and 20 blocks of double and triple-storey flats, is already underway and completion is targeted for the 30th of September 2024.

Sustainability

The Group will continue to conduct its operations in a sustainable manner, aligning with the principles of environmental, social, and governance (ESG) requirements. Sustainability principles are embodied in the Group's strategy wherein "green" operations are a top priority. Therefore, solar power will be prioritised for all new developments and upgrades. The new office block development at Arundel Office Park will incorporate a solar plant so to reduce carbon footprint of the property portfolio. Further, management is promoting energy efficiency, and implementing waste management initiatives. The Governance structures around ESGs are also being enhanced.

Dividend

At a meeting held on 23 February 2024, the Board of Directors recommended that no dividend should be paid for the last quarter of the year 2023, and the available cash be channeled towards the expansion programme. This brings the cumulative dividend for the year ended 31 December 2023 to ZWL 395.7 million being 31.9588 ZWL cents per share and USD 142,746 being 0.01153 United States Cents per share.

Business Outlook

The environment remains uncertain due to the potential knock-on effects of global shocks, likely drought and currency instability. Management remains alive to these exogenous factors and will, therefore, continue to adapt its response plans to enhance shareholder value. The Group will continue to invest in profitable properties to hedge against inflation and exchange rate risks. Further, management will prioritise the maintenance of high occupancy levels by effectively managing client relationships and providing quality and secure products. This will be achieved through ongoing property refurbishment, maintenance, and upgrades.

Acknowledgements

On behalf of the board, I would like to thank my fellow board members, management and staff for their significant contributions to the Company's performance under difficult conditions. I thank our key stakeholders, including strategic investment partners, tenants and service providers, for their invaluable support.



Chairman of the board 23 February 2024

Consolidated Abridged Statement of Financial Position As at 31 December 2023

INFLATION ADJUSTED		HISTORICAL COST	
Audited	Audited	Unaudited	Unaudited
31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
ZWL 000	ZWL 000	ZWL 000	ZWL 000
1 067 032 003	525 895 770	1 067 032 003	109 333 840
18 584 402	18	9 689 506	
2 652 080	1 461 455	2 007 403	245 38
736 189	589 046	146 294	95 99
2 810 675	298 908	2 810 675	62 14
27 665	14 684	27 665	3 05
645 942	381 414	645 942	79 29
1 092 488 956	528 641 277	1 082 359 488	109 819 71
200 654	45 727	125 271	8 67.
8 593 984	7 462 236	8 141 138	1 375 59
2 235 680	3 251 417	2 235 680	675 97
11 030 318	10 759 380	10 502 089	2 060 232
*	184 704	i.e	38 400
1 103 519 274	539 585 361	1 092 861 577	111 918 346
1 248 016	1 248 017	1 197	1 19
1 025 641 276	476 233 035		99 151 53
1 026 889 292	477 481 052	1 016 558 320	99 152 72
Transportation and the control of		SERVICE CONTRACTOR	19/19/12/12/12
			11 845 55
60 533 226	57 309 814	60 246 851	11 845 55
4 122 424		4 122 424	
	73.000		14 98
			905 08
THE COURT OF THE C			
16 006 756			
16 096 756 76 629 982	4 794 495 62 104 309	16 056 406 76 303 257	920 066 12 765 617
	Audited 31 Dec 2023	Audited Audited 31 Dec 2023 31 Dec 2022 ZWL 000 ZWL 000 1 067 032 003 525 895 770 18 584 402 - 2 652 080 1 461 455 736 189 589 046 2 810 675 298 908 27 665 14 684 645 942 381 414 1 092 488 956 528 641 277 200 654 45 727 8 593 984 7 462 236 2 235 680 3 251 417 11 030 318 10 759 380 184 704 1103 519 274 539 585 361 1248 016 1 248 017 476 233 035 1 026 889 292 477 481 052 60 533 226 57 309 814 60 533 226 57 309 814 4 132 434 - 749 715 72 080	Audited Audited Unaudited 31 Dec 2023 31 Dec 2022 31 Dec 2023 ZWL 000 ZWL 000 ZWL 000 1 067 032 003 525 895 770 1 067 032 003 18 584 402 - 9 689 506 2 652 080 1 461 455 2 007 403 736 189 589 046 146 294 2 810 675 298 908 2 810 675 27 665 14 684 27 665 645 942 381 414 645 942 1 092 488 956 528 641 277 1082 359 488 200 654 45 727 125 271 8 593 984 7 462 236 8 141 138 2 235 680 3 251 417 2 235 680 11 030 318 10 759 380 10 502 089 1 103 519 274 539 585 361 1 092 861 577 1 248 016 1 248 017 1 197 1 025 641 276 476 233 035 1 016 557 123 1 026 889 292 477 481 052 1 016 558 320 60 533 226 57 309 814 60 246 851 60 533 226

Consolidated Statement of Comprehensive Income For the year ended 31 December 2023

	INFLATION A	DJUSTED	HISTORICAL COST	
	Audited	Audited	Unaudited	Unaudited
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Revenue	40 932 339	13 951 557	25 538 808	2 101 573
Property expenses	(20 932 422)	(8 862 050)	(12 544 790)	(1 366 076)
Provision for credit losses	(2 285 635)	(605 651)	(2 285 635)	(125 915)
Net property income (NPI)	17 714 282	4 483 856	10 708 383	609 582
Employee related expenses	(6 511 098)	(1 566 864)	(5 555 062)	(286 238)
Other expenses	(5 782 767)	(2 241 186)	(3 441 557)	(346 002)
NPI after admin expenses	5 420 417	675 806	1 711 764	(22 658)
Fair value adjustment - investment properties	542 905 238	161 491 778	959 120 810	87 405 250
Net monetary gain/(loss)	458 338	(5 640 261)	3	850 NOTES
Finance income	5 247 795	1 780 498	2 886 172	310 442
Other income	5 552 867	8 713 187	5 598 275	1 296 118
Share of profit of associate	1 081 829	338 171	1 655 586	114 622
Profit before income tax	560 666 484	167 359 179	970 972 607	89 103 774
Income tax expense	(6 733 830)	(15 458 191)	(51 911 719)	(9 501 073)
Profit for the year	553 932 654	151 900 988	919 060 888	79 602 701
Other comprehensive income for the year	-			-
Total comprehensive profit for the year	553 932 654	151 900 988	919 060 888	79 602 701
Attributable to:				
-Owners of the parent	553 932 654	151 900 988	919 060 888	79 602 701
-Non controlling interest	-			
Total profit for the year	553 932 654	151 900 988	919 060 888	79 602 701
Basic earnings per share (ZWL cents)	44 801	12 284	74 332	6 437
Diluted earnings per share (ZWL cents)	44 738	12 268	74 228	6 429
Headline earnings per share (ZWL cents)	44 801	12 284	74 332	6 437

1 236 418 913

1 236 557 948

1 236 418 913

1 236 557 948

Weighted average number of shares in issue

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Audited Financial Results For the year ended 31 December 2023

Consolidated Statement of Changes in Equity For the year ended 31 December 2023

AUDITED INFLATION ADJUSTED

		Attributable to own		Total
	Ordinary Share		Retained	Shareholders
	Capital	Treasury shares	Earnings	Equity
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
At 01 January 2022	1 271 144	(23 122)	325 857 142	327 105 164
Acquisition of treasury shares	2	(5)	(45 006)	(45 011)
Profit of the year	525		151 900 988	151 900 988
Dividend paid		959	(1 480 089)	(1 480 089)
At 31 December 2022	1 271 144	(23 127)	476 233 035	477 481 052
Acquisition of treasury shares	***************************************	(1)	(44 423)	(44 424)
Profit of the year			553 932 654	553 932 654
Dividend paid	-	2.5	(4 479 990)	(4 479 990)
At 31 December 2023	1 271 144	(23 128)	1 025 641 276	1 026 889 292

Consolidated Statement of Changes in Equity For the year ended 31 December 2023

UNAUDITED HISTORICAL COST Attributable to owners of the parent

At 1 January 2022 Profit for the year Acquisition of treasury shares Dividend paid	Ordinary Share Capital ZWL 000 1 238	Treasury shares ZWL 000 (40)	Retained Earnings ZWL 000 19 760 449 79 602 701 (5 152) (206 466)	Shareholders Equity ZWL 000 19 761 647 79 602 701 (5 153) (206 466)
At 31 December 2022	1 238	(41)	99 151 532	99 152 729
Profit of the year		V.	919 060 888	919 060 888
Acquisition of treasury shares			(28 174)	(28 174)
Dividend paid			(1 627 123)	(1 627 123)
At 31 December 2023	1 238	(41)	1 016 557 123	1 016 558 320

Consolidated Statement of Cash Flows For the year ended 31 December 2023

	INFLATION A	DJUSTED	HISTORICAL COST		
Profit before tax	Audited 31 Dec 2023 ZWL000 560 666 484	Audited 31 Dec 2022 ZWL000 167 359 179	Unaudited 31 Dec 2023 ZWL000 970 972 607	Unaudited 31 Dec 2022 ZWL000 89 103 774	
Adjustment for non-cash items	(549 760 411)	(167 113 004)	(965 916 519)	(88 913 981)	
Cash flows from operating activities	(212100 111)	(10) 113 00 1)	(2007-10-217)	1007137017	
before working capital adjustments Working capital adjustments	10 906 073 2 915 338	246 175 (1 840 882)	5 056 088 1 166 595	189 793 (530 545)	
Cash generated from operations Tax paid	13 821 411 (4 862 220)	(1 594 707) (1 311 910)	6 222 683 (3 561 591)	(340 752) (233 139)	
Net cash flow from operating activities Net cash flows used in investing activities Net cash flows from financing activities	8 959 191 (11 375 388) (2 082 896)	(2 906 617) (849 606) (1 270 470)	2 661 092 (6 180 054) (571 142)	(573 891) (44 392) (211 619)	
Net increase/(decrease) in cash and cash	***************************************			7.6	
equivalents Inflation effect on overall cashflows	(4 499 093) (8 929 287)	(5 026 693) (6 676 364)	(4 090 104)	(829 902)	
Opening cash and cash equivalents	3 251 417	3 816 159	675 970	230 797	
Effects of changes in foreign currency	12 412 643	11 138 315	5 649 814	1 275 075	
Cash and cash equivalents at 31 December	2 235 680	3 251 417	2 235 680	675 970	

*Net cash flow from financing activities is entirely comprised of dividends paid out, the purchase of treasury shares and proceeds from borrowings.

Notes to the Consolidated Financial Statements For the year ended 31 December 2023

Corporate information

First Mutual Properties Limited is a public company incorporated and domiciled in Zimbabwe and its shares are publicly traded on the Zimbabwe Stock Exchange. The principal activities of the Group are property investment, development and management. The consolidated financial statements of the Group for the twelve months ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors at a meeting held on 23 February 2024.

The Group'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 ("IFRIC") and in a manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31). 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.

The Group and Company's inflation adjusted financial statements as at 31 December 2023 from which these abridged results have been extracted have been audited by Ernst & Young Chartered Accountants (Zimbabwe), who have issued an unmodified audit opinion.

The auditor's report included a Key Audit Matter on the valuation of investment properties. The auditor's opinion on the Group and Company's inflation adjusted financial statements is available for inspection at the Company's registered

The engagement partner responsible for this audit is Mr Fungai Kuipa. (PAAB Practicing Certificate Number 0335)

For the purpose of fair presentation in accordance with International Accounting Standard 29 "Financial Reporting in Hyperinflationary Economies" the financial statements have been restated for changes in the general purchasing power of the ZWL and appropriate adjustments have been made. The restatement has been calculated by means of conversion factors derived from the month on month Consumer Price Index (CPI) for January 2023 and estimated CPIs from February 2023 to December 2023 derived from movement of the Total Consumption Poverty Line (TCPL) published by the Zimbabwe Statistical Agency. All items in the statement of comprehensive income are restated by applying the relevant monthly conversion factors. The conversion factors used are as follows:

Notes to the Consolidated Financial Statements For the year ended 31 December 2023 (continued)

Date	CPI	Conversion factor
31-Dec-23	65 703,44	1.00
31-Dec-22	13 672,91	4.81
31-Dec-21	3 977,50	16.52

CPI Estimation

Management held engagements with different experts on the appropriate benchmark for use in estimating inflation which has seen the Group adopt the Total Consumption Poverty Line (TCPL) data from ZIMSTATS to estimate inflation for the period from February 2023 to December 2023 due to the following reasons:

- The Institute of Chartered Accountants of Zimbabwe (ICAZ) conducted research that determined that there is a 99% correlation between TCPL and the Consumer Price Index (CPI)
- Use of the TCPL inflation data allows for comparability of the Group's financial results with other players in the market who have adopted the same inflation benchmark as which is available to all companies in Zimbabwe

The Group has concluded that indices used for hyperinflationary accounting are reasonable. The determination of the indices is a significant area of judgement. The timing of the resolution of the uncertainty regarding the CPI is unknown.

The Group considered two methodologies in determining the ZWL inflation indices to use for the purposes of preparation of Hyperinflation accounts. The methodologies applied were consistent with those required by International Accounting Standard (IAS 29) - Financial Reporting in Hyperinflationary Economies. In determining the indices, the Group considered the movement in the exchange rates and movement in TCPL in determining the basket of goods in line with the methodologies previously used by the regulatory statistics body. The analysis below seeks to demonstrate the sensitivity of the TCPL used in estimating CPIs to some key financial statement line items.

	TCPL Estimated CPI	
Estimated CPI December 2023	65 703,44	
Average CPI December 2023	37 050,09	
Effect on key financial statement	Effect of 10% increase	Effect of 10% decrease
line items	in TCPL	in TCPL
All figures are in ZWL	Audited inflation	Audited inflation
	adjusted	adjusted
	2 023	2 023
Profit for the period	55 393 265	(55 393 265)
Total equity	102 688 929	(102 688 929)

Management has determined that the change in the inflation measurement technique, that is, use of estimated CPIs in February to December 2023 constitutes a change in accounting estimate, rather than a prior period error. The effect of the change in estimate on future periods is not disclosed because it is impractical to determine an estimate for future inflation under volatile and hyperinflationary conditions. This increases the estimation uncertainty in objectively evaluating information about those misstatements. It is reasonably possible, on the basis of existing knowledge, that outcomes within the next financial year will be materially different from the current forecasts and current assumptions could require a material adjustment to the carrying amount of the assets or liabilities affected

Accounting policies

The accounting policies adopted in the preparation of the full year results are consistent with those followed in the preparation of the Group's annual report for the year ended 31 December 2023.

Reporting period and currency ("ZWL")

The reporting period is 1 January 2023 to 31 December 2023. The financial statements are presented in Zimbabwean dollars (ZWL) being the functional and reporting currency of the primary economic environment in which the Group operates. There was no change in the functional currency and reporting currency of the Group from the previous financial period. The Group used the RBZ interbank rate to translate all transactions done in foreign currency to Zimbabwean dollars (ZWL)

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 consolidated financial statements on a going concern basis is appropriate based in the Unaudited Historical financial performance for the year 2023. The business also continues to implement futuristic plans in response to the market trends to ensure sustainable earnings, with investments planned for Arundel Office Park expansion and participation in FMHL Group projects, retail land acquisitions and tenant driven expansion initiatives. In addition, borrowing capabilities continue to be pursued due to the positive cash flow generation. 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 consolidated financial statements will continue to be prepared under the going concern

Fair value measurement

The Group's fair values of its investment properties are based on valuations performed by Knight Frank Zimbabwe an accredited independent valuer. Knight Frank is a specialist in valuing these types of investment properties and has recent experience in the location and category of the investment properties being valued. The valuations are based upon assumptions on future rental income, anticipated maintenance costs, future development costs and the appropriate discount rate. Where the market information is available, the valuers make use of market information from transactions of similar properties. Significant judgements were applied as at 31 December 2023 as a result of the uncertainties resulting from the hyperinflationary economic environment, currency shifts, excessive market volatility and lack of recent transactions conducted in ZWL.

INFLATION ADJUSTED

	INFLATION AUJUSTED		HISTORICAL COST	
Investment Properties	Audited	Audited	Unaudited	Unaudited
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	ZWL000	ZWL000	ZWL000	ZWL000
At 1 January	525 895 770	364 407 771	109 333 840	22 039 000
Disposals	(2 141 576)	(1 047 185)	(1 505 355)	(160 028)
Additions		703 101		44 794
Reclassification to held for sale	404 985	(184 704)	275 500	(38 400)
Improvements to existing properties	187 867	525 009	44 308	43 224
Fair value adjustments	542 684 957	161 491 778	958 883 710	87 405 250
Closing Balance	1 067 032 003	525 895 770	1 067 032 003	109 333 840
	At 1 January Disposals Additions Reclassification to held for sale Improvements to existing properties Fair value adjustments	Investment Properties Audited 31 Dec 2023 2WL000 At 1 January 525 895 770 Disposals (2 141 576) Additions - Reclassification to held for sale 404 985 Improvements to existing properties 187 867 Fair value adjustments 542 684 957	Investment Properties Audited 31 Dec 2023 2 31 Dec 2022 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	Investment Properties Audited 31 Dec 2023 Audited 31 Dec 2023 Janualited 31 Dec 2023 Janualited 31 Dec 2023 Janualited 22020 Janualited 31 Dec 2023 Janualited 22020 Janualited 22020

HISTORICAL COST

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Audited Financial Results

For the year ended 31 December 2023

Notes to the Consolidated Financial Statements For the year ended 31 December 2023 (continued)

		INFLATION ADJUSTED		HISTORICAL COST	
		Audited 31 Dec 2023 ZWL000	Audited 31 Dec 2022 ZWL000	Unaudited 31 Dec 2023 ZWL000	Unaudited 31 Dec 2022 ZWL000
6.2	Investment property under development Arundel Office Park - block 13 (under development)		-11.5.55		
	Development costs reclassified from prepaid expenditure	3 710 895	17.7	553 840	ā
	Non-cash development costs incurred during the year	3 027 837	127	2 194 977	2
	Cash development costs incurred during the year	11 646 523		6 775 941	8
	Interest capitalised (Note 15)	199 147	(4)	164 748	81
	Marketine in Arteria Company in India Arteria en esta del militario del Company del Compan	18 584 402	1941 1941	9 689 506	2

The fair value of Block 13 at Arundel Office Park under development could not be reliably measured but management expects the fair value of the property to be reliably measurable when development is complete, and therefore measured at cost until either its fair value becomes reliably measurable or development is completed (whichever is earlier).

Investment Property held for sale

During the year ended 31 December 2023, a residential parcel of land, known as 472 Goodhope, Harare was reclassified from investment property held for sale to investment property as a result of a change in intention. The directors of First Mutual Properties decided not to dispose the parcel of land for development since the area in which the land is located had seen an increase in developments and some plans for a shift of the CBD which makes the area prime. Conditions for reclassification from held for sale (as stipulated in IFRS 5 - Non-current assets held for sale and discontinued operations) were met as at 30 September 2023. The asset was reclassified to Investment property from current assets as disclosed below. This is a parcel of land falling under the other segment.

	INFLATION	ADJUSTED	HISTORICAL COST	
Investment Property held for sale	Audited 31 Dec 2023 ZWL000	Audited 31 Dec 2022 ZWL000	Unaudited 31 Dec 2023 ZWL000	Unaudited 31 Dec 2022 ZWL000
At 1 January	184 704	(#)	38 400	89
Reclassification to held for sale	(404 985)	184 704	(275 500)	38 400
Fair value adjustment	220 281	15	237 100	
Closing Balance		184 704	*	38 400

Fair value hierarchy

7

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 categorised 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 observable inputs used in the fair value measurement.

All amount in ZWL					
Class of property	Fair value 31 December 2023	Valuation technique	Key unobservable inputs	Range	weighted average
			Optimal Rental per square metre	ZWL22 000-ZWL36 000	§
		Income	Capital rate/ prime yield	5.5.00%-8.5%	
CBD offices	194 906 000 000	capitalisation	Vacancy rate		23%
			Optimal Rental per square metre	ZWL48 000-ZWL60 000	
		Income	Capital rate/ prime yield	5.00%-6.00%	
Office parks	309 100 000 000	capitalisation	Vacancy rate		6%
			Optimal Rental per square metre	ZWL48 000-ZWL90 000	
		Income	Capital rate/ prime yield	4.50%-6.00%	
CBD retail*	148 407 460 000	capitalisation	Vacancy rate		0%
			Optimal Rental per square metre	ZWL60 000-ZWL180 000	
		Income	Capital rate/ prime yield	4.00%-5.50%	
Suburban retail*	61 740 000 000	capitalisation	Vacancy rate		4%
			Optimal Rental per square metre	ZWL9 000-ZWL28 000	
		Income	Capital rate/ prime yield	7.00%-10.00%	
Industrial	94 780 000 000	capitalisation	Vacancy rate		10%
		Market	Comparable transacted		
Residential	32 470 000 000	comparable	properties prices		
		Market	Rate per square metre	ZWL13 000-ZWL170 000	
Land - residential	32 933 543 000	comparable			
		Market	Rate per square metre	ZWL170 000-ZWL765 000	
Land - commercial	192 695 000 000	comparable			
Total	1 067 032 003 000				

	INFLATION	ADJUSTED	HISTORICAL COST	
Investment in associate	Audited 31 Dec 2023	Audited 31 Dec 2022	Unaudited 31 Dec 2023	Unaudited 31 Dec 2022
	ZWL000	ZWL000	ZWL000	ZWL000
As at 1 January	1 461 455	207 370	245 383	8 702
Additions	423 509	915 914	251 105	122 059
Reclassification to unquoted shares	(273 047)		(132 800)	-
Dividend received	(41 666)	12/	(11 871)	
Share of profits	1 081 829	338 171	1 655 586	114 622
Closing Balance	2 652 080	1 461 455	2 007 403	245 383

Notes to the Consolidated Financial Statements For the year ended 31 December 2023 (continued)

		INFLATION	ADJUSTED	HISTORICA	AL COST
8	Vehicles and Equipment	Audited	Audited	Unaudited	Unaudited
		31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
		ZWL000	ZWL000	ZWL000	ZWL000
	At I January	589 046	135 055	95 999	2 833
	Additions	321 305	528 146	82 640	97 854
	Disposals		(1 333)	•	(255)
	Depreciation	(174 162)	(72 822)	(32 345)	(4 433)
	Closing Balance	736 189	589 046	146 294	95 999
9	Financial Assets at fair value through				
	profit or loss - Unquoted shares				
	As at January	298 908	139 525	62 143	8 438
	Additions	392 447	3	111 808	
	Reclassification from prepaid expenditure	171 489	~	34 855	3.5
	Reclassification from investment in associate	1 351 033	*	1 351 033	
	Fair value adjustment	596 798	159 383	1 250 836	53 705
		2 810 675	298 908	2 810 675	62 143
9.1	Financial Assets at fair value through				
	profit or loss - Quoted shares	970.79970		121222	27-202
	As at January	14 684	23 120	3 053	1 398
	Additions	857	(near)	645	fame)
	Disposals	(2 390)	(880)	(1 552)	(170)
	Fair value adjustment	14 514	(7 556)	25 519	1 825
		27 665	14 684	27 665	3 053
10	Financial Assets at Amortised Cost				
	As at 1 January	381 414	6 457	79 296	390
	Additions	1 601 213	380 451	636 389	79 096
	Loss due to inflation adjustment	(1 266 942)	(4 056)	+	29
	Amortised interest	336 968	111 439	128 532	12 757
	Repayments of interest	(336 968)	(111 439)	(128 532)	(12 757)
	Repayments of principal	- 5	(1 438)		(190)
	Allowance for credit losses	(69 743)	204.444	(69 743)	70 704
		645 942	381 414	645 942	79 296
11	Trade and Other Receivables				
	Tenant receivables	5 491 180	2 169 468	5 491 180	451 033
	Tenant operating cost recoveries Trade receivables	2 917 065	1 042 162	2 917 065	216 666
		8 408 245	3 211 630	8 408 245	667 699
	Less: Allowance for Credit Losses	(2 374 985)	(765 240)	(2 374 985)	(159 094)
	Net Trade Receivables	6 033 260	2 446 390	6 033 260	508 605
	Prepayments	1 621 626	4 638 623	1 168 780	788 560
	Other receivables	756 965	298 917	756 965	62 145
	Related party receivables	182 133 8 593 984	78 306 7 462 236	182 133	16 280
		8 593 984	7 402 230	8 141 138	1 375 590
11.1	Reconciliation of allowance for credit losses	202200			<u>12-2</u> 00-20
	As at 1 January	765 240	548 597	159 094	33 179
	Add: charge for the year	3 050 072	1 185 308	2 534 078	192 272
	Recovery due to payments	(834 181)	(579 657)	(318 187)	(66 357)
	Inflation effect	(606 146)	(389 008)	*	=
		2 374 985	765 240	2 374 985	159 094

11.2 Analysis of allowance for credit losses

Unaudited Historical		More than 30 days	More than 60 day	90 days	More than 120 days	
	Current	past due	past due	past due	past due	
31 December 2023						Total
Expected loss rate Gross carrying amount-trade	8.26%	15.74%	24.64%	46.00%	100%	
receivables provided for	2 967 920	816 030	480 839	541 624	1 539 593	6 346 006
Credit loss allowance*	245 150	128 443	118 479	247 539	1 539 593	2 279 204
Expected loss rate Gross carrying amount-trade receivables relating to related party	4.64%	4.64%	4.64%	4.64%	4.64%	
tenants provided for	735 155	550 797	222 325	167 411	386 551	2 062 239
Credit loss allowance***	34 145	25 582	10 326	7 775	17 953	95 781
Total credit loss allowance	279 295	154 025	128 805	255 314	1 557 546	2 374 985
	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	
31 December 2022		5.5	1(2	75	5.5	Tota
Expected loss rate Gross carrying amount-trade	7.42%	15.01%	23.84%	44.75%	100%	
receivables provided for	215 679	121 339	96 352	59 233	70 637	563 240
Credit loss allowance*	16 094	18 412	23 283	27 090	70 637	155 516
Expected loss rate Gross carrying amount-trade receivables relating to related party	3.43%	3.43%	3.43%	3.43%	3.43%	
tenants provided for	79 043	11 209	1 383	727	12 097	104 459
Credit loss allowance**	2 708	384	47	25	414	3 578

^{*} Credit loss allowance at different loss rates

^{**}Credit loss allowance for 2023 is 4.64% (2022: 3.43%). Related party balances are provided for at a same rate over different bands as they have low default probability.

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Audited Financial Results

For the year ended 31 December 2023

Notes to the Consolidated Financial Statements For the year ended 31 December 2023 (continued)

11.2 Analysis of allowance for credit losses (continued)

Change of provisioning matrix

At 31 December 2023, the Group 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 2023 as compared to the prior year. The revision took into account historical data for the past three years. Forward looking information was incorporated by adjusting historical loss rates using estimated GDP movements in the Zimbabwean economy.

		INFLATION	ADJUSTED	HISTORIC	AL COST	
12	Cash and Cash Equivalents	Audited	Audited	Unaudited	Unaudited	
	All figures in ZWL	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	
		ZWL000	ZWL000	ZWL000	3 31 Dec 2022 ZWL000 3 224 594 7 383 094 6 8 282 675 970 2 598 083 2 598 083 3 13 591 2 9 267 269 3 169 (31 126 (5 435)	
	Short-term Investments	1 217 153	1 080 298	1 217 153	224 594	
	Cash and cash equivalents: USD	89 897	1 842 683	89 897	383 094	
	ZWL	928 630	328 436	928 630	68 282	
		2 235 680	3 251 417	2 235 680	675 970	
13	Deferred Tax Liability					
	At 1 January	57 309 814	43 071 107	11 845 551	2 598 083	
	Recognised in the statement of profit or loss -Arising on inventory	17 642	(476)			
	-Arising of inventory -Arising from prepayments	(178 337)	215 565	2		
	-Arising norm prepayments	66 351	69 402	4 083	13 501	
	-Arising on venicles and equipment	3 599 907	14 004 347	48 842 492		
	-Arising on investment properties -Arising on financial assets held through	5.522.201	14 004 547	40 042 472	2207 202	
	profit or loss	125 168	10 239	138 870	3 169	
	-Arising on provisions for credit losses	(415 169)	(53 554)	(565 009)		
	-Arising on leave pay provisions	7 850	(6 816)	(19 136)		
	rusing or reare pay provisions	60 533 226	57 309 814	60 246 851	11 845 551	
14	Related Party Loan					
	At 1 January	·			2	
	Loans advanced*	4 733 793	1	3 355 056	9	
	Interest charged	199 147	55V	164 748		
	Exchange loss	612 630		612 630	8	
	Inflation effect	(1 413 136)	2		©	
	Loan repayments made		12.0			
	10 10	4 132 434	(4)	4 132 434		

"Part of the loan was an amount which FMH paid the suppliers directly for FMP so the liability increased but

The loan facilities were sourced as bridging finance from a fellow subsidiary of the parent to partially fund the development of Block 13 at Arundel Office Park and is administered under the following terms:

Significant terms and conditions
All the loans were utilised in the development of investment property under development

The deal status are all bridging finance There is no security on the loans advanced

The loans are going to mature within 12 months

Coupon rate is 15% per annum

		INFLATION	ADJUSTED	HISTORIC	AL COST
15	Trade and Other Payables	Audited	Audited	Unaudited	Unaudited
	90.156/89/201-04/2005-99-01/106-976-09-09-09-09-09-09-09-09-09-09-09-09-09-	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
		ZWL000	ZWL000	ZWL000	ZWL000
	Tenant payables	1 071 267	883 174	1 030 917	106 903
	Related party payables	2 688 164	953 242	2 688 164	198 179
	Sundry creditors	2 843 380	832 313	2 843 380	173 038
	Suppliers creditors	2 749 575	1 780 216	2 749 575	370 107
	Provision for leave days	106 062	137 817	106 062	28 652
	Group company payables	1 756 159	135 653	1 756 159	28 202
		11 214 607	4 722 415	11 174 257	905 081
16	Revenue				
10	Rental income	39 673 427	13 566 160	24 500 120	2 041 383
	Property Services income	1 258 912	385 397	1 038 688	60 190
	Troperty services income	40 932 339	13 951 557	25 538 808	2 101 573
			1.200.000.000.000.000		
17	Property Expenses		578 284 2000	E. CHINESE	10457-04451400
	Maintenance costs	4 826 946	2 540 273	3 374 139	418 987
	Property security and utilities	481 348	194 369	295 450	33 175
	Valuation fees	96 968	34 286	46 646	5 060
	Property cost of sales	10 157	-	5 838	
	Operating costs under recoveries	3 541 100	1 997 248	2 019 673	333 606
	Staff costs	8 697 576	2 919 649	4 887 885	406 872
	Other costs	3 278 327	1 176 225	1 915 159	168 376
		20 932 422	8 862 050	12 544 790	1 366 076
18	Profit before income tax takes into account				
	the following				
	Directors fees -for services as directors	1 049 340	144 230	748 461	21 532
	Audit fees	269 521	96 561	159 656	12 095
	Information communication and technology				
	expenses	203 662	48 497	94 368	7 159
	Fees and other charges	798 540	577 004	340 493	82 688
	Depreciation	34 833	14 564	6 469	887
	Office costs	486 736	366 788	170 775	65 736
	Group shared services	2 808 174	973 002	1 734 670	144 344
19	Fair Value Adjustments				
17	Fair value adjustment on investment				
	properties	542 684 957	161 491 778	958 883 710	87 405 250
	Fair value adjustment on investment property	342 004 737	101 471 //0	230 003 / 10	07 403 230
	held for sale	220 281	12	237 100	2

Notes to the Consolidated Financial Statements For the year ended 31 December 2023 (continued)

		INFLATION	ADJUSTED	HISTORIC	AL COST
20	Finance Income	Audited	Audited	Unaudited	Unaudited
		31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
		ZWL000	ZWL000	ZWL000	ZWL000
	Interest on overdue tenants accounts	5 014 091	1 705 632	2 757 640	297 685
	Interest on money market investments	233 704	74 866	128 532	12 757
		5 247 795	1 780 498	2 886 172	310 442
21	Other Income				
	Exchange gains	2 103 606	8 026 423	2 072 331	1 160 595
	Other income	3 449 261	686 764	3 525 944	135 523
		5 552 867	8 713 187	5 598 275	1 296 118
22	Income Tax Expense				
	Current income tax	3 510 418	1 219 484	3 510 418	253 531
	Deferred tax	2 849 159	14 238 707	48 258 547	9 247 542
	Impact of tax rate changes	374 253	*	142 754	
		6 733 830	15 458 191	51 911 719	9 501 073

Segment Reporting for the year ended 31 December 2023

		AUDITED INFLATION ADJUSTED					
	Office ZWL000	Retail ZWL000	Industrial ZWL000	Other ZWL000	Consolidation ZWL000	Total ZWL000	
Revenue Property expenses and allowance	21 668 140	10 054 689	6 582 305	2 774 189	(146 984)	40 932 339	
for credit losses	(13 469 369)	(5 222 970)	(2 125 607)	(2 400 111)	1 2	(23 218 057)	
Segment Results	8 198 771	4 831 719	4 456 698	374 078	(146 984)	17 714 282	
Fair value adjustment - Investment							
properties	257 927 318	106 359 242	47 810 964	130 807 714		542 905 238	
Segment Profit	266 126 089	111 190 961	52 267 662	131 181 792	(146 984)	560 619 520	
Employee related expenses		000-0010-00-00-00-00-00-00-00-00-00-00-0		(6 511 098)		(6 511 098)	
Other Expenses	(3 054 404)	(806 342)	(389 032)	(6.661 563)	5 128 574	(5 782 767)	
Finance income	3 531 756	1 029 463	372 422	314 154	-	5 247 795	
Other income	23 318	15		5 529 549	10	5 552 867	
Share of profit of associate	(4)	+0	-	1 081 829		1 081 829	
Net monetary gain		+1	9	-	458 338	458 338	
Profit before income tax expense	266 626 759	111 414 082	52 251 052	124 934 663	5 439 928	560 666 484	

Reconciliation of Segment Results for 31 December 2023

		AUDITED INFLATION ADJUSTED						
	Office ZWL000	Retail ZWL000	Industrial ZWL000	Other ZWL000	Consolidation ZWL000	0.77		
Assets								
Investment Properties	504 006 000	210 147 460	94 780 000	258 098 543		1 067 032 003		
Trade receivables	3.767.906	1 627 516	504 247	134 435	(844)	6 033 260		
Segment Assets	507 773 906	211 774 976	95 284 247	258 232 978	(844)	1 073 065 263		
Other non-current assets	290	2	9	25 456 952	168 315	25 456 952		
Other current assets		- 2	2	4 997 059		4 997 059		
Total Assets	507 773 906	211 774 976	95 284 247	288 686 989	(844)	1 103 519 274		
Current Liabilities	5 945 336	964 875	1 774 199	7 411 501	844	16 096 755		
Capital expenditure	18 851 563	81 230	+	160 782	-	19 093 575		

Segment reporting for the period ended 31 December 2022

			AUDITED INFLAT	TION ADJUSTED		
	Office ZWL000	Retail ZWL000	Industrial ZWL000	Other ZWL000	Consolidation ZWL000	Total ZWL000
Revenue	6 850 974	4 726 650	1 455 124	969 721	(50 912)	13 951 557
Property expenses and allowance						
for credit losses	(5 827 328)	(2 453 090)	(559 185)	(628 098)	9	(9 467 701)
Segment Results Fair value adjustment - Investment	1 023 646	2 273 560	895 939	341 623	(50 912)	4 483 856
properties	71 826 268	32 805 694	15 226 245	41 633 571		161 491 778
Segment Profit	72 849 914	35 079 254	16 122 184	41 975 194	(50 912)	165 975 634
Employee related expenses	F-27	2	12	(1 566 864)	5:	(1 566 864)
Other Expenses	(861 517)	(425 459)	(286 538)	(2 243 456)	1 575 784	(2 241 186)
Finance income	1 027 276	327.797	228 081	197 344	50	1 780 498
Other income	5 755 350	*		2 957 837		8 713 187
Share of profit of associate	(4)	9.0	*	338 171		338 171
Net monetary loss	120	27	=======================================	-	(5 640 261)	(5 640 261)
Profit before income tax expense	78 771 023	34 981 592	16 063 727	41 658 226	(4 115 389)	167 359 179

Reconciliation of Segment Results for 31 December 2022

			AUDITED INFLA	TION ADJUSTED	r	
	Office ZWL000	Retail ZWL000	Industrial ZWL000	Other ZWL000	Consolidation ZWL000	Total ZWL000
Assets						
Investment Properties	232 515 400	107 014 996	49 615 150	136 750 224		525 895 770
Trade receivables	1 816 485	244 837	186 385	202 745	(4 062)	2 446 390
Segment Assets	234 331 885	107 259 833	49 801 535	136 952 969	(4 062)	528 342 160
Other non-current assets	54:	Antalan recipion de Es	A Secretaria de la Companya del Companya del Companya de la Compan	2 745 507	S STANSON E	2 745 507
Other current assets		-	9	8 497 694		8 497 694
Total Assets	234 331 885	107 259 833	49 801 535	148 196 170	(4 062)	539 585 361
Current Liabilities	1 519 558	462 406	290 997	2 517 134	4 400	4 794 495
Capital expenditure	388 760	839 350	*	528 145	100	1 756 255

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Audited Financial Results

For the year ended 31 December 2023

Notes to the Consolidated Financial Statements For the year ended 31 December 2023 (continued)

Segment Reporting for the year ended 31 December 2023

			UNAUDITED	HISTORICAL	UNAUDITED HISTORICAL						
	Office	Retail	Industrial	Other	Consolidation	Total					
	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000					
Revenue	13 519 347	6 273 396	4 106 880	1 730 893	(91 708)	25 538 808					
Property expenses and allowance											
for credit losses	(8 564 578)	(3 429 213)	(1 349 992)	(1 486 642)	-	(14 830 425)					
Segment Results	4 954 769	2 844 183	2 756 888	244 251	(91 708)	10 708 383					
Fair value adjustment - Investment											
properties	455 666 000	187 899 020	84 465 000	231 090 790	12	959 120 810					
Segment Profit	460 620 769	190 743 203	87 221 888	231 335 041	(91 708)	969 829 193					
Employee related expenses	5			(5 555 062)	5	(5 555 062)					
Other Expenses	(1 817 799)	(479 887)	(231 529)	(3 964 564)	3 052 222	(3 441 557)					
Finance income	1 942 388	566 182	204 824	172 778	*	2 886 172					
Share of profit of associate	100.1100.00	-		1 655 586	9	1 655 586					
Other income	23 509	20	12	5 574 766		5 598 275					
Profit before income tax expense	460 768 867	190 829 498	87 195 183	229 218 545	2 960 514	970 972 607					

Reconciliation of Segment Results for 31 December 2023

	UNAUDITED HISTORICAL						
	Office ZWL000	Retail ZWL000	Industrial ZWL000	Other ZWL000	Consolidation ZWL000	1,05,570	
Assets	mucana.	(74,57,70,00)	LIVEOUU	2112000	LVILOUU	LITEOUU	
Investment Properties	504 006 000	210 147 460	94 780 000	258 098 543	15	1 067 032 003	
Trade receivables	3 767 906	1 627 516	504 247	134 435	(844)	6 033 260	
Segment Assets	507 773 906	211 774 976	95 284 247	258 232 978	(844)	1 073 065 263	
Other non-current assets		E CONTRACTOR CONTRACTOR		15 327 485	M-to-stage	15 327 485	
Current assets				4 468 829	¥	4 468 829	
Total Assets	507 773 906	211 774 976	95 284 247	278 029 292	(844)	1 092 861 577	
Current Liabilities	5 930 433	962 456	1 769 752	7 392 921	844	16 056 406	
Capital expenditure	9 689 506	41 751		82 640	-	9 813 898	

Segment reporting for the period ended 31 December 2022

		UNAUDITED HISTORICAL						
0	Office ZWL000	Retail ZWL000	Industrial ZWL000	Other ZWL000	Consolidation ZWL000	Total ZWL000		
Revenue Property expenses and allowance	1 031 987	711 992	219 191	146 072	(7 669)	2 101 573		
for credit losses	(920 708)	(384 437)	(88 472)	(98 374)	8	(1 491 991)		
Segment Results Fair value adjustment - Investment	111 279	327 555	130 719	47 698	(7 669)	609 582		
properties	38 875 000	17 755 640	8 241 000	22 533 610	8	87 405 250		
Segment Profit	38 986 279	18 083 195	8 371 719	22 581 308	(7 669)	88 014 832		
Employee related expenses		2000 0000000000000000000000000000000000	Variable Company	(286 238)	1.3000000	(286 238)		
Other Expenses	(133 004)	(65 684)	(44 237)	(346 353)	243 275	(346 002)		
Finance income	856 129			439 989		1 296 118		
Share of profit of associate				114 622	8	114 622		
Other income	179 113	57 154	39 767	34 408	3	310 442		
Profit before income tax expense	39 888 517	18 074 665	8 367 249	22 537 737	235 606	89 103 774		

Reconciliation of Segment Results for 31 December 2022

	UNAUDITED HISTORICAL					
	Office ZWL000	Retail ZWL000	Industrial ZWL000	Other ZWL000	Consolidation ZWL000	Total ZWL000
Assets						
Investment Properties	48 340 000	22 248 440	10 315 000	28 430 400	2	109 333 840
Trade receivables	377 648	50 902	38 749	42 150	(844)	508 605
Segment Assets	48 717 648	22 299 342	10 353 749	28 472 550	(844)	109 842 445
Other non-current assets	報	26	197	485 874	8 8	485 874
Current assets		-	5.00	1 590 027		1 590 027
Total Assets	48 717 648	22 299 342	10 353 749	30 548 451	(844)	111 918 346
Current Liabilities	291 604	88 736	55 843	483 039	844	920 066
Capital expenditure	27 862	60 155	-	97 853	-	185 870

Related Party disclosures

The financial statements include transactions between First Mutual Properties Limited and other subsidiaries of First Mutual Holdings Limited. The following table provides the total amount of transactions, which have been entered into with related parties for the relevant

Transactions and balances with related Companies

The following table provide the total amount of transactions that have been entered into with related parties during the year ended 31 December 2023:

	AUDITED	INFLATION AD	USTED	UNA	UDITED HISTORI	CAL
Company	Group Company Payables ZWL000	Group Company receivables ZWL000	Rentals charged to Group Companies ZWL000	Group Company Payables ZWL000	Group Company receivables ZWL000	Rentals charged to Group Companies ZWL000
- First Mutual Holdings Limited - First Mutual Life Assurance	*	27 363	1 486 786	*	27 363	567 115
Company (Private) Limited - First Mutual Reinsurance Company	42 015		3 495 155	42 015	=	1 333 181
Limited	*	31 279	327 585		31 279	124 953
- First Mutual Health Company						
(Private) Limited - First Mutual Microfinance (Private)	1 360 413	-	1 624 828	1 360 413	2	619 769
Limited	*	163	37 474	*	163	14 294
- First Mutual Funeral Services (Private) Limited - First Mutual Wealth Management	ä	6 769	68 877	\$	6 769	26 272
(Private) Limited		41 552	158 995		41 552	60 646
NicozDiamond Insurance Limited First Mutual Health Services	353 731	78	66 355	353 731	*	25 310
(Private) Limited	-	75 007	-	+	75 007	9
	1 756 159	182 133	7 266 055	1 756 159	182 133	2 771 540
Other directors interests*		186 891			186 891	

*During the 2023 year the Group 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.

Notes to the Consolidated Financial Statements For the year ended 31 December 2023 (continued)

Related Party disclosures (continued)

The following table provide the total amount of transactions that have been entered into with related parties during the year ended 31

	AUDITED INFLATION ADJUSTED			UNAUDITED HISTORICAL		
Company	Group	Group	Rentals charged	Group	Group	Rentals charged
	Company Payables ZWL000	Company receivables ZWL000	to Group Companies ZWL000	Company Payables ZWL000	Company receivables ZWL000	to Group Companies ZWL000
- First Mutual Holdings Limited - First Mutual Life Assurance	3.0	3 599	412 494		748	47 221
Company (Private) Limited - First Mutual Reinsurance Company	253	36 090	958 475	-	7 503	109 723
Limited - First Mutual Health Company		30 034	91 120		6 244	10 431
(Private) Limited - First Mutual Microfinance (Private)	134 769	5	420 489	28 018	*	48 136
Limited - First Mutual Funeral Services	The Market	100	5 490	-34W	£3	628
(Private) Limited - First Mutual Wealth Management	884	53	19 504	184	意	2 233
(Private) Limited	-	8 583	44 215	-	1 784	5 062
 NicozDiamond Insurance Limited 		204	27 527	2	43	3 151
-	135 653	78 510	1 979 314	28 202	16 322	226 585
Other directors interests*		24 801			5 156	

*During the 2022 year the Group 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.

Unaudited Notes to the Consolidated Financial Statements For the year ended 31 December 2023 (EXTRACT)

Unaudited Supplementary information – United States Dollars Financial Statements

Since 2018, Zimbabwe has undergone gone several changes in the economic and monetary policy framework including the re-introduction of the Zimbabwe dollar in a multi-currency environment. During the year, macroeconomic developments continued to be negatively impacted by price and exchange rate volatility. Another trend was increasing dollarisation of economy. Significant policy interventions were implemented towards the end of the period aimed at slowing down the rate of local currency depreciation and resultant inflationary pressures. To curb against the risk of currency volatility and to maintain product relevance, most of our clients either migrated to USD policies or maintained ZWL policies that adjusted in line with inflation trends. The above developments resulted in First Mutual Properties Limited earning approximately, 70% of its rental income in foreign currency,

Over time, the ZWL inflation adjusted financial information has become less useful to users due to distortions arising from multiple exchange rates in the environment and the moderate correlation between inflation and exchange rate trends. Supplementary information has been added to provide a more complete picture of the performance of the Group to our stakeholders. To enhance usefulness of the supplementary information presented below, several assumptions which consider the various economic and policy developments that the country is currently experiencing, including but not limited to inflation and exchange rate movements.

The following methodology was undertaken in preparing the financial information presented below:

Segregate the pure USD transactions and balances (including all transactions denominated in other foreign currencies) from the pure ZWL transactions and balances.

For the Statement of profit or loss the historical ZWL transactions were translated using an average estimated economic rate and then combined with the pure USD transactions to determine at the USD

For the Statement of Financial Position, non-monetary items are converted at the estimated economic rate on the date of acquisition or disposal and for monetary items the estimated closing economic rate is used with resultant foreign exchange gain or losses arising from non-USD currencies.

Unaudited

Shown below is summarised information:

Unaudited Consolidated Statement of Profit or Loss for the period ended 31 December 2023

31-Dec-23	31-Dec-22	Growth
USD000	USD000	%
6 427	4 701	37%
(145)	(287)	50%
6 282	4 414	42%
7 581		
9 560	964	892%
6 832	791	763%
	31-Dec-23 USD000 6 427 (145) 6 282 7 581 9 560	31-Dec-23 USD000 6 427 (145) 6 282 4 414 7 581 9 560 31-Dec-22 USD000 (287) 4 701 (287) 4 414

Unaudited Consolidated Statement Financial Position as at 31 December 2023

	Unaudited 31-Dec-23 USD0000	Unaudited 31-Dec-22 USD000	Growth %
ASSETS			
Other assets	2 598	3 054	(15%)
Investment property	124 761	114 239	9%
Cash and cash equivalents	262	967	(73%)
Total assets	127 621	118 260	8%
EQUITY AND LIABILITIES			
Shareholder equity	113 124	106 350	6%
Total equity	113 124	106 350	6%
Total liabilities	14 497	11 910	22%
Total equity and liabilities	127 621	118 260	8%