FIRST MUTUAL
WEALTH
Go Beyond

Annual Financial Statements
For the Year Ended 2024

GENERAL INFORMATION

BUSINESS

First Mutual Wealth Management (Private) Limited (the "Company") is a private limited liability company that is an investment manager licensed by the Securities and Exchange Commission of Zimbabwe.

INCORPORATION AND ACTIVITIES

The Company is incorporated and domiciled in Zimbabwe and is wholly owned by First Mutual Holdings Limited ("FMHL"), which is listed on the Zimbabwe Stock Exchange ("ZSE").

DIRECTORS

John Chikura
Rachel P Kupara
Arnold Chidakwa
Miranda Khumalo
Douglas Hoto
William Marere

SECRETARY

Sheila Lorimer

REGISTERED OFFICE

First Mutual Park
100 Liberation Legacy Way
Borrowdale
Harare

POSTAL ADDRESS

P.O. Box BW 178
Borrowdale
Harare

Telephone: +263(4) 886000-16

INDEPENDENT AUDITOR

Ernst & Young Chartered Accountants (Zimbabwe)
Angwa City, Corner Julius Nyerere Way / Kwame Nkrumah Avenue
Harare.

BANKERS

Stanbic Bank Zimbabwe Limited
77 Parklane
P.O Box CY 3175
Causeway
Harare

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FOR THE YEAR ENDED 31 DECEMBER 2024

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GENERAL PURPOSE: The financial statements are expressed in the United States of America dollar ("USD").

GENERAL PURPOSE: The financial statements are expressed in the Zimbabwe Gold currency ("ZWG").

Varsity Heights

CHAIRMAN'S STATEMENT
31 DECEMBER 2024

Economic Environment

The macro-economic environment remained volatile and characterised by significant value erosion of the local currency as well as a fluid policy environment and high inflation. The local unit lost 88% of its value on the official auction market and around 93% on the alternative exchange market. Inflation statistics were published using the Blended inflation rate as it was deemed a more representative measure of the multi-currency environment inflation. However, such numbers were difficult to utilise for business and or planning purposes. According to the Total Consumption Poverty Line (TCPL), local currency inflation was 380% for the year whilst the official exchange rate advanced by 365%. The premium at which the USD:USD alternative market exchange rate was quoted above the official exchange rate varied throughout the year reaching over 100% at one stage and ebbing to a low of 17% post regulatory and policy interventions. These disparities between official and alternative market exchange rates continued to cause significant distortions that gave the informal sector a competitive advantage against the formal sector. It is estimated that 90% of Zimbabweans who are in some form of employment are operating in the informal sector. Left unchecked the Government will find it difficult to mobilise adequate resources whilst the formal sector will account for an increasingly smaller share of the country's GDP.

The Zimbabwe Stock Exchange (ZSE) registered a nominal annual return of 118% whilst the Victoria Falls Stock Exchange (VFEX) recorded 4.8% in 2024. ZSE performance weakened during the final quarter of the year, with the ZSE All Share Index recording a loss of 11%. On ZSE, this was due to significant devaluation of the local currency at the end of Q3 2024 which in turn slowed the market's positive momentum that had been experienced on the market from Q1 to Q3 of 2024. The VFEX is still affected by liquidity which limits trading of counters.

According to the Reserve Bank of Zimbabwe, Broad money (M3) stock stood at ZiG8.3bn in November 2024, a decrease of 4.97% from ZiG8.8bn recorded in October 2024, on account of valuation changes related to exchange rate appreciation. The money stock comprised 83.87% foreign currency deposits, 16.01% local currency deposits, and 0.12% local currency in circulation.

Financial performance

Funds under Management (FUM) increased by 78% to USD151 million in 2024 from USD85 million in 2023 mainly due to new business, increased net contributions from existing clients, fair value movements on property revaluations in 2024. 54% of 2024 closing FUM is pure USD. Below is a table showing FUM by asset class on which FMW levies investment fees:

	31-Dec-24	31-Dec-23
LOCAL CURRENCY INVESTMENTS	**US$**	**US$**
ZSE QUOTED	30 718 073	11 290 569
ZWL MONEY MARKET	98 248	117 050
FMP PROPERTY (Market Value)	35 577 971	18 160 804
UNQUOTED (ALTERNATIVE INVESTMENTS)	3 711 484	3 498 013
TOTAL	**70 105 776**	**33 066 436**
	31-Dec-24	**31-Dec-23**
FOREIGN CURRENCY INVESTMENTS	**US$**	**US$**
VFEX QOUTED	7 520 937	8 002 406
FOREIGN LISTED EQUITIES	917 052	967 895
AFREXIM DEPOSITORY RECEIPTS	8 938 754	8 109 590
PROPERTY (ALTERNATIVE INVESTMENTS)	41 816 743	17 194 968
GOLD COINS	768 457	598 452
NHAKA CATTLE	624 000	296 100
USD MONEY MARKET	17 361 802	14 149 880
USD BONDS	3 102 289	2 468 513
TOTAL	81 050 034	51 787 804
GRAND TOTAL (US$)	**151 155 810**	**84 854 240**

Revenue increased by 93% to USD 1.48 million in 2024 (2023 : USD 0.78 million) in line with the increase in FUM. Administration expenses in the period under review increased by 4% USD1.3 million (2023: USD1.25 million) mainly attributed to inflation
First Mutual Wealth achieved an operating profit of USD 0.183 million as revenue growth was ahead of expenses growth. A strategy has already been developed and is under implementation to enhance the Company's performance. Further, the business is targeting external clients to widen the FUM pool

The balance sheet grew by 15% from prior year s to USD111 million in 2024 (2023: USD 0.967million) due to addition of money market investments The business was compliant with the risk based capital adequacy framework at year end and will ensure this is maintained at all times with a sufficient buffer.

Directorate
Oliver Mtasa resigned in February 2024 and Miranda Khumalo was appointed in May 2024 and she sat for her first meeting in November 2024.

Dividend
In view of the need to ensure adequate working capital in the wake of rising costs and asset management system replacement project, the directors recommend no dividend be paid from the profits of the Company for the year ended 31 December 2024.

Outlook
Zimbabwe's GDP growth is forecast at 3.6% according to the World Bank and 4.0% according to the Government of Zimbabwe. Growth is likely to be underpinned by the Tourism, Mining, Construction, Financial services, Retail and or Distribution sectors. Uncertainty surrounds the performance of the Agricultural, Manufacturing and Utilities sectors and hence these sectors may slow the aforementioned growth expectations for 2024.

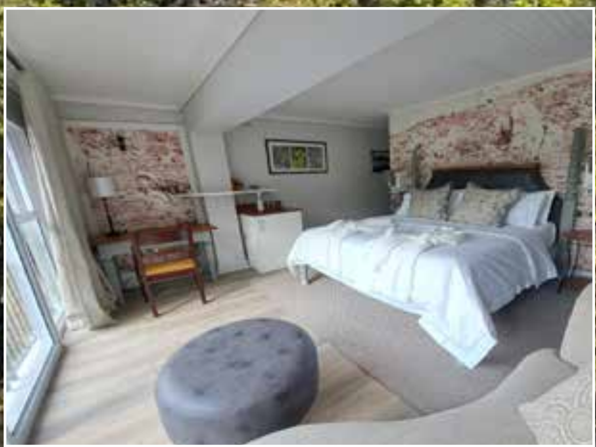
The Board will seek to exploit opportunities in the economy's growth hubs whilst preserving and creating value for stakeholders through further process efficiencies, robust cost management and continued innovation.

Appreciation
On behalf of the Board of Directors, I would like to convey my profound gratitude to our clients, shareholders, staff, the regulatory authorities and other stakeholders for their continued support.

J Chikura
Chairman
30 April 2025


SAUNA
Fire point

Rupurara Valley Lodge



DIRECTORS' REPORT
31 DECEMBER 2024

The Directors present their report and audited financial statements for the year ended 31 December 2024

Share capital
The authorised and issued shares of the Company are as follows:

Authorised	: 20 000 shares (20 000 shares as at 31 December 2024)
Issued	: 3 796 shares (2 219 shares as at 31 December 2023)

Financial results
The financial results of the Company for the year are shown as part of the financial statements on pages 28 to 55.

Dividend
In view of the need to ensure adequate working capital in the wake of rising costs under a hyperinflationary environment, the directors recommend no dividend be paid from the profits of the Company for the year ended 31 December 2024.

Directors

As at 31 December 2024 the following were the Directors of the Company

John Chikura
Rachel P Kupara
Arnold Chidakwa
Douglas Hoto
Miranda Khumalo
William Marere

Directors interest in shares of the Company

Direct interest Number of shares	Indirect interest number of shares
Nil	Nil

Independent auditor

The conclusion of the Annual General Meeting at which shareholders will be requested to approve remuneration of the independent auditors for the past year and appointment of the independent auditor for the ensuing year.

By Order of the Board

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J Chikura
Chairman

S Lorimer
Company Secretary

THE DIRECTORS' STATEMENT OF RESPONSIBILITY
31 DECEMBER 2024

The directors are required by the Companies and Other Business Entities Act (Chapter 24:31), to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the Company as at the end of the financial year and the profit or loss and cash flows for the year then ended, 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 acknowledge that they are ultimately responsible for the system of internal financial control established by the Company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure acceptable level of risk. These controls are monitored throughout the Company and all employees are required to maintain the highest ethical standards in ensuring that the Company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Company is on identifying, assessing, managing and monitoring all known forms of risks across the Company. While operating risk cannot be fully eliminated, the Company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the inf records may be relied upon for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute assurance against material misstatements or loss.

The directors have assessed the ability of the Company to continue operating as a going concern and believe that the preparation of the financial statements on a going concern basis is still appropriate.

The independent auditor is responsible for independently auditing and reporting on the Company's financial statements. The independent auditor, Ernst & Young , has audited the financial statements and their report is set out on 24 - 26 .

The financial statements and related notes set out on pages 28 to 55 for the year ended 31 December 2024, were approved by the Board and were signed on its behalf by:

J Chikura
Chairman

D Hoto
Non Executive Director and
Group Chief Executive
First Mutual Holdings Limited

Sterling Midlands Phase 1

CERTIFICATE OF COMPLIANCE BY COMPANY SECRETARY
31 DECEMBER 2024

In my capacity as Company Secretary of First Mutual Wealth Management (Private) Limited, I confirm that the Company lodged with the Registrar of Companies all returns as are required to be submitted to the Registrar of Companies during the year by the Companies and Other Business Entities Act (Chapter 24:31) and all such returns are true, correct and up to date.

S Lorimer

S Lorimer
Company Secretary
Harare

DECLARATION BY THE GROUP FINANCE MANGER

These financial statements have been prepared under the supervision of the Group Finance Manager, Simbarashe Chiweshe a member of the Institute of Chartered Accountants Zimbabwe ("ICAZ"), registered with the Public Accountants and Auditors Board as Registered Public Accountant, registration number 05667.

SChiweshe

S Chiweshe
PAAB 05667
Group Finance Manager
Harare

Thomas Mutswiti
General Manager

Andrew Manezhu
Head of Alternative Investments

Charles Chonyera
Operations Supervisor

Tariro B Manyati
Accountant

Simbarashe Mangwendeza
Fund Manager

SUSTAINABILITY REPORT

Sustainability reporting and framework is done at Group level and First Mutual Wealth Management participates. The Company's sustainability approach is driven by the desire to "Go Beyond" in the provision of financial services while being mindful of the associated social, economic and environmental impacts. Hitherto, the Global Reporting Initiative (GRI) Standards has served as our overarching framework for identifying, measuring, and disclosing our impacts across the First Mutual Holdings Limited Group. In addition to this, the Group has embarked on a journey to achieve compliance with IFRS Sustainability Disclosure Standard S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS Sustainability Disclosure Standard S2 (Climate-related Disclosures).

The Company, through the Group has engaged external consultants to provide guidance on its sustainability journey, with a view to achieving full compliance with the new standards over the next three years.

SUSTAINABILITY AND CLIMATE-RELATED RISKS AND OPPORTUNITIES

This section of the report focuses on the following:
(a) Governance— the governance processes, controls and procedures the entity uses to monitor and manage sustainability-related and climate-related risks and opportunities;

(b) Strategy— the approach the entity uses to manage sustainability-related and climate-related risks and opportunities;

(c) Risk management— the processes the entity uses to identify, assess, prioritise and monitor sustainability-related and climate-related risks and opportunities; and

(d) Metrics and targets— the entity's performance in relation to sustainability-related and climate-related risks and opportunities.

GOVERNANCE

Board Level ESG Committee
The First Mutual Holdings Limited has recently established an Environmental, Social and Governance (ESG) Committee which is mandated to oversee ESG matters for all companies within the First Mutual Holdings Limited Group. It comprises five (5) Non-Executive Directors of companies within the First Mutual Holdings Limited Group. The Committee makes recommendations to the Boards of all companies within the First Mutual Holdings Limited Group on the design and implementation of the ESG strategy, framework, policies and procedures, setting and monitoring ESG goals and metrics, Integrated Reporting, management of ESG risks and opportunities and resourcing ESG projects. The Committee liaises with other Board Committees as necessary.

In liaison with other Group Committees, the ESG Committee is responsible for determining whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to sustainability-related and climate-related risks and opportunities. In terms of board level appointments, this will be done in conjunction with the Group Human Resources and Governance Committee sitting as a Nominations Committee based on a skills matrix and gap analysis.

Meetings of the ESG Committee will be held as often the Committee deems to be appropriate, normally once a quarter, or more often if required. At each meeting, the Committee will receive reports from management detailing the sustainability-related and climate-related risks and opportunities facing the entity. These shall be reviewed in more detail at the annual board strategy session.

When setting strategy, the Board shall consider sustainability-related and climate-related risks and opportunities. Sustainability and climate-related risks and opportunities shall be embedded into the key strategic pillars, as a separate pillar. When overseeing the entity's strategy, its decisions on major transactions and its risk management processes and related policies, the Board of Directors of the Company ensures that trade-offs associated with those risks and opportunities have been taken into consideration.

The ESG Committee will work in conjunction with the Boards of all companies within the First Mutual Holdings Limited Group in setting targets related to sustainability-related and climate-related risks and opportunities and monitor progress towards those targets.

At management level, the First Mutual Holdings Limited Group has established two dedicated committees to serve all entities within the Group. These are an ESG Management Committee and an ESG Steering Committee. These committees will play a crucial role in implementing our ESG strategy, aligning company policies with ESG principles, and ensuring robust sustainability reporting.

ESG Management Committee
The ESG Management Committee will be responsible for the effective implementation of the ESG strategy across the Group. This will ensure a cohesive and integrated approach to ESG initiatives, with specific emphasis on sustainability reporting, policy alignment and ensuring cross-functional representation for all key business units.

The ESG Management Committee meets monthly to review progress, address challenges, and plan future actions. Regular meetings will ensure ongoing attention to ESG matters and timely decision-making.

ESG Steering Committee
At executive level, an ESG Steering Committee has been established to provide strategic oversight and guidance on ESG matters. Comprising senior management executives, the Committee ensures that ESG considerations are integrated into the highest levels of decision-making.

The Steering Committee will meet quarterly to review the work of the ESG Management Committee and make recommendations to the ESG Board Committee on ESG policy and strategy. This will ensure that our ESG initiatives are aligned with our overall corporate strategy and long-term goals

Involving senior management in the ESG Steering Committee demonstrates the Group's commitment to ESG at the highest levels of the organisation and ensures that ESG initiatives receive the necessary resources and support.

The ESG Management Committee will prepare and submit detailed reports to the ESG Steering Committee. These reports will include:
- Progress on ESG initiatives and action plans.
- Performance metrics and key performance indicators (KPIs) related to ESG targets.
- Updates on sustainability reporting efforts.
- Identification of challenges and barriers to implementation.
- Recommendations for policy updates or new policy development.
- Highlights of cross-functional collaboration and best practices.

Cross-functional collaboration
While line management remains accountable for the management of sustainability-related and climate-related risks and opportunities, collaboration with support functions such as Risk Management, Finance, Legal and Internal Audit will ensure that ESG controls and procedures are integrated with other internal functions.

RISK MANAGEMENT

Our Strategy
Our risk management thrust seeks to enhance proactive risk management, facilitate risk-based decision making, improve governance and accountability, enhance credibility with key stakeholders and to create, protect and enhance stakeholder value. Our approach includes diversification through a varied range of products, distribution channels, and geographical spread all underpinned by a robust risk management framework and established risk governance structures.

Sustainability-related and climate-related risks and opportunities are identified and managed under the broader risk management framework.

Risk Governance
The attainment of the Group's vision is supported by an evolving risk management framework. This sets out the requirements for detailed risk policies and board oversight, supported by clear roles and responsibilities for the board and executive management. The executive risk management follows the 'three lines of defence' model. The framework ensures that the Group has a system and dynamic processes for identifying, evaluating, prioritising, managing, and adapting to critical risks.

The Group Chief Risk Officer presents a quarterly report directly to the Company's Board of Directors.
First Mutual Holdings Limited has established the Group Risk Committee to provide enterprise-level board risk management oversight groupwide. The Board is ultimately responsible for risk management, ensuring that our risk-taking decisions are well-informed and remain within the risk appetite. We continue to review and enhance our risk governance, ensuring that the board committees have the appropriate mix of competences. The Group Risk Committee membership comprises four non-executive directors of the First Mutual Holdings Limited Group.

Our Approach
The board is committed to increasing stakeholder value through the management of corporate risks. We have established a system of risk management and internal controls to safeguard shareholders' interests and the Group's assets, and determining the nature and extent of

the material risks which the board is willing to take in achieving the Group's strategic objectives. To this end, the board has set parameters to assess the effectiveness of risk management across First Mutual for continuous monitoring and improvement.

The Group Risk Management function, which is headed by the Group Chief Risk Officer, liaises with other internal control functions – the actuarial, compliance and internal audit functions – to ensure we optimise use of the resources deployed in risk management and assurance on the effects of controls.

The risk management team's responsibilities include the following:
- assisting the board and management strengthen the risk management framework and embed risk management across the Group operations.
- promoting a robust risk culture to support an inclusive, comprehensive and dynamic risk management processes.
- maintaining the risk management process to ensure we are efficient in identifying, measuring, managing, monitoring, and treating in a consistent and
- effective manner the key and emerging risks – financial and non-financial – that are covered in our risk universe.
- facilitating risk prioritisation, resourcing and implementation of approved risk treatment plans.
- informing the board of consolidated risks that may materially affect the attainment of the Group's objectives.
- ensuring that there is sufficient capital in place to operate sustainably within the risk appetite and trending risk profile.

The Group's risk management framework has been designed to improve business performance by optimising growth opportunities, increase the likelihood of achieving the Group's objectives, anticipate and communicate uncertainties, enhance proactive risk management, integrate risk management activities into decision making and all key processes, reduce operational losses and surprises, comply with relevant legal and regulatory requirements and international norms, and create, protect and enhance stakeholder value.

Financial Risk Management
The Group's internal financial controls are set out in the relevant procedure manuals which also state the required standards and key control activities. These are underpinned by adequate segregation of duties. The accounting policies are reviewed periodically by the Audit Committee, internal control functions and the external auditors. The Group Investment Committee sets limits for investment risk exposures that various staff members can trade on. The Group Compliance Manager reports on anti-money laundering (AML) /Countering the Financing of Terrorism (CFT) with the objective to assess whether the type of clients that generally uses the product increases the vulnerability to money laundering abuse of the product.

Operational and Business Risk Management
The Group manages operational risk through formalised procedures and controls, well-trained personnel and, where necessary, back-up facilities. The risks are identified, assessed, treated, monitored and reported as mandated in the risk management framework.

SUSTAINABILITY STRATEGY

Our sustainability strategy emphasises long-term wealth, customer centricity, staff involvement, and operational efficiency.
The levers for sustainability at First Mutual Holdings Limited are:
- Operational efficiency
- Sustainable wealth
- Customer and community centricity
- Employee engagement

STAKEHOLDER ENGAGEMENT

Our business activities converge with interests of many people, which is why engaging with various stakeholders is particularly important to us. Through this dialogue, we communicate our decisions and actions transparently to build shared values and vision. We unite divergent interests as far as possible to build and sustain trust. The engagement process gives us a broad appreciation of the sustainability context in our operating environment. This enables us to identify material risks and business opportunities.

Key stakeholder groups
Our key stakeholder groups are:
- Internal (Employees and Investors) and
- External Stakeholders (Customers, government, regulators, suppliers, and communities).

Our Approach

Management engagement with stakeholders is informed by structured profiling and understanding of our stakeholders' legitimate interests in our business, products and services. Stakeholder profiling provides critical information on engagement strategies, the frequency of engagement and the response mechanism to each stakeholder group. The process enables management to design strategies on how to best respond to any material concerns and improve the way the business operates.

Our stakeholder engagement activities for the year are presented below:

Stakeholder	Key issues and concerns raised	Response to issue	Engagement method	Frequency of engagement
Employees	Erosion of salaries and the increase in the cost of living.	Period benchmarking of salaries against peers using data from independent consultants.	Staff briefing circular, CEO address.	Quarterly, half-year, full-year, Ad hoc.
Customers	Service accessibility.	Adoption of digital platforms to make transacting easier.	Emails newsletters and notices.	Monthly.
Government & Regulators	Capital raising. Solvency and capital requirements. Settlement of foreign operations.	Obtain all regulatory approvals. Regular capital assessments, and awareness of balance sheet structure. Regular engagement with bankers and creditors on settlements.	Applications Lobbying through industry boards. Weekly follow-ups on foreign payments.	Ad hoc, Monthly, Quarterly, Weekly.
Suppliers	Quotation erosion of value before order issuance. High specifications that are not available within the Zimbabwean market.	Advance payments, invoicing after delivery. Adjustments of product specifications to the local market.	Supplier meetings, supplier visits and emails.	Monthly, Ad hoc.
Shareholders and Potential Investors	Consistent dividend payment.	Declaration of dividends by investee companies.	Shareholder and investor roadshows and meetings.	Quarterly, Semi-annually and Annually Ad hoc.
Local communities	Need for more sponsorship and funding for local communities.	Increased support through CSR activities.	Emails, Newsletters and Notices.	Annually.
Credit Rating Companies	Delay in remittances of foreign currency outside the country.	Extensive follow-up with the banks to track progress.	Online engagement meetings.	Biannually.

MATERIALITY

First Mutual Holdings Limited conducts a materiality assessment every reporting year to identify environmental, social, economic and governance issues that matter most to the business and stakeholders. Hitherto, our materiality process has been guided by GRI Standards but, with the proposed introduction of IFRS S1 and IFRS S2, the requirements of the International Sustainability Standards Board (ISSB) and other applicable standards are now being taken into account. This process enables us to determine key information needs and strategic areas of focus.

Materiality process

In determining significant issues for our business, we conduct assessments. The process takes into account assessing the business operating environment, similar companies in our sector and key stakeholder concerns. Our material issues often represent key issues in the financial services and real estate sector where our business activities are concentrated. Senior management then ranks the identified topics based on their importance to the business and stakeholders. These topics are then validated for consistency with business activities.

Material issues

Material issues identified were categorised into customer and community centricity, sustainable wealth employee engagement and operational efficiency depending on their relevance to the business, operations and stakeholders. Senior management then ranked the topics based on impacts and how they were managed during the reporting period.

Customer and Community Centricity	Sustainable Wealth
Customer Privacy and Data Security.	Incorporation of ESG Factors In Investment Analysis.
Transparent information and fair advice to customers.	Financial Wellbeing.
Customer Service.	Financial Literacy.
Products Access and Affordability.	Capital Requirements for Insurance Business.
Corporate Social Investments.	
Incentivising Responsible Behaviour from Customers.	
Employee Engagement	**Operational Efficiency**
Employee engagement,	Environmental Stewardship.
Employee diversity and inclusion	Climate Change.
Employee welfare	Anticorruption.
Occupational Health and Safety	

The above issues were narrowed down to the top material issues as presented below:

- Product access and inclusivity
- Transparent information and fair advice to customers
- Anticorruption
- Customer privacy and data security
- Customer service
- Financial wellbeing
- Employee welfare

DELIVERING SUSTAINABLE SERVICES

The Company strives to build and deliver sustainable services by ensuring accessibility, customer care, responsible marketing, integrating ESG issues in our investment practices and client data security. We tailor make our products and services to meet their needs and circumstances.

Product Accessibility and Affordability

The business ensure products are accessible and affordable by finding ways to eliminate any barriers relating to pricing and distance from our offices. We use digital and physical platforms to engage our clients. The scaling up of digital service strives for the promotion of accessibility and affordability. The business continuously introduces new products aligned with customer needs and expectations and priced in accordance with industry guidelines and regulations. Engaging with stakeholders provided opportunities to further align practices with clients' needs and expectations, helping to drive long-term sustainability.

Customer Service

Customer service plays a key role in driving our business by strengthening client confidence and loyalty. During the reporting period, quality analysis and customers surveys provided relevant insights into how we can best serve our customers. We provided training to employees on how to attain superior customer service. Ethical and fair treatment of customers was reinforced as a non-negotiable element of our business conduct. We drive customer convenience through innovative use of technology and broad distribution channels. Our plans are to ensure customer satisfaction is maintained at the highest level.

Responsible Marketing

We seek to avoid unethical marketing practices that do not abuse clients' trust or exploit their lack of experience or knowledge. We evaluate marketing and communication information before publishing to ensure that they do not mislead clients concerning our products and services.

Integrating ESG in investments

Integrating environmental, social, and governance issues (ESG) in investments has become an increasingly essential approach. The Company is involved in alternative investments management including student accommodation and renewable energy projects to promote livelihoods. The Company has made the strategic decision to include solar energy in all infrastructure and property (real estate) investments. We set up a renewable and clean energy infrastructure fund (Infrastructure Fund Zimbabwe) to invest in renewable and clean energy projects. At First Mutual Park, First Mutual Holdings Limited invested in a 150-kilowatt grid-tied carport PV solar system.

During the year 2024, we completed Chinhoyi Varsity Heights project and it was officially opened in November 2024 by H.E , President E.D Mnangagwa. The accommodation will go a long in improving students' life on campus as essential amenities like internet and solar power are provided.

ESG Investments	Unit	2024	2023
Housing and Student Accommodation	USD	3 275 026	2 162 611

Customer data security and privacy

We take responsibility to secure customer data security. Data Protection Officers have been appointed and are undergoing training through the Posts and Telecommunications Regulatory Authority (POTRAZ). The First Mutual Holdings Limited Group has a Data Security Policy managed by IT Department that ensures the security of sensitive and personally identifiable data. The Company conducts risk assessments on a regular basis to determine the vulnerability of our IT systems. The IT Department conducts audits through network scans, vulnerability and penetration tests. Our measures have been effective in protecting our data security systems and we strive for a zero data breaches.

RESPONSIBLE OPERATIONS

The Group remains committed to averting adverse environmental impacts from our business operations. We strive to ensure our offices and properties are managed in a responsible manner. As such, the Group monitors contractors to minimise negative environmental impacts during construction and management of our properties.

Energy

The Group continues to improve energy conservation and reduce reliance on non-renewable energy. We recognise that our energy consumption contributes to climate change, hence we take measures to manage the potential risk and opportunities. Our offices migrated to full use of LED lights to conserve energy and reduce emissions.

Our energy consumption is presented below:

Electricity

Energy type	Unit	2024	2023
Electricity	MWh	6 138	7 135

There was a 14% reduction in electricity consumption mostly attributed to new solar systems at First Mutual Park. The business now rarely uses third party generated electricity from grid except in situations where the solar batteries are completely drained out.

EMPLOYEES

Our employees are a critical capital in how we deliver value to our stakeholders and sustain our corporate brands. Considering the radical economy and technological advancement, our employees remain critical to our service delivery. First Mutual Holdings recognises that its competitive advantage hinges largely on its human capital and the talent, hence ensuring holistic wellbeing and developing employees. Company management provides a conducive working environment supported by prospects for professional development and opportunities. During the year, our employee base was as follows:

Total Employees by Gender	2024	2023
Male	8	7
Female	5	5
Total	**13**	**12**

54% of the 2024 staff is between the ages of 25 years to 35 years. 35 years is the maximum range defined in the Constitution of Zimbabwe Amendment (No. 20) Act 2013 as part of youths.

Employee turnover statistics

During the reporting period, there was a 15% turnover rate attributed to resignations.

Employee Welfare

We operate in an environment characterised by high inflation and economic challenges for our employees. As such, this sometimes contributes to low staff engagement, absenteeism and high staff mobility. The Group provides physical, emotional and financial wellness programs to support our employees.

Management Approach

The business has a Wellness Policy in place which drives employee welfare management in the Company. We have a dedicated Human Resources Manager who is responsible for the wellness programs. Through the wellness policy, the business is committed to running at least two major wellness activities or employee health assessments every year. For employees who require specialised treatment and rehabilitation, access to specialists is provided. The business provides medical aid cover for all employees.

Assessment of Employee Welfare

On an annual basis, we measure the level of employee engagement such as emotional, rational and cerebral engagement (engagement of the mind). Through these engagements, we establish and get feedback on issues affecting staff members. We incorporate the feedback into the following year’s human capital strategy.

Goals

- Health- maintain a healthy workforce and mentally engaged workforce.
- Financial wellness – Aim to remunerate among the upper quartile of companies in our industry.
- To provide secondary free financial counselling for staff members who need it.

Our remuneration policies are guided by industry collective bargaining agreements.

Occupational health and safety

First Mutual Holdings attaches great value to the health and safety of employees in the workplace. Employee well-being at the workplace is not only a foundation for the smooth functioning of First Mutual Holdings Limited but also an indicator of how we protect the rights and interests of our employees. Management ensures that there is great awareness of workplace safety, work-life balance, and protection of the physical and mental health of employees at all times.

The Group is committed to the provision of a safe and healthy environment for all employees. The business conducts scheduled maintenance of elevators and fire suppression systems to assess risks. On an ad-hoc basis, we conduct emergency drills to assess our preparedness for emergencies. The overall goal is to achieve zero fatalities and work-related injuries. We provide adequate controls and systems for prompt and effective response in cases of fire, robbery, and other emergencies.

During the year, there were no safety incidences.

Training and Education

Training is a significant pillar of our business enabling the Company to remain competitive, productive, and effective in its operations. We recognise that we are operating in a fast-changing business environment, so remaining relevant upskilling and reskilling remains a top priority.

Management Approach

Our training needs are often assessed from our Company strategy. The strategy gives us foresight into the changes required in the Company and the associated skills required to reach our long-term goals and targets. The business has a Training and Development Policy in place directing the business in the identification and management of skills needs. Our training programs for management and supervisory staff include the following:

- Graduate Development Programme – the business has programs for recent university graduates which run for two years.
- Leadership Development Programme – senior and executive management undergo leadership training based on identified training needs.
- Management Development Programme – based on company or individual needs. Senior management and executives can have their training funded by the business.
- Supervisory Development Programme –supervisory training is provided to supervisors on a case-by-case basis.

For general staff members, we have training and development programs implemented on an annual basis to foster a continuous learning. We target to have an average of two training courses per employee every year. These programs are based on training needs.
Our training initiatives at First Mutual Holdings Limited are informed and assessed through employee engagement surveys and performance evaluation. These surveys inform our training and development strategies.

Training hours

Below are the average training hours per employee:

Average hours of training per employee	2024	2023
Male	16.34	7.40
Female	10.21	5.29

Defined Contribution Plan Obligations and Other Retirement Plans

Preparing for life after work is often a daunting task for many employees. To ensure our employees have a dignified send-off and not worry about financial demands we have invested in retirement plans. We want our employees and their families to know that we care for them even after they are no longer working for us. We ensure that employees have access to voluntary and statutory pension schemes.

The Group operates an employee pension scheme and contributes to a mandatory national social security fund. During the year, our pension contributions for FMW were as follows:

Pension	2024 (USD)	2023 (ZWL)
Contributions	29 733	96 262 618

COMMUNITY INVESTMENTS

Each strategic business unit in the First Mutual Holdings Limited Group contributes indirectly to sustainable development and empowerment of communities through the First Mutual Foundation which administers the Corporate Social Responsibility (CSR) Policy. The Foundation's main objective is to enhance children and youth's access to education through school fees and ancillary assistance through a corporate social responsibility programme. Our corporate social responsibility programmes continue to support disadvantaged families struggling with tuition fees and education-related costs for their children.

During the year, the Foundation's CSR activities were as follows:

Category	Purpose	Support Provided	Beneficiaries
Education	Humanitarian support.	School fees and ancillary support.	First Mutual Foundation
Health	Cancer Awareness and promotion.	Cash	Cancer Association of Zimbabwe.

ECONOMIC VALUE CREATION

Our ability to create sustainable economic value to our stakeholders and the nation at large is an imperative for us at First Mutual Holdings Limited. We believe that our ability to continue operating depends on our capacity to create value for both internal and external stakeholders. It is this recognition of external stakeholders that inspires First Mutual Holdings Limited to generate value and distribute it in a sustainable manner. All monetary figures provided in this section are based on historical amounts spent by the Company during the reporting period.

To manage capital, we stand guided by the Capital Management Framework and Group Finance Policy. The policies and strategies are approved by the main board through the relevant Committees.

CONTRIBUTING TO ECONOMIC DEVELOPMENT

The Group made significant economic contributions for economic growth and development in the countries we operate. We generate direct economic value through our financial services. We leverage on our expertise and experience to offer sustainable finance services designed to promote dignity and inclusion in countries we operate in Southern Africa. We distribute economic value generated according to our strategic plans and priorities for the year.

Tax Payments and Strategy

The Group makes significant payments to government through taxes. These payments help government sustain and support national infrastructure, service delivery and economic development. We believe that being transparent about our tax management and payment is an ethical and business practice.

Management Approach

The Group strategy is to ensure compliance with all applicable tax laws and requirements. It is the Audit Committee's responsibility to ensure such compliance has been achieved through regular tax compliance reviews and engagement with tax authorities in the countries we operate.

During the year, our tax payments were as follows:

Payment		2024	2024	2023	2023
		USD	ZWG	USD	ZWL
Corporate Tax		14 800	330 784	-	-
Net Value Added Tax		128 876	817 141	34 831	173 531 803
Other Taxes	Payee & Aids Levy	107 672	865,800	65 636	360 940 396
	Withholding tax	14 048	-	10 874	13 486 996
Total		**265 396**	**2 013 725**	**111 341**	**547 959 195**

First Mutual Wealth Management Team










Chartered Accountants (Zimbabwe)
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PO Box 437
Bulawayo

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ey.com

Shape the future
with confidence

Independent Auditor's Report

To the Shareholders of First Mutual Wealth Management

Report on the Audit of the United States Dollars (USD) Denominated Financial Statements

Opinion

We have audited the USD Denominated Financial Statements of First Mutual Wealth Management set out on pages 28 to 55, which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the USD Denominated Financial Statements, including material accounting policy information.

In our opinion, the USD Denominated Financial Statements present fairly, in all material respects, the financial position of First Mutual Wealth Management as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board 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 USD Denominated Financial Statements section of our report. The company changed their functional currency in the current year to the United States Dollar, thus our opinion is based on the audit of these audited balances. We are independent of First Mutual Wealth Management 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 USD Denominated Financial Statements in Zimbabwe, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. of First Mutual Wealth Management. 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 judgement, were of most significance in our audit of the separate USD Denominated Financial Statements of the current period. These matters were addressed in the context of our audit of the separate USD Denominated 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 Separate USD Denominated 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 separate USD Denominated 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 USD Denominated Financial Statements.

Key Audit Matter	How our audit addressed the matter
Current year valuation of unquoted equities	
Included in financial assets at fair value through profit or loss are unquoted equities which represent 5,8% of total assets. The unquoted equities comprise of the Company's 8.1% investment in First Mutual Property Fund One (Private) Limited whose value is based on the net asset value of First Mutual Property Fund One (Private) Limited. First Mutual Property Fund One (Private) Limited is a property holding company that owns a building that is leased out to a tenant. The building comprises the most significant portion of the assets (95%) therefore the fair value of the building is used to determine the net asset value. The valuation of the building was determined by an independent valuation expert using the income approach. The valuation of the unquoted equities is considered to be a matter of most significance as it requires the application of judgement and use of subjective assumptions by management's experts in the valuation of the building. The valuation process is also complex due to: - Uncertainties resulting market environment due to the change in currency from ZWL to ZIG - Excessive market volatility The valuation of unquoted equities is therefore a key audit matter. Unquoted equities have been disclosed in note 6.1 of the USD Denominated Financial Statements.	**We performed the following procedures**: ► Obtained an understanding of the controls, assumptions, methodology applied in arriving at the estimated fair value of unquoted equities. ► Reviewed the USD Denominated Financial Statements to ensure adequacy of disclosures relating to the valuation of quoted and unquoted equities. ► Reviewed the work of the independent valuation experts to assess reasonableness of the values for Ok Marondera as it holds significant value of the Net Asset Value of First Mutual Wealth Property Fund One. **Performed the following procedures to be able to rely on the work of the independent expert:** ► Assessed the independence and objectivity of management experts. ► Evaluated the experts' qualifications and relevant experience in performing similar valuations. ► Assessed the key assumptions and methodologies used in the valuation models by the experts in determining the fair values of these investments for reasonableness given the lack of an active market in the local market. ► Involved EY valuation experts to review the valuation reports issued to confirm that the valuation methods and assumptions are reasonable based on available market information and in line with requirements of financial reporting standards. ► Calculated the NAV of the fund and re-calculated the 8,1% interest in the fund. ► Reviewed the USD Denominated Financial Statements to ensure the adequacy of disclosures relating to the investment in First Mutual Property Fund One.

Other Information

The Directors are responsible for the other information. The other information obtained at the date of this report includes the Chairman's Report and the Director`s Report. Other information does not include the annual USD Denominated Financial Statements and our auditor's report thereon. The Directors are responsible for the other information. Our opinion on the USD Denominated 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 USD Denominated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the USD Denominated 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 USD Denominated Financial Statements

The Directors are responsible for the preparation and fair presentation of the USD Denominated 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 USD Denominated Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the USD Denominated Financial Statements, the Directors are responsible for assessing the Bank'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 Bank or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audit of the USD Denominated Financial Statements

Our objectives are to obtain reasonable assurance about whether the USD Denominated 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 USD Denominated Financial Statements.

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

- Identify and assess the risks of material misstatement of the USD Denominated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient 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 controls 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 Bank's internal controls.
- 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 Bank'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 USD Denominated 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 Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the USD Denominated Financial Statements, including the disclosures, and whether the USD Denominated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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 those charged with governance 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 those charged with governance, we determine those matters that were of most significance in the audit of the USD Denominated 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 conclusion report on the condensed consolidated financial information is Ms Tarryn Campbell (PAAB Practicing Certificate Number 604).

Ernst & Young.

ERNST & YOUNG

CHARTERED ACCOUNTANTS (ZIMBABWE)
REGISTERED PUBLIC AUDITOR
HARARE
30 APRIL 2025

Fairview Estate

STATEMENT OF FINANCIAL POSITION
As at 31 DECEMBER 2024

ASSETS	**Note**	**31-Dec-2024 USD**	**31-Dec-2023 USD**	**01-Jan-2023 USD**
Property, plant and equipment	5	14 903	11 961	14 136
Right of use asset	17	10 666	15 057	9 115
Inventory	19	2 063	1 718	1 205
Investment properties	6.2	335 000	451 103	120 469
Financial assets at fair value through profit or loss	6.1	378 773	418 940	145 745
Financial assets at amortised cost	6.5	297 394	3 879	768
Income tax asset	15.1	4 056	-	-
Trade and other receivables	7	60 638	36 066	11 927
Related party receivables	16.2	18 450	2 673	1 430
Cash and cash equivalents	8	10 754	30 688	12 418
Total assets		**1 132 697**	**972 085**	**317 213**
EQUITY AND LIABILITIES				
EQUITY				
Share capital	9	904 130	1	1
Share premium	9.2	138 990	941 275	584 637
(Accumulated losses)/ retained earnings		(97 223)	(299 836)	(406 773)
Total equity		**945 897**	**641 440**	**177 865**
LIABILITIES				
Deferred tax	10	7 352	55 293	-
Related party payables	16.3	48 826	112 914	68 627
Provisions	11.1	60 632	37 402	16 303
Lease liability	18	22 522	30 296	19 155
Share based payment liability	22.1	9 602	52 591	4 019
Trade and other payables	11.2	37 866	32 368	31 243
Loans	20	-	9 781	-
Total liabilities		**186 800**	**330 645**	**139 348**
Total equity and liabilities		**1 132 697**	**972 085**	**317 213**

The notes on pages 32 - 55 are an integral part of these financial statements.

J Chikura
Chairman
30 April 2025

D Hoto
Non Executive Director
30 April 2025

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	31-Dec-2024 USD	31-Dec-2023 USD
Revenue			
Investment management fees	12	1 480 089	768 777
Administrative expenses	14	(1 299 839)	(1 253 196)
Operating profit/ (loss)		**180 250**	**(484 419)**
Other income	13.2	159 153	188 954
Monetary gain		-	87 956
			-
Finance costs	18,20	(3 131)	(3 831)
Movement in expected credit losses	7.1	3 709	(6 276)
Foreign exchange (loss)	21	(178 414)	(44 326)
Investment income	13.1	13 049	424 172
Profit/ (loss) before income tax		**174 616**	**162 230**
Income tax credit/ (expense)	15	27 998	(55 293)
Profit/ (loss) for the year		**202 614**	**106 937**
Other comprehensive income		-	-
Total comprehensive loss for the year		**202 614**	**106 937**
Attributable to:			
Equity holders of the parent		202 614	106 937

The notes on pages 32 - 55 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital USD	Share premium USD	Accumulated losses / retained earnings USD	Total USD
Year ended 31 December 2023				
Balance as at 1 January 2023	**1**	**584 637**	**(406 773)**	**177 865**
Capitalisation	-	356 638	-	356 638
Loss for the year	-	-	106 937	106 937
Dividend declared and paid	-	-	-	-
				-
Balance as at 31 December 2023	**1**	**941 275**	**(299 836)**	**641 440**
Year ended 31 December 2024				
Balance as at 1 January 2024	**1**	**941 275**	**(299 836)**	**641 440**
Capitalisation	904 129	(802 285)	-	101 844
Profit for the year	-	-	202 614	202 614
Balance as at 31 December 2024	**904 130**	**138 990**	**(97 223)**	**945 898**

Capitalisation relates to financial support received from the shareholder (First Mutual Holdings Limited) in the form of working capital and investment property in exchange for equity stake in First Mutual Wealth Management.

The notes on pages 32 - 55 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	31-Dec-2024 USD	31-Dec-2023 USD
Operating activities			
Profit before income tax		**174 616**	**162 230**
Adjustments for non cash items:			
Depreciation - property and equipment	5	7 250	7 319
Depreciation - Right of use asset	17	12 996	2 356
Interest earned from short term deposits	13.1	(41 599)	(203)
Finance costs	20, 0	3 131	3 831
Foreign exchange loss		17 841	44 326
Movement in expected credit losses	7.1	(3 709)	6 276
Net fair value movements	13.1	37 660	(412 958)
Dividends on quoted investments	13.1	(9 109)	(11 011)
Monetary (gain)		-	(87 956)
Movement in share appreciation rights	22.1	(42 989)	63 586
Profit from disposal of motor vehicles and equipment	13.2	(1 341)	(37)
Operating cashflows before working capital adjustments		**154 747**	**(222 241)**
Changes in working capital:			
Change in inventory		(344)	(512)
Change in trade and other receivables		(24 572)	(24 139)
Change in related party receivables		(15 777)	(1 243)
Change in related party payables		(64 088)	44 287
Change in provisions		23 230	21 099
Change in trade and other payables		5 498	49 697
Cash utilised in operations		**78 694**	**(133 054)**
Interest received	13.1, 7.2	661	203
Income tax paid		(23 999)	-
Payment of share appreciation rights vested	22.1	(22 711)	(5 646)
Net cash utilised in operating activities		**32 645**	**(138 497)**
Investing activities			
Purchase of vehicles and equipment	5	(10 339)	(6 060)
Proceeds from disposal of vehicles and equipment	13.3	1 897	93
Purchase of equity securities	6.1	(28 020)	(2 809)
Purchase of debt securities	6.5	(285 224)	(4 349)
Proceeds from sale of equity securities	6.1	57 774	635
Proceeds from maturity of debt securities	6.5	30 211	-
Dividends received	13.1	9 109	11 011
Net cash flows (used in)/from investment activities		**(224 592)**	**(1 479)**
Financing activities			
Capitalisation	9	42 098	167 942
Loan repayment to related parties	20	(9 911)	-
Repayment of lease liability	18	(19 380)	(15 575)
Net cash inflows from financing activities		**12 807**	**152 367**
Net (decrease) / increase in cash and cash equivalents for the year		**(179 140)**	**12 391**
Cash and cash equivalents at the beginning of the year		**30 688**	**12 418**
Effects of IAS 29		-	154 306
Effects of foreign currency conversions		159 206	(148 427)
Cash and cash equivalents as at 31 December	**8**	**10 754**	**30 688**

The notes on pages 32 - 55 are an integral part of these financial statements.

1 GENERAL INFORMATION

First Mutual Wealth Management (Private) Limited (the "Company") is a private limited liability company that is an investment manager licensed by the Securities and Exchange
Commission of Zimbabwe.
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The Company is incorporated and domiciled in Zimbabwe. The parent of the Company is First Mutual Holdings Limited which is domiciled in Zimbabwe and is listed on the Zimbabwe Stock Exchange. The ultimate majority shareholder of First Mutual Holdings Limited is National Social Security Authority ("NSSA"), an institutional investor that is the national pension fund administrator in Zimbabwe. The Company's year end is 31 December.

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements to the extent they have not already been disclosed in other notes. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Foreign currency translation

(a) Functional and presentation currency

The financial statements are presented in the United States of American dollar ('USD') which is the Company's functional and presentation currency. On the 1st of January 2024 the Group changed its functional currency from the USD to the ZWL in line with International Accounting Standard 21 The Effects of Changes in Foreign Exchange Rates (IAS 21) para 9 -14.

As a result of the change in functional currency the Group changed its presentation curreency from the USD to the ZWL. Prior year numbers were translated to the USD using the spot rate on the 31st of December 2024.

Currency developments in Zimbabwe

On the 5th of April 2024, Statutory Instrument 60 of 2024, Presidential Powers (Temporary Measures) (Zimbabwe Gold Notes and Coins) Regulations, 2024 (The S.I) was gazetted, giving effect to a new currency, Zimbabwe Gold (ZWG). The S.I. introduced the new base currency tagged ZWG.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are generally recognised in the income statement.

Translation differences on non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Assets and liabilities measured at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit and loss are recognised in the profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified at fair value through other comprehensive income are recognised in other comprehensive income.

All other foreign exchange gains and losses are presented in the income statement on a net basis within other income or other expenses.

2.2 Basis of preparation and presentation

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee ("IFRIC") interpretations and in the manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) except for the non compliance with International Accounting Standards ("IAS") 21, and IAS 8. The financial statements are based on statutory records that are maintained under the historical cost convention, as modified for valuation of financial assets at fair value through profit or loss.

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 Company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions are changed. Management believes that the underlying assumptions are appropriate. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.2 Basis of preparation and presentation (continued)

(a) New standards, amendments and interpretations effective for the first time for 31 December 2024 year ends that are relevant to the Company:

Standard/interpretation	Effective date	Executive summary
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	Applicable to annual reporting periods beginning on or after 1 January 2024	IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.
IFRS S2 Climate-related Disclosures	Applicable to annual reporting periods beginning on or after 1 January 2024	IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources
Classification of Liabilities as Current or Non-Current (Amendments to IAS	Annual reporting periods beginning on or after 1 January 2024	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or pot
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	Annual reporting periods beginning on or after 1 January 2024	The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.
Non-current Liabilities with Covenants (Amendments to IAS 1)	Annual reporting periods beginning on or after 1 January 2024	The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	Annual reporting periods beginning on or after 1 January 2024	The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

(b) New standards, amendments and interpretations issued but not effective for 31 December 2024 year ends.

Standard/interpretation	Effective date	Executive summary
IFRS 18 Presentation and Disclosures in Financial Statements	Applicable to annual reporting periods beginning on or after 1 January 2027	IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements.
Lack of Exchangeability (Amendments to IAS 21)	Annual reporting periods beginning on or after 1 January 2025	The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.
Annual Improvements to IFRS Accounting Standards — Volume 11	Annual reporting periods beginning on or after 1 January 2026	The pronouncement comprises the following amendments: - IFRS 1: Hedge accounting by a first-time adopter - IFRS 7: Gain or loss on derecognition - IFRS 7: Disclosure of deferred difference between fair value and transaction price - IFRS 7: Introduction and credit risk disclosures - IFRS 9: Lessee derecognition of lease liabilities - IFRS 9: Transaction price - IFRS 10: Determination of a 'de facto agent' - IAS 7: Cost method

The Company will continue to monitor the implementation of these standards and amendments and will assess their impact on the financial statements when they become effective. Any significant changes to accounting policies resulting from the adoption of these standards will be disclosed in the financial statements for the period in which they are adopted

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.2 Basis of preparation and presentation (continued)

Standard/interpretation	Effective date	Executive summary
IFRS 17, 'Insurance contracts'	1 January 2023	Under IFRS 17, the general model requires entities to measure an insurance contract at initial recognition at the total of the fulfilment cash flows (comprising the estimated future cash flows, an adjustment to reflect the time value of money and an explicit risk adjustment for non-financial risk) and the contractual service margin. The fulfilmen reporting period. The unearned profit (contractual service margin) is recognised over the coverage period. Aside from this general model, the standard provides, as a simplification, the premium allocation approach. This simplified approach is applicable for certain types of contract, including those with a coverage period of one year or less. For insurance contracts with direct participation features, the variable fee approach applies. The variable fee approach is a variation on the general model. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the contractual service margin. As a consequence, the fair value changes are not recognised in profit or loss in the period in which they occur but over the remaining life of the contract. This standard does not apply to the Company as it does not have any Insurance Contracts.

2.2.1 Rounding off amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest dollar unless otherwise stated.

2.2.2 Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

2.2.3 Basis of preparation and presentation

The financial statements of the Group and Company have been prepared in accordance with International Financial Reporting Standards, ("IFRS") as issued by the International Accounting Standards Board ("IASB"), International Financial Reporting Interpretations Committee ("IFRIC") as issued by the International Financial Reporting Interpretations Committee ("IFRS IC") and in a manner required by the Companies and Other Business Entities Act (Chapter 24:31). The financial statements are based on statutory records that are maintained under the historical cost convention except for equity securities at fair value through profit or loss, investment property, gold coin, investments investment contract liabilities and Savings buinesss insurance contract liabilities that have been measured at fair value basis. Effective January 1, 2024, the Company changed its functional and presentation currency from the ZWL hyperinflationary currency to the USD,a non- hyperinflationary currency, in accordance with IAS 21. To ensure accurate comparative fair presentation for the prior year (2023), which was based on the ZWL hyperinflationary currency, the income statement and balance sheet have been translated using the closing spot rate as at 31 December 2024 as guided by IAS 21.

2.2.4 Inflation adjustment

IAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be presented in terms of a measuring unit that is current at the balance sheet date, and that corresponding figures for prior periods be restated in the same terms as the latest balance sheet date. The comparative year 2023 was prepared under hyperinflationary conditions. On 1 January 2024, the Company changed its functional and presentation currency from ZWL to USD currency. As a result, when the Company converted its functional currency from the ZWL to the USD, a non-hyperinflationary currency, the income statement, balance sheet, and cash flow statement were translated using the closing spot rate of 5,935.4572 as at December 31, 2023. The financial statements for 2024 have not been restated under IAS 29, as the USD is a non-hyperinflationary currency.

The restatement done to prior year numbers (2023) were calculated by means of conversion factors derived from the month-on-month consumer price index ("CPI") prepared by the Zimbabwe National Statistics Agency. The conversion factors used to restate the historical numbers as at 31 December 2023 were as follows:

Date	CPI	Conversion factor
December 2023		
November 2023	65 703.44	1.00
October 2023	53 915.71	1.22
September 2023	49 222.55	1.33
August 2023	44 720.86	1.47
July 2023	42 659.97	1.54
June 2023	46 633.80	1.41
May 2023	42 710.72	1.54
April 2023	18 704.62	3.51
March 2023	15 480.17	4.24
February 2023	13 949.99	4.71
January 2023	13 849.20	4.74
December 2022	13 819.67	4.75
January 2022	13 672.91	4.81
December 2021	4 190.00	15.68
December 2020	3 977.50	16.52
All other items on the prior year statement of comprehensive income were restated by applying the relevant monthly conversion factors.	2 474.51	26.55

2.3 Going concern

The directors have assessed the ability of the Company and concluded that the Company has adequate resources to continue in operational existence for the foreseeable
future. The Company therefore continues to adopt the going concern basis in preparing its financial statements. Refer to note 23.

Depreciation lives as follows:

Furniture and fittings	10 years
Office equipment	5 years
Computer equipment - desktops	5 years
Computer equipment - laptops	4 years
Computer equipment - tablets	3 years

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each reporting date. An asset's carrying amount is immediately written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains or losses from disposal of assets are determined by comparing the proceeds with the carrying amount. These are included in the statement of comprehensive income.

Purchased software that is integral to the functionality of the equipment is capitalised as part of that related equipment. Where parts of an item of vehicles and equipment have different useful lives, they are accounted for as separate items (components).

2.5 Impairment of vehicles and equipment

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows ("cash generating units").

2.6 Inventories

Inventory comprises property acquired or being constructed for sale in the ordinary course of business, consumables and other stocks. Consumables and other stocks are valued on the basis of weighted average cost and at the lower of cost or net realisable value ("NRV"), property classified as inventory is valued at the lower of inflation adjusted cost or estimated NRV, but is based on the specific identification of the property. NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and less costs to completion and the estimated costs of sale. NRV for completed inventory property is assessed with reference to market conditions and prices existing at the reporting date, and is determined by the Company in light of recent market transactions.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Financial assets

2.7.1 Classification

The Company classifies its financial assets in the following measurement categories :
- those to be measured subsequently at fair value (either through either comprehensive income ("OCI") or through profit or loss) and
- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made a irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI")

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

2.7.2 Recognition and measurement

Regular way purchases and sales of financial assets are recognised on trade date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

At initial recognition, the 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 FVPL, 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.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the entity classifies debt instruments:

Amortised cost: assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method . Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

FVOCI: assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of interest and principal, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or losses. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains / (losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains / (losses) and impairment expenses are presented as a separate line item in the statement of profit or loss.

FVPL: assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net with other gains / (losses) in the period in which it arises.

First Mutual Wealth Management (Private) Limited's business model on debt instruments is to hold assets for the collection of contractual cash flows representing payments of principal and interest up to maturity measured at amortised cost.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses in equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains /(losses) in the statement of profit or loss as applicable. Impairment losses (reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.8 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported on 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.

2.9 Trade receivables

Trade receivables are amounts due from customers for services rendered in the ordinary course of business. If collection is expected within one year or less they are classified as current assets. If collection is not expected within one year they are classified as non current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less allowance for expected credit losses.

2.10 Cash and cash equivalents

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

2.11 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.12 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired or rendered in the ordinary course of business from suppliers. Trade payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.13 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate of the amount can be made. Where the Company expects 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. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the obligation. The increase in the provision due to passage of time is recognised as an interest expense. Employee entitlements to annual leave are recognised when they accrue to the employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the year end.

2.14 Revenue recognition

Revenue is derived from charging clients investment management fees as agreed in investment management agreements. Revenue from providing investment services is recognised in the accounting period in which the services are rendered. The investment fees are charged as a percentage of the total market value of the client investment portfolio per annum and they are collected on a monthly basis. Investment management fees are charged at the end of each month and collected in arrears hence the Company does not adjust any of the transaction prices for the time value of money.

2.15 Interest income

Interest income is recognised using the effective interest rate method. When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognised using the original effective interest rate.

2.16 Leases

From 1 January 2019, the Company applied IFRS 16: Leases to account for lease contracts. The Company leases offices from related companies within the First Mutual Holdings Limited Group. Rental contracts are made for fixed periods of 5 years but may have extension options. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:
· fixed payments (including in-substance fixed payments), less any lease incentives receivable
· payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the incremental borrowing rate is used, being the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:
- where possible, uses recent third-party financing received by the Company as a starting point, or where no third-party funding has been recently received, similar recent third-party borrowings, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third-party financing, and
- makes adjustments specific to the lease, e.g. term, location, and security.

The Company is exposed to potential future increases in lease payments due to general market reviews of rentals in response to inflation, which are included in the lease liability when they take effect. When adjustments to lease payments take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Right-of-use assets are measured at cost comprising the following:
- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

2.17 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are declared and paid by the Company's directors.

2.18 Current income and deferred tax

The income tax expense for the year comprises current income and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in Zimbabwe where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes liabilities where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.19 Current income and deferred tax

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.20 Employee benefits

(a) Pension obligations
National Social Security Authority Scheme

The Company and its employees contribute to the National Social Security Authority Scheme (“NSSA”). This is a defined benefit social security scheme which was promulgated under the National Social Security Act, (Chapter 17:04). The Company’s obligations under the scheme are limited to specific contributions as legislated from time to time. The Company’s contributions to the pension plans are charged to the statement of comprehensive income in the period to which the contributions relate.

(b) Short term employee benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short term cash bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(c) First Mutual Holdings Limited Group Pension Fund

Permanent staff members contribute to the First Mutual Holdings Limited Group pension fund which is a defined contribution plan.

(d) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to a termination when the entity has a detailed formal plan to terminate the employment of current employees without possibility of withdrawal.

2.21 Prior period error

First Mutual Wealth Management owns 8.1% of First Mutual Wealth Property Fund One (FMW PF1). This investment is accounted for as a financial asset at fair value through profit and loss. FMW PF1 has an investment property that it lets out for rental. The error occurred in 2022 whereby the deferred tax asset was understated by erroneously including value of property which does don’t qualify as a commercial building. The impact on FMW’s value of investment in FMW PF1 was an overstatement in 2022 and an understatement on in 2023 as shown below:

	31-Dec-2023	31-Dec-2023 As Restated	2023 Movement	31-Dec-2022	31-Dec-2022 As Restated	2022 Movement
	USD	USD	USD	USD	USD	USD
Investment income	419 179	424 172	4 993			
Profit before tax	157 237	162 229	4 993			
Income tax expense	(55 080)	(55 293)	(213)			
Total comprenhesive income	**102 157**	**106 936**	**4 779**			
Financial assets at fair value through profit or loss	414 671	418 940	4 268	146 469	145 744,52	(724)
Deferred tax liability	55 080	55 293	213	-		-
Retained earnings	(303 892)	(299 837)	4 055	(406 049)	(406 773)	(724)

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks; market risk (including foreign exchange risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by the First Mutual Holdings Limited Group under policies approved by the Board of Directors. The Board with the assistance of the First Mutual Holdings Limited ("FMHL") Group Investments Committee provide principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

3.2 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Company's market risks arise from open market positions in:
(i) foreign currencies,
(ii) equity positions, and
(iii) interest bearing assets and liabilities, to the extent that these are exposed to general and specific market movements

(i) Foreign exchange risk

Foreign exchange risk is the financial risk of an asset or investment's value changing due to the changes in foreign currency exchange rates. The Company is not exposed to material foreign exchange risk because most transactions and balances are denominated in the functional currency, the USD.

(ii) Price risk

Price risk is the risk that the fair value of the listed instruments will fluctuate because of changes in the Zimbabwe Stock Exchange ("ZSE") and The Stock Exchange of Mauritius ("SEM") prices. The Company's exposure to equity securities price risk arises from investments held by the Company and classified on the statement of financial position as financial assets at fair value through profit or loss.

The table below summarises the impact of increases/(decreases) of quoted prices of counters quoted on the ZSE and SEM. The analysis is based on the assumption that the equity indices had increased/(decreased) by 10% with all other variables held constant.

Impact on post-tax profit arising from changes in market prices

		31-Dec-2024 USD	31-Dec-2023 USD
ZSE			
Financial Services			
	10%	8 453	26 394
	-10%	(8 453)	(26 394)
SEM			
Financial Services			
	10%	3 587	6 586
	-10%	(3 587)	(6 586)
Total			
	10%	12 040	32 981
	-10%	(12 040)	(32 981)

(iii) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company is exposed to interest rate risk as it holds money market investments, though it does not have any borrowings. Other receivables and payables are interest free and have settlement dates within one year.

Sensitivity analysis	Worst case	Expected	Best case
Inflation Adjusted			
Interest rate	10%	12%	15%
Tenor (period of investment in days)	30 days	90 days	360 days
Total amount invested (USD)	-	-	-
Monthly interest return (USD)	-	-	-

Money market investments had an average return of 50% interest in 2022. (2021 12%)

The Company manages interest risk by placing the money market investments with different institutions at not more than 90 days for ZWG , for each placement. Management also makes sure that the amounts invested with each financial institution at any one point in time does not exceed 60% in an individual 1st tier bank and 20% in an individual 2nd tier bank.

3.3 Credit risk

Credit risk is the risk that one party to a financial instrument will cause financial loss to the other party by failing to discharge a contract. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding trade and other receivables and committed transactions. Investments in tier 1 banks do not require security. Investments with tier 2 banks are secured by bankers acceptances and treasury bills at 1.2 times cover. Individual fund managers and traders have authority to trade within certain limits. Investments in excess of certain limits require the approval of the Group Investments Committee.

The Company has significant concentrations of credit risk through exposure to transactions and balances with Group companies. The Company generates 52% (2022: 70%) of its total investment fees from related parties within the Group. The amounts due from related parties are disclosed in note 16.2. The Company expects to attract more non Group business in future in an effort to manage this risk. The Company has assessed that the expected credit losses are immaterial as the Group companies pay within 30 days and for any amounts outstanding, the Group companies have sufficient accessible highly liquid assets in order to repay the amounts due if demanded at the reporting date. The effect of discounting is also immaterial as the Group companies pay within 30 days.

There is no significant concentration of credit risk with respect to cash and cash equivalents as the Company holds cash accounts with large financial institutions with sound financial and capital cover. Reassessment of the credit rating of each financial institution is regularly done by the Group Investments Committee. The Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio.

The Company's exposure to counterparties with external rating (Global Rating Company) with respect to cash and cash equivalents is as follows:

Credit rating	31-Dec-2024 USD	31-Dec-2023 USD
A+	10 754	30 689
BBB+	-	-
BBB-	-	-
B+	-	-
Not rated	-	-
TOTAL	**10 754**	**30 689**

Credit ratings have been based on the rating disclosed in the published financial information of each financial institution as at 31 December 2024 $10,754 (31 December 2023 $30,689).

3.4 Liquidity risk

Liquidity risk is the risk that the Company may fail to meet its payment obligations when they fall due, the consequences of which may be the failure to meet the obligations to creditors. Where major gaps appear, action is taken in advance to close or minimise the gaps. Liquidity risk arises from a mismatch of asset and liability cash flows and or different maturity profiles. Sound liquidity management is critical in maintaining market confidence and ensuring future growth. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. The Company ensures that outflows are adequately matched to inflows from maturing investments and investment fees as well as through maintaining comprehensive cash flow forecasts and budgets.

The table below analyses the maturity profile of the Company's assets and liabilities based on the remaining period as at the reporting date to the contractual maturity date.

31 December 2023	Up to 1 month USD	1 to 6 months USD	6 months to 1 year USD	1 year to 4years USD	Total USD
Assets					
Financial assets at fair through profit or loss	-	-		418 940	418 940
Financial assets at amortised cost	-	-	-	3 879	3 879
Other receivables (excluding prepayments)	-	37 496	1 684	-	39 180
Cash and cash equivalents	30 689	-	-	-	30 689
Total assets	**30 689**	**37 496**	**1 684**	**422 818**	**492 687**
Liabilities					
Lease liabilities	555	3 333	6 665	26 660	37 213
Trade and other payables	32 368	9 781		52 591	94 740
Total liabilities	**32 924**	**13 114**	**6 665**	**79 252**	**131 954**
Liquidity gap	**(2 235)**	**24 383**	**(4 981)**	**343 567**	**360 734**
Cumulative liquidity gap	**(2 235)**	**22 148**	**17 167**	**360 734**	**-**

3.4 Liquidity risk

31 December 2023	Up to 1 month USD	1 to 6 months USD	6 months to 1 year USD	1 year to 4years USD	Total USD
Assets					
Financial assets at fair through profit or loss	-	-	-	378 773	378 773
Financial assets at amortised cost	-		-	297 394	297 394
Other receivables (excluding prepayments)	60 139	-	1 991	-	62 130
Related party receivables	18 450	-	-	-	18 450
Cash and cash equivalents	10 754	-	-	-	10 754
Total assets	**89 343**	**-**	**1 991**	**676 167**	**767 501**
Liabilities					
Lease liabilities	413	2 477	4 955	13 438	22 522
Trade and other payables	86 692	-	-	9 602	96 294
Total liabilities	**87 105**	**2 477**	**4 955**	**23 040**	**118 816**
Liquidity gap	**2 238**	**(2 477)**	**(2 964)**	**653 127**	**648 685**
Cumulative liquidity gap	**2 238**	**(239)**	**(3 203)**	**649 924**	**-**

The Company will manage the negative liquidity gap in the first month by negotiating with the related parties which are mainly the holding company, First Mutual Holdings Limited and fellow subsidiary, First Mutual Life Assurance Company (Private) Limited on the payment plan for the shared services.

3.5 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain and adjust the capital structure, the Company may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

The financial statements of investment management companies must comply with the Securities and Exchange Commission (Capital Requirement of Investment Management Companies) Directive 2014. The requirement is in terms of Section 21 of the First Schedule of the Securities and Exchange Act (Chapter 24:25), as read with Section 6 of the Sixth Schedule to S.I.100 of 2010. According to the Securities Exchange Commission of Zimbabwe, Circular 70717 on capital adequacy, the capital adequacy for asset/fund managers is now a minimum of US$150,000 liquid capital or 3 months working capital, which ever is higher.

The following are the details on compliance by the Company with the said provisions of the statute:

	31-Dec-2024 USD	31-Dec-2023 USD
Operational Expenditure/Fixed Expenditure Base Requirement (13 Weeks)	150 000	150 000
OR Fixed Technology Expenditure Requirement (FTER) (Annual) (a)		
Counterparty Risk Requirement (CRR)	177 906	151 767
Position Risk Requirement (PRR)	158 804	190 161
Total Requirement (TR)	**486 710**	**491 929**
Adjusted Liquid Capital (ALC)	**854 815**	**546 410**
Capital Surplus /(Shortfall)	**368 105**	**54 481**

3.5.1 Liquid capital

	31-Dec-2024 USD	31-Dec-2023 USD
Share capital	1 043 120	941 277
Audited Retained Earnings/Losses (Previous Financial Year)	(299 837)	(406 773)
Audited Profits/Losses(Current Financial Year)	202 613	106 936
Owner's equity	945 896	641 440
Guruantees received	-	
Total capital resources	**945 896**	**641 440**
Less iliquid assets		
Fixed Assets , net of related secured loans	25 568	27 018
Investments in unlisted securities	65 513	68 012
Total illiquid assets	**91 081**	**95 030**
Adjusted liquid capital	**854 815**	**546 410**

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Income taxes

Significant judgement is required in determining the income tax charge for the year. There are many transactions and calculations for which the ultimate determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax and deferred tax in the period in which such determination is made.

(b) Investment in unquoted equities

The Company carries investments in unquoted equities at fair value through profit or loss, with changes in fair value being recognised in of profit or loss which is in line with guidance given under IFRS 9- Financial Instruments. The Company's investment in unquoted equities comprise investment in ordinary share capital of a property company whose valuation falls under level 3 of the fair value hierarchy. Significant judgement is required in determining the fair value of unquoted equities held by the Company. The valuation has been undertaken in a very unstable economic environment which is characterised by rising inflation, illiquidity, hard currency shortages and frequent monetary policy changes. The fair value of the investment in unquoted equities has been estimated as the Company's proportion share of net asset vale of the investee as 95% of the investee's assets comprise a retail investment property which is fully leased out. By way of a statutory instrument, the Zimbabwe dollar became the sole legal tender in the country with effect from the 24th of June 2019. Rents and all other charges are by law now only chargeable in the local currency. Officially rental income streams are now in local currency. Our valuers therefore applied local currency rentals to arrive at the capital values for the property.

In undertaking the valuations for the retail property, reliance has been placed on market rental evidence, vacancy rates and arrears currently applying to the property. The achieved rental for the property are generally in line, and in with the rental rates being achieved in the market. The yield method converts anticipated future cash flow benefits in the form of rental income into present value. This approach requires careful estimation of future benefits and the application of investor yield or return requirements. One approach to value properties on this basis is to capitalise net rental income on the basis of an initial yield, generally referred to as the "all risks yield" approach or "net initial yield" approach. The determined fair value of the investment property is most sensitive to the estimated yield as well as the rental income per square metre.

5 VEHICLES AND EQUIPMENT

	Computer and office equipment USD	Office furniture USD	Total USD
Year ended 31 December 2023			
Opening net book amount	13 069	1 067	14 136
Additions	3 471	2 589	6 060
Disposals	(878)	(38)	(916)
Depreciation charge	(7 140)	(179)	(7 319)
Closing net book amount	**8 522**	**3 439**	**11 961**
As at 31 December 2023			
Cost	29 488	4 556	34 044
Accumulated depreciation	(20 966)	(1 117)	(22 083)
Net book amount	**8 522**	**3 439**	**11 961**

Year ended 31 December 2024	Computer and office equipment USD	Office furniture USD	Total USD
Opening net book amount	8 522	3 439	11 961
Additions	10 182	157	10 339
Disposals	(556)	-	(556)
Depreciation charge	(5 512)	(1 738)	(7 250)
Closing net book amount	**12 636**	**1 858**	**14 494**
As at 31 December 2024			
Cost	39 114	4 712	43 826
Accumulated depreciation	(26 069)	(2 855)	(28 923)
Net book amount	**13 045**	**1 858**	**14 903**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

6 FINANCIAL ASSETS

		31-Dec-2024	31-Dec-2023
6.1	**Financial assets at fair value through profit or loss**	**USD**	**USD**
	Quoted equities	313 260	350 928
	Unquoted equities	65 513	68 012
	Total equities	**378 773**	**418 940**
	Quoted equities reconciliation of opening and closing values		
	Balance as at 1 January	350 928	100 731
	Purchase of quoted equities	28 020	2 809
	Disposal of equities	(57 774)	(635)
	Fair value gain on equity investments	80 942	248 022
	Foreign currency exchange (loss) / gain	(88 856)	-
	Balance as at 31 December	**313 260**	**350 928**
	Unquoted equities Reconciliation of opening and closing values		
	Balance as at 1 January	68 012	45 013
	Fair value (loss)/ gain on equity investments	(2 499)	22 999
	Balance as at 31 December	**65 513**	**68 012**

Quoted equity investments
The quoted investments are listed on the Zimbabwe Stock Exchange, Victoria Falls Stock Exchange and the Mauritius Stock Exchange.

6.2 Investments properties

These are four units of residential flats let out to earn rental. Fair value adjustment loss in the current year was influenced by change in the reporting currency from ZWG to USD The units are part of the Diamond Villas, in Hatfield, Harare and were transferred to FMW by FMHL in 2022 and 2023 to assist with regulatory capital issues in exchange of issue of shares.

	31-Dec-2024 USD	31-Dec-2023 USD
At 1 January	451 103	120 469
Total additions		-
Transfer in		188 697
Fair value adjustments	(116 103)	141 937
Total	**335 000**	**451 103**

Unquoted equity investments
The Company has an investment of 8.1% of the ordinary shares of First Mutual Wealth Property Fund One (Private) Limited ("FMWPF1") which is incorporated and domiciled in Zimbabwe and is unquoted. The fair value of the Company's investment in FMWPF1 is based on the net asset value of FMWPF1. FMWPF1 is a property holding company which owns a building that is leased out to a tenant. The building constitutes 95% of the total assets of FMPF1 The fair value of the building was therefore a significant element in determining the net asset value of FMWPF1. The building was valued by an independent valuer using the income approach. The investment in FMWPF1 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 key inputs that were used to value the investments properties held as investments property and for the fair value of the associate are as follows:

Class of property	Fair value 31 December 2024	Valuation technique	Key unobservable inputs	Range (weighted average)
		Income	Rental per square metre	USD48 - USD90
CBD retail*	650 000	capitalisation	Capital rate/ prime yield	7.00%
Residential properties	335 000	Income	Rental per square metre	USD5 - USD9
		capitalisation	Capital rate/ prime yield	10.00%

All amount in USD Class of property	Fair value 31 December 2023	Valuation technique	Key unobservable inputs	Range (weighted average)
		Income	Rental per square metre	USD48 -USD90
CBD retail*	650 000	capitalisation	Capital rate/ prime yield	8.00%
Residential properties	335 000	Income	Rental per square metre	USD5 - USD9
		capitalisation	Capital rate/ prime yield	7.00%

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

6.3 Fair value through profit or loss

Valuation techniques used to derive level 3 fair values. The table below presents the following for each class of the investment property: (continued)

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

Sector	Lettable space m2 31-Dec-2024	Lettable space m2 31-Dec-2023
CBD retail	2 508	2 508
Residential properties	950	950

Yield rate risk and sensitivity

The rental rate represents the net rental income expected in year zero divided by the current property values (historical and/or trailing income yield). The risk arises when vacancy levels in the property 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 following table highlights the sensitivity to a reasonable possible change in the yield rate applied to values of the building owned by FMPF1 and the two residential properties advanced by FMHL as capital. With all other variables held constant, the Company's profit before income tax, investments property, and deferred tax are affected through the impact on the fluctuating yield rate as follows:

6.4 Sensitivity analysis

All figures in USD	2024 Increase in yield 10%	2024 Decrease in yield 10%	2023 Increase in yield 10%	2023 Decrease in yield 10%
Investment properties	(11 610)	(33 500)	19 690	1 280 000
Deferred tax effect	4 794	(4 794)	-	-
Profit/ (loss) for the year	(6 816)	(38 294)	19 690	1 280 000
Equity	(6 816)	(38 294)	19 690	1 280 000

Significant increases/(decreases) in the comparable transacted properties and rental rate 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

6.5 At amortised cost

Reconciliation of opening and closing values	**31-Dec-2024 USD**	**31-Dec-2023 USD**
Balance as at 1 January	3 879	768
Additions of debt securities	285 224	4 349
Accrued interest on debt securities	41 599	203
Disposals	(30 211)	(759)
Foreign exchange gain/ (loss)	(3 097)	(681)
Balance as at 31 December	**297 394**	**3 879**

Debt securities

Debt securities are money market investments done on a treasury bill buy back basis ("TBBB")

6.6 Fair value estimation

Observable inputs reflect market data obtained from independent sources: unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1

Assets and liabilities are classified as Level 1 if their value is observable in an active market. Such instruments are valued by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted price is readily available, and the price represents actual and regularly occurring market transactions. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis. This level includes listed equity securities traded on the Zimbabwe Stock Exchange and the Mauritius Stock Exchange.

Level 2

Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3

Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Fair value hierarchy for financial instruments measured at fair value at 31 December

Assets measured at fair value

	Level 1 USD	**Level 2 USD**	**Level 3 USD**	**Total USD**
At fair value through profit or loss as at 31 December 2024	313 260	-	65 513	378 773
At fair value through profit or loss as at 31 December 2023	350 928	-	68 012	418 940

7 TRADE AND OTHER RECEIVABLES

	31-Dec-2024 USD	**31-Dec-2023 USD**
Prepayments	2 391	4 490
Other debtors	58 780	37 496
Rent receivables	1 359	-
Staff debtors	1 991	1 684
Gross Other receivables	64 521	43 670
Expected credit losses	(3 883)	(7 604)
Net Other receivables	**60 638**	**36 066**

As at 31 December 2024 other receivables (excluding prepayments) of USD2,302 (2023 : USD3,654) were fully performing.

Prepayments are expensed within 12 months. Staff debtors are loans advanced to employees.

7.1 Allowance for credit losses reconciliation

As at 1 January	7 591	1 314
(Release) /Charge for the year	(3 709)	6 276
As at 31 December	**3 882**	**7 591**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

		31-Dec-2024 USD	31-Dec-2023 USD
8	**CASH AND CASH EQUIVALENTS**		
	Cash and cash equivalents comprise the following:		
	Cash at bank and on hand	10 754	30 689
	Cash and cash equivalents	**10 754**	**30 689**

Cash and cash equivalents comprise cash at bank, on hand and short term deposits with maturity dates of three months or less (note 9.1)

		31-Dec-2024 USD	31-Dec-2023 USD
9	**SHARE CAPITAL**		
9.1	**Authorised**		
	20 000 ordinary shares	904 130	1
	Issued and fully paid with a nominal value 3,796 shares with a nominal value each of 0,01 each (2, 219 shares 31 December 2023)	904 130	1

Unissued shares are under the control of the Directors , subject to the limitations imposed by the Companies and Other Business Entities Act (Chapter 24:31) and the Articles, and the Memorandum of Association of the Zimbabwe Company.

		31-Dec-2024 USD	31-Dec-2023 USD
9.2	**Share premium**		
	Share premium	**138 990**	**941 276**

The share premium arose from the issue of 608 shares at an amount exceeding the nominal value of USD0.01 per share. The net movement on share premium in the current year was due to allocation of ordinary shares and receipt of a cash injection amounting to US$42,098

		31-Dec-2024 USD	31-Dec-2023 USD
10	**DEFERRED TAX**		
	Deferred tax assets:		
	- Deferred tax assets to be recovered after more than 12 months	-	-
	- Deferred tax assets to be recovered within 12 months		23 183
	Total deferred tax assets	**-**	**23 183**
	Deferred tax liabilities:		
	- Deferred tax liabilities to be recovered after more than 12 months		-79 623
	- Deferred tax liabilities to be recovered within 12 months	-	
	Total deferred tax liabilities	**-**	**(79 623)**
	Deferred tax asset/(liability)	-	(56 440)
	Unrecognised deferred tax asset	-	-
	Deferred tax liabilities - net	**-**	**(56 440)**
	The movement in deferred tax is as follows:		
	As at 1 January	(56 440)	-
	Release to the statement of comprehensive income	47 728	56 440
	Due to movement in temporary differences	49 088	(56 440)
	As at 31 December liabilities	**(7 352)**	**(56 440)**

The movement in deferred tax liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax liability	31-Dec-2024 Accelerated tax depreciation USD	31-Dec-2023 Total USD
As at 1 January 2023	-	-
Charge to the statement of comprehensive income	55 293	55 293
Effect of tax change	-	-
		-
As at 31 December 2023	**55 293**	**55 293**
As at 1 January 2024	55 293	55 293
(Credit)/ Charge to the statement of comprehensive income	(47 941)	
Effect of change in tax rate	-	-
As at 31 December 2024	**7 352**	**55 293**

The Company has a deferred tax asset arising primarily from provisions and liabilities amounting to USD34,761,347 (deferred tax asset in 2020: USD1,092,060) Given the Company's current financial position and the uncertainty regarding its future profitabality within the ring-fencing period, that is, five years, considering its current performance, the deferred tax asset on the loss position that arose in prior year was not recognised in the financial statements for the year ended 31 December 2021 because the Company was not in a position to generate sufficient future taxable profits, against which the assessable tax losses may be utilised within the period prescribed by law.

11 TRADE AND OTHER PAYABLES

11.1 Provisions

	Profit share USD	Leave pay USD	Total USD
As at 1 January 2023	9 895	14 380	24 275
Utilised in the current year	(9 895)	-	(9 895)
Charged to the comprehensive income	30 295	14 801	45 096
Exchange gains/ (loss)	-	(22 074)	(22 074)
As at 31 December 2023	**30 295**	**7 107**	**37 402**
As at 1 January 2024	30 295	7 107	37 402
Utilised in the current year	(26 164)	(9 342)	(35 506)
Charged to the comprehensive income	30 253	28 482	58 735
Exchange gains/ (loss)			-
As at 31 December 2024	**34 385**	**26 246**	**60 631**

Leave pay provision is the balance for leave days that employees are entitled to at the end of the year and that have accrued in the normal course of business.

11.2 Other payables	2024 USD	2023 USD
Sundry payables	3 315	2 090
Payroll related liabilities	18 460	26 213
Value Added Tax	16 091	4 065
	37 866	**32 368**

Payroll related liabilities are made up primarily of Pay As You Earn ("PAYE"), National Social Security Authority ("NSSA") and National Employment Council ("NEC").

The carrying amount of other payables approximates fair value because of their short tenure. Trade payables are due within a three month period and are not interest bearing. They consist of accrued operating expenses.

12 REVENUE

	31-Dec-2024 USD	31-Dec-2023 USD
First Mutual Life Assurance Company (Private) Limited	127 583	211 359
Tristar Insurance Company Limited/NicozDiamond Insurance Limited	33 444	31 207
First Mutual Holdings (Private) Limited	14 143	12 249
Pearl Properties (2006) Limited	4 252	8 088
FMRE Life and Health (Private) Limited	8 103	6 368
FMRE Property and Casualty (Private) Limited	33 701	28 163
First Mutual Health Company (Private) Limited	87 030	95 010
Investment fees earned from related parties (note 17.2)	308 257	392 445
External and retail clients	482 886	181 930
Advisory feees	688 947	194 403
Total	**1 480 090**	**768 778**

Revenue from contracts with customers
Investment fees from clients is accounted as revenue from contracts with customers. The Company derives revenue from the transfer of services over time in the following major product lines and all in Zimbabwe.

Type of good or service	Timing of recognition				
Investment services	At a point in time	-	-	1 480 090	268 863 447
Total revenue from contracts with customers		-	-	**1 480 090**	**268 863 447**

Performance obligations
Information on the Company's performance obligations is summarised below:

Investment services
The performance obligation is performed upon consumption of the service by the customer, thus at a point in time.

13.1 INVESTMENT INCOME

	31-Dec-2024 USD	31-Dec-2023 USD
Interest earned from short term deposits	41 599	203
Fair value gains equities:	78 443	271 021
- Fair value gain/ (loss) on listed equity through profit and loss	80 942	248 022
- Fair value gain/ (loss) on unlisted equity	(2 499)	22 999
Fair value gain/ (loss) on investment property	(116 103)	141 937
Dividends on quoted investments	9 109	11 011
	13 049	**424 172**

13.2 OTHER INCOME

	31-Dec-2024 USD	31-Dec-2023 USD
Profit from disposal of equipment	1 341	37
Rental income	27 270	18 366
Interest from tenants (overdue rental)	220	17
Shared costs	1 031	11 950
Gain on remeasurement of lease liability	-	-
Arrangement fees and NMI commission*	129 291	158 584
	159 153	**188 954**

*ZSE non-member commission is a portion of brokerage commission received from the stockbrokers on shares traded on behalf of clients.

13.3 PROCEEDS FROM DISPOSAL OF VEHICLES AND EQUIPMENT

	31-Dec-2024 USD	31-Dec-2023 USD
Profit from disposal of equipment (note 13.2)	1 341	37
Net book amount of disposed equipment (note 5)	556	56
	1 897	**93**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

14	ADMINISTRATIVE EXPENSES	31-Dec-2024 USD	31-Dec-2023 USD
	Salaries and other staff related costs (note 14.2)	655 550	663 084
	Other administration expenses (note 14.1)	644 289	590 112
		1 299 839	**1 253 196**

	Directors' emoluments :	31-Dec-2024 USD	31-Dec-2023 USD
	-For service as directors	83 840	92 849
	Professional fees		-
	-Audit fees	22 727	11 334
	Depreciation (note 17, note 5)	20 246	9 675
	Group shared services costs	256 285	226 383
	Consultancy	5 033	20 921
	Rent and rates	24 798	29 723
	Advertising and public relations	19 779	15 032
	Office and computer expenses	88 970	65 772
	Bank charges	25 167	18 828
	Licensing fees (investment management licence and custodial fees)	24 191	18 240
	Insurance	2 254	3 288
	Telephones	1 926	1 065
	Newspapers and subscriptions	5 972	4 902
	Covid Expenses	-	-
	Property expense	6 907	1 605
	Other operating expenses	56 192	70 493
		644 289	**590 112**

Group shared services costs are with respect to support services that are provided by the holding Company which include but are not limited to information technology, human resources, finance and administration and marketing functions.

14.2	**Salaries and other staff related costs**	31-Dec-2024 USD	31-Dec-2023 USD
	Salaries and allowances executive management	222 809	229 457
	Salaries and allowances non-executive management	334 214	333 493
	Social security costs	3 681	5 241
	Pension costs	28 675	22 821
	Long term incentives (Share appreciation rights)	(20 279)	48 615
	Rationalisation costs	-	-
	Other	86 449	23 457
		655 550	**663 084**

15	TAX EXPENSE		
	Income tax	31-Dec-2024 USD	31-Dec-2023 USD
	Current income tax on profits for the year	19 943	-
	Deferred tax charge/(credit) (note 10)	**(47 941)**	**55 293**
	Unrecognised deferred tax asset	-	-
	Effect of change in tax rate	-	-
	Income tax (credit)/ expense	(27 998)	55 293
	Income tax expense reconciliation		
	Profit/ (loss) before income tax	174 615	162 229
	Tax calculated at domestic rates applicable to taxable income	44 963	38 869
	Tax effects of:		-
	Expenses not deductible for tax purposes	12 413	8 871
	Income not subject to tax	(85 429)	3 029
	Unrecognised tax assets		4 525
	Income tax (expense)/credit	**(28 053)**	**55 293**

15.1	Income tax paid	2024 USD	2023 USD
	Current tax liabilities/(assets) as at 1 January	-	-
	Charge for the year	19 943	-
	Paid during the year	(23 999)	-
	Income tax (asset)/ liability	**(4 056)**	**-**

16 RELATED-PARTY TRANSACTIONS

16.1 Compensation of key management

Key management personnel of the Company include all directors, executives and senior management. The summary of compensation of key management personnel for the period is as follows:

	2024 USD	2023 USD
Share appreciation (note 22.1)	**9 602**	**63 586**
Salaries and allowances	222 809	229 457

16.2 Related companies

Related party transactions exist between First Mutual Wealth Management (Private) Limited, holding company, First Mutual Holdings Limited and its fellow subsidiaries. The following transactions are included in the financial statements.

Related party transactions

First Mutual Holdings Limited (FMHL) is the parent company of First Mutual Wealth Management (Private) Limited and the National Social Security Association ("NSSA") is the ultimate parent of First Mutual Holdings Limited.

The related party transactions were as follows:		**Relationship**	**31-Dec-2024 USD**	**31-Dec-2024 USD**
Transaction type				
Rental expenses		Fellow subsidiary	24 798	29 723
Insurance		Fellow subsidiary	2 254	3 288
Shared services		Holding company	58 915	36 879
Medical Aid		Fellow subsidiary	47 860	40 890
Pension premium paid			28 675	22 821
Investment fees (revenue)			(308 257)	(392 445)
Related party receivables		Relationship		
Investment fees	First Mutual Reinsurance Life & Health	Fellow subsidiary	997	766
Investment fees	First Mutual Reinsurance Property & Casuality	Fellow subsidiary	-	1 781
Investment fees	First Mutual Life - Policy Holder		13 713	
Valuation fees	First Mutual Reinsurance Property & Casuality - Botswana	Fellow subsidiary	3 500	-
Shared Services	First Mutual Microfinance	Fellow subsidiary	241	126
Total related party receivables			**18 450**	**2 673**

No related party receivables were past due.

		31-Dec-2024	31-Dec-2024
16.3	**Related party payables**		
	Amounts due to related parties	**USD**	**USD**
	First Mutual Holdings Limited	17 297	33 438
	First Mutual Health Company (Private) Limited	5 581	34 250
	First Mutual Properties Limited	1 766	7 001
	NicozDiamond Insurance Limited	20 435	25 241
	First Mutual Reinsurace Property & Casualty Zimbabwe	358	-
	First Mutual Life Assurance (Private) Limited	3 390	12 984
		48 826	**112 914**

The related party payables are shared services costs from First Mutual Holdings Limited which are charged monthly and payable in arrears. No interest is charged on the outstanding amounts.

		31-Dec-2024	31-Dec-2024
17	**RIGHT OF USE ASSET**	**USD**	**USD**
	Balance as at 1 January	15 057	9 115
	Modifications	8 605	8 298
	Depreciation	(12 996)	(2 356)
	Balance at 31 December	**10 666**	**15 057**
18	**LEASE LIABILITY**		
	Balance as at 1 January	30 296	19 155
	Modification	8 605	6 337
	Finance cost	3 001	1 917
	Effects of inflation	-	(8 944)
	Foreign exchange gains/losses	-	27 405
	Lease payments	(19 380)	(15 575)
	Balance at 31 December	**22 522**	**30 296**
19	**INVENTORY**		
	Consumables	2 062	1 719
	Total	**2 062**	**1 719**

There was no write off of inventories during the year ended 31 December 2024 (2023: USD nil).

		31-Dec-2024	31-Dec-2024
20	**LOANS**	**USD**	**USD**
	At 1 January	9 781	-
	Additions	-	19 127
	Interest charged	130	1 914
	Loan repayment	(9 911)	(24 384)
	Foreign exchange differences	-	19 429
	Effects of inflation	-	(6 306)
	Closing balance	**-**	**9 780**
	Current	-	9 780
	Non current	-	-
	Total	**-**	**9 780**

The 2023 loan was borrowed from First Mutual Holdings Limited in USD at 9% per annum. The loan was repaid fully in February 2024.

21 FOREIGN EXCHANGE GAINS/LOSSES

	31-Dec-2024 USD	31-Dec-2024 USD
Unrealised (loss)/ gains	(17 841)	(22 877)
Realised (loss)/ gains	(160 573)	(21 450)
	(178 414)	**(44 327)**

22 POST EMPLOYEE BENEFITS

The National Social Security Authority Scheme ("NSSA") and First Mutual Holdings Limited Group Pension Fund

NSSA pension

This is a defined contribution scheme which was promulgated under the National Social Security Authority Act (Chapter 17:04). Contributions by both the Company and employees amount to 3.5% (2021 - 3.5%) of pensionable emoluments each. Total contributions for the period were as follows.

Defined contribution fund pension

The Company provides for pensions for all employees by means of a defined contribution pension fund. The Pension Fund is administered by First Mutual Life Assurance Company (Private) Limited. Contributions are made by both the Company and the employees at a rate of 12.5% and 6% (2021-12.5% and 6%) respectively. All employees including working directors on the full-time permanent staff of the employer are eligible to be permanent members of the fund.

22.1 SHARE APPRECIATION RIGHTS ("SARs")

On 27 June 2019, the shareholders of Company at the Annual General Meeting ("AGM") approved a SAR plan for such Employees and Executive Directors of the Group (participant)\ as the Board (on the recommendation of the Human Resources and Governance Committee) shall determine from time to time. The plan has an operative period of 10 years and an initial 32 432 917 SARs were granted on inception.

The exercise of the Company's SAR entitles a participant to receive the gain for each share granted, where, "Gain" means an amount equal to the excess of the market value on the exercise date over the exercise price. The share appreciation rights were granted in three trenches as shown below:

Grant date	Grant price(USD)
1 July 2019	0.0001
1 July 2020	0.0015
1 July 2021	0.0115
1 July 2022	0.0100

A participant to whom SARs have been granted shall only be entitled to exercise the Rights in part as follows:
i) On the first anniversary of the date of grant, the participant shall be entitled to exercise up to one third (1/3) of the Rights granted on that particular occasion;
ii) On second anniversary of the date of grant, the participant shall be entitled to exercise an additional one third (1/3) of the Rights; and
iii) On the third anniversary of the date of grant, the Participant shall be entitled to exercise an additional one third (1/3) of the Rights awarded to the Participant under that grant.

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22.1 SHARE APPRECIATION RIGHTS ("SARs") (Continued)

The fair value of the SARs was determined using the Black-Scholes model as at 31 December 2022 with the following inputs:

	31-Dec-2024 USD	31-Dec-2024 USD
Share price at measurement date (cents)	0.01	0.01
Exercise Price (cents)	0.01	0.01
Risk-Free Interest Rate	10%	24%
Volatility	166%	97%
Dividend Yield	1%	1%
Carrying amount of liability - included under share based payment liability	9 602	52 591

Expenses arising from share based transaction	31-Dec-2024	31-Dec-2024 USD
Share appreciation rights expense for the year recognised during the vesting period	9 602	52 591

During the period SARs of 150,472 vested and were partially exercised resulting in a gross pay-out of USD 22,711 to those eligible.

23 GOING CONCERN

The business started experiencing operational losses in 2020 due to hyper inflation environment which saw expenses growing above revenue resulting in operating losses and negative cash flow generated from operations. In the year under review, the business achieved a profit largely due to growth in reveue from complementary income from alternative investments. Funder Under Management (FUM) grew by 78% from USD 84 million in 2023 to USD 151 million in 2024 with 54% being pure USD assets as at year end. During 2024, the shareholders assisted with working capital of USD 101 million to partially fulfil funding committements made during 2024 budgeting, with 46% being intercompany set off.

During 2024, monthly revenue was consistently above budget and growth was noted when comparing with prior year largely due to increased funding on alternative investments projects and the Company benefits from charging financial advisory fees and growth in FUM. In 2024, the regulator renewed the Company licence to continue offering asset management services.

With regards to staff movements, the Head of Alternative Investments resigned in October 2024 and is to be replaced in 2025. The General Manager is heading the Alternative Investments department until the vacant is filled. There were no other movements on key staff positions.

On the basis of the above assessment, directors are of the opinion that the Company is able to continue in business beyond 2024 and that therefore recommend that Financial Statements for the period ended 31 December 2024 be prepared on a going concern basis.

24 POST REPORTING DATE EVENTS

After the reporting date, the Governor of Zimbabwe through the Monetary Policy Statement mandated that regulated companies by the Securities Exchange Commision of Zimbabwe to use the local currency Zimbabwe Gold "ZWG"as the reporting currency


FMW
GOLD
EXCHANSE TRABED
FUND

GENERAL INFORMATION

BUSINESS

First Mutual Wealth Management (Private) Limited (the "Company") is a private limited liability company that is an investment manager licensed by the Securities and Exchange Commission of Zimbabwe.

INCORPORATION AND ACTIVITIES

The Company is incorporated and domiciled in Zimbabwe and is wholly owned by First Mutual Holdings Limited ("FMHL"), which is listed on the Zimbabwe Stock Exchange ("ZSE").

DIRECTORS

John Chikura
Rachel P Kupara
Arnold Chidakwa
Miranda Khumalo
Douglas Hoto
William Marere

SECRETARY

Sheila Lorimer

REGISTERED OFFICE

First Mutual Park
100 Liberation Legacy Way
Borrowdale
Harare

POSTAL ADDRESS

P.O. Box BW 178
Borrowdale
Harare

Telephone: +263(4) 886000-16

INDEPENDENT AUDITOR

Ernst & Young Chartered Accountants (Zimbabwe)
Angwa City, Corner Julius Nyerere Way / Kwame Nkrumah Avenue
Harare.

BANKERS

Stanbic Bank Zimbabwe Limited
77 Parklane
P.O Box CY 3175
Causeway
Harare

CHAIRMAN'S STATEMENT
31 DECEMBER 2024

Economic Environment

The macro-economic environment remained volatile and characterised by significant value erosion of the local currency as well as a fluid policy environment and high inflation. The local unit lost 88% of its value on the official auction market and around 93% on the alternative exchange market. Inflation statistics were published using the Blended inflation rate as it was deemed a more representative measure of the multi-currency environment inflation. However, such numbers were difficult to utilise for business and or planning purposes. According to the Total Consumption Poverty Line (TCPL), local currency inflation was 380% for the year whilst the official exchange rate advanced by 365%. The premium at which the USD:ZWG alternative market exchange rate was quoted above the official exchange rate varied throughout the year reaching over 100% at one stage and ebbing to a low of 17% post regulatory and policy interventions. These disparities between official and alternativalternative market exchange rates continued to cause significant distortions that gave the informal sector a competitive advantage against the formal sector. It is estimated that 90% of Zimbabweans who are in some form of employment are operating in the informal sector. Left unchecked the Government will find it difficult to mobilise adequate resources whilst the formal sector will account for an increasingly smaller share of the country's GDP.

The Zimbabwe Stock Exchange (ZSE) registered a nominal annual return of 118% whilst the Victoria Falls Stock Exchange (VFEX) recorded 4.8% in 2024. ZSE performance weakened during the final quarter of the year, with the ZSE All Share Index recording a loss of 11%. On ZSE, this was due to significant devaluation of the local currency at the end of Q3 2024 which inturn slowed the market's positive momentum that had been experienced on the market from Q1 to Q3 of 2024. The VFEX is still affected by liquidity which limits trading of counters.

According to the Reserve Bank of Zimbabwe, Broad money (M3) stock stood at ZWG8.3bn in November 2024, a decrease of 4.97% from ZiG8.8bn recorded in October 2024, on account of valuation changes related to exchange rate appreciation. The money stock comprised 83.87% foreign currency deposits, 16.01% local currency deposits, and 0.12% local currency in circulation.

Financial performance

Funds under Management (FUM) increased by 81% to ZWG3.9 Billion in 2024 from ZWG1.2 billion in 2023 mainly due to new business, increased net contributions from existing clients, fair value movements on property revaluations in 2024. 46% of the reported FUM in pure ZWG. Below is a table showing FUM by asset class on which FMW levies investment fees:

	31-Dec-24	31-Dec-23
LOCAL CURRENCY INVESTMENTS	**ZWG**	**ZWG**
ZSE QUOTED	791 580 167	153 118 181
ZWL MONEY MARKET	2 531 772	1 587 385
FMP PROPERTY (Market Value)	916 815 850	246 289 560
UNQUOTED (ALTERNATIVE INVESTMENTS)	95 641 973	47 438 653
TOTAL	**1 806 569 762**	**448 433 779**
	31-Dec-24	**45 291**
FOREIGN CURRENCY INVESTMENTS	**ZWG**	**ZWG**
VFEX QOUTED	193 808 530	108 525 429
FOREIGN LISTED EQUITIES	23 631 696	13 126 205
AFREXIM DEPOSITORY RECEIPTS	230 344 540	109 979 016
PROPERTY (ALTERNATIVE INVESTMENTS)	1 077 584 014	233 191 278
GOLD COINS	19 802 522	8 115 967
NHAKA CATTLE	16 079 981	4 015 590
USD MONEY MARKET	447 399 748	191 895 013
USD BONDS	79 943 506	33 476 986
TOTAL	**2 088 594 537**	**702 325 484**
GRAND TOTAL (US$)	**3 895 164 299**	**1 150 759 263**

Revenue increased by 135% to ZWG 24.4 million in 2024 (2023 : ZWG 10 million) in line with the increase in FUM. Administration expenses in the period under .4 review increased by 31% to ZWG22.1 million (2023: ZWG16.9 million) mainly attributed to inflation.

First Mutual Wealth achieved an operating profit of ZWG 0.183 million as revenue growth was ahead of expenses growth. A strategy has already been developed and is under implementation to enhance the company's performance. Further, the business is targeting external clients to widen the FUM pool.

The balance sheet grew by 121% from prior year s to ZWG129.1 million in 2024 (2023: ZWG13.1 million) due to addition of money market investments. The business was compliant with the risk based capital adequacy framework at year end and will ensure this is maintained at all times with a sufficient buffer.

CHAIRMAN'S STATEMENT (continued)
31 DECEMBER 2024

Directorate
Oliver Mtasa resigned in February 2024 and Miranda Khumalo was appointed in May 2024 and she sat for her first meeting in November 2024.

Dividend
In view of the need to ensure adequate working capital in the wake of rising costs and asset management system replacement project, the directors recommend no dividend be paid from the profits of the Company for the year ended 31 December 2024.

Outlook
Zimbabwe's GDP growth is forecast at 3.6% according to the World Bank and 4.0% according to the Government of Zimbabwe. Growth is likely to be underpinned by the Tourism, Mining, Construction, Financial services, Retail and or Distribution sectors. Uncertainty surrounds the performance of the Agricultural, Manufacturing and Utilities sectors and hence these sectors may slow the aforementioned growth expectations for 2024.

The Board will seek to exploit opportunities in the economy's growth hubs whilst preserving and creating value for stakeholders through further process efficiencies, robust cost management and continued innovation.

Appreciation
On behalf of the Board of Directors, I would like to convey my profound gratitude to our clients, shareholders, staff, the regulatory authorities and other stakeholders for their continued support.

J Chikura
Chairman
30 April 2025

DIRECTORS' REPORT
31 DECEMBER 2024

The Directors present their report and audited financial statements for the year ended 31 December 2024

Share capital

The authorised and issued shares of the Company are as follows:

Authorised	: 20 000 shares (20 000 shares as at 31 December 2024)
Issued	: 3 796 shares (2 219 shares as at 31 December 2023)

Financial results

The financial results of the Company for the year are shown as part of the financial statements on pages 74 to 101.

Dividend

In view of the need to ensure adequate working capital in the wake of rising costs under a hyperinflationary environment, the directors recommend no dividend be paid from the profits of the Company for the year ended 31 December 2024.

Directors

As at 31 December 2024 the following were the Directors of the Company

John Chikura
Rachel P Kupara
Arnold Chidakwa
Douglas Hoto
Miranda Khumalo
William Marere

Directors interest in shares of the Company

Direct interest	Indirect interest
Number of shares	number of shares
Nil	Nil

Independent auditor

The conclusion of the Annual General Meeting at which shareholders will be requested to approve remuneration of the independent auditors for the past year and appointment of the independent auditor for the ensuing year.

By Order of the Board

J Chikura
Chairman

S Lorimer
Company Secretary

THE DIRECTORS' STATEMENT OF RESPONSIBILITY
31 DECEMBER 2024

The directors are required by the Companies and Other Business Entities Act (Chapter 24:31), to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the Company as at the end of the financial year and the profit or loss and cash flows for the year then ended, 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 acknowledge that they are ultimately responsible for the system of internal financial control established by the Company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure acceptable level of risk. These controls are monitored throughout the Company and all employees are required to maintain the highest ethical standards in ensuring that the Company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Company is on identifying, assessing, managing and monitoring all known forms of risks across the Company. While operating risk cannot be fully eliminated, the Company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The directors have assessed the ability of the Company to continue operating as a going concern and believe that the preparation of the financial statements on a going concern basis is still appropriate.

The independent auditor is responsible for independently auditing and reporting on the Company's financial statements. The independent auditor, Ernst & Young , has audited the financial statements and their report is set out on 71 - 73.

The financial statements and related notes set out on pages 74 to 101 for the year ended 31 December 2024, were approved by the Board and were signed on its behalf by:

J Chikura
Chairman

D Hoto
Non Executive Director and
Group Chief Executive of
First Mutual Holdings Limited

CERTIFICATE OF COMPLIANCE BY COMPANY SECRETARY
31 DECEMBER 2024

In my capacity as Company Secretary of First Mutual Wealth Management (Private) Limited, I confirm that the Company lodged with the Registrar of Companies all returns as are required to be submitted to the Registrar of Companies during the year by the Companies and Other Business Entities Act (Chapter 24:31) and all such returns are true, correct and up to date.

S Lorimer

S Lorimer
Company Secretary
Harare

DECLARATION BY THE GROUP FINANCE MANAGER

These financial statements have been prepared under the supervision of the Group Finance Executive, Simbarashe Chiweshe, a member of the Institute of Chartered Accountants Zimbabwe ("ICAZ"), registered with the Public Accountants and Auditors Board as Registered Public Accountant, registration number 05667.

SChiweshe

S Chiweshe
PAAB 05667
Group Finance Manager
Harare

SUSTAINABILITY REPORT

Sustainability reporting and framework is done at Group level and First Mutual Wealth Management participates. The Company's sustainability approach is driven by the desire to "Go Beyond" in the provision of financial services while being mindful of the associated social, economic and environmental impacts. Hitherto, the Global Reporting Initiative (GRI) Standards has served as our overarching framework for identifying, measuring, and disclosing our impacts across the First Mutual Holdings Limited Group. In addition to this, the Group has embarked on a journey to achieve compliance with IFRS Sustainability Disclosure Standard S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS Sustainability Disclosure Standard S2 (Climate-related Disclosures).

The Company, through the Group has engaged external consultants to provide guidance on its sustainability journey, with a view to achieving full compliance with the new standards over the next three years.

SUSTAINABILITY AND CLIMATE-RELATED RISKS AND OPPORTUNITIES

This section of the report focuses on the following:
(a) Governance— the governance processes, controls and procedures the entity uses to monitor and manage sustainability-related and climate-related risks and opportunities;

(b) Strategy— the approach the entity uses to manage sustainability-related and climate-related risks and opportunities;

(c) Risk management— the processes the entity uses to identify, assess, prioritise and monitor sustainability-related and climate-related risks and opportunities; and

(d) Metrics and targets— the entity's performance in relation to sustainability-related and climate-related risks and opportunities.

GOVERNANCE

Board Level ESG Committee
The First Mutual Holdings Limited has recently established an Environmental, Social and Governance (ESG) Committee which is mandated to oversee ESG matters for all companies within the First Mutual Holdings Limited Group. It comprises five (5) Non-Executive Directors of companies within the First Mutual Holdings Limited Group. The Committee makes recommendations to the Boards of all companies within the First Mutual Holdings Limited Group on the design and implementation of the ESG strategy, framework, policies and procedures, setting and monitoring ESG goals and metrics, Integrated Reporting, management of ESG risks and opportunities and resourcing ESG projects. The Committee liaises with other Board Committees as necessary.

In liaison with other Group Committees, the ESG Committee is responsible for determining whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to sustainability-related and climate-related risks and opportunities. In terms of board level appointments, this will be done in conjunction with the Group Human Resources and Governance Committee sitting as a Nominations Committee based on a skills matrix and gap analysis.

Meetings of the ESG Committee will be held as often the Committee deems to be appropriate, normally once a quarter, or more often if required. At each meeting, the Committee will receive reports from management detailing the sustainability-related and climate-related risks and opportunities facing the entity. These shall be reviewed in more detail at the annual board strategy session.

When setting strategy, the Board shall consider sustainability-related and climate-related risks and opportunities. Sustainability and climate-related risks and opportunities shall be embedded into the key strategic pillars, as a separate pillar. When overseeing the entity's strategy, its decisions on major transactions and its risk management processes and related policies, the Board of Directors of the Company ensures that trade-offs associated with those risks and opportunities have been taken into consideration.

The ESG Committee will work in conjunction with the Boards of all companies within the First Mutual Holdings Limited Group in setting targets related to sustainability-related and climate-related risks and opportunities and monitor progress towards those targets.

At management level, the First Mutual Holdings Limited Group has established two dedicated committees to serve all entities within the Group. These are an ESG Management Committee and an ESG Steering Committee. These committees will play a crucial role in implementing our ESG strategy, aligning company policies with ESG principles, and ensuring robust sustainability reporting.

ESG Management Committee

The ESG Management Committee will be responsible for the effective implementation of the ESG strategy across the Group. This will ensure a cohesive and integrated approach to ESG initiatives, with specific emphasis on sustainability reporting, policy alignment and ensuring cross-functional representation for all key business units.

The ESG Management Committee meets monthly to review progress, address challenges, and plan future actions. Regular meetings will ensure ongoing attention to ESG matters and timely decision-making.

ESG Steering Committee

At executive level, an ESG Steering Committee has been established to provide strategic oversight and guidance on ESG matters. Comprising senior management executives, the Committee ensures that ESG considerations are integrated into the highest levels of decision-making.

The Steering Committee will meet quarterly to review the work of the ESG Management Committee and make recommendations to the ESG Board Committee on ESG policy and strategy. This will ensure that our ESG initiatives are aligned with our overall corporate strategy and long-term goals

Involving senior management in the ESG Steering Committee demonstrates the Group's commitment to ESG at the highest levels of the organisation and ensures that ESG initiatives receive the necessary resources and support.

The ESG Management Committee will prepare and submit detailed reports to the ESG Steering Committee. These reports will include:

- Progress on ESG initiatives and action plans.
- Performance metrics and key performance indicators (KPIs) related to ESG targets.
- Updates on sustainability reporting efforts.
- Identification of challenges and barriers to implementation.
- Recommendations for policy updates or new policy development.
- Highlights of cross-functional collaboration and best practices.

Cross-functional collaboration

While line management remains accountable for the management of sustainability-related and climate-related risks and opportunities, collaboration with support functions such as Risk Management, Finance, Legal and Internal Audit will ensure that ESG controls and procedures are integrated with other internal functions.

RISK MANAGEMENT

Our Strategy

Our risk management thrust seeks to enhance proactive risk management, facilitate risk-based decision making, improve governance and accountability, enhance credibility with key stakeholders and to create, protect and enhance stakeholder value. Our approach includes diversification through a varied range of products, distribution channels, and geographical spread all underpinned by a robust risk management framework and established risk governance structures.

Sustainability-related and climate-related risks and opportunities are identified and managed under the broader risk management framework.

Risk Governance

The attainment of the Group's vision is supported by an evolving risk management framework. This sets out the requirements for detailed risk policies and board oversight, supported by clear roles and responsibilities for the board and executive management. The executive risk management follows the 'three lines of defence' model. The framework ensures that the Group has a system and dynamic processes for identifying, evaluating, prioritising, managing, and adapting to critical risks.

The Group Chief Risk Officer presents a quarterly report directly to the Company's Board of Directors.
First Mutual Holdings Limited has established the Group Risk Committee to provide enterprise-level board risk management oversight groupwide. The Board is ultimately responsible for risk management, ensuring that our risk-taking decisions are well-informed and remain within the risk appetite. We continue to review and enhance our risk governance, ensuring that the board committees have the appropriate mix of competences. The Group Risk Committee membership comprises four non-executive directors of the First Mutual Holdings Limited Group.

Our Approach

The board is committed to increasing stakeholder value through the management of corporate risks. We have established a system of risk management and internal controls to safeguard shareholders' interests and the Group's assets, and determining the nature and extent of the material risks which the board is willing to take in achieving the Group's strategic objectives. To this end, the board has set parameters to assess the effectiveness of risk management across First Mutual for continuous monitoring and improvement.

The Group Risk Management function, which is headed by the Group Chief Risk Officer, liaises with other internal control functions – the actuarial, compliance and internal audit functions – to ensure we optimise use of the resources deployed in risk management and assurance on the effects of controls.

The risk management team's responsibilities include the following:
- assisting the board and management strengthen the risk management framework and embed risk management across the Group operations.
- promoting a robust risk culture to support an inclusive, comprehensive and dynamic risk management processes.
- maintaining the risk management process to ensure we are efficient in identifying, measuring, managing, monitoring, and treating in a consistent and
- effective manner the key and emerging risks – financial and non-financial – that are covered in our risk universe.
- facilitating risk prioritisation, resourcing and implementation of approved risk treatment plans.
- informing the board of consolidated risks that may materially affect the attainment of the Group's objectives.
- ensuring that there is sufficient capital in place to operate sustainably within the risk appetite and trending risk profile.

The Group's risk management framework has been designed to improve business performance by optimising growth opportunities, increase the likelihood of achieving the Group's objectives, anticipate and communicate uncertainties, enhance proactive risk management, integrate risk management activities into decision making and all key processes, reduce operational losses and surprises, comply with relevant legal and regulatory requirements and international norms, and create, protect and enhance stakeholder value.

Financial Risk Management
The Group's internal financial controls are set out in the relevant procedure manuals which also state the required standards and key control activities. These are underpinned by adequate segregation of duties. The accounting policies are reviewed periodically by the Audit Committee, internal control functions and the external auditors. The Group Investment Committee sets limits for investment risk exposures that various staff members can trade on. The Group Compliance Manager reports on anti-money laundering (AML) /Countering the Financing of Terrorism (CFT) with the objective to assess whether the type of clients that generally uses the product increases the vulnerability to money laundering abuse of the product.

Operational and Business Risk Management
The Group manages operational risk through formalised procedures and controls, well-trained personnel and, where necessary, back-up facilities. The risks are identified, assessed, treated, monitored and reported as mandated in the risk management framework.

SUSTAINABILITY STRATEGY

Our sustainability strategy emphasises long-term wealth, customer centricity, staff involvement, and operational efficiency.
The levers for sustainability at First Mutual Holdings Limited are:
- Operational efficiency
- Sustainable wealth
- Customer and community centricity
- Employee engagement

STAKEHOLDER ENGAGEMENT

Our business activities converge with interests of many people, which is why engaging with various stakeholders is particularly important to us. Through this dialogue, we communicate our decisions and actions transparently to build shared values and vision. We unite divergent interests as far as possible to build and sustain trust. The engagement process gives us a broad appreciation of the sustainability context in our operating environment. This enables us to identify material risks and business opportunities.

Key stakeholder groups
Our key stakeholder groups are:
- Internal (Employees and Investors) and
- External Stakeholders (Customers, government, regulators, suppliers, and communities).

Our Approach
Management engagement with stakeholders is informed by structured profiling and understanding of our stakeholders' legitimate interests in our business, products and services. Stakeholder profiling provides critical information on engagement strategies, the frequency of engagement and the response mechanism to each stakeholder group. The process enables management to design strategies on how to best respond to any material concerns and improve the way the business operates.

Our stakeholder engagement activities for the year are presented below:

Stakeholder	Key issues and concerns raised	Response to issue	Engagement method	Frequency of engagement
Employees	Erosion of salaries and the increase in the cost of living.	Period benchmarking of salaries against peers using data from independent consultants.	Staff briefing circular, CEO address.	Quarterly, half-year, full-year, Ad hoc.
Customers	Service accessibility.	Adoption of digital platforms to make transacting easier.	Emails newsletters and notices.	Monthly.
Government & Regulators	Capital raising. Solvency and capital requirements. Settlement of foreign operations.	Obtain all regulatory approvals. Regular capital assessments, and awareness of balance sheet structure. Regular engagement with bankers and creditors on settlements.	Applications Lobbying through industry boards. Weekly follow-ups on foreign payments.	Ad hoc, Monthly, Quarterly, Weekly.
Suppliers	Quotation erosion of value before order issuance. High specifications that are not available within the Zimbabwean market.	Advance payments, invoicing after delivery. Adjustments of product specifications to the local market.	Supplier meetings, supplier visits and emails.	Monthly, Ad hoc.
Shareholders and Potential Investors	Consistent dividend payment.	Declaration of dividends by investee companies.	Shareholder and investor roadshows and meetings.	Quarterly, Semi-annually and Annually Ad hoc.
Local communities	Need for more sponsorship and funding for local communities.	Increased support through CSR activities.	Emails, Newsletters and Notices.	Annually.
Credit Rating Companies	Delay in remittances of foreign currency outside the country.	Extensive follow-up with the banks to track progress.	Online engagement meetings.	Biannually.

MATERIALITY

First Mutual Holdings Limited conducts a materiality assessment every reporting year to identify environmental, social, economic and governance issues that matter most to the business and stakeholders. Hitherto, our materiality process has been guided by GRI Standards but, with the proposed introduction of IFRS S1 and IFRS S2, the requirements of the International Sustainability Standards Board (ISSB) and other applicable standards are now being taken into account. This process enables us to determine key information needs and strategic areas of focus.

Materiality process

In determining significant issues for our business, we conduct assessments. The process takes into account assessing the business operating environment, similar companies in our sector and key stakeholder concerns. Our material issues often represent key issues in the financial services and real estate sector where our business activities are concentrated. Senior management then ranks the identified topics based on their importance to the business and stakeholders. These topics are then validated for consistency with business activities.

Material issues

Material issues identified were categorised into customer and community centricity, sustainable wealth employee engagement and operational efficiency depending on their relevance to the business, operations and stakeholders. Senior management then ranked the topics based on impacts and how they were managed during the reporting period.

Customer and Community Centricity	Sustainable Wealth
Customer Privacy and Data Security	Incorporation of ESG Factors In Investment Analysis.
Transparent information and fair advice to customers.	Financial Wellbeing.
Customer Service	Financial Literacy.
Products Access and Affordability.	Capital Requirements for Insurance Business.
Corporate Social Investments.	
Incentivising Responsible Behaviour from Customers.	
Employee Engagement	**Operational Efficiency**
Employee engagement,	Environmental Stewardship.
Employee diversity and inclusion	Climate Change.
Employee welfare	Anticorruption.
Occupational Health and Safety	

The above issues were narrowed down to the top material issues as presented below:
- Product access and inclusivity
- Transparent information and fair advice to customers
- Anticorruption
- Customer privacy and data security
- Customer service
- Financial wellbeing
- Employee welfare

DELIVERING SUSTAINABLE SERVICES

The Company strives to build and deliver sustainable services by ensuring accessibility, customer care, responsible marketing, integrating ESG issues in our investment practices and client data security. We tailor make our products and services to meet their needs and circumstances.

Product Accessibility and Affordability
The business ensure products are accessible and affordable by finding ways to eliminate any barriers relating to pricing and distance from our offices. We use digital and physical platforms to engage our clients. The scaling up of digital service strives for the promotion of accessibility and affordability. The business continuously introduces new products aligned with customer needs and expectations and priced in accordance with industry guidelines and regulations. Engaging with stakeholders provided opportunities to further align practices with clients' needs and expectations, helping to drive long-term sustainability.

Customer Service
Customer service plays a key role in driving our business by strengthening client confidence and loyalty. During the reporting period, quality analysis and customers surveys provided relevant insights into how we can best serve our customers. We provided training to employees on how to attain superior customer service. Ethical and fair treatment of customers was reinforced as a non-negotiable element of our business conduct. We drive customer convenience through innovative use of technology and broad distribution channels. Our plans are to ensure customer satisfaction is maintained at the highest level.

Responsible Marketing
We seek to avoid unethical marketing practices that do not abuse clients' trust or exploit their lack of experience or knowledge. We evaluate marketing and communication information before publishing to ensure that they do not mislead clients concerning our products and services.

Integrating ESG in investments
Integrating environmental, social, and governance issues (ESG) in investments has become an increasingly essential approach. The Company is involved in alternative investments management including student accommodation and renewable energy projects to promote livelihoods. The Company has made the strategic decision to include solar energy in all infrastructure and property (real estate) investments. We set up a renewable and clean energy infrastructure fund (Infrastructure Fund Zimbabwe) to invest in renewable and clean energy projects. At First Mutual Park, First Mutual Holdings Limited invested in a 150-kilowatt grid-tied carport PV solar system.

During the year 2024, we completed Chinhoyi Varsity Heights project and it was officially opened in November 2024 by H.E , President E.D Mnangagwa. The accommodation will go a long in improving students' life on campus as essential amenities like internet and solar power are provided.

ESG Investments	Unit	2024	2023
Housing and Student Accommodation	USD	3 275 026	2 162 611

Customer data security and privacy

We take responsibility to secure customer data security. Data Protection Officers have been appointed and are undergoing training through the Posts and Telecommunications Regulatory Authority (POTRAZ). The First Mutual Holdings Limited Group has a Data Security Policy managed by IT Department that ensures the security of sensitive and personally identifiable data. The Company conducts risk assessments on a regular basis to determine the vulnerability of our IT systems. The IT Department conducts audits through network scans, vulnerability and penetration tests. Our measures have been effective in protecting our data security systems and we strive for a zero data breaches.

RESPONSIBLE OPERATIONS

The Group remains committed to averting adverse environmental impacts from our business operations. We strive to ensure our offices and properties are managed in a responsible manner. As such, the Group monitors contractors to minimise negative environmental impacts during construction and management of our properties.
Energy

The Group continues to improve energy conservation and reduce reliance on non-renewable energy. We recognise that our energy consumption contributes to climate change, hence we take measures to manage the potential risk and opportunities. Our offices migrated to full use of LED lights to conserve energy and reduce emissions.

Our energy consumption is presented below:

Electricity

Energy type	Unit	2024	2023
Electricity	MWh	6 138	7 135

There was a 14% reduction in electricity consumption mostly attributed to new solar systems at First Mutual Park. The business now rarely uses third party generated electricity from grid except in situations where the solar batteries are completely drained out.

EMPLOYEES

Our employees are a critical capital in how we deliver value to our stakeholders and sustain our corporate brands. Considering the radical economy and technological advancement, our employees remain critical to our service delivery. First Mutual Holdings recognises that its competitive advantage hinges largely on its human capital and the talent, hence ensuring holistic wellbeing and developing employees. Company management provides a conducive working environment supported by prospects for professional development and opportunities. During the year, our employee base was as follows:

Total Employees by Gender	2024	2023
Male	8	7
Female	5	5
Total	**13**	**12**

54% of the 2024 staff is between the ages of 25 years to 35 years. 35 years is the maximum range defined in the Constitution of Zimbabwe Amendment (No. 20) Act 2013 as part of youths.

Employee turnover statistics

During the reporting period, there was a 15% turnover rate attributed to resignations.

Employee Welfare
We operate in an environment characterised by high inflation and economic challenges for our employees. As such, this sometimes contributes to low staff engagement, absenteeism and high staff mobility. The Group provides physical, emotional and financial wellness programs to support our employees.

Management Approach

The business has a Wellness Policy in place which drives employee welfare management in the Company. We have a dedicated Human Resources Manager who is responsible for the wellness programs. Through the wellness policy, the business is committed to running at least two major wellness activities or employee health assessments every year. For employees who require specialised treatment and rehabilitation, access to specialists is provided. The business provides medical aid cover for all employees.

Assessment of Employee Welfare

On an annual basis, we measure the level of employee engagement such as emotional, rational and cerebral engagement (engagement of the mind). Through these engagements, we establish and get feedback on issues affecting staff members. We incorporate the feedback into the following year's human capital strategy.

Goals

- Health- maintain a healthy workforce and mentally engaged workforce.
- Financial wellness – Aim to remunerate among the upper quartile of companies in our industry.
- To provide secondary free financial counselling for staff members who need it.

Our remuneration policies are guided by industry collective bargaining agreements.

Occupational health and safety

First Mutual Holdings attaches great value to the health and safety of employees in the workplace. Employee well-being at the workplace is not only a foundation for the smooth functioning of First Mutual Holdings but also an indicator of how we protect the rights and interests of our employees. Management ensures that there is great awareness of workplace safety, work-life balance, and protection of the physical and mental health of employees at all times.

The Group is committed to the provision of a safe and healthy environment for all employees. The business conducts scheduled maintenance of elevators and fire suppression systems to assess risks. On an ad-hoc basis, we conduct emergency drills to assess our preparedness for emergencies. The overall goal is to achieve zero fatalities and work-related injuries. We provide adequate controls and systems for prompt and effective response in cases of fire, robbery, and other emergencies.

During the year, there were no safety incidences.

Training and Education

Training is a significant pillar of our business enabling the Company to remain competitive, productive, and effective in its operations. We recognise that we are operating in a fast-changing business environment, so remaining relevant upskilling and reskilling remains a top priority.

Management Approach

Our training needs are often assessed from our Company strategy. The strategy gives us foresight into the changes required in the Company and the associated skills required to reach our long-term goals and targets. The business has a Training and Development Policy in place directing the business in the identification and management of skills needs. Our training programs for management and supervisory staff include the following:

- Graduate Development Programme – the business has programs for recent university graduates which run for two years.
- Leadership Development Programme – senior and executive management undergo leadership training based on identified training needs.
- Management Development Programme – based on company or individual needs. Senior management and executives can have their training funded by the business.
- Supervisory Development Programme –supervisory training is provided to supervisors on a case-by-case basis.

For general staff members, we have training and development programs implemented on an annual basis to foster a continuous learning. We target to have an average of two training courses per employee every year. These programs are based on training needs.
Our training initiatives at First Mutual Holdings are informed and assessed through employee engagement surveys and performance evaluation. These surveys inform our training and development strategies.

Training hours

Below are the average training hours per employee:

Average hours of training per employee	2024	2023
Male	16.34	7.40
Female	10.21	5.29

Defined Contribution Plan Obligations and Other Retirement Plans

Preparing for life after work is often a daunting task for many employees. To ensure our employees have a dignified send-off and not worry about financial demands we have invested in retirement plans. We want our employees and their families to know that we care for them even after they are no longer working for us. We ensure that employees have access to voluntary and statutory pension schemes.

The Group operates an employee pension scheme and contributes to a mandatory national social security fund. During the year, our pension contributions for FMW were as follows:

Pension	2024 (USD)	2023 (ZWL)
Contributions	29 733	96 262 618

SUSTAINABILITY REPORT (continued)

COMMUNITY INVESTMENTS

Each strategic business unit in the First Mutual Holdings Limited Group contributes indirectly to sustainable development and empowerment of communities through the First Mutual Foundation which administers the Corporate Social Responsibility (CSR) Policy. The Foundation's main objective is to enhance children and youth's access to education through school fees and ancillary assistance through a corporate social responsibility programme. Our corporate social responsibility programmes continue to support disadvantaged families struggling with tuition fees and education-related costs for their children.

During the year, the Foundation's CSR activities were as follows:

Category	Purpose	Support Provided	Beneficiaries
Education	Humanitarian support.	School fees and ancillary support.	First Mutual Foundation
Health	Cancer Awareness and promotion.	Cash	Cancer Association of Zimbabwe.

ECONOMIC VALUE CREATION

Our ability to create sustainable economic value to our stakeholders and the nation at large is an imperative for us at First Mutual Holdings Limited. We believe that our ability to continue operating depends on our capacity to create value for both internal and external stakeholders. It is this recognition of external stakeholders that inspires First Mutual Holdings Limited to generate value and distribute it in a sustainable manner. All monetary figures provided in this section are based on historical amounts spent by the Company during the reporting period.

To manage capital, we stand guided by the Capital Management Framework and Group Finance Policy. The policies and strategies are approved by the main board through the relevant Committees.

CONTRIBUTING TO ECONOMIC DEVELOPMENT

The Group made significant economic contributions for economic growth and development in the countries we operate. We generate direct economic value through our financial services. We leverage on our expertise and experience to offer sustainable finance services designed to promote dignity and inclusion in countries we operate in Southern Africa. We distribute economic value generated according to our strategic plans and priorities for the year.

Tax Payments and Strategy

The Group makes significant payments to government through taxes. These payments help government sustain and support national infrastructure, service delivery and economic development. We believe that being transparent about our tax management and payment is an ethical and business practice.

Management Approach

The Group strategy is to ensure compliance with all applicable tax laws and requirements. It is the Audit Committee's responsibility to ensure such compliance has been achieved through regular tax compliance reviews and engagement with tax authorities in the countries we operate.

During the year, our tax payments were as follows:

Payment		2024	2024	2023	2023
		USD	**ZWG**	**USD**	**ZWL**
Corporate Tax		14 800	330 784	-	-
Net Value Added Tax		128 876	817 141	34 831	173 531 803
Other Taxes	Payee & Aids Levy	107 672	865,800	65 636	360 940 396
	Withholding tax	14 048	-	10 874	13 486 996
Total		**265 396**	**2 013 725**	**111 341**	**547 959 195**

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Shape the future
with confidence

Independent Auditor's Report

To the Shareholders of First Mutual Wealth Management

Report on the Audit of the Zimbabwe Gold (ZWG) Denominated Financial Statements

Opinion

We have audited the ZWG Denominated Financial Statements of First Mutual Wealth Management set out on pages 28 to 55, which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the ZWG Denominated Financial Statements, including material accounting policy information.

In our opinion, the ZWG Denominated Financial Statements present fairly, in all material respects, the financial position of First Mutual Wealth Management as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board 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 ZWG Denominated Financial Statements section of our report. The company changed their functional currency in the current year to the United States Dollar, thus our opinion is based on the audit of these audited balances. We are independent of First Mutual Wealth Management 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 ZWG Denominated Financial Statements in Zimbabwe, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. of First Mutual Wealth Management. 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 judgement, were of most significance in our audit of the separate ZWG Denominated Financial Statements of the current period. These matters were addressed in the context of our audit of the separate ZWG Denominated 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 Separate ZWG Denominated 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 separate ZWG Denominated 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 ZWG Denominated Financial Statements.

Independent Auditor's Report (continued)

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed the matter</th></tr>
<tr><td colspan="2">Current year valuation of unquoted equities</td></tr>
<tr><td>Included in financial assets at fair value through profit or loss are unquoted equities which represent 5,8% of total assets.

The unquoted equities comprise of the Company's 8.1% investment in First Mutual Property Fund One (Private) Limited whose value is based on the net asset value of First Mutual Property Fund One (Private) Limited.

First Mutual Property Fund One (Private) Limited is a property holding company that owns a building that is leased out to a tenant. The building comprises the most significant portion of the assets (95%) therefore the fair value of the building is used to determine the net asset value. The valuation of the building was determined by an independent valuation expert using the income approach.

The valuation of the unquoted equities is considered to be a matter of most significance as it requires the application of judgement and use of subjective assumptions by management's experts in the valuation of the building. The valuation process is also complex due to:
- Uncertainties resulting market environment due to the change in currency from ZWL to ZIG
- Excessive market volatility

The valuation of unquoted equities is therefore a key audit matter.

Unquoted equities have been disclosed in note 6.1 of the ZWG Denominated Financial Statements.</td><td>We performed the following procedures:
► Obtained an understanding of the controls, assumptions, methodology applied in arriving at the estimated fair value of unquoted equities.
► Reviewed the ZWG Denominated Financial Statements to ensure adequacy of disclosures relating to the valuation of quoted and unquoted equities.
► Reviewed the work of the independent valuation experts to assess reasonableness of the values for Ok Marondera as it holds significant value of the Net Asset Value of First Mutual Wealth Property Fund One.

Performed the following procedures to be able to rely on the work of the independent expert:
► Assessed the independence and objectivity of management experts.
► Evaluated the experts' qualifications and relevant experience in performing similar valuations.
► Assessed the key assumptions and methodologies used in the valuation models by the experts in determining the fair values of these investments for reasonableness given the lack of an active market in the local market.
► Involved EY valuation experts to review the valuation reports issued to confirm that the valuation methods and assumptions are reasonable based on available market information and in line with requirements of financial reporting standards.
► Calculated the NAV of the fund and re-calculated the 8,1% interest in the fund.
► Reviewed the ZWG Denominated Financial Statements to ensure the adequacy of disclosures relating to the investment in First Mutual Property Fund One.</td></tr>
</table>

Other Information

The Directors are responsible for the other information. The other information obtained at the date of this report includes the Chairman's Report and the Director`s Report. Other information does not include the annual ZWG Denominated Financial Statements and our auditor's report thereon. The Directors are responsible for the other information. Our opinion on the ZWG Denominated 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 ZWG Denominated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the ZWG Denominated 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 ZWG Denominated Financial Statements

The Directors are responsible for the preparation and fair presentation of the ZWG Denominated 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 ZWG Denominated Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the ZWG Denominated Financial Statements, the Directors are responsible for assessing the Bank'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 Bank or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audit of the ZWG Denominated Financial Statements

Our objectives are to obtain reasonable assurance about whether the ZWG Denominated 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 ZWG Denominated Financial Statements.

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

- Identify and assess the risks of material misstatement of the ZWG Denominated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient 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 controls 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 Bank's internal controls.
- 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 Bank'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 ZWG Denominated 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 Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the ZWG Denominated Financial Statements, including the disclosures, and whether the ZWG Denominated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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 those charged with governance 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 those charged with governance, we determine those matters that were of most significance in the audit of the ZWG Denominated 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 conclusion report on the condensed consolidated financial information is Ms Tarryn Campbell (PAAB Practicing Certificate Number 604).

Ernst & Young.

ERNST & YOUNG

CHARTERED ACCOUNTANTS (ZIMBABWE)
REGISTERED PUBLIC AUDITOR
HARARE
30 APRIL 2025

STATEMENT OF FINANCIAL POSITION
As at 31 DECEMBER 2024

ASSETS	Note	31-Dec-2024 ZWG	31-Dec-2023 ZWG	01-Jan-2023 ZWG
Property, plant and equipment	5	384 022	162 212	191 703
Right of use asset	17	274 844	204 192	123 608
Inventory	19	53 147	23 319	16 360
Investment properties	6.2	8 632 682	6 117 673	1 633 755
Financial assets at fair value through profit or loss	6.1	9 760 678	5 681 497	1 976 529
Financial assets at amortised cost	6.5	7 663 605	52 595	10 410
Income tax asset	15.1	104 515	-	-
Trade and other receivables	7	1 562 588	489 109	161 747
Related party receivables	16.2	475 448	36 254	19 391
Cash and cash equivalents	8	277 125	416 172	168 409
Total assets		**29 188 654**	**13 183 023**	**4 301 912**
EQUITY AND LIABILITIES				
EQUITY				
Share capital	9.1	12 220 342	14	14
Share premium	9.2	1 945 361	12 765 196	7 928 613
Foreign currency translation reserve		9 696 285	-	-
(Accumulated losses)/ retained earnings		512 981	(4 066 267)	(5 516 493)
Total equity		**24 374 969**	**8 698 943**	**2 412 134**
LIABILITIES				
Deferred tax	10	189 455	749 863	-
Related party payables	16.3	1 258 212	1 531 292	930 685
Provisions	11.1	1 562 438	507 231	221 098
Lease liability	18	580 369	410 863	259 773
Share based payment liability	22.1	247 443	713 222	54 511
Trade and other payables	11.2	975 768	438 963	423 711
Loans	20	-	132 646	-
Total liabilities		**4 813 685**	**4 484 080**	**1 889 778**
Total equity and liabilities		**29 188 654**	**13 183 023**	**4 301 912**

The notes on pages 78 - 101 are an integral part of these financial statements.

J Chikura
Chairman
30 April 2025

D Hoto
Non Executive Director
30 April 2025

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	31-Dec-2024 ZWG	31-Dec-2023 ZWG
Revenue			
Investment management fees	12	24 460 444	10 425 855
Administrative expenses	14	(22 261 935)	(16 995 342)
Operating profit/ (loss)		**2 198 509**	**(6 569 487)**
Other income	13.2	2 683 476	2 562 512
Monetary gain/ (loss)		-	1 192 822
			-
Finance costs	18,20	(62 372)	(51 959)
Movement in expected credit losses	7.1	95 305	(85 115)
Foreign exchange (loss)	21, 0	(2 872 304)	(601 137)
Investment income	13.1	2 414 350	5 752 451
Profit/ (loss) before income tax		**4 456 963**	**2 200 087**
Income tax credit/ (expense)	15	122 285	(749 863)
Profit/ (loss) for the year		**4 579 248**	**1 450 224**
Other comprehensive income			
Foreign exchange impact of translating to reporting currency		9 696 285	-
Total comprehensive loss for the year		**14 275 533**	**1 450 224**
Attributable to:			
Equity holders of the parent		14 275 533	1 450 224

The notes on pages 78 - 101 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital ZWG	Share premium ZWG	Foreign Currency Translation Reserve ZWG	Accumulated losses / retained earnings ZWG	Total ZWG
Year ended 31 December 2023					
Balance as at 1 January 2023	**14**	**7 928 613**	**-**	**(5 516 491)**	**2 412 136**
Capitalisation	-	4 836 583	-	-	4 836 583
Loss for the year	-	-	-	1 450 224	1 450 224
Dividend declared and paid	-	-	-	-	-
					-
Balance as at 31 December 2023	**14**	**12 765 196**	**-**	**(4 066 267)**	**8 698 943**
Year ended 31 December 2024					
Balance as at 1 January 2024	**14**	**12 765 196**	**-**	**(4 066 267)**	**8 698 943**
Capitalisation	12 220 328	(10 819 835)	-	-	1 400 493
Profit for the year	-	-	-	4 579 248	4 579 248
Other comprehensive income	-	-	9 696 285	-	9 696 285
Balance as at 31 December 2024	**12 220 342**	**1 945 361**	**9 696 285**	**512 981**	**24 374 969**

Capitalisation relates to financial support received from the shareholder (First Mutual Holdings Limited) in the form of working capital and investment property in exchange for equity stake in First Mutual Wealth Management.

The notes on pages 78 - 101 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	31-Dec-2024 ZWG	31-Dec-2023 ZWG
Operating activities			
Profit before income tax		**4 456 963**	**2 200 087**
Adjustments for non cash items:			
Depreciation - property and equipment	5	150 933	99 251
Depreciation - Right of use asset	17	269 818	31 953
Interest earned from short term deposits	13.1	(784 032)	(2 751)
Finance costs	20, 0	62 372	51 959
Foreign exchange loss		2 872 304	601 137
Movement in expected credit losses	7.1	(95 305)	85 115
Net fair value movements	13.1	(1 497 379)	(5 600 372)
Dividends on quoted investments	13.1	(132 939)	(149 328)
Monetary (gain)		-	(1 192 822)
Movement in share appreciation rights	19.1	(465 779)	862 333
Profit from disposal of motor vehicles and equipment	13.2	(16 357)	(501)
Operating cashflows before working capital adjustments		**4 820 600**	**(3 013 939)**
Changes in working capital:			
Change in inventory		(29 830)	(6 949)
Change in trade and other receivables		(1 073 479)	(327 361)
Change in related party receivables		(439 194)	(16 862)
Change in related party payables		(273 080)	600 607
Change in provisions		1 055 207	286 133
Change in trade and other payables		536 804	673 964
Cash utilised in operations		**4 597 028**	**(1 804 407)**
Interest received	13.1; 7.2	17 021	2 751
Income tax paid		(618 441)	-
Payment of share appreciation rights vested	22.1	(585 232)	(76 570)
Net cash utilised in operating activities		**3 410 376**	**(1 878 226)**
Investing activities			
Purchase of vehicles and equipment	5	(266 417)	(82 183)
Proceeds from disposal of vehicles and equipment	13.3	30 695	1 262
Purchase of equity securities	6.1	(722 063)	(38 095)
Purchase of debt securities	6.5	(7 349 985)	(58 978)
Proceeds from sale of equity securities	6.1	1 488 787	8 610
Proceeds from maturity of debt securities	6.5	778 501	-
Dividends received	13.1	132 939	149 328
Net cash flows (used in)/from investment activities		**(5 907 543)**	**(20 056)**
Financing activities			
Capitalisation	9	1 084 832	2 277 564
Loan repayment to related parties	20	(254 669)	-
Repayment of lease liability	18	(499 417)	(211 216)
Net cash inflows from financing activities		**330 746**	**2 066 348**
Net (decrease) / increase in cash and cash equivalents for the year		**(2 166 421)**	**168 066**
Cash and cash equivalents at the beginning of the year		**416 172**	**168 409**
Effects of IAS 29		-	2 092 640
Effects of foreign currency conversions		2 027 375	(2 012 943)
Cash and cash equivalents as at 31 December	**8**	**277 125**	**416 172**

The notes on pages 78 - 101 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

1 GENERAL INFORMATION

First Mutual Wealth Management (Private) Limited (the "Company") is a private limited liability company that is an investment manager licensed by the Securities and Exchange Commission of Zimbabwe.

The Company is incorporated and domiciled in Zimbabwe. The parent of the Company is First Mutual Holdings Limited which is domiciled in Zimbabwe and is listed on the Zimbabwe Stock Exchange. The ultimate majority shareholder of First Mutual Holdings Limited is National Social Security Authority ("NSSA"), an institutional investor that is the national pension fund administrator in Zimbabwe. The Company's year end is 31 December.

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements to the extent they have not already been disclosed in other notes. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Foreign currency translation

(a) Functional and presentation currency

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards, ("IFRS") as issued by the International Accounting Standards Board ("IASB"), International Financial Reporting Interpretations Committee ("IFRIC") as issued by the International Financial Reporting Interpretations Committee ("IFRS IC") and in a manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) and the Reserve Bank of Zimbabwe. The financial statements are based on statutory records that are maintained under the historical cost convention except for equity securities at fair value through profit or loss that have been measured at fair value basis. On April 5, 2024, the Reserve Bank of Zimbabwe (RBZ) introduced Zimbabwe Gold (ZWG) as a replacement for the ZWL, which had been classified as hyperinflationary. The conversion from ZWL to ZWG was executed at a spot rate of 13.5616. Subsequently, on February 6, 2025, the RBZ issued a monetary statement mandating that all entities in Zimbabwe adopt Zimbabwe Gold (ZWG) as their presentation currency. Accordingly, these financial statements are presented in Zimbabwe Gold (ZWG) in compliance with SECZim requirements.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are generally recognised in the income statement.

Translation differences on non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Assets and liabilities measured at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit and loss are recognised in the profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified at fair value through other comprehensive income are recognised in other comprehensive income.

All other foreign exchange gains and losses are presented in the income statement on a net basis within other income or other expenses.

2.2 Basis of preparation and presentation

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee ("IFRIC") interpretations and in the manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) except for the non compliance with International Accounting Standards ("IAS") 21, and IAS 8. The financial statements are based on statutory records that are maintained under the historical cost convention, as modified for valuation of financial assets at fair value through profit or loss.

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 Company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions are changed. Management believes that the underlying assumptions are appropriate. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.2 Basis of preparation and presentation (continued)

(a) New standards, amendments and interpretations effective for the first time for 31 December 2024 year ends that are relevant to the Company:

Standard/interpretation	Effective date	Executive summary
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	Applicable to annual reporting periods beginning on or after 1 January 2024	IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.
IFRS S2 Climate-related Disclosures	Applicable to annual reporting periods beginning on or after 1 January 2024	IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources
Classification of Liabilities as Current or Non-Current (Amendments to IAS	Annual reporting periods beginning on or after 1 January 2024	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or pot
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	Annual reporting periods beginning on or after 1 January 2024	The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.
Non-current Liabilities with Covenants (Amendments to IAS 1)	Annual reporting periods beginning on or after 1 January 2024	The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	Annual reporting periods beginning on or after 1 January 2024	The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

(b) New standards, amendments and interpretations issued but not effective for 31 December 2024 year ends.

Standard/interpretation	Effective date	Executive summary
IFRS 18 Presentation and Disclosures in Financial Statements	Applicable to annual reporting periods beginning on or after 1 January 2027	IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements.
Lack of Exchangeability (Amendments to IAS 21)	Annual reporting periods beginning on or after 1 January 2025	The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.
Annual Improvements to IFRS Accounting Standards — Volume 11	Annual reporting periods beginning on or after 1 January 2026	The pronouncement comprises the following amendments: - IFRS 1: Hedge accounting by a first-time adopter - IFRS 7: Gain or loss on derecognition - IFRS 7: Disclosure of deferred difference between fair value and transaction price - IFRS 7: Introduction and credit risk disclosures - IFRS 9: Lessee derecognition of lease liabilities - IFRS 9: Transaction price - IFRS 10: Determination of a 'de facto agent' - IAS 7: Cost method

The Company will continue to monitor the implementation of these standards and amendments and will assess their impact on the financial statements when they become effective. Any significant changes to accounting policies resulting from the adoption of these standards will be disclosed in the financial statements for the period in which they are adopted

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.2 Basis of preparation and presentation (continued)

Standard/interpretation	Effective date	Executive summary
IFRS 17, 'Insurance contracts'	1 January 2023	Under IFRS 17, the general model requires entities to measure an insurance contract at initial recognition at the total of the fulfilment cash flows (comprising the estimated future cash flows, an adjustment to reflect the time value of money and an explicit risk adjustment for non-financial risk) and the contractual service margin. The fulfilment cash flows are remeasured on a current basis each reporting period. The unearned profit (contractual service margin) is recognised over the coverage period. Aside from this general model, the standard provides, as a simplification, the premium allocation approach. This simplified approach is applicable for certain types of contract, including those with a coverage period of one year or less. For insurance contracts with direct participation features, the variable fee approach applies. The variable fee approach is a variation on the general model. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the contractual service margin. As a consequence, the fair value changes are not recognised in profit or loss in the period in which they occur but over the remaining life of the contract. This standard does not apply to the Company as it does not have any Insurance Contracts.

2.2.1 Rounding off amounts
All amounts disclosed in the financial statements and notes have been rounded off to the nearest dollar unless otherwise stated.

2.2.2 Comparatives
Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

2.2.3 Basis of preparation and presentation (continued)
The financial statements of the Group and Company have been prepared in accordance with International Financial Reporting Standards, ("IFRS") as issued by the International Accounting Standards Board ("IASB"), International Financial Reporting Interpretations Committee ("IFRIC") as issued by the International Financial Reporting Interpretations Committee ("IFRS IC") and in a manner required by the Companies and Other Business Entities Act (Chapter 24:31). The financial statements are based on statutory records that are maintained under the historical cost convention except for equity securities at fair value through profit or loss, investment property, gold coin, investments investment contract liabilities and Savings buinesss insurance contract liabilities that have been measured at fair value basis. Effective January 1, 2024, the Company changed its functional and presentation currency from the ZWL hyperinflationary currency to the ZWG,a non- hyperinflationary currency, in accordance with IAS 21. To ensure accurate comparative fair presentation for the prior year (2023), which was based on the ZWL hyperinflationary currency, the income statement and balance sheet have been translated using the closing spot rate as at 31 December 2024 as guided by IAS 21.

2.2.4 Inflation adjustment
IAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be presented in terms of a measuring unit that is current at the balance sheet date, and that corresponding figures for prior periods be restated in the same terms as the latest balance sheet date. The comparative year 2023 was prepared under hyperinflationary conditions. On 1 January 2024, the Company changed its functional and presentation currency from ZWL to ZWG currency. As a result, when the Company converted its functional currency from the ZWL to the ZWG, a non-hyperinflationary currency, the income statement, balance sheet, and cash flow statement were translated using the closing spot rate of 5,935.4572 as at December 31, 2023. The financial statements for 2024 have not been restated under IAS 29, as the ZWG is a non- hyperinflationary currency.

The restatement done to prior year numbers (2023) were calculated by means of conversion factors derived from the month-on-month consumer price index ("CPI") prepared by the Zimbabwe National Statistics Agency. The conversion factors used to restate the historical numbers as at 31 December 2023 were as follows:

Date	CPI	Conversion factor
December 2023	65 703.44	1.00
November 2023	53 915.71	1.22
October 2023	49 222.55	1.33
September 2023	44 720.86	1.47
August 2023	42 659.97	1.54
July 2023	46 633.80	1.41
June 2023	42 710.72	1.54
May 2023	18 704.62	3.51
April 2023	15 480.17	4.24
March 2023	13 949.99	4.71
February 2023	13 849.20	4.74
January 2023	13 819.67	4.75
December 2022	13 672.91	4.,81
January 2022	4 190.00	15.68
December 2021	3 977.50	16.52
December 2020	2 474.51	26.55

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

2.2.4 Exchange rates

Month	Exchange rate
Jan	13.5616
Feb	13.5616
Mar	13.5616
Apr	13.4157
May	12.8621
Jun	13.5161
Jul	13.7432
Aug	13.7968
Sep	14.3238
Oct	26.6871
Nov	25.8735
Dec	25.6956
Closing rate 25 December 2024	25.7692
Closing rate 25 December 2023	13.5616
Current Year Statement of financial position Closing rate: 25 Dec 2024	25.7692
Prior year Income statement Closing rate: 25 Dec 2023	13.5616
Prior year balance sheet: 25 Dec 2023	13.5616

2.3 Going concern

The directors have assessed the ability of the Company and concluded that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements. Refer to note 23.

Depreciation lives as follows:

Furniture and fittings	10 years
Office equipment	5 years
Computer equipment - desktops	5 years
Computer equipment - laptops	4 years
Computer equipment - tablets	3 years

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each reporting date. An asset's carrying amount is immediately written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains or losses from disposal of assets are determined by comparing the proceeds with the carrying amount. These are included in the statement of comprehensive income.

Purchased software that is integral to the functionality of the equipment is capitalised as part of that related equipment. Where parts of an item of vehicles and equipment have different useful lives, they are accounted for as separate items (components).

2.5 Impairment of vehicles and equipment

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows ("cash generating units").

2.6 Inventories

Inventory comprises property acquired or being constructed for sale in the ordinary course of business, consumables and other stocks. Consumables and other stocks are valued on the basis of weighted average cost and at the lower of cost or net realisable value ("NRV"), property classified as inventory is valued at the lower of inflation adjusted cost or estimated NRV, but is based on the specific identification of the property. NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and less costs to completion and the estimated costs of sale. NRV for completed inventory property is assessed with reference to market conditions and prices existing at the reporting date, and is determined by the Company in light of recent market transactions.

2.7 Financial assets

2.7.1 Classification

The Company classifies its financial assets in the following measurement categories :

- those to be measured subsequently at fair value (either through either comprehensive income ("OCI") or through profit or loss) and
- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made a irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI")

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

2.7.2 Recognition and measurement

Regular way purchases and sales of financial assets are recognised on trade date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

At initial recognition, the 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 FVPL, 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.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the entity classifies debt instruments:

Amortised cost: assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

FVOCI: assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of interest and principal, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or losses. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains / (losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains / (losses) and impairment expenses are presented as a separate line item in the statement of profit or loss.

FVPL: assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net with other gains / (losses) in the period in which it arises.

First Mutual Wealth Management (Private) Limited's business model on debt instruments is to hold assets for the collection of contractual cash flows representing payments of principal and interest up to maturity measured at amortised cost.

Equity instruments
The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses in equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains /(losses) in the statement of profit or loss as applicable. Impairment losses (reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment
The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.8 Offsetting financial instruments
Financial assets and liabilities are offset and the net amount reported on 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.

2.9 Trade receivables
Trade receivables are amounts due from customers for services rendered in the ordinary course of business. If collection is expected within one year or less they are classified as current assets. If collection is not expected within one year they are classified as non current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less allowance for expected credit losses.

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

2.11 Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.12 Trade payables
Trade payables are obligations to pay for goods or services that have been acquired or rendered in the ordinary course of business from suppliers. Trade payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.13 Provisions
Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate of the amount can be made. Where the Company expects 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. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the obligation. The increase in the provision due to passage of time is recognised as an interest expense. Employee entitlements to annual leave are recognised when they accrue to the employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the year end.

2.14 Revenue recognition

Revenue is derived from charging clients investment management fees as agreed in investment management agreements. Revenue from providing investment services is recognised in the accounting period in which the services are rendered. The investment fees are charged as a percentage of the total market value of the client investment portfolio per annum and they are collected on a monthly basis. Investment management fees are charged at the end of each month and collected in arrears hence the Company does not adjust any of the transaction prices for the time value of money.

2.15 Interest income

Interest income is recognised using the effective interest rate method. When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognised using the original effective interest rate.

2.16 Leases

From 1 January 2019, the Company applied IFRS 16: Leases to account for lease contracts. The Company leases offices from related companies within the First Mutual Holdings Limited Group. Rental contracts are made for fixed periods of 5 years but may have extension options. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the incremental borrowing rate is used, being the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the Company as a starting point, or where no third-party funding has been recently received, similar recent
- third-party borrowings, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third-party financing, and
- makes adjustments specific to the lease, e.g. term, location, and security.

The Company is exposed to potential future increases in lease payments due to general market reviews of rentals in response to inflation, which are included in the lease liability when they take effect. When adjustments to lease payments take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

2.17 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are declared and paid by the Company's directors.

2.18 Current income and deferred tax

The income tax expense for the year comprises current income and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in Zimbabwe where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes liabilities where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.19 Current income and deferred tax

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.20 Employee benefits

(a) Pension obligations

National Social Security Authority Scheme

The Company and its employees contribute to the National Social Security Authority Scheme (“NSSA”). This is a defined benefit social security scheme which was promulgated under the National Social Security Act, (Chapter 17:04). The Company’s obligations under the scheme are limited to specific contributions as legislated from time to time. The Company’s contributions to the pension plans are charged to the statement of comprehensive income in the period to which the contributions relate.

(b) Short term employee benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short term cash bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(c) First Mutual Holdings Limited Group Pension Fund

Permanent staff members contribute to the First Mutual Holdings Limited Group pension fund which is a defined contribution plan.

(d) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to a termination when the entity has a detailed formal plan to terminate the employment of current employees without possibility of withdrawal.

2.21 Prior period error

First Mutual Wealth Management owns 8.1% of First Mutual Wealth Property Fund One (FMW PF1). This investment is accounted for as a financial asset at fair value through profit and loss. FMW PF1 has an investment property that it lets out for rental. The error occurred in 2022 whereby the deferred tax asset was understated by erroneously including value of property which does don’t qualify as a commercial building. The impact on FMW’s value of investment in FMW PF1 was an overstatement in 2022 and an understatement on in 2023 as shown below:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

	31-Dec-2023 ZWG	31-Dec-2023 As Restated ZWG	2023 Movement ZWG	31-Dec-2022	31-Dec-2022 As Restated	2022 Movement
Investment income	5 684 742	5 742 629	57 887	-	-	-
Profit before tax	2 132 379	2 200 088	67 709	-	-	-
Income tax expense	(746 969)	(749 863)	(2 894)	-	-	-
Total comprenhesive income	**1 385 410**	**1 450 225**	**64 815**	**-**	**-**	**-**
Financial assets at fair value through profit or loss	5 623 608	5 681 495	57 887	1 986 351	1 976 529	(9 822)
Deferred tax liability	746 969	749 863	2 894	-	-	-
Retained earnings	(4 121 261)	(4 066 268)	54 993	(5 506 670)	(5 516 493)	(9 822)

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks; market risk (including foreign exchange risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by the First Mutual Holdings Limited Group under policies approved by the Board of Directors. The Board with the assistance of the First Mutual Holdings Limited ("FMHL") Group Investments Committee provide principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

3.2 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market prices.

The Company's market risks arise from open market positions in:

(i) foreign currencies,

(ii) equity positions, and

(iii) interest bearing assets and liabilities, to the extent that these are exposed to general and specific market movements

(i) Foreign exchange risk

Foreign exchange risk is the financial risk of an asset or investment's value changing due to the changes in foreign currency exchange rates. The Company is not exposed to material foreign exchange risk because most transactions and balances are denominated in the functional currency, the USD.

(ii) Price risk

Price risk is the risk that the fair value of the listed instruments will fluctuate because of changes in the Zimbabwe Stock Exchange ("ZSE") and The Stock Exchange of Mauritius ("SEM") prices. The Company's exposure to equity securities price risk arises from investments held by the Company and classified on the statement of financial position as financial assets at fair value through profit or loss.

The table below summarises the impact of increases/(decreases) of quoted prices of counters quoted on the ZSE and SEM. The analysis is based on the assumption that the equity indices had increased/(decreased) by 10% with all other variables held constant.

Impact on post-tax profit arising from changes in market prices

		31-Dec-2024	31-Dec-2023
ZSE		ZWG	ZWG
Financial Services			
	10%	8 453	26 394
	-10%	(8 453)	(26 394)
SEM			
Financial Services			
	10%	3 587	6 586
	-10%	(3 587)	(6 586)
Total			
	10%	12 040	32 981
	-10%	(12 040)	(32 981)

(iii) Cash flow and fair value interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company is exposed to interest rate risk as it holds money market investments, though it does not have any borrowings. Other receivables and payables are interest free and have settlement dates within one year.

Sensitivity analysis	Worst case	Expected	Best case
Inflation Adjusted			
Interest rate	10%	12%	15%
Tenor (period of investment in days)	30 days	90 days	360 days
Total amount invested (ZWG)	-	-	-
Monthly interest return (ZWG)	-	-	-

Money market investments had an average return of 50% interest in 2024. (2021 20%)

The Company manages interest risk by placing the money market investments with different institutions at not more than 90 days for ZWG , for each placement. Management also makes sure that the amounts invested with each financial institution at any one point in time does not exceed 60% in an individual 1st tier bank and 20% in an individual 2nd tier bank.

3.3 Credit risk

Credit risk is the risk that one party to a financial instrument will cause financial loss to the other party by failing to discharge a contract. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding trade and other receivables and committed transactions. Investments in tier 1 banks do not require security. Investments with tier 2 banks are secured by bankers acceptances and treasury bills at 1.2 times cover.

Individual fund managers and traders have authority to trade within certain limits. Investments in excess of certain limits require the approval of the Group Investments Committee.

The Company has significant concentrations of credit risk through exposure to transactions and balances with Group companies. The Company generates 52% (2022: 70%) of its total investment fees from related parties within the Group. The amounts due from related parties are disclosed in note 16.2. The Company expects to attract more non group business in future in an effort to manage this risk. The Company has assessed that the expected credit losses are immaterial as the Group companies pay within 30 days and for any amounts outstanding, the Group companies have sufficient accessible highly liquid assets in order to repay the amounts due if demanded at the reporting date. The effect of discounting is also immaterial as the Group companies pay within 30 days.

There is no significant concentration of credit risk with respect to cash and cash equivalents as the Company holds cash accounts with large financial institutions with sound financial and capital cover. Reassessment of the credit rating of each financial institution is regularly done by the Group Investments Committee. The Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

The Company's exposure to counterparties with external rating (Global Rating Company) with respect to cash and cash equivalents is as follows:

Credit rating	31-Dec-2024 ZWG	31-Dec-2023 ZWG
A+	277 125	416 185
BBB+	-	-
BBB-	-	-
B+	-	-
Not rated	-	-
TOTAL	**277 125**	**416 185**

Credit ratings have been based on the rating disclosed in the published financial information of each financial institution as at 31 December 2024 ZWG277,125 (31 December 2023 $416,186).

3.4 Liquidity risk

Liquidity risk is the risk that the Company may fail to meet its payment obligations when they fall due, the consequences of which may be the failure to meet the obligations to creditors. Where major gaps appear, action is taken in advance to close or minimise the gaps. Liquidity risk arises from a mismatch of asset and liability cash flows and or different maturity profiles. Sound liquidity management is critical in maintaining market confidence and ensuring future growth. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. The Company ensures that outflows are adequately matched to inflows from maturing investments and investment fees as well as through maintaining comprehensive cash flow forecasts and budgets.

The table below analyses the maturity profile of the Company's assets and liabilities based on the remaining period as at the reporting date to the contractual maturity date.

31 December 2023	Up to 1 month ZWG	1 to 6 months ZWG	6 months to 1 year ZWG	1 year to 4years ZWG	Total ZWG
Assets					
Financial assets at fair through profit or loss	-	-		5 681 495	5 681 495
Financial assets at amortised cost	-	-	-	52 599	52 599
Other receivables (excluding prepayments)	-	508 508	22 835	-	531 343
Cash and cash equivalents	416 185	-	-	-	416 185
Total assets	**416 185**	**508 508**	**22 835**	**5 734 095**	**6 681 623**
Liabilities					
Lease liabilities	7 532	45 195	90 389	361 557	504 673
Trade and other payables	438 963	132 646		713 222	1 284 831
Total liabilities	**446 496**	**177 841**	**90 389**	**1 074 779**	**1 789 504**
Liquidity gap	**(30 310)**	**330 668**	**(67 554)**	**4 659 316**	**4 892 119**
Cumulative liquidity gap	**(30 310)**	**300 357**	**232 803**	**4 892 119**	**-**

31 December 2023	Up to 1 month ZWG	1 to 6 months ZWG	6 months to 1 year ZWG	1 year to 4years ZWG	Total ZWG
Assets					
Financial assets at fair through profit or loss	-	-	-	9 760 679	9 760 679
Financial assets at amortised cost	-		-	7 663 603	7 663 603
Other receivables (excluding prepayments)	1 549 724	-	51 314	-	1 601 038
Related party receivables	475 448	-	-	-	475 448
Cash and cash equivalents	277 125	-	-	-	277 125
Total assets	**2 302 298**	**-**	**51 314**	**17 424 282**	**19 777 893**
Liabilities					
Lease liabilities	10 640	63 841	127 682	346 337	580 421
Trade and other payables	2 233 979	-	-	247 443	2 481 423
Total liabilities	**2 244 620**	**63 841**	**127 682**	**593 780**	**3 061 844**
Liquidity gap	**57 678**	**(63 841)**	**(76 369)**	**16 830 502**	**16 716 050**
Cumulative liquidity gap	**57 678**	**(6 163)**	**(82 532)**	**16 747 970**	**-**

The Company will manage the negative liquidity gap in the first month by negotiating with the related parties which are mainly the holding company, First Mutual Holdings Limited and fellow subsidiary, First Mutual Life Assurance Company (Private) Limited on the payment plan for the shared services.

3.5 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain and adjust the capital structure, the Company may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The financial statements of investment management companies must comply with the Securities and Exchange Commission (Capital Requirement of Investment Management Companies) Directive 2014. The requirement is in terms of Section 21 of the First Schedule of the Securities and Exchange Act (Chapter 24:25), as read with Section 6 of the Sixth Schedule to S.I.100 of 2010. According to the Securities Exchange Commission of Zimbabwe, Circular 70717 on capital adequacy, the capital adequacy for asset/fund managers is now a minimum of US$150,000 liquid capital or 3 months working capital, which ever is higher.

The following are the details on compliance by the Company with the said provisions of the statute:

	31-Dec-2024 ZWG	31-Dec-2023 ZWG
Operational Expenditure/Fixed Expenditure Base Requirement (13 Weeks)	3 865 380	2 034 240
OR Fixed Technology Expenditure Requirement (FTER) (Annual) (a)	-	-
Counterparty Risk Requirement (CRR)	4 584 496	2 058 207
Position Risk Requirement (PRR)	4 092 255	2 578 890
Total Requirement (TR)	**12 542 131**	**6 671 338**
Adjusted Liquid Capital (ALC)	22 027 897	7 410 192
Capital Surplus /(Shortfall)	9 485 766	738 855

3.5.1 Liquid capital

	31-Dec-2024 ZWG	31-Dec-2023 ZWG
Share capital	14 165 710	12 765 217
Audited Retained Earnings/Losses (Previous Financial Year)	(4 066 268)	(5 516 493)
Audited Profits/Losses(Current Financial Year)	14 275 534	1 450 225
Owner's equity	**24 374 976**	**8 698 949**
Guruantees received	-	-
Total capital resources	**24 374 976**	**8 698 949**
Less iliquid assets		
Fixed Assets , net of related secured loans	658 866	366 404
Investments in unlisted securities	1 688 213	922 353
Total illiqiud assets	**2 347 079**	**1 288 756**
Adjusted liquid capital	**22 027 897**	**7 410 192**

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

4.1 Critical accounting estimates and assumptions (continued)

(a) Income taxes
Significant judgement is required in determining the income tax charge for the year. There are many transactions and calculations for which the ultimate determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax and deferred tax in the period in which such determination is made.

(b) Investment in unquoted equities
The Company carries investments in unquoted equities at fair value through profit or loss, with changes in fair value being recognised in of profit or loss which is in line with guidance given under IFRS 9- Financial Instruments. The Company's investment in unquoted equities comprise investment in ordinary share capital of a property company whose valuation falls under level 3 of the fair value hierarchy. Significant judgement is required in determining the fair value of unquoted equities held by the Company. The valuation has been undertaken in a very unstable economic environment which is characterised by rising inflation, illiquidity, hard currency shortages and frequent monetary policy changes. The fair value of the investment in unquoted equities has been estimated as the Company's proportion share of net asset vale of the investee as 95% of the investee's assets comprise a retail investment property which is fully leased out. By way of a statutory instrument, the Zimbabwe dollar became the sole legal tender in the country with effect from the 24th of June 2019. Rents and all other charges are by law now only chargeable in the local currency. Officially rental income streams are now in local currency. Our valuers therefore applied local currency rentals to arrive at the capital values for the property.

In undertaking the valuations for the retail property, reliance has been placed on market rental evidence, vacancy rates and arrears currently applying to the property. The achieved rental for the property are generally in line, and in with the rental rates being achieved in the market. The yield method converts anticipated future cash flow benefits in the form of rental income into present value. This approach requires careful estimation of future benefits and the application of investor yield or return requirements. One approach to value properties on this basis is to capitalise net rental income on the basis of an initial yield, generally referred to as the "all risks yield" approach or "net initial yield" approach. The determined fair value of the investment property is most sensitive to the estimated yield as well as the rental income per square metre.

5 VEHICLES AND EQUIPMENT

	Computer and office equipment ZWG	Office furniture ZWG	Total ZWG
Year ended 31 December 2023			
Opening net book amount	177 233	14 470	191 703
Additions	47 072	35 110	82 183
Disposals	(11 912)	(510)	(12 422)
Depreciation charge	(96 823)	(2 428)	(99 251)
Closing net book amount	**115 570**	**46 642**	**162 212**
As at 31 December 2023			
Cost	399 906	61 786	461 692
Accumulated depreciation	(284 336)	(15 143)	(299 480)
Net book amount	**115 570**	**46 642**	**162 212**

Year ended 31 December 2024	Computer and office equipment ZWG	Office furniture ZWG	Total ZWG
Opening net book amount	115 570	46 642	162 212
Additions	262 383	4 033	266 417
Disposals	(14 338)	-	(14 338)
Depreciation charge	(112 252)	(38 682)	(150 933)
Exchange rate effects	17 238	103 427	120 664
Closing net book amount	**268 601**	**115 421**	**384 022**
As at 31 December 2024			
Cost	680 828	448 538	1 129 367
Accumulated depreciation	(412 227)	(333 117)	(745 344)
Net book amount	**268 601**	**115 421**	**384 022**

6 FINANCIAL ASSETS

		31-Dec-2024	31-Dec-2023
6.1	**Financial assets at fair value through profit or loss**	**ZWG**	**ZWG**
	Quoted equities	8 072 467	4 759 143
	Unquoted equities	1 688 213	922 353
	Total equities	**9 760 679**	**5 681 495**
	Quoted equities reconciliation of opening and closing values		
	Balance as at 1 January	4 759 143	1 366 078
	Purchase of quoted equities	722 063	38 095
	Disposal of equities	(1 488 787)	(8 610)
	Fair value gain on equity investments	2 308 714	3 363 580
	Foreign currency exchange (loss) / gain	(2 283 204)	-
	Foreign currency translation reserve	4 054 538	-
	Balance as at 31 December	**8 072 467**	**4 759 143**
	Unquoted equities Reconciliation of opening and closing values		
	Balance as at 1 January	922 353	610 451
	Fair value (loss)/ gain on equity investments	250 904	311 901
	Foreign currency translation reserve	514 956	-
	Balance as at 31 December	**1 688 213**	**922 353**

Quoted equity investments
The quoted investments are listed on the Zimbabwe Stock Exchange, Victoria Falls Stock Exchange and the Mauritius Stock Exchange.

6.2 Investments properties

These are four units of residential flats let out to earn rental. Fair value adjustment loss in the current year was influenced by change in the reporting currency from ZWG to ZWG. The units are part of the Diamond Villas, in Hatfield, Harare and were transferred to FMW by FMHL in 2022 and 2023 to assist with regulatory capital issues in exchange of issue of shares.

	31-Dec-2024 ZWG	31-Dec-2023 ZWG
At 1 January	6 117 673	1 633 755
Total additions	-	-
Transfer in	-	2 559 026
Fair value adjustments	(1 062 238)	1 924 891
Foreign currency translation reserve	3 577 248	-
Total	**8 632 682**	**6 117 673**

Unquoted equity investments
The Company has an investment of 8.1% of the ordinary shares of First Mutual Wealth Property Fund One (Private) Limited ("FMWPF1") which is incorporated and domiciled in Zimbabwe and is unquoted. The fair value of the Company's investment in FMWPF1 is based on the net asset value of FMWPF1. FMWPF1 is a property holding company which owns a building that is leased out to a tenant. The building constitutes 95% of the total assets of FMPF1 The fair value of the building was therefore a significant element in determining the net asset value of FMWPF1. The building was valued by an independent valuer using the income approach. The investment in FMWPF1 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 key inputs that were used to value the investments properties held as investments property and for the fair value of the associate are as follows:

Class of property	Fair value 31 December 2024	Valuation technique	Key unobservable inputs	Range (weighted average)
CBD retail*	16 749 980	Income capitalisation	Rental per square metre Capital rate/ prime yield	ZWG1 237 - ZWG2 319 7.00%
Residential properties	8 632 682	Income capitalisation	Rental per square metre Capital rate/ prime yield	ZWG129 - ZWG232 10.00%

All amount in ZWG Class of property	Fair value 31 December 2023	Valuation technique	Key unobservable inputs	Range (weighted average)
CBD retail*	8 815 040	Income capitalisation	Rental per square metre Capital rate/ prime yield	ZWG651 -ZWG1 220 8.00%
Residential properties	4 271 904	Income capitalisation	Rental per square metre Capital rate/ prime yield	ZWG68 - ZWG122 7.00%

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

6.3 Fair value through profit or loss

Valuation techniques used to derive level 3 fair values. The table below presents the following for each class of the investment property

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

Sector	Lettable space m2 31-Dec-2024	Lettable space m2 31-Dec-2023
CBD retail	2 508	2 508
Residential properties	950	950

Yield rate risk and sensitivity

The rental rate represents the net rental income expected in year zero divided by the current property values (historical and/or trailing income yield). The risk arises when vacancy levels in the property 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 following table highlights the sensitivity to a reasonable possible change in the yield rate applied to values of the building owned by FMPF1 and the two residential properties advanced by FMHL as capital. With all other variables held constant, the Company's profit before income tax, investments property, and deferred tax are affected through the impact on the fluctuating yield rate as follows:

6.4 Sensitivity analysis

All figures in ZWG	2024 Increase in yield 10%	2024 Decrease in yield 10%	2023 Increase in yield 10%	2023 Decrease in yield 10%
Investment properties	(106 224)	(33 500)	19 690	1 280 000
Deferred tax effect	48 625	(48 625)	-	-
Profit/ (loss) for the year	(57 599)	(82 125)	19 690	1 280 000
Equity	(57 599)	(82 125)	19 690	1 280 000

Significant increases/(decreases) in the comparable transacted properties and rental rate 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.

6.5 **At amortised cost**

Reconciliation of opening and closing values	**31-Dec-2024 ZWG**	**31-Dec-2023 ZWG**
Balance as at 1 January	52 599	10 410
Additions of debt securities	7 349 985	58 978
Accrued interest on debt securities	784 032	2 751
Disposals	(778 501)	(10 300)
Foreign exchange gain/ (loss)	(79 807)	(9 240)
Foreign currency translation reserve	335 294	-
Balance as at 31 December	**7 663 603**	**52 599**

Debt securities

Debt securities are money market investments done on a treasury bill buy back basis ("TBBB")

6.6 **Fair value estimation**

Observable inputs reflect market data obtained from independent sources: unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1

Assets and liabilities are classified as Level 1 if their value is observable in an active market. Such instruments are valued by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted price is readily available, and the price represents actual and regularly occurring market transactions. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis. This level includes listed equity securities traded on the Zimbabwe Stock Exchange and the Mauritius Stock Exchange.

Level 2

Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3

Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Fair value hierarchy for financial instruments measured at fair value at 31 December

Assets measured at fair value

	Level 1 ZWG	**Level 2 ZWG**	**Level 3 ZWG**	**Total ZWG**
At fair value through profit or loss as at 31 December 2024	8 072 467	-	1 688 213	9 760 679
At fair value through profit or loss as at 31 December 2023	4 759 143	-	922 353	5 681 495

7 **TRADE AND OTHER RECEIVABLES**

	31-Dec-2024 ZWG	**31-Dec-2023 ZWG**
Prepayments	61 605	60 892
Other debtors	1 514 706	508 508
Rent receivables	35 018	-
Staff debtors	51 314	22 835
Gross Other receivables	1 662 643	592 235
Expected credit losses	(100 056)	(103 127)
Net Other receivables	1 562 588	489 109

As at 31 December 2024 other receivables (excluding prepayments) of ZWG59,332 (2023 : ZWG49,548) were fully performing.

Prepayments are expensed within 12 months. Staff debtors are loans advanced to employees.

7.1 **Allowance for credit losses reconciliation**

As at 1 January	102 940	17 826
(Release) /Charge for the year	(95 305)	85 115
Foreign currency translation reserve	92 390	-
As at 31 December	**100 025**	**102 940**

		31-Dec-2024 ZWG	31-Dec-2023 ZWG
8	**CASH AND CASH EQUIVALENTS**		
	Cash and cash equivalents comprise the following:		
	Cash at bank and on hand	277 125	416 185
	Cash and cash equivalents	277 125	416 185

Cash and cash equivalents comprise cash at bank, on hand and short term deposits with maturity dates of three months or less (note 9.1)

9 SHARE CAPITAL

9.1 Authorised

	31-Dec-2024 ZWG	31-Dec-2023 ZWG
20 000 ordinary shares	904 130	14
Issued and fully paid with a nominal value 3,796 shares with a nominal value each of 0,01 each (2, 219 shares 31 December 2023)	904 130	14

Unissued shares are under the control of the Directors , subject to the limitations imposed by the Companies and Other Business Entities Act (Chapter 24:31) and the Articles, and the Memorandum of Association of the Zimbabwe Company.

9.2 Share premium

	31-Dec-2024 ZWG	31-Dec-2023 ZWG
Share premium	1 945 368	12 765 203

The share premium arose from the issue of 608 shares at an amount exceeding the nominal value of ZWG0.01 per share. The net movement on share premium in the current year was due to allocation of ordinary shares and receipt of a cash injection amounting to US$42,098

10 DEFERRED TAX

	31-Dec-2024 ZWG	31-Dec-2023 ZWG
Deferred tax assets:		
- Deferred tax assets to be recovered after more than 12 months	-	-
- Deferred tax assets to be recovered within 12 months		314 394
Total deferred tax assets	**-**	**314 394**
Deferred tax liabilities:		
- Deferred tax liabilities to be recovered after more than 12 months		(1 079 815)
- Deferred tax liabilities to be recovered within 12 months	-	
Total deferred tax liabilities	**-**	**(1 079 815)**
Deferred tax liability	-	(765 421)
Unrecognised deferred tax asset	-	-
Deferred tax liabilities - net	-	(765 421)
The movement in deferred tax is as follows:		
As at 1 January	(765 421)	-
Release to the statement of comprehensive income	47 728	56 440
Due to movement in temporary differences	575 961	(765 421)
As at 31 December liabilities	**(189 460)**	**(765 421)**

10 DEFERRED TAX (continued)

The movement in deferred tax liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax liability	31-Dec-2024 Accelerated tax depreciation ZWG	31-Dec-2023 Total ZWG
As at 1 January 2023	-	-
Charge to the statement of comprehensive income	749 863	749 863
Effect of tax change	-	-
		-
As at 31 December 2023	**749 863**	**749 863**
As at 1 January 2024	749 863	749 863
(Credit)/ Charge to the statement of comprehensive income	(486 249)	-
Foreign currency translation reserve	(74 154)	-
As at 31 December 2024	**189 460**	**749 863**

The Company has a deferred tax asset arising primarily from provisions and liabilities amounting to ZWG34,761,347 (deferred tax asset in 2020: ZWG1,092,060) Given the Company's current financial position and the uncertainty regarding its future profitabality within the ring-fencing period, that is, five years, considering its current performance, the deferred tax asset on the loss position that arose in prior year was not recognised in the financial statements for the year ended 31 December 2021 because the Company was not in a position to generate sufficient future taxable profits, against which the assessable tax losses may be utilised within the period prescribed by law.

11 TRADE AND OTHER PAYABLES

11.1 Provisions

	Profit share ZWG	Leave pay ZWG	Total ZWG
As at 1 January 2023	134 185	195 019	329 204
Utilised in the current year	(134 185)	-	(134 185)
Charged to the comprehensive income	410 854	200 723	611 577
Exchange gains/ (loss)	-	(299 365)	(299 365)
As at 31 December 2023	**410 854**	**96 377**	**507 231**
As at 1 January 2024	410 854	96 377	507 231
Utilised in the current year	(674 221)	(240 742)	(914 964)
Charged to the comprehensive income	779 596	733 954	1 513 550
Foreign currency translation reserve	369 834	86 755	456 589
As at 31 December 2024	**886 062**	**676 344**	**1 562 406**

Leave pay provision is the balance for leave days that employees are entitled to at the end of the year and that have accrued in the normal course of business.

11.2 Other payables

	2024 ZWG	2023 ZWG
Sundry payables	85 414	28 342
Payroll related liabilities	475 709	355 488
Value Added Tax	414 644	55 133
	975 768	**438 963**

Payroll related liabilities are made up primarily of Pay As You Earn ("PAYE"), National Social Security Authority ("NSSA") and National Employment Council ("NEC").

The carrying amount of other payables approximates fair value because of their short tenure. Trade payables are due within a three month period and are not interest bearing.
They consist of accrued operating expenses.

12 REVENUE

	31-Dec-2024 ZWG	31-Dec-2023 ZWG
First Mutual Life Assurance Company (Private) Limited	1 836 380	2 866 368
Tristar Insurance Company Limited/NicozDiamond Insurance Limited	564 924	423 211
First Mutual Holdings (Private) Limited	241 331	166 118
Pearl Properties (2006) Limited	73 269	109 692
FMRE Life and Health (Private) Limited	139 275	86 366
FMRE Property and Casualty (Private) Limited	569 144	381 940
First Mutual Health Company (Private) Limited	1 460 599	1 288 483
Investment fees earned from related parties (note 17.2)	4 884 921	5 322 177
External and retail clients	8 660 304	2 467 262
Advisory feees	10 915 219	2 636 416
Total	**24 460 444**	**10 425 855**

Revenue from contracts with customers
Investment fees from clients is accounted as revenue from contracts with customers.The Company derives revenue from the transfer of services over time in the following major product lines and all in Zimbabwe.

Type of good or service	**Timing of recognition**			
Investment services	At a point in time	-	24 460 444	268 863 447
Total revenue from contracts with customers	-	-	**24 460 444**	**268 863 447**

Performance obligations
Information on the Company's performance obligations is summarised below:

Investment services
The performance obligation is performed upon consumption of the service by the customer, thus at a point in time.

13.1 INVESTMENT INCOME

	31-Dec-2024 ZWG	31-Dec-2023 ZWG
Interest earned from short term deposits	784 032	2 751
Fair value gains	2 559 617	3 675 481
Fair value gain/ (loss) on listed equity through profit and loss	2 308 714	3 363 580
Fair value gain/ (loss) on unlisted equity	250 904	311 901
Fair value gain/ (loss) on investment property	(1 062 238)	1 924 891
Dividends on quoted investments	132 939	149 328
	2 414 350	**5 752 451**

13.2 OTHER INCOME

	31-Dec-2024 ZWG	31-Dec-2023 ZWG
Profit from disposal of equipment	16 357	501
Rental income	448 020	249 073
Interest from tenants (overdue rental)	3 447	227
Shared costs	13 874	162 060
Gain on remeasurement of lease liability	-	-
Arrangement fees and NMI commission*	2 201 778	2 150 651
	2 683 476	**2 562 512**

*ZSE non-member commission is a portion of brokerage commission received from the stockbrokers on shares traded on behalf of clients.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

		31-Dec-2024 ZWG	31-Dec-2023 ZWG
13.3	**PROCEEDS FROM DISPOSAL OF VEHICLES AND EQUIPMENT**		
	Profit from disposal of equipment (note 13.2)	16 357	501
	Net book amount of disposed equipment (note 5)	14 338	12 422
		30 695	**12 924**
14	**ADMINISTRATIVE EXPENSES**		
	Salaries and other staff related costs (note 14.2)	11 126 592	8 992 480
	Other administration expenses (note 14.1)	11 135 342	8 002 862
		22 261 935	**16 995 342**
	Directors' emoluments :		
	-For service as directors	1 411 449	1 259 186
	Professional fees		-
	-Audit fees	402 677	153 712
	Depreciation (note 17, note 5)	420 751	131 205
	Group shared services costs	4 381 414	3 070 121
	Consultancy	83 891	283 726
	Rent and rates	434 808	403 092
	Advertising and public relations	403 107	203 863
	Office and computer expenses	1 453 596	891 969
	Bank charges	435 005	255 338
	Licensing fees (investment management licence and custodial fees)	396 510	247 363
	Insurance	43 010	44 587
	Telephones	27 997	14 449
	Newspapers and subscriptions	84 715	66 479
	Covid Expenses	-	-
	Property expense	168 361	21 770
	Other operating expenses	988 050	956 002
		11 135 342	**8 002 862**

Group shared services costs are with respect to support services that are provided by the holding Company which include but are not limited to information technology, human resources, finance and administration and marketing functions.

		31-Dec-2024 ZWG	31-Dec-2023 ZWG
14.2	**Salaries and other staff related costs**		
	Salaries and allowances executive management	3 821 602	3 111 806
	Salaries and allowances non-executive management	5 732 402	4 522 698
	Social security costs	66 147	71 074
	Pension costs	470 768	309 493
	Long term incentives (Share appreciation rights)	(339 824)	659 291
	Rationalisation costs	-	-
	Other	1 375 498	318 119
		11 126 592	**8 992 480**
15	**TAX EXPENSE**		
	Income tax		
	Current income tax on profits for the year	363 964	-
	Deferred tax charge/(credit) **(note 10)**	-486 249	749 863
	Unrecognised deferred tax asset	-	-
	Effect of change in tax rate	-	-
	Income tax (credit)/ expense	**(122 285)**	**749 863**
	Income tax expense reconciliation		
	Profit/ (loss) before income tax	4 456 965	2 200 088
	Tax calculated at domestic rates applicable to taxable income	1 147 669	566 523
	Tax effects of:		
	Expenses not deductible for tax purposes	1 269 953	120 302
	Income not subject to tax		41 073
	Unrecognised tax assets		61 364
	Income tax	**(122 285)**	**789 262**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

		2024 ZWG	2023 ZWG
15.1	**Income tax paid**		
	Current tax liabilities/(assets) as at 1 January	-	-
	Charge for the year	363 964	-
	Paid during the year	(618 441)	-
	Foreign currency translation reserve	149 962	
	Income tax (asset)/ liability	**(104 515)**	**-**

16 RELATED-PARTY TRANSACTIONS

16.1 Compensation of key management

Key management personnel of the Company include all directors, executives and senior management. The summary of compensation of key management personnel for the period is as follows:

	2024 ZWG	2023 ZWG
Share appreciation **(note 22.1)**	247 443	862 333
Salaries and allowances	3 821 602	3 111 806

16;2 Related companies

Related party transactions exist between First Mutual Wealth Management (Private) Limited, holding company, First Mutual Holdings Limited and its fellow subsidiaries. The following transactions are included in the financial statements.

Related party transactions

First Mutual Holdings Limited (FMHL) is the parent company of First Mutual Wealth Management (Private) Limited and the National Social Security Association ("NSSA") is the ultimate parent of First Mutual Holdings Limited.

The related party transactions were as follows:	**Relationship**	**31-Dec-2024 ZWG**	**31-Dec-2023 ZWG**
Transaction type			
Rental expenses	Fellow subsidiary	434 808	403 092
Insurance	Fellow subsidiary	43 010	44 587
Shared services	Holding company	58 915	500 138
Medical Aid	Fellow subsidiary	47 860	554 533
Pension premium paid		470 768	309 493
Investment fees (revenue)		(4 884 921)	(5 322 177)

Related party receivables		**Relationship**		
Investment fees	First Mutual Reinsurance Life & Health	Fellow subsidiary	25 684	10 386
Investment fees	First Mutual Reinsurance Property & Casuality	Fellow subsidiary	-	24 156
Investment fees	First Mutual Life - Policy Holder		353 363	
Valuation fees	First Mutual Reinsurance Property & Casuality - Botswana	Fellow subsidiary	90 192	-
Shared Services	First Mutual Microfinance	Fellow subsidiary	6 209	1 711
Total related party receivables			**475 448**	**36 254**

No related party receivables were past due.

16.3	**Related party payables**	**31-Dec-2024**	**31-Dec-2023**
	Amounts due to related parties	**ZWG**	**ZWG**
	First Mutual Holdings Limited	445 720	453 476
	First Mutual Health Company (Private) Limited	143 826	464 488
	First Mutual Properties Limited	45 509	94 941
	NicozDiamond Insurance Limited	526 584	342 304
	First Mutual Reinsurace Property & Casualty Zimbabwe	9 226	-
	First Mutual Life Assurance (Private) Limited	87 348	176 084
		1 258 212	**1 531 292**

The related party payables are shared services costs from First Mutual Holdings Limited which are charged monthly and payable in arrears. No interest is charged on the outstanding amounts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

		31-Dec-2024 ZWG	31-Dec-2023 ZWG
17	**RIGHT OF USE ASSET**		
	Balance as at 1 January	204 192	123 608
	Modifications	221 750	112 537
	Foreign currency translation reserve	118 721	-
	Depreciation	(269 818)	(31 953)
	Balance at 31 December	**274 844**	**204 192**

		31-Dec-2024 ZWG	31-Dec-2023 ZWG
18	**LEASE LIABILITY**		
	Balance as at 1 January	410 860	259 773
	Modification	221 750	85 935
	Finance cost	77 332	26 000
	Effects of inflation		(121 292)
	Foreign exchange gains/losses	369 840	371 660
	Lease payments	(499 407)	(211 216)
	Balance at 31 December	**580 374**	**410 860**

		31-Dec-2024 ZWG	31-Dec-2023 ZWG
19	**INVENTORY**		
	Consumables	53 132	23 308
	Total	**53 132**	**23 308**

There was no write off of inventories during the year ended 31 December 2024 (2023: ZWG nil).

		31-Dec-2024 ZWG	31-Dec-2023 ZWG
20	**LOANS**		
	At 1 January	132 646	-
	Additions		259 398
	Interest charged	2 585	25 958
	Loan repayment	(254 669)	(330 681)
	Foreign exchange differences	119 438	263 488
	Effects of inflation	-	(85 517)
	Closing balance	**-**	**132 646**
	Current	-	132 646
	Non current	-	
	Total	**-**	**-**

The 2023 loan was borrowed from First Mutual Holdings Limited in USD at 9% per annum. The loan was repaid fully in February 2024.

		31-Dec-2024 ZWG	31-Dec-2023 ZWG
21	**FOREIGN EXCHANGE GAINS/LOSSES**		
	Unrealised (loss)/ gains	(287 231)	(310 245)
	Realised (loss)/ gains	(2 585 073)	(290 892)
		(2 872 304)	**(601 137)**

22 POST EMPLOYEE BENEFITS

The National Social Security Authority Scheme ("NSSA") and First Mutual Holdings Limited Group Pension Fund

NSSA pension
This is a defined contribution scheme which was promulgated under the National Social Security Authority Act (Chapter 17:04). Contributions by both the Company and employees amount to 3.5% (2021 - 3.5%) of pensionable emoluments each. Total contributions for the period were as follows.

Defined contribution fund pension
The Company provides for pensions for all employees by means of a defined contribution pension fund. The Pension Fund is administered by First Mutual Life Assurance Company (Private) Limited. Contributions are made by both the Company and the employees at a rate of 12.5% and 6% (2021-12.5% and 6%) respectively. All employees including working directors on the full-time permanent staff of the employer are eligible to be permanent members of the fund.

22.1 SHARE APPRECIATION RIGHTS ("SARs")

On 27 June 2019, the shareholders of Company at the Annual General Meeting ("AGM") approved a SAR plan for such Employees and Executive Directors of the Group (participant)\ as the Board (on the recommendation of the Human Resources and Governance Committee) shall determine from time to time. The plan has an operative period of 10 years and an initial 32 432 917 SARs were granted on inception.

The exercise of the Company's SAR entitles a participant to receive the gain for each share granted, where, "Gain" means an amount equal to the excess of the market value on the exercise date over the exercise price. The share appreciation rights were granted in three trenches as shown below:

Grant date	Grant price (ZWG)
1 July 2019	0.0013
1 July 2020	0.0201
1 July 2021	0.1563
1 July 2022	0.1356

A participant to whom SARs have been granted shall only be entitled to exercise the Rights in part as follows:
i) On the first anniversary of the date of grant, the participant shall be entitled to exercise up to one third (1/3) of the Rights granted on that particular occasion;
ii) On second anniversary of the date of grant, the participant shall be entitled to exercise an additional one third (1/3) of the Rights; and
iii) On the third anniversary of the date of grant, the Participant shall be entitled to exercise an additional one third (1/3) of the Rights awarded to the Participant under that grant.

The fair value of the SARs was determined using the Black-Scholes model as at 31 December 2022 with the following inputs:

	31-Dec-2024 ZWG	31-Dec-2023 ZWG
Share price at measurement date (cents)	0.26	0.14
Exercise Price (cents)	0.26	0.14
Risk-Free Interest Rate	10%	24%
Volatility	166%	97%
Dividend Yield	2%	1%
Carrying amount of liability - included under share based payment liability	247 443	713 222

Expenses arising from share based transaction	31-Dec-2024	31-Dec-2023 ZWG
Share appreciation rights expense for the year recognised during the vesting period	247 443	713 222

During the period SARs of 150,472 vested and were partially exercised resulting in a gross pay-out of ZWG 585,232 to those eligible.

23 GOING CONCERN

The business started experiencing operational losses in 2020 due to hyper inflation environment which saw expenses growing above revenue resulting in operating losses and negative cash flow generated from operations. In the year under review, the business achieved a profit largely due to growth in reveue from complementary income from alternative investments. Funder Under Management (FUM) grew by 238% from ZWG 1.2 billion in 2023 to ZWG 3.8 billion in 2024 with 46% being pure ZWG assets as at year end. During 2024, the shareholders assisted with working capital of ZWG 1.4 billion to partially fulfil funding committements made during 2024 budgeting, with 45% being intercompany set off. During 2024, monthly revenue was consistently above budget and growth was noted when comparing with prior year largely due to increased funding on alternative investments projects and the Company benefits from charging financial advisory fees and growth in FUM. In 2024, the regulator renewed the Company licence to continue offering asset management services.

With regards to staff movements, the Head of Alternative Investments resigned in October 2024 and is to be replaced in 2025. The General Manager is heading the Alternative Investments department until the vacant is filled. There were no other movements on key staff positions.

On the basis of the above assessment, directors are of the opinion that the Company is able to continue in business beyond 2024 and that therefore recommend that Financial Statements for the period ended 31 December 2024 be prepared on a going concern basis.

24 POST REPORTING DATE EVENTS

After the reporting date, the Governor of Zimbabwe through the Monetary Policy Statement mandated that regulated companies by the Securities Exchange Commision of Zimbabwe to use the local currency Zimbabwe Gold "ZWG"as the reporting currency

First Mutual

WEALTH

Go Beyond