



Audited Financial Results

For the year ended 31 December 2024

CHAIRMAN'S STATEMENT

Overview of Operating Environment

Inflationary dynamics remain mixed across global economies. Despite noticeable progress on disinflation, inflation remained “sticky”, mainly outside the policy targets. Global central banks took a cautious approach to monetary easing. Against this, the interest rates remained relatively high. Given Zimbabwe’s level of import dependency, these factors had a knock-on effect on the country, including the property sector.

Zimbabwe's agricultural production was negatively affected by the El-Nino-induced drought. Further, the mining sector, particularly platinum group metals (PGMs), faced headwinds from low commodity prices. However, other sectors performed relatively well, particularly infrastructure and construction. Thus, the economy grew by 2% in 2024 compared with 3.5% in the prior year.

The local business environment underwent significant changes that materially impacted the property sector. While the multi-currency system was maintained, introducing the ZWG on 5 April 2024 led to notable shifts. Before its introduction, the local currency had depreciated by about 72%. The new currency, however, depreciated by 48% during the year against its introductory value. Exchange rate volatility and an unsustainable parallel market premium adversely affected formal sector activities, including retail. In-store US dollar pricing became uncompetitive, which constrained performance-based rentals as activity shifted to the informal sector. Contractionary fiscal and monetary policies adopted by the authorities also negatively affected liquidity during the year.

Property Market Overview

Zimbabwe's real estate sector is navigating both challenges and opportunities. Both public and private sector investments are driving growth. Nonetheless, investment in infrastructure is required to sustain the property market.

High vacancy rates persist in the Central Business District (CBD) as tenants relocate to suburban offices and office parks. Businesses are moving away from traffic congestion, parking space shortages and unsatisfactory building conditions, such as malfunctioning elevators and air-conditioning systems in the CBD. Recent local plans, such as the Avondale and E.D. Mnangagwa Road Local Development Plans, have also influenced demand as they permit mixed-use developments along major arterial roads.

There have been noticeable real estate developments in the country. In the tourism and hospitality towns, including Victoria Falls, there has been an elevated activity in new hotels, lodges, and resort developments. Further, private developers are increasingly investing in gated communities, town houses, and apartment complexes, particularly in affluent Harare suburbs. Mixed-use developments combining residential, commercial, and retail spaces are also gaining popularity. The commercial property sector is experiencing moderate growth, driven by major cities' demand for retail and office spaces. Sustainable construction practices, including green building technologies, water recycling systems, and solar energy, are gaining traction. However, high construction costs and limited financing options remain key challenges. Public-private partnerships that leverage private sector expertise for large-scale projects are key to the sustainable development of Zimbabwe's property sector.

Rental payments are mainly in US dollars, reflecting broader market trends. In contrast, operating costs, particularly utilities such as electricity and municipal rates, are settled in local currency, in line with the country's legal framework.

Business Performance Review

The Group's Net Property Income increased by 62% to US\$4,842,676 (FY2023: US\$2,984,485), while revenue was up 31% to US\$9,027,117 (FY2023: US\$6,896,240). Rental income remains the main source of revenue.

Revenue growth was driven by growth in property services income, predominantly project management fees, an upsurge in pure US dollar rentals, and timely rental reviews.

Property Valuations

An independent property valuation conducted by Knight Frank Zimbabwe valued the property portfolio at US\$132,948,000 (FY 2023: US\$179,772,504) as of 31 December 2024. The decline in value was due to the adoption of the US dollar as a functional currency. The prior year's Investment Property value was determined by converting the December 2023 local currency value using the official closing interbank rate of US\$ ZWL5,935.4572.

Developments

The Group is strategically advancing shareholder value through various projects at different execution stages.

The flagship development, the Arundel Office Park extension, features a double-storey building with a basement, providing 2,616.5 square metres of total lettable space. This project has been completed and is valued at US\$5.1 million. In Zvishavane, First Mutual Properties is a co-investor and project manager of the development of mixed-use duplex cluster houses, three to four-storey apartments and student accommodation. The project's first phase comprises six duplex flats, which are 90% complete and 20 blocks of double and triple storey flats, which are ready for commissioning. Construction of the student accommodation is progressing well.

Sustainability

First Mutual Properties remains committed to integrating sustainability across its operations. Sustainable practices are vital for long-term business success and stakeholder value creation. Our 2025 strategy focuses on enhancing environmental, social, and governance (ESG) initiatives, aligning with global standards to ensure future-proofed properties.

Dividend

At a meeting held on 20 February 2025, the Board of Directors recommended that no dividend be paid for the fourth quarter of 2024 and the available cash be directed towards the expansion programme.

Acknowledgements

On behalf of the Board, I sincerely thank my fellow directors, management, and employees for their unwavering dedication and contributions during the year. I also thank our strategic partners, tenants, and service providers for their continued collaboration and support. Your support remains invaluable to our success.

Business Outlook

The business environment remains uncertain. Management will continue to adapt its strategies to protect shareholder value and sustain business operations. Prudent capital management, stakeholder engagement, effective utilisation of the available lettable space (occupancy levels), quality and ambience of our property portfolio will be prioritised.

Elisha K. Moyo
Chairman of the Board
20 February 2025

Statement of Financial Position

At 31 December 2024

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*Intercompany borrowings were renamed from loans and other payables to present fairly the nature of the transactions in that account.

Note: The comparative Statements of Financial Position (31 December 2023 and 31 December 2022) were previously reported in ZWL. These were restated by converting to the Group's new presentation currency, US\$.

Refer to note 2.3 for details of change in presentation currency.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024

		Audited 31 Dec 2024 US\$	Audited Restated 31 Dec 2023 US\$
Revenue	14	9 027 117	6 896 240
Property expenses	15	(3 454 021)	(3 526 674)
Provision for credit losses		(730 420)	(385 081)
Net property income (NPI)		4 842 676	2 984 485
Employee related expenses		(862 437)	(1 096 983)
Administration expenses *		(1 373 228)	(974 276)
NPI after admin expenses		2 607 011	913 226
Fair value adjustment - investment properties	17	(52 575 984)	91 468 141
Net monetary gain/(loss)		-	77 220
Finance income	18	486 755	884 143
Other (expense)/income**	19	(84 706)	935 542
Finance costs		(21 184)	-
Share of (loss)/ profit of associate	6	(11 845)	182 267
Profit before income tax		(49 599 953)	94 460 539
Income tax expense	20	(7 682 955)	(1 134 509)
Profit for the period		(57 282 908)	93 326 030
Other comprehensive income for the period			
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax).			
Effects of conversion to presentation currency		-	(65 890 374)
Effects of Associate's conversion to presentation currency		-	(109 487)
Total comprehensive profit for the period		(57 282 908)	27 326 169
Attributable to:			
-Owners of the parent		(57 282 908)	27 326 169
-Non controlling interest		-	-
Total (loss)/profit for the year		(57 282 908)	27 326 169
Basic and diluted earnings per share (US\$ cents)		(5)	8
Headline earnings per share (US\$ cents)		(5)	8
Weighted average number of shares in issue		1 238 157 310	1 238 157 310

* Other expenses has been renamed to administration expenses to provide greater clarity and alignment with the nature of the costs incurred.

** Other income has been renamed to Other (expenses)/income to accurately reflect items within this category.

Note: The Consolidated Statement of Comprehensive Income was previously reported in ZWL. This was restated by converting to the Group's new presentation currency, US\$.

Refer to note 2.3 for details of change in presentation currency.



Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

All figures in US\$	Audited			
	Attributable to owners of the parent			Total
	Ordinary Share Capital	Treasury shares	Retained Earnings	Shareholders Equity
Restated Balance as at 1 January 2023	389 865	(7 093)	146 062 628	146 445 400
Profit for the year	-	-	93 326 030	93 326 030
Other comprehensive loss for the period	(175 704)	3 197	(65 827 354)	(65 999 861)
Acquisition of treasury shares	-	-	(7 485)	(7 485)
Dividend paid	-	-	(754 784)	(754 784)
Restated balance as at 31 December 2023	214 161	(3 896)	172 799 035	173 009 300
Profit of the period	-	-	(57 282 908)	(57 282 908)
Acquisition of treasury shares	-	-	(16 540)	(16 540)
Dividend paid	-	-	-	-
At 31 December 2024	214 161	(3 896)	115 499 587	115 709 852

Note: The Consolidated Statement of Changes in Equity was previously reported in ZWL. This was restated by converting to the Group's new presentation currency, US\$. Refer to note 2.3 for details of change in presentation currency.

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

All figures in US\$	Audited	Audited
	31 Dec 2024	Restated
	US\$	US\$
(Loss)/Profit before tax	(49 599 953)	94 460 539
Adjustment for non-cash items	53 238 053	(92 623 094)
Cash flows from operating activities before working capital adjustments	3 638 100	1 837 445
Working capital adjustments	(1 607 843)	491 173
Cash generated from operations	2 030 257	2 328 618
Tax paid	(1 262 207)	(819 182)
Net cash flow from operating activities	768 050	1 509 436
Net cash flows used in investing activities	(1 343 934)	(1 916 514)
Net cash flows from financing activities	1 382 379	(350 925)
Net increase/(decrease) in cash and cash equivalents	806 495	(758 003)
Inflation effect on overall cash flows	-	(1 504 397)
Opening cash and cash equivalents	376 665	997 223
Effects of currency translation on cash and cash equivalents	(684 792)	2 091 270
Effects of conversion to presentation currency	-	(449 428)
Cash and cash equivalents at 31 December	498 368	376 665

Note: The Consolidated Statement of Cash Flows was previously reported in ZWL. This was restated by converting to the Group's new presentation currency, US\$. Refer to note 2.3 for details of change in presentation currency.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

- 1

Corporate information

First Mutual Properties Limited is a public company incorporated and domiciled in Zimbabwe and its shares are publicly traded on the Zimbabwe Stock Exchange. The principal activities of the Group are property investment, development and management. The consolidated financial statements of the Group for the twelve months ended 31 December 2024 were authorised for issue in accordance with a resolution of the directors at a meeting held on 20 February 2025.
- 2

Statement for compliance

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards" - hereafter referred to as "IFRS") as issued by the International Accounting Standards Board ("the IASB"), International Financial Reporting Interpretations Committee ("IFRIC") as issued by the IFRS Interpretations Committee ("IFRS IC") and in a manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) of 2019. The Group financial statements are based on statutory records that are maintained under the historical cost convention except for investment properties and equity securities at fair value through profit or loss that have been measured on a fair value basis.

The Group's financial statements have been adjusted to reflect a change in the functional currency, as well as a change in the presentation currency, as stipulated by International Accounting Standard 21 (IAS 21) "The Effects of Changes in Foreign Exchange Rates."

Auditor statement

The Group's financial statements as of 31 December 2024 from which these abridged results have been extracted have been audited by Ernst & Young Chartered Accountants (Zimbabwe), who have issued an unmodified audit opinion.

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

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

- 2.1

Basis of preparation

The Group's financial statements were presented in United States dollars (US\$). The Group has been transacting in both the local currency (ZWG) and foreign currency (US\$) and the functional currency reassessment carried out by management indicated the US\$ as the functional currency of the Group for the period under review. The functional currency changed beginning 1 January 2024 from Zimbabwean Dollar to United States Dollar and the Group's consolidated financial statements have since been prepared based on the statutory records that are maintained under the historical cost basis.
- 2.3

Change in functional currency and presentation currency
- 2.3.1

Change in functional currency

Following the enactment of Statutory Instrument ("SI") 185 of 2020 on 24 July 2020, the Group's operations witnessed a gradual increase in the use of foreign currency across its operations. Subsequently, in June 2022, the government established the multi-currency system into law until 31 December 2025 through Statutory Instrument 118A of 2022. Moreover, on 27 October 2023, Statutory Instrument 218 of 2023 (SI 218/23) extended the settlement of transactions in foreign currency until 31 December 2030, assuring businesses regarding the continuity of the multi-currency system. This has since been confirmed through the Finance Act No.13 of 2023. This announcement facilitated access to foreign currency and long-term loans critical for working capital and business expansion.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

As a result of these developments, the Group re-evaluated its functional currency in accordance with IAS 21 ("The Effects of Changes in Foreign Exchange Rates"). In assessing functional currency for the businesses, the following factors were considered:

- (i)

the currency that mainly influences sales prices for goods and services (the currency in which sales prices for goods and services are denominated and settled).
- (ii)

the currency of the country whose competitive forces and regulations mainly determine the sales prices of its goods and services.
- (iii)

the currency which influences labour, material and other costs of providing goods and services.
- (iv)

the currency in which funds from financing activities are generated.
- (v)

the currency in which receipts from operating activities are usually retained.

Based on the above factors, the Group concluded that there has been a change in functional currency from Zimbabwe Dollar (ZWL) to United States Dollars ("US\$") with effect from 1 January 2024. The change was driven by majority of the factors under IAS 21.9-10 being assessed in favour of the USD from 1 January 2024 hence the change to the USD as the functional currency.

- 2.3.2

Change in presentation currency.

Based on the conclusion reached to change the functional currency from Zimbabwean Dollar (ZWL) to United States Dollars (US\$), the Group also changed its presentation currency for 2024 financial statements. The change was made to better reflect the economic environment in which the Group operates, as the majority of its revenues, expenses, and financing activities are now denominated in United States Dollars (US\$). This change is consistent with the requirements of IAS 21 "The Effects of Changes in Foreign Exchange Rates". The change in presentation currency has been applied retrospectively in accordance with IAS 8. As a result, the comparative inflation adjusted financial statements for the year ended 31 December 2023 have been restated from ZWL to US\$ using the closing interbank exchange rate of ZWL 5,935.4572 :1. Furthermore, the comparative inflation adjusted financial statements for the year ended 31 December 2022 have been restated from ZWL to US\$ using the closing interbank exchange rate of ZWL 677.8527 :1. The restatement and translation effect of the above has been recognised in other comprehensive income.
- 2.4

Conversion of comparative numbers to the presentation currency

The Group transitioned its reporting currency from ZWL to US\$, following the restatement of its financial statements in line with IAS 29, "Financial Reporting in Hyperinflationary Economies" as described above. According to IAS 21, "The Effects of Changes in Foreign Exchange Rates," entities operating in hyperinflationary economies must translate their previously reported inflation-adjusted financial statements using the exchange rate at the last reporting date when changing their functional currency.

Period ending	Exchange Rate
31-Dec-22	677.8527
31-Dec-23	5 935.4572

- 2.4.1

Caution on financial reporting conversion

The business reporting framework has undergone transformation by changing its functional and presentation currency to US\$ from ZWL as explained above. It is important to highlight that the financial balances may exhibit notable disparities when viewed from a market perspective due to the disparities in exchange rates. While the conversion process is mathematically accurate, users of these financial statements are advised to exercise caution when analysing these balances. Acknowledging these challenges, management is of the view that the Statement of Financial Position as at 31 December 2024 provides the best possible estimation of the business financial position.
- 2.5

Foreign currency transactions and balances

In preparing the financial statements of the Group, transactions in currencies other than the United States Dollar are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of cost in a foreign currency are retranslated at the prevailing interbank rate on the transaction date. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.
- 2.6

Going concern assumption

The Directors have assessed the ability of the Group to continue operating and believe that the preparation of these consolidated financial statements on a going concern basis is appropriate based on the audited financial performance for the year 2024. The business also continues to implement futuristic plans in response to the market trends to ensure sustainable earnings, with participation in FMHL Group projects, retail land acquisitions and tenant-driven expansion initiatives. In addition, borrowing capabilities continue to be pursued due to the positive cash flow generation. These all provide evidence of business continuity and the thrust to implement strategic plans and targets. It is to this effect that First Mutual Properties Limited's consolidated financial statements will continue to be prepared under the going concern basis.
- 3

Accounting policies

The accounting policies adopted in the preparation of the full year results are consistent with those followed in the preparation of the Group's annual report for the year ended 31 December 2024.
- 4

Fair value measurement

The Group's fair values of its investment properties are based on valuations performed by Knight Frank Zimbabwe an accredited independent valuer. Knight Frank is a specialist in valuing these types of investment properties and has recent experience in the location and category of the investment properties being valued. The valuations are based upon assumptions on future rental income, anticipated maintenance costs, future development costs and the appropriate discount rate. Where the market information is available, the valuers make use of market information from transactions of similar properties. Significant judgements were applied as at 31 December 2024 as a result of the uncertainties resulting from the hyperinflationary economic environment, currency shifts, excessive market volatility and lack of recent transactions conducted in US\$.

5	Investment properties	Audited	Audited
		31 Dec 2024	Restated
		US\$	US\$
	At 1 January	179 772 504	161 294 393
	Disposals	(173 913)	(360 811)
	Additions	5 925 393	-
	Reclassification to held for sale	-	68 231
	Improvements to existing properties	-	31 652
	Fair value adjustments	(52 575 984)	91 468 141
	Effects of conversion to presentation currency	-	(72 729 102)
	Closing balance	132 948 000	179 772 504



Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

5.1

Investment property under development

Arundel Office Park - block 13 (under development)

At 1 January
Development costs reclassified from prepaid expenditure
Non-cash development costs incurred during the year
Cash development costs incurred during the year
Interest capitalised
Reclassification to investment property

Audited 31 Dec 2024 US\$	Audited Restated 31 Dec 2023 US\$
3 131 082	-
1 132 158	625 208
-	510 127
1 408 152	1 962 195
254 001	33 552
(5 925 393)	-
-	3 131 082

During 2023, the fair value of Block 13 at Arundel Office Park under development could not be reliably measured but management expected the fair value of the property to be reliably measurable when development was complete, and therefore measured at cost until either its fair value became reliably measurable or development was completed (whichever is earlier). In 2024, this was reclassified to investment property following completion.

During the financial year 2024, Block 13 was reclassified to completed investment property and measured at fair value. The fair value movement arising from this transfer has been recognised in statement of profit or loss.

5.2

Investment property held for sale

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

5.2

Investment property held for sale

At 1 January
Reclassification to held for sale
Fair value adjustment
Closing balance

Audited 31 Dec 2024 US\$	Audited Restated 31 Dec 2023 US\$
-	31 119
-	(68 232)
-	37 113
-	-

5.3

Fair value hierarchy

Valuation techniques used to derive level 3 fair values

The table below presents the following for each class of the investment property:

- the fair value measurements at the end of the reporting period;
- the level of the fair value hierarchy (in this case level 3) within which the fair value measurements are categorised in their entirety;
- a description of the valuation techniques applied;
- the inputs used in the fair value measurement, including the ranges of rent charged to different units within the same building; and
- level 3 fair value measurements, quantitative information about the significant unobservable inputs used in the fair value measurement.

All amount in US\$	Fair value 31 December, 2024	Valuation technique	Key unobservable inputs	Weighted Range average
CBD offices	23 330 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	US\$4.00 - US\$6.00 10.00%-11% 26%
Office parks	41 020 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	US\$8.00 - US\$10.00 7.00%-9.00% 4%
CBD retail*	19 003 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	US\$10.00 - US\$30.00 8.5%-10.00% 0%
Suburban retail*	7 150 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	US\$10.00 - US\$30.00 7.00%-10.00% 0%
Industrial	12 810 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	US\$2.00 - US\$5.00 12% - 14% -
Residential	3 800 000	Market comparable	Comparable transacted properties prices	-
Land - residential	3 435 000	Market comparable	Rate per square metre	US\$20.00 - US\$40.00
Land - commercial	22 400 000	Market comparable	Rate per square metre	US\$40.00 - US\$80.00
Total	132 948 000			

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

6

Investment in associate

As at 1 January
Additions
Reclassification to unquoted shares
Dividend received
Share of (loss)/profits
Effects of conversion to presentation currency
Other Comprehensive income as a result of change in presentation currency
Closing Balance

Audited 31 Dec 2024 US\$	Audited Restated 31 Dec 2023 US\$
446 820	448 234
19 256	71 352
-	(46 003)
(17 826)	(7 020)
(11 845)	182 267
-	(92 523)
-	(109 487)
436 405	446 820

7

Vehicles & equipment

At 1 January
Additions
Depreciation
Effects of conversion to presentation currency
Closing balance

Audited 31 Dec 2024 US\$	Audited Restated 31 Dec 2023 US\$
124 032	180 663
31 290	54 133
(38 185)	(29 344)
-	(81 420)
117 137	124 032

8

Financial Assets at fair value through profit or loss - Unquoted shares

As at 1 January
Additions
Reclassification from prepaid expenditure
Reclassification from investment in associate
Fair value adjustment
Effects of conversion to presentation currency

Audited 31 Dec 2024 US\$	Audited Restated 31 Dec 2023 US\$
473 540	91 676
-	66 119
-	28 892
-	227 621
(202 401)	100 548
-	(41 316)
271 139	473 540

8.1

Financial assets at fair value through profit or loss - Quoted shares

As at 1 January
Additions
Disposals
Fair value adjustment
Effects of conversion to presentation currency

Audited 31 Dec 2024 US\$	Audited Restated 31 Dec 2023 US\$
4 661	4 504
3 000	145
-	(403)
53	2 445
-	(2 030)
7 714	4 661

8.2

Financial assets at amortised cost

As at 1 January
Additions
Loss due to inflation adjustment
Amortised interest
Repayments of interest
Repayments of principal
Allowance for credit losses
Effects of conversion to presentation currency

Audited 31 Dec 2024 US\$	Audited Restated 31 Dec 2023 US\$
108 827	116 981
420 058	269 771
-	(213 453)
15 908	56 772
(15 908)	(56 772)
(4)	-
(47 176)	(11 750)
-	(52 722)
481 705	108 827

9

Trade & other receivables

Tenant receivables
Tenant operating cost recoveries
Trade receivables
Less: Allowance for credit losses
Net trade receivables
Prepayments
Other receivables
Related party receivables

Audited 31 Dec 2024 US\$	Audited Restated 31 Dec 2023 US\$
1 980 683	925 149
683 251	491 464
2 663 934	1 416 613
(1 095 129)	(400 135)
1 568 805	1 016 478
130 907	273 210
74 486	127 533
367 573	30 685
2 141 771	1 447 906

9.1

Reconciliation of allowance for credit losses

As at 1 January
Add: charge for the year
Recovery due to payments
Inflation effect
Effects of conversion to presentation currency

Audited 31 Dec 2024 US\$	Audited Restated 31 Dec 2023 US\$
400 135	234 702
1 495 264	513 873
(800 270)	(140 542)
-	(102 123)
-	(105 775)
1 095 129	400 135



Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

9.2

Analysis of allowance for credit losses

Audited

	Current	More than 30 days past due	More than 60 day past due	More than 90 days past due **	More than 120 days past due **	Total
31 December 2024						
Expected loss rate	10.77%	27.28%	40.50%	56.71%	100.00%	
Gross carrying amount-trade receivables provided for Credit loss allowance*	351 162 37 827	598 550 163 270	205 944 83 416	409 345 232 151	553 763 553 763	2 118 764 1 070 427
Expected loss rate	4.53%	4.53%	4.53%	4.53%	4.53%	
Gross carrying amount-trade receivables provided for Credit loss allowance**	82 696 3 747	87 904 3 983	61 641 2 793	174 308 7 898	138 621 6 281	545 170 24 702
Total credit loss allowance	41 574	167 253	86 209	240 049	560 044	1 095 129
31 December 2023						
Expected loss rate	8.26%	15.74%	24.64%	46.00%	100%	
Gross carrying amount-trade receivables provided for Credit loss allowance	500 032 41 303	137 484 21 640	81 011 19 961	91 252 41 705	259 389 259 389	1 069 168 383 998
Expected loss rate	4.64%	4.64%	4.64%	4.64%	4.64%	
Gross carrying amount-trade receivables provided for Credit loss allowance**	123 858 5 752	92 798 4 310	37 457 1 740	28 205 1 310	65 126 3 025	347 444 16 137
Total credit loss allowance	47 055	25 950	21 701	43 015	262 414	400 135

* Credit loss allowance at different loss rates

** Credit loss allowance for 2024 is 4.53% (2023: 4.64%). Related party balances are provided for at a same rate over different bands as they have low default probability.

Change of provisioning matrix

At 31 December 2024, the Group revised its Expected Credit Loss (ECL) provisioning matrix in line with changes in market and economic conditions affecting the tenants ability to settle their arrears. The revision resulted in higher ECL rates being applied in the year ended 2023 as compared to the prior year. The revision took into account historical data for the past two years. Forward looking information was incorporated by adjusting historical loss rates using estimated GDP movements in the Zimbabwean economy.

10

Cash & cash equivalents

		Audited 31 Dec 2024 US\$	Audited Restated 31 Dec 2023 US\$
Short-term investments		187 466	205 065
Cash at Bank:	ZWG	41 701	-
	ZWL	-	156 455
	USD	269 201	15 145
At 31 December 2024		498 368	376 665

11

Deferred tax liability

At 1 January	10 198 578	17 577 155
Recognised in the statement of profit or loss		
- Arising on inventory	(3 140)	2 972
- Arising from prepayments	(20 541)	(30 046)
- Arising on vehicles and equipment	(32 188)	11 179
- Arising on investment properties	6 788 385	606 509
- Arising on financial assets held through profit or loss	(10 352)	21 088
- Arising on provisions for credit losses	(196 745)	(69 947)
- Arising on leave pay provisions	(5 886)	1 323
Recognised in other comprehensive income		
- Effects of conversion to presentation currency	-	(7 921 655)
As at 31 December	16 718 111	10 198 578

12

Borrowings

As at 1 January	-	-
Loan drawdown	2 497 000	-
Amortised interest	218 423	-
Repayment of interest	(218 423)	-
Repayment of capital	(573 771)	-
As at 31 December	1 923 229	-
Short-term portion	-	-
Long-term portion	889 028	-
	1 034 201	-
	1 923 229	-

The loan facility was sourced from a local financial institution to partially fund the development of the Arundel Office Park expansion and will be administered under the following terms:

Security	Immovable property, title 0004163/2007, being Stand 18259 Harare Township of Stand 14908 Salisbury Township called First Mutual Park
Tenure	3 Years
Interest	Base rate minus 1% p.a. (Base rate at draw down - 13% p.a.)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

12.1

Intercompany borrowings

At 1 January
Loans advanced*
Interest charged
Exchange loss
Inflation effect
Loan repayments made

* In 2023 , part of the loan was an amount which First Mutual Health Company (Private) Limited paid the suppliers directly for First Mutual Properties Limited so the liability increased but no cash flow. In 2024, the full loan advanced was an amount which First Mutual Health Company (Private) Limited paid the suppliers directly for First Mutual Properties Limited. The loan facilities were sourced as bridging finance from a fellow subsidiary of the parent to partially fund the development of Block 13 at Arundel Office Park and is administered under the following terms:

Significant terms and conditions.
All the loans were utilised in the development of investment property under development.
The deal status are all bridging finance.
There is no security on the loans advanced.
The loans are going to mature within 12 months.
Coupon rate is 15% per annum.

13

Trade & other payables

Tenant payables
Related party payables
Sundry creditors
Suppliers creditors
Provision for leave days
Group company payables

14

Revenue

Rental income
Property services income

15

Property expenses

Maintenance costs
Property security and utilities
Valuation fees
Property cost of sales
Operating costs under recoveries
Employee costs
Other expenses

16

Profit before income tax takes into account the following

Directors fees -for services as directors
Audit fees
Information communication and technology expenses
Fees and other charges
Depreciation
Office costs
Group shared services
Employee related expenses

17

Fair value adjustments

Fair value adjustment on investment properties
Fair value adjustment on investment property held for sale

18

Finance income

Interest on overdue tenants accounts
Interest on money market investments

19

Other (expense)/income*

Exchange (loss)/gains
Other income

*Other income has been renamed to other (expense)/income to accurately reflect the items within this category.

Audited 31 Dec 2024 US\$	Audited Restated 31 Dec 2023 US\$
696 228	-
328 313	797 545
56 763	33 552
-	103 215
-	(238 084)
(305 887)	-
775 417	696 228

Audited 31 Dec 2024 US\$	Audited Restated 31 Dec 2023 US\$
194 339	180 486
180 176	452 899
472 372	479 050
639 319	463 246
57 176	17 869
142 742	295 876
1 686 124	1 889 426

Audited 31 Dec 2024 US\$	Audited Restated 31 Dec 2023 US\$
8 233 600	6 684 140
793 517	212 100
9 027 117	6 896 240

Audited 31 Dec 2024 US\$	Audited Restated 31 Dec 2023 US\$
945 231	813 239
73 465	81 098
20 213	16 337
3 155	1 711
699 350	596 601
1 285 938	1 465 359
426 669	552 329
3 454 021	3 526 674

Audited 31 Dec 2024 US\$	Audited Restated 31 Dec 2023 US\$
220 191	176 792
111 965	45 409
33 823	34 313
70 930	89 429
7 637	29 343
89 172	69 334
599 045	473 118
862 437	1 096 983

Audited 31 Dec 2024 US\$	Audited Restated 31 Dec 2023 US\$
(52 575 984)	91 431 028
-	37 113
(52 575 984)	91 468 141

Audited 31 Dec 2024 US\$	Audited Restated 31 Dec 2023 US\$
470 847	844 769
15 908	39 374
486 755	884 143

Audited 31 Dec 2024 US\$	Audited Restated 31 Dec 2023 US\$
(163 150)	354 414
78 444	581 128
(84 706)	935 542



Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

20	Income tax expense		Audited	Audited
			31 Dec 2024	31 Dec 2023
			US\$	US\$
		Current income tax	1 163 422	591 432
		Deferred tax	6 519 533	480 024
		Impact of tax rate changes	-	63 053
		7 682 955	1 134 509	

21 Segment reporting for the year ended 31 December 2024							
All figures in US\$							
Revenue	4 651 646	2 015 745	1 318 800	1 065 052	(24 126)		9 027 117
Property expenses and allowance for credit losses	(2 335 011)	(1 018 141)	(397 122)	(434 167)	-		(4 184 441)
Segment results	2 316 635	997 604	921 678	630 885	(24 126)		4 842 676
Fair value adjustment - Investment property	(26 489 830)	(9 252 438)	(3 158 441)	(13 675 275)	-		(52 575 984)
Segment profit	(24 173 195)	(8 254 834)	(2 236 763)	(13 044 390)	(24 126)		(47 733 308)
Employee related expenses	-	-	-	(862 437)	-		(862 437)
Administration expenses	(745 685)	(196 856)	(94 976)	(1 587 771)	1 252 060		(1 373 228)
Finance costs	-	-	-	(21 184)	-		(21 184)
Finance income	354 137	75 039	45 835	11 744	-		486 755
Share of profit of association	-	-	-	(11 845)	-		(11 845)
Other income	202	-	-	(84 908)	-		(84 706)
Profit before income tax expense	(24 564 541)	(8 376 651)	(2 285 904)	(15 600 791)	1 227 934		(49 599 953)

Reconciliation of segment results for 31 December 2024

All figures in US\$						
Assets						
Investment property	64 350 000	26 153 000	12 810 000	29 635 000	-	132 948 000
Trade receivables	970 508	429 899	133 194	35 510	(306)	1 568 805
Segment assets	65 320 508	26 582 899	12 943 194	29 670 510	(306)	134 516 805
Other non-current assets	-	-	-	1 314 100	-	1 314 100
Current assets	-	-	-	1 121 586	-	1 121 586
Total assets	65 320 508	26 582 899	12 943 194	32 106 196	(306)	136 952 491
Current liabilities	1 142 029	349 533	219 967	1 775 474	3 324	3 490 327
Capital expenditure	1 408 152	-	-	31 290	-	1 439 442

Audited restated

Segment reporting for the period ended 31 December 2023

All figures in US\$						
Revenue	3 650 626	1 694 004	1 108 980	467 393	(24 763)	6 896 240
Property expenses and allowance for credit losses	(2 269 305)	(879 961)	(358 120)	(404 369)	-	(3 911 755)
Segment results	1 381 321	814 043	750 860	63 024	(24 763)	2 984 485
Fair value adjustment - Investment property	43 455 341	17 919 301	8 055 144	22 038 355	-	91 468 141
Segment profit	44 836 662	18 733 344	8 806 004	22 101 379	(24 763)	94 452 626
Employee related expenses	-	-	-	(1 096 983)	-	(1 096 983)
Other expenses	(514 603)	(135 852)	(65 544)	(1 122 334)	864 058	(974 275)
Finance costs	-	-	-	-	-	-
Finance income	595 027	173 443	62 745	52 928	-	884 143
Share of profit of associate	-	-	-	182 266	-	182 266
Other income	3 929	-	-	931 613	-	935 542
Net monetary gain	-	-	-	77 220	-	77 220
Profit before income tax expense	44 921 015	18 770 935	8 803 205	21 126 089	839 295	94 460 539

Reconciliation of segment results for 31 December 2023

All figures in US\$						
Assets						
Investment property	84 914 436	35 405 438	15 968 441	43 484 189	-	179 772 504
Trade receivables	634 813	274 202	84 955	22 650	(142)	1 016 478
Segment assets	85 549 249	35 679 640	16 053 396	43 506 839	(142)	180 788 982
Other non-current assets	-	-	-	4 288 196	-	4 288 196
Current assets	-	-	-	842 665	-	842 665
Total assets	85 549 249	35 679 640	16 053 396	48 637 700	(142)	185 919 843
Current liabilities	1 001 664	162 561	298 915	1 248 683	142	2 711 965
Capital expenditure	3 176 093	13 685	-	27 088	-	3 216 866

22 Related party disclosures

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

Transactions and balances with related Companies

The following table provide the total amount of transactions that have been entered into with related parties during the year ended 31 December 2024:

All figures in US\$ Company	Audited		
	Group Company payables	Group Company receivables	Rentals charged to Group Companies
- First Mutual Holdings Limited	-	306 910	180 157
- First Mutual Life Assurance Company (Private) Limited	-	27 701	481 758
- First Mutual Reinsurance Company Limited	8 592	-	41 516
- First Mutual Health Company (Private) Limited	-	-	249 032
- First Mutual Micro-Finance (Private) Limited	-	482	10 943
- First Mutual Funeral Services (Private) Limited	-	1 803	24 368
- First Mutual Wealth Management (Private) Limited	-	1 766	18 785
- NicozDiamond Insurance Limited	134 150	-	20 383
- First Mutual Health Services (Private) Limited	-	28 911	-
	142 742	367 573	1 026 942

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

23	Other Directors interests*
*During the 2024 year the Group rented out premises to Eazstar Investments (Private) Limited, of which the spouse of one of the directors of the Company, is a director and controlling shareholder. The Group also rented out premises to Arup Zimbabwe (Private) Limited of which one of the directors of the Company has 25.5% shareholding. The rentals were at market rates.	

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

All figures in US\$ Company	Audited Restated		
	Group Company payables	Group Company receivables	Rentals charged to Group Companies
- First Mutual Holdings Limited	-	4 610	250 492
- First Mutual Life Assurance Company (Private) Limited	7 079	-	588 860
- First Mutual Reinsurance Company Limited	-	5 270	55 191
- First Mutual Health Company (Private) Limited	229 201	-	273 749
- First Mutual Micro-Finance (Private) Limited	-	28	6 314
- First Mutual Funeral Services (Private) Limited	-	1 140	11 604
- First Mutual Wealth Management (Private) Limited	-	7 001	26 787
- NicozDiamond Insurance Limited	59 596	-	11 179
- First Mutual Health Services (Private) Limited	-	12 637	-
	295 876	30 686	1 224 176

Other directors interests*

*During the 2024 year the Group rented out premises to Eazstar Investments (Private) Limited, of which the spouse of one of the directors of the Company, is a director and controlling shareholder. The Group also rented out premises to Arup Zimbabwe (Private) Limited of which one of the directors of the Company has 25.5% shareholding. The rentals were at market rates.

Supplementary information – United States Dollars financial statements

1. Background
- Zimbabwe has experienced several changes in its economic and monetary policy framework, including the introduction of the ZWG within a multi-currency system. For much of the year, macroeconomic conditions were negatively affected by price and exchange rate volatility in the local currency, leading to an increased reliance on the USD within the economy. To address this, significant policy measures were implemented to slow the depreciation of the local currency and mitigate inflationary pressures. To curb the risk of currency volatility and to maintain product relevance, most of our clients either migrated to USD leases or maintained ZWL leases that adjusted in line with inflation trends. The above developments resulted in First Mutual Properties Limited earning approximately, 80% of its rental income in foreign currency.
- Distortions emanating from a functional currency change make the financial information prepared in compliance with IFRS less useful to users. Supplementary information has been added to provide a more complete picture of the performance of the Group to stakeholders. We have captured our assumptions & methodology used in coming up with the financial information in section 2 below.
2. Methodology
- The following methodology was undertaken in preparing the financial information presented below:
- i. Segregate the pure USD transactions and balances (including all transactions denominated in other foreign currencies) from the pure ZWG transactions and balances.

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

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

Shown below is summarised information:

Consolidated statement of profit or loss for the period ended 31 December 2024

	31-Dec-24 US\$000	31-Dec-23 US\$000	Growth %
Rental income	8 050	6 427	25%
Net foreign exchange movements	(59)	(145)	59%
Net operating income	7 991	6 282	27%
Net gains from fair value adjustments to investment properties	5 463	7 581	(28%)
Profit before taxation	8 276	9 560	13%
Profit for the period	6 145	6 832	10%

Consolidated statement financial position as at 31 December 2024

	31-Dec-24 US\$000	31-Dec-23 US\$000	Growth %
Assets			
Other assets	3 434	2 598	32%
Investment property	132 948	124 761	7%
Cash and cash equivalents	498	262	91%
Total assets	136 880	127 621	7%
Equity and liabilities			
Shareholder equity	115 537	113 124	2%
Total equity	115 537	113 124	2%
Total liabilities	21 343	14 497	47%
Total equity and liabilities	136 880	127 621	7%