First Mutual

PROPERTIES

Go Beyond

ANNUAL REPORT 2023

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 2023. 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 domiciled in Zimbabwe. In this report all references to 'our', 'we', 'us', 'the business', 'FMP', and 'the Company' refer to First Mutual Properties Limited.

Reporting Frameworks

We remained committed to adhering to legal and financial reporting obligations, which served as guiding principles for us. The following requirements provided a framework to ensure our compliance and maintain transparency in our reporting processes:

- The Companies and other Business Entities Act [Chapter 24:31];
- Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) Rules [SI.134 of 2019];
- 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 71. 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 pages 161 to 162. 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.

Restatements

First Mutual Properties Limited did not make any restatement 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 Limited. These statements are however not guaranteeing 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. Feedback can be directed to Dulcie Kandwe (Mrs), Company Secretary, email: dkandwe@firstmutual.co.zw.

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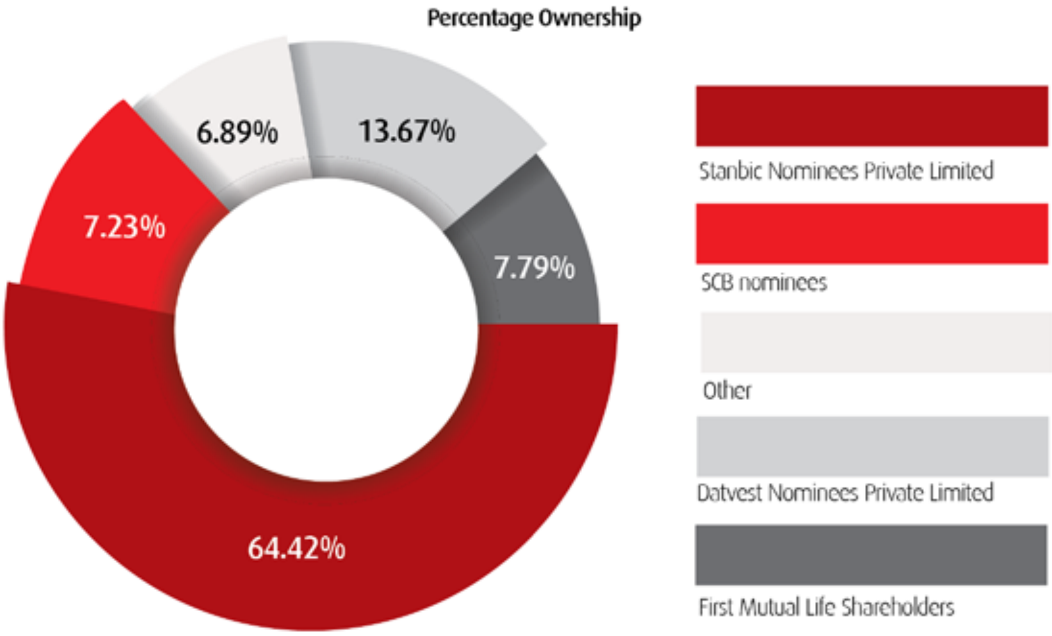
OVERVIEW

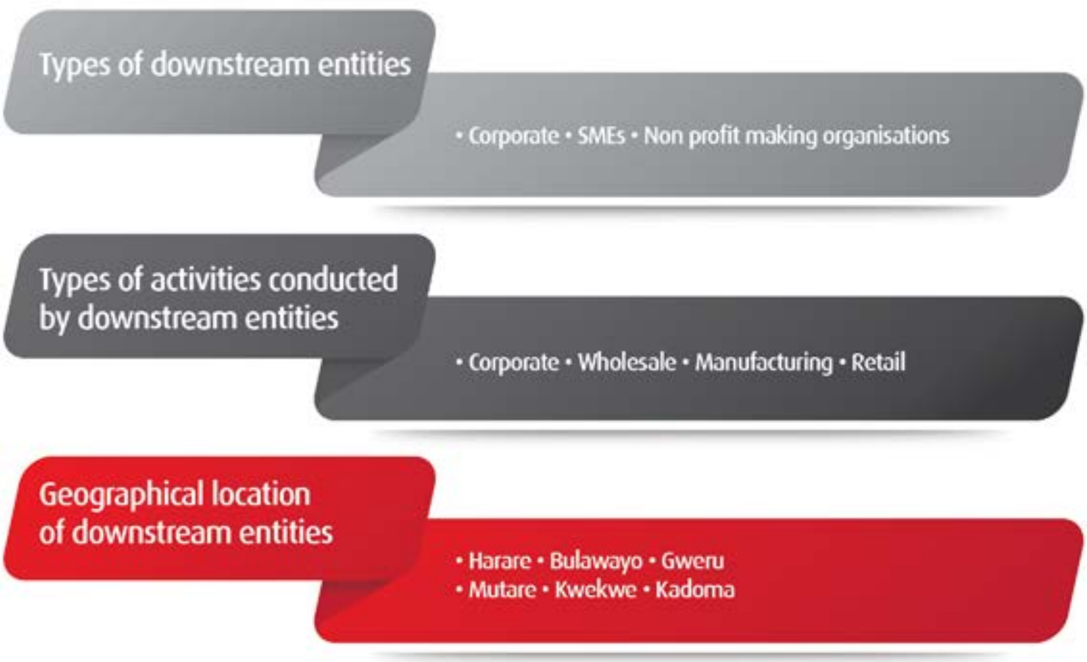
BUSINESS PROFILE

First Mutual Properties Limited is a renowned real estate development and property management Company dedicated to delivering exceptional properties and comprehensive property solutions. With a focus on quality, innovation, and sustainability, we strive to exceed client expectations and positively impact the communities we serve.

SHAREHOLDING AS AT 31 DECEMBER 2023



Downstream entities



PRODUCT AND SERVICE OFFERINGS

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

- Property management;
- Facilities management;
- Property development;
- Project Management;
- Property investment; and
- Property valuations.

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

MEMBERSHIPS AND BUSINESS ASSOCIATION

First Mutual Properties Limited and some of its employees are members of the following:

- Real Estate Institute of Zimbabwe;
- Estate Agency Council of Zimbabwe;
- Valuers Council of Zimbabwe;
- National Property Owners Association of Zimbabwe; and
- Institute of Chartered Accountants.

LEADERSHIP

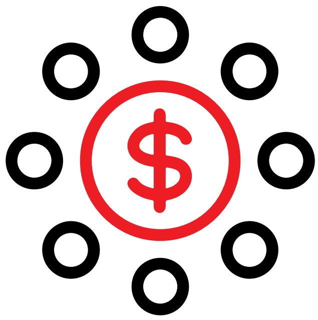
PERFORMANCE HIGHLIGHTS

Financial Highlights

Revenue (000)(ZWL)
40,932,339
13,951,557 in FY 2022

Net Property Income (000)(ZWL)
17,714,282
4,483,856 in FY2022

Operating Profit (000)(ZWL)
5,420,417
675,806 in FY2022



Basic Earnings Per Share (ZWL cents)
44 801
12 284 in FY 2022

Business Highlights

Total Assets (000)(ZWL)
1,103,519,274
539,585,361 in FY2022

Occupancy Rate (%)
88.07
85.52 in FY2022

SUSTAINABILITY HIGHLIGHTS

Total Employees
(Head count) 35
35 FY2022 **Constant**

Training
(Hours) 4
6 FY2022 **33% Decrease**

Water
(Mega Litres) 2,797
2,838 FY 2022 **1% Decrease**

Electricity
(KwH) 2,605,987
10,076,163 FY2022 **74% Decrease**

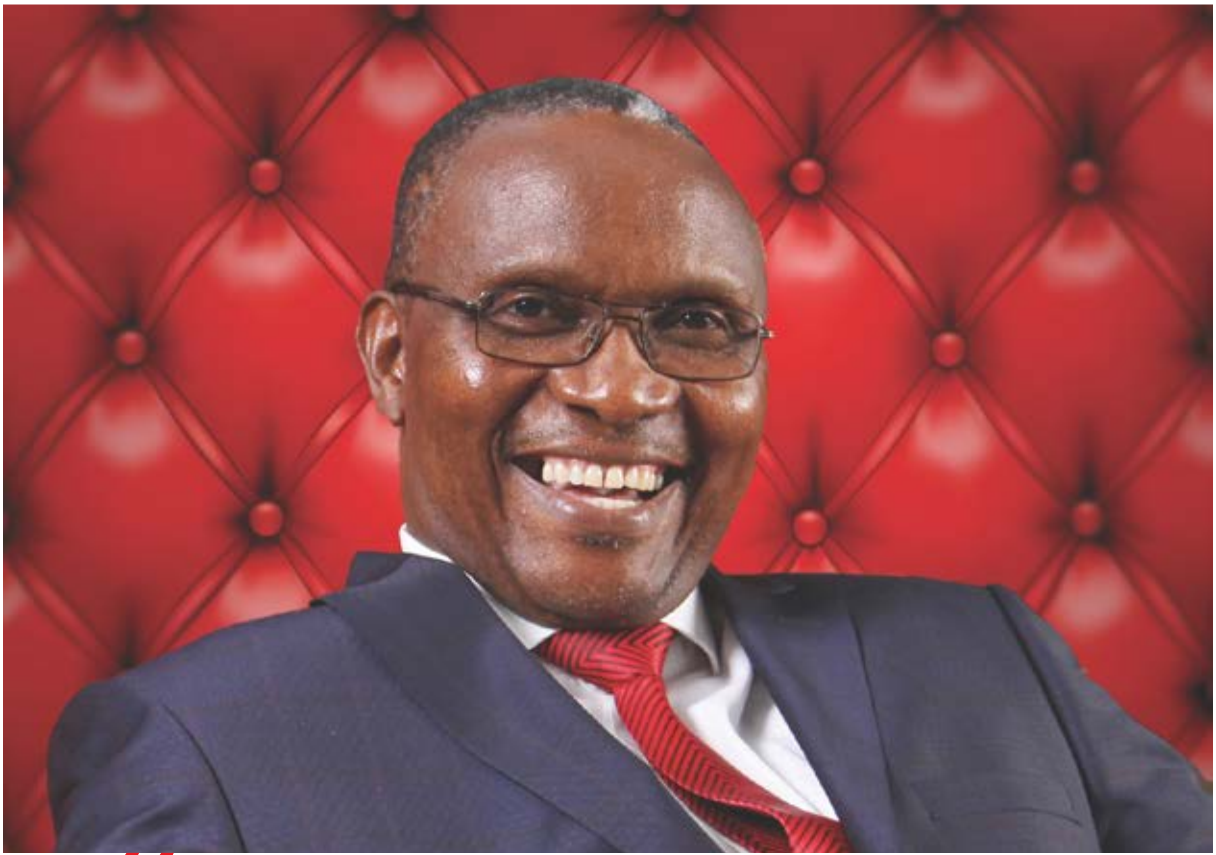
Solar Energy
(KwH) 178,032

Diesel
(Litres) 11,620
6,700 FY2022 **73% Increase**

AWARDS - Chartered Governance and Accountancy Institute in Zimbabwe

- Second runner-up for Best Board Practices.
- First runner-up for Best Stakeholder Practice and Sustainability Reporting.

CHAIRMAN'S STATEMENT



"Management remains alive to these exogenous factors and will, therefore, continue to adapt its response plans to enhance shareholder value."

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 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 CBD 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 the 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, in line with the inflationary environment, 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 relatively 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 as to reduce carbon footprint of the property portfolio and also provide reliable and affordable green energy to tenants. 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

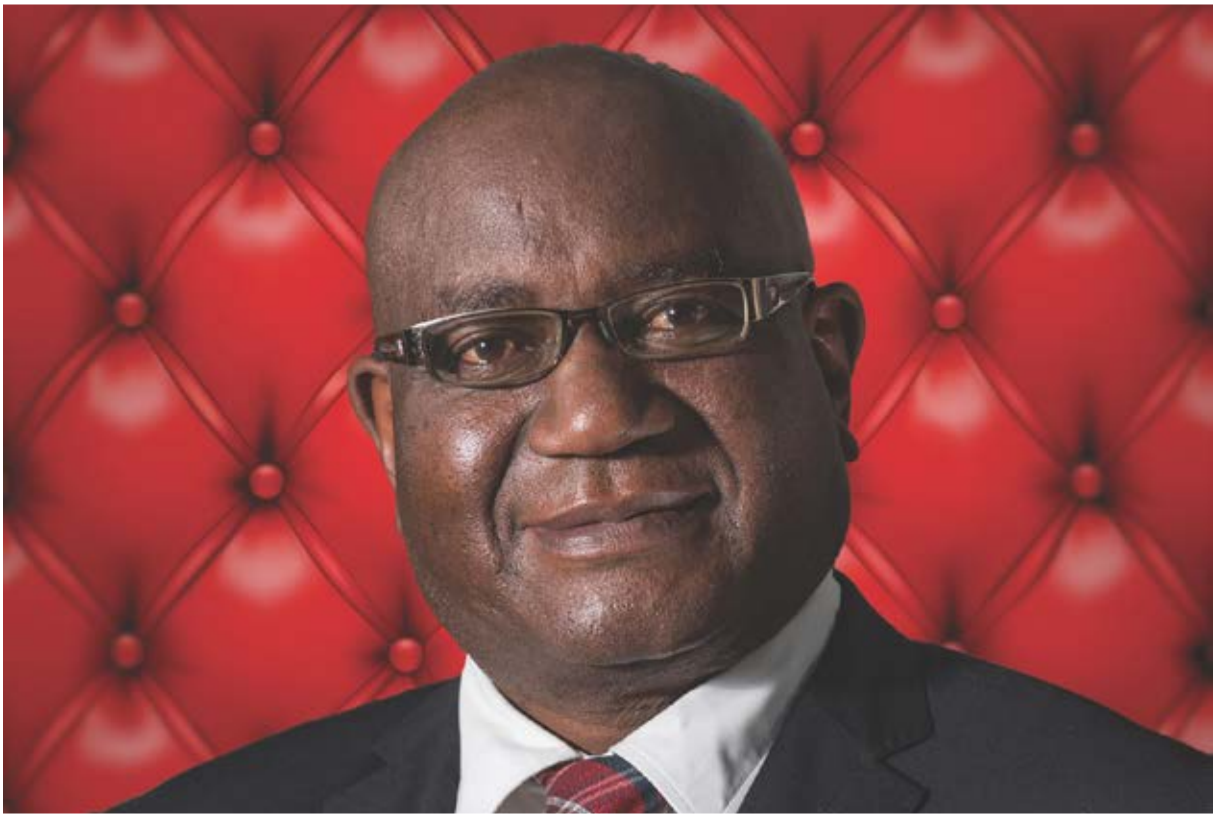
The environment remains uncertain due to the potential knock effects of global shocks, likely drought and currency instability. Management remains alive to these exogenous factors and will, therefore, continue to adapt its response plans to enhance shareholder value. The Group will continue to invest 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.

Elisha K. Moyo
Chairman of the board
23 February 2024

MANAGING DIRECTOR'S REVIEW OF OPERATIONS



Economic Overview

The business landscape remained fraught by global geopolitical tensions, and sluggish economic recovery. Persistent global inflationary pressures and disruptions in the supply chain exerted adverse effects on the domestic market. Inflation in the local market moderated to 29.4% in 2023 from 41.9% in the preceding year, albeit a substantial 89% depreciation of the local currency against the US dollar. Despite these formidable challenges, management remained agile in adapting response strategies to safeguard shareholder interests. Encouragingly, the country recorded a commendable economic growth rate of approximately 3.5%, underscored by robust demand for infrastructure and allied assets, signaling confidence in the nation's economic outlook. Looking ahead, we anticipate sustained government efforts to bolster macroeconomic stability and nurture investor confidence.

Property Market Overview

The property market exhibited both opportunities and challenges reflective of broader economic trends and government policies as the economy continued to grapple with economic instability characterised by high inflation and currency fluctuations which influenced the property market affecting both supply and demand dynamics. Greater portion of rental income continued to be received in USD as compared to the local currency in a bid to preserve value and hedge against exchange rate risk.

Urban areas, particularly major cities specifically Harare continued to experience higher demand for residential and retail space due to population growth and economic activities. Central business district office space and suburban retail space demand remained low during the year owing to the increased relocation by most businesses to office parks and suburban office sector. This migration led to the increased conversion of residential units to offices and retail use along major transport routes which has also seen increased upgrades of infrastructure particularly roads connecting into the residential suburbs.

The adoption of technology in the property market increased, with the emergence of online platforms for property listings and transactions. Despite economic uncertainties, the property market demonstrated resilience, with certain segments showing signs of growth and stability. Investors with a long-term perspective and a willingness to navigate the landscape found opportunities for profitable investments, particularly in sectors aligned with national development priorities.

Overview of Business Performance

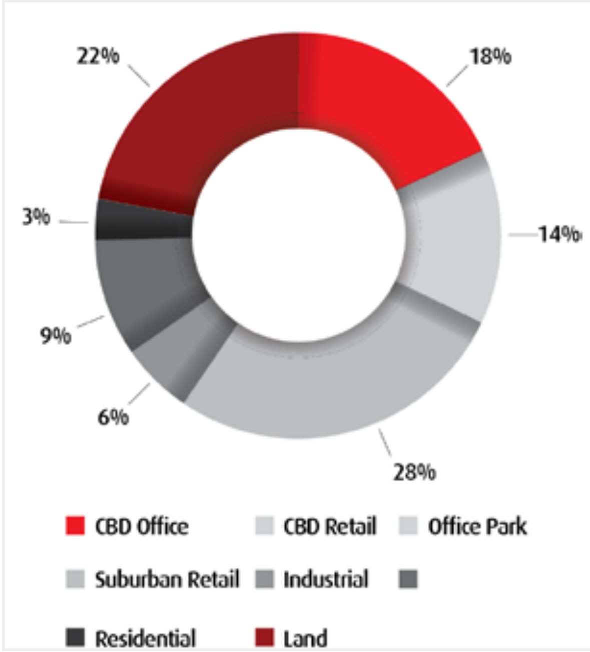
The Group's inflation adjusted Net Property Income grew by 295% to ZWL17.714 billion (FY 2022: ZWL4.484 million) while inflation adjusted revenue was up 193% to ZWL40.932 billion (FY 2022: ZWL13.952 billion). Revenue continues to be mainly dominated by rental income. In historical terms, revenue grew by 1,115% from ZWL2,102 billion in December 2022 to ZWL25,539 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 closing the period at 88.06%.

Although there are tenants who intentionally postpone fulfilling their lease obligations, anticipating an inflation-driven reduction in their value, we have managed to keep our collection rate at an average of 85% in FY 2023. In a bid to keep our properties in the best lettable condition we have continued with our maintenance initiatives, dedicating ZWL 4,827 billion towards this end with ZWL187.87 million channeled 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 varied composition of our property holdings has consistently bolstered our resilience, particularly during periods of economic instability and extreme fluctuations in exchange rates. This diversification effectively manages risk while optimizing returns, presenting a secure investment opportunity 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 2023 valued the property portfolio at ZWL 1.067 trillion (FY 2022: ZWL 109.33 billion). The growth in property values of 876% is driven by the growth in rentals in line with the inflationary pressure.

Set out below are the valuation movements by sector for FY 2023:

All figure in ZWL 000's	2023 Valuation	2022 Valuation	Movement %
CBD Retail	149,761,341	15,378,440	874%
CBD Office	196,153,655	19,330,000	915%
Office Park	299,276,941	29,010,000	932%
Suburban Retail	62,751,616	6,870,000	813%
Industrial	96,804,242	10,315,000	838%
Residential	33,526,038	3,672,000	813%
Land	228,758,166	24,758,400	824%
Total	**1,067,032,003**	**109,333,840**	**876%**

The growth attained across all sectors was as a result of the surge in the various sectors value at the back of enhanced rental potential and increased demand. The office park sector particularly demonstrated its ability to safeguard against inflation as the Group primarily owns the high-end Arundel office park in its portfolio, which remained resilient despite the local currency's weakening and generated higher rental income due to strong demand for such properties.

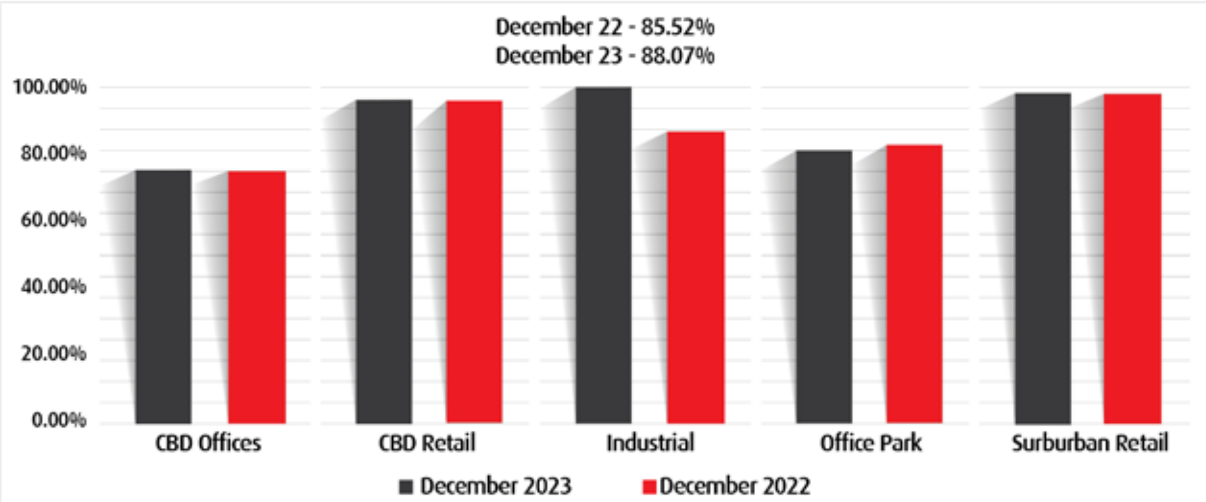
Set out below is an overview of the property portfolio performance:

	CBD Retail	CBD Office	Office Park	Suburban Retail	Industrial	Residential	Land	Total
Value (ZWL)	149.76	196.15	299,28	62.75	96.80	33.53	228.76	1,067.03
% Portfolio weight by value	14%	18%	28%	6%	9%	3%	22%	100%
Number of properties	18	8	12	3	7	33	12	93
Gross lettable area (''GLA'') m2	21,014	32,615	25,839	7,723	36,997	-	-	124,189
Land bank area (m2)							643,005	643,005
Effective USD Rental per sqm at period end	52,611.35	43,484.17	82,570.81	18,141.13	25,388.35	-	-	44,439.16
Occupancy level at period end	95%	75%	80%	96%	100%	100%	-	88%
Rental yield	8.60%	6.25%	6.06%	3.09%	9.70%	5.09%	0.04%	6.73%

Occupancy levels

The portfolio occupancy level increased during the year closing at 88.06% up from 85.52% in the year 2022. This was mainly driven by net lettings in the industrial sector, as industrial sector reflected the most increase in occupancy levels closing the year at 100% compared to the other sectors during the period under review. The lowest occupancy was recorded in CBD office sector which closed the period at 75% on the back of migration of most businesses from the CBD to surrounding suburbs.

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



Occupancy in the retail sector of the central business district saw a slight uptick of 2% compared to the previous year, driven by ongoing efforts to market vacant spaces via online platforms and adapt space offerings to accommodate small and medium enterprises (SMEs), thereby meeting the needs of the growing informal sector.

Arrears Management

The collection rate decreased marginally to 85% (FY2022: 86%) despite property management team continued efforts to engage tenants to regularly 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 external 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	2023	2022	Movement.
Value (ZWL)	62,751,616,821	6,870,000,000	813%
% Portfolio weight by value	6%	6%	0%
GLA square metres	7,723	7,723	0%
Average rental (ZWL) per square metre @31 December	18,141.13	3,473.94	422%
Occupancy level at period end	96%	96%	0%
Rental yield	3.09%	3.04%	0%

CBD Retail

Throughout the year, the retail sector in the central business district has demonstrated resilience, drawing in tenants through extensive leasing initiatives and a focus on accommodating small and medium enterprises (SMEs). While SMEs and informal businesses continue to dominate the sector, there's still a notable presence of formal and well-established retail outlets within this asset class.

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

CBD Retail	2023	2022	Movement
Value (ZWL)	149,761,341,179	15,378,440,000	874%
% Portfolio weight by value	14%	14%	-
GLA square metres	21,014	21,948	(4%)
Average rental (ZWL) per square metre @ 31 December	52,611.35	2,955.83	1680%
Occupancy level at period end	95%	93%	2%
Rental yield	8.60%	3.41%	5%

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 remained at 75% despite strategic leasing efforts through online platforms and the restructuring of spaces to accommodate SMEs. However, the City's central business district's limited ambiance due to traffic congestion 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	2023	2022	Movement
Value (ZWL)	196,153,655,377	19,330,000,000	915%
% Portfolio weight by value	18%	18%	-
GLA square metres	32,615	31,741	3%
Average rental (ZWL) per square metre @31 December	43,484.17	3,558.64	1122%
Occupancy level at period end	75%	75%	-
Rental yield	6.25%	2.37%	4%

Office Parks

The Office Park sector had a steady performance, exhibiting resilience, though a decrease of 3% in the occupancy level was observed, from 83% to 80%. The space consistently received favourable inquiries from blue chip corporates and international organizations and therefore, some of the vacancies were transitional and accepted 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 strategic focus for expansion because of its ideal location and ambiance away of the CBD unattractive environment.

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

Office Park	2023	2022	Movement.
Value (ZWL)	299,276,941,761	29,010,000,000	932%
% Portfolio weight by value	28%	27%	1%
GLA square metres	25,839	25,769	-
Average rental (ZWL) per square metre @31 December	82,570.81	6,523.61	1166%
Occupancy level at period end	80%	83%	(3%)
Rental yield	6.06%	2.43%	4%

Industrial

The industrial sector occupancy increased significantly from 89% in the previous year to 100% during the period under review. 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.

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

Industrial	2023	2022	Movement
Value (ZWL)	96,804,242,452	10,315,000,000	838%
% Portfolio weight by value	9%	9%	-
GLA square metres	36,997	36,997	-
Average rental (ZWL) per square metre @31 December	25,388.35	1324.9	1816%
Occupancy level at period end	100.00%	89.00%	11%
Rental yield	9.70%	2.34%	8%

Property 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.

Outlook

In 2024, the prevailing environment is expected to be characterised by uncertainty, with the looming possibility of global shocks, potential drought, and currency instability. Management is keenly aware of these external factors and is committed to adjusting response plans to optimize shareholder value. The Group will persist in investing in positive yielding properties as a hedge against inflation and exchange rate fluctuations. Additionally, priority will be given to maintaining high occupancy rates by nurturing client relationships and offering top-notch, secure products. This objective will be pursued through continuous property refurbishment, maintenance, and enhancements.

CKManyowa.

C K Manyowa
Managing Director
Harare

23 February 2024

LEADERSHIP & GOVERNANCE

BOARD OF DIRECTORS

Elisha K. Moyo
Chairman
Independent

Tenure: 12 years

Key Skill: Legal

Qualifications:
Master's in business Administration (UZ), Bachelor of Laws (UZ).

Other Directorships:
Chairman at Nicoz Diamond Insurance Limited. Non-Executive Director of First Mutual Holdings Limited Group. Vice Chairman, National Biotechnology Authority. Councillor of the University of Zimbabwe Council.

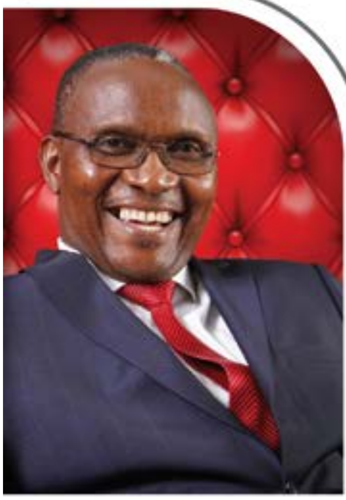
Christopher K. Manyowa
Managing Director
Non-Independent

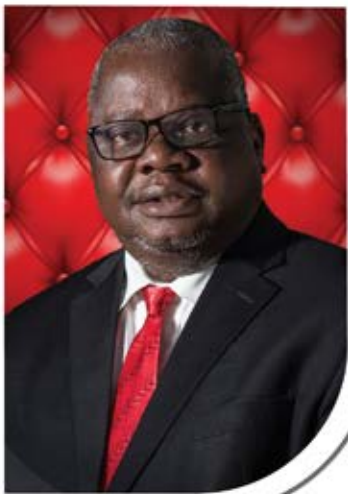
Tenure: 7 years

Key Skill: Real Estate

Qualifications:
Master's in Business Administration (UZ), BSc Rural & Urban Planning (UZ). Fellow- Real Estate Institute of Zimbabwe, Registered Estate Agent (Zimbabwe) also Registered Valuer (Zimbabwe). Member of the Zimbabwe Institute of Regional and Urban Planners.

Other Directorships:
Trustee-Dialogue on Shelter for the Homeless Trust.





Douglas Hoto
Non-Executive Director
Non-Independent

Tenure: 12 years

Key Skill: Actuary

Qualifications:
Bachelor of Science Honours 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 Directorships:
Group Chief Executive Officer of First Mutual Holdings Limited. Trustee of the S.V. Muzenda Foundation, Rainbow Tourism Group (Chairman) University of Zimbabwe Council (Chairman).

Dr. Shasekant Jogi
Non-Executive Director
Independent

Tenure: 10 years

Key Skill: Urban Planning

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 Directorships:
Centre for the Built Environment (Pvt) Ltd t/a Sasha Jogi Planners International, Zimbabwe Agricultural Society, Zimbabwe National Heritage Project Trust

Evlyn Mkondo
Non-Executive Director
(Retired on 27 June 2023)

Independent

Tenure: 9 years

Key Skills: Accounting and Finance

Qualifications:
Chartered Accountant Zimbabwe (ICAZ), Bachelor of Accountancy (Hons) (UZ).

Other Directorships:
Non-Executive Director at Schweppes Zimbabwe Limited, First Mutual Holdings Limited, Standard Chartered Bank of Zimbabwe Limited, Padenga Holdings Limited, Padenga Agribusiness (Pvt) Ltd.

William M. Marere
Non-Executive Director
(Retired on 27 June 2023)
Non-Independent

Tenure: 9 years

Key Skills: Accounting and Finance

Qualifications:
Bachelor of Accounting Science (UNISA), Postgraduate Diploma in Applied Accountancy (UZ), Chartered Accountant Zimbabwe (ICAZ), Associate Member of the Association of Corporate Treasurers (UK), South African Institute of Chartered Accountants (SAICA)

Other Directorships:
Group Finance Director of First Mutual Holdings Limited, Ace Equipment Hire (Pvt) Ltd, Bridgefort Capital Limited, Dairyhill Investments, Tasbrew Investments (Pvt) Ltd.

Dr. Arnold Chidakwa
Non-Executive Director
Independent

Tenure: 6 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 Directorships:
Quality Insurance (Pvt) Limited and Director of First Mutual Wealth Management (Pvt) Ltd.

Temba Ruvingo
Non-Executive Director
Independent

Tenure: 4 years

Key Skills: Accounting and Finance

Qualifications:
Chartered Accountant Zimbabwe (ICAZ), Master of Business Leadership (UNISA),
Bachelor of Accounting Science Honours (UNISA), Bachelor of Commerce Honours Degree in Accounting (NUST).

Other Directorships:
Finance Director AFC Commercial Bank Limited. Non-Executive Director of the National Biotechnology Authority of Zimbabwe.

Sharon Wekwete
Non-Executive Director
Independent

Tenure: 4 years

Key Skill: Legal

Qualifications:
Master of Laws (UNISA), Master of Science in Development Studies (NUST), Bachelor of Laws (UZ).

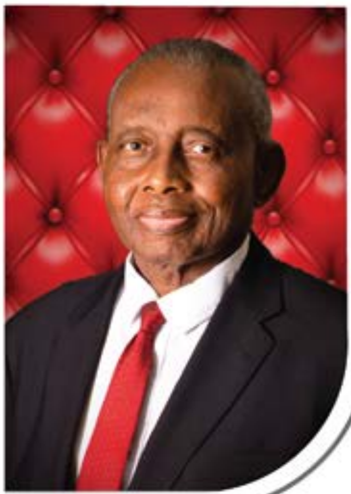
Other Directorships:
Outbox Consultants (Pvt) Ltd

Amos Mazarire
Non-Executive Director
Independent

Tenure: 9 months

Key Skills: Real Estate Investment Management, Valuations and sales

Qualifications:
Bachelor of Science Degree in Land Administration at North London University (UK).



Samuel V Rushwaya
Non-Executive Director
Independent

Tenure: 3 months

Key Skill: Human Resources

Qualifications:
BSc (Sociology) Hons (London)
Advanced Diploma in Training Management.

Other Directorships:
First Mutual Life Assurance Company (Private) Limited, First Mutual Holdings Limited, Sprinkler Fire Services.

SENIOR MANAGEMENT

Dulcie Kandwe
Company Secretary

MBA (UZ) LLBS Hons (UZ), Member of the Law Society of Zimbabwe.

Dumisani Leroy Tshabalala
Finance Executive

CA(Z) BCom General Accounting (NMU) (SA)
Member of the Institute of Chartered Accountants of Zimbabwe (ICAZ)

Tafadzwa Andrew Muzorewa
Head of Property Portfolio & Services

MSc Real Estate Finance & Investment (UWE), (UK), BSc Accounting & Finance (UK).

Andrew Manezhu
Project Manager

MSc Strategic Management (CUT), Project Management Professional certification (PMI, USA), BSc Honors Civil Engineering (UZ) Certificate in Project Planning and Management (UZ), Member Zimbabwe Institute of Engineers, Member Project Management Institute (USA), Member Project Management Institute (Zim Chapter).

Esward Munyangadzi
Property Investment Manager

MSc Property Investment (UCEM) (UK). AREIZ, NDREE (UNISA). Registered valuer

Shingai Munemero
Financial Accountant

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

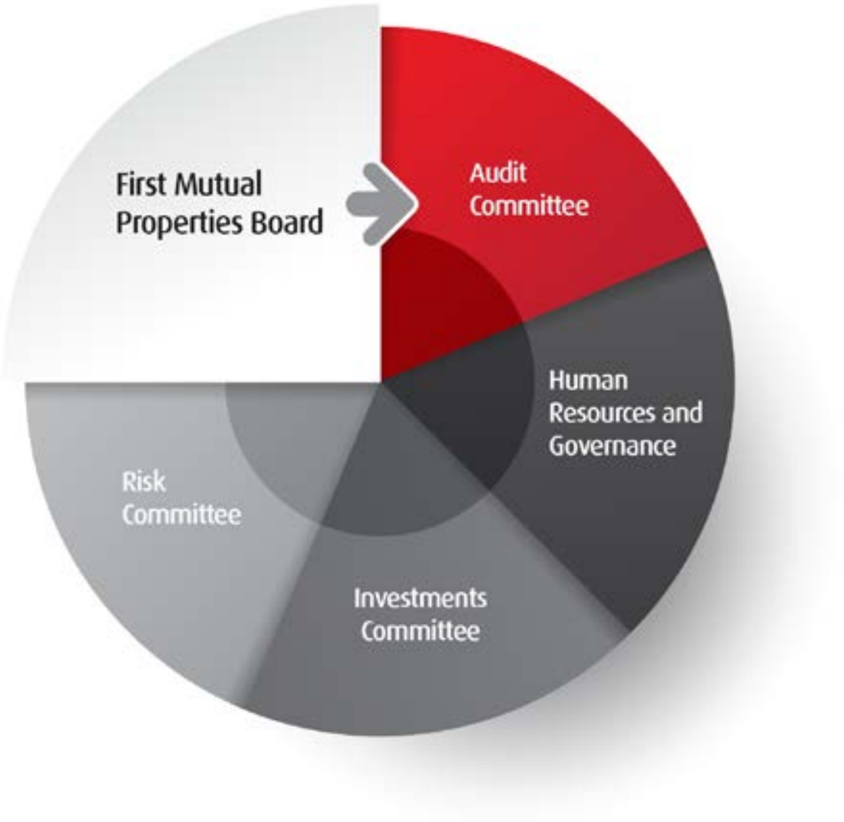
Nyaradzo Chingodza
Senior Property Manager

MSc in Rural and Urban Planning (UZ), BSc in Rural and Urban Planning (UZ).

CORPORATE GOVERNANCE

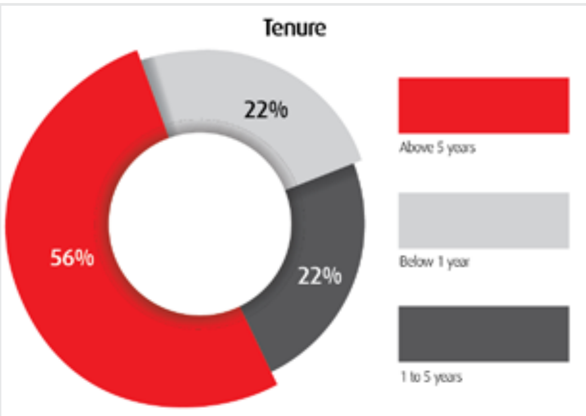
As First Mutual Properties, integrity is a core value that permeates all our operations and processes, serving to safeguard the interests of our stakeholders. Our corporate governance principles guide us in ensuring compliance with the National Code on Corporate Governance in Zimbabwe (ZIMCODE), SI.134 of 2019 Securities and Exchange (Zimbabwe Stock Exchange Listing Requirements) and the Companies and Other Business Entities Act [24:31]. We are dedicated to upholding excellent corporate governance standards based on international practices. The Human Resources and Governance Committee holds the responsibility for overseeing our corporate governance practices.

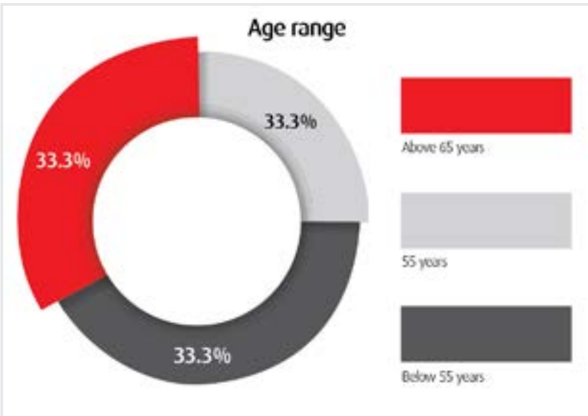
Board Structure

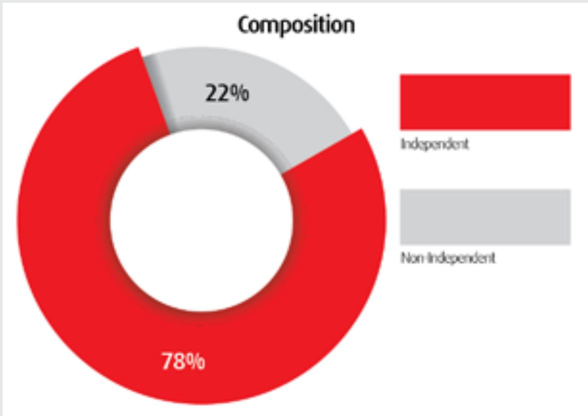


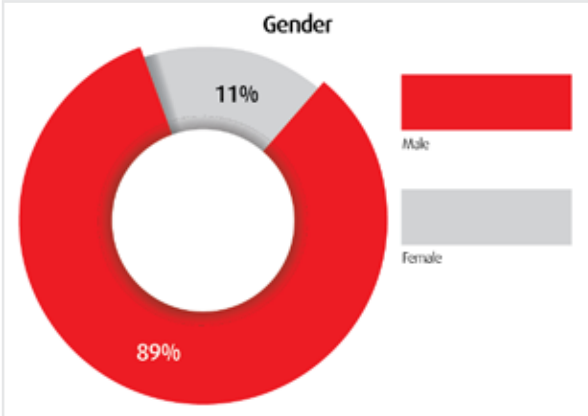
Board Composition

The Board of Directors is led by an independent non-executive director who serves as the Chairman. It consists of one executive director, who holds the position of Managing Director, as well as one non-independent non-executive director and seven independent non-executive directors. The diverse composition of the Board allows for the inclusion of various contributions, skills, expertise, and talents from its members, enhancing the overall effectiveness of the Board's decision-making processes.









Board Responsibility

The primary responsibility of the Board is to establish the Company's overall policies, objectives, and strategies, and to ensure their professional and ethical implementation. Further, the Board is accountable for maintaining the integrity of the Company's accounting and financial reporting systems, which includes independent audits, risk management and compliance with regulatory requirements. To ensure transparency and oversight, Board members have unrestricted access to information regarding the Company's operations, which is shared through Board meetings, Board and Management Committees and strategic planning activities organised by the Company. In line with the policy, one-third of the directors are required to retire on a rotational basis each year, along with any director(s) appointed during the year. Executive directors are employed under performance-driven service contracts that outline their specific duties. These contracts are renewed based on the executive director's fulfilment of the performance targets set for them.

The Board conducts meetings to oversee corporate strategy, risk management procedures, annual budgets and business plans. In cases where urgent matters or decisions arise, ad hoc special Board meetings may be convened. The Company Secretary maintains an attendance register for Directors to track their participation in scheduled meetings throughout the year, enabling Directors to assess their commitment to the business. The Board of Directors and its Committees meet at least once every quarter, and additional meetings may be scheduled as circumstances require. Committee meetings are held prior to each Board meeting. The Company's shareholders convene at least once annually, and at each Annual General Meeting, the independent auditors present their report.

Stakeholder Direct Communication with the Board

The Company prioritises stakeholder engagement and offers various platforms for interaction with the Board of Directors and management. Shareholders exercise their voting rights during Annual General Meetings, while information is shared through press releases, analyst briefings, annual reports, and the Company's website. Communication channels with clients include in-person, telephone, mail and digital platforms like WhatsApp, Facebook, and email. Additionally, a call centre is available for client inquiries and support.

Board Nomination

Based on recommendations of the Group Human Resources and Governance Committee in line with the Group's Nominations Policy, the Board is responsible for the selection of new members and filling any vacancies that occur between annual shareholder meetings. The assessment process focuses on evaluating the Board's contribution to the Company, with a specific emphasis on identifying areas where improvements can be made, as identified by the Board or management. This ensures that the Board continually strives to enhance its effectiveness and overall impact on the Company's operations.

Board Evaluation

The Board of Directors conducts an annual evaluation of its own performance, as well as that of its committees. All Directors participate by providing feedback and comments to the Group Human Resources and Governance Committee. The Committee then assesses the Board's performance and presents its findings to the Board. The evaluation process is carried out annually by the Group Company Secretary, with the involvement of an external consultant every three years to provide additional expertise.

Directors' Remuneration

The Group Human Resources and Governance Committee is responsible for determining the fees of non-executive directors and the compensation packages of executive directors. The Committee's objective is to attract and retain highly qualified individuals who make substantial contributions to the business, ensuring the Company remains competitive at the highest levels. In addition to a basic salary package, the Company provides a performance-related profit share to its employees, including executive directors. To ensure the Remuneration Policy aligns with market standards, the Committee utilises external market survey data from independent advisors. The compensation of non-executive directors is regularly reviewed in line with industry benchmarks, ensuring it remains appropriate and competitive. This approach aims to incentivise and reward directors for their valuable contributions to the Company's success.

Director's Declaration

In compliance with the Companies and Other Business Entities Act [Chapter 24:31] and the Company's Articles of Association, Directors are obligated to disclose in writing any material interests they hold in significant contracts with the Company that may result in a conflict of interest. This requirement ensures transparency and addresses potential conflicts that could impact the Directors' decision-making processes. As at 31 December 2023 there was no director with a beneficial interest in the shares of the company.

Ethics and Conduct

The Company places a strong emphasis on promoting the highest standards of ethical behaviour among its employees. It holds all employees accountable for conducting business in a manner that is beyond reproach in all reasonable circumstances. To reinforce this commitment, all employees are obligated to adhere to the Company's Code of Ethics. Additionally, the Company implemented a fraud hotline system that is independently operated. This system provides a confidential channel for reporting any suspected fraudulent activities or unethical behaviour, ensuring that potential issues can be addressed promptly and appropriately.

Share Dealing

In compliance with the Zimbabwe Stock Exchange Listing Requirements, the Company adheres to a "closed period" before the publication of its interim and year-end financial results. During this period, directors and employees are prohibited from engaging in any direct or indirect transactions involving the shares of First Mutual Properties Limited. This restriction aims to prevent any potential insider trading or market manipulation, ensuring fairness and transparency in the trading of the Company's shares.

Board Committees

The Board of Directors is supported by several Committees that assist in fulfilling its responsibilities. These Committees meet at least four times a year to assess the performance of the business and provide guidance on operational and policy matters. The composition of the Committees is periodically reviewed to align with the prevailing business environment. Each Committee operates under specific written terms of reference, which delegate certain Board tasks and outline clear objectives. The Board approves the terms of reference and Committee membership on an annual basis.

The Audit Committee plays a crucial role in reviewing the effectiveness of controls, and is further evaluated independently by external auditors. Additionally, it is worth noting that some Board Committees are shared between the parent Company, First Mutual Holdings, and First Mutual Properties, ensuring cost effective collaboration and synergy between the entities.

The structure and composition of the Committees are subject to continuous review and the state as of 31 December 2023 is outlined below:

Committee Members and Responsibilities

Committee	Members	Responsibilities
Audit	T. Ruvingo (Chairperson) Dr. S. Jogi W. M. Marere S. Wekwete R. Kupara	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 recommends the appointment of independent external auditors and approval of 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 external independent auditors have unrestricted access to the Audit Committee to ensure their 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 also considers wider corporate governance issues and related party transactions. The Human Resources and Governance Committee reviews recruitment procedures and strives to ensure that employee remuneration packages remain competitive. Additionally, the Committee acts as the Nomination Committee for Directors in the First Mutual Holdings Limited Group.
Investment Committee	A.R.T. Manzai- Chairperson M. Mukondomi A. Chidakwa A. Masiiwa	The Committee comprises four (4) non-executive directors, three of which are from the First Mutual Holdings Limited Group. It 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. Mberi J. Katurura	It comprises four (4) non-executive directors from 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. It also advises the Board on the risk aspects of proposed strategic transactions.

Board Meetings

The Company's meetings are held 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 2023:

Name	Main board	Audit	HR	Investments	Risk
Elisha K. Moyo	7	x	10	x	2
Sharon Wekwete	6	x	x	x	x
Douglas Hoto	7	x	10	4	4
Shasekant Jogi	8	5	x	x	x
Temba Ruvingo^	8	3	x	x	x
Christopher K. Manyowa	8	5	x	x	x
Arnold Chidakwa	6	x	x	4	x
Amos Mazarire	6	x	x	x	x
Samuel V. Rushwaya~	3	x	10	x	x
Evlyn Mkondo*	5	2	x	x	x
William M. Marere*	5	2	10	4	4

* Retired in Q2
^ Joined Audit Committee in Q3
~ Joined Board in Q4.
x Not a member of the Committee

Works Council

The Company holds Works Council meetings on a quarterly basis, providing a platform for employees to actively participate in the decision-making process and address their concerns with management. These meetings serve as a forum for open dialogue and discussion between employees and management, fostering a collaborative environment where employees' voices are heard, and their perspectives are valued.

Internal Controls

The Company adheres to internal controls outlined in relevant procedure manuals established by the First Mutual Holdings Limited Group, which define the required standards and key control activities. Management is responsible for monitoring and evaluating these systems to ensure accountability at all levels. Internal controls encompass activities such as loss prevention, detection of irregularities, and prevention of fraudulent activities.

The internal audit function plays a vital role in evaluating and assessing the Company's operations. Its mandate includes examining the accuracy and completeness of financial and operational data, internal regulatory systems, asset protection strategies, efficient utilisation of resources, and operational effectiveness. The Head of Internal Audit has unrestricted access to the Chairperson of the First Mutual Properties' Audit Committee. The Internal Audit function provides quarterly reports to the directors, promptly communicating any serious matters that require immediate attention.

The accounting policies are periodically reviewed by the First Mutual Properties Limited Audit Committee as well as the independent auditors. This review process is supported by IT-generated data, operational policies, and procedure manuals that are regularly updated to reflect changes and mitigate commercial risks associated with the Company's principal activities.

Sustainability Governance

The Managing Director, supported by heads of department, holds the ultimate responsibility for sustainability issues. This team identifies and presents sustainability concerns to the Managing Director, while the topics included in the sustainability report are approved by senior executives. By establishing this structure, we ensure that sustainability is integrated into our decision-making processes and that our actions align with our sustainability goals, driving positive change, and progress.

ETHICS AND INTEGRITY

ETHICS AND INTEGRITY

BUSINESS ETHICS AND COMPLIANCE

The business acknowledges the significance of employee and customer loyalty, which brings about valuable outcomes such as good brand reputation, increased shareholder returns, a decline in misconduct, and improved compliance. To uphold business conduct, ethics, and compliance, we established a dedicated Group Compliance department within the Group Legal department, tasked with overseeing and ensuring adherence to compliance measures across the Company.

In accordance with the Listing requirements of the Zimbabwe Stock Exchange, we implemented a code of ethics for the Board and senior management. Additionally, all employees, including the Board and senior executives, receive an annual code of conduct that they sign to signify their commitment to compliance. Emphasising a value-based approach to ethics and compliance, the Company fosters a culture where every employee takes responsibility for upholding these principles, considering them an integral part of our culture. To support this commitment, First Mutual Properties established a dedicated Deloitte tip-off anonymous platform, enabling employees to report any concerns anonymously.

The Audit committee reviews procedures related to the handling of complaints, including confidential and anonymous submissions by employees, regarding accounting, internal accounting controls, or auditing matters. These procedures include ensuring adequate safeguards against victimisation of employees who utilise the reporting mechanism and providing a direct channel to the Chairman of the Audit committee for exceptional cases. Regular risk assessments are conducted to identify potential areas of concern. Compliance and ethics are recognised as an ongoing process that necessitates continuous improvement in response to the evolving business environment. Our goal is to establish a strong compliance and ethics culture and during the year, no penalties or corrective orders have been issued by regulators. Recent incidents of corporate frauds in the country have raised the drive for ethical behaviour and effective compliance programs. In response to these incidents, we took proactive measures that have proven to be effective in reducing incidences within the Company. Senior executives and Board members are held accountable, not only for complying with the financial reporting provisions of the legislation but also for upholding ethical standards and ensuring compliance throughout the Company. This approach demonstrates our commitment to fostering an ethical culture and maintaining compliance with regulatory requirements.

Anti-Corruption

First Mutual Properties demonstrated a dedication to combating corruption and maintaining the highest ethical standards. Our efforts have not only ensured compliance with legal and regulatory requirements but also fostered a culture of integrity and accountability throughout the Company. We experienced significant positive outcomes through the implementation of Deloitte's Tip-off Anonymous facility and the inclusion of anti-corruption clauses in finance policies. Our commitment to deter gift acceptance in finance policies ensures fair and transparent procurement processes. By discouraging the acceptance of gifts and tokens of appreciation we maintain a level playing field for all parties involved and foster trust among stakeholders.

We conduct training and awareness programs to inform employees about the policies and procedures in place, ensuring they are well-informed. Clear guidelines on identifying and reporting corruption or fraud empower employees to act while maintaining confidentiality and protection. Regular follow-up audits and ad hoc audit assignments track the effectiveness of the mitigation measures, providing reassurance to employees and demonstrating our commitment to transparency and ethics. The absence of reported cases of corruption or fraud in 2023 indicates the success of the implemented measures. The establishment of the Tip-off Anonymous facility and the inclusion of anti-corruption clauses in finance policies have played a significant role in this achievement.

	2023
The proportion of employees who have received communications on anti corruption.	3
Number of operations assessed for risk related to corruption.	3

Diversity and Inclusion

As First Mutual Properties, our recognition of the significance of diversity and inclusion is continuously growing. We are continuously cultivating a workforce that embraces diversity and promotes an inclusive environment. The diverse and inclusive working atmosphere at FMP fosters a sense of belonging and acceptance, leading to higher employee satisfaction and retention rates. Embracing diversity has allowed the Company to tap into a wider pool of talent with unique perspectives, experiences, and skill sets. This expanded our capacity for innovation, creativity, and problem-solving. However, implementing diversity and inclusion initiatives may encounter resistance from some employees who perceive it as a threat to their existing power or privileges thereby leading to a fragmented working environment. Effective diversity and inclusion programs at times require significant financial and resource investments which may pose challenges when the budget is limited.

We are committed to actively managing diversity and inclusion by implementing policies aimed at identifying and removing barriers that may hinder the participation and advancement of diverse employees, with a specific emphasis on gender, age, race, and disability. We conduct awareness trainings on gender, race, and disability inclusivity to educate our employees and promote a greater understanding of these issues. Additionally, we made physical adjustments to our facilities to ensure accessibility and accommodate the needs of individuals with disabilities. This includes providing disability enablers such as transportation, designated parking spaces, accessible buildings, and suitable ablution facilities. Further, we established partnerships with talent sources that specialise in recruiting and selecting diverse candidates, particularly focusing on race, gender, and disability. We organise team-building activities that promote understanding, trust, and collaboration among colleagues from various backgrounds and provide cross-cultural training.

To ensure that our initiatives are yielding positive results, we conduct quarterly reporting on all diversity and inclusion activities, as well as monitor employee movements and align recruitments with diversity and inclusion. By the year 2026, we anticipate increasing the representation of women at managerial and executive levels and engaging young, competent individuals in management and executive roles. We look forward to ensuring the inclusion of disabled employees at all levels and promoting diversity among all races. We made notable progress towards our goals in FY2023, for instance, we successfully increased the percentage of employees below the age of 45 years in managerial roles and achieved a minimal representation of different races. Through our engagement with stakeholders, such as facilitators who assist in policy crafting, we gained valuable insights and incorporated them into our operational policies and procedures.

Human Rights

We prioritise creating a sustainable workplace that eliminates discrimination, promotes freedom of association, and enhance the overall well-being of employees. Our commitment extends to promoting equality, fair treatment, and a safe, inclusive working environment for all employees. By fostering a diverse and harmonious workplace, we aim to enhance employee morale and well-being. However, we acknowledge the adverse impacts of poor Human Rights management such as increased turnover, legal penalties, and damage to our reputation. We continuously strive to improve our practices to ensure the protection of Human Rights and meet the expectations of our employees and stakeholders.

To demonstrate our commitment, we strictly adhere to both local and international labour laws, ensuring that Human Rights are respected throughout the Company. Our Recruitment Policy serves as a guiding framework, promoting the principles of respect for Human Rights at every stage of the recruitment process. We fully comply with Government regulations on safety and health, creating a caring and supportive environment for our employees. Effective communication channels and wellness programs are implemented to promote employee well-being. To address concerns and foster dialogue, we established a Works Council that regularly convenes to discuss management and employee issues. This platform facilitates collaboration and ensures that the voices and perspectives of all stakeholders are heard and taken into consideration.

To ensure compliance with laws, regulations, and standards, we conduct regular internal and external audits at First Mutual Properties. These audits verify that our Company operates in alignment with established guidelines and requirements. Our strong focus on employee engagement resulted in positive outcomes, including decreased turnover rates, disputes, and complaints. These indicators reflect our ongoing efforts to cultivate a workplace that values and supports our employees, demonstrating our commitment to upholding Human Rights.

Cybersecurity and Privacy Protection

As First Mutual Properties, we consistently demonstrate a strong commitment to maintaining the security and privacy of client data. Our track record in protecting data not only instils confidence in our clients but also positions us as a leader in the industry, reinforcing our reputation for reliability and trustworthiness. However, we acknowledge that non-compliance with cybersecurity and privacy regulations poses a significant risk, potentially leading to legal and reputational consequences.

As part of our data protection efforts, we adhere to the principles of data protection: quality of data; lawfulness; transparency and fairness; purpose limitation; accessibility; accuracy; consent; storage limitation; and confidentiality and integrity. These principles serve as the foundation for our approach to handling personal information with utmost care, ensuring compliance with legal requirements and industry best practices. Through the formulation and enforcement of an Information Security Policy, we created a framework that guides our employees in maintaining the confidentiality and integrity of client data, while also promoting transparency and accountability.

Our commitment to proactive risk management is evident through our ongoing efforts to track the effectiveness of our cybersecurity practices. Regular internal and external audits, disaster recovery drills, vulnerability assessments, and penetration tests are conducted to identify potential vulnerabilities and ensure the resilience of our systems and infrastructure. By setting clear goals and targets, such as system uptime and data leakage rates, First Mutual Properties establishes key performance indicators to measure its progress and drive continuous improvement. This diligent approach to managing cybersecurity risks underscores our dedication to maintaining a high standard of professionalism and ensuring the utmost protection of client data.

ENTERPRISE RISK MANAGEMENT (ERM)

As First Mutual Properties, we understand the importance of managing enterprise risks effectively to ensure sustainable growth and success. To achieve this, we developed a comprehensive risk management framework that serves as the basis for designing, implementing, monitoring, reviewing, and continually improving risk management throughout our operations. We prioritise the needs of both our internal and external stakeholders to ensure that we meet their requirements while maintaining the highest level of safety and security. Our framework is based on the Risk Management Principles and Guidelines developed by the International Organisation for Standardisation, which ensures that our risk management practices are aligned with global best practices.

Financial risk

First Mutual Properties acknowledges that all economic activities are exposed to diverse risks, which are the fundamental principles of financial risk. The Company comprehends various types of financial risks, such as credit, foreign exchange, liquidity, and inflation risk. To mitigate these risks, we use various financial instruments and adopt both quantitative and qualitative approaches to financial risk management. Our investment and financial risk management involves managing the relationship between the internal aspects of financial institutions and the external factors that affect investment.

Sustainability Risk

We are dedicated to prioritising sustainability in all our business practices, and we implemented a Sustainability Risk Management (SRM) strategy to align our profit goals with our environmental policies. Our objective is to create a sustainable business while also preserving the environment for future generations. Our SRM framework is designed to help identify emerging issues that may impact our supply chain, operations, and production. We recognise that issues such as the availability of renewable energy sources, depletion of non-renewable resources, and changing Government regulations can have a significant impact on our business.
The objective of our SRM is to ensure that this alignment is efficient enough to sustain and grow the business while simultaneously preserving the environment. To strengthen our credibility, we embedded sustainability in our monthly management reports and nominated sustainability champions to spearhead the sustainability drive internally.

Residual Risks:

Risk Category	Description	Mitigation measures
Regulatory Compliance	Potential risk arising from unethical employee actions or deviations from internal policies e.g., Code of Conduct. The potential risks that may arise from industry regulatory violations or adverse regulatory amendments, rulings, or decisions.	• The legal department distributes a code of ethics that every employee must read, understand, and sign to acknowledge. • A calendar that lists all statutory payments and returns is distributed to all compliance officers. • Training on compliance is conducted regularly.
Health and Safety	Potential risks to human capital and public safety from threats and inadequate safeguards.	• The property management team conducts regular building inspections to ensure safety.
Human Capital	Potential risk of inadequate skill set availability for job requirements.	• The Human Resources department carefully selects employees, who are then trained by a dedicated team.

Compliance Statement

First Mutual Properties' management and directorate are responsible for always ensuring compliance with applicable legal and other regulatory requirements. Some of the regulatory requirements are as follows:

- 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
- SI134 of 2019 Securities and Exchange (Zimbabwe Stock Exchange Listing Requirements) Rules.

STATEMENT OF THE DIRECTORS' RESPONSIBILITIES

31 December 2023

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
23 February 2024

C K Manyowa
Managing Director
Harare
23 February 2024

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
23 February 2024

DECLARATION BY FINANCE EXECUTIVE

31 December 2023

The financial statements on page 75 to 158 have been prepared under the supervision of the Finance Executive Dumisani .L. Tshabalala.

Dumisani Leroy Tshabalala
Finance Executive
23 February 2024
CA(Z) BCom General Accounting (NMU)(SA)
Member of the Institute of Chartered Accountants of Zimbabwe (ICAZ)

SUSTAINABILITY

SUSTAINABILITY

Our Strategy

First Mutual Properties is fully committed to creating long-term value for both our Company and society through sustainable property development and management. Our approach ensures a harmonious blend of social, economic, and environmental values that define the properties and services we offer to our clients. Our strategy revolves around maximising social benefits while minimising negative impacts on the natural environment and ecosystems. This includes taking measures to reduce emissions, waste, and pollutants from our properties and encouraging our tenants to adopt responsible operational practices.

We place a strong emphasis on the development and management of sustainable green buildings. We actively support and promote International Green Certification Standards for our properties, striving to meet and exceed these requirements. Additionally, we continuously evaluate and improve our property evaluation processes, sustainable construction and management practices, resource efficiency, and sustainable procurement processes as outlined in our sustainability plan. We remain dedicated to our sustainability goals, seeking innovative solutions and collaborating with stakeholders to drive positive change and create a better future for all.

Sustainability Performance

As First Mutual Properties Limited, we are committed to minimising our environmental impacts and promoting sustainability. We monitor our operations to ensure the efficient use of environmental resources, such as energy and water, which contribute to operational efficiency and long-term sustainability.

The company is dedicated to ensuring that most of its commercial properties adopt solar energy solutions, thereby reducing reliance on non-renewable energy sources. Prior to development, we conduct impact evaluations in collaboration with the Environmental Management Agency. This ensures that environmental considerations are taken when planning and constructing properties, minimising potential negative impacts. Our diverse property portfolio is managed by a team of real estate and other professionals who are dedicated to achieving key results, including zero demolitions and penalties.

Contractors Management

First Mutual Properties follows a selection process that includes screening out those who do not meet the requirements set by regulators for contractors through tendering procedures. We prioritise suppliers who meet specific criteria to ensure their efficiency in delivering the required services. For contractors involved in construction projects, it is mandatory for them to be legally registered businesses and comply with regulations such as the National Social Security Authority (NSSA) and Occupational Health and Safety regulations. These measures are in place to ensure compliance, safety, and quality in the construction of buildings.

Tenants

First Mutual Properties implements a clearance process for prospective tenants, requiring them to provide identification, employment letters, and bank statements. For companies, we require them to submit registration documents and audit reports, and if they meet the required criteria, we accept the tenants. Routine property inspections are conducted to prevent damages caused by irresponsible practices. These measures ensure responsible tenancy and property maintenance.

STAKEHOLDER ENGAGEMENT

Our stakeholder engagement is a strategic process involving active participation and collaboration with individuals, groups, or organisations who are directly or indirectly affected by our projects, properties, and decisions. The primary objective is to gain valuable input, insights, address concerns, and incorporate a broad range of perspectives to achieve better outcomes. Through clear and transparent communication, we establish trust, manage risks, and enhance decision-making thus cultivating mutually beneficial relationships and ensuring the alignment of interests among stakeholders.

Defining Stakeholder Groups

First Mutual Properties Limited categorises its stakeholders as individuals or groups whom we interact with and who have a direct or potential impact on our operations. In a corporate setting, the key stakeholders consist of investors, employees, customers, and suppliers. Nevertheless, as corporate responsibility gains more significance, the social perspective has expanded to encompass communities, Governments, and trade associations.

Categorisation of Stakeholders:

- Employees
- Management
- Shareholders

- Tenants
- Government
- Regulators
- Communities
- Suppliers
- Investors

Our FY2023 stakeholder engagement was as follows:

Employees	Tenants	Shareholders and potential investors
How did we engage? • Electronic communication. • Physical meetings. • Engagement surveys.	**How did we engage?** • Physical meetings. • Print communication. • Operational notices.	**How did we engage?** • Annual Reports. • Analyst briefings. • Annual general meetings
Key topics covered: • Ethical leadership. • Flexible employment. • Wellness programmes that extend to families. • Retention of employees and recruiting the right talent.	**Key topics covered:** • Creating long-term business partnerships. • Providing tenants with space to thrive with high-quality infrastructure. • Prominently located physical infrastructure and associated property management services.	**Key topics covered:** • High expectations on sustainable returns. They expect management to come up with an effective growth strategy. • Investor confidence.
Mitigation measures: • Trust and transparency. • Transformation. • Fair remuneration, recognition, and reward for performance. • Flexible work environment. • Training and development.	**Mitigation measures:** • Superior property management services. • Green building initiatives and well-located, quality properties.	**Mitigation measures:** • Continuous strengthening and evaluation of governance structures. • Dividend payout to shareholders.
Frequency of Engagement Monthly. Quarterly. Half yearly. Yearly.	**Frequency of Engagement** Daily. Ad hoc.	**Frequency of Engagement** Quarterly. Bi-annually. Annually.

Suppliers	Government and Regulators	Communities
How did we engage? • Physical interactions. • Meetings.	**How did we engage?** • Tax legislation. • Face to Face. • Meetings. • Emails.	**How did we engage?** • Face to face. • Communication through marketing specialists.
Key topics covered: • Providing sustainable business and growth opportunities that are mutually beneficial in a manner that is transparent and equitable.	**Key topics covered:** • Fair regulations and policies that encourage investment. • A relationship of trust and transparency.	**Key topics covered:** • Creating long-term relationships with our communities. • Impacting the communities in which we operate in a positive manner.
Mitigation measures: • Adherence to payment terms. • Supporting local suppliers, thereby creating employment and upliftment of small to medium enterprises.	**Mitigation measures:** • Ongoing engagement with tax consultants on tax-related matters. • Dedicated Group Compliance department that ensures compliance. • Best practice recommendations for accounting and disclosures.	**Mitigation measures:** • CSR programs.
Frequency of Engagement • Daily. • Ad hoc.	**Frequency of Engagement** • Monthly.	**Frequency of Engagement** • Annually. • Ad hoc.

SUSTAINABILITY MATERIALITY ASSESSMENT

First Mutual Properties conducts an annual materiality assessment to evaluate the most significant impacts on its business and stakeholders. This assessment recognises that sustainability impacts and stakeholder concerns can vary in nature and importance, necessitating the implementation of appropriate measures.

By conducting the materiality assessment on a regular basis, First Mutual Properties stays informed about emerging sustainability issues, aligns its strategies and initiatives with stakeholder expectations, and addresses the most significant impacts on its business. This enables the Company to take appropriate measures to manage risks, identify opportunities, and create value in a way that is responsible and beneficial to both the business and its stakeholders.

Sustainability Materiality Approach

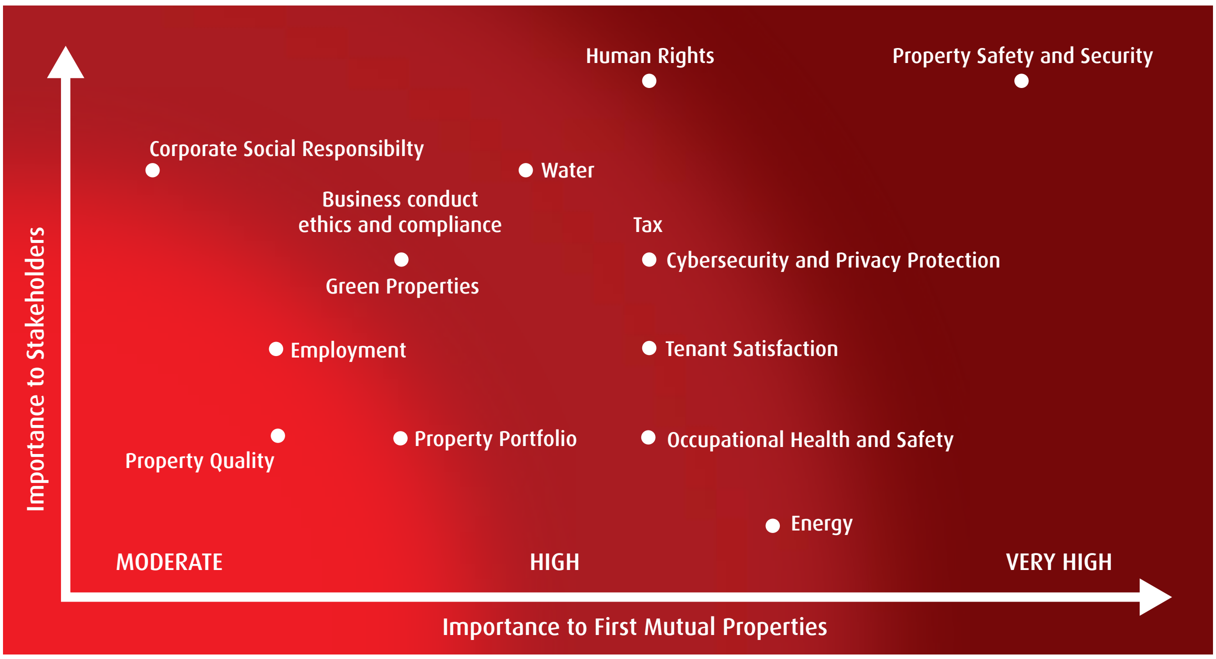
First Mutual Properties applies a structured methodology for its materiality assessment, guided by the Global Reporting Initiative (GRI) Standards and Sustainability Accounting Standards Board (SASB) on sector specific matters. The assessment process involves several stages, including review, identification, prioritisation, and approval. The assessment process incorporates a combination of desktop research and senior management surveys. These methods help gather information and insights on various sustainability topics and their importance to the business and stakeholders. Senior management plays a critical role in prioritising and approving the final list of material issues based on their assessment of stakeholders' interests and the Company's strategic priorities. This process ensures that the Company's sustainability efforts and reporting are aligned with stakeholder expectations, industry standards, and global trends, enabling it to address key issues and drive positive impacts.

Sustainability Materiality Process

Identified material topics for the reporting period were as follows:

Materiality Matrix

The matrix presented in the scatter graph below represents the results of issues identified and prioritised based on their importance to First Mutual Properties Limited and their potential influence on stakeholder decisions. The issues are plotted on the priority of the total number of topics surveyed which were narrowed to the top fifteen (15) topics that reflect the importance or impact to the business and its importance to stakeholders based on the perceptions of management.



In FY2023, the following topics were identified as significant and important to both the Company and stakeholders.

- Human Rights
- Property Safety and Security
- Water
- Tax
- Tenant Satisfaction

MATERIALITY LINK TO SDG

	Moderate	High	Very High
	Relevance to Sustainable Development		
	The UN Sustainable Development Goals		
Property Safety and Security			9 11
Human Rights			10
Water		6	
Tax		16	
Business ethics and compliance		17	
Economic Performance	8		
Employment	8		
Corporate Social Responsibility		1	
Green Properties		13 15	
Cybersecurity and Privacy Protection		16	
Occupational Health and Safety		3	
Energy		7	

SUSTAINABILITY RISKS AND OPPORTUNITIES (SRRO)

The consideration of sustainability risks and opportunities has emerged as a crucial component of strategic decision-making. First Mutual Properties recognise the importance of effectively managing risks associated with environmental, social, and governance factors, while capitalising on opportunities that enhance long-term viability and stakeholder value. The integration of sustainability risks and opportunities within the enterprise risk management frameworks, emphasising our commitment to fostering sustainable and responsible business practices.

SRRO	Risks	Opportunities
Green Buildings	Losing out on international businesses and UN Agencies who are required to occupy green buildings only. This can impact revenue due to limited green buildings portfolio.	Investing in green buildings particularly the new Arundel Offices extension. Upgrade existing properties to meet green buildings profile.
Water	Erratic municipal water supply could make some properties less attractive.	Investing in borehole water which increases attractiveness of our properties to tenants which contributes to occupancy rate and revenue.
Energy	Energy supply to properties which could lead to clients opting for properties with energy security. This could lead to revenue loss.	Investing solar energy for all lighting of buildings. Considering huge generators that power full buildings.
Biodiversity and Ecosystem Risks	Habitat destruction and Ecosystem degradation due to infrastructure development which can lead to fines from Regulatory bodies like Environmental Management Agency (EMA).	Developing nature-based solutions, such as green infrastructure, sustainable land use planning, and ecosystem-based adaptation measures, can help address environmental risks while providing multiple benefits like carbon sequestration, and improved community resilience.
Transition Risks	Risks arising from the shift to a low-carbon economy and the efforts to mitigate climate change. These risks can result from policy and regulatory changes (Climate Change Bill), carbon pricing, technological advancements, changing consumer preferences, and market shifts.	Investing in emission reduction projects to offset carbon footprint while contributing to sustainable development.

RESPONSIBLE PROPERTY MANAGEMENT

RESPONSIBLE PROPERTY MANAGEMENT

Building shared values with our tenants

First Mutual Properties Limited prioritises tenant safety, health, and fulfilment. Our buildings are designed to meet local and international standards, incorporating green spaces like gardens and aquariums. These efforts contribute to tenant well-being, attract more business, and enhance our brand image. We foster stakeholder engagement to align our spaces with client needs.

Green Properties

As First Mutual Properties, we recognise the role we play in promoting sustainability and environmental responsibility within the real estate industry. Our approach encompasses a range of strategies, including energy efficiency measures, renewable energy adoption, waste reduction, and community engagement. Our green buildings are designed to minimise adverse impacts on the environment, promote resource efficiency, prioritise energy efficiency, water conservation, reduce carbon emissions and improve occupant well-being. We utilise solar energy thus reducing electricity required from the national power grid and minimising the need for generator fuel allowing cost savings.

First Mutual Properties invested in retrofitting buildings so that they incorporate energy-efficient features. These buildings utilise natural lighting, reducing the need for artificial lighting and consequent energy consumption. We adopted Light Emitting Diodes (LED) which are energy-efficient and consume less electricity compared to conventional lighting options. Our initiatives include incorporating design features that improve natural lighting within buildings enhancing the indoor environment, leading to increased occupant comfort and productivity. FMP promotes the inclusion of plants within buildings, which helps improve indoor air quality. The presence of plants also helps filter pollutants and enhances the overall well-being of occupants.

Property Portfolio

First Mutual Properties recognises that a diverse property portfolio offers numerous benefits beyond financial gains. One key advantage is the ability to effectively manage risks. By diversifying the portfolio across different locations and property types, we mitigate the impact of market fluctuations and localised economic downturns. This risk management strategy provides greater stability and resilience to our overall real estate investments. Additionally, a diverse portfolio promotes the efficient use of land and infrastructure, maximising the potential of each property and optimising returns. While there are potential negative impacts associated with property portfolios, such as negative cash flow or the unpredictability of the real estate market, we implement proactive measures to address and mitigate these risks.

During the year, we had to implement rental strategies, thorough tenant vetting, and regular rental rate reviews to prevent negative cash flow. Staying informed about economic trends, interest rates, and Government policies allows us to monitor and respond to changes in the real estate market. To manage impacts, we continue diversifying our property portfolio by investing in different locations and property types. Exploring alternative investment vehicles like Real Estate Investment Trusts (REITs) provides additional diversification and potential income streams.

We conduct regular tracking and assessment of key performance indicators to evaluate the effectiveness of our practices and ensure that our portfolio's performance aligns with business goals. By actively managing the portfolio and adapting strategies, First Mutual Properties strives for revenue assurance, customer satisfaction, and long-term success in its real estate investments.

Property Quality

First Mutual Properties strives to maintain high-quality properties thereby enhancing marketability. Well-maintained and attractive buildings have a higher likelihood of attracting quality tenants who value aesthetics and quality. This results in improved occupancy rates, lower vacancy levels, and a consistent rental income stream. Additionally, high-quality properties have the potential to command higher rental rates, leading to increased yields and overall financial performance. However, there are potential negative impacts associated with property quality that need to be addressed such as high maintenance costs. Expenses like insurance premiums, air conditioning maintenance, and lift maintenance can be substantial.

We implemented policies and commitments that prioritise the maintenance and enhancement of building values. This includes implementing best practices in property maintenance, effective marketing strategies to minimise vacancy levels, and selecting favourable locations that minimise exposure to risks like vandalism. Thorough tenant vetting to ensure the right mix of tenants and minimising vacancies are also actions taken to address adverse impacts. We conduct regular internal audits, valuations, and dilapidation reports to evaluate the efficiency of actions taken and assess property values over time. Key performance indicators such as occupancy rates, yields, property values compared to others in the area, vacancy levels, and tenant satisfaction surveys provide insights into the success of property quality management efforts.

Tenant Satisfaction

First Mutual Properties recognises that effective tenant satisfaction management is crucial for its success as a real estate Company. Satisfied tenants are more likely to refer others, leading to higher occupancy rates and word-of-mouth promotion. Tenant satisfaction management also has a positive impact on rental negotiations as satisfied tenants are less likely to have complaints or refuse to pay proposed higher rentals, making negotiations smoother and increasing the likelihood of reaching mutually beneficial agreements. Further, effective tenant satisfaction management can lead to lower rental arrears. Satisfied tenants are more likely to pay their rent on time and in full, reducing the risk to our cash flow and financial performance.

To ensure tenant satisfaction, First Mutual Properties implements policies that prioritise tenant needs and commits to responsive communication, such as a policy to respond to all tenant emails within 24 hours. Budgeting for maintenance and repairs and allocating funds in a controlled manner helps prevent and mitigate potential negative impacts. Tenant engagement surveys and annual maintenance budgets provide insights into the effectiveness of actions taken and identify areas for improvement. We utilise key performance indicators such as occupancy rates, yields, rental values, tenant turnover rates, and logged Customer Relationship Management (CRM) issues which helps in evaluating the success of our tenant satisfaction management efforts.

SUSTAINABLE OPERATIONS

SUSTAINABLE OPERATIONS

Energy

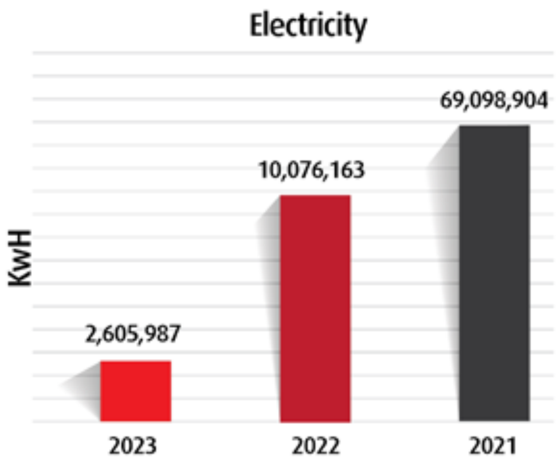
As FMP, we prioritise the management of energy impacts to ensure we contribute positively to the environment, economy, and society. We embraced solar energy as an alternative source of power which has resulted in a substantial reduction in our reliance on the Zimbabwe Electricity Supply Authority (ZESA) as a source of energy. Further, by utilising solar energy, we contribute to energy savings and reduce our carbon footprint. However, the adoption of energy-efficient technologies and practices can require significant upfront investments. This capital-intensive nature may delay the return on investment and pose financial challenges in the short term. In cases where solar energy systems are not utilised optimally or overloaded, it can lead to increased fuel consumption as backup power sources are activated, and in turn results in higher operating costs.

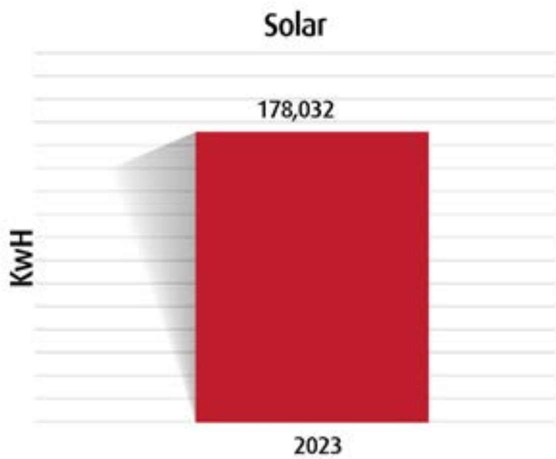
Our primary policy is to conserve energy by relying on renewable sources and minimising our dependence on cost-intensive energy providers. We aim to maximise energy efficiency across all operations and facilities. FMP implemented an auto changeover system to minimise disturbances caused by electricity cut-offs. This system seamlessly switches power sources, ensuring uninterrupted electricity supply and minimising disruptions to employees' work.

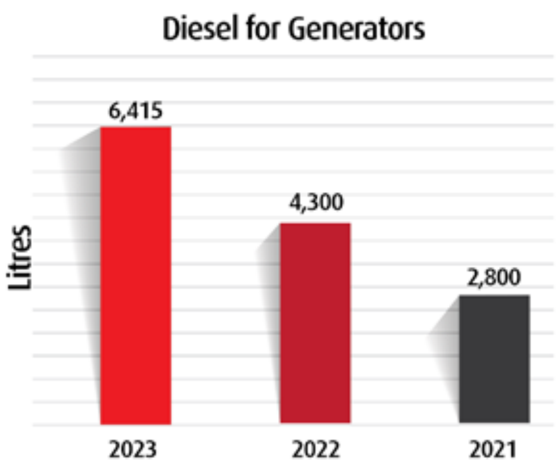
The Company strives to have more energy-efficient buildings such as Arundel Office Park with operational cost savings and high-value structures that align with market trends. The occupancy of our energy-efficient buildings is over 90% with competitively priced rentals to generate more income for the Company. We aim to incorporate energy-efficient systems in new developments, ensuring high building values and tenant satisfaction. We maintain engagement with stakeholders, seeking their input and expertise to continually improve our energy management practices.

Our energy consumption was as follows:

Energy outside the Company

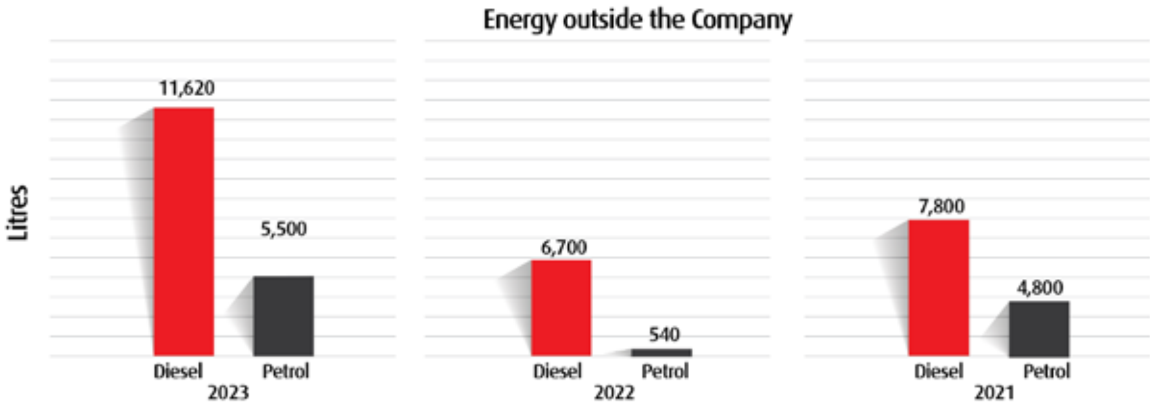






The tracking of solar usage started in 2023. The 74% reduction in electricity usage is mainly attributable to alternative sources of energy (solar) and power outages. The generator is only used as a backup power supply whenever there are electrical breakouts and faults. Where possible, we target to operate all buildings on solar and move away from using non-renewable energy.

Energy outside the Company



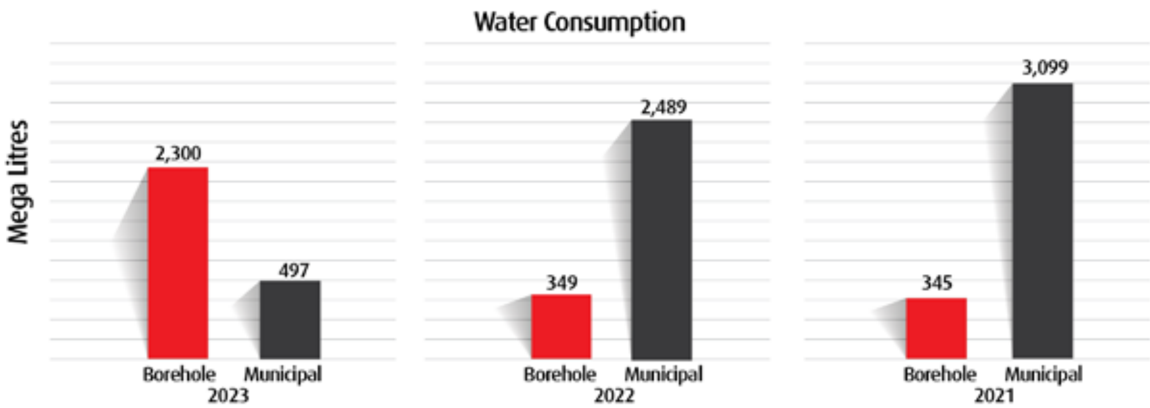
The increase in the use of petrol was mainly attributable to the increase in the number of petroleum-powered pool vehicles used in the operations of the business. With the increase of the electric-powered motor mobiles, the business in the next acquisitions will consider that option.

Water

First Mutual Properties demonstrates a proactive approach to managing water impacts while reaping the benefits of sustainable water usage and improved quality of life for stakeholders. We introduced boreholes as an alternative water source of municipal water, resulting in several positive impacts. One significant benefit is the reduction of pressure on city council water resources, leading to more sustainable water usage. The availability of clean drinking water through boreholes improved the quality of life for tenants and residents, who no longer solely rely on city council water. This enhances the attractiveness of properties, making them more desirable to potential tenants or buyers. We prioritise regular servicing and maintenance of boreholes to ensure optimal performance and longevity. By partnering with competent suppliers and conducting inspections, we minimise breakdowns and costly repairs. Monitoring water tables and the impact on local water resources helps prevent adverse effects like lowered water tables or depleted sources, ensuring long-term sustainability. Strategies implemented to manage negative impacts include water conservation practices like pressure regulators and rationing. Pressure regulators control water flow, reducing consumption and strain while water rationing promotes efficient and responsible use, especially during scarcity. Regular engagement with tenants and residents addresses any concerns or dissatisfaction, ensuring a positive user experience.

First Mutual Properties made significant progress towards its goals of reducing reliance on city council water and improving tenant satisfaction. Regular tenant satisfaction surveys and monitoring of city water costs provide valuable insights into the effectiveness of the actions taken.

In FY2023, our water consumption was as follows:



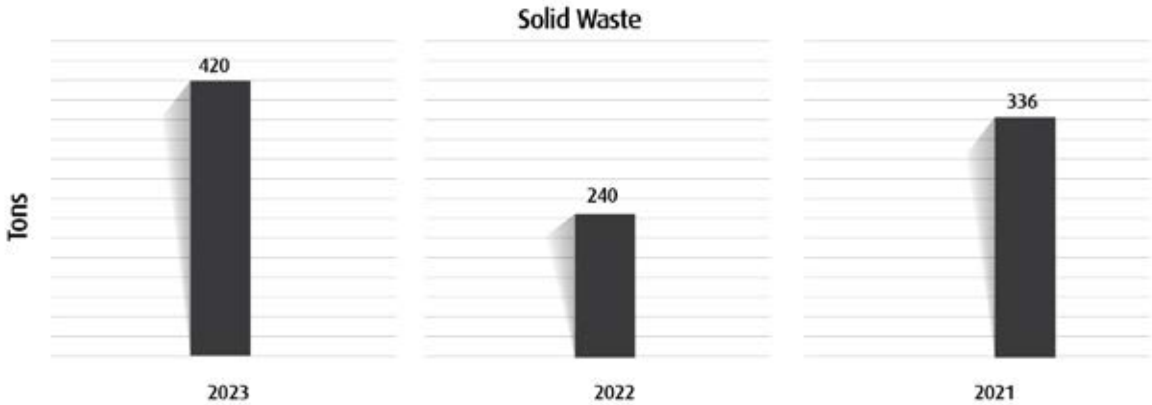
Waste

First Mutual Properties recognises the importance of waste management and its impact on the environment, economy, and human well-being. Through careful planning and efficient resource utilisation, we conserve natural resources and reduce the overall waste generated during our projects. Once projects have been completed, we identify recyclable materials that can be reused for future projects and recycle them. However, we also encounter challenges, for instance, delays in waste collection which sometimes leads to air pollution and exposes employees to airborne diseases. Additionally, poor waste management practices at construction sites can result in land and water pollution through the release of harmful substances. We are committed to maintaining a clean and waste-free environment by ensuring regular waste collection and disposal. We closely monitor the waste management practices of subcontracted companies and ensure that waste is not dumped or left uncollected at construction sites or buildings, as this contributes to adverse impacts on the environment and local communities.

Our procurement policies prioritise the use of recyclable or reusable materials to minimise waste. To further manage waste and related impacts, we implemented bin houses at our properties. These bin houses serve multiple purposes, including waste isolation and minimising exposure to toxins and harmful substances. By segregating waste and providing proper storage and disposal facilities, we prevent pollution and protect the health and safety of our employees and the surrounding environment. We secured separate waste collection arrangements outside the City of Harare which allows us to continue waste collection during periods of delay. We take responsibility for clearing sites after construction or renovations. This includes proper waste collection, disposal, and cleaning to try and restore the site to its initial state.

The Company sets aside a budget specifically for sustainable waste management and ensures the allocated amount is utilised each year. We intend to set up recyclable waste management systems at all buildings owned by First Mutual to ensure waste is segregated at source to reduce exposure to toxins. However, no specific targets have been set so far. First Mutual Park and Arundel Office Park implemented recyclable waste management systems and have color-coded bins. We implemented waste segregation and bin house to protect residents from exposure to toxins. These achievements demonstrate our commitment to sustainable practices and our ability to satisfy tenant requirements. Engagement with stakeholders, such as the United Nations Development Programme, has played a significant role in informing the actions taken by the Company. Tenant requests for color-coded bins and proposals for bin cages have been met.

Waste Production for FY2023 was as follows:



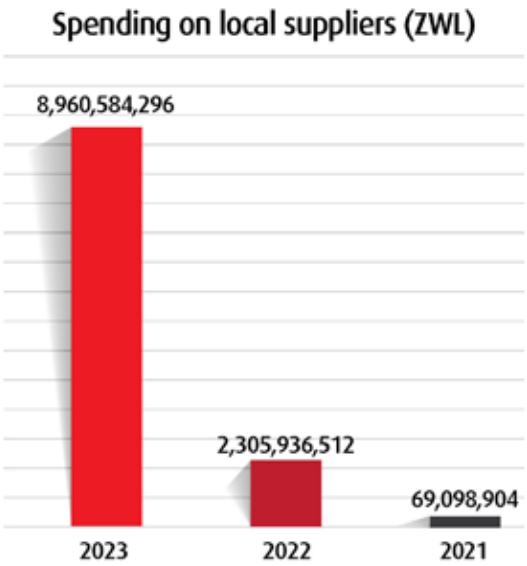
Procurement

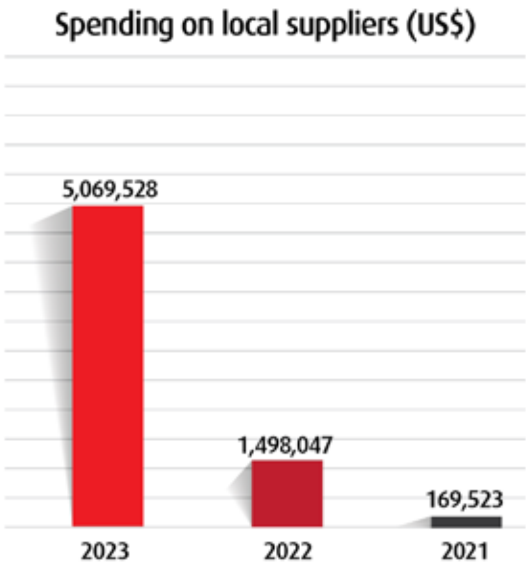
The consolidation of procurement needs for First Mutual Properties yielded significant positive impacts on the business. By centralising our procurement processes, we have been able to negotiate better prices and delivery times with suppliers resulting in substantial cost savings. Additionally, consolidating our procurement needs streamlined our operations, allowing for more efficient and effective management of our supplier relationships.

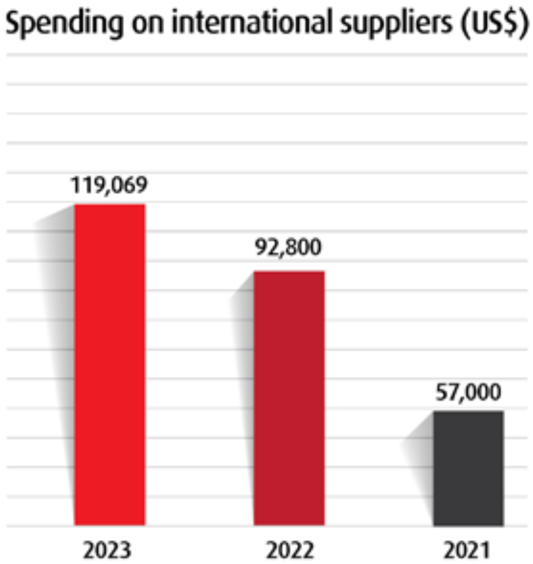
We are actively pursuing the procurement of environmentally friendly equipment to minimise our environmental footprint and contributing to a greener future. This commitment aligns with our corporate social responsibility goals and demonstrates our dedication to sustainable procurement practices. We are exploring partnerships with suppliers who offer environmentally friendly options and are working to integrate these products into our procurement processes.

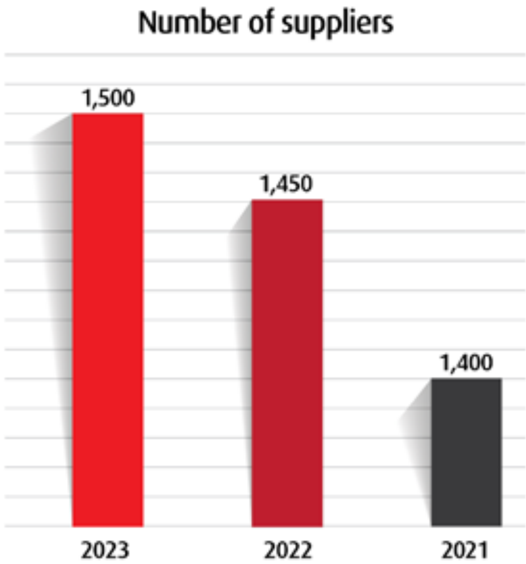
To ensure transparency and fairness in our procurement practices, we implemented policies and commitments that promote equal opportunities for our approved list of suppliers. All suppliers on our list are given the chance to quote on available works, fostering healthy competition and providing fair business opportunities. Moreover, our procurement processes are closely monitored and approved by the Group Internal Audit (GIA) to ensure compliance with established policies and procedures. We continuously evaluate and improve our procurement strategies to achieve optimal outcomes for the business.

During the year, our procurement spending was as follows:









As a result of our new business ventures, specifically in the areas of project management, we sought additional suppliers in turn increasing supplier spending. These ventures have necessitated the engagement of external partners to fulfil various project-related requirements and legal obligations. The expansion of our supplier base has been a strategic response to the increased demands and complexities associated with new business initiatives. We aim to ensure the efficient execution of projects, complying with legal regulations, and effective risk management. This expansion of our supplier network strengthens our ability to deliver high-quality outcomes and maintain a competitive edge in the market.

CLIMATE CHANGE

CLIMATE CHANGE

Climate Action

FMP is fully committed to playing its part in climate change mitigation and adaptation through a comprehensive set of initiatives and actions. Our primary focus is on reducing Greenhouse Gas Emissions, promoting energy efficiency, and fostering sustainable practices throughout our operations. One of our key achievements is the transformation of our buildings into environmentally responsible structures by incorporating energy-efficient materials and installing solar panels. We prioritise resilience in real estate management by designing and equipping buildings to withstand hazards such as flooding and extreme weather events. We acknowledge the negative impacts of climate change, such as increased droughts, reduced rainfall, unpredictable wind movements leading to cyclones, and changes in seasonal temperature patterns. These impacts can result in impaired infrastructure, higher insurance premiums, potential property devaluation and increased maintenance costs. We are committed to addressing these challenges by integrating climate resilience into our operations, investing in sustainable technologies, and collaborating with stakeholders to build resilience in the communities we serve.

First Mutual Properties adheres to the Environmental Management Act (Chapter 20:27) as part of its policies. This Act provides a framework for environmental management and guides our efforts in ensuring sustainable practices. Further, we made commitments in line with the Energy Conservation (Amendment) Act, 2022 which aims to enhance energy efficiency in the industry by imposing stringent energy standards on new commercial buildings.

To ensure responsible environmental practices, the business engages with the Environmental Management Agency (EMA) to conduct surveys before undertaking any projects or significant alterations in existing buildings. This proactive approach allows for an assessment of potential environmental impacts and helps the Company to make informed decisions in line with sustainable principles. The business demonstrates its commitment to responsible environmental management and ensures that projects and alterations align with applicable environmental regulations and guidelines.

The business engages with EMA to obtain approvals for its projects, ensuring compliance with environmental regulations and implementing sustainable practices. The effectiveness of our actions is assessed by the successful attainment of approvals and progress toward sustainable goals. The business made strides in using environmentally friendly resources, such as solar systems, to conserve energy and reduce its carbon footprint, showcasing its commitment to sustainability.

Climate-Related Risks

First Mutual Properties is dedicated to addressing climate-related risks and promoting sustainability. Through proactive measures, we assess and manage these risks to protect our assets, stakeholders, and communities. This includes implementing strategies to mitigate the impacts of extreme weather events, such as reinforcing buildings and establishing emergency response plans.

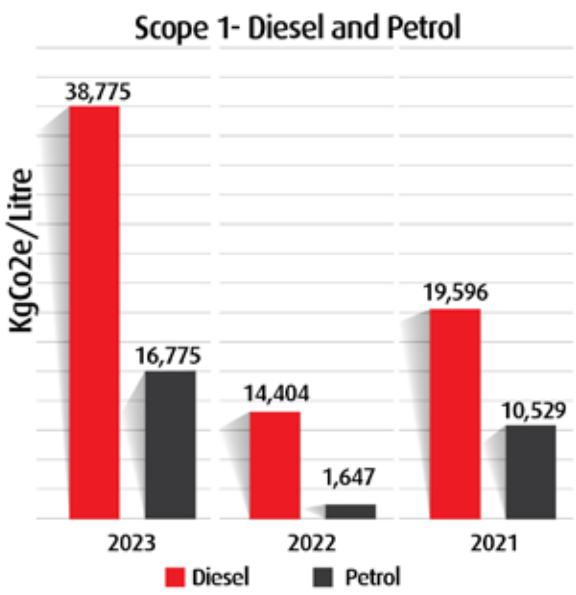
Risk/ Opportunity	Description	Classification	Financial Implications	Mitigation
Energy	The saving on electricity costs while also providing clean energy.	Physical	The cost of electricity and the use of thermal power energy is high. The cost of setting up and maintaining solar energy might be around USD400 000 which might be costly.	Due to the high cost in implementation of solar energy, the business is going to deploy it in phases and to all new developments.
Extreme Weather	The potential risk of increased vulnerability to extreme weather events which might result in damage of infrastructure.	Physical	Costs associated with repairing or replacing damaged assets, such as buildings and equipment. Infrastructure damage can lead to business disruptions, resulting in lost revenue.	Implementing infrastructure design and engineering strategies that consider climate risks, such as designing buildings to withstand extreme weather events.
Transition risk	The potential risk of experiencing significant policy and regulatory changes, particularly considering the shift towards a low-carbon economy. Further, the potential of a climate law in Zimbabwe	Regulatory	Regulatory changes may require companies to invest in new technologies, equipment, or processes to comply with the evolving policy landscape.	Developing a comprehensive strategy to ensure compliance with existing and anticipated regulations. Evaluate the potential impacts of policy changes on our business model and explore diversification opportunities.

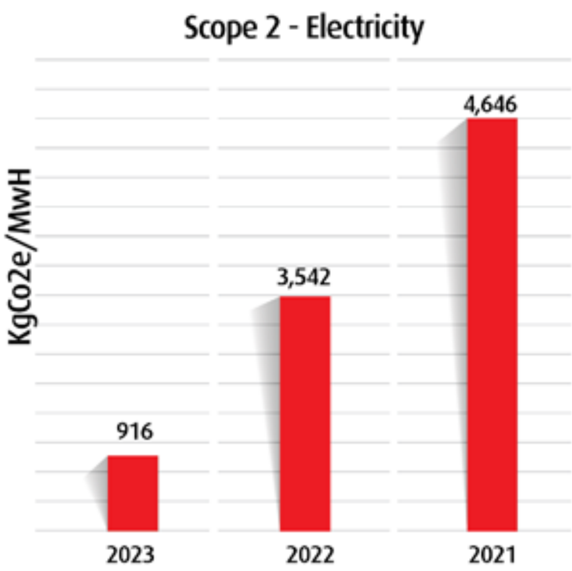
Greenhouse Gas (GHG) Emissions

First Mutual Properties understands the importance of addressing Greenhouse Gas Emissions and mitigating climate change. As a responsible real estate Company, we implemented a comprehensive approach to minimise our carbon footprint and contribute to a sustainable future.

Our approach focuses on measuring, reducing, and offsetting emissions across our operations and properties. We calculate our carbon footprint by converting energy consumption into carbon dioxide (CO2e) equivalent using internationally accepted conversion factors. We calculate Scope 1: direct emissions based on our consumption of diesel and petrol, by applying United Kingdom (UK) Government GHG Conversion Factors. Our Scope 2: Indirect Emissions were calculated by converting electricity consumption to emissions equivalency using the Southern African Power Pool 2015 factors and the Global Warming Potential rates from the Intergovernmental Panel on Climate Change (IPCC).

Our emissions during the reporting period were as follows:





Biodiversity

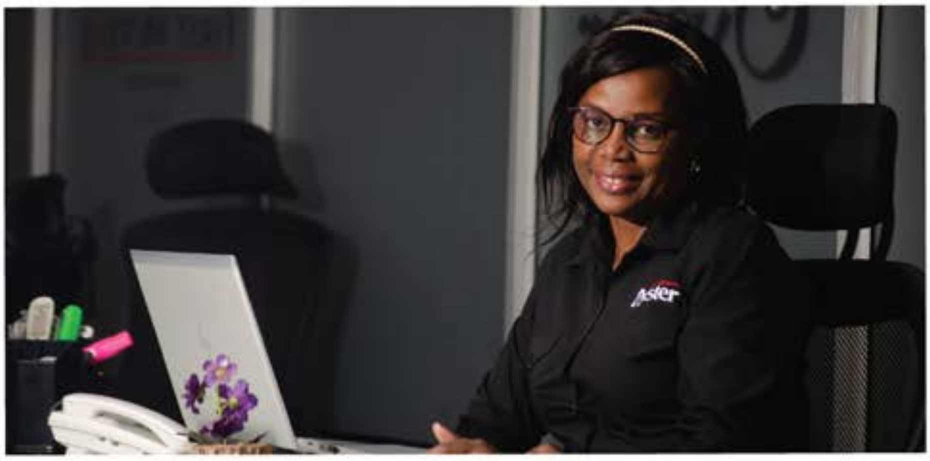
As a responsible Company, we are committed to implementing effective biodiversity management practices throughout our operations. Our approach to biodiversity management is based on the principles of preservation, restoration, and sustainable use. Biodiversity supports food security and livelihoods through genetic diversity and presents new business opportunities for insurance players. However, the biggest driver of biodiversity loss is human activities such as land conversion, including deforestation which leads to environmental imbalances, soil degradation, and species extinction. To mitigate these negative impacts, we collaborate with the Environmental Management Agency (EMA) and conduct screenings and assessments during the planning process to ensure responsible environmental management practices and minimise the effects on biodiversity.

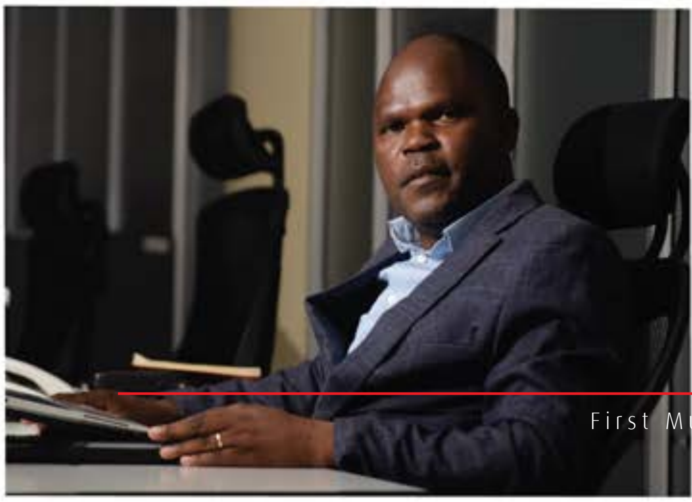
As part of our commitment to environmental stewardship, we implemented policies and actions to prevent negative impacts on biodiversity. We developed new metrics to assess our progress in managing biodiversity, which are incorporated into our systems and procedures, including those focused on reforestation and nature-based solutions. By integrating these metrics, we track performance and make informed decisions to minimise our impact on biodiversity.

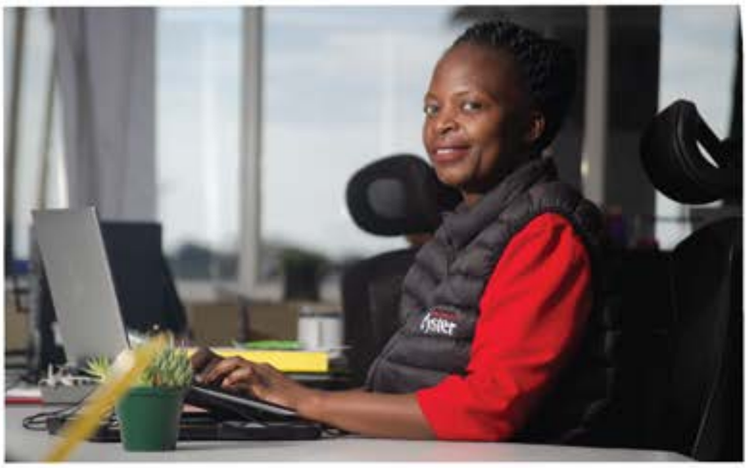
FMP recognises that our construction and property management operations may result in ecosystem disturbances, particularly when expanding into new territories. However, we aim to preserve as much of the natural environment as possible and safeguard biodiversity. Additionally, FMP follows a Green Construction Policy that provides a framework for sustainable practices across its diverse property portfolio. This policy ensures that its construction activities minimise environmental impacts and promote biodiversity conservation.

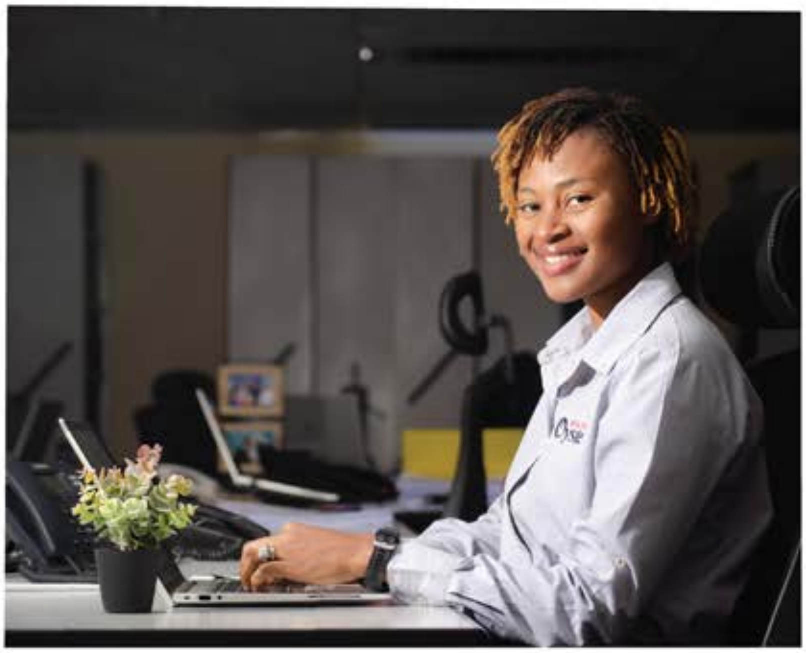
Constant communication with regulators ensures compliance with environmental regulations and effective management of potential environmental impacts, including those related to biodiversity. FMP's biodiversity management approach includes keeping parts of construction land undisturbed and rehabilitating disturbed areas while performing environmental impact assessments for all projects. By setting goals and targets related to reforestation, nature-based solutions, and environmental impact assessments, and using key performance indicators such as the number of trees planted and projects performed after considering environmental impact, FMP actively measures and evaluates the effectiveness of its biodiversity management.

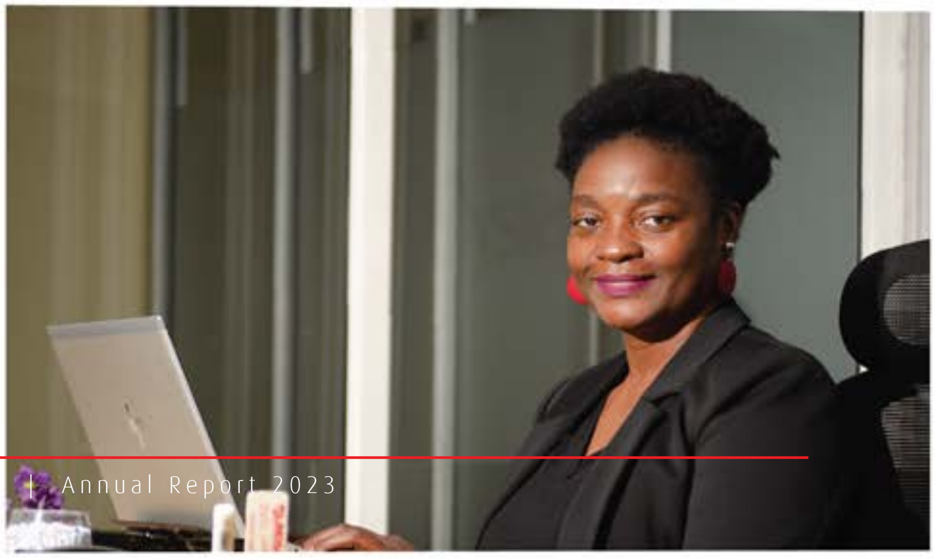
HUMAN CAPITAL







HUMAN CAPITAL

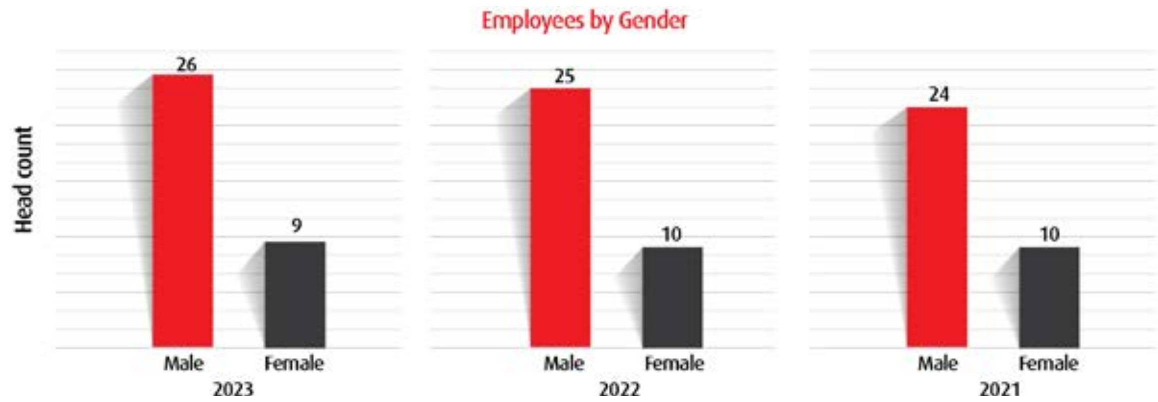
Employees

First Mutual Properties firmly believes in upholding the principles of equal opportunity and fair treatment in all aspects of its operations, including recruitment and employee management. Our commitment to conducting free and fair recruitment goes beyond compliance; it reflects our core values and our dedication to creating an inclusive, diverse, and harmonious work environment for all employees. Additionally, our clear and effective grievance procedures provide a platform for addressing employee concerns promptly and fairly, fostering a culture of trust, transparency, and fairness.

We implemented several policies and made commitments to ensure a positive and inclusive work environment. Our Recruitment Policy is based on the principles of fairness and non-discrimination, where all employees are treated equitably. Our onboarding policy focuses on providing new employees with the necessary support and resources to help them integrate into the Company smoothly. We have a Learning and Development Policy that provide employees with information on accessing developmental programs to improve their skills and enhance their career opportunities. We are committed to promoting a culture of respect for all individuals and eradicating any discriminatory practices or policies. We conduct periodic surveys and feedback sessions to assess employee satisfaction and engagement levels. Our internal Code of Conduct outlines fair treatment standards and assists employees with study loans.

The Company prioritises policy adherence by conducting regular internal and external audits. These audits ensure that our policies and practices align with our commitments and that we maintain high standards of fairness, non-discrimination, and employee well-being. We use key performance indicators such as high employee engagement scores and low employee turnover rates to assess the effectiveness of our practices. During the year, we made significant progress towards our goals, with improved employee engagement scores and reduced employee turnover demonstrating our commitment to investing in employee management. Engaging with our employees has allowed us to identify gaps in our processes and take proactive measures to address them. It has also empowered our management team to make informed decisions on areas that directly impact our employees, fostering a culture of continuous improvement and ensuring a positive and supportive workplace.

During the reporting period, our employees base was as follows:

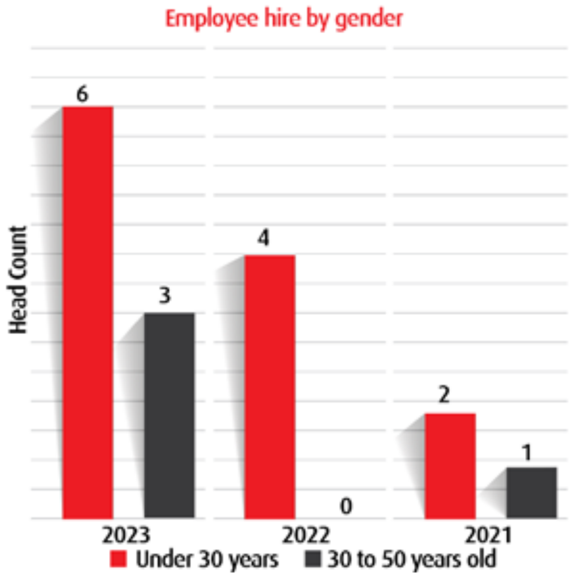


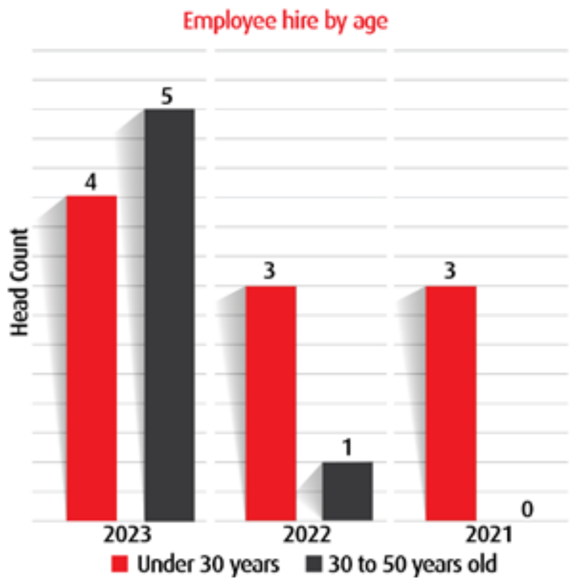
Employees by Contract type:

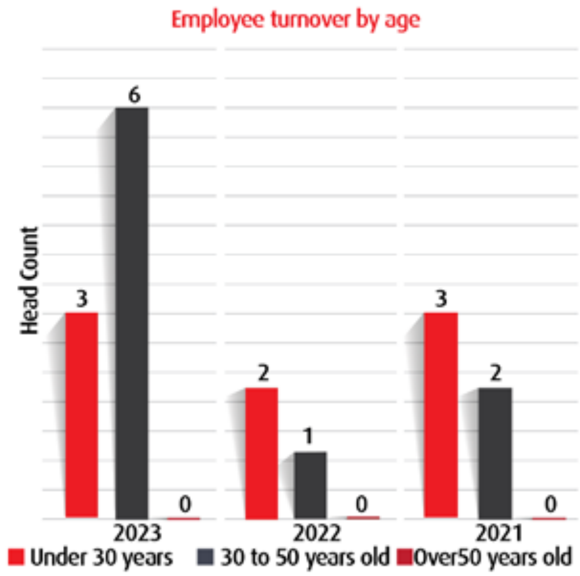
Employment

As First Mutual Properties, we prioritise employee hire, retention, and minimising turnover. We take great care in selecting and hiring individuals who align with our values and demonstrate the skills and qualifications necessary for their roles.

During the reporting period, our employee movement was as follows:







Employee Relations

Our approach to employee relations management is founded on the principles of transparency, inclusivity, and collaboration. We are committed to implementing effective labour relations management practices that promote open communication, mutual respect, and fair treatment of our employees. We value, support, and engage our employees, thus most of them are more likely to stay with the Company, thereby reducing turnover costs and maintaining continuity in operations. We look forward to establishing initiatives which satisfy and motivate our employees more to encourage them to be more productive, innovative and committed to achieving Company goals. Although the Company is yet to experience adverse labour relations impacts, we are fully aware that conflict or unresolved issues in labour relations can escalate to legal disputes, leading to costly litigations for the Company. If labour relations deteriorate to a point where employees feel their concerns are not adequately addressed, they may resort to strikes which in turn disrupt production and cause financial losses.

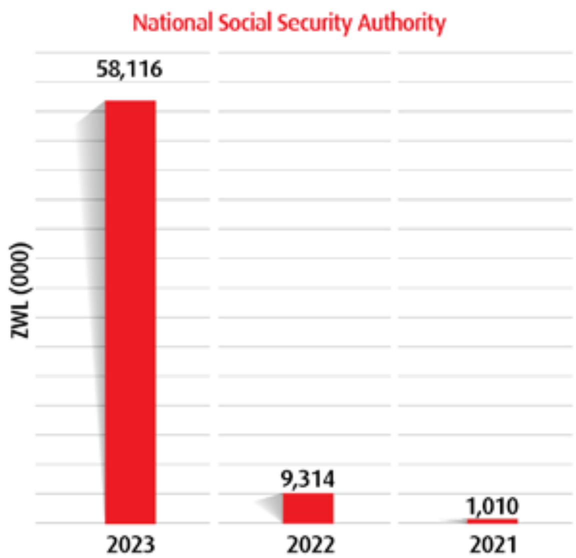
First Mutual Properties has clearly outlined grievance procedures, prioritises employee health and safety through wellness programs and conducts training and awareness-raising programs for all employees on labour rights and responsibilities. The Company holds regular works council meetings, where management and employees come together to discuss various issues and concerns affecting both parties. These meetings provide a platform for open dialogue, allowing employees to voice their opinions, raise concerns and contribute to decision-making processes. Additionally, the Company conducts periodic surveys and feedback sessions to assess employee satisfaction and engagement levels. This feedback is carefully analysed, and appropriate actions are taken to address any identified areas of improvement. We are committed to recognising and rewarding employee contributions and performance, fostering a culture of appreciation and motivation. Further, we actively participate in industry initiatives related to responsible labour practices. By engaging in these initiatives, the Company stays up to date with the latest trends and best practices in labour relations, ensuring that its policies and commitments remain relevant and effective. We regularly review our Human Resources policies to align them with the best acceptable standards in the industry, demonstrating our commitment to continuous improvement and staying compliant with labour laws.

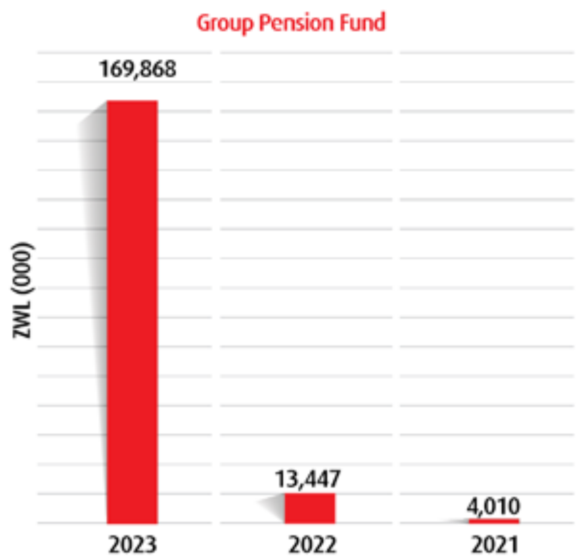
Internal and external audits are conducted to ensure compliance with relevant laws, regulations, and standards in line with labour relations. We remain committed to achieving high employee engagement scores, high employee retention metrics, employee satisfaction, and retention. Improved employee engagement scores, reduced employee turnover, decrease in labour disputes, grievances, and complaints highlight the effectiveness of our actions. Progress towards goals and targets is evidenced by increased satisfaction and trust levels of employees and employers. We made it a priority to invest in labour relations to minimise costs and risks associated with not implementing supportive policies and actions regarding to labour relations.

Employee Welfare

As FMP, we prioritise the welfare and well-being of our employees and we are committed to creating a supportive work environment. We provide competitive compensation and benefits packages, opportunities for professional growth and development, work-life balance initiatives, and a strong emphasis on employee safety and occupational health.

Our defined contribution pension obligations plan and other retirement plans for FY2023 were as follows:





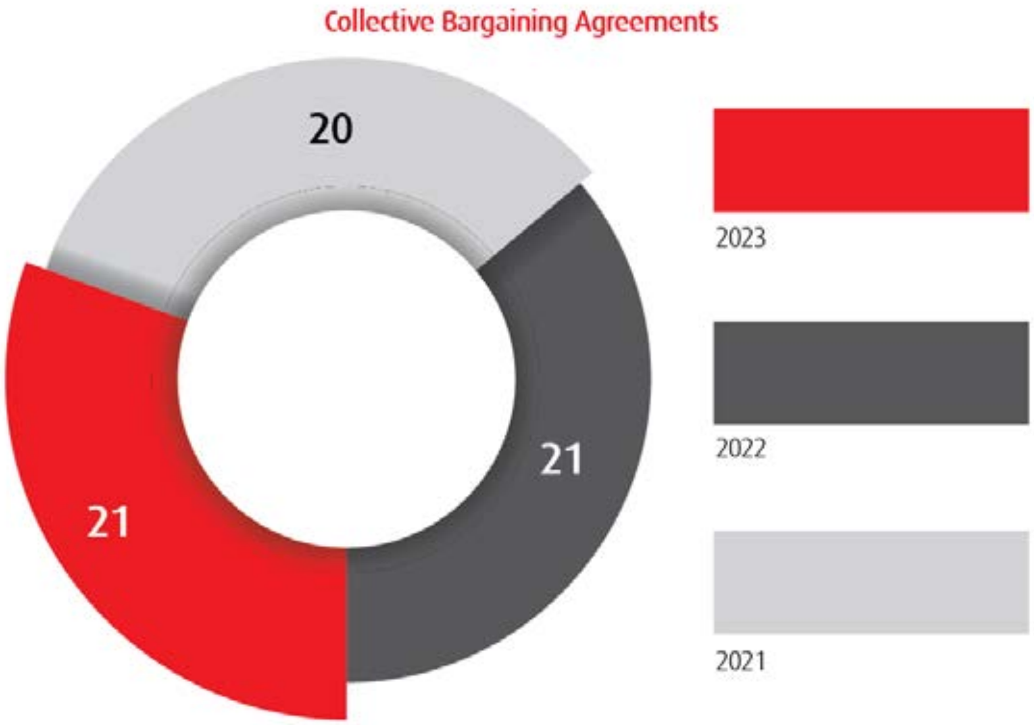
	2023 (USD)
Group pension	8,774

The growth in pension payments was due to inflation adjustments on salaries, ensuring retirees' financial security considering escalating living costs.

Collective Bargaining Agreements

The working conditions and terms of employment for employees not covered by collective bargaining agreements are determined by the nationally accepted collective bargaining agreements that cover employees.

For the period under review, National Employment Council collective bargaining agreements were as follows:



Occupational Health and Safety (OHS)

As First Mutual Properties, we are committed to prioritising the health and safety of our employees. We recognise that a safe work environment is essential for the well-being and productivity of our employees. To achieve this, we implemented a comprehensive Occupational Health and Safety (OHS) management approach that encompasses various strategies and practices. Our OHS management practices are designed to prevent workplace injuries, illnesses, and accidents, and promote the overall well-being of our employees. We adhere to local regulations and international standards, continuously striving to exceed compliance requirements and industry best practices. Our goal was to train all first aiders by April 30, 2023, and conduct emergency preparedness sessions for all employees by June 2023. We closely monitor key performance indicators such as the number of recorded accidents, the number of injured employees or clients, and the success rate of providing first aid assistance. We actively engage in internal, external, and ISO audits to ensure compliance with the highest standards of occupational health and safety. These audits help us identify areas for improvement, rectify any deficiencies, and continuously enhance our safety practices. In addition, we regularly conduct surveys and gather feedback from employees to gain insights into their experiences and suggestions for further enhancing the work environment. We value the input of our employees and stakeholders and strive to address their concerns and implement their suggestions.

Occupational Health Services

As part of our Wellness, Safety, and Health Policy, we ensure effective communication and collaboration across different levels of the Company. In the event of emergencies or safety concerns, we advise Marshals or employee representatives who act as on-the-ground liaisons and advocates for the well-being of their colleagues. We also advise Human Resources, who play a crucial role in coordinating and implementing safety measures throughout the business. Additionally, we provide guidance and advice to senior management, ensuring they are well-informed about safety protocols and actively involved in decision-making processes.

Hazard identification, Risk Assessment (HIRA), and Incident investigation

To address emergency preparedness and response planning, we established procedures for various scenarios, including civil disturbances, robbery incidents, and evacuation drills. These procedures outline the necessary steps to be taken in each situation, ensuring a swift and effective response to protect the safety and well-being of our stakeholders. Further, we implemented a reporting system where incidents and safety concerns are received and recorded by Human Resources and the employee representatives responsible for the respective areas. Regular inspections are conducted to assess the situation, and detailed reports are generated. Based on these reports, recommendations and corrective actions are identified and implemented to address any identified issues, ensuring continuous improvement in safety standards and practices.

Employee training on occupational health and safety

We provide training programs such as SHE reps training, first aid training, and firefighting training to equip our employees with the necessary skills for emergency response. We organise wellness days, conduct health awareness snippets, and hold awareness sessions on employee wellness, promoting a holistic approach to well-being. Additionally, we offer first aid and emergency preparedness training to ensure preparedness in critical situations. Further, we provide wellness talks, counselling sessions, and effective communication on occupational safety and employee wellness, fostering a supportive environment that prioritises the well-being of our employees.

Human Capital Development

The business prioritises investing in on-going employees' skills development through training programs and workshops enhancing their skills and knowledge which contributes to their personal and professional growth. We foster a diverse and inclusive work environment that encourages the sharing of diverse perspectives and ideas, promoting a culture of innovation and collaboration. Our commitment to these initiatives contributes to the development of human capital, driving the success and sustainability of the Company.

Our Learning and Development Policy provides employees with access to appropriate developmental programmes that enhance their skills, broaden their experience, and improve their future career opportunities. We invest in training and development programs, including on-the-job training, workshops, seminars, and specialised programs for different career levels. We identify the right talent for specific roles, ensuring a good fit between employees and their positions. Clear performance expectations are established, and regular feedback and performance evaluations are conducted to support employee growth. We implement employee engagement initiatives such as team building activities to foster a positive work environment and promote human capital development. Additionally, we actively identify and develop internal talent to fill key positions through succession planning. We conduct assessments, gather data, analyse trends, and implement training and development programs accordingly. Regular performance reviews and investments in health and wellness programs further contribute to the overall positive impact on our employees.

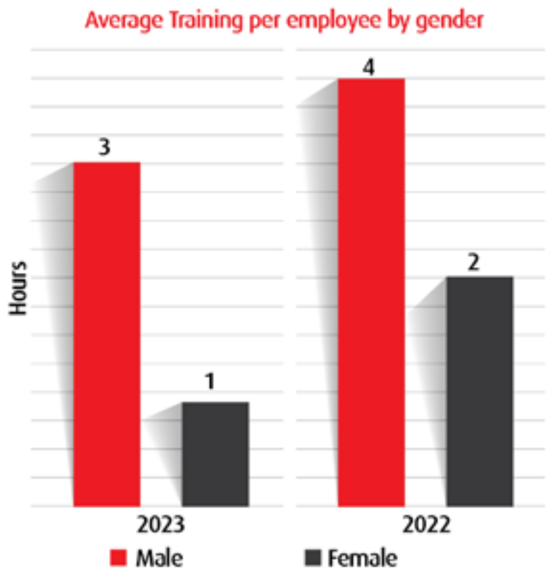
FMP implements both internal and external audits to ensure compliance with relevant laws, regulations, and standards. Key performance indicators (KPIs) such as employee retention rates, training program completion rates, employee engagement scores, performance scores, leadership development programme effectiveness, and diversity and inclusion metrics are used to measure the effectiveness of our practices. Surveys and feedback mechanisms are utilised to gather input from employees and leverage data analytics for insights. Targets are set for metrics such as employee turnover rates, learning hours per employee per year, and employee engagement scores.

The lessons learned have been integrated into operational policies and procedures, with deliberate measures aimed at nurturing talent, fostering a positive work environment, and promoting diversity and inclusion. Involving employees in decision-making processes and gathering input from shareholders and employees provided valuable insights and helped tailor training programs and development opportunities to enhance employee capabilities and engagement.

During the reporting period, the following training programs were conducted to upgrade employee skills:

- Senior development programmes;
- Women in leadership training; and
- Provision of study loans.

The average training hours for employee are below:



IMPACTS IN THE COMMUNITY AND ECONOMY

Corporate Social Responsibility (CSR)

First Mutual Properties remains committed to making positive impacts in society through CSR initiatives. The Company actively participates in various initiatives to address the needs of disadvantaged families and support the education of children. Through the First Mutual Foundation, we contribute significant positive impacts on society by addressing the widening gap experienced by disadvantaged families. The Company's CSR program focuses on supporting the education of children from families who are unable to afford tuition and related costs. As FMP, we have a Crisis Management Committee to address any potential impacts and ensure effective management of CSR initiatives. The Company communicates regularly with stakeholders through notices and press releases, ensuring transparency and accountability in its CSR efforts. We continue to fund the First Mutual Foundation since its inception in 2014.

During the reporting period, 98 children received financial support, including payment of school fees, and provision of stationery packs, and 54 of them also received uniforms. The Company's commitment to supporting education is evidenced by 93 children in primary and secondary school being supported, maintaining an average attendance rate of over 85% throughout the year. Additionally, 28 students, including Grade 7, 'O' level, and 'A' level candidates, sat for national public examinations, demonstrating the Company's commitment to supporting academic achievements. We managed to send one student to Chinhoyi University of Technology, bringing the total number of students in university education to five. Two of these students successfully completed their degree studies, highlighting the positive impact of the Company's support in enabling higher education opportunities.

First Mutual Properties evaluates progress and financial reports from CSR partners in addition to monitoring visits to track the effectiveness of the administration of the Company's CSR Programmes. The administration of the First Mutual Foundation and the First Mutual Africa University Scholarship are among the goals established. Targets include payments of school fees for beneficiaries at the primary, secondary, and tertiary education levels. The actions resulted in improved school attendance and retention among the beneficiaries, as well as successful transitions and completion of primary, secondary, and tertiary education. Adherence to the Memorandum of Agreement between First Mutual and CSR partners ensures effective implementation of our initiatives. Review meetings with partners and impact assessments contribute to the evaluation and adjustment of parametres as necessary.

Theme/SDG	Purpose of investing	Beneficiaries	Items donated	Value (ZWL 000)
Education	Enhance access to quality education for disadvantaged students.	Students	School fees	20,949
Sports	Promote physical activity, mental wellbeing, and healthy habits.	Zimbabwe Psychological Association (ZPA) Rugby Team	Cash	1,570
Arts & Culture	Promote and enhance talent.	Choral Music Competition	Cash	1,045
			Total	**23,564**


REAL ESTATE
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REAL ESTATE
Oyster

FINANCIAL IMPACTS

First Mutual Properties (FMP) strives to maintain strong economic performance while ensuring long-term sustainability. Our practices are guided by prudent financial management, strategic planning, and effective risk management to achieve optimal results and create value for our stakeholders. Through our operations, we created jobs, contributing to employment opportunities and improving livelihoods. Our investments bring indirect foreign currency, improving the country's foreign exchange reserves. The Company's infrastructure developments play a crucial role in enhancing overall infrastructure, benefiting the community, and supporting economic growth. This, in turn, generates government revenue and contributes toward national Gross Domestic Product (GDP). Further, by purchasing raw materials locally, First Mutual Properties supports local industries, stimulating economic activity and fostering economic development.

As First Mutual Properties, we prioritise transparency and accountability in our financial operations. To ensure the integrity of our financial results, we appoint external and internal auditors who independently scrutinise our financial statements and closely monitored our control environment. Additionally, our Board of Directors established an Audit Committee that reviews internal audits, and internal controls, and monitors the integrity of financial statements and internal processes. Our goal is to become the dominant and best-performing real estate company in Sub-Saharan Africa in terms of income return.

To achieve our goal, we set targets to grow our property portfolio to 200,000 sqm of lettable space under management and develop a Real Estate Investment Trust (REIT). We use key performance indicators such as occupancy rates, rental yields, Green Building Index (AAA), and sustainability index (A+) to measure our progress. The effectiveness of our actions is reflected in positive tenant satisfaction scores and net promoter scores. We made significant progress towards our goals, with the commencement of signature projects such as the Arundel Office Park Expansion, Student Accommodation (Chinhoyi University of Science and Technology), and Sterling Midlands (Pvt) Limited (Zvishavane).

Economic Value Generation and Distribution

For detailed information on the direct economic value generated and distributed, please refer to pages 75 to 158 of our financial statements. These pages provide a comprehensive overview of the economic impact we have achieved.

Responsible Tax

Our tax management practices are crucial as a responsible business that believes in the role of businesses in contributing to sustainable development. By effectively minimising tax liabilities through legal means, the Company's profitability improves, which results in an increase in our overall value thus an advantage to shareholders and investors. Further, we will continue with the role as an agent or tax collector for the Zimbabwe Revenue Authority (ZIMRA). This means that our business can play a role in tax collection on behalf of the government, for instance, we may be responsible for withholding tax, collecting value-added tax (VAT), or managing presumptive tax calculations. However, we acknowledge that engaging in aggressive tax planning can lead to lower corporate tax contributions to the fiscus. This can have implications on Government revenue and public services funded by taxes.

Approach to Tax

We recognise that taxes play an important role in funding essential public services that contribute to societal well-being. These services include education, healthcare, infrastructure development, and social welfare programs. Our commitment to tax compliance aligns with our broader business strategy, which emphasises responsible corporate citizenship.

We have a qualified and dedicated Tax Administrator who works under the Financial Accountant ensuring timely and accurate tax filing and conducts research on tax implications for special transactions. To ensure full compliance, we also have a Compliance Manager reporting to the Audit Committee in terms of overall compliance. This structure strengthens our tax compliance efforts and promotes responsible business conduct.

We employ several processes to track the effectiveness of the actions taken in managing tax compliance. These include internal audits, group compliance assessments, external audits, reconciliations of tax records and regular tax health checks. Our goal is to be fully compliant and maintain a good corporate citizen status with a target of achieving zero penalties for non-compliance. Key performance indicators used to measure progress include the absence of litigation claims resulting from failure to comply with tax obligations. The business has successfully obtained tax clearances for all its subsidiaries and associates.

Stakeholder Engagement

Our business has implemented an interface between our operating systems and the tax authority's system. This integration promotes transparency and simplifies the process of declaring our economic activities to the tax authority. Additionally, we designated our Managing Director as the Public Officer, who assumes responsibility for the business's compliance with tax obligations.

To ensure tax compliance, we verify the tax compliance status of all our business partners at the beginning of our relationship. For tenants, compliance is required upon inception, and for suppliers, it is a prerequisite for registration. To effectively address stakeholder concerns related to tax, we appointed a Tax Administrator. This individual serves as the point of contact for stakeholders and works in collaboration with the Tax Officer from the tax authority to address any concerns or inquiries that may arise.

As FMP, we embedded tax compliance within our culture, ensuring that it is integrated into our reporting, governance, and decision-making processes. We regularly attend ZIMRA tax update seminars to stay updated on current changes and practices in tax regulations. Our designated Public Officer maintains open lines of communication with ZIMRA to ensure effective and ongoing dialogue. This enables us to address any queries or concerns promptly and maintain a collaborative relationship with the tax authority. Our Group Compliance Officer plays a vital role in overseeing tax compliance within the Company. We prepare a monthly report to ensure full compliance and mitigate the risk of penalties or non-compliance. We are registered in the ZIMRA system thus ensuring the timely lodgement of all required tax information, reporting complete and accurate information, and making timely payments of our tax obligations.

For FY2023, our tax payments were as follows:

Tax payments in ZWL:

	2023 (ZWL 000)	**2022 (ZWL 000)**	**2021 (ZWL 000)**
Corporate Tax – Group	866,589	112,684	29,408
Corporate Tax - Subsidiaries	87,367	16,665	-
Value Added Tax (VAT) - Group	898,323	100,400	31,596
Value Added Tax (VAT)- Subsidiaries	55,910	-	-
PAYE	892,366	75,171	21,244
Withholding Tax-20% on Directors Fees	20,064	3,652	1,822
Withholding Tax-30% - Subsidiaries	-	-	515
Withholding tax -1/3	17,104	5,358	-
Aids Levy	26,771	2,255	637
IMTT- Group	49,962	-	-
IMTT- Subsidiaries	2,555	-	-
Total	**2,917,011**	**316,185**	**85,222**

Tax payments in USD:

	2023 (USD)	**2022 (USD)**	**2021 (USD)**
Corporate Tax - Group	304,378	82,424	286,438
Corporate Tax - Subsidiaries	201,689	93,265	-
Value Added Tax (VAT) - Group	366,346	186,796	315,020
Value Added Tax (VAT) - Subs	149,347	186,796	315,020
PAYE	145,297	76,327	28,855
Withholding Tax-20% on Directors Fees	24,189	7,290	2,555
Withholding tax -1/3	3,808	4,936	-
Aids Levy	12,155	2,290	866
IMTT - Group	23,407	-	-
IMTT -Subsidiaries	4,992	-	-
Total	**1,235,608**	**640,124**	**948,754**

FINANCIAL REPORTS

Building a better working world

Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors
Angwa City
Cnr Julius Nyerere Way /
Kwame Nkrumah Avenue
P O Box 62 or 702
Harare
Zimbabwe

Tel: +263 24 2750905-14 or 2750979-83
Fax: +263 24 2750707 or 2773842
Email: admin@zw.ey.com
www.ey.com

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

Opinion

We have audited the inflation adjusted consolidated and company financial statements of First Mutual Properties Limited ("the Group and Company"), as set out on pages 75 to 158 which comprise the inflation adjusted consolidated and company statements of financial position as at 31 December 2023 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 accounting policy information.

In our opinion, the inflation adjusted consolidated and company financial statements present fairly, in all material respects, the inflation adjusted consolidated and company financial position of the Group and Company as at 31 December 2023 and its inflation adjusted consolidated and company 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 Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Inflation Adjusted Consolidated and Company Financial Statements section of our report. We are independent of the group and company 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 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 consolidated and company financial statements of the current period. These matters were addressed in the context of our audit of the inflation adjusted consolidated and company financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. 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 consolidated and company 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 consolidated and company 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 inflation adjusted consolidated and company financial statements.

Key Audit Matter	How our audit addressed the matter
Issue: Valuation of Investment Properties (Consolidated and Company)	
Consolidated • Note 6 – Investment Property • Note 6.1 – Fair Value Hierarchy **Company** • Note 1 – Investment Property • Note 1.1 – Fair Value Hierarchy 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$1 067 032 003 000 for the Group and ZWL$643 837 010 479 for the Company. In determining the fair values of investment property, the directors make use of independent external valuers, and the valuers apply judgements in coming up with the inputs that are used in the valuation process. 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. • Limited current observable inputs. • Few transactions in the property market conducted in ZWL. • Determination of capitalisation rates. The investment properties have the most significant balance on the inflation adjusted Consolidated and Company Statements of Financial Position as they make up more than 90% of the total assets. 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.	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. • Where possible we reperformed the adjustments done by management's valuation expert so as to compare if we would come to the same conclusion. • 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.

Other information

The directors are responsible for the other information. The other information comprises the Chairman's Statement and the Directors' Report and the Statement of Corporate Governance and Responsibility but does not include the inflation adjusted consolidated and company 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the 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

28 March 2024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	Audited Inflation adjusted 2023 ZWL 000	2022 ZWL 000	Unaudited Historical 2023 ZWL 000	2022 ZWL 000
ASSETS					
Non-current assets					
Completed investment property	6	1 067 032 003	525 895 770	1 067 032 003	109 333 840
Investment property under development	6,2	18 584 402	-	9 689 506	-
Investment in associate	7	2 652 080	1 461 455	2 007 403	245 383
Vehicles and equipment	8	736 189	589 046	146 294	95 999
Financial assets at fair value through profit or loss- Unquoted shares	10	2 810 675	298 908	2 810 675	62 143
Financial assets at fair value through profit or loss - Quoted shares	10.1	27 665	14 684	27 665	3 053
Financial assets at amortised cost	9	645 942	381 414	645 942	79 296
		1 092 488 956	**528 641 277**	**1 082 359 488**	**109 819 714**
Current assets					
Inventories		200 654	45 727	125 271	8 672
Trade and other receivables	11	8 593 984	7 462 236	8 141 138	1 375 590
Cash and cash equivalents	12	2 235 680	3 251 417	2 235 680	675 970
		11 030 318	**10 759 380**	**10 502 089**	**2 060 232**
Investment property held for sale	6,3	-	184 704	-	38 400
Total assets		**1 103 519 274**	**539 585 361**	**1 092 861 577**	**111 918 346**
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Ordinary share capital	13	1 248 016	1 248 017	1 197	1 197
Retained earnings		1 025 641 276	476 233 035	1 016 557 123	99 151 532
Total shareholders' equity		**1 026 889 292**	**477 481 052**	**1 016 558 320**	**99 152 729**
Non-current liabilities					
Deferred tax liabilities	14	60 533 226	57 309 814	60 246 851	11 845 551
Current liabilities					
Trade and other payables	16	11 214 607	4 722 415	11 174 257	905 081
Loans and other payables	15	4 132 434	-	4 132 434	-
Current income tax liability	25	749 715	72 080	749 715	14 985
		16 096 756	**4 794 495**	**16 056 406**	**920 066**
Total liabilities		**76 629 982**	**62 104 309**	**76 303 257**	**12 765 617**
Total equity and liabilities		**1 103 519 274**	**539 585 361**	**1 092 861 577**	**111 918 346**

The notes on pages 79 to 137 are an integral part of these consolidated financial statements.

The financial statements were authorised for issue by the Board of Directors on 23 February 2024 and signed on its behalf by:

CHAIRMAN
E. K. MOYO
23 February 2024

MANAGING DIRECTOR
C. K. MANYOWA
23 February 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Audited Inflation Adjusted 2023 ZWL 000	Audited Inflation Adjusted 2022 ZWL 000	Unaudited Historical 2023 ZWL 000	Unaudited Historical 2022 ZWL 000
Revenue	17	40 932 339	13 951 557	25 538 808	2 101 573
Allowance for credit losses	18	(2 285 635)	(605 651)	(2 285 635)	(125 915)
Property expenses	19	(20 932 422)	(8 862 050)	(12 544 790)	(1 366 076)
Net property income		**17 714 282**	**4 483 856**	**10 708 383**	**609 582**
Employee related expenses	20	(6 511 098)	(1 566 864)	(5 555 062)	(286 238)
Other expenses	21	(5 782 767)	(2 241 186)	(3 441 557)	(346 002)
Net property income after administration expenses		**5 420 417**	**675 806**	**1 711 764**	**(22 658)**
Fair value adjustments	22	542 905 238	161 491 778	959 120 810	87 405 250
Other income	23	5 552 867	8 713 187	5 598 275	1 296 118
Finance income	24	5 247 795	1 780 498	2 886 172	310 442
Share of profit of associate	7	1 081 829	338 171	1 655 586	114 622
Net monetary gain/ (loss)		458 338	(5 640 261)	-	-
Profit before income tax		**560 666 484**	**167 359 179**	**970 972 607**	**89 103 774**
Income tax expense	25	(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**
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
Profit for the year		**553 932 654**	**151 900 988**	**919 060 888**	**79 602 701**
Basic earnings per share (ZWL cents)	26	44 801	12 284	74 332	6 437
Diluted earnings per share (ZWL cents)	26	44 738	12 268	74 228	6 429

The notes on pages 79 to 137 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Audited Inflation Adjusted			
	Attributable to owners of the parent			
	Ordinary Shares	Treasury Shares	Retained earnings	Shareholders' equity
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Balance as at 1 January 2022	**1 271 144**	**(23 122)**	**325 857 142**	**327 105 164**
Profit for the year	-	-	151 900 988	151 900 988
Total comprehensive income for the year	**-**	**-**	**151 900 988**	**151 900 988**
Transactions with owners in their capacity as owners:				
Acquisition of treasury shares	-	(5)	(45 006)	(45 011)
Dividend declared and paid	-	-	(1 480 089)	(1 480 089)
Balance as at 31 December 2022	**1 271 144**	**(23 127)**	**476 233 035**	**477 481 052**
Balance as at 1 January 2023	**1 271 144**	**(23 127)**	**476 233 035**	**477 481 052**
Profit for the year	-	-	553 932 654	553 932 654
Transactions with owners in their capacity as owners:				
Acquisition of treasury shares	-	(1)	(44 423)	(44 424)
Dividend declared and paid	-	-	(4 479 990)	(4 479 990)
Balance as at 31 December 2023	**1 271 144**	**(23 128)**	**1 025 641 276**	**1 026 889 292**

The notes on pages 79 to 137 are an integral part of these consolidated financial statements.

	Audited Inflation Adjusted			
	Attributable to owners of the parent			
	Ordinary Shares	Treasury Shares	Retained earnings	Shareholders' equity
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Balance as at 1 January 2022	**1 238**	**(40)**	**19 760 449**	**19 761 647**
Profit for the year	-	-	79 602 701	79 602 701
Total comprehensive income for the year	**-**	**-**	**79 602 701**	**79 602 701**
Transactions with owners in their capacity as owners:				
Acquisition of treasury shares	-	(1)	(5 152)	(5 153)
Dividend declared and paid	-	-	(206 466)	(206 466)
Balance as at 31 December 2022	**1 238**	**(41)**	**99 151 532**	**99 152 729**
Total equity at the beginning of the financial year	**1 238**	**(41)**	**99 151 532**	**99 152 729**
Profit for the year	-	-	919 060 888	919 060 888
Total comprehensive income for the year	**-**	**-**	**919 060 888**	**919 060 888**
Transactions with owners in their capacity as owners:				
Acquisition of treasury shares	-	-	(28 174)	(28 174)
Dividend declared and paid	-	-	(1 627 123)	(1 627 123)
Balance as at 31 December 2023	**1 238**	**(41)**	**1 016 557 123**	**1 016 558 320**

The notes on pages 79 to 137 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Audited Inflation Adjusted 2023 ZWL 000	Audited Inflation Adjusted 2022 ZWL 000	Unaudited Historical 2023 ZWL 000	Unaudited Historical 2022 ZWL 000
Cash flows from operating activities					
Profit before income tax		560 666 484	167 359 179	970 972 607	89 103 774
Adjustment for non-cash items and other adjustments:					
Depreciation	8	174 163	72 822	32 345	4 433
Allowance for credit losses	18	2 285 635	605 651	2 285 635	125 915
Fair value adjustment on investment property	22	(542 905 238)	(161 491 778)	(959 120 810)	(87 405 250)
Fair value movement on unquoted shares	10	(596 798)	(159 383)	(1 250 836)	(53 705)
Gain on loss of siginificant influence	23	(1 077 985)	-	(1 218 233)	-
Fair value movement on quoted shares	10.1	(14 513)	7 556	(25 519)	(1 825)
Finance income	24,2	(5 247 795)	(1 780 498)	(2 886 172)	(310 442)
Exchange (gain)		(2 103 606)	(8 026 423)	(2 072 331)	(1 160 595)
Net monetary gain		820 695	3 979 530	-	-
Dividend received		(13 139)	(2 570)	(5 012)	(294)
Profit/(loss) from disposal of vehicles and equipment		-	(70)	-	81
Share of profit of associate		(1 081 829)	(338 171)	(1 655 586)	(114 622)
Other non cash items		-	20 330	-	2 323
Cash flows generated from operating activities before working capital adjustments		**10 906 074**	**246 175**	**5 056 088**	**189 793**
Working capital adjustments					
(Increase) in trade and other receivables		(3 421 927)	(4 559 463)	(8 985 983)	(1 308 828)
Decrease/(increase) in inventory		(154 926)	(37 778)	(116 599)	(8 793)
Increase/(Decrease) in trade and other payables		6 492 191	2 756 359	10 269 177	787 076
Cash flow from operating activities after working capital adjustments		**13 821 412**	**(1 594 707)**	**6 222 683**	**(340 752)**
Income tax paid	25	(4 862 220)	(1 311 910)	(3 561 591)	(233 139)
Net cash generated/(utilised) from operating activities		**8 959 192**	**(2 906 617)**	**2 661 092**	**(573 891)**
Cash flows from investing activities					
Additions to investment property	6	-	(703 101)	-	(44 794)
Investment property under development	6.2	(11 646 523)	-	(6 775 941)	-
Improvements to investment property	6	(187 867)	(525 009)	(44 308)	(43 224)
Purchase of vehicles and equipment	8	(321 305)	(528 146)	(82 640)	(97 854)
Investment in associate	7	(423 509)	(423 956)	(251 105)	(30 325)
Acquisitions of equities	10.1	(393 304)	-	(112 453)	-
Proceed on disposal of property, plant and equipment		-	1 490	-	199
Proceed on disposal of investment property		1 518 157	727 292	1 081 261	102 611
Acquisitions of financial assets at amortised cost		(1 601 213)	-	(636 389)	-
Maturity/(Issuance) of long term investments		2 390	2 580	1 552	395
Finance income received	24,2	1 664 648	596 673	634 958	68 305
Dividend received		13 139	2 570	5 012	294
Net cash generated/(utilised) from investing activities		**(11 375 387)**	**(849 607)**	**(6 180 053)**	**(44 393)**
Cash flows from financing activities					
Proceeds from borrowings		1 625 675	-	1 084 155	-
Repurchase of treasury shares		(44 424)	(45 011)	(28 175)	(5 153)
Dividends paid to Company's shareholders		(3 664 148)	(1 225 458)	(1 627 123)	(206 466)
Net cash generated/(utilised) in financing activities		**(2 082 897)**	**(1 270 469)**	**(571 143)**	**(211 619)**
Inflation effect on cashflows		(8 929 286)	(6 676 364)	-	-
Net (decrease)/increase in cash and cash equivalents		**(13 428 378)**	**(11 703 057)**	**(4 090 104)**	**(829 903)**
Cash and cash equivalents at the beginning of the year		3 251 417	3 816 159	675 970	230 797
Effects of changes in foreign currency		12 412 641	11 138 315	5 649 814	1 275 076
Cash and cash equivalents at end of the year	**12**	**2 235 680**	**3 251 417**	**2 235 680**	**675 970**

The notes on pages 79 to 137 are an integral part of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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 Liberation Legacy Way, 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 Standards ("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 Group and company 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 in 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 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.

Unaudited Historical cost accounting

The financial statements of First Mutual Properties Limited are based on Unaudited Historical cost except for investment properties and equity securities at fair value through profit or loss that have been measured on a fair value basis. Historical cost numbers are presented for information purposes only.

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 2023 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Statement of Compliance (continued)

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 2023 were restated using the conversion factors prevailing in the month of purchase.

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 year 2022 and 2023 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.

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 statement of comprehensive income 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 2023 year ends that are relevant to the Group and Company.

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 amendments had no impact on the Group and Company's accounting policy disclosures.
Definition of Accounting Estimates - Amendments to IAS 8	1 January 2023	The amendments to IAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Group and Company's financial statements.
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	1 January 2023	The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Group and Company's financial statements.

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 2023 year ends that are relevant to the Group and Company but have not been early adopted

Standard/interpretation	Effective date	Executive summary
Classification of Liabilities as Current or Non current and Non-current Liabilities with Covenants – Amendments to IAS 1	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 is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.
Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	1 January 2024	In September 2022, the Board issued Lease Liability in a Sale and Leaseback (Amendments 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 lease back 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 amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a lease back 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 information that is relevant and reliable in accordance with IAS 8. A seller-lessee applies the amendment to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted and that fact must be disclosed. No material impact is expected for the Group and Company.
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28		In December 2015, the IASB decided to defer the effective date of the amendment until such time as it has finalised any amendments that result from its research project on the equity method. Early application of the amendments is still permitted. The amendments 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 amendments 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 constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The amendments 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 2023 year ends that are relevant to the Group and Company but have not been early adopted

Standard/interpretation	Effective date	Executive summary
Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	1 January 2024	In May 2023, the Board issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures. The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments clarify the characteristics of supplier finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. The information on those arrangements is required to be aggregated unless the individual arrangements have dissimilar or unique terms and conditions. In the context of quantitative liquidity risk disclosures required by IFRS 7, supplier finance arrangements are included as an example of other factors that might be relevant to disclose. 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.
Lack of exchangeability – Amendments to IAS 21	1 Janaury 2025	In August 2023, the Board issued Lack of Exchangeability (Amendments to IAS 21). The amendment to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique. The Group and Company will assess the impact of the amendments to determine the impact they will have .

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 2023. 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.

(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, Finance Executive, property investments manager and Head of Property Portfolio and Services.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 accounts for such property in accordance with the policy stated under property, plant 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.

A full valuation of investment property that incorporates physical inspection of the property being valued is conducted by the Group after every three years, at each quarter, 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.

Investment in associate is accounted for at cost in the company financials.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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	4 years
Equipment and machinery	5 years
Office equipment	5 years
Office furniture	10 years

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 - initial recognition and subsequent measurement

2.9.2 Investments and other financial assets

(i) Classification of financial assets at amortised cost

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.

Classification of financial assets at fair value through profit or loss

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").

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9.2 Investments and other financial assets (continued)

(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.

(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 which includes forward looking information 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 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:

(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 are considered 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9.1 Financial instruments - initial recognition and subsequent measurement (continued)

2.9.2 Financial assets (continued)

Impairment of financial assets (continued)

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.

The Group and Company 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 Financial liabilities

(i) Initial recognition and measurement: recognition and measurement

The Group's and Company's financial liabilities comprise interest-bearing loans and borrowings and trade and other payables. Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings as appropriate. All financial liabilities are recognised initially at fair value and, net of directly attributable transaction costs. Trade and other payables, 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.

(ii) 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.

(iii) 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 or the counterparty.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, then 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 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.

2.12 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

2.16 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 Short term 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 have 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. Initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis as the lease income. Rental income is recognised over time for the duration of a lease contract.

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.

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.

(iii) 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Current income and deferred tax (continued)

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.

2.24 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 Post-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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.26 Selection of a general price index

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:

Date	Estimated CPI	CPI	Conversion factor
31 December 2023	65 703,44		1,00
30 November 2023	53 915,71		1,22
31 October 2023	49 222,55		1,33
30 September 2023	44 720,86		1,47
31 August 2023	42 659,97		1,54
31 July 2023	46 633,80		1,41
30 June 2023	42 710,72		1,54
31 May 2023	18 704,62		3,51
30 April 2023	15 480,17		4,24
31 March 2023	13 949,99		4,71
28 February 2023	13 849,20		4,74
31 January 2023		13 819,67	4,75
31 December 2022		13 672,91	4,81

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 ZIMSTAT 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 that apply the IAS 29.

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.

CPI Sensitivity

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 line items All figures are in ZWL	Effect of 10% increase in TCPL Audited inflation adjusted 2023	Effect of 10% decrease in TCPL Audited inflation adjusted 2023
Profit for the period	55 393 265 472	(55 393 265 472)
Total equity	102 688 929 303	(102 688 929 303)

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 volitile 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.26 Selection of a general price index (continued)

CPI Sensitivity (continued)

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;
- 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.

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.

2.27 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 6.3

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 parametres 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.

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 consolidated financial statements on a going concern basis is appropriate based on the Unaudited Historical financial performance for the year 2023. The business also continues to implement futuristic plans on 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 basis.

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group'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's financial instruments are credit risk, liquidity and risk market risk .

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

The Group's senior management oversees the management of these risks within the Board approved framework of the risk management matrix. As such, the Group's senior management is supported by Group Internal Audit Department that advises on financial risks and the appropriate financial risk governance framework for the Group. The Group Internal Audit Department provides assurance to the Group's senior management that the Group'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 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 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's criteria prior to entering into lease arrangements.

(i) Risk management

Credit risk is managed on a Group 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'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 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 days past due	More than 90 days past due	More than 120 days past due	Total
31 December 2023						
Expected loss rate	8,26%	15,74%	24,64%	46,00%	100%	
Gross carrying amount-trade 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	4,64%	4,64%	4,64%	4,64%	4,64%	
Gross carrying amount-trade receivables relating to related party 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**

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 days 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 provided for	1 037 418	583 639	463 453	284 912	339 762	2 709 184
Credit loss allowance*	**77 410**	**88 560**	**111 991**	**130 306**	**339 762**	**748 029**
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	380 196	53 916	6 655	3 495	58 185	502 447
Credit loss allowance**	**13 023**	**1 847**	**228**	**120**	**1 993**	**17 211**
Total credit loss allowance	**90 433**	**90 407**	**112 219**	**130 426**	**341 755**	**765 240**

Company - Audited Inflation Adjusted

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	Total
31 December 2023						
Expected loss rate	8,26%	15,74%	24,64%	46,00%	100%	
Gross carrying amount-trade receivables provided for	2 497 494	763 017	462 947	329 911	1 444 868	5 498 237
Credit loss allowance*	**206 179**	**120 065**	**114 086**	**149 202**	**1 444 868**	**2 034 400**
Expected loss rate	4,64%	4,64%	4,64%	4,64%	4,64%	
Gross carrying amount-trade receivables relating to related party tenants provided for	735 155	550 797	222 325	167 411	386 550	2 062 238
Credit loss allowance**	**34 145**	**25 582**	**10 326**	**7 775**	**17 953**	**95 781**
Total credit loss allowance	**240 324**	**145 647**	**124 412**	**156 977**	**1 462 821**	**2 130 181**

	Current	More than 30 days past due	More than 60 days 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 provided for	784 868	430 165	267 195	230 772	289 872	2 002 872
Credit loss allowance*	**58 601**	**65 362**	**64 949**	**105 609**	**289 872**	**584 393**
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	380 196	53 916	6 655	3 495	58 185	502 446
Credit loss allowance**	**13 023**	**1 847**	**228**	**120**	**1 993**	**17 211**
Total credit loss allowance	**71 624**	**67 209**	**65 177**	**105 729**	**291 865**	**601 604**

*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.

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

4.1 Credit risk (continued)

(i) Risk management (continued)

Group - Unaudited Historical

31 December 2023	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	Total
Expected loss rate	8,26%	15,74%	24,64%	46,00%	100%	
Gross carrying amount-trade 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	4,64%	4,64%	4,64%	4,64%	4,64%	
Gross carrying amount-trade receivables relating to related party tenants provided for	735 155	550 797	222 325	167 411	386 550	2 062 238
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**

31 December 2022	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	Total
Expected loss rate	7,42%	15,01%	23,84%	44,75%	100%	
Gross carrying amount-trade 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	3,43%	3,43%	3,43%	3,43%	3,43%	
Gross carrying amount-trade receivables relating to related party tenants provided for	79 043	11 209	1 384	727	12 097	104 459
Credit loss allowance**	**2 708**	**384**	**47**	**25**	**414**	**3 578**
Total credit loss allowance	**18 802**	**18 796**	**23 330**	**27 115**	**71 051**	**159 094**

Company - Unaudited Historical

31 December 2023	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	Total
Expected loss rate	8,26%	15,74%	24,64%	46,00%	100%	
Gross carrying amount-trade receivables provided for	2 497 494	763 017	462 947	329 911	1 444 868	5 498 236
Credit loss allowance*	**206 179**	**120 065**	**114 086**	**149 202**	**1 444 868**	**2 034 400**
Expected loss rate	4,64%	4,64%	4,64%	4,64%	4,64%	
Gross carrying amount-trade receivables relating to related party tenants provided for	735 155	550 797	222 325	167 411	386 550	2 062 238
Credit loss allowance**	**34 145**	**25 582**	**10 326**	**7 775**	**17 953**	**95 781**
Total credit loss allowance	**240 324**	**145 647**	**124 412**	**156 977**	**1 462 821**	**2 130 181**

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

4.1 Credit risk (continued)

(i) Risk management (continued)

31 December 2022	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	Total
Expected loss rate	7,42%	15,01%	23,84%	44,75%	100%	
Gross carrying amount-trade receivables provided for	163 174	89 431	55 550	47 977	60 264	416 396
Credit loss allowance*	**12 183**	**13 589**	**13 503**	**21 956**	**60 264**	**121 495**
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	79 043	11 209	1 384	727	12 097	104 460
Credit loss allowance**	**2 708**	**384**	**47**	**25**	**414**	**3 578**
Total credit loss allowance	**14 891**	**13 973**	**13 550**	**21 981**	**60 678**	**125 073**

*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.

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.

The closing credit loss allowances for trade receivables as at 31 December 2023 reconcile to the opening loss allowances as follows:

	Audited Inflation Adjusted			
	Group		**Company**	
	2023 ZWL 000	**2022 ZWL 000**	**2023 ZWL 000**	**2022 ZWL 000**
Credit loss allowances as at 31 December 2022	765 240	548 597	601 605	495 463
Increase in credit loss allowance recognised in profit or loss during the year	2 215 891	605 651	2 005 107	457 473
Inflation effect	(606 146)	(389 008)	(476 531)	(351 331)
Expected credit losses allowances as at 31 December 2023	**2 374 985**	**765 240**	**2 130 181**	**601 605**

	Unaudited Historical Amounts			
	Group		**Company**	
	2023 ZWL 000	**2022 ZWL 000**	**2023 ZWL 000**	**2022 ZWL 000**
Credit loss allowances as at 31 December 2022	159 094	33 179	125 074	29 965
Increase in credit loss allowance recognised in profit or loss during the year	2 215 891	125 915	2 005 107	95 108
Expected credit losses allowances as at 31 December 2023	**2 374 985**	**159 094**	**2 130 181**	**125 073**

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

4.1 Credit risk (continued)

	Audited Inflation Adjusted		Unaudited Historical	
	2023	2022	2023	2022
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
The Group's maximum exposure to credit risk by class of financial asset is as follows:				
Financial assets at fair value through profit or loss - Unquoted shares	2 810 675	298 908	2 810 675	62 143
Financial assets at fair value through profit or loss - Quoted shares	27 665	14 684	27 665	3 053
Financial assets at amortised cost (note 9)	645 942	381 414	645 942	79 296
Trade other receivables (excluding prepayments) (note 11)	9 347 342	3 588 853	9 347 342	746 123
Cash and cash equivalents (note 12)	2 235 680	3 251 417	2 235 680	675 970
	15 067 304	**7 535 276**	**15 067 304**	**1 566 585**

	Audited Inflation Adjusted		Unaudited Historical	
	2023	2022	2023	2022
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
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 - Unquoted shares	2 810 675	298 908	2 810 675	62 143
Financial assets at fair value through profit or loss - Quoted shares	27 665	14 684	27 665	3 053
Financial assets at amortised cost (note 5)	645 942	381 414	645 942	79 296
Trade other receivables (excluding prepayments) (note 8)	8 499 573	2 882 541	8 499 573	599 281
Cash and cash equivalents (note 8)	3 098 148	696 357	3 098 148	144 773
	15 082 003	**4 273 904**	**15 082 003**	**888 546**

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.

The Group and Company also hold long term investments with First Mutual Microfinance (FMM) 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 FMM ability to payback.

The Group and Company's debt instruments at amortised cost comprise of Government treasury bills and debt securities held at First Mutual Microfinance that are graded good investments and, therefore, are considered to be low credit risk investments. It is the Group and Company's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group and Company uses the rate of meeting principal and interest repayments both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

Provision for expected credit losses of financial assets at amortised cost for the Group and Company uses the country's default rate to calculate ECLs for financial assets at amortised cost. The default rates takes into account forward looking information as it incorporates inflation and GDP of the country.

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 operating activities and from its financing activities.

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

4.1 Credit risk (continued)

Set out below is the movement in the allowance for expected credit losses of financial assets at amortised cost:

	Audited Inflation Adjusted		Unaudited Historical	
	2023 ZWL 000	2022 ZWL 000	2023 ZWL 000	2022 ZWL 000
As at 1 January				
Provision for expected credit losses	69 743	-	69 743	-
As at 31 December	**69 743**		**69 743**	

An impairment analysis is performed at each reporting date using country default rate to measure expected credit losses The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Risk management
Credit risk is managed on a Group basis. The credit risk of financial assets at amortised cost is assessed separately, for Government Treasury Bills the risk is very low as the Government always meets its payments when they fall due and for debt securities invested through First Mutual Microfinance, the risk profile marginally escalates from the Government Treasury Bills levels to match the risk profile allocated to Group related Companies. The fellow Group companies will be backed by the Holding company in times of liquidity crises thereby reducing the risk profile of related party transactions. In 2022, there was only Treasury Bills in financial assets at amortised cost and as such, in 2023, the investment in First Mutual Microfinance has a different risk profile hence there was expected credit loss provided for.

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 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 specifically written-off subject to Audit Committee approval.

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 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 were applied.

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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.

As at 31 December 2023, the table below analyses the maturity profile of the Group's 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 ZWL 000	Less than 3 months ZWL 000	3 - 12 months ZWL 000	1 to 5 years ZWL 000	Total ZWL 000
Year ended 31 December 2023					
Trade and other payables	9 458 448	-	-	-	9 458 448
Loans and other payables	-	-	4 132 434	-	4 132 434
Amounts owing to Group companies (Note 27.1.2)	1 756 159	-	-	-	1 756 159
	11 214 607	-	4 132 434	-	15 347 041
Year ended 31 December 2022					
Trade and other payables	4 586 763	-	-	-	4 586 763
Amounts owing to Group companies (Note 27.1.2)	135 653	-	-	-	135 653
	4 722 416	-	-	-	4 722 416

Group - Unaudited Historical cost

Maturity profile	On demand ZWL 000	Less than 3 months ZWL 000	3 - 12 months ZWL 000	1 to 5 years ZWL 000	Total ZWL 000
Year ended 31 December 2023					
Trade and other payables	9 418 099	-	-	-	9 418 099
Loans and other payables	-	-	4 132 434	-	4 132 434
Amounts owing to Group companies (Note 27.1.2)	1 756 159	-	-	-	1 756 159
	11 174 258	-	4 132 434	-	15 306 692
Year ended 31 December 2022					
Trade and other payables	876 879	-	-	-	876 879
Amounts owing to Group companies (Note 27.1.2)	28 202	-	-	-	28 202
	905 081	-	-	-	905 081

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

4.2 Liquidity risk (continued)

Company -Audited Inflation adjusted

Maturity profile	On demand ZWL 000	Less than 3 months ZWL 000	3 - 12 months ZWL 000	1 to 5 years ZWL 000	Total ZWL 000
Year ended 31 December 2023					
Trade and other payables	9 181 716	-	-	-	9 181 716
Amounts owing to Group companies (Note 12)	1 756 116	-	-	-	1 756 116
	10 937 832	-	-	-	10 937 832
Year ended 31 December 2022					
Trade and other payables	4 240 741	-	-	-	4 240 741
Amounts owing to Group companies (Note 12)	135 448	-	-	-	135 448
	4 376 189	-	-	-	4 376 189

Company - Unaudited Historical Cost

Maturity profile	On demand ZWL 000	Less than 3 months ZWL 000	3 - 12 months ZWL 000	1 to 5 years ZWL 000	Total ZWL 000
Year ended 31 December 2023					
Trade and other payables	9 168 978	-	-	-	9 168 978
Amounts owing to Group companies (Note 12)	1 756 116	-	-	-	1 756 116
	10 925 094	-	-	-	10 925 094
					-
Year ended 31 December 2022					
Trade and other payables	813 620	-	-	-	813 620
Amounts owing to Group companies (Note 12)	28 160	-	-	-	28 160
	841 780	-	-	-	841 780

During the year 2023, Group's current assets are less than current liabilites which renders reduced capacity to meet short term financial obligations when they fall due, however management is managing the risk as in 2023 there was more use of internal cashflows to finance Arundel office park developments hence reduction in current assets.

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 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'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 quoted 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.

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

4.3 Market risk (continued)

Audited Inflation Adjusted
Group

	Change in Equity price	Effect on profit before income tax ZWL 000	Effect on equity ZWL 000
2023	+5%	1 383	1 041
	-5%	(1 383)	(1 041)
2022	+5%	736	553
	-5%	(736)	(553)

Company

	Change in Equity price	Effect on profit before income tax ZWL 000	Effect on equity ZWL 000
2023	+5%	1 383	1 041
	-5%	(1 383)	(1 041)
2022	+5%	736	553
	-5%	(736)	(553)

Unaudited historical cost

Group	Change in Equity price	Effect on profit before income tax ZWL 000	Effect on equity ZWL 000
2023	+5%	1 383	1 041
	-5%	(1 383)	(1 041)
2022	+5%	153	115
	-5%	(153)	(115)

Company	Change in Equity price	Effect on profit before income tax ZWL 000	Effect on equity ZWL 000
2023	+5%	1 383	1 041
	-5%	(1 383)	(1 041)
2022	+5%	153	115
	-5%	(153)	(115)

(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's exposure to foreign exchange risk relates mainly to operating activities i.e. rental income denominated in USD$ currency.

The Group 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% increase or decrease in the exchange rate and illustrates the impact of the profit and equity. There has been no change from prior periods in the method and assumptions used.

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

4.3 Market risk (continued)

Audited Inflation Adjusted

Group		Change in USD rate	Effect on profit before income tax ZWL 000	Effect on equity ZWL 000
	2023	+5%	1 276 940	1 073 065
		-5%	(1 276 940)	(1 073 065)
	2022	+5%	505 430	543 057
		-5%	(505 430)	(543 057)

Company		Change in USD rate	Effect on profit before income tax ZWL 000	Effect on equity ZWL 000
	2023	+5%	923 493	850 113
		-5%	(923 493)	(850 113)
	2022	+5%	365 449	309 928
		-5%	(365 449)	(309 928)

Unaudited Historical cost

Group		Change in USD rate	Effect on profit before income tax ZWL 000	Effect on equity ZWL 000
	2023	+5%	1 276 940	1 073 065
		-5%	(1 276 940)	(1 073 065)
	2022	+5%	105 079	112 902
		-5%	(105 079)	(112 902)

Company		Change in USD rate	Effect on profit before income tax ZWL 000	Effect on equity ZWL 000
	2023	+5%	923 493	850 113
		-5%	(923 493)	(850 113)
	2022	+5%	75 977	64 434
		-5%	(75 977)	(64 434)

4.4 Capital management

Capital of the Group and Company comprises borrowings, 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	
	2023 ZWL 000	2022 ZWL 000	2023 ZWL 000	2022 ZWL 000
Group maximum borrowing limit (50% of shareholders 'equity)	513 444 646	238 740 526	508 279 160	49 576 364
Borrowings	(4 132 434)	-	(4 132 434)	-
Borrowing headroom	**509 312 212**	**238 740 526**	**504 146 726**	**49 576 364**

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

4.4 Capital management (continued)

	Audited Inflation Adjusted		Unaudited Historical	
	2023 ZWL 000	2022 ZWL 000	2023 ZWL 000	2022 ZWL 000
Company maximum borrowing limit (50% of shareholders 'equity)	329 967 751	167 108 584	305 183 781	29 720 983
Borrowings	-	-	-	-
Borrowing headroom	**329 967 751**	**167 108 584**	**305 183 781**	**29 720 983**

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 2023, the Group and Company was not exposed to any external capital restrictions (2022: 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 2023 and 31 December 2022.

A gearing ratio is a non-IFRS measure.

	Audited Inflation Adjusted		Unaudited Historical	
The table below sets out the Group's capital position;	2023	2022	2023	2022
Net debt	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Borrowings	-	-	-	-
Loans and other payables	4 132 434	-	4 132 434	-
Less: cash and cash equivalents	(2 235 680)	(3 251 417)	(2 235 680)	(675 970)
	1 896 754	**(3 251 417)**	**1 896 754**	**(675 970)**
Capital				
Ordinary share capital	1 271 144	1 271 144	1 238	1 238
Treasury shares	(23 128)	(23 127)	(41)	(41)
Retained earnings	1 025 641 277	476 233 035	1 016 557 122	99 151 531
Total capital	**1 026 889 293**	**477 481 052**	**1 016 558 319**	**99 152 728**
Capital and net debt	**1 028 786 047**	**474 229 635**	**1 018 455 073**	**98 476 758**

	Audited Inflation Adjusted		Unaudited Historical	
The table below sets out the Company's capital position;	2023	2022	2023	2022
Net debt	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Borrowings/overdraft	-	-	-	-
Less: cash and cash equivalents	(3 098 148)	(696 357)	(3 098 148)	(144 773)
	(3 098 148)	**(696 357)**	**(3 098 148)**	**(144 773)**
Capital				
Ordinary share capital	1 271 144	1 271 144	1 238	1 238
Treasury shares	(23 128)	(23 127)	(41)	(41)
Retained earnings	658 687 486	332 969 151	610 366 366	59 440 769
Total capital	**659 935 502**	**334 217 168**	**610 367 563**	**59 441 966**
Capital and net debt	**656 837 354**	**333 520 811**	**607 269 415**	**59 297 193**

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, 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.

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
United Nations Development Programme (UNDP) contributed 13.78% (First Mutual Holdings Limited, the parent of the Company, FY2022: 11.48%) of total revenue. The operating leases are for lettable space within the office segment.

5 SEGMENTAL REPORTING (continued)

Segment reporting FOR THE YEAR ENDED 31 DECEMBER 2023

	AUDITED INFLATION ADJUSTED					
All figures in ZWL 000	**Office**	**Retail**	**Industrial**	**Other**	**Consolidation adjustment**	**Total**
Revenue	21 668 140	10 054 689	6 582 306	2 774 189	(146 984)	40 932 340
Allowance for credit losses	(1 228 829)	(746 417)	(189 960)	(120 429)	-	(2 285 635)
Property expenses	(12 240 540)	(4 476 553)	(1 935 648)	(2 279 682)	-	(20 932 423)
Segment results	**8 198 771**	**4 831 719**	**4 456 698**	**374 078**	**(146 984)**	**17 714 282**
Net gain from fair value adjustment on investment property	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	-	-	-	(6 511 098)	-	(6 511 098)
Other expenses	(3 054 404)	(806 342)	(389 032)	(6 661 563)	5 128 574	(5 782 767)
Other income	23 318	-	-	5 529 549	-	5 552 867
Share of profit of associate	-	-	-	1 081 829	-	1 081 829
Finance income	3 531 756	1 029 463	372 422	314 154	-	5 247 795
Net monetary gain	-	-	-	-	458 338	458 338
Profit before income tax	**266 626 759**	**111 414 082**	**52 251 052**	**124 934 663**	**5 439 928**	**560 666 484**

Reconciliation of segment assets for 2023

All figures in ZWL 000	**Office**	**Retail**	**Industrial**	**Other**	**Consolidation adjustment**	**Total**
Assets						
Investment property	504 006 000	210 147 460	94 780 000	258 098 543	-	1 067 032 003
Trade receivables (note 11)	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	-	-	-	25 456 952	-	25 456 952
Other current assets	-	-	-	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**

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

5 SEGMENTAL REPORTING (continued)

Segment reporting FOR THE YEAR ENDED 31 DECEMBER 2023

			Unaudited Historical			
All figures in ZWL 000	**Office**	**Retail**	**Industrial**	**Other**	**Consolidation adjustment**	**Total**
Revenue	13 519 347	6 273 396	4 106 880	1 730 893	(91 708)	25 538 808
Allowance for credit losses	(1 228 829)	(746 417)	(189 960)	(120 429)	-	(2 285 635)
Property expenses	(7 335 749)	(2 682 796)	(1 160 033)	(1 366 212)	-	(12 544 790)
Segment results	**4 954 769**	**2 844 183**	**2 756 887**	**244 252**	**(91 708)**	**10 708 383**
Net gain from fair value adjustment on investment property	455 666 000	187 899 020	84 465 000	231 090 790	-	959 120 810
Segment profit	**460 620 769**	**190 743 203**	**87 221 887**	**231 335 042**	**(91 708)**	**969 829 193**
Employee related expenses	-	-	-	(5 555 062)	-	(5 555 062)
Other expenses	(1 817 799)	(479 887)	(231 529)	(3 964 564)	3 052 222	(3 441 557)
Other income	23 509	-	-	5 574 766	-	5 598 275
Share of profit of associate	-	-	-	1 655 586	-	1 655 586
Finance income	1 942 388	566 182	204 824	172 778	-	2 886 172
Profit before income tax	**460 768 867**	**190 829 498**	**87 195 182**	**229 218 546**	**2 960 514**	**970 972 607**

Reconciliation of segment assets for 2023

All figures in ZWL 000	**Office**	**Retail**	**Industrial**	**Other**	**Consolidation adjustment**	**Total**
Assets						
Investment property	504 006 000	210 147 460	94 780 000	258 098 543	-	1 067 032 003
Trade receivables (note 11)	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	-	-	-	15 327 485	-	15 327 485
Other 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**	**41 752**	**-**	**82 640**	**-**	**9 813 898**

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

5 SEGMENTAL REPORTING (continued)

Segment reporting for the year ended 31 December 2022

	AUDITED INFLATION ADJUSTED					
All figures in ZWL 000	**Office**	**Retail**	**Industrial**	**Other**	**Consolidation adjustment**	**Total**
Revenue	6 850 974	4 726 650	1 455 124	969 721	(50 912)	13 951 557
Allowance for credit losses	(417 317)	(117 117)	(42 309)	(28 908)	-	(605 651)
Property expenses	(5 410 011)	(2 335 973)	(516 876)	(599 190)	-	(8 862 050)
Segment results	**1 023 646**	**2 273 560**	**895 939**	**341 623**	**(50 912)**	**4 483 856**
Net loss from fair value adjustment on investment property	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	-	-	-	(1 566 864)	-	(1 566 864)
Other expenses	(861 517)	(425 459)	(286 538)	(2 243 456)	1 575 784	(2 241 186)
Other income	5 755 350	-	-	2 957 837	-	8 713 187
Finance income	1 027 276	327 797	228 081	197 344	-	1 780 498
Share of profit of associate	-	-	-	338 171	-	338 171
Net monetary loss	-	-	-	-	(5 640 261)	(5 640 261)
Profit before income tax	**78 771 023**	**34 981 592**	**16 063 727**	**41 658 226**	**(4 115 389)**	**167 359 179**

Reconciliation of segment assets for 2022

All figures in ZWL 000	**Office**	**Retail**	**Industrial**	**Other**	**Consolidation adjustment**	**Total**
Assets						
Investment property	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	-	-	-	2 745 507	-	2 745 507
Other current assets	-	-	-	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**	**-**	**1 756 255**

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

5 SEGMENTAL REPORTING (continued)

Segment reporting FOR THE YEAR ENDED 31 DECEMBER 2022

	Unaudited Historical					
All figures in ZWL 000	**Office**	**Retail**	**Industrial**	**Other**	**Consolidation adjustment**	**Total**
Revenue	1 031 987	711 992	219 191	146 072	(7 669)	2 101 573
Allowance for credit losses	(86 760)	(24 349)	(8 796)	(6 010)	-	(125 915)
Property expenses	(833 948)	(360 088)	(79 676)	(92 364)	-	(1 366 076)
Segment results	**111 279**	**327 555**	**130 719**	**47 698**	**(7 669)**	**609 582**
Net gain from fair value adjustment on investment property	38 875 000	17 755 640	8 241 000	22 533 610	-	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	-	-	-	(286 238)	-	(286 238)
Other expenses	(133 004)	(65 684)	(44 237)	(346 352)	243 275	(346 002)
Finance costs	856 129	-	-	439 989	-	1 296 118
Other income	179 113	57 154	39 767	34 408	-	310 442
Finance income	-	-	-	114 622	-	114 622
						-
Profit before income tax	**39 888 517**	**18 074 665**	**8 367 249**	**22 537 737**	**235 606**	**89 103 774**

Reconciliation of segment assets for 2022

All figures in ZWL 000	**Office**	**Retail**	**Industrial**	**Other**	**Consolidation adjustment**	**Total**
Assets						
Investment property	48 340 000	22 248 440	10 315 000	28 430 400	-	109 333 840
Trade receivables (note 11)	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	-	-	-	485 874	-	485 874
Other current assets	-	-	-	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**

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

6 INVESTMENT PROPERTY

	Audited Inflation adjusted		Unaudited Historical	
	2023	**2022**	**2023**	**2022**
	ZWL 000	**ZWL 000**	**ZWL 000**	**ZWL 000**
As at 1 January	525 895 770	364 407 771	109 333 840	22 039 000
Improvements to existing property	187 867	525 009	44 308	43 224
Reclassification (to)/from held for sale	404 985	(184 704)	275 500	(38 400)
Disposals	(2 141 576)	(1 047 185)	(1 505 355)	(160 028)
Additions to investment property	-	703 101	-	44 794
Fair value adjustments	542 684 957	161 491 778	958 883 710	87 405 250
As at 31 December	**1 067 032 003**	**525 895 770**	**1 067 032 003**	**109 333 840**

6 INVESTMENT PROPERTY

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;

AUDITED INFLATION ADJUSTED
Group

All figures in ZWL 000					
31 December 2023	**Level 1**	**Level 2**	**Level 3**	**Total**	**Total gain/(loss) in the period in the statement of profit or loss**
CBD offices	-	-	194 906 000	194 906 000	99 744 015
Office parks	-	-	309 100 000	309 100 000	158 183 303
CBD retail	-	-	148 407 460	148 407 460	75 111 567
Suburban retail	-	-	61 740 000	61 740 000	31 247 675
Industrial	-	-	94 780 000	94 780 000	47 810 964
Residential	-	-	32 470 000	32 470 000	16 456 220
Land	-	-	225 628 543	225 628 543	114 351 494
Total	**-**	**-**	**1 067 032 003**	**1 067 032 003**	**542 905 238**
31 December 2022					
CBD offices	-	-	92 977 300	92 977 300	28 721 592
Office parks	-	-	139 538 100	139 538 100	43 104 676
CBD retail	-	-	73 970 296	73 970 296	22 675 765
Suburban retail	-	-	33 044 700	33 044 700	10 129 929
Industrial	-	-	49 615 150	49 615 150	15 226 245
Residential	-	-	17 662 320	17 662 320	5 377 289
Land	-	-	119 087 904	119 087 904	36 256 283
Total	**-**	**-**	**525 895 770**	**525 895 770**	**161 491 779**

Gains and losses recorded in profit or loss for recurring fair value measurements categorised within level 3 of the fair value hierarchy amount to ZWL542.905 billion (2022: ZWL161.492 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.

Unaudited Historical
Group

All figures in ZWL 000					
31 December 2023	**Level 1**	**Level 2**	**Level 3**	**Total**	**Total gain/(loss) in the period in the statement of profit or loss**
CBD offices	-	-	194 906 000	194 906 000	175 576 000
Office parks	-	-	309 100 000	309 100 000	280 090 000
CBD retail	-	-	148 407 460	148 407 460	133 029 020
Suburban retail	-	-	61 740 000	61 740 000	54 870 000
Industrial	-	-	94 780 000	94 780 000	84 465 000
Residential	-	-	32 470 000	32 470 000	30 259 047
Land	-	-	225 628 543	225 628 543	200 831 743
Total	**-**	**-**	**1 067 032 003**	**1 067 032 003**	**959 120 810**
31 December 2022					
CBD offices	-	-	19 330 000	19 330 000	15 505 000
Office parks	-	-	29 010 000	29 010 000	23 370 000
CBD retail	-	-	15 378 440	15 378 440	12 385 640
Suburban retail	-	-	6 870 000	6 870 000	5 370 000
Industrial	-	-	10 315 000	10 315 000	8 241 000
Residential	-	-	3 672 000	3 672 000	2 910 010
Land	-	-	24 758 400	24 758 400	19 623 600
Total	**-**	**-**	**109 333 840**	**109 333 840**	**87 405 250**

6 INVESTMENT PROPERTY (continued)

6.1 Fair value hierarchy (continued)

Gains and losses recorded in profit or loss for recurring fair value measurements categorised within level 3 of the fair value hierarchy amount to ZWL959.120 billion (2022: ZWL87.405 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.

AUDITED INFLATION ADJUSTED

All amount in ZWL 000

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

6 INVESTMENT PROPERTY (continued)

6.1 Fair value hierarchy (continued)

Class of property	Fair value 31 December, 2022	Valuation technique	Key unobservable inputs	Range	weighted average
CBD offices	92 977 300	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL2,000-ZWL3,500 5.50%-8.5%	23%
Office parks	139 538 100	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL4,000-ZWL5,000 5.00%-6.00%	6%
CBD retail*	73 970 296	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL4,000-ZWL10,000 4.50%-6.00%	0%
Suburban retail*	33 044 700	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL900-ZWL20,000 4.00%-5.50%	4%
Industrial	49 615 150	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL1,000-ZWL3,500 7.00%-10.00%	10%
Residential	17 662 320	Market comparable	Comparable transacted properties prices		
Land - residential	46 176 000	Market comparable	Rate per square metre	ZWL1,500.00-ZWL20,000.00	
Land - commercial	72 911 904	Market comparable	Rate per square metre	ZWL20,000.00-ZWL 86,000.00	
Total	**525 895 770**				

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

Unaudited Historical

All amount in ZWL 000

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

6 INVESTMENT PROPERTY (continued)

6.1 Fair value hierarchy (continued)

Class of property	Fair value 31 December, 2022 ZWL 000	Valuation technique	Key unobservable inputs	Range	weighted average
CBD offices	19 330 000	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	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	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	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	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL1,000-ZWL3,500 7.00%-10.00%	10%
	-	Market	Comparable transacted properties prices		
Residential	3 672 000	comparable			
Land - residential	9 600 000	Market comparable	Rate per square metre	ZWL1,500.00-ZWL20,000.00	
Land - commercial	15 158 400	Market comparable	Rate per square metre	ZWL20,000.00-ZWL 86,000.00	
Total	**109 333 840**				

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

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	Lettable space m2		% of portfolio	
	December 2023	December 2022	December 2023	December 2022
Sector				
CBD offices	31 681	31 741	25,51%	25,56%
Office park	25 839	25 769	20,81%	20,75%
CBD retail	21 948	21 948	17,67%	17,67%
Suburban retail	7 723	7 723	6,22%	6,22%
Industrial	36 997	36 997	29,79%	29,80%
Total	**124 188**	**124 178**	**100,00%**	**100,00%**

COMPANY	Lettable space m2		% of portfolio	
	December 2023	December 2022	December 2023	December 2022
Sector				
CBD offices	31 681	13 369	29,96%	12,64%
Office park	7 397	25 769	6,99%	24,35%
CBD retail	21 948	21 948	20,76%	20,74%
Suburban retail	7 723	7 723	7,30%	7,30%
Industrial	36 997	36 997	34,99%	34,97%
Total	**105 746**	**105 806**	**100,00%**	**100,00%**

6 INVESTMENT PROPERTY (continued)

6.1 Fair value hierarchy (continued)

Prior year lettable space for company was reclassified between office park and CBD offices as it was misclassified between the two sectors and this has no impact on the numbers reported .

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 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 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:

GROUP	Audited Inflation adjusted		Unaudited Historical	
	2023	2022	2023	2022
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Within 1 year	920 777	5 275 185	920 777	1 096 712
Between 1 and 2 years	5 532 707	2 552 582	5 532 707	530 682
Between 2 and 3 years	11 525 021	3 175 723	11 525 021	660 233
Between 3 and 4 years	12 922 920	2 700 294	12 922 920	561 392
Between 4 and 5 years	27 506 078	1 769 667	27 506 078	367 914
Later than 5 years	-	45 127 996	-	9 382 120
Total	**58 407 503**	**60 601 447**	**58 407 503**	**12 599 053**

COMPANY	Audited Inflation adjusted		Unaudited Historical	
	2023	2022	2023	2022
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Within 1 year	920 504	836 887	920 504	173 989
Between 1 and 2 years	5 532 347	2 092 946	5 532 347	435 124
Between 2 and 3 years	11 524 588	3 175 723	11 524 588	660 233
Between 3 and 4 years	12 922 298	2 700 294	12 922 298	561 392
Between 4 and 5 years	27 506 083	1 769 667	27 506 083	367 914
Later than 5 years	-	1 134 817	-	235 929
Total	**58 405 820**	**11 710 334**	**58 405 820**	**2 434 581**

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

6 INVESTMENT PROPERTY (continued)

6.1 Fair value hierarchy (continued)

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'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

	2023 Increase in yield 10% ZWL 000	2023 Decrease in yield 10% ZWL 000	2022 Increase in yield 10% ZWL 000	2022 Decrease in yield 10% ZWL 000
Investment property	(323 725 629)	823 263 726	(183 423 631)	606 492 402
Deferred tax effect @25.75%	83 359 350	(211 990 409)	44 776 721	(148 054 756)
Profit for the year	(240 366 280)	611 273 316	(136 071 810)	449 923 047
Equity	(240 366 280)	611 273 316	(135 210 596)	447 075 433

Company Sensitivity analysis.

	2023 Increase in yield 10% ZWL 000	2023 Decrease in yield 10% ZWL 000	2022 Increase in yield 10% ZWL 000	2022 Decrease in yield 10% ZWL 000
Investment property	(166 421 314)	344 534 203	(97 360 154)	248 872 975
Deferred tax effect@25.75%	42 853 488	(88 717 557)	23 767 213	(60 753 981)
Profit for the year	(123 567 826)	255 816 646	(72 226 094)	184 625 045
Equity	(123 567 826)	255 816 646	(71 768 967)	183 456 532

Group Sensitivity analysis. — Unaudited historical cost

	2023 Increase in yield 10% ZWL 000	2023 Decrease in yield 10% ZWL 000	2022 Increase in yield 10% ZWL 000	2022 Decrease in yield 10% ZWL 000
Investment property	(323 725 629)	823 263 726	(38 133 811)	126 089 896
Deferred tax effect	83 359 350	(211 990 409)	9 426 678	(31 169 422)
Profit for the year	(240 366 280)	611 273 316	(28 707 133)	94 920 474
Equity	(240 366 280)	611 273 316	(28 707 133)	94 920 474

Company Sensitivity analysis.

	2023 Increase in yield 10% ZWL 000	2023 Decrease in yield 10% ZWL 000	2022 Increase in yield 10% ZWL 000	2022 Decrease in yield 10% ZWL 000
Investment property	(166 421 314)	344 534 203	(20 241 196)	51 740 743
Deferred tax effect	42 853 488	(88 717 557)	5 003 624	(12 790 312)
Profit for the year	(123 567 826)	255 816 646	(15 237 573)	38 950 431
Equity	(123 567 826)	255 816 646	(15 237 573)	38 950 431

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 2023 and 31 December 2022. 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.

6 INVESTMENT PROPERTY (continued)

6.1 Fair value hierarchy (continued)

Valuation process

Management Committee that determines the Group's policies and procedures for property valuations comprises the Managing Director, Finance Executive, Property Investment Manager and Head of Property Portfolio and Services. 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'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'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'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.

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 under development

	Audited Inflation adjusted		Unaudited Historical	
	2023 ZWL 000	2022 ZWL 000	2023 ZWL 000	2022 ZWL 000
Arundel Office Park - block 13 (under development)				
Development costs reclassified from prepaid expenditure	3 710 895	-	553 840	-
Non-cash development costs incured during the year	3 027 837	-	2 194 977	-
Cash development costs incurred during the year	11 646 523	-	6 775 941	-
Interest capitalised (Note 15)	199 147	-	164 748	-
	18 584 402	**-**	**9 689 506**	**-**

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).

6.3 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 disountinued operations) were met as at 30 September 2023. The asset was reclassified from investment property held for sale to investment property as disclosed below. This is a parcel of land falling under the other segment.

6 INVESTMENT PROPERTY (continued)

6.3 Investment property held for sale (continued)

Investment property held for sale	Audited Inflation adjusted 2023 ZWL 000	2022 ZWL 000	Unaudited Historical 2023 ZWL 000	2022 ZWL 000
As at 1 January	184 704	-	38 400	-
Fair value adjustment	220 281	-	237 100	-
Reclassification (to)/from Investment property	(404 985)	184 704	(275 500)	38 400
As at 31 December	**-**	**184 704**	**-**	**38 400**

7 INVESTMENT IN ASSOCIATE

	Audited Inflation adjusted 2023 ZWL 000	2022 ZWL 000	Unaudited Historical 2023 ZWL 000	2022 ZWL 000
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)	-	(11 871)	-
Share of profits	1 081 829	338 171	1 655 586	114 622
As at 31 December	**2 652 080**	**1 461 455**	**2 007 403**	**245 383**

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.

The Group 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 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.

The Group 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 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.

The group lost significance influence in Sterling holdings which resulted in reclassification of the investment from investment in associate to a financial asset measured at fair value through profit or loss - unquoted shares.

The breakdown of the costs capitalised and carrying amounts are shown below:

	Audited Inflation adjusted 2023 ZWL 000	2022 ZWL 000	Unaudited Historical 2023 ZWL 000	2022 ZWL 000
Infrastructure Fund Zimbabwe (Private) Limited	258 368	252 690	16 485	16 227
Greencroft Properties (Private) Limited	610 660	347 930	208 103	67 257
Sterling holdings	-	117 947	-	22 800
Builstate Investments (Private) Limited*	1 783 052	742 888	1 782 815	139 099
	2 652 080	**1 461 455**	**2 007 403**	**245 383**

7 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	
	2023	2022	2023	2022
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Current assets	1 583 702	57 136	1 583 070	11 879
Non-current assets	4 100 000	1 942 129	4 100 000	362 821
Current liabilities	(32 250)	(17 173)	(32 250)	(3 572)
Non - Current liabilities	(894 110)	-	(894 110)	-
Equity	4 757 342	1 982 092	4 756 710	371 128
Group's share of equity - 37.48%	1 783 052	742 888	1 782 815	139 099
Goodwill	-	-	-	-
Group's carrying amount of the investment	**1 783 052**	**742 888**	**1 782 815**	**139 099**
Revenue	2 227 091	66 047	1 389 624	13 137
Cost of sales	(287 205)	(8 783)	(162 964)	(1 742)
Finance costs	(492)	(1 752)	(140)	(359)
Fair value adjustment	3 997 788	-	4 078 750	-
Monetary loss	(2 181 768)	(1 828)	-	-
Profit before tax	**3 755 414**	**53 684**	**5 305 270**	**11 036**
Income tax expense	(868 997)	(13 723)	(888 018)	(2 728)
Profit for the year	**2 886 417**	**39 961**	**4 417 252**	**8 308**
Group's share of profit for the year	**1 081 829**	**14 977**	**1 655 586**	**3 113**

The associate had no contingent liabilities or capital commitments as at 31 December 2023 and this was the same as at 31 December 2022. Investment property that was under construction in 2022 is now carried at fair value as at 31 December 2023.

8 VEHICLES AND EQUIPMENT INFLATION ADJUSTED

All figures in ZWL 000

	Audited Inflation adjusted Group					
Year ended 31 December 2022	**Motor vehicles**	**Computers**	**Office equipment**	**Equipment and machinery**	**Office furniture**	**Total**
Opening net book amount	-	83 131	27 505	2 495	21 924	135 055
Additions	465 866	27 601	20 216	-	14 463	528 146
Disposal	-	(13 231)	-	-	-	(13 231)
Depreciation on disposal	-	11 899	-	-	-	11 899
Depreciation charge	(15 920)	(29 450)	(16 328)	(1 003)	(10 122)	(72 823)
Closing net book amount	**449 946**	**79 950**	**31 393**	**1 492**	**26 265**	**589 046**
As at 31 December 2022						
Cost	465 866	226 987	234 617	174 379	120 907	1 222 756
Accumulated depreciation	(15 920)	(147 037)	(203 224)	(172 887)	(94 642)	(633 710)
Net book amount	**449 946**	**79 950**	**31 393**	**1 492**	**26 265**	**589 046**
Year ended 31 December 2023						
Opening net book amount	449 946	79 950	31 393	1 492	26 265	589 046
Additions	-	58 537	32 110	225 365	5 294	321 306
Depreciation charge	(93 076)	(31 617)	(5 410)	(38 294)	(5 765)	(174 163)
Closing net book amount	**356 870**	**106 870**	**58 093**	**188 563**	**25 793**	**736 189**
As at 31 December 2023						
Cost	465 866	285 525	266 726	399 744	126 201	1 544 062
Accumulated depreciation	(108 996)	(178 655)	(208 633)	(211 182)	(100 408)	(807 873)
Net book amount	**356 870**	**106 870**	**58 093**	**188 562**	**25 793**	**736 189**

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

8 VEHICLES AND EQUIPMENT

All figures in ZWL 000

	Unaudited Historical Group					
Year ended 31 December 2022	**Motor vehicles**	**Computers**	**Office equipment**	**Equipment and machinery**	**Office furniture**	**Total**
Opening net book amount	-	2 710	100	-	23	2 833
Additions	93 153	2 000	1 269	1 431	-	97 854
Disposals	-	(302)	-	-	-	(302)
Depreciation disposal	-	47	-	-	-	47
Depreciation charge	(3 235)	(933)	(179)	(84)	(2)	(4 433)
Closing net book amount	**89 918**	**3 522**	**1 190**	**1 347**	**21**	**95 999**
As at 31 December 2022						
Cost	93 247	4 944	1 571	1 535	173	101 470
Accumulated depreciation	(3 329)	(1 422)	(380)	(188)	(152)	(5 471)
	-	-	-	-	-	-
Net book amount	**89 918**	**3 522**	**1 191**	**1 347**	**21**	**95 999**
Year ended 31 December 2023						
Opening net book amount	89 918	3 522	1 191	1 347	21	95 999
Additions	-	25 381	6 842	47 848	2 569	82 640
Depreciation charge	(18 631)	(4 690)	(1 428)	(7 294)	(301)	(32 345)
Closing net book amount	**71 287**	**24 213**	**6 605**	**41 901**	**2 289**	**146 294**
As at 31 December 2023						
Cost	93 246	30 325	8 413	49 383	2 743	184 110
Accumulated depreciation	(21 959)	(6 112)	(1 809)	(7 482)	(454)	(37 816)
Net book amount	**71 287**	**24 213**	**6 604**	**41 901**	**2 289**	**146 294**

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

9 FINANCIAL ASSETS AT AMORTISED COST

	Audited Inflation adjusted		Unaudited Historical	
	2023 ZWL 000	**2022 ZWL 000**	**2023 ZWL 000**	**2022 ZWL 000**
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)	-	-
Amortised interest	336 968	111 439	128 532	12 757
Repayments of interest	(336 968)	(111 439)	(128 532)	(12 757)
Repayments of principal	-	(1 438)	-	(190)
Allowance for credit losses	(69 743)	-	(69 743)	-
As at 31 December	**645 942**	**381 414**	**645 942**	**79 296**
Short-term portion	-	-	-	-
Long-term portion	645 942	381 414	645 942	79 296
Total	**645 942**	**381 414**	**645 942**	**79 296**

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	
	2023	2022	2023	2022
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
As at 1 January	298 908	139 525	62 143	8 438
Additions	392 447	-	111 808	-
Reclassification from prepaid expenditure	171 489	-	34 855	-
Reclassification from investment in associate	1 351 033	-	1 351 033	-
Fair value adjustment	596 798	159 383	1 250 836	53 705
As at 31 December	**2 810 675**	**298 908**	**2 810 675**	**62 143**

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 (2022: 2 508 square metres).

The Group's interest in Sterling Holdings was diluted resulting in loss of significance influence where interest decreased from 22.97% to 3.83% as a result of an increase in participation by other investors in the investee by 19.14%. The dilution of interest resulted in investment held at fair value through profit or loss in Sterling Holdings unquoted shares. Sterling Holdings is incorporated and domiciled in Zimbabwe and is unquoted. Sterling Holdings owns student accommodation. The building was valued by an independent valuer using the market comparable approach. The investment in Sterling Holdings 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 the capital rate/prime yield.

The Group has an investment of 2.79% of the shares in First Mutual Properties Fund Two (Private) Limited ("FMPFT") which is incorporated and domiciled in Zimbabwe and is unquoted. The fair value of the Group's investment in FMPFT is based on the valuation of FMPFT. FMPFT is a property holding company which owns student accommodation which will be leased out after completion of all the works. The building was valued by an independent valuer using the market comparable approach. The investment in FMPFT is categorised as level 3 in the IFRS 13 'Fair value measurement' hierarchy

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 2023 and 2022 are shown below:

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

Audited inflation adjusted

	Valuation technique	Significant unobservable inputs	Range of inputs 2023	2022	Sensitivity of the input to fair value
Non-listed equity investments – FMPFO	Income Capitalisation	Rental per square metre	ZWL60 000-ZWL180 000	ZWL900-ZWL3200	10% (2022: 10%) increase (decrease) in the rentals would result in an increase (decrease) in fair value by ZWL570,000,000(2022: ZWL 23,571,405)
		Capital rate/yield	4.00%-5.50%	4.00%-5.00%	5% (2022: 5%) increase (decrease) in the capital rate would result in an increase (decrease) in fair value by ZWL 285,000,000 (2022: ZWL11,785,703)
Non-listed equity investments – Sterling Holdings	Market comparable	Capital rate/yield	4.00%-5.50%		5% increase (decrease) in the capital rate would result in an increase (decrease) in fair value by ZWL 67,551,625
Non-listed equity investments – FMPFT	Market comparable	Capital rate/yield	4.00%-5.50%		5% increase (decrease) in the capital rate would result in an increase (decrease) in fair value by ZWL 47,988,000

Historical cost

	Valuation technique	Significant unobservable inputs	Range of inputs 2023	2022	Sensitivity of the input to fair value
Non-listed equity investments – FMPFO	Income Capitalisation	Rental per square metre	ZWL60 000-ZWL180 000	ZWL900-ZWL3200	10% (2022: 10%) increase (decrease) in the rentals would result in an increase (decrease) in fair value by ZWL570,000,000 (2021: ZWL 4,900,500)
		Capital rate/yield	4.00%-5.50%	4.00%-5.00%	5% (2022: 5%) increase (decrease) in the capital rate would result in an increase (decrease) in fair value by ZWL 285,000,000 (2021: ZWL2,450,250)
Non-listed equity investments – Sterling Holdings	Market comparable	Capital rate/yield	4.00%-5.50%		5% increase (decrease) in the capital rate would result in an increase (decrease) in fair value by ZWL 67,551,625
Non-listed equity investments – FMPFT	Market comparable	Capital rate/yield	4.00%-5.50%		5% increase (decrease) in the capital rate would result in an increase (decrease) in fair value by ZWL 47,988,000

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	
	2023	2022	2023	2022
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
As at 1 January 2022	**139 525**	-	**8 438**	-
Remeasurement recognised in profit or loss**	159 383	-	53 705	-
As at 1 January 2023	**298 908**	-	**62 143**	-
Additions	392 446	-	111 807	-
Reclassification	1 522 523	-	1 385 889	-
Remeasurement recognised in profit or loss**	596 798	-	1 250 836	-
As at 31 December 2023	**2 810 675**	-	**2 810 675**	-

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

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

	Audited Inflation adjusted		Unaudited Historical	
	2023	2022	2023	2022
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
As at 1 January	14 684	23 120	3 053	1 398
Additions	857	-	645	-
Disposals	(2 390)	(880)	(1 552)	(170)
Fair value adjustment	14 514	(7 556)	25 519	1 825
As at 31 December	**27 665**	**14 684**	**27 665**	**3 053**

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	
	2023	2022	2023	2022
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Tenant receivables	5 491 180	2 169 468	5 491 180	451 033
Tenant operating cost recoveries	2 917 065	1 042 162	2 917 065	216 666
Trade receivables	**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 debtors	**6 033 260**	**2 446 390**	**6 033 260**	**508 605**
Prepayments - other	1 621 626	4 638 623	1 168 780	788 560
Staff debtors	756 965	298 917	756 965	62 145
Group companies receivables	182 133	78 306	182 133	16 280
Total trade and other receivables	**8 593 984**	**7 462 236**	**8 141 138**	**1 375 590**
Reconciliation of gross trade receivables				
As at 1 January	3 211 630	1 721 488	667 699	104 114
Increase in trade receivables	39 673 427	13 566 160	24 500 121	2 041 384
Recovery due to payments	(43 938 018)	(12 909 186)	(16 759 575)	(1 477 799)
Inflation effect	9 461 205	833 168	-	-
As at 31 December	**8 408 245**	**3 211 630**	**8 408 245**	**667 699**
Reconciliation of allowance for credit losses				
As at 1 January	765 240	548 597	159 094	33 179
Add: charge for the current 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)	-	-
As at 31 December	**2 374 985**	**765 240**	**2 374 985**	**159 094**

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 2023 **All figures in ZWL**	**Individually impaired ZWL 000**	**Collectively impaired ZWL 000**	**Total ZWL 000**
As at 1 January	486 625	61 972	548 597
Charge for the year	537 234	68 417	605 651
Inflation effect	(345 064)	(43 944)	(389 008)
As at 31 December 2022	**678 795**	**86 445**	**765 240**
Year ended 31 December 2023			
As at 1 January	678 795	86 445	765 240
Charge for the year	1 539 593	676 299	2 215 892
Inflation effect	(537 674)	(68 473)	(606 147)
As at 31 December 2023	**1 680 714**	**694 271**	**2 374 985**

	Unaudited Historical		
Year ended 31 December 2023 **All figures in ZWL**	**Individually impaired ZWL 000**	**Collectively impaired ZWL 000**	**Total ZWL 000**
As at 1 January	29 431	3 748	33 179
Charge for the year	111 691	14 224	125 915
As at 31 December 2022	**141 122**	**17 972**	**159 094**
Year ended 31 December 2023			
As at 1 January	141 122	17 972	159 094
Charge for the year	1 539 592	676 299	2 215 891
As at 31 December 2023	**1 680 714**	**694 271**	**2 374 985**

Trade receivables are normally on 30 day terms. Tenants are charged interest at 152% (2022: 222%) per annum on overdue amounts that remain outstanding after 30 days.

12 CASH AND CASH EQUIVALENTS

	Audited Inflation adjusted		Unaudited Historical	
	2023 ZWL 000	**2022 ZWL 000**	**2023 ZWL 000**	**2022 ZWL 000**
Short-term investments	1 217 153	1 080 298	1 217 153	224 594
Cash at bank and in hand : USD	89 897	1 842 683	89 897	383 094
ZWL	928 630	328 436	928 630	68 282
At 31 December	**2 235 680**	**3 251 417**	**2 235 680**	**675 970**

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	
	2023	2022	2023	2022
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Bank balances:	2 235 680	3 251 417	2 235 680	675 970
Bank overdraft	-	-	-	-
Balances as per cash flow statements	**2 235 680**	**3 251 417**	**2 235 680**	**675 970**

13 ORDINARY SHARE CAPITAL

	2023			
	Audited Inflation adjusted		Unaudited Historical	
Authorised	Shares 000	ZWL 000	Shares 000	ZWL 000
2 000 000 000 ordinary shares with a nominal value of ZWL0.001 per share	2 000 000	2 000	2 000 000	2 000
Issued and paid				
1 238 157 310 ordinary shares with a nominal value of ZWL0.001 per share	1 238 157	1 271 144	1 238 157	1 238
Less: treasury shares	-	-	-	-
Repurchased in 2016 at a price of 0.0163 cents per share.	(1 230)	(20 542)	(1 230)	(20)
Repurchased in 2019 at a price of 0.0163 cents per share.	(136)	(2 580)	(136)	(20)
Repurchased in 2022 at an average price of 876 cents per share.	(233)	(5)	(233)	(1)
Repurchased in 2023 at an average price of 8,380 cents per share.	(369)	(1)	(369)	-
As at 31 December	**1 236 189**	**1 248 016**	**1 236 189**	**1 197**

The shareholders at an annual general meeting held on 27 June 2023 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% (2022: 10%)of the Company's issued ordinary share capital.

ORDINARY SHARE CAPITAL

	2022			
	Audited Inflation adjusted		Unaudited Historical	
Authorised	Shares 000	ZWL 000	Shares 000	ZWL 000
2 000 000 000 ordinary shares with a nominal value of ZWL0.001 per share	2 000 000	2 000	2 000 000	2 000
Issued and paid				
1 238 157 310 ordinary shares with a nominal value of ZWL0.001 per share	1 238 157	1 271 144	1 238 157	1 238
Less: treasury shares	-	-	-	-
Repurchased in 2016 at a price of 0.0163 cents per share.	(1 230)	(20 542)	(1 230)	(20)
Repurchased in 2019 at a price of 0.0163 cents per share.	(136)	(2 580)	(136)	(20)
Repurchased in 2022 at an average price of 876 cents per share.	(233)	(5)	(233)	(1)
As at 31 December	**1 236 558**	**1 248 017**	**1 236 558**	**1 197**

14 DEFFERED TAX LIABILITIES

	Audited Inflation adjusted		Unaudited Historical	
	2023 ZWL 000	2022 ZWL 000	2023 ZWL 000	2022 ZWL 000
As 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 from prepayments	(178 337)	215 565	-	-
-Arising on property plant and equipment	66 351	69 402	4 083	13 591
-Arising on investment properties	3 599 907	14 004 347	48 842 492	9 267 269
-Arising on financial assets at fair value through profit or loss	125 168	10 239	138 870	3 169
-Arising on leave pay provision	7 850	(6 816)	(19 136)	(5 435)
-Arising on provision for credit losses	(415 169)	(53 554)	(565 009)	(31 126)
As at 31 December	**60 533 226**	**57 309 814**	**60 246 851**	**11 845 551**
Deferred tax liability				
Arising on inventory	18 635	993	-	-
Arising from prepayments	121 918	300 255	-	-
-Arising on property plant and equipment	163 576	97 225	17 754	13 671
-Arising on investment properties	60 717 187	57 117 278	60 717 187	11 874 695
-Arising on financial assets at fair value through profit or loss	142 466	17 298	142 466	3 596
-Arising on leave pay provision	(26 219)	(34 068)	(26 219)	(7 083)
-Arising on provision for credit losses	(604 337)	(189 167)	(604 337)	(39 328)
As at 31 December	**60 533 226**	**57 309 814**	**60 246 851**	**11 845 551**

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 Related party loan

	Audited Inflation adjusted		Unaudited Historical	
	2023 ZWL 000	2022 ZWL 000	2023 ZWL 000	2022 ZWL 000
At 1 January				
Loans advanced*	4 733 793	-	3 355 056	-
Interest charged	199 147	-	164 748	-
Exchange loss	612 630	-	612 630	-
Inflation effect	(1 413 136)	-	-	-
	4 132 434	**-**	**4 132 434**	**-**

*Part of the loan was an amount which First Mutual Health paid the suppliers directly for FMP so the liability increased but no cash flow.

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 develoipment 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

		Audited Inflation adjusted		Unaudited Historical	
16	**TRADE AND OTHER PAYABLES**	**2023**	**2022**	**2023**	**2022**
	All figures in ZWL	**ZWL 000**	**ZWL 000**	**ZWL 000**	**ZWL 000**
	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 payables*	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
	As at 31 December	**11 214 607**	**4 722 415**	**11 174 257**	**905 081**

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

		Audited Inflation adjusted		Unaudited Historical	
16.1	****Leave pay provision reconciliation**	**2023**	**2022**	**2023**	**2022**
		ZWL 000	**ZWL 000**	**ZWL 000**	**ZWL 000**
	At 1 January	137 817	110 244	28 652	6 667
	Recognised during the period	201 483	198 462	76 853	22 719
	Transfer of leave days from staff movement	14 615	-	3 077	-
	Utilised during the period	(6 606)	(6 415)	(2 520)	(734)
	Inflation effect	(241 247)	(164 474)	-	-
	At 31 December	**106 062**	**137 817**	**106 062**	**28 652**

		Audited Inflation Adjusted		Unaudited Historical	
17	**REVENUE**	**2023**	**2022**	**2023**	**2022**
		ZWL 000	**ZWL 000**	**ZWL 000**	**ZWL 000**
	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
		40 932 339	**13 951 557**	**25 538 808**	**2 101 573**
18	**ALLOWANCE FOR CREDIT LOSSES**				
	Allowance for credit losses for trade recievables	2 215 891	605 651	2 215 891	125 915
	Allowance for credit losses for financial assets at amortised cost	69 744	-	69 744	-
		2 285 635	**605 651**	**2 285 635**	**125 915**

		Audited Inflation Adjusted		Unaudited Historical	
19	**PROPERTY EXPENSES**	**2023**	**2022**	**2023**	**2022**
		ZWL 000	**ZWL 000**	**ZWL 000**	**ZWL 000**
	Operating costs under recoveries	3 541 106	1 997 248	2 019 673	333 606
	Maintenance costs*	4 826 946	2 540 273	3 374 139	418 987
	Valuation fees	96 968	34 286	46 646	5 060
	Employee costs	8 697 576	2 919 649	4 887 885	406 872
	Other expenses	3 278 327	1 176 225	1 915 159	168 376
	Property transaction cost	10 157	-	5 838	-
	Property security and utilities	481 342	194 369	295 450	33 175
	As at 31 December	**20 932 422**	**8 862 050**	**12 544 790**	**1 366 076**
	Property expenses arising from investment properties that generated rental income	20 440 917	8 667 681	12 243 502	1 332 902
	Property expenses arising from investment properties that did not generate rental income	491 505	194 369	301 288	33 174
		20 932 422	**8 862 050**	**12 544 790**	**1 366 076**

The increase on maintanance costs is associated with sustainability related risks and opportunities the Company invested which were associated with green building upgrading, water, solar system upgrade and climate response.

20 EMPLOYEE COSTS

	Audited Inflation Adjusted		Unaudited Historical	
	2023 ZWL 000	2022 ZWL 000	2023 ZWL 000	2022 ZWL 000
Salaries	540 607	191 978	325 027	28 092
Staff training	88 424	23 494	59 776	4 463
NSSA and levies	45 159	16 287	27 480	2 263
Pension contributions	67 339	17 553	39 879	2 689
General allowances	1 625 241	293 361	1 203 194	45 682
Motor vehicle allowance	273 973	75 362	168 365	11 244
Performance bonus	3 578 063	853 963	3 578 063	177 539
Other staff costs*	292 292	94 866	153 278	14 266
	6 511 098	**1 566 864**	**5 555 062**	**286 238**

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

21 OTHER EXPENSES

	Audited Inflation Adjusted		Unaudited Historical	
	2023 ZWL 000	2022 ZWL 000	2023 ZWL 000	2022 ZWL 000
Directors' fees				
-For services as directors	1 049 340	144 230	748 461	21 532
Auditors' fees:				
-current year	7 656	36 208	4 535	4 535
-prior year	261 865	60 353	155 120	7 559
Information and communication technology expenses	203 662	48 497	94 368	7 159
Depreciation	34 833	14 564	6 469	887
Communication expenses	25 778	4 889	18 162	655
Fees and other charges*	670 134	529 114	340 493	82 688
Investment fees	75 204	3 863	28 686	442
Office costs	411 531	362 925	170 775	65 736
Travel and entertainment expenses	106 185	14 993	72 048	2 344
Group shared services	2 808 174	973 002	1 734 670	144 344
Advertising	128 405	48 548	67 770	8 121
	5 782 767	**2 241 186**	**3 441 557**	**346 002**

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

22 FAIR VALUE ADJUSTMENTS

	Audited Inflation Adjusted		Unaudited Historical	
	2023 ZWL 000	2022 ZWL 000	2023 ZWL 000	2022 ZWL 000
Fair value adjustment - investment property	542 905 238	161 491 778	959 120 810	87 405 250
	542 905 238	**161 491 778**	**959 120 810**	**87 405 250**

23 OTHER INCOME

	Audited Inflation Adjusted 2023 ZWL 000	Audited Inflation Adjusted 2022 ZWL 000	Unaudited Historical 2023 ZWL 000	Unaudited Historical 2022 ZWL 000
Exchange Gains/(Losses)	2 103 606	8 026 423	2 072 330	1 160 595
Shared services	1 698 635	516 900	1 012 027	77 337
Fair value gain on financial assets at fair value through profit and loss	611 311	151 827	1 276 355	55 529
Profit on disposal of PPE	-	70	-	(81)
Gain on derecognition of financial assets at amortised cost	-	269	-	36
Gain on loss of siginificant influence	1 077 985	-	1 218 233	-
Sundry income*	61 330	17 698	19 330	2 702
	5 552 867	**8 713 187**	**5 598 275**	**1 296 118**

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

		Audited Inflation Adjusted		Unaudited historic	
		2023	2022	2023	2022
24	**FINANCE INCOME**	**ZWL 000**	**ZWL 000**	**ZWL 000**	**ZWL 000**
24.1	**Finance income for statement of profit or loss**				
	Interest on overdue tenant accounts	5 014 091	1 705 632	2 757 640	297 685
	Interest on investments	233 704	74 866	128 532	12 757
		5 247 795	**1 780 498**	**2 886 172**	**310 442**
24.2	**Finance income for statement of cash flows**				
	Finance income received	1 664 648	596 673	634 958	68 305
	Finance income accrued	3 583 147	1 183 825	2 251 214	242 137
		5 247 795	**1 780 498**	**2 886 172**	**310 442**
25	**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**
25.1	**Reconciliation of income tax charge**				
	Accounting Profit	560 666 484	167 359 179	970 972 607	89 103 774
	Tax at Standard rate	24,72%	24,72%	24,72%	24,72%
	Notional accounting tax at standard rate	138 596 755	41 371 189	240 024 428	22 026 453
	Expenses not deductible for tax purposes*	6 294 809	717 116	2 410 880	99 835
	Effect of different tax rates- Investment property	(135 798 921)	(3 628 661)	(189 138 623)	(3 507 684)
	Impact of future tax rate change***	374 253	-	142 754	-
	Impact of rebasing of unclaimed capital allowances	-	(14 554 188)	-	(3 025 819)
	Income not subject to tax**	(4 005 172)	(8 954 474)	(1 527 720)	(6 091 712)
	Inflation effect on adoption of IAS 29	1 272 105	507 209	-	-
	Effective tax for the period	**6 733 830**	**15 458 191**	**51 911 719**	**9 501 073**

*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 relates 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.

***During the 2024 budget speech held, it was announced that the corporate income tax rate will be increased from 24% to 25% for companies with years of assessment ending 31 December 2024. This change has affected recorded deferred tax liabilities at 31 December 2023 and the standard income tax rate in the future.

		Audited Inflation Adjusted		Unaudited historic	
25.2	**Reconciliation of income tax rate**	**2023**	**2022**	**2023**	**2022**
		ZWL 000	**ZWL 000**	**ZWL 000**	**ZWL 000**
	Notional tax rate	24,72%	24,72%	24,72%	24,72%
	Expenses not deductible for tax purposes*	1,12%	0,43%	0,25%	0,11%
	Effect of different tax rates- Investment property	-24,22%	-2,17%	-19,48%	-3,94%
	Impact of future tax rate change	0,07%	-	0,02%	-
	Impact of rebasing of unclaimed capital allowances	-	-8,70%	-	-3,40%
	Income not subject to tax	-0,71%	-5,35%	-0,16%	-6,84%
	Inflation effect on adoption of IAS 29	0,22%	0,30%	-	-
	Effective tax rate for the period	**1,20%**	**9,23%**	**5,35%**	**10,65%**

25.3 Reconciliation of income tax paid

	Audited Inflation Adjusted		Unaudited Historical	
	2023 ZWL 000	2022 ZWL 000	2023 ZWL 000	2022 ZWL 000
Tax assets at beginning of the year	-	-	-	-
Tax liability at beginning of the year	72 080	107 928	14 985	6 623
Current income tax expense (note 25)	3 510 418	1 219 484	3 510 418	253 531
Provision/(reversal) of interest and penalties/Exchange rate movement	785 903	(57 861)	785 903	(12 029)
Tax liability at end of the year	(749 715)	(72 080)	(749 715)	(14 985)
Effects of inflation after adoption of IAS 29	1 243 535	114 440	-	-
Income tax paid	**4 862 221**	**1 311 911**	**3 561 591**	**233 140**

26 EARNINGS PER SHARE

26.1 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	
All figures in ZWL	2023 ZWL 000	2022 ZWL 000	2023 ZWL 000	2022 ZWL 000
Earnings attributable to ordinary equity holders of the parent for basic earnings per share	553 932 654	151 900 988	919 060 888	79 602 701
Issued ordinary shares at 1 January (000)	1 238 157	1 238 157	1 238 157	1 238 157
Effect of treasury shares held	(1 738)	(1 599)	(1 738)	(1 599)
Weighted average number of ordinary shares at 31 December (000)	1 236 419	1 236 558	1 236 419	1 236 557 948
Basic earnings per share	44 801,37	12 284,18	74 332,48	6 437,44

26.2 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	
All figures in ZWL	2023 ZWL 000	2022 ZWL 000	2023 ZWL 000	2022 ZWL 000
Earnings attributable to ordinary equity holders of the parent for basic earnings per share	553 932 654	151 900 988	919 060 888	79 602 701
Issued ordinary shares at 1 January (000)	1 238 157	1 238 157	1 238 157	1 238 157
Weighted average number of ordinary shares at 31 December (000)	1 238 157	1 238 157	1 238 157	1 238 157 310
Diluted earnings per share	44 738,48	12 268,31	74 228,14	6 429,13

27 RELATED PARTY DISCLOSURES

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

27.1 Transactions and balances with related companies

27.1.1 Parent company's effective shareholding

First Mutual Holdings Limited directly owns 3.09% (2022: 3.09%) and controls 70.66% (2022: 70.66%) of the ordinary shares of First Mutual Properties Limited through a shareholding in the companies/funds listed below:

	2023	2022
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%
	70,68%	**70,68%**

27.1.2 Summary of related party transactions

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

INFLATION ADJUSTED

All figures in ZWL 000	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	1 486 786	-	-	27 363	818 882
First Mutual Life Assurance Company (Private) Limited	Intermediate Parent	3 495 155	-	42 015	-	555 012
First Mutual Wealth Management (Private) Limited	Fellow subsidiary	158 995	87 366	-	41 552	13
First Mutual Reinsurance Company (Private) Limited	Fellow subsidiary	327 585	-	-	31 279	25 079
First Mutual Health Company (Private) Limited	Fellow subsidiary	1 624 828	1 985 419	1 360 413	-	519 540
First Mutual Health Services (Private) Limited	Fellow subsidiary	-	-	-	75 007	-
NicozDiamond Insurance Company (Private) Limited	Fellow subsidiary	66 355	5 176 525	353 731	-	889 650
First Mutual Microfinance (Private) Limited	Fellow subsidiary	37 474	-	-	163	-
First Mutual Funeral (Private) Limited	Fellow subsidiary	68 877	-	-	6 769	-
Totals		**7 266 055**	**7 249 310**	**1 756 159**	**182 133**	**2 808 176**
Key management personnel of the Group Amounts owing to Key management		-	-	3 554 914	-	-
Other directors interests**		186 891	-	-	-	-

**During 2023 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.

27 RELATED PARTY DISCLOSURES (CONTINUED)

27.1.2 Summary of related party transactions (continued)

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

All figures in ZWL 000	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	412 494	-	-	3 599	357 529
First Mutual Life Assurance Company (Private) Limited	Intermediate Parent	958 475	158 799	-	35 090	202 107
First Mutual Wealth Management (Private) Limited	Fellow subsidiary	44 215	23 340	-	8 583	1 255
First Mutual Reinsurance Company (Private) Limited	Fellow subsidiary	91 120	-	-	30 034	12 730
First Mutual Health Company (Private) Limited	Fellow subsidiary	420 489	483 671	134 769	-	124 585
NicozDiamond Insurance Company (Private) Limited	Fellow subsidiary	27 527	767 715	-	204	274 796
First Mutual Microfinance (Private) Limited	Fellow subsidiary	5 490	-	-	-	-
First Mutual Funeral (Private) Limited	Fellow subsidiary	19 504	-	884	-	-
Totals		**1 979 314**	**1 433 525**	**135 653**	**78 510**	**973 002**
Key management personnel of the Group Amounts owing to Key management		-	-	840 966	-	-
Other directors interests**		24 801	-	-	-	-

**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.

27 RELATED PARTY DISCLOSURES (CONTINUED)

27.1.2 Summary of related party transactions (continued)

UNAUDITED HISTORICAL

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 2023:

All figures in ZWL 000	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	567 115	-	-	27 363	505 841
First Mutual Life Assurance Company (Private) Limited	Intermediate Parent	1 333 181	-	42 015	-	342 843
First Mutual Wealth Management (Private) Limited	Fellow subsidiary	60 646	33 324	-	41 552	8
First Mutual Reinsurance Company (Private) Limited	Fellow subsidiary	124 953	-	-	31 279	15 492
First Mutual Health Company (Private) Limited	Fellow subsidiary	619 769	757 312	1 360 413	-	320 931
First Mutual Health Services (Private) Limited	Fellow subsidiary	-	-	-	75 006	-
NicozDiamond Insurance Company (Private) Limited	Fellow subsidiary	25 310	1 974 517	353 731	-	549 556
First Mutual Microfinance (Private) Limited	Fellow subsidiary	14 294	-	-	163	-
First Mutual Funeral (Private) Limited	Fellow subsidiary	26 272	-	-	6 769	-
Totals		**2 771 540**	**2 765 153**	**1 756 159**	**182 132**	**1 734 671**
Key management personnel of the Group Amounts owing to Key management		-	-	3 554 914	-	-
Other directors interests**		186 891	-	-	-	-
First Mutual Microfinance (Private) Limited						

**During 2023 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.

27 RELATED PARTY DISCLOSURES (CONTINUED)

27.1.2 Summary of related party transactions (continued)

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

All figures in ZWL 000	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	47 221	-	-	748	53 039
First Mutual Life Assurance Company (Private) Limited	Intermediate Parent	109 723	18 179	-	7 503	29 982
First Mutual Wealth Management (Private) Limited	Fellow subsidiary	5 062	2 672	-	1 784	186
First Mutual Reinsurance Company (Private) Limited	Fellow subsidiary	10 431	-	-	6 244	1 889
First Mutual Health Company (Private) Limited	Fellow subsidiary	48 136	55 369	28 018	-	18 482
NicozDiamond Insurance Company (Private) Limited	Fellow subsidiary	3 151	87 885	-	43	40 766
First Mutual Microfinance (Private) Limited	Fellow subsidiary	628	-	-	-	-
First Mutual Funeral (Private) Limited	Fellow subsidiary	2 233	-	184	-	-
Totals		**226 585**	**164 105**	**28 202**	**16 322**	**144 344**
Key management personnel of the Group Amounts owing to Key management		-	-	174 837	-	-
Other directors interests**		5 156	-	-	-	-

**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.

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	
	2023	2022	2023	2022
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Allowance for credit losses	92 203	14 334	92 203	2 980
	92 203	**14 334**	**92 203**	**2 980**

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

27 RELATED PARTY DISCLOSURES (CONTINUED)

27.2 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 27.1.

27.3 Remuneration of key management

Details of transactions with directors are set out in the directors' report.

	Audited Inflation Adjusted		Unaudited Historical	
	2023	2022	2023	2022
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
The following remuneration was paid to key management during the year:				
Short term employee benefits	505 219	159 260	192 709	18 232
Post-employment benefits	41 218	12 993	15 722	1 487
Share appreciation rights	681 757	46 315	681 757	9 629
	1 228 194	**218 568**	**890 188**	**29 348**

Key management team includes executive directors and members of the management committee. Directors fees are disclosed on note 21.

27.4 BOND SECURITY AGREEMENT WITH FIRST MUTUAL MICROFINANCE LIMITED

First Mutual Microfinance Limited, a fellow subsidiary of First Mutual Holdings Limited, intended to raise USD 5,000,000.00 (Five million United States 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. As at 31 December 2023 no funds were raised by First Mutual Microfinance based on the bond security agreement.

28 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	
	2023	2022	2023	2022
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
All employees contribute to the pension fund at the same prescribed rate.				
Total employer contributions amounted to:	**67 339**	**17 553**	**39 879**	**2 689**

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	
	2023	2022	2023	2022
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Total employer contributions amounted to:	**45 159**	**16 287**	**27 480**	**2 263**

29 CONTINGENCIES AND COMMITMENTS

29.1 Commitments

As at 31 December 2023, the Group had agreed construction contracts with third parties and is consequently committed to future capital expenditure in respect of investment property under development of ZWL 21,367,645,920 (2022: ZWL 4,095,824,260).

Contigencies
The Group and the Company do not have significant contigent liabilities that require disclosure as at 31 December 2023 and this was the same as at 31 December 2022.

30 Events after the balance sheet date

There were no events after the reporting date which need to be disclosed in the financial statements.

31 Dividend declaration

At a meeting held on 23 February 2024, the Board of Directors recommended that no dividend should be paid for the current quarter, and the available cash be channeled towards the expansion programme.

The cumulative dividend paid during the year ended 31 December 2023 is ZWL 395.7 million being 32,0001 ZWL cents per share and USD 142,746 being 0.01154 United States Cents per share.

FIRST MUTUAL PROPERTIES LIMITED

COMPANY FINANCIAL STATEMENTS

31 DECEMBER 2023

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

		Audited Inflation adjusted		Unaudited Historical	
		2023	2022	2023	2022
ASSETS	**Notes**	**ZWL 000**	**ZWL 000**	**ZWL 000**	**ZWL 000**
Non-current assets					
Investment property	1	643 837 010	319 845 026	643 837 010	66 495 847
Investments in subsidiaries	2	48 106 827	48 106 827	46 858	46 858
Investment in associate	3	932 373	781 911	228 211	109 906
Vehicles and equipment	4	735 182	588 040	146 276	95 971
Financial assets at amortised cost	5	645 942	381 414	645 942	79 296
Financial assets at fair value through profit or loss- Unquoted shares	6	2 810 675	298 908	2 810 675	62 143
Financial assets at fair value through profit or loss - Quoted shares	6.2	27 665	14 684	27 665	3 053
Total non-current assets		**697 095 674**	**370 016 810**	**647 742 637**	**66 893 074**
Current assets					
Inventories		219 772	47 601	125 786	8 652
Loans and other receivables	7	999 527	-	999 527	-
Trade and other receivables	8	7 932 208	3 899 105	7 523 651	678 303
Cash and cash equivalents	9	3 098 148	696 357	3 098 148	144 773
Total current assets		**12 249 655**	**4 643 063**	**11 747 112**	**831 728**
Investment property held for sale	1.2	-	184 704	-	38 400
Total assets		**709 345 329**	**374 844 577**	**659 489 749**	**67 763 202**
EQUITY AND LIABILITIES					
Ordinary share capital	10	1 248 016	1 248 017	1 197	1 197
Retained earnings		658 687 486	332 969 151	610 366 366	59 440 770
Total shareholders' equity		**659 935 502**	**334 217 168**	**610 367 563**	**59 441 967**
Non-current liabilities					
Deferred tax liabilities	11	37 927 034	36 218 976	37 652 131	7 472 751
		37 927 034	36 218 976	37 652 131	7 472 751
Current liabilities					
Current tax payable	21.3	544 961	32 244	544 961	6 704
Trade and other payables	12	10 937 832	4 376 189	10 925 094	841 780
		11 482 793	**4 408 433**	**11 470 055**	**848 484**
Total liabilities		**49 409 827**	**40 627 409**	**49 122 186**	**8 321 235**
Total equity and liabilities		**709 345 329**	**374 844 577**	**659 489 749**	**67 763 202**

The notes on pages 143 to 158 are an integral part of the financial statements.

The financial statements were authorised for issue by the Board of directors on 23 February 2024 and signed on its behalf by:

CHAIRMAN
E. K. MOYO
23 February 2024

MANAGING DIRECTOR
C. K. MANYOWA
23 February 2024

COMPANY STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

		Audited Inflation adjusted		Unaudited Historical	
		2023	**2022**	**2023**	**2022**
		ZWL 000	**ZWL 000**	**ZWL 000**	**ZWL 000**
Revenue	13	36 336 076	11 234 942	22 560 773	1 658 863
Allowance for credit losses	14	(2 074 851)	(457 473)	(2 074 851)	(95 109)
Property expenses	15	(18 822 130)	(7 424 678)	(11 253 525)	(1 125 510)
Net property income		**15 439 095**	**3 352 791**	**9 232 397**	**438 244**
Employee related expenses	16	(6 512 348)	(1 567 083)	(5 555 062)	(286 238)
Other expenses	17	(8 739 481)	(2 117 169)	(5 521 743)	(321 399)
Net property income after administration expenses		**187 266**	**(331 461)**	**(1 844 408)**	**(169 393)**
Fair value adjustments	18	325 771 832	98 131 909	578 766 367	53 195 560
Other income	19	5 429 939	2 679 440	5 495 838	457 378
Finance income	20	4 970 103	1 578 796	2 800 470	275 934
Net monetary gain/ (loss)		(1 950 341)	(1 070 544)	-	-
Profit before income tax		**334 408 799**	**100 988 140**	**585 218 267**	**53 759 479**
Income tax expense	21	(4 166 052)	(13 711 922)	(32 637 373)	(6 251 522)
Profit for the year		**330 242 747**	**87 276 218**	**552 580 894**	**47 507 957**
Total comprehensive profit for the year		**330 242 747**	**87 276 218**	**552 580 894**	**47 507 957**
Attributable to:					
-Owners of the parent		330 242 747	87 276 218	552 580 894	47 507 957
Profit for the year		**330 242 747**	**87 276 218**	**552 580 894**	**47 507 957**

The notes on pages 143 to 158 are an integral part of the financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Audited Inflation adjusted Attributable to owners of the parent			
	Ordinary Shares ZWL 000	Treasury Shares ZWL 000	Retained earnings ZWL 000	Shareholders' equity ZWL 000
Balance as at 1 January 2022	**1 271 144**	**(23 122)**	**247 218 029**	**248 466 051**
Profit for the year	-	-	87 276 218	87 276 218
Total comprehensive income for the year	**-**	**-**	**87 276 218**	**87 276 218**
Transactions with owners in their capacity as owners:				
Acquisition of treasury shares	-	(5)	(45 006)	(45 011)
Dividend declared and paid	-	-	(1 480 089)	(1 480 089)
Balance as at 31 December 2022	**1 271 144**	**(23 127)**	**332 969 152**	**334 217 169**
Balance as at 1 January 2023	**1 271 144**	**(23 127)**	**332 969 152**	**334 217 169**
Profit for the year	-	-	330 242 747	330 242 747
Transactions with owners in their capacity as owners:				
Acquisition of treasury shares	-	(1)	(44 423)	(44 424)
Dividend declared and paid	-	-	(4 479 990)	(4 479 990)
Balance as at 31 DECEMBER 2023	**1 271 144**	**(23 128)**	**658 687 486**	**659 935 502**

The notes on pages 74 to 90 are an integral part of the financial statements.

	Unaudited Historical Attributable to owners of the parent			
	Ordinary Shares ZWL 000	Treasury Shares ZWL 000	Retained earnings ZWL 000	Shareholders' equity ZWL 000
Balance as at 1 January 2022	**1 238**	**(40)**	**12 144 432**	**12 145 630**
Profit for the year	-	-	47 507 956	47 507 956
Total comprehensive income for the year	**-**	**-**	**47 507 956**	**47 507 956**
Transactions with owners in their capacity as owners:				
Acquisition of treasury shares	-	(1)	(5 152)	(5 153)
Dividend declared and paid	-	-	(206 466)	(206 466)
Balance as at 31 December 2022	**1 238**	**(41)**	**59 440 770**	**59 441 967**
Total equity at the beginning of the financial year	**1 238**	**(41)**	**59 440 770**	**59 441 967**
Profit for the year	-	-	552 580 893	552 580 893
Total comprehensive income for the year	**-**	**-**	**552 580 893**	**552 580 893**
Transactions with owners in their capacity as owners:				
Acquisition of treasury shares	-	-	(28 174)	(28 174)
Dividend declared and paid	-	-	(1 627 123)	(1 627 123)
Balance as at 31 December 2023	**1 238**	**(41)**	**610 366 366**	**610 367 563**

The notes on pages 143 to 158 are an integral part of the financial statements.

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Audited Inflation adjusted		Unaudited Historical	
		2023 ZWL 000	2022 ZWL 000	2023 ZWL 000	2022 ZWL 000
Cash flows from operating activities					
Profit before income tax		334 408 799	100 988 140	585 218 267	53 759 479
Adjustment for non-cash items and other adjustments:					
Depreciation	4	174 163	72 822	32 336	4 391
Allowance for credit losses	14	2 074 851	457 473	2 074 851	95 109
Fair value adjustment on investment property	18	(325 771 832)	(98 131 909)	(578 766 367)	(53 195 560)
Fair value movement on unquoted shares	6	(596 798)	(159 383)	(1 250 836)	(53 705)
Gain on loss of siginificant influence		(1 077 985)	-	(1 218 233)	-
Fair value movement on quoted shares	6	(14 513)	7 556	(25 519)	(1 825)
Finance income	20	(4 970 103)	(1 578 796)	(2 800 470)	(275 934)
Exchange (gain)	19	(1 962 404)	(1 992 944)	(1 958 025)	(304 176)
Net monetary loss/(gain)		1 240 914	979 089	-	-
Dividend income		(80 184)	(2 563)	(16 881)	(294)
Profit from disposal of vehicles and equipment	19	-	(70)	-	81
Other non cash items		-	27 776	-	3 180
Cash flows generated from operating activities before working capital adjustments		**3 424 908**	**667 191**	**1 289 123**	**30 746**
Working capital adjustments					
(Increase) in trade and other receivables		(6 112 497)	(1 946 525)	(8 854 999)	(643 627)
Decrease/(increase) in inventory		(172 171)	(43 401)	(117 136)	(8 550)
Increase/(Decrease) in trade and other payables		6 561 642	2 427 274	10 083 314	724 562
Cash flow from operating activities after working capital adjustments		**3 701 882**	**1 104 539**	**2 400 302**	**103 131**
Interest paid		-	-	-	-
Income tax paid	21.3	(3 342 903)	(990 987)	(2 435 622)	(168 044)
Net cash generated from operating activities		**358 979**	**113 552**	**(35 320)**	**(64 913)**
Cash flows from investing activities					
Additions to investment property	1	-	(703 101)	-	(44 794)
Improvements to investment property	1	(177 025)	(197 589)	(41 751)	(24 914)
Purchase of vehicles and equipment	4	(321 305)	(528 146)	(82 640)	(97 854)
Investment in associate	3	(423 509)	(423 956)	(251 105)	(30 325)
Acquisitions of equities	6	(393 304)	-	(112 453)	-
Issuance of short term loan		(1 100 343)	-	(988 328)	-
Proceed on disposal of property, plant and equipment		-	1 490	-	199
Proceed on disposal of investment property		1 518 157	727 292	1 081 261	102 611
Acquisitions of financial assets at amortised cost	5	(1 601 213)	-	(636 389)	-
Maturity/(Issuance) of long term investments		2 390	2 580	1 551	395
Finance income received	20.2	1 615 218	530 288	616 103	60 705
Dividend received		54 805	2 564	16 881	294
Net cash generated from investing activities		**(826 130)**	**(588 578)**	**(396 870)**	**(33 683)**
Cash flows from financing activities					
Repurchase of treasury shares		(44 424)	(45 012)	(28 175)	(5 153)
Dividends paid to Company's shareholders		(3 664 148)	(1 225 458)	(1 627 123)	(206 466)
Net cash used in financing activities		**(3 708 572)**	**(1 270 470)**	**(1 655 297)**	**(211 619)**
Inflation effect on cashflows		(4 497 260)	(337 081)	-	-
Net (decrease)/increase in cash and cash equivalents		**(8 672 983)**	**(2 082 577)**	**(2 087 487)**	**(310 215)**
Cash and cash equivalents at the beginning of the year		696 357	832 671	144 773	50 359
Effects of changes in foreign currency		11 074 774	1 946 263	5 040 862	404 629
Cash and cash equivalents at end of the year		**3 098 148**	**696 357**	**3 098 148**	**144 773**

The notes on pages 143 to 158 are an integral part of the financial statements.

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

1 INVESTMENT PROPERTY

	Audited Inflation adjusted		Unaudited historical	
	2023 ZWL 000	**2022 ZWL 000**	**2023 ZWL 000**	**2022 ZWL 000**
As at 1 January	319 845 026	222 044 316	66 495 847	13 429 007
Improvements to existing property	177 025	197 589	41 751	24 914
Reclassification (to)/from held for sale	404 985	(184 704)	275 500	(38 400)
Disposals	(2 141 577)	(1 047 185)	(1 505 355)	(160 028)
Additions to investment property	-	703 101	-	44 794
Fair value adjustments	325 551 551	98 131 909	578 529 267	53 195 560
As at 31 December	**643 837 010**	**319 845 026**	**643 837 010**	**66 495 847**

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

All amount in ZWL 000	Company Level 1	Level 2	Level 3	Total	Total gain/ (loss) in the period in the statement of profit or loss
31 DECEMBER 2023					
CBD offices	-	-	194 906 000	194 906 000	98 619 501
Office parks	-	-	78 600 000	78 600 000	39 770 416
CBD retail	-	-	148 407 460	148 407 460	75 091 940
Suburban retail	-	-	61 740 000	61 740 000	31 239 510
Industrial	-	-	94 780 000	94 780 000	47 957 253
Residential	-	-	32 470 000	32 470 000	16 429 331
Land*	-	-	32 933 550	32 933 550	16 663 881
Total	**-**	**-**	**643 837 010**	**643 837 010**	**325 771 832**

31 December 2022	Company Level 1	Level 2	Level 3	Total	in the period in the statement of profit or loss
CBD offices	-	-	92 977 300	92 977 300	28 526 440
Office parks	-	-	37 614 200	37 614 200	11 540 443
CBD retail	-	-	73 970 296	73 970 296	22 694 886
Suburban retail	-	-	33 044 700	33 044 700	10 138 471
Industrial	-	-	49 615 150	49 615 150	15 222 464
Residential	-	-	17 477 652	17 477 652	5 362 332
Land*	-	-	15 145 728	15 145 728	4 646 873
Total	**-**	**-**	**319 845 026**	**319 845 026**	**98 131 909**

*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 325.772 billion (2022: ZWL 98.132 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				Total gain/ (loss) in the period in the statement of
All amount in ZWL 000	**Level 1**	**Level 2**	**Level 3**	**Total**	**of profit or loss**
31 DECEMBER 2023					
CBD offices	-		194 906 000	194 906 000	175 576 000
Office parks	-		78 600 000	78 600 000	70 780 000
CBD retail	-		148 407 460	148 407 460	133 029 020
Suburban retail	-		61 740 000	61 740 000	54 870 000
Industrial	-		94 780 000	94 780 000	84 465 000
Residential	-		32 470 000	32 470 000	28 836 393
Land*	-		32 933 550	32 933 550	31 209 955
Total	**-**	**-**	**643 837 010**	**643 837 010**	**578 766 368**

	Company				in the period in the statement
31 December 2022	**Level 1**	**Level 2**	**Level 3**	**Total**	**of profit or loss**
CBD offices	-	-	19 330 000	19 330 000	15 505 000
Office parks	-	-	7 820 000	7 820 000	6 280 000
CBD retail	-	-	15 378 440	15 378 440	12 385 640
Suburban retail	-	-	6 870 000	6 870 000	5 370 000
Industrial	-	-	10 315 000	10 315 000	8 241 000
Residential	-	-	3 633 607	3 633 607	2 928 327
Land*	-	-	3 148 800	3 148 800	2 485 593
Total	**-**	**-**	**66 495 847**	**66 495 847**	**53 195 560**

*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 578.766 billlion (2022: ZWL 53.196 billion) and are presented in the statement of profit or loss in line item 'fair value adjustments-investment properties'.

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 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 unobservable inputs used in the fair value measurement.

1 INVESTMENT PROPERTY (continued)

1.1 Fair value hierarchy (continued)

Audited Inflation Adjusted

Class of property	Fair value 31 December, 2023 ZWL 000	Valuation technique	Key unobservable inputs	Range	weighted avarage
CBD offices	194 906 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL22 000-ZWL36 000 5.5.00%-8.5%	23%
Office parks	78 600 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL48 000-ZWL60 000 5.00%-6.00%	6%
CBD retail*	148 407 460	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL48 000-ZWL90 000 4.50%-6.00%	0%
Suburban retail*	61 740 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL60 000-ZWL180 000 4.00%-5.50%	4%
Industrial	94 780 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL9 000-ZWL28 000 7.00%-10.00%	10%
Residential	32 470 000	Market comparable	Comparable transacted properties prices		
Land - residential	340 000	Market comparable	Rate per square metre	ZWL13 000-ZWL170 000	
Land - commercial	32 593 550	Market comparable	Rate per square metre	ZWL170 000-ZWL765 000	
Total	**643 837 010**				

Class of property	Fair value 31 December, 2022 ZWL 000	Valuation technique	Key unobservable inputs	Range	weighted average
CBD offices	92 977 300	Income Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL2,000-ZWL3,500 5.50%-8.5%	23%
Office parks	37 614 200	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL4,000-ZWL5,000 5.00%-6.00%	6%
CBD retail*	73 970 296	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL4,000-ZWL10,000 4.50%-6.00%	0%
Suburban retail*	33 044 700	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL900-ZWL20,000 4.00%-5.50%	4%
Industrial	49 615 150	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL1,000-ZWL3,500 7.00%-10.00%	10%
Residential	17 477 652	Market comparable	Comparable transacted properties prices		
Land - residential	184 704	Market comparable	Rate per square metre	ZWL1,500.00-ZWL20,000.00	
Land - commercial	14 961 024	Market comparable	Rate per square metre	ZWL20,000.00-ZWL 86,000.00	
Total	**319 845 026**				

1 INVESTMENT PROPERTY (continued)

1,1 Fair value hierarchy (continued)

Historical cost

Class of property	Fair value 31 December, 2023 ZWL 000	Valuation technique	Key unobservable inputs	Range	weighted avarage
CBD offices	194 906 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL22 000-ZWL36 000 5.5.00%-8.5%	23%
Office parks	78 600 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL48 000-ZWL60 000 5.00%-6.00%	6%
CBD retail*	148 407 460	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL48 000-ZWL90 000 4.50%-6.00%	0%
Suburban retail*	61 740 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL60 000-ZWL180 000 4.00%-5.50%	4%
Industrial	94 780 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL9 000-ZWL28 000 7.00%-10.00%	10%
Residential	32 470 000	Market comparable	Comparable transacted properties prices		
Land - residential	340 000	Market comparable	Rate per square metre	ZWL13 000-ZWL170 000	
Land - commercial	32 593 550	Market comparable	Rate per square metre	ZWL170 000-ZWL765 000	
Total	**643 837 010**				

Class of property	Fair value 31 December, 2022 ZWL 000	Valuation technique	Key unobservable inputs	Range	weighted average
CBD offices	19 330 000	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	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	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	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	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	Market comparable	Comparable transacted properties prices		
Land - residential	38 400	Market comparable	Rate per square metre	ZWL1,500.00-ZWL20,000.00	
Land - commercial	3 110 400	Market comparable	Rate per square metre	ZWL20,000.00-ZWL 86,000.00	
Total	**66 495 847**				

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

1 INVESTMENT PROPERTY (continued)

1.2 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 disountinued operations) were met as at 30 September 2023. The asset was reclassified from investment property held for sale to investment property as disclosed below.

Investment property held for sale	**Audited Inflation adjusted**		**Unaudited Historical**	
	2023	**2022**	**2023**	**2022**
All figures in ZWL	**ZWL 000**	**ZWL 000**	**ZWL 000**	**ZWL 000**
At 1 January	184 704	-	38 400	-
Fair value adjustment	220 281	-	237 100	-
Reclassification (to)/from Investment property	(404 985)	184 704	(275 500)	38 400
	-	**184 704**	**-**	**38 400**

2 INVESTMENTS IN SUBSIDIARIES

		Audited Inflation adjusted		**Unaudited Historical**	
	% Holding	**2023**	**2022**	**2023**	**2022**
All figures in ZWL		**ZWL 000**	**ZWL 000**	**ZWL 000**	**ZWL 000**
Arundel Office Park (Private) Limited	100%	48 045 229	48 045 229	46 798	46 798
Sticklip Enterprises (Private) Limited	100%	61 598	61 598	60	60
		48 106 827	**48 106 827**	**46 858**	**46 858**

3 INVESTMENT IN ASSOCIATE

		Audited Inflation adjusted		**Unaudited Historical**	
	% Holding	**2023**	**2022**	**2023**	**2022**
		ZWL 000	**ZWL 000**	**ZWL 000**	**ZWL 000**
Infrastructure Fund Zimbabwe (Private) Limited	24,41%	258 368	252 690	16 485	16 227
Greencroft Properties (Private) Limited	29,49%	610 661	347 930	208 104	67 257
Sterling holdings	22,97%	-	117 947	-	22 800
Builstate Investments (Private) Limited	37,48%	63 344	63 344	3 622	3 622
		932 373	781 911	228 211	109 906

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 .

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 acquisition is in line with the Company strategy to increase the portfolio.

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.

The group lost significance influence in Sterling holdings which resulted in reclassification of the investment from investment in associate to a financial asset measured at fair value through profit or loss - unquoted shares.

3 INVESTMENT IN ASSOCIATE (continued)

INVESTMENT IN ASSOCIATE RECONCILIATION	Audited Inflation adjusted 2023 ZWL 000	Audited Inflation adjusted 2022 ZWL 000	Unaudited Historical 2023 ZWL 000	Unaudited Historical 2022 ZWL 000
As at 1 January	781 911	207 370	109 906	8 702
Additions	423 509	574 541	251 105	101 204
Reclassification	(273 047)	-	(132 800)	-
As at 31 December	**932 373**	**781 911**	**228 211**	**109 906**

4 VEHICLES AND EQUIPMENT INFLATION ADJUSTED

All figures in ZWL 000

Audited Inflation adjusted
Company

	Motor vehicles	Computers	Office equipment	Equipment and machinery	Office furniture	Total
Year ended 31 December 2022						
Opening net book amount	-	83 132	26 498	21 924	2 495	134 049
Additions	465 866	27 601	20 216	14 463	-	528 146
Disposal	-	(13 231)	-	-	-	(13 231)
Depreciation on disposal	-	11 899	-	-	-	11 899
Depreciation charge	(15 920)	(29 450)	(16 328)	(10 122)	(1 003)	(72 823)
Closing net book amount	**449 946**	**79 951**	**30 386**	**26 265**	**1 492**	**588 040**
As at 31 December 2022						
Cost	465 866	226 987	234 617	120 907	174 379	1 222 756
Accumulated depreciation	(15 920)	(147 036)	(204 230)	(94 643)	(172 887)	(634 716)
Net book amount	**449 946**	**79 951**	**30 387**	**26 264**	**1 492**	**588 040**
Year ended 31 December 2023						
Opening net book amount	449 945	79 952	30 386	26 265	1 492	588 040
Additions	-	58 537	32 110	225 364	5 294	321 305
Depreciation charge	(93 075)	(31 619)	(5 410)	(38 294)	(5 765)	(174 163)
Closing net book amount	**356 870**	**106 870**	**57 086**	**213 335**	**1 021**	**735 182**
As at 31 DECEMBER 2023						
Cost	465 866	285 525	266 726	346 272	179 673	1 544 062
Accumulated depreciation	(108 996)	(178 655)	(209 640)	(132 937)	(178 652)	(808 880)
Net book amount	**356 870**	**106 870**	**57 086**	**213 335**	**1 021**	**735 182**

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

4 VEHICLES AND EQUIPMENT

All figures in ZWL 000

	Unaudited Historical Company					
Year ended 31 December 2022	**Motor vehicles**	**Computers**	**Office equipment**	**Equipment and machinery**	**Office furniture**	**Total**
Opening net book amount	-	2 709	65	-	23	2 798
Additions	93 153	2 000	1 269	1 431	-	97 854
Disposal	-	(336)	-	-	-	(336)
Depreciation on disposal	-	47	-	-	-	47
Depreciation charge	(3 235)	(933)	(137)	(84)	(2)	(4 391)
Closing net book amount	**89 918**	**3 488**	**1 197**	**1 347**	**21**	**95 971**
As at 31 December 2022						
Cost	93 247	4 944	1 571	1 535	173	101 470
Accumulated depreciation	(3 329)	(1 456)	(374)	(188)	(152)	(5 499)
Net book amount	**89 918**	**3 488**	**1 197**	**1 347**	**21**	**95 971**
Year ended 31 DECEMBER 2023						
Opening net book amount	89 918	3 488	1 197	1 347	22	95 972
Additions	-	25 381	6 842	47 848	2 569	82 640
Depreciation charge	(18 631)	(4 690)	(1 420)	(7 294)	(301)	(32 336)
Closing net book amount	**71 287**	**24 179**	**6 619**	**41 901**	**2 290**	**146 276**
As at 31 DECEMBER 2023						
Cost	93 246	30 325	8 413	49 383	2 743	184 110
Accumulated depreciation	(21 959)	(6 146)	(1 794)	(7 482)	(453)	(37 834)
Net book amount	**71 287**	**24 179**	**6 619**	**41 901**	**2 290**	**146 276**

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

5 FINANCIAL ASSETS AT AMORTISED COST

	Audited Inflation adjusted		Unaudited Historical	
	2023	**2022**	**2023**	**2022**
All figures in ZWL 000				
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)	-	-
Amortised interest	336 968	111 439	128 532	12 793
Repayments of interest	(336 968)	(111 439)	(128 532)	(12 793)
Repayments of principal	-	(1 438)	-	(190)
Allowance for credit losses	(69 743)	-	(69 743)	-
As at 31 December	**645 942**	**381 414**	**645 942**	**79 296**
Short-term portion	-	-	-	-
Long-term portion	645 942	381 414	645 942	79 296
Total	**645 942**	**381 414**	**645 942**	**79 296**

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

All figures in ZWL 000	Audited Inflation adjusted		Unaudited Historical	
As at 1 January	298 908	139 525	62 143	8 438
Additions	392 447	-	111 808	-
Reclassification from prepaid expenditure	171 490	-	34 856	-
Reclassification from Investment in Associate	1 351 032	-	1 351 032	-
Fair value adjustment	596 798	159 383	1 250 836	53 705
As at 31 December	**2 810 675**	**298 908**	**2 810 675**	**62 143**

The Company 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 Company'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 (2022: 2 508 square metres).

The Company's interest in Sterling Holdings was diluted resulting in loss of significance influence where interest decreased from 22.97% to 3.83% as a result increase in participation of other investors in the investee by 19.14%. The dilution of interest resulted in investment held at fair value through profit or loss in Sterling Holdings unquoted shares. Sterling Holdings is incorporated and domiciled in Zimbabwe and is unquoted. Sterling Holdings owns student accomodation. The building was valued by an independent valuer using the market comparable approach. The investment in Sterling Holdings 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 the capital rate/prime yield.

The Company has an investment of 2.79% of the shares in First Mutual Propertes Fund Two (Private) Limited ("FMPFT") which is incorporated and domiciled in Zimbabwe and is unquoted. The fair value of the Group's investment in FMPFT is based on the valuation of FMPFT. FMPFT is a property holding company which owns student accomodation which will be lease after completion of all the works. The building was valued by an independent valuer using the market comparable approach. The investment in FMPFT is categorised as level 3 in the IFRS 13 'Fair value measurement' hierarchy

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 2023 and 2022 are shown below:

Audited inflation adjusted

	Valuation technique	Significant unobservable inputs	Range of inputs 2023	2022	Sensitivity of the input to fair value
Non-listed equity investments – FMPFO	Income Capitalisation	Rental per square metre	ZWL60 000-ZWL180 000	ZWL900-ZWL3200	10% (2022: 10%) increase (decrease) in the rentals would result in an increase (decrease) in fair value by ZWL570,000,000(2022: ZWL 23,571,405)
		Capital rate/yield	4.00%-5.50%	4.00%-5.00%	5% (2022: 5%) increase (decrease) in the capital rate would result in an increase (decrease) in fair value by ZWL 285,000,000 (2022: ZWL11,785,703)
Non-listed equity investments – Sterling Holdings	Market comparable	Capital rate/yield	4.00%-5.50%		5% increase (decrease) in the capital rate would result in an increase (decrease) in fair value by ZWL 67,551,625
Non-listed equity investments – FMPFT	Market comparable	Capital rate/yield	4.00%-5.50%		5% increase (decrease) in the capital rate would result in an increase (decrease) in fair value by ZWL 47,988,000

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

Description of significant unobservable inputs to valuation*: (continued)

Historical cost

	Valuation technique	Significant unobservable inputs	Range of inputs 2023	2022	Sensitivity of the input to fair value
Non-listed equity investments – FMPFO	Income Capitalisation	Rental per square metre	ZWL60 000-ZWL180 000	ZWL900-ZWL3200	10% (2022: 10%) increase (decrease) in the rentals would result in an increase (decrease) in fair value by ZWL570,000,000 (2021: ZWL 4,900,500)
		Capital rate/yield	4.00%-5.50%	4.00%-5.00%	5% (2022: 5%) increase (decrease) in the capital rate would result in an increase (decrease) in fair value by ZWL 285,000,000 (2021: ZWL2,450,250)
Non-listed equity investments – Sterling Holdings	Market comparable	Capital rate/yield	4.00%-5.50%		5% increase (decrease) in the capital rate would result in an increase (decrease) in fair value by ZWL 67,551,625
Non-listed equity investments – FMPFT	Market comparable	Capital rate/yield	4.00%-5.50%		5% increase (decrease) in the capital rate would result in an increase (decrease) in fair value by ZWL 47,988,000

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 ZWL	Unaudited historical cost ZWL
As at 1 January 2022	**139 525**	**8 438**
Remeasurement recognised in profit or loss*	159 383	53 705
As at 1 January 2023	**298 908**	**62 143**
Additions	392 447	111 808
Reclassification	1 522 522	1 385 888
Remeasurement recognised in profit or loss*	596 798	1 250 836
As at 31 December 2023	**2 810 675**	**2 810 675**

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

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

All figures in ZWL 000	**Audited Inflation adjusted**		**Unaudited Historical**	
As at 1 January	14 684	23 120	3 053	1 398
Additions	858	-	645	-
Disposals	(2 390)	(880)	(1 552)	(170)
Fair value adjustment	14 513	(7 556)	25 519	1 825
As at 31 December	**27 665**	**14 684**	**27 665**	**3 053**

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 Loans and other receivables

All figures in ZWL 000	Audited Inflation adjusted 2023	2022	Unaudited Historical 2023	2022
At 1 January	-	-	-	-
Loans issued to Arundel Office Park	1 100 343	-	988 328	-
Interest received	13 663	-	11 199	-
Inflation effect	(114 479)	-	-	-
Loans and other receivables	**999 527**	**-**	**999 527**	**-**

The Company advanced some loans to Arundel Office Park for the construction of an additional block.
Significant terms and conditions
Loans receivables were 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

Related party loan disclosure
Various transactions were entered into between related parties. These transactions were entered into at market related terms.

	2023 Inflation adjusted Income	Receivable	Historical Income	Receivable	2022 Inflation adjusted Income	Receivable	Historical Income	Receivable
Inter-company loan receivable								
Arundel Office Park Private Limited	13 662	999 527	11 198	999 527	-	-	-	-

The loan receivable from Arundel Office Park Private Limited Ltd is unsecured. Interest is charged at market rate of 15%.
There were no guarantees provided.
The loan receivable was not provided for expected credit loss as it was issued to a subsidiary which is 100% owned by the Company and loan repayment is done within the Group and there was no significant risk at reporting date.

8 TRADE AND OTHER RECEIVABLES

All figures in ZWL 000	Audited Inflation adjusted 2023	2022	Unaudited Historical 2023	2022
Tenant receivables	4 944 882	1 700 488	4 944 882	353 532
Tenant operating cost recoveries	2 615 594	804 831	2 615 594	167 325
Trade receivables	**7 560 476**	**2 505 319**	**7 560 476**	**520 857**
Less: allowance for credit losses	(2 130 181)	(601 605)	(2 130 181)	(125 074)
Net trade debtors	**5 430 295**	**1 903 714**	**5 430 295**	**395 783**
Prepayments - other	1 562 816	1 618 169	1 154 259	204 096
Staff debtors	756 965	298 917	756 965	62 144
Group companies receivables	182 132	78 305	182 132	16 280
Total trade and other receivables	**7 932 208**	**3 899 105**	**7 523 651**	**678 303**
Reconciliation of gross trade receivables				
As at 1 January	2 505 319	1 534 885	520 856	92 828
Increase in trade receivables	30 030 395	10 053 669	18 469 863	1 519 546
Recovery due to payments	(29 966 290)	(9 534 862)	(11 430 244)	(1 091 518)
Effect of IAS 29	4 991 052	451 627	-	-
As at 31 December	**7 560 476**	**2 505 319**	**7 560 476**	**520 856**
Reconciliation of allowance for credit losses				
As at 1 January	601 605	495 463	125 074	29 965
Add: charge for the year	2 660 911	980 987	2 255 255	155 039
Recovery due to payments	(655 803)	(523 514)	(250 148)	(59 930)
Effect of IAS 29	(476 532)	(351 331)	-	-
As at 31 December	**2 130 181**	**601 605**	**2 130 181**	**125 074**

8 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 2022 **All figures in ZWL**	**Individually impaired ZWL 000**	**Collectively impaired ZWL 000**	**Total ZWL 000**
As at 1 January	433 491	61 972	495 463
Charge for the year	389 056	68 417	457 473
Inflation effect	(307 387)	(43 944)	(351 331)
As at 31 December 2022	**515 160**	**86 445**	**601 605**
Year ended 31 DECEMBER 2023			
As at 1 January	515 160	86 445	601 605
Charge for the year	1 444 868	560 240	2 005 108
Inflation effect	(408 058)	(68 474)	(476 532)
As at 31 DECEMBER 2023	**1 551 970**	**578 211**	**2 130 181**

	Unaudited Historical		
Year ended 31 DECEMBER 2022 **All figures in ZWL**	**Individually impaired ZWL 000**	**Collectively impaired ZWL 000**	**Total ZWL 000**
As at 1 January	26 217	3 748	29 965
Charge for the year	80 885	14 224	95 109
As at 31 December 2022	**107 102**	**17 972**	**125 074**
Year ended 31 DECEMBER 2023			
As at 1 January	107 102	17 972	125 074
Charge for the year	1 444 868	560 241	2 005 109
As at 31 DECEMBER 2023	**1 551 970**	**578 213**	**2 130 183**

Trade receivables are normally on 30 day terms. Tenants are charged interest at 152% (2022: 222%) per annum on overdue amounts that remain outstanding after 30 days.

9 CASH AND CASH EQUIVALENTS

		Audited Inflation adjusted		Unaudited Historical	
		2023 ZWL 000	**2022 ZWL 000**	**2023 ZWL 000**	**2022 ZWL 000**
Short-term investments*		583 164	54 787	583 165	11 391
Cash at bank and in hand :	USD	530 843	11 315	530 843	2 352
	ZWL	1 984 140	630 255	1 984 140	131 030
At 31 December		**3 098 148**	**696 357**	**3 098 148**	**144 773**

*In 2022, the split between cash on hand and in bank and short-term investments was not provided however, it has no effect on the numbers in the primary financial statements and the balance and has been updated in the current year for disclosure purposes.

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 Company and earn interest at the short-term deposit rates.

9 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	
	2023 ZWL 000	2022 ZWL 000	2023 ZWL 000	2022 ZWL 000
Bank balances:	3 098 148	696 357	3 098 148	144 773
Bank overdraft	-	-	-	-
Balances as per cash flow statements	**3 098 148**	**696 357**	**3 098 148**	**144 773**

10 ORDINARY SHARE CAPITAL

	2023			
	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	2 000	2 000 000	2 000
Issued and paid				
1 238 157 310 ordinary shares with a nominal value of ZWL0.001 per share	1 238 157	1 271 144	1 238 157	1 238
Less: treasury shares	-	-	-	-
Repurchased in 2016 at a price of 0.0163 cents per share.	(1 230)	(20 542)	(1 230)	(20)
Repurchased in 2019 at a price of 0.0163 and cents per share.	(136)	(2 580)	(136)	(20)
Repurchased in 2022 at an average price of 876 cents per share.	(233)	(5)	(233)	(1)
Repurchased in 2023 at an average price of 8,380 cents per share.	(369)	(1)	(369)	-
	-	-	-	-
As at 31 December	**1 236 189**	**1 248 016**	**1 236 189**	**1 197**

The shareholders at an annual general meeting held on 27 June 2023 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% (2022: 10%)of the Company's issued ordinary share capital.

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	2 000	2 000 000	2 000
Issued and paid				
1 238 157 310 ordinary shares with a nominal value of ZWL0.001 per share	1 238 157	1 271 144	1 238 157	1 238
Less: treasury shares	-	-	-	-
Repurchased in 2016 at a price of 0.0163 cents per share.	(1 230)	(20 542)	(1 230)	(20)
Repurchased in 2019 at a price of 0.0163 and cents per share.	(136)	(2 580)	(136)	(20)
Repurchased in 2022 at an average price of 876 cents per share.	(233)	(5)	(233)	(1)
As at 31 December	**1 236 558**	**1 248 017**	**1 236 558**	**1 197**

11 DEFFERED TAX LIABILITIES

	Audited Inflation adjusted		Unaudited Historical	
	2023	2022	2023	2022
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
As at 1 January	36 218 976	23 416 644	7 472 751	1 410 333
Recognised in the statement of profit or loss				
-Arising on inventory	21 752	852	-	-
-Arising from prepayments	(134 081)	173 022	-	-
-Arising on property plant and equipment	65 300	66 931	4 083	13 298
-Arising on investment properties	2 018 834	12 584 344	30 570 126	6 074 897
-Arising on financial assets at fair value through profit or loss	125 168	10 237	138 870	3 169
-Arising on leave pay provision	7 850	(6 816)	(19 136)	(5 435)
-Arising on provision for credit losses	(396 765)	(26 238)	(514 563)	(23 511)
As at 31 December	**37 927 034**	**36 218 976**	**37 652 131**	**7 472 751**
Deferred tax liability				
-Arising on inventory	23 234	1 482	-	-
-Arising from prepayments	104 144	238 225	-	-
-Arising on property plant and equipment	164 987	99 687	17 462	13 379
-Arising on investment properties	38 063 904	36 045 070	38 063 904	7 493 777
-Arising on financial assets at fair value through profit or loss	142 465	17 297	142 465	3 596
-Arising on leave pay and profit share provision	(26 219)	(34 068)	(26 219)	(7 083)
-Arising on provision for credit losses	(545 481)	(148 717)	(545 481)	(30 918)
As at 31 December	**37 927 034**	**36 218 976**	**37 652 131**	**7 472 751**

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.

12 TRADE AND OTHER PAYABLES

	Audited Inflation adjusted		Unaudited Historical	
	2023	2022	2023	2022
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Rentals received in advance	888 940	757 718	876 202	89 499
Sundry payables*	3 249 021	998 119	3 249 021	207 509
Trade payables	2 248 882	1 390 735	2 248 882	289 134
Leave pay provision	106 062	137 817	106 062	28 652
Related party payables	2 688 810	956 352	2 688 810	198 826
Group company payables	1 756 117	135 448	1 756 117	28 160
As at 31 December	**10 937 832**	**4 376 189**	**10 925 094**	**841 780**

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

12.2 *Leave pay provision reconciliation

	Audited Inflation adjusted		Unaudited Historical	
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
	2023	2022	2023	2022
At 1 January	137 817	110 244	28 652	6 667
Recognised during the period	201 483	198 462	76 853	22 719
Transfer of leave days from staff movement	14 615	-	3 077	-
Utilised during the period	(6 606)	(6 415)	(2 520)	(734)
Inflation effect	(241 247)	(164 474)	-	-
At 31 December	**106 062**	**137 817**	**106 062**	**28 652**

13 REVENUE

Rental income	30 030 395	10 053 669	18 469 864	1 519 546
Property services income	6 305 681	1 181 273	4 090 909	139 317
	36 336 076	**11 234 942**	**22 560 773**	**1 658 863**

		Audited Inflation adjusted		Unaudited Historical	
		2023	2022	2023	2022
		ZWL 000	ZWL 000	ZWL 000	ZWL 000
14	**ALLOWANCE FOR CREDIT LOSSES**				
	Allowance for credit losses for trade recievables	2 005 107	457 473	2 005 107	95 109
	Allowance for credit losses for financial assets at amortised cost	69 744	-	69 744	-
		2 074 851	**457 473**	**2 074 851**	**95 109**
15	**PROPERTY EXPENSES**				
	Operating costs under recoveries	2 886 269	1 570 163	1 632 709	256 345
	Maintenance costs	3 732 499	1 677 877	2 700 988	281 083
	Valuation fees	96 968	34 286	46 646	5 060
	Employee costs	8 697 576	2 919 649	4 887 885	406 872
	Other expenses	3 278 328	1 176 224	1 915 158	168 376
	Property transaction cost	27 675	-	5 838	-
	Property security and utilities	102 815	46 479	64 301	7 774
	As at 31 December	**18 822 130**	**7 424 678**	**11 253 525**	**1 125 510**
	Property expenses arising from investment properties that generated rental income	18 719 315	7 378 199	11 189 225	1 117 736
	Property expenses arising from investment properties that did not generate rental income	102 815	46 479	64 300	7 774
		18 822 130	**7 424 678**	**11 253 525**	**1 125 510**

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

		Audited Inflation adjusted		Unaudited Historical	
		2023	2022	2023	2022
		ZWL 000	ZWL 000	ZWL 000	ZWL 000
16	**EMPLOYEE COSTS**				
	Salaries	540 607	191 978	325 027	28 092
	Staff training	88 689	23 556	59 776	4 463
	NSSA and levies	45 159	16 360	27 480	2 263
	Pension contributions	67 339	17 553	39 879	2 689
	General allowances	1 626 225	293 426	1 203 194	45 682
	Motor vehicle allowance	273 973	75 362	168 365	11 244
	Performance bonus	3 578 063	853 963	3 578 063	177 539
	Other staff costs	292 293	94 885	153 278	14 266
		6 512 348	**1 567 083**	**5 555 062**	**286 238**

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

		Audited Inflation adjusted		Unaudited Historical	
		2023	2022	2023	2022
17	**OTHER EXPENSES**	ZWL 000	ZWL 000	ZWL 000	ZWL 000
	All figures in ZWL				
	Directors' fees				
	-For services as directors	1 049 340	144 224	748 461	21 532
	Auditors' fees:				
	-current year	7 656	36 208	4 535	4 535
	-prior year	261 865	60 353	155 120	7 559
	Information and communication technology expenses	203 662	48 790	94 368	7 159
	Depreciation	34 833	14 564	6 469	887
	Communication expenses	25 778	4 889	18 162	655
	Fees and other charges*	3 597 800	412 292	2 420 341	58 211
	Investment fees	75 204	22 898	28 686	2 621
	Office costs	440 290	344 489	171 112	63 562
	Travel and entertainment expenses	106 510	14 993	72 048	2 213
	Group shared services	2 808 173	964 756	1 734 671	144 346
	Advertising	128 370	48 713	67 770	8 119
		8 739 481	**2 117 169**	**5 521 743**	**321 399**

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

		Audited Inflation adjusted		Unaudited Historical	
		2023	2022	2023	2022
18	**FAIR VALUE ADJUSTMENTS**	**ZWL 000**	**ZWL 000**	**ZWL 000**	**ZWL 000**
	Fair value adjustment - investment property	325 551 551	98 131 909	578 529 267	53 195 560
	Fair value adjustments- Investment property held for sale	220 281	-	237 100	-
		325 771 832	**98 131 909**	**578 766 367**	**53 195 560**
19	**OTHER INCOME**				
	Exchange Gains/(Losses)	1 962 404	1 992 944	1 958 025	321 891
	Shared services	1 698 635	516 900	1 012 027	77 337
	Fair value gain on financial assets at fair value through profit and loss	611 311	151 827	1 276 355	55 529
	Profit / (loss) on disposal of PPE	-	70	-	(81)
	Gain on loss of siginificant influence	1 077 985	-	1 218 233	-
	Sundry income*	79 604	17 699	31 198	2 702
		5 429 939	**2 679 440**	**5 495 838**	**457 378**

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

		Audited Inflation adjusted		Historical	
20	**FINANCE INCOME**	**2023**	**2022**	**2023**	**2022**
		ZWL 000	**ZWL 000**	**ZWL 000**	**ZWL 000**
20.1	**Finance income for statement of profit or loss**				
	Interest on overdue tenant accounts	4 760 709	1 503 432	2 660 739	263 141
	Interest on investments	209 394	75 364	139 731	12 793
		4 970 103	**1 578 796**	**2 800 470**	**275 934**
20.2	**Finance income for statement of cash flows**				
	Finance income received	1 615 218	530 288	616 103	60 705
	Finance income accrued	3 354 885	1 048 508	2 184 367	215 229
		4 970 103	**1 578 796**	**2 800 470**	**275 934**
21	**INCOME TAX EXPENSE**				
	Current income tax	2 457 994	909 589	2 457 994	189 104
	Deferred tax	1 458 556	12 802 333	30 084 211	6 062 418
	Impact of tax rate changes	249 502	-	95 168	-
		4 166 052	**13 711 922**	**32 637 373**	**6 251 522**
21.1	**Reconciliation of income tax charge**				
	Accounting Profit	334 408 799	100 988 140	585 218 267	53 759 479
	Tax at Standard rate	-	-	-	-
	Notional accounting tax at standard rate	82 665 855	24 964 268	144 665 956	13 289 343
	Expenses not deductible for tax purposes*	5 748 950	426 447	2 201 478	35 643
	Effect of different tax rates- Investment property	(81 897 609)	(1 619 253)	(112 992 600)	(1 259 622)
	Impact of rebasing of unclaimed capital allowances	-	(9 078 229)	-	(1 887 366)
	Impact of future tax rate change***	249 502	-	95 169	-
	Income not subject to tax**	(3 493 710)	(1 466 236)	(1 332 630)	(3 926 476)
	Inflation effect on adoption of IAS 29	893 064	484 925	-	-
	Effective tax for the period	**4 166 052**	**13 711 922**	**32 637 373**	**6 251 522**

*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.
***During the 2024 budget speech held, it was announced that the corporate income tax rate will be increased from 24% to 25% for companies with years of assessment ending 31 December 2024. This change has affected recorded deferred tax liabilities at 31 December 2023 and the standard income tax rate in the future.

21 INCOME TAX EXPENSE	Audited Inflation adjusted		Historical	
	2023	2022	2023	2022
21.2 Reconciliation of income tax rate	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Notional tax rate	24,72%	24,72%	24,72%	24,72%
Expenses not deductible for tax purposes*	1,72%	0,42%	0,38%	0,07%
Effect of different tax rates- Investment property	-24,49%	-1,60%	-19,31%	-2,34%
Impact of rebasing of unclaimed capital allowances	-	-8,99%	-	-3,51%
Impact of future tax rate change	0,07%	-	0,02%	-
Income not subject to tax	-1,04%	-1,45%	-0,23%	-7,30%
Inflation effect on adoption of IAS 29	0,27%	0,49%	-	-
Effective tax rate for the period	**1,25%**	**13,59%**	**5,58%**	**11,64%**

21.3 Reconciliation of income tax paid	Audited Inflation adjusted		Unaudited Historical	
	2023	2022	2023	2022
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Tax liability at beginning of the year	32 244	76 979	6 704	4 656
Current income tax expense (note 20)	2 457 994	909 589	2 457 994	189 104
Provision/(reversal) of interest and penalties/ Exchange rate movement	670 651	(166 074)	515 885	(19 012)
Tax liability at end of the year	(544 961)	(32 244)	(544 961)	(6 704)
Effects of inflation after adoption of IAS 29	726 975	202 737	-	-
Income tax paid	**3 342 903**	**990 987**	**2 435 622**	**168 044**

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 27, 28,29 and 30 for disclosures relating to related parties, FIRST MUTUAL HOLDINGS LIMITED GROUP PENSION FUNDS, contingencies and commitments and events after the reporting period in the Group financial statements.

FIRST MUTUAL PROPERTIES LIMITED

TOP 20 : SCHEDULE

AS AT : 31-December-2023

Rank	Names	Tax	Industry	Shares	Percentage
1	STANBIC NOMINEES (PVT) LTD.	ZIM	LN	797 582 958	64,42
2	DATVEST NOMINEES (PVT) LTD	WNP	LN	169 255 434	13,67
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	MUTARE MART	ZIM	LC	4 304 154	0,35
7	WORLDOVER CAPITAL LTD	BEL	FC	3 449 113	0,28
8	CIMAS MEDICAL AID SOCIETY	ZIM	PF	3 289 000	0,27
9	HIPPO VALLEY ESTATE PF-DATVEST	ZIM	PF	3 190 773	0,26
10	ZIMBABWE ELECTRICITY IND. PF	ZIM	PF	2 429 261	0,20
11	ZB LIFE ASSURANCE LIMITED	ZIM	INS	1 340 061	0,11
12	ZB FIN HOLDINGS GROUP PF	ZIM	PF	1 305 218	0,11
13	Marsh Ret. Enhanc Fund-Datvest	ZIM	FM	1 003 079	0,08
14	MULTIMANAGER POOL-DATVEST	ZIM	PF	988 606	0,08
15	LHG MALTA HOLDINGS LIMITED	MLT	LC	955 402	0,08
16	OAK TRUST	ZIM	TR	900 000	0,07
17	NATFOODS PENSION FUND-DATVEST	ZIM	PF	825 184	0,07
18	INNSCOR AFRICA PF - DATVEST	ZIM	PF	802 744	0,06
19	PUBLIC SERVICE COMMISS PF-DATV	ZIM	PF	758 588	0,06
20	PUBLIC SERVICE PF - PLATINUM	ZIM	PF	729 300	0,06
	Selected Shares			**1 218 941 581**	**98,45**
	Non - Selected Shares			**19 215 729**	**1,55**
	Issued Shares			**1 238 157 310**	**100,00**

ANNEXURES

GRI Content Index

Statement of use	First Mutual Properties Limited has reported the information cited in this GRI content index for the period 01 January 2023 and 31 December 2023 with reference to the GRI Standards.
GRI used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION		
			Part Omitted	Reason	Explanation
GRI 2: General Disclosures 2021	2-1 Organisational details	Cover page			
	2-2 Entities included in the organisation's sustainability reporting	-	No entities		
	2-3 Reporting period, frequency and contact point	2			
	2-4 Restatements of information	2			
	2-5 External assurance	2			
	2-6 Activities, value chain and other business relationships	6			
	2-7 Employees	59,60			
	2-8 Workers who are not employees	59			
	2-9 Governance structure and composition	18,25			
	2-10 Nomination and selection of the highest governance body	25			
	2-11 Chair of the highest governance body	25			
	2-12 Role of the highest governance body in overseeing the management of impacts				
	2-13 Delegation of responsibility for managing impacts	26			
	2-14 Role of the highest governance body in sustainability reporting	28			
	2-15 Conflicts of interest	26			
	2-16 Communication of critical concerns	25			
	2-17 Collective knowledge of the highest governance body				
	2-18 Evaluation of the performance of the highest governance body	25			
	2-19 Remuneration policies	26			
	2-20 Process to determine remuneration	26			
	2-21 Annual total compensation ratio	-	To be included in the next report		
	2-22 Statement on sustainable development strategy	11, 37			
	2-23 Policy commitments	-			
	2-24 Embedding policy commitments	25			
	2-25 Processes to remediate negative impacts	32,42,53			
	2-26 Mechanisms for seeking advice and raising concerns	37,38			
	2-27 Compliance with laws and regulations	33			
	2-28 Membership associations	6			
	2-29 Approach to stakeholder engagement	37			
	2-30 Collective bargaining agreements	62			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	39-40			
	3-2 List of material topics	40			
	3-3 Management of material topics		See management approach for each topic		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	68			
	201-2 Financial implications and other risks and opportunities due to climate change	53			
	201-3 Defined benefit plan obligations and other retirement plans	61-62,91			

GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION		
			Part Omitted	Reason	Explanation
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	-			
	203-2 Significant indirect economic impacts	66			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	50,51			
GRI 207: Tax 2019	207-1 Approach to tax	68			
	207-2 Tax governance, control, and risk management	68,69			
	207-3 Stakeholder engagement and management of concerns related to tax	69			
	207-4 Country-by-country reporting	69			
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	47			
	302-2 Energy consumption outside of the organisation	48			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	48			
	303-2 Management of water discharge-related impacts	48			
	303-5 Water consumption	48			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	54			
	305-2 Energy indirect (Scope 2) GHG emissions	54			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	49			
	306-2 Management of significant waste-related impacts	49			
	306-3 Waste generated	49			
	306-4 Waste diverted from disposal	-			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	60			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	-			
	401-3 Parental leave	-			
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	-	One month		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	62,63			
	403-2 Hazard identification, risk assessment, and incident investigation	63			
	403-3 Occupational health services	63			
	403-4 Worker participation, consultation, and communication on occupational health and safety	62,63			
	403-5 Worker training on occupational health and safety	63			
	403-6 Promotion of worker health	63			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	63			
	403-8 Workers covered by an occupational health and safety management system	62-63			
	403-9 Work-related injuries	-	There were no recorded injuries		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	64			
	404-2 Programs for upgrading employee skills and transition assistance programs	-	To be included in the next report		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	25, 30,			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	61,62	Not applicable		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	-			

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty First Annual General Meeting of First Mutual Properties Limited is to be held at First Mutual Office Park, 100 Liberation Legacy Way, Borrowdale, Harare on Tuesday 25 June 2024 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 2023.

2. To re-elect as an independent non-executive director Dr Arnold Chidakwa, who retires by rotation in terms of the Articles of Association of the Company, and being eligible, offers himself for re-election.

   Arnold is a professional with vast experience in business development, strategy, corporate finance, business valuations, feasibility studies, resource mobilisation, investments, and macroeconomic and public policy analysis. He has worked in private and public sectors, cutting across various sectors, including advisory services, mining, finance, hospitality, investments management, export credit insurance, telecommunications, fast-moving consumer goods and tertiary education. Arnold holds a PhD from the University of Witwatersrand (South Africa), MSc (Econs) and BSc (Econs)(Hons) degrees from the University of Zimbabwe, as well as a Banking Diploma from the Institute of Bankers of Zimbabwe (IOBZ). He is also an Associate Member of the Chartered Institute of Management Accountants (ACMA) and a Chartered Global Management Accountant (CGMA).

3. To re-elect as an independent non-executive director, Mr Elisha Moyo, who retires by rotation in terms of the Articles of Association of the Company, and being eligible, offers himself for re-election.

   Elisha is a lawyer by profession and currently practices law at Moyo and Jera Legal Practitioners. His specialty is corporate law. He is the Board Chairman of First Mutual Properties Limited and NicozDiamond Insurance Limited, and a Non-Executive Director of First Mutual Holdings Limited. Additionally, he sits on other several boards. He is currently a Councillor on the University of Zimbabwe Council and the Vice Chairman of the National Biotechnology Authority. Mr Moyo is a past President of the Insurance Institute of Zimbabwe, past Chairman of the Insurance Council of Zimbabwe and past Commissioner on the National Manpower Advisory Council. He holds a Master's degree in business administration from the University of Zimbabwe, a Bachelor of Laws Degree and a Bachelor of Law Honours Degree from the same institution."

4. To note the retirement of Dr Sasha Jogi who retires by rotation. Having served his full tenure on the Board, Dr Jogi has not offered himself for re-election.

5. To confirm as an independent non-executive director, Mr Samuel Vengai Rushwaya, who was appointed on 23 October 2023.

   Mr Rushwaya is a former Managing Director of Aberfoyle Holdings (Pvt) Ltd and past Chairman of British American Tobacco Zimbabwe Limited and Standard Chartered Bank Zimbabwe Limited as well as First Mutual Reinsurance Limited. He is also a past Director of CGU Insurance, Portland Holdings Limited, SFG Insurance, African Distillers Limited and African Actuarial Consultants. He is currently the chairman of the First Mutual Life Assurance Company Private Limited Board and is also a member of the First Mutual Holdings Limited and Sprinkler Fire Services (Pvt) Ltd Boards. Samuel is a holder of a Bachelor of Science (Sociology) Honours Degree and Advanced Diploma in Training Management. He has attended the Unilever Managers' Course at Four Acres and the Senior Executive Program at the Massachusetts Institute of Technology.

6. To confirm as a non-independent non-executive director, Mr Rueben Java, who was appointed on 1 January 2024

   Rueben Java is currently the CEO – First Mutual Life & Health Cluster. He is an Actuary and holds a BSC Honours degree in Mathematics (UZ) and a master's degree in business administration (University of Cape Town). He also attended a number of international business schools which include INSEAD (Paris, France) and GIBS (SA). Past directorships include Old Mutual Finance Limited Zimbabwe, Trust Finance Limited Zimbabwe, Faulu Microfinance Bank Limited Kenya, Fidelity Life Zimbabwe and Vanguard Life Malawi. Previous leadership roles in the corporate world include Managing Director of First Mutual Life (2005), Founding Managing Director of First Mutual Health (2009), Country CEO of Old Mutual Kenya (2013), CEO of Fidelity Life Zimbabwe (2017) and General Manager at Old Mutual Zimbabwe (2010).

7. To approve the Directors' remuneration for the financial year ended 31 December 2023.

   (NOTE: The Directors' Remuneration Report shall be available for inspection by shareholders at the registered office of the Company.)

8. To confirm the remuneration of the Auditors, Ernst & Young Chartered Accountants (EY), for the past audit.
   (NOTE: EY has served four years as external auditors of the Company.)

9. To re-appoint Ernst & Young Chartered Accountants (EY) as Auditors of the Company until the conclusion of the next Annual General Meeting.

10. To confirm the interim dividends declared during the year, of ZWL 20,6 million, being ZWL 1,667 cents per share and USD 12,496 being USD 0.001011 cents per share declared on 9 May 2023 and ZWL 375,1 million being ZWL 30,34 cents per share and USD 130,250 being

USD 0.011 cents per share declared on 29 August 2023."

11. SPECIAL BUSINESS

To consider and, if deemed fit, pass with or without modification, the following additional resolutions:

1. Loans to Executive Directors

AS AN ORDINARY RESOLUTION

THAT the Company be and is hereby authorised 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 2023 Annual Report from the registered office of the Company or from the office of the transfer secretaries. The 2023 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 2024

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 25 June 2024** 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 2023			
2	Re-election of Dr Arnold Chidakwa as a director of the Company			
3	Re-election of Mr Elisha Moyo as a director of the Company			
4	Retirement of Dr Jogi as a director of the Company			
5	Confirmation of appointment of Mr Samuel V Rushwaya as director of the Company			
6	Confirmation of appointment of Mr Rueben Java as director of the Company			
7	Confirmation of the remuneration of the Directors for the period ended 31 December 2023			
8	Confirmation of the remuneration of the Auditors, Ernst & Young Chartered Accountants Zimbabwe, for the past audit			
9	Re-appointment of Ernst & Young Chartered Accountants Zimbabwe as Auditors of the Company until the conclusion of the next A.G.M.			
10	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 ___________________________________ 2024

____
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.

Corporate Information

Registered Office and Head Office
First Mutual Park
100 Liberation Legacy Way
Borrowdale
Harare
Zimbabwe
Tel: +263 (242) 886 121 - 4
Email: info@frstmutualproperties.co.zw
Website: www.frstmutal.co.zw

Postal Address:
P O Box MP373
Mount Pleasant
Harare
Zimbabwe

Company Secretary
Dulcie Kandwe (Mrs)

Principal Bankers
First Capital Bank Limited
FCDA Branch
Barclays House
Corner 1st Street and Jason Moyo Avenue
P O Box 1279
Harare
Zimbabwe

Stanbic Bank Limited
Stanbic Centre
59 Samora Machel Avenue
Box 300
Harare
Zimbabwe

Independent Auditor
Ernst & Young Chartered Accountants (Zimbabwe)
Angwa City
Cnr Julius Nyerere Way, Kwame Nkrumah Avenue
Harare, Zimbabwe

Sustainability Advisors
Institute for Sustainability Africa (INSAF)
65 Whitwell Road, Borrowdale West
Harare
Zimbabwe

Transfer Secretaries
Corpserve Secretaries (Private) Limited
2nd Floor, ZB Centre
1st Street and Kwame Nkrumah Avenue
Harare
Zimbabwe

Statutory Actuary
Nico Smit,
Independent Actuarial Consultant
7 West Quay Road
V&A Waterfront
Cape Town
South Africa

Principal Property Valuers
Knight Frank Zimbabwe (Private) Limited
P.O Box 3526
1st Floor Finsure House
Harare
Zimbabwe

Principal Legal Advisors
Atherstone and Cook Legal Practitioners
Praetor House
119 Josiah Chinamano Avenue
Harare
Zimbabwe

Gill, Godlonton, and Gerrans
7th Floor, Beverley Court
100 Nelson Mandela Avenue
Harare
Zimbabwe

FIRST MUTUAL

PROPERTIES

Go Beyond

First Mutual Properties, First Mutual Park,
First Floor, 100 Borrowdale Road, Borrowdale, Harare, Zimbabwe
P O Box MP 373, Mt Pleasant, Harare
Tel: +263 (242) 886 121 - 4
Email: info@firstmutualproperties.co.zw | **Website:** www.firstmutual.co.zw