FIRST MUTUAL PROPERTIES

Go Beyond

2021

ANNUAL REPORT

Vision, Mission, and Values

VISION

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

MISSION

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

VALUES

- Integrity
- Accountability
- Professionalism
- Sustainability
- Care
- Innovation

About this Report

First Mutual Properties Limited, a company listed on the Zimbabwe Stock Exchange ("ZSE") since 2007, is pleased to present the annual report for the year ended 31 December 2021. The report integrates financial and sustainability information to provide investors and stakeholders with a comprehensive understanding of our performance and impacts.

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

Reporting Frameworks
In developing this report, we were guided by the following reporting requirements:
- The Companies and other Business Entities Act [Chapter 24:31];
- Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) Rules [SI.134 of 2019];
- International Financial Reporting Standards ("IFRS"); and
- Global Reporting Initiative ("GRI") Standards.

Sustainability Data
Data on environmental social and governance performance was extracted from company records, policy documents, and management personnel responsible for the identified material issues. In some cases, estimations were made and confirmed for consistency with business activities.

Data and Assurance
Our financial statements were audited by Ernst and Young Chartered Accountants (Zimbabwe) ("EY"), in accordance with International Standards of Auditing ("ISAs"). The independent auditors' report is on pages 54 to 59. Non-financial information was validated by the Institute for Sustainability Africa (INSAF), independent subject matter experts for compliance with GRI Standards disclosure requirements. A GRI Content index is contained on pages 127 to 129. Management reviewed the sustainability data before publication but no external assurance was conducted.

Report Declaration
The Directors take responsibility to confirm that the sustainability report was prepared in accordance with GRI Standards – "Core Option".

Restatements
First Mutual Properties did not make any restatement of data previously published except for the translation of financial statements as required by the International Accounting Standard (IAS) 29 - Financial Reporting in Hyperinflationary Economies as pronounced by the Public Accountants and Auditors Board (PAAB).

Forward Looking Statements
This report may contain forward looking statements. These statements are based on current estimates and projections by First Mutual Properties Limited and currently available information. Forward-looking statements are not statements of historical fact and may contain the terms "may", "will", "should", "continue", "aims", "estimates", "projects", "believes", "intends", "expects", "plans", "seeks" or "anticipates", or words of similar meaning. Future statements are not guarantees of future developments and results outlined therein. These are dependent on many factors; they involve various risks and uncertainties, and they may be based on assumptions that are beyond our control. Readers are cautioned not to put undue reliance on forward looking statements.

Feedback on the Report
We value opinions from all our stakeholders which assist us in building a sustainable company while improving our reporting. We welcome your feedback on this report and any suggestions you may have. Feel free to provide feedback to Dulcie Kandwe (Mrs), Company Secretary, email: dkandwe@firstmutual.co.zw.

E K Moyo
(Chairman)

C K Manyowa
(Managing Director)

Contents

Overview

Business Profile

First Mutual Properties Limited is a public listed property company incorporated in Zimbabwe whose principal activities are property investment, development, and management. First Mutual Properties Limited actively manages a diverse property portfolio that includes Office Parks, Central Business District ("CBD") offices, suburban retail properties, and industrial. The growth of the company is premised around property acquisitions and developments.

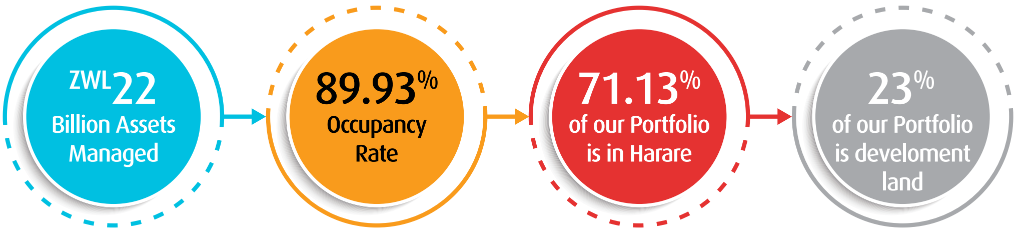
Product and Service Offerings

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

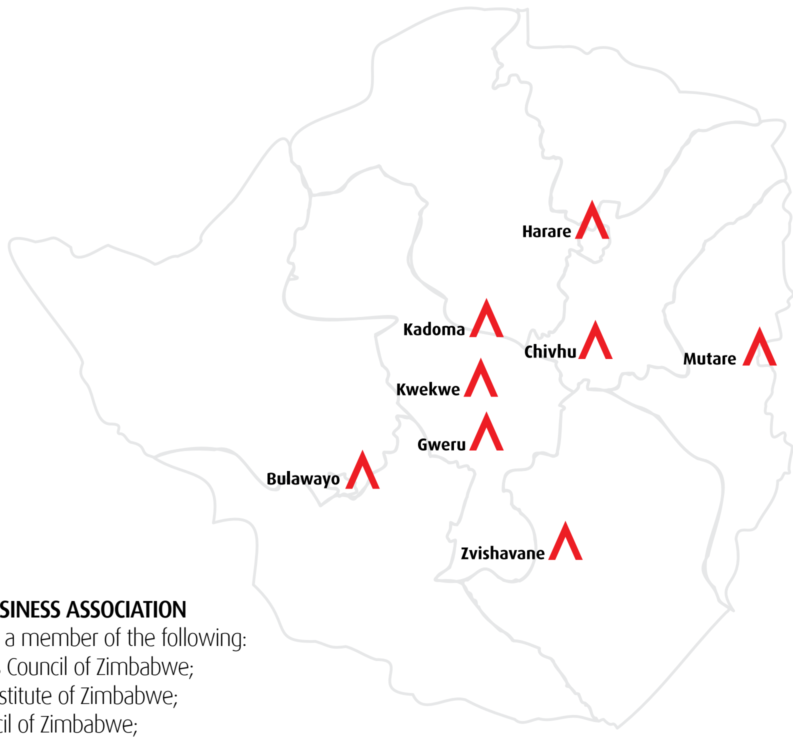
- Property management,
- Facilities management,
- Property development,
- Property investment, and
- Property valuations.

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

Our Assets



Property Locations



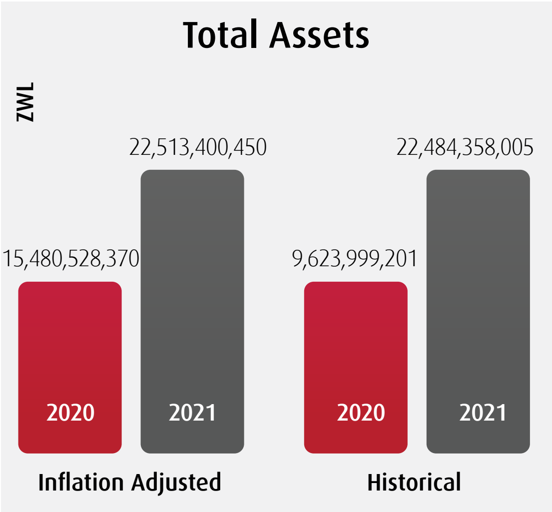
MEMBERSHIPS AND BUSINESS ASSOCIATION

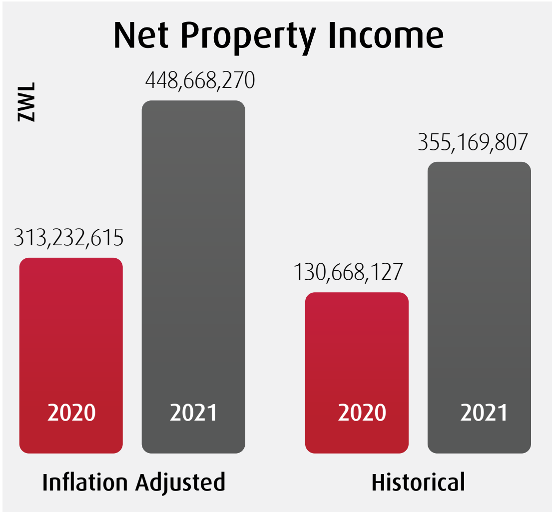
First Mutual Properties is a member of the following:

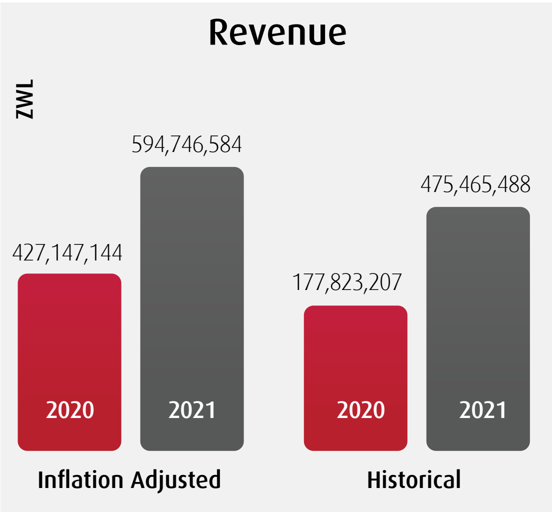
- Estate Agents Council of Zimbabwe;
- Real Estate Institute of Zimbabwe;
- Valuers Council of Zimbabwe;
- Royal Institute of Surveyors; and
- National Property Owners Association.

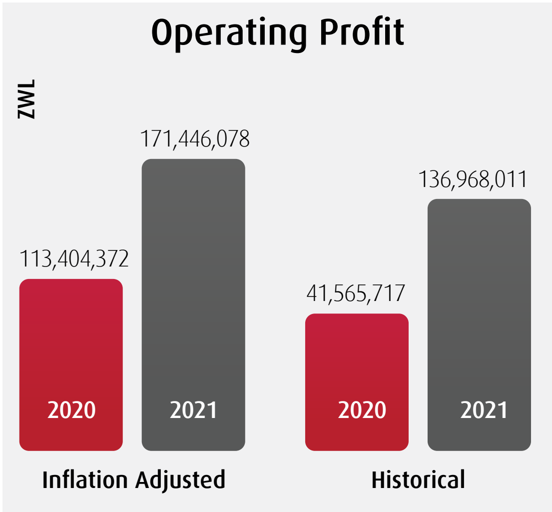
Performance Highlights

Financial Highlights	Inflation Adjusted ZWL		Historical ZWL	
	2021	2020	2021	2020
Total Assets	22,513,400,450	15,480,528,370	22,484,358,005	9,623,999,201
Net Property Income	448,668,270	313,232,615	355,169,807	130,668,127
Revenue	594,746,584	427,147,144	475,465,488	177,823,207
Cash Generated from Operating Activities	88,847,505	135,519,043	79,007,529	50,594,455
Profit before Income Tax	7,103,681,172	5,329,306,494	12,882,011,629	8,189,637,912
Operating Profit	171,446,078	113,404,372	136,968,011	41,565,717
Basic Earnings Per share	4.7	4.7	8.96	6.12
Shareholders Equity	19,782,646,561	14,034,103,344	19,761,647,713	8,725,157,325









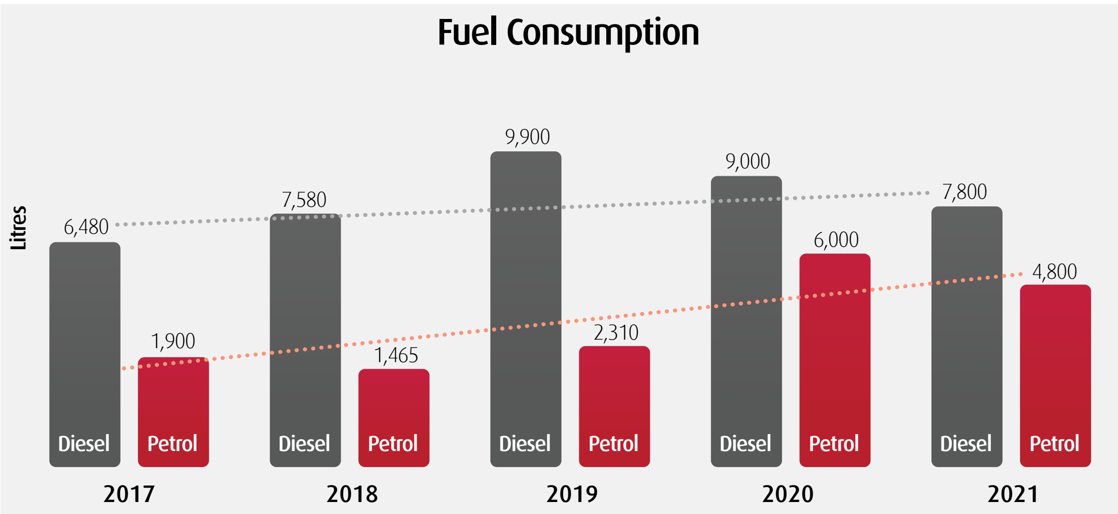
Performance Highlights (continued)

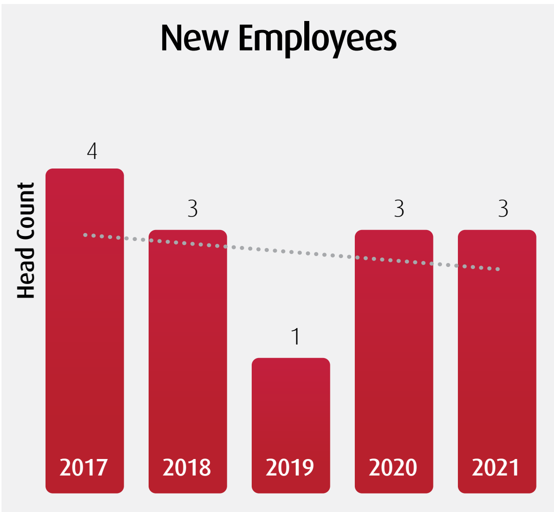
Operational Highlights

	2021	2020	2019	2018	2017
Occupancy rate (%)	89.93	88.64%	85.70%	76.10%	70.94%
Annual Rentals (ZWL)	465,720,878	175,625,667	23,565,453	8,014,375	7,362,306
Total Floor Space (square metres –m2)	123,516	123,450	123,451	124,405	122,283

Sustainability Highlights

	2021	2020	2019	2018	2017
Diesel (Litres)	7,800	9,000	9,900	7,580	6,480
Petrol (Litres)	4,800	6,000	2,310	1,465	1,900
Municipal Water Consumption (ML)	3,099	649.2	686.1	13.7	14.5
New Employees (Count)	3	3	1	3	4
Hours of Training for employees (Count)	58	20	78	108	64





Chairman's Statement

Overall occupancy level averaged 89.93% in FY2021 compared to 88.64% last year

Overview of Operating Environment

The COVID-19 pandemic affected the operating environment, particularly the cost of doing business and work practices. However, despite the pandemic, Zimbabwe's economic recovery continued, with the Gross Domestic Product (GDP) expected to grow by between 3.5% and 5.5% in 2021 due to relatively good performance of the agricultural, mining and manufacturing sectors. Annual inflation declined to 60.7% in 2021 from 348.6% in 2020. Authorities should, however, continue to implement prudent policies to sustain the economic recovery process as well as contain inflationary and exchange rate pressures experienced in the final quarter of the year. These developments have important implications for the property market in general, and the First Mutual Properties' business as discussed in this statement.

Property Market Overview

The property market experienced supply-demand imbalances that limited space absorption. The excess supply of space is mainly historical space redundancy, with the sectors worst affected being the Central Business District (CBD) offices, high-density suburban shopping centres and the specialised industrial sectors. However, the aging product is mostly affected by the unsustainably high investments required to revamp and modernise the product. There has been a gradual shift to a hybrid of remote working and office presence during the year. The market also experienced strong demand for traditional retail shops, retail warehousing, light industrial properties and office park properties.

As a result of effective tenant relationship management strategy, the Company enjoyed an improved collection rate of 82% during the year compared with 80% last year.

New property developments are taking place for owner-occupied industrial / retail warehousing, office parks, and residential purposes. By and large, new commercial developments were affected by various factors including supply chain delays for imported materials.

Inflationary and exchange rate pressures continued to erode the real value of rentals. In response, property owners have adapted rental pricing models by shortening rent review periods and closely tracking market developments.

Business Performance Overview

The Group posted positive results during the year despite the challenging operating environment. The Group's inflation adjusted Net Property Income after administration expenses grew by 51% to ZWL 171.4 million (FY 2020: ZWL 113.4 million) driven by growth in inflation adjusted revenue of 39% to ZWL 594.75 million (FY 2020: ZWL 427.15 million). Revenue is predominantly rental income. In historical terms, revenue grew by 167% ahead of inflation at 60.7%, driven by the repricing of rentals and stable occupancy level during the period. Sustained revenue growth was on the back of rental income growth anchored by relatively high average occupancy level of 89.93% during the year (FY 2020: 89.67%).

The Group continued to work closely with the tenants to ensure mutually-beneficial and sustainable business relationships. Various initiatives were pursued during the year to sustain the Group's business operations and the tenants' as well. The Group values its tenants' experience, and in keeping with this objective, it committed ZWL 25.8 million and ZWL 15.8 million towards maintenance and improvements respectively during the year. As a result of effective tenant relationship management strategy, the Company enjoyed an improved collection rate of 82% during the year compared with 80% last year.

Property Valuations

An independent property valuation conducted by Knight Frank Zimbabwe as at 31 December 2021 valued the property portfolio at ZWL 22.039 billion (FY 2020: ZWL 9.396 billion). The growth in property values of 135% is driven by the growth in rentals as capitalisation rates remained unchanged during the period.

Developments

The Group is at pre - construction stage of the Arundel Office Park extension with the design development of the architectural plans completed. The drawings and the Environmental Impact Assessment (HA) study prospectus are currently being considered by the relevant Regulatory Authority. The project is expected to go for tendering in Q2 2022.

The Group commenced the development of a retail warehousing facility in Mbare, Harare. The property has been pre-let to Gain Cash and Carry on a long-term lease. This is a syndicated project involving First Mutual Properties with a target equity participation at 47% valued at USD 260,000, and some institutional investors. The project was 30% complete as at 31 December 2021.

The Group entered into an agreement of sale to acquire a retail property in Chivhu at a cost of USD 390,000 before transfer costs. The property is adjacent to an existing retail site where TM Pick n Pay is the anchor tenant. This acquisition provides greater scale and scope for a comprehensive retail development to service the expected growth of Chivhu driven by the mining activities currently being developed in the area.

Chairman's Statement (continued)

Sustainability

First Mutual Properties Limited remains committed to enhance its positive contributions to the goals of sustainable development. As evidence of our commitment to sustainability, the company has completed its first solar power plant infrastructure development at First Mutual Park. This is the first of many solar projects we plan to continue rolling out. The business is also working on ensuring its old and new developments are aligned with eco-friendly and green building requirements.

Dividend

At a meeting held on 23 February 2022, the Board resolved that a final dividend of ZWL 20,031,335 being 1.6196 ZWL cents per share be declared from the profits for the quarter ended 31 December 2021. The dividend will be payable on or about 27 May 2022 to all shareholders of the Group registered at close of business on 13 May 2022. The shares of the Group will be traded cum-dividend on the Zimbabwe Stock Exchange (ZSE) up to 10 May 2022 and ex-dividend as from 11 May 2022. This brings the cumulative dividend for the year to ZWL 45,176,042.

Business Outlook

The economic outlook remains favourable despite high levels of uncertainty due to resurgence of inflationary pressures and COVID-19 induced cost push factors particularly logistics and shipping costs as well as delivery delays. These developments will put undue pressure on the cost of doing business and execution of development projects. On a positive note, the favourable economic outlook is expected to stimulate the demand for quality real estate product.

The Group remains alive to the socio-economic developments in the country. We will continue to scout for opportunities within the market to further grow and differentiate our property portfolio by sector and location. Further, the Group will continue to invest in its existing portfolio in order to improve the long-term return profile. Various initiatives will be explored and implemented to sustain business operations and deliver favourable returns to its key stakeholders including the shareholders.

E K Moyo
Chairman

23 February 2022


ADVANCING SOCIAL JUSTICE
PROMOTING DECENT WORK
HAND WASHING
Avoid touching your face
STAY HOME
Hand Sanitizer

Managing Director's Review of Operations

...stability on the foreign currency market resulted in inflation slowing down from a peak of 362.6% in January 2021 to 60.74% in December 2021

Economic Overview

The year progressed with a macroeconomic environment which was volatile and filled with uncertainties due to limited supply of foreign currency on the market. In addition, the third and fourth wave of the COVID-19 Pandemic brought further distress on businesses and cash flows as various levels of a national lockdown were implemented to curb the spread of the virus. The lockdowns mainly affected the informal sector, whose contribution to the local economy and GDP is gaining substantial relevance. As a result of the various COVID-19 induced lockdowns during the year, the Government of Zimbabwe is expecting the economy to grow by 5.5% premised on the good rains received during the year.

Despite the macro-economic difficulties and COVID-19 induced contraction of GDP, the second half of the year saw some relative stability on the foreign currency market with the continuous use of the Dutch auction system. The relative stability on the foreign currency market resulted in inflation slowing down from a peak of 362.6% in January 2021 to 60.74% in December 2021, with month-on-month inflation trending below 7% in whole of the year 2021. The slowdown in inflation was also driven by restricted money supply growth and limited government spending. In addition, ring fencing of the back log on foreign exchange auction allotments by the Reserve Bank of Zimbabwe in a bid to clear backlog and restore business confidence and pricing stability.

Net Property Income after administration expenses grew by 51% to ZWL 171.4 million (FY 2020: ZWL 113.4 million)

There is continuous need for adequate bulk infrastructure, such as roads, water, sewer and power which remains critical to attracting investments and driving real estate advancement, since state of infrastructure is directly connected to the real estate sector performance. The introduction of Real Estate Investment Trust (REITs) as an investment option was welcomed by the property investment community.

Property Market Overview

Activity on the property market remained subdued with consistent demand and supply imbalances affecting property pricing and rentals, while subdued macro-economic fundamentals continue to dampen demand for space driven by excess supply in the CBD offices and Suburban Retail sectors.

Pricing of rentals continue to evolve, with property owners seeking to hedge against inflation and currency depreciation risk, by shortening rent review periods and adopting pricing models within the confines of prevailing legislation.

There continues to be limited development activity, with the majority of developments being mainly owner occupied industrial / retail warehousing, office park style buildings and residential to commercial conversions in suburbs just outside the CBD. The pandemic continues to affect the construction sector with delivery of projects being slowed down due to site safety requirements in line with COVID-19 protocols, with contractors are also adapting supply chain schedules to cater for increased delivery timeframes. Property development risk remained high during the year 2021 which was characterised by national lockdowns and reduced working hours from emergency of various Covid-19 variants. Supply chain uncertainties and closing of borders further increased property development risk as time lines for project completion were prolonged than anticipated.

The COVID-19 pandemic has remained lively forcing strategy shift towards remote working by corporates however lack of adequate power supply and data connectivity seems to have negatively affected some remote working initiatives by corporates and in that regards corporates still continue seeking office presence to house critical staff in order to remain fruitful. To date no significant changes in occupier requirements have been recorded but there is serious need for property investors to adapt existing products to be relevant in the new normal.

Despite the generally volatile macroeconomic environment marred with shifts in policy, to trading of foreign currency, well diversified property portfolios have not been largely affected by the pandemic. The ability to recalibrate rentals, allowed stability of property values in real terms.

Overview of Business Performance

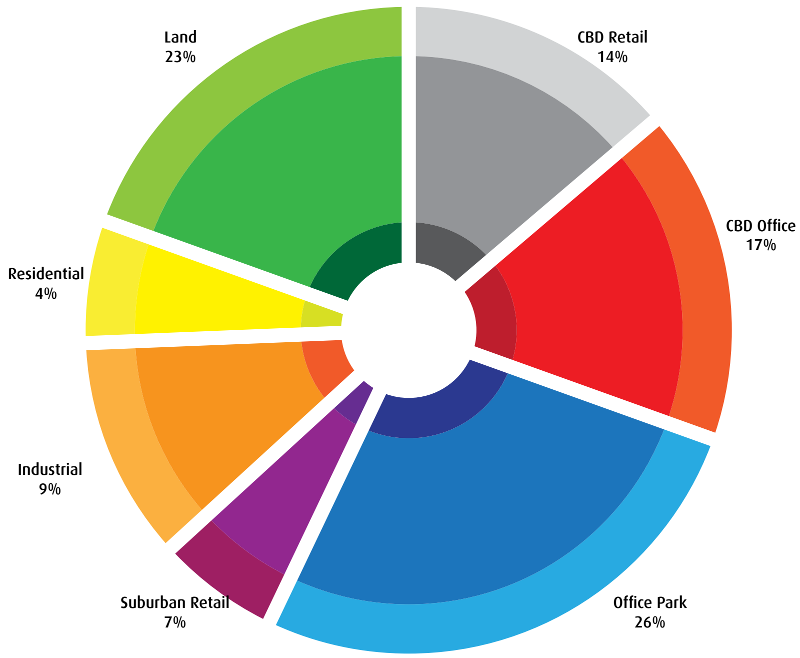
The Group recorded positive earnings, with before and after-tax profitability. Net Property Income after administration expenses grew by 51% to ZWL 171.4 million (FY 2020: ZWL 113.4 million) driven by growth in inflation adjusted revenue of 39% to ZWL 594.75 million (FY 2020: ZWL 427.15 million). This growth was driven by continuous rental reviews that were effected throughout the year in line with inflationary trends and the need to lock real return on investment. Rental growth stood at 38% during the year as rental reviews were carried out quarterly during the year to safeguard returns. The occupancy level during the year stood at 89.93% in FY2021 compared to 89.67% during prior year.

Managing Director's Review Of Operations (continued)

Property Portfolio Structure and Performance Overview

The diversified nature of the property portfolio demonstrated resilience especially in times of weak economic performance during the peak of the COVID-19 pandemic, balancing risk and return for a stable investment proposition for our shareholders.

Set out below is the property portfolio spread by value:



An independent property valuation conducted by Knight Frank Zimbabwe as at 31 December 2021 valuing the property portfolio at ZWL 22.039 billion. This represents a 46% gain on the prior year on inflation adjusted terms and 134.56% in historical terms on a market value basis. The gains were driven by repricing of rental as rent reviews were shortened to hedge inflation risk, while capitalisation rates remained static.

Set out below are the valuation movements by sector for 2021:

All figure in ZWL 000's	2021 Valuation	2020 Valuation	Movement %
CBD Retail	2,992,800	1,300,740	130.08%
CBD Office	3,825,000	1,695,440	125.61%
Office Park	5,640,000	2,430,690	132.03%
Suburban Retail	1,500,000	650,200	130.70%
Industrial	2,074,000	862,030	140.59%
Residential	834,000	341,050	144.54%
Land	5,173,200	2,115,742	144.51%
Total	**22,039,000**	**9,395,892**	**134.56%**

The gains realised on the land bank are driven by re-zoning of a land bank from residential to commercial, while value appreciation in the industrial sector was due to improved rental potential and demand, while the retail sector displayed its inflation hedging characteristics. The Group's retail portfolio is dominated by top tier retail supermarkets, whereby turnover remained resistant despite the pandemic increasing rental potential and demand for such spaces.

Managing Director's Review Of Operations (continued)

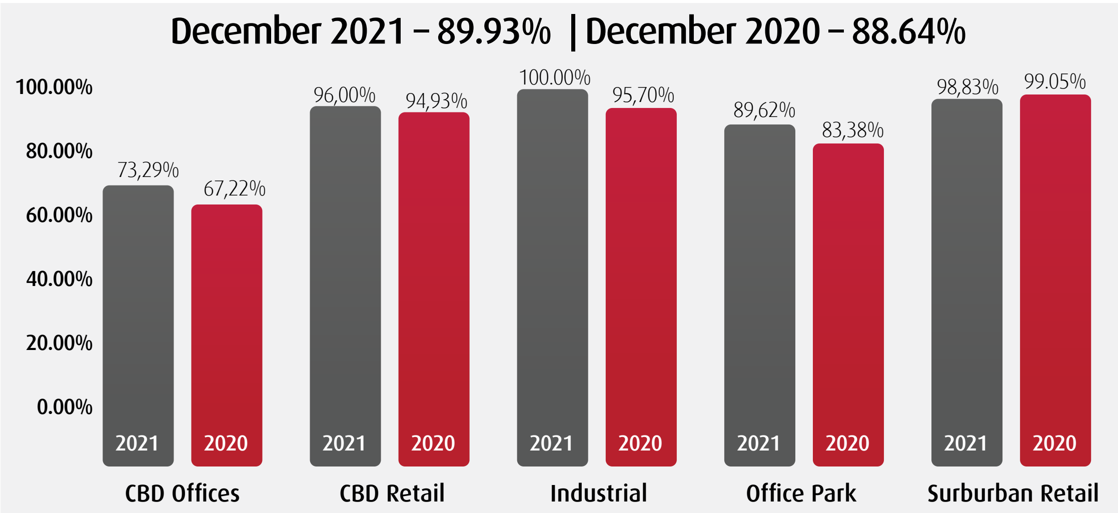
Set out below is an overview of the property portfolio performance:

	CBD Retail	CBD Office	Office Parks	Suburban Retail	Ind.	Resi.	Land	Total
Value (ZWL millions)	2,993	3,825	5,640	1,500	2,074	834	5,173	22,039
% Portfolio weight by value	14%	17%	26%	7%	9%	4%	23%	100%
Number of Properties	15	7	12	6	7	36	13	96
Gross Lettable Area "GLA") m²	21,267	31,760	25,769	7,723	36,997	0	0	123,516
Land Bank Area (m²)							643,000	643,000
Occupancy level at period end	96%	73%	90%	99%	100%	97%	0%	89.93%
Forward Rental yield	2.57%	2.82%	2.92%	3.57%	2.28%	1.77%	0.01%	2.76%

Occupancy levels

The portfolio occupancy level improved during the year closing at 89.33% up from 88.64%. This was mainly driven by net lettings in the CBD Office space, as the business restructured its space offering to cater for SMEs, providing adequate space for the rising informal sector.

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



The central business district office park sector and office park sector both experienced an increase in occupancy by 6% compared to the same period in the prior year despite the pandemic hindering office presence due to national lockdowns showing a need for essential staff to boost productivity.

Arrears Management

The collection rate worsened marginally to 82% (FY2020: 83%) as tenants struggled to meet lease obligations in light of constrained business operating environment due to the various COVID-19 induced lockdowns and also currency changes resulting in repricing of rentals. In addition, the general illiquidity across the economy is affecting the settlement of obligations across various sectors.

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

Managing Director's Review Of Operations (continued)

Sector Review

Suburban Retail

The suburban portfolio is made up of free-standing supermarkets in medium and high density areas and community shopping centre in a low density residential areas. Despite the pandemic, the sector has experienced sustained demand as supermarkets and ancillary services were deemed as essential services, operating under restricted timeframes during the pandemic, while depressed economic activity also reduced disposable incomes. Regardless of these factors, performance remained strong within our suburban retail cluster driven by the location of the assets and the tenant mix.

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

Suburban Retail	2021	2020	Movement.
Value (millions)	1,500	650.2	131%
% Portfolio weight by value	7%	7%	0%
GLA m2	7,723	7,723	0%
Occupancy level at period end	99%	98%	1%
Rental yield	8%	24%	-67%

CBD Retail

The CBD retail sector sustained occupiers during the year driven by deferred rent reviews in the second quarter of year as the initial lockdown affected the CBD sector the worst. Despite the lockdowns, occupancy levels were sustained during the period, as demand for CBD retail space remains strong. The sector remains dominated by SMEs and informal businesses. Formal retail outlets maintained leases during the year, despite being harder hit by the COVID-19 pandemic.

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

CBD Retail	2021	2020	Movement
Value (ZWL millions)	2,992.80	1,300.74	130%
% Portfolio weight by value	14%	14%	0%
GLA m2	21,267	20,334	5%
Occupancy level at period end	96%	95%	1%
Rental yield	6%	24%	-75%

CBD Offices

Despite the global economic conditions remaining frail for the CBD Office sector at large, the Group's CBD Office sector experienced fairly positive performance during year. The occupancy level improved to 73% at period ended 31 December 2021 compared to 67% as at 31 December, 2020. The improved occupancy level was induced by active leasing efforts and restructuring of space to suit SMEs.

City bylaws in the central business district continued to be a significant reason for poor uptake by corporate occupiers causing a significant imbalance on the forces of demand and supply.

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

CBD Office	2021	2020	Movement
Value (ZWL millions)	3,825.00	1,695.44	126%
% Portfolio weight by value	17%	18%	-6%
GLA m2	31,760	31,694	0%
Occupancy level at period end	73.29%	67.22%	9%
Rental yield	6%	12.44%	-52%

Managing Director's Review Of Operations (continued)

Office Parks

The Office Park sector remained resilient with stable performance. The occupancy level increased by 6% from 83.38% to 89.62% as some businesses did not fully take up the covid-19 pandemic induced remote working. The space continued to receive positive enquiries from blue chip corporates and international organisations. The office park properties remain prime spaces for tenants due to the location and quality of the assets and limited supply of similarly located prime assets in the market.

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

Office Park	2021	2020	Movement.
Value (ZWL millions)	5,640.00	2,430.69	132%
% Portfolio weight by value	26%	26%	0%
GLA m2	25,769	25,769	0%
Occupancy level at period end	89.62%	83.38%	7%
Rental yield	5%	18.86%	-73%

The office park sector remains the key focus for expansion due to its location and ability of the asset to remain resilient even in periods of high uncertainty and market volatility, due to its nature of attracting tenants on a pure USD lease basis.

Industrial

The industrial sector showed resilience throughout the year despite challenges from the volatile economic conditions to the worrisome Covid-19 pandemic as the portfolio recorded a 100% occupancy level as at 31 December 2021 from 95% in the prior year. Retail warehousing and light industrial were the main sources of the positive move in the industrial sector.

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

Industrial	2021	2020	Movement.
Value (ZWL millions)	2,074	862.03	141%
% Portfolio weight by value	9%	9%	0%
GLA m2	36,997	37,931	-2%
Occupancy level at period end	100.00%	95.70%	4%
Rental yield	5%	16.35%	-69%

The decrease in rental yield across all the sectors above for the period between 2020 and 2021 was mainly as a result of property value which accelerated at a rate faster than rental income leading to significant yield compression. In addition, yield compression during the period under review was also fuelled by the fact that most leases are being denominated in ZWL resulting in lower risk to income collection.

Property Developments

The Group is at pre – construction stage of the Arundel Office Park extension with the design development of the architectural plans completed. The revised set of drawings and the Environmental Impact Assessment study prospectus which were submitted to the Environmental Management Agency are still under consideration. The project is expected to go for tendering in Q2 2022.

The Group commenced a development in Mbare, being a retail warehousing facility. The property has been let to Gain Cash and Carry on a long-term lease. This is a syndicated project with First Mutual Properties equity participation at 47% valued at USD 260,000. Other equity participants include institutional investors, such as pension funds. The project is 30% complete as at 31 December 2021.

The Group entered into an agreement of sale to acquire a retail property in Chivhu, a property adjacent to an existing retail site where TM Pick n Pay is the anchor tenant. This acquisition is valued at USD 390,000 before transfer costs. This acquisition provides greater scale and scope for a comprehensive retail development to service growing Chivhu in light of emerging economic activity driven by substantial mining initiatives in the area.

Managing Director's Review of Operation (continued)

Sustainability

Operating sustainably has become undeniable for businesses. This focus explains why the business is reinventing itself to ensure sustainability and inclusivity in our operations. The business continue to build shared values with stakeholders and this has allowed us to identify potential risks and opportunities. We engage our employees and tenants regularly on various matters that help us enhance our business practices and value creation.

We have invested in routine training and capacity development to inculcate the mind-set of long term thinking. We continue to evaluate our sustainability progress and efforts, and key observations being made for instance is the recognition that installing solar power systems is not enough in itself but there is a need for a cultural shift towards sustainability values.

Outlook

Better economic activity is expected in 2022 as the nation is projected to record higher than anticipated GDP growth and improvements on the inflation rates targeted to be in the 25%-35% range by end of 2022 through controls in money supply. The business continues to adjust to the effects of the COVID-19 pandemic and this is expected to further drive GDP growth. The real estate sector is expected to benefit from the economic recovery, with increased demand for quality products in the right location, while further investment to improve the quality of existing space continues.

The Group aims to take arising opportunities within the market to further grow and differentiate its property portfolio by sector and place. In addition, continued investment into the existing portfolio is expected to further improve the long-term return profile. It is the group's goal to maintain a sustained operating profit growth through management of operating expenses. The Group plans to maintain quarterly distribution of dividends to shareholders, and key to this initiative will be ensuring sustainable earnings, securing competitively and sustainably priced structured funding options and implementing capital recycling initiatives to grow the property portfolio.

Capital preservation and creating the much-needed liquidity in the real estate industry through recent REIT legislation will be a key initiative in the short to medium term. The property sector has shown to be a very good form of diversification under inflationary periods, hence REITs are likely to receive significant uptake by retail investors.

The Group remains focused on creating an unmatched competitive profile in the industry by enhancing tenant experience through maintenance and refurbishments of buildings to keep them in lettable condition. The Group is also focused on implementing green building initiatives with clean and environmentally friendly sources of energy as achieving environmental, social and governance (ESG) goals ensures long term sustainable earnings. The addition of new innovative products remains the key sources of property portfolio diversification to maximize yields in both alternative and traditional property asset classes.

C K Manyowa
Managing Director
Harare

23 February 2022


FIRST MUTUAL LIFE

Board of Directors

Elisha K Moyo
(Chairman) Independent, Non-Executive
Tenure: 10 years
Key Skills: Legal
Education
Masters in Business Administration (UZ)
Bachelor of Laws (LLB- UZ)
Other Appointments
First Mutual Holdings Limited,
NicozDiamond Insurance Limited,
Vice Chairman National Biotechnology Authority.
Councillor -University of Zimbabwe Council

Dr. Shasekant Jogi
Independent Non-Executive Director
Tenure: 8 years
Key Skills: Urban Planning, Environmental Design and Project Management
Education
Ph.D. Environmental Design and Planning - Virginia Polytechnic Institute and State University
MA Environmental Planning for Developing Countries – University of Nottingham
BA (Hons) Geography – University of Rhodesia
Diploma in Education – University of Rhodesia
BA (Gen) Geography and English – University of London
Fellow: Zimbabwe Institute of Regional and Urban Planning
Other Appointments
Centre for the Built Environment (Pvt) Ltd t/a Sasha Jogi Planners
Harare Municipal Medical Aid Society
Zimbabwe Agricultural Society
Zimbabwe National Heritage Project Trust

Sharon Wekwete
Independent, Non-Executive Directo
Tenure: 2 Years,
Key Skills: Legal
Education
Master of Laws (UNISA)
Master of Science in Development Studies (NUST)
Bachelor of Laws (LLB- UZ).

Other Appointments:
Outbox Consultants

Douglas Hoto
Non-Independent, Non-Executive Director
Tenure: 10 Years
Key Skills: Actuary

Education
Bachelor of Science Honours Degree in Mathematics (UZ), Fellow of the Institute and Faculty of Actuaries of the United Kingdom (FIFA) Fellow of the Actuarial Society of South Africa (FASSA).

Other Appointments
Group Chief Executive Officer of First Mutual Holdings Limited. Trustee of the S V Muzenda Foundation, Vice Chairman for University of Zimbabwe Council, Director of Rainbow Tourism Group.

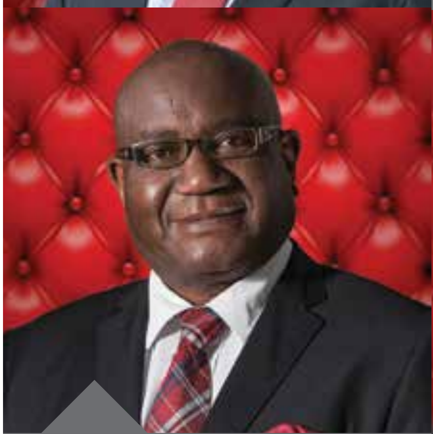
Evlyn Mkondo
Independent, Non-Executive Director
Tenure: 8 Years
Key Skills: Accounting and Finance
Education
Chartered Accountant Zimbabwe
Bachelor of Accountancy (Hons- UZ)
Other Appointments
First Mutual Holdings Limited
Schweppes Zimbabwe Limited
Standard Chartered Bank
Padenga Holdings Limited

Temba Ruvingo
Independent Non-Executive Director
Tenure: 2 Years
Key Skills: Accounting and Finance.
Education
Chartered Accountant (ICAZ)
Master of Business Leadership – (UNISA)
Bachelor of Accounting Science Honours Degree – (UNISA)
Bachelor of Commerce Honours Degree in Accounting (NUST).
Other Directorships
National Biotechnology of Zimbabwe

William Marere
Non-Independent, Non-Executive Director
Tenure: 8 years
Key Skills: Accounting and Finance

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

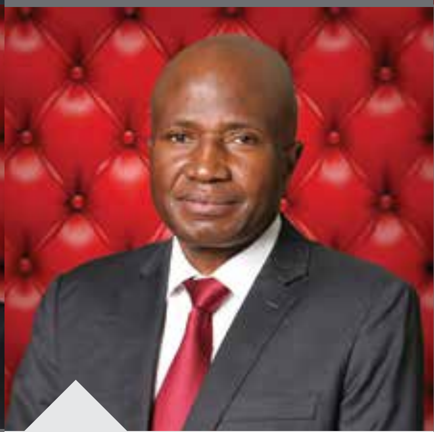
Other Appointments
Group Finance Director First Mutual Holdings Limited, Tasbrew Investments (Pvt) Ltd and Associated Family-Owned Companies, Ace Equipment Hire (Pvt) Ltd, First Mutual Life Assurance Company (Pvt) Ltd, Dairyhill Investments, First Mutual Wealth Management (Pvt) Ltd, First Mutual Microfinance (Pvt) Ltd, MedTech Holdings.



Christopher K Manyowa
Managing Director
Tenure: 5 years
Key Skills: Real Estate

Education
Master's in Business Administration (UZ), BSc Rural & Urban Planning (UZ). Fellow – Real Estate Institute of Zimbabwe, Registered Estate Agent(Zimbabwe), Registered Valuers(Zimbabwe), Member – Zimbabwe Institute of Regional and Urban Planners.

Other Appointments:
Dialogue on Shelter for the Homeless in Zimbabwe.



Dr. Arnold Chidakwa
Independent, Non-Executive Director
Tenure: 4 years
Key Skills: Economics & Finance

Education
Ph.D. Finance & Entrepreneurship (Wits University), Master of Science in Economics (UZ), Bachelor of Science (Hons) in Economics (UZ), Associate Member (Chartered Institute of Management Accountants), Chartered Global Management Accountant (CGMA), Diploma in Banking

Other Appointments
First Mutual Wealth Management (Pvt) Ltd, Quality Insurance Company (Pvt) Ltd

Senior Management

Tafadzwa Andrew Muzorewa
Head of Finance

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

John Ndere
Property Services Manager

MRICS, MSc.FM (UK), MBA (UZ), BSc. HRUP (UZ), AREIZ.

Dulcie Kandwe
Company secretary

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

Esward Munyangadzi
Property Investment Manger

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

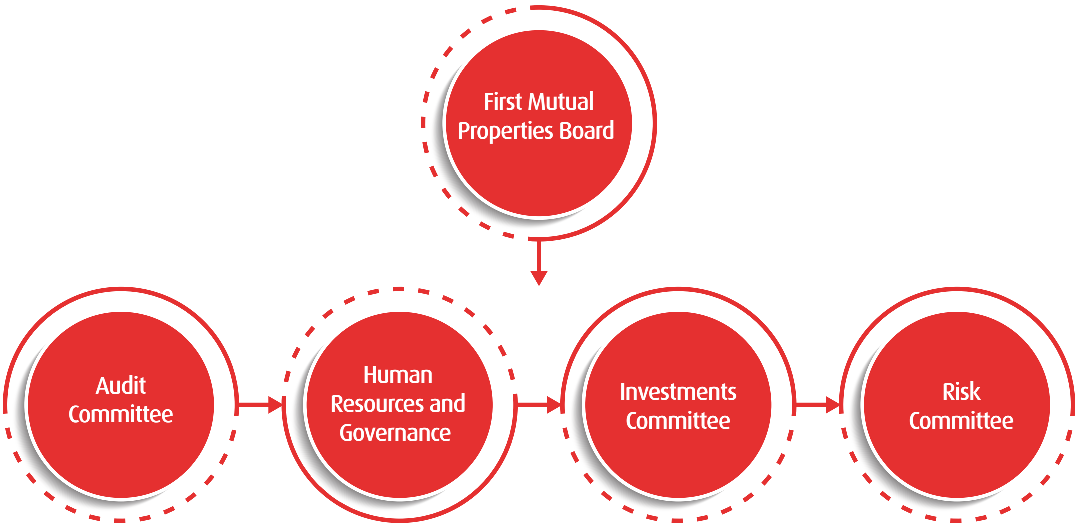
Shingai Munemero
Financial Accountant

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

Corporate Governance

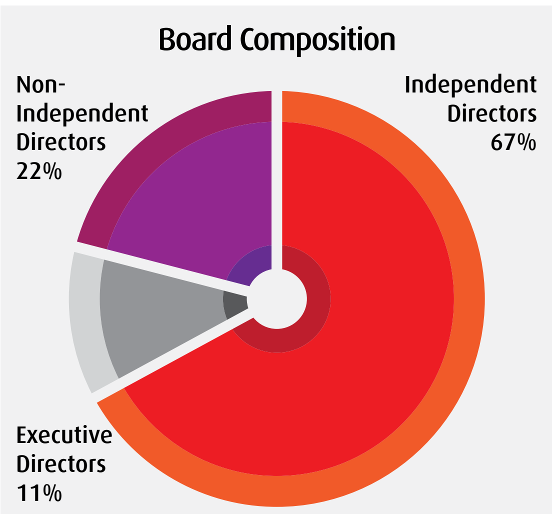
The Directors recognise the need to conduct the business of First Mutual Properties Limited with integrity and following generally accepted corporate governance practices to safeguard stakeholder interests. The company is committed to the principles of good corporate governance based on best global practices. The business continues to review and align its practices with the new Companies and Other Business Entities Act (24:31), SI.134 of 2019 Securities and Exchange (Zimbabwe Stock Exchange Listing Requirements) Rules, and the National Code on Corporate Governance (ZIMCODE). The Group Human Resources and Governance Committee takes a leadership role in shaping the corporate governance practices across the First Mutual Holdings Group.

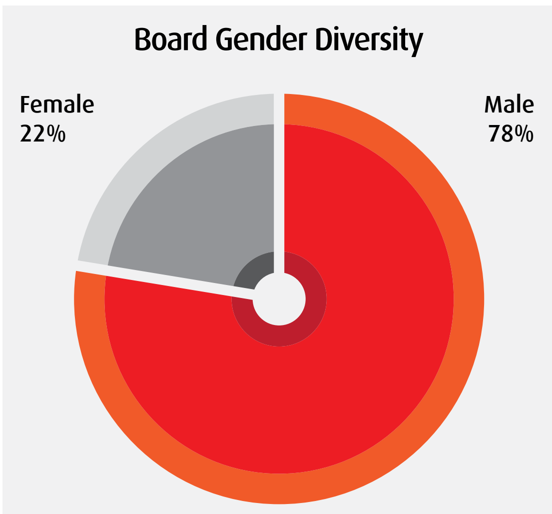
Board Structure



Board Composition

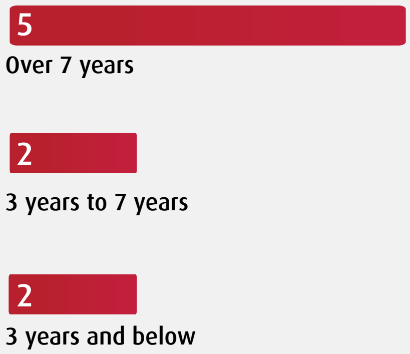
The Board of Directors is chaired by an independent non-executive director and comprises five other independent non-Executive Directors, two non-independent non-executive directors, and one executive director who is the Managing Director. The Board enjoys a strong mix of skills and experience.



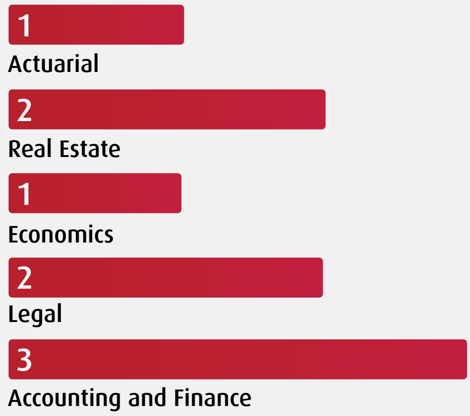


Corporate Governance (continued)

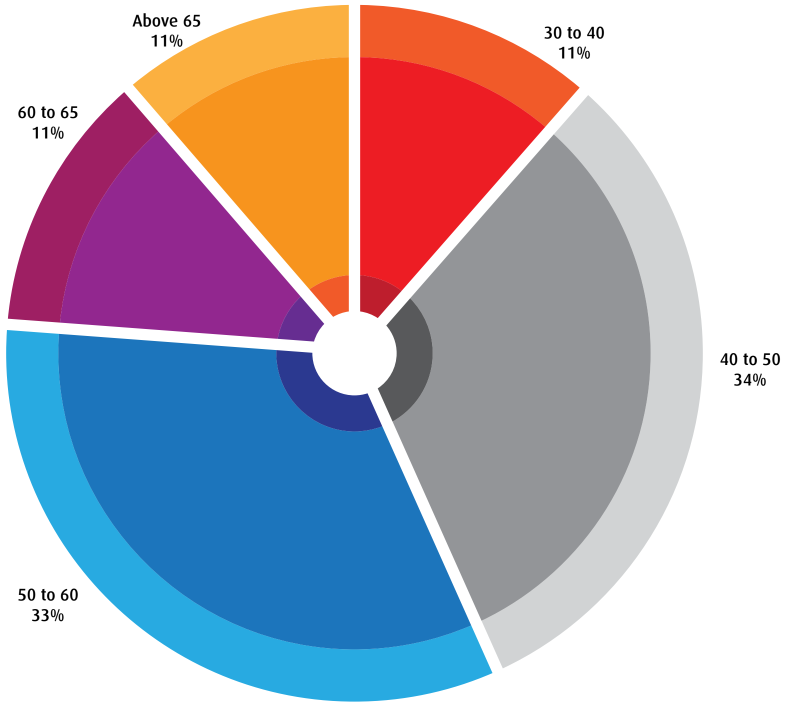
Director Tenure on the Board



Board of Directors Key Skills Distribution



Board of Directors Age Ranges



Board Responsibility

The role of the Board is to determine overall policies, plans, strategies of the company, and to ensure that these are implemented ethically and professionally. The Board has overall responsibility for ensuring the integrity of the company's accounting and financial reporting systems including an independent audit, and appropriate systems of control, risk management, and compliance with laws and regulations. To ensure effectiveness, Board members have unfettered access to information regarding the company's operations which is available through Board meetings, Board and Management Committees as well as Strategic Planning activities organised by the company. Directors may, at the company's expense, seek independent professional advice concerning the company's affairs. A third of the directors are required to retire on a rotational basis each year along with any director(s) appointed to the Board during the year. Executive directors are employed under performance-driven service contracts setting out responsibilities of their particular office, which are only renewed upon meeting the set performance targets.

Corporate Governance (continued)

The Board meets regularly and guides corporate strategy, risk management practices, annual budgets, and business plans. Special Board meetings may be convened on an ad-hoc basis when necessary to consider issues requiring urgent attention or decision. The Company Secretary maintains an attendance register of Directors for all scheduled meetings during the year through which Directors can assess their devotion of sufficient time to the Company. The Board of directors and committees of the Board meet at least once every quarter or more often as the circumstances may require. The meetings of committees precede each quarterly board meeting. The company's shareholders meet at least once every year at the Annual General Meeting. The independent auditors deliver their report at each Annual General Meeting.

Stakeholder Direct Communication with the Board

The Board communicates with its stakeholders in a variety of ways. At Annual General Meetings, shareholders are allowed to ask questions and interact with the board and management, as well as to exercise their vote rights on matters on the agenda. Also, information is conveyed through notices to shareholders, press announcements of interim and year-end results, analysts' briefings, annual reports to shareholders, and material posted on the company website. Communication between the company and its clients is conducted in person, by telephone, mail, and a variety of digital platforms such as WhatsApp, Facebook, mobile apps, and email. A dedicated contact centre was established for client queries.

Board Nomination

The Board of the company is responsible for nominating members to the Board and for filling vacancies on the Board that may occur between annual meetings of shareholders, in each case based upon the recommendation of the Group Human Resources and Governance Committee, in line with the Group's nominations policy. All directors are appointed through a formal, robust and transparent process that reflects broadly the diversity of the shareholders.

Board Evaluation

The Board of Directors conduct an annual self-evaluation to determine whether it and its Committees are functioning effectively. The Group Human Resources and Governance Committee receives comments from all Directors and reports annually to the Board with an assessment of the Board's performance. The assessments are discussed with the full Board each year. The process is conducted annually by the Group Company Secretary and once in every three years an external consultant is engaged to facilitate the process. The assessment focuses on the Board's contribution to the Company and specifically on areas in which the Board or management believes that the Board could improve.

Directors' Remuneration

Directors' fees for non-executive directors and remuneration packages for the Executive director are determined by the Group Human Resources and Governance Committee. The committee seeks to ensure that the Company is geared to compete at the highest levels by attracting and retaining high calibre individuals who contribute fully to the success of the business. Accordingly, a performance related profit share is offered to employees of the Company including executive directors in addition to a basic salary package. The committee draws on external market survey data from independent advisors to ensure that the remuneration policy is appropriate. Non-executive directors' fees are reviewed periodically in line with market practice.

Director's Declaration

As provided by the Companies and other Business Entities Act [Chapter 24:31] and the Company's Articles of Association, the Directors are required to declare at any time during the year, in writing, whether they have any material interest in any contract of significance with the company which could give rise to a conflict of interest.

Business ethics

The company is committed to promoting the highest standards of ethical behaviour amongst all its employees. All employees are required to ensure that the company's business practices are conducted in a manner which in all reasonable circumstances is above reproach. Furthermore, all employees are required to observe the company's Code of Ethics. The company is a subscriber to an independently managed fraud hotline system.

Share Dealing

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

As of 31 December 2021, there were no loans from the Company to any Director.

Corporate Governance (continued)

Board Committees
The Board is supported by various committees in executing its responsibilities. The committees meet at least quarterly to assess and review the company's performance and to provide guidance to management on both operational and policy issues. The company from time to time reviews the number of committees as necessitated by the prevailing environment. Each committee acts within certain written terms of reference under which certain functions of the Board are delegated with clearly defined objectives. The terms of reference and composition of the committees are determined and approved for adoption by the Board on an annual basis. The Board monitors the effectiveness of controls through reviews by the Audit Committee and an independent assessment by independent external auditors. Some board committees are co-shared between the parent company First Mutual Holdings and First Mutual Properties.

The structure and composition of the committees are subject to continuous review and the position as of 31 December 2021 is outlined below.

Audit Committee
As of 31 December 2021, the Audit Committee comprised of three (3) members, one of whom was the Chairperson. The Chairperson and one other are non-executive directors of the company, while one is a non-executive director of another company in the First Mutual Holdings Limited Group. The Managing Director attends the committee by invitation. The external auditors are invited to attend all meetings. Both the internal and independent auditors have unrestricted access to the Audit Committee to ensure their independence and objectivity.

The First Mutual Properties Audit Committee has written terms of reference and is tasked with ensuring financial discipline within the company, sound corporate values, and financial procedures. This Committee is further tasked with reviewing and approving the interim and annual consolidated financial statements of the company and considering any accounting practice changes. The Committee deliberates on the reports and findings of internal and independent auditors and also recommends the appointment of the independent external auditors and approves their fees.

Meeting attendance

Name	Position	Meetings attended	Number of meetings
E Mkondo	Chair	4	4
S Jogi (Dr)	Member	4	4
R Kupara	Member	4	4

Human Resources and Governance Committee
This Committee comprises three (3) non-executive directors of companies from the First Mutual Holdings Group, one of whom is the Chairperson. This committee is mandated to deal with staff development and formulate remuneration policies for the entire First Mutual Holdings Limited Group, as well as to approve remuneration packages for executive directors and senior executives. The Committee is responsible for reviewing the supporting organizational structure in line with the Strategy and makes recommendations to the Board. The Committee reviews recruitment procedures and strives to ensure that staff remuneration packages remain competitive. As well as recommending the remuneration of non-executive directors to the Board, the committee acts as a Nominations Committee for Directors to Boards of companies in the First Mutual Holdings Limited Group. Also, the committee considers wider corporate governance issues and related party transactions.

Name	Position	Meetings attended	Number of meetings
S V Rushwaya	Chair	8	8
E K Moyo	Member	8	8
A R T Manzai	Member	8	8

Corporate Governance (continued)

Investments Committee
As of 31 December 2021, this committee comprised four (4) non-executive directors three of whom are from the First Mutual Holdings Limited Group. The committee formulates investment strategy and policy as well as reviews the performance of money market, equity, and property investments within the First Mutual Holdings Limited Group (Including First Mutual Properties). The committee assists the Board in the implementation of its investment policies and ensures that portfolio management is conducted in accordance with the company's policies.

Name	Position	Meetings attended	Number of meetings
A R T Manzi	Chair	5	5
A Masiiwa	Member	1	5
M Mukondomi	Member	1	5
A Chidakwa (Dr)	Member	5	5

Group Risk Committee
This committee comprises four (4) non-executive directors of First Mutual Holdings Group, one of whom is the chairperson. The committee advises on the Group's overall risk strategy, current risk exposures, and risk governance. The committee considers and approves the remit of the risk management function and reviews reports on material breaches of risk limits, as well as the adequacy of remedial action. The committee also advises the Board on the risk aspects of proposed strategic transactions. The committee liaises with other Board committees as necessary.

Name	Position	Meetings attended	Number of meetings
G Baines	Chair	4	4
E K Moyo	Member	4	4
J Katurura	Member	4	4
M Mukonoweshuro	Member	4	4

Board Meetings
First Mutual Properties Board meetings are held four (4) times a year and the Directors ensure that they give adequate time to discharge their duties effectively. Occasionally, Board meetings may be held at short notice when Board-level decisions of a time critical nature need to be made.

The table below sets out details of each Director's attendance at Board meetings during the year ended 31 December 2021.

Name	Position	Board Meetings attended	No of Meetings
Elisha K Moyo	Chair	7	7
Shasekant Jogi	Member	7	7
Temba Ruvingo	Member	7	7
Sharon Wekwete	Member	6	7
Evlyn Mkondo	Member	7	7
Christopher K Manyowa	Executive	7	7
William M Marere	Member	7	7
Douglas Hoto	Member	7	7
Arnold Chidakwa	Member	7	7

Works Council
The company holds Works Council meetings every quarter. The Council provides a forum for employees to participate in the decision-making process and discuss employees' concerns with management.

Internal Control
Management constantly checks and reviews the systems which are designed to provide maximum accountability at all levels. This includes measures to detect any irregularities or fraudulent activities, monitoring loss prevention, and the systems of internal controls. The internal audit function plays an independent appraisal role in examining and evaluating the company's activities. Its objective is to assist the Board and executive management in the effective discharge of their responsibilities. The scope of the internal audit function is to review the reliability and integrity of financial and operations information, the systems of internal control, the means of safeguarding assets, the efficient management of the company's resources, and the effective conduct of operations. The review mechanism is supported by IT-generated data, procedural, operational, and policy manuals which are periodically updated in line with changes to operational as well as commercial risks within the company's principal activities. The head of the Internal Audit has unrestricted access to the Chairperson of the First Mutual Properties Audit Committee. A report is furnished to directors every quarter, but any items considered to be serious are communicated immediately.

Corporate Governance (continued)

The Group's internal controls are set out in the relevant procedures manuals which also set the required standards and key control activities. Adequate segregation of duties is in place to enhance the effectiveness -of these controls. The accounting policies are reviewed periodically by the First Mutual Properties Limited Audit Committee as well as the independent auditor.

Risk Management
The emphasis of the Company's Risk Management policies is the identification, measurement, and monitoring of all the risks associated with the Company's operations. The key objective is to curtail the risks within the Company to protect assets and earnings against financial losses and legal liabilities. Operational risks are managed through formalised procedures and controls, well trained personnel, and, where appropriate, back-up facilities.

The Company manages risks of all forms especially operational market liquidity, credit risks, and project risks. These risks are identified and monitored through various channels and mechanisms. Emphasis is placed on continuous improvement of systems and ways of working through business process re-engineering as well as internal and external audits.

The internal audit and risk management functions were separated after the adoption of a new Risk Management Policy. First Mutual Properties Limited has its own internal Risk Management Committee. Furthermore, a Group Risk Committee has been established at the First Mutual Holdings Group level. The Board Risk Committee works closely with the other Board Committees, particularly the Audit Committees, to ensure that risk is minimised and to assess the adequacy of the internal controls, making the necessary recommendations to the Board.

Social Responsibility
The Group recognizes its responsibility to the society in which it operates. Pursuant to this, the Group is involved in various charitable endeavours including educational assistance to underprivileged children.

E.K Moyo
Chairman
Harare

23 February 2022

E Mkondo
Audit Committee
Harare

23 February 2022

Statement of The Directors' Responsibilities

31 December 2021

Directors' Responsibilities

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

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

E K Moyo
Chairman
Harare
23 February 2022

C K Manyowa
Managing Director
Harare
23 February 2022

Compliance Matters and Declarations

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

- The Companies and other Business Entities Act (Chapter 24:31);
- Real Estate Institute of Zimbabwe ("REIZ") Regulations;
- Regional, Town and Country Planning Act Chapter (29:12).
- Environmental Management Act Chapter (20:27);
- Public Accountants and Auditors Board Zimbabwe ("PAABZ") Pronouncements;
- Securities and Exchange Commission of Zimbabwe ("SECZIM");
- Zimbabwe Stock Exchange Listing Requirements; and
- Estate Agents Council Act(Chapter 27:17).

Certification of Compliance by the Company Secretary

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

Dulcie Kandwe
Company secretary
23 February 2022

Sustainability Approach

First Mutual Properties took a strategic position on sustainable property development and management in a way that creates long term value for society and the business. This approach helps ensure an equilibrium of social, economic, and environmental values that defines the properties and services we offer to our clients.

Our strategy of developing and managing sustainable properties requires us to maximise social benefits while minimising negative impacts on the natural environment and eco-system from emissions, waste, and pollutants which may come out of our properties and tenants. As such, we try by all means to manage and develop buildings that are eco-friendly and sustainable. We also encourage our tenants to take responsibility for ensuring they manage their operational impacts.
Our sustainability strategy will enhance the evaluation of properties, sustainable construction and management of environmental impacts, resource efficiency, and sustainable procurement processes while we work towards the International Green Certification Standards on our properties.

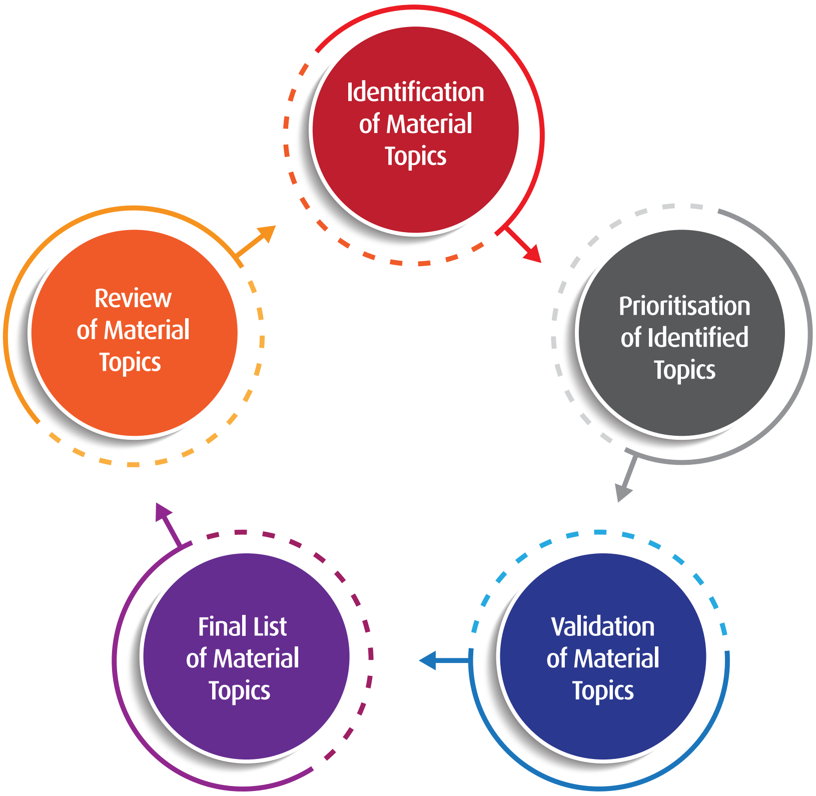
Sustainability Management in Our Business
The board is ultimately responsible for sustainability issues which responsibility is cascaded through the managing director who is supported by a team comprised of the heads of departments. The team is responsible for identifying and bringing sustainability issues to the attention of the managing director. The topics included in the report are approved by the senior executives.

Contractors Management
When we are sourcing contractors we ensure that they meet certain requirements so that they are efficient in the provision of the services required. We have a selection process of contractors through the tendering processes to screen out contractors using the terms required by the regulators. For the construction of buildings, contractors have to be properly registered companies also adhering to the NSSA and occupational health and safety requirements.

Tenants
To manage tenants who have a record of defaulting we also conduct a clearing process. We ensure that potential residential tenants complete a form and bring their ID copies, employer's letter, and a three months bank statement. For companies, we also require them to submit registration documents, and audit reports and if they meet the required criteria we accept the tenants. We regularly carry out inspections of properties to ensure that they are not damaged as a result of irresponsible practices of our tenants.

Materiality
First Mutual Properties conducts a materiality assessment every year to identify the most significant risks and opportunities for the business and its stakeholders. This process is undertaken in alignment with the GRI Standards. We have developed a standardised process for conducting the materiality assessment. In our business, this process involves the review of previous year material topics to determine their relevance in the reporting period. The topics that are considered as still relevant to the operations are pooled together with issues raised by stakeholders during the reporting period and topics commonly reported by businesses in the real estate sector. The identified topics are then ranked by senior management based on their importance to the business and stakeholders. Senior management then validates the final list of prioritised topics for consistency with business activities.

Sustainability Approach (continued)

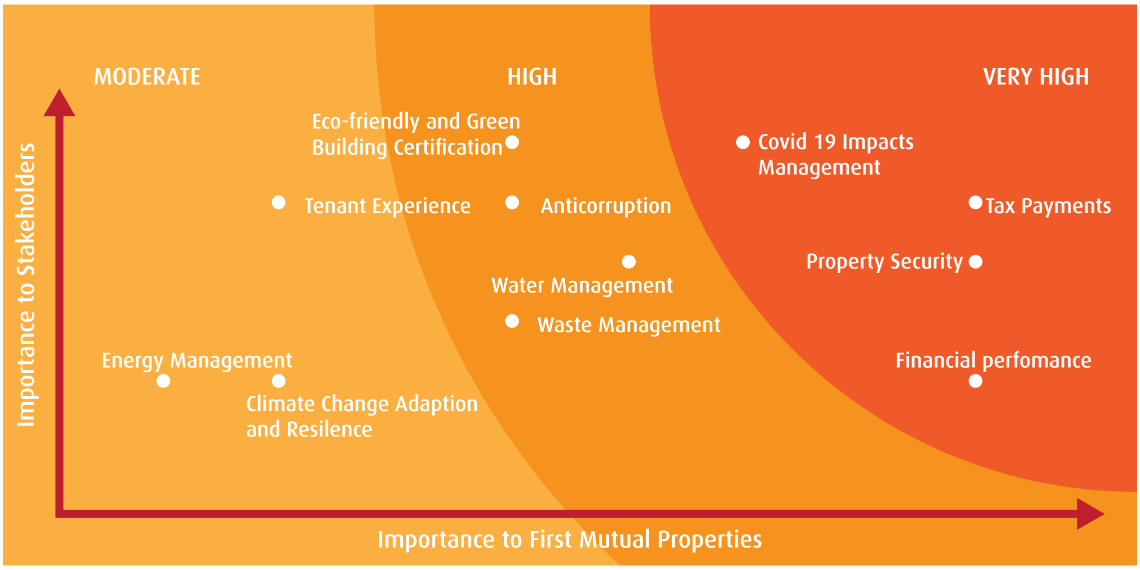


Identified Material Topics

Environmental	Social	Economic
Eco-friendly and Green Building Certification.	Property Security.	Tax Payments.
Water Management.	COVID-19 Impacts Management.	Financial performance.
Waste Management.	Tenant Experience.	Anticorruption.
Climate Change Adaption and Resilience.	Employee training and Development.	Property portfolio.
Energy Management.	Occupational Health and Safety.	Property Valuation.
Management of Tenant Sustainability Impacts.	Availability and Quality of Housing.	
	Local Community Development.	
	Employee Welfare.	

Sustainability Approach (continued)

Materiality Matrix



During the year, COVID-19 Impacts management, tax payments, property security, and financial performance were considered very significant to both stakeholders and the business.

Stakeholder Engagement
Stakeholder engagement at First Mutual Properties provides strategic insights into our key sustainability risks and opportunities. By continuously seeking to understand the needs of our stakeholders, we get insights into their thoughts about how we impact them. The engagement process helps us understand our sustainability context and the business operating environment. This allows us to identify material issues. Stakeholder engagement is a strategic pillar whose responsibility is shared across all employees.

Defining Stakeholder Groups
First Mutual Properties Limited has defined its stakeholders as individuals, groups, or organisations who are impacted by its operations. They have an interest in the success of the business and can be within or outside the company. Meetings are convened with senior management and employees to deliberate on the critical stakeholders for the company. Additional consultations are conducted with specific business functions that directly interface with the stakeholders to determine the ideal engagement approach. During the reporting period the primary stakeholders in our company were identified as follows:

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

Stakeholder engagement helps translate stakeholder needs into company goals and creates the basis of effective strategy development. This process enables us to discover the points of consensus or shared interests. Our business philosophy is to treat all our stakeholders as business partners who provide strategic insights on business risks, opportunities, and future business developments.

Sustainability Approach (continued)

Stakeholder	Key issues raised	FMP response to issues	Engagement Method	Frequency of Engagement
Employees/ Staff	Talent management (recruitment, reward, and retention). Talent optimisation through aligning employees with business strategy.	• Integrated Talent Management System. • Employee engagements. • Workplace Transformation.	• Electronic communication. • Employee updates. • Wellness days. • Training and development.	• Monthly. • Quarterly. • Biannually. • Annually.
Tenants	Maintaining and attracting a new client base. Provision of high-quality infrastructure services.	• Tenant engagements to understand their needs. • Rental deferment and discounts.	• Personal interactions and meetings.	• Daily.
Government and regulators	Regulatory uncertainty	• Ongoing engagement with tax authorities. • Establishment of a dedicated group compliance department to ensure compliance. • Adopting best practices for accounting and reporting.	• Tax legislation • Personal Interactions and meetings with ZSE. • Formal responses on policy and regulation.	• Monthly.
Suppliers	Provision of quality services and products which enhance our properties. Providing sustainable business and growth opportunities that are mutually beneficial transparently and equitably.	• Engagement and support to suppliers to ensure compliance with supplier guidelines and COVID 19 regulations.	• Supplier meetings • Contract meetings.	• Daily.
Shareholders and Potential Investors	Sustainable returns on investments. Effective business growth.	• Continuous strengthening and evaluation of governance structures. • Dividend pay-out. • Engagement with Analysts and investors.	• Annual reports • Analyst briefings • Annual general meetings.	• Annual. • Biannual. • Quarterly.
Communities	Understanding the key social, economic, and environmental concerns of stakeholders. Creating a positive impact on local communities.	• Donations.	• Social media pages and direct engagements. • Television.	• Adhoc.

Responsible Property Management

Building shared values with our tenants

At First Mutual Properties Limited, we value the contribution of our buildings to the wellbeing and comfort of our tenants. We strive to ensure that our buildings offer fulfilment and focus on managing any elements which threaten our tenants' safety and health. We understand that we live during times where expectations have changed, and tenants want properties that present a safe environment where hospitality and peace of mind take centre stage. We must take note of these changes to drive tenant satisfaction. We continue to foster stakeholder engagement to ensure we align our spaces to our client's needs.

We seek to ensure our buildings are attractive by ensuring they coexist with green spaces, these can be in the form of green gardens, and aquariums run as part of our properties. First Mutual Properties believes these efforts will contribute to the wellbeing of our tenants attracting more business to the company and improving our brand image. We also seek to ensure our building meets local and international building standards so that the atmosphere in our properties does not threaten tenants' safety and health.

Joint Sustainability Initiatives with Tenants

A significant portion of the environmental impacts we generate as a business comes directly from our tenants. Their usage of water, electricity, and waste management behaviour can create significant negative impacts. Our business as a property developer and landlord has a greater responsibility for the resultant impacts generated from our properties. Other aspects we are also concerned about are the misuse of our properties and any compliance risks from tenants.

Management Approach

The business seeks to ensure it provides and manages properties that have a minimal sustainability footprint on use by tenants. This explains why we are on the drive to install solar, erect waste management sites, install LED lights while continuously servicing firefighting equipment on all properties. We also conduct inspections to assess tenant use of properties which enables us to identify any property misuse and regulatory violations. In the event of any violations and property damage, the tenant takes care of the associated costs.

The business continues to provide maintenance and repair service for properties to ensure the impacts associated with building use is reduced. Our current goals are as follows:

- To achieve 100% renovations of space.
- To achieve 50% installation of waste management sites and a solar installation on all sites.

The business achieved 40% of the above targets during the year. The business has received feedback that greening properties will attract more tenants as it reduces costs and expenses for us and our business. Tenants, caretakers, and property managers have provided valuable feedback that has directed our actions.

Tenants Experience

Tenants are critical stakeholders to our business; they help drive profitability and reputation in our operations. This makes a positive tenant experience a key outcome for our business. We continue to directly interface with our tenants through our engagements and feedback channels to gain a deeper understanding of tenant needs. These processes enable us to improve and tailor make our services to tenants' needs.

Management Approach

The business has established several processes in the business to measure and improve the tenant experience. The business enables tenants with access to customer relations management through the MRI Portal. Through this portal, tenants can raise their concerns to management. Other tools we use to assess tenant experience include:

- Monthly surveys.
- Provision of contact details such as emails and phone numbers for raising issues.
- Employment of a caretaker at every building to ensure direct assessment and enhance the tenant experience.

The business' approach is aimed at effectively addressing tenant queries while reducing the instances of queries raised towards enhancing tenant satisfaction. We target to achieve 100% client satisfaction. We assess our performance on internal and external audits as well as an assessment and monitoring of queries raised and addressed. We are currently working on addressing the remaining tenant issues as 80% of the issues raised in the previous year have been addressed.

Sustainability Performance

As a business, we continue to appreciate that clients are the ones who can give genuine feedback on our services. We also pay serious attention to feedback received from property caretakers and the issues raised have been incorporated into property management procedures.

Our Green Buildings Mission

Eco-friendly and Green Buildings
First Mutual Properties appreciates the need for Eco-friendly buildings given their benefits for people, the planet, and the business. The company has made significant commitments towards this notion. We are planning the following

- Convert all conventional buildings within our portfolio to green buildings,
- Introduce green leasing (collaborating with tenants to green the properties they rent).
- Embracing green technologies on all new property developments.
- Convert a portion of First Mutual Office Park into a water recycling centre in 2022.

The aspects above represent the actions we seek to take in the long term, in the meantime, we are currently greening our properties by installing LED lights that use minimal amounts of energy as well as administrative aspects like disconnecting high voltage functions such as main borehole water pumps and air conditioning to enhance the life of our solar-powered batteries.

The business is also planning to erect toilets tailored for the disabled in 2022 at Arundel, Mutare, Executive Chambers, Thirty Samora, the Colonnade, and Brynstone House properties. At Arundel wheel chair lifts will also be erected.

The business continues to improve and adopt lessons from its green initiatives. The key realisation that has emerged in the reporting period was that energy consumption can only be reduced if usage is reduced. We are working on monitoring unnecessary usage of energy by installing sensor lights that only switch on when there is movement for specific areas such as the basement. Engagement with stakeholders has assured us that the value of a property would increase and fetched rentals would improve from green building initiatives.

Green Building and Property Valuation
First Mutual is committed to embedding the principles of green buildings and sustainability in all properties. We recognise how it influences the value of properties in the market. Currently, in our local market, we have observed limited market related properties that meet Green Building Standards –which potentially can limit comparable property valuations. However, given the futuristic necessity for green buildings, we continue to embed property management strategies, maintenance, and refurbishment practices that are aligned towards sustainability.

As part of enhancing the value of our properties we undertook the following initiatives:

- Disabled car parking and toilets plus access ramps.
- Commenced the process for solar power on rooftops starting with First Mutual Park and then to roll out to other properties.
- Commenced planning for Arundel Office Park extension with a green building proposal with solar energy, roof mounted, water recycling for use in the toilets, touchless toilets, and urinals, sensor connected lights for the offices, and natural lighting and ventilation.

We evaluate our green buildings goals through internal audits, the Green Building Council of Zimbabwe, and tenant satisfaction. We have received satisfactory feedback on all audits and tenants' feedback.

SUSTAINABILITY PERFORMANCE
First Mutual Properties Limited is committed to minimising negative impacts on the natural environment. We achieve this by monitoring our operations to ensure efficient use of environmental resources such as energy and water which contributes to operational efficiency and long-term sustainability of the company. The business is currently on a drive to ensure all its properties embrace green design principles. We have embarked on an effort to ensure most of our commercial properties have solar energy. The company also conducts impact assessments before development through the Environmental Management Agency- We do not develop properties in wetlands. The company is supported by a team of real estate and other professionals that actively manage our diverse property portfolio. Achieving zero demolitions and penalties are some of the key result areas as a business.

Energy Consumption
Energy is a significant element in our operations used for water heating, lighting, equipment/ appliance uses, and space heating among other uses. Realising that our business operates in an environment of energy constraint, management prioritises energy efficiency within our operations. Generally, our properties depend on grid electricity as the predominant form of consumed energy, though onsite fuel combustion sources are recognised. This makes energy consumption a significant cost for the business. The

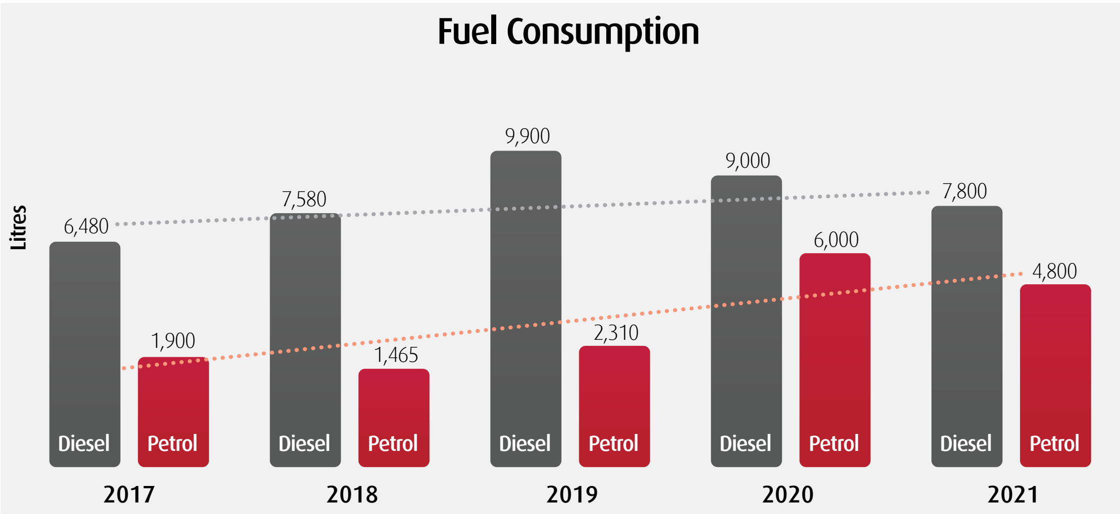
dependence on fossil fuel energy sources has proven to be a significant risk for business given the associated contribution to climate change. First Mutual Properties pay key attention to the risks associated with energy use and also the associated costs that fossil fuel energy sources burden our business with. The business is committed to the management of eco-friendly green buildings that are powered by renewable energy, and are energy efficient. This commitment also comes with challenges such as huge capital investments in solar, the need to engage competent solar engineers, and management processes to prevent overload and faster batteries discharge.

Management Approach

Fuel Consumption	Unit	2021	2020	2019	2018	2017
Diesel	Litres	7,800	9,000	9,900	7,580	6,480
Petrol	Litres	4,800	6,000	2,310	1,465	1,900
Total		12,600	15,000	12,210	9,045	8,380

The company is making strides to ensure that its properties incorporate the green building principles on energy efficiency while investing extensively in solar energy. The business plans to convert all its properties into green buildings. All new property developments will also need to incorporate these changes. The business has completed its solar project at the First Mutual office and is currently monitoring electrical faults on changeovers from Zimbabwe Electrical Supply Authority to Solar and vice versa to avoid high spending on fixing electrical costs that result from these changeovers. We also manage to efficiently use our solar energy to avoid increased fuel consumption if the solar energy is not used in a manner that overloads it and causes batteries to discharge at a fast rate. We are planning to have an auto changeover system to avoid disturbances on employees due to electricity cut off. To increase the lifespan of our solar system we are focusing on the switching off of main pumps, fridges, and air conditioners at night to reduce consumption and increase battery life. We also continue to make an emphasis on the use of LED lights on all buildings, currently, we are now using LED lights at First Mutual Office Park.

Our energy consumption



There was a 13% decline in diesel consumption for generators mostly attributed to the usage of solar energy.

Energy Consumption	Unit	2021	2020	2019	2018	2017
Electricity	Mwh	13,218	4 710	4 479	2 876	2 707

Sustainability Performance (continued)

Water Management

Water is a valuable resource and a basic requirement for human life, client's wellbeing, and the upkeep of our properties. As such, we value this resource and appreciate the need to sustainably use and manage it at all times. The business has boreholes installed at most properties, including Arundel Office Park and First Mutual Park. We have tenants at Industrial Buildings who are involved in manufacturing activities which may contaminate water and have negative impacts on the management of water on these properties. These elements have significant implications for our clients and our operations, as such the company takes high interest and responsibility in water management. We continue to assess water efficiency in our properties considering water availability and usage practices among other factors.

Water withdrawal by Source

Our main sources of water in our premises and facilities are borehole and municipal supplies. We acknowledge that these sources and withdrawal trends have to be managed sustainably to conserve these precious resources. Our properties draw the bulk of their water from municipal supplies and vendors. We have come to understand that water management is an important element of having green buildings, hence we need to come up with sustainable ways and have policies in place that adhere to international water management standards. The use of borehole water helps in reducing pressure and demand for municipal water by other stakeholders. A new water risk has emerged where underground water sources are drying out and the business has to invest in water tanks to store water supplied by third parties. During the year, water supplies were as follows:

Water Consumption	Unit	2021	2020	2019
Municipal	ML	3,099.37	649.20	686.10
Borehole	ML	344.64	40.23	37.24
Total Water Consumption	ML	3,444.01	689.43	723.34

Sustainability Performance (continued)

CARBON FOOTPRINT

Emissions and Climate Change

Climate change has become a key consideration in our daily operations at First Mutual Properties. We contribute to climate change directly through our energy usage within the business and indirectly from the activities of our tenants. The business is cognisant of the risks that we contribute through our operations and we are making an effort to mitigate or reduce our negative contributions. Climate change also presents a risk to our assets through extreme weather events to result in property destruction and loss of value.

Management Approach

The business plans to conduct an impacts assessment to investigate the contributions of its properties to climate change, key considerations will include the incorporation of solar energy to dilute the fossil fuel energy dependence. We are also intending to integrate green building principles in all our new property developments. Waste management is another aspect that we also focus on to reduce greenhouse gases generation from biodegrading waste. One of the major climate change mitigation projects we have been focusing on has been the installation of a solar power plant at First Mutual Office Park, we plan to install solar power for other commercial properties in our portfolio in the future. The business also recognises the challenges in costs it faces in adapting older properties to new green technologies and is currently concentrating these implementations in new property developments.

Greenhouse Gas Emissions

First Mutual Properties calculates its carbon footprint by converting its energy consumption into carbon dioxide (CO2e) equivalency using internationally accepted conversion factors due to the unavailability of nationally adopted conversion factors for Zimbabwe.

Scope 1: Direct Emissions

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

Scope 1 Emissions	2021	2020	2019	2018	2017
Diesel (Kg CO2e litres)	19,596	22,611	24,872	19,043	16,280
Petrol (Kg CO2e Litres)	10,529	13,161	5,067	3,214	4,168
Total Scope 1 Emissions (Kg CO2e)	30,125	35,772	29,939	22,257	20,448

The reduction in the emissions is mostly attributed to a reduction in diesel consumption mostly from generator usage.

Scope 2: Indirect Emissions

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

Scope 2 Emissions	2021	2020	2019	2018	2017
Electricity (Kg CO2e MwH)	13,564	4,833	4,596	2,951	2,778

Waste Management

Our operations generate significant amounts of waste from tenants and business activities. The majority of waste generated is often organic although there is considerable paper and plastic waste generated. Intermittent collection of waste lessens the aesthetic value of our properties thereby threatening our relations with tenants and other stakeholders. The business has little control over the amount of waste generated but has a greater responsibility of ensuring the management of collection and legal disposal of waste. Poor waste management has some negative impacts which include delays in the waste collection by the City Council as it may cause air pollution and expose cleaners to air borne diseases and at construction sites may sometimes cause land and water pollution through harmful substances. Waste also emanates from the materials used during the constructions and renovations done by subcontractors which they might neglect to recycle because of the expense and they might also dump waste and not collect it from sites at First Mutual buildings or construction sites.

Sustainability Performance (continued)

To manage challenges brought by waste generation, the business has put in place the following controls:

- Scheduled waste collection.
- Assessment of building dumping areas for cleanliness.
- Contracted a truck to collect garbage at Arundel Office Park.
- Introduced waste segregation at Arundel Office Park.
- Clearing the sites after construction or after renovations at the properties owned or managed by First Mutual.
- Water usage has been contained at FM Park as well as Arundel as effluent is recycled and used on the water ponds and for gardening as well.

During the year, waste generated was as follows:

Waste Generated	Unit	2021	2020	2019
Solid waste	Tons	336	1 416	1 434

There was a 76% reduction in waste generated as a result of paperless operating procedures implemented in the company. The company also operated on skeletal staff for the greater part of the year due to remote working arrangements.

EMPLOYEES

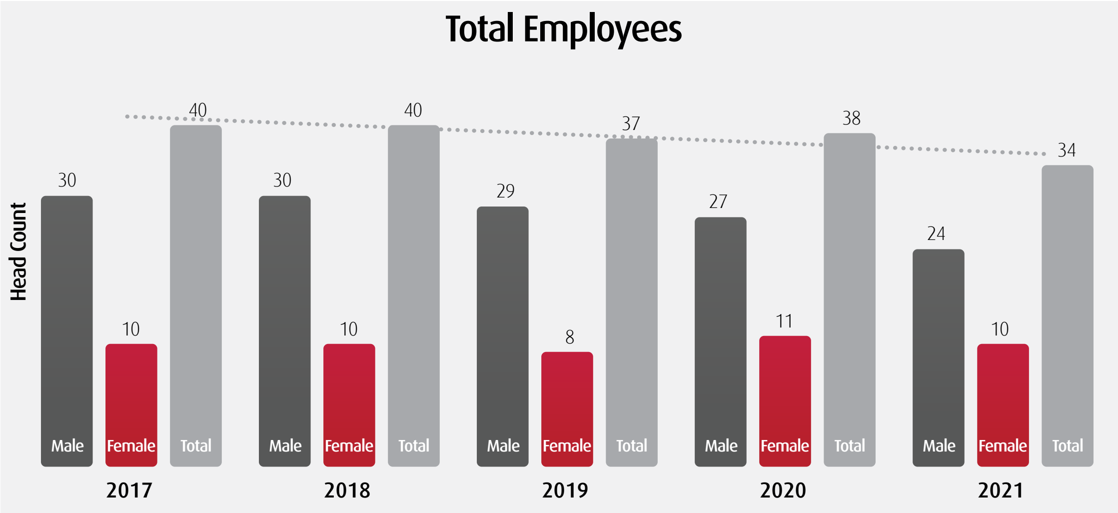
The Company's social impacts strategy provides opportunities for engaging with our employees, communities, and customers to create shared values. The Company's strategy for social impacts is focused on human capital management, community investments, and employee corporate social responsibility. This allows the Company to build a strong social capital that sustains our performance underpinned by a strong human capital base and good community relations. The Company continues to work towards upholding inclusivity, gender, equality, diversity, and social development among our stakeholders.

Human Capital Management

Our employees are central to how we deliver value to our stakeholders and sustain our corporate brands. In light of the radical economy and technological advancement, our employees remain a significant core element of our business. First Mutual Properties recognises that its competitive advantage hinges largely on its human capital and the talent that resides within every one of its employees thus ensuring the holistic wellbeing and development of our employees is catered for. Company management provides an exciting working environment supported by prospects for professional development and employment opportunities. During the year, our employees' base was as follows:

Total Employees	Unit	2021	2020	2019	2018	2017
Male	Count	24	27	29	30	30
Female	Count	10	11	8	10	10
Total	Count	34	38	37	40	40

Sustainability Performance (continued)



Employees Hire

New Employees	Unit	2021	2020	2019	2018	2017
Male	Count	2	-	1	2	4
Female	Count	1	3	-	2	1
Total New Employees	Count	3	3	1	4	5

New Employees by Age	Unit	2021	2020
Under 30 years old	Count	3	2
30- 50 years old	Count	0	1
Total		3	3

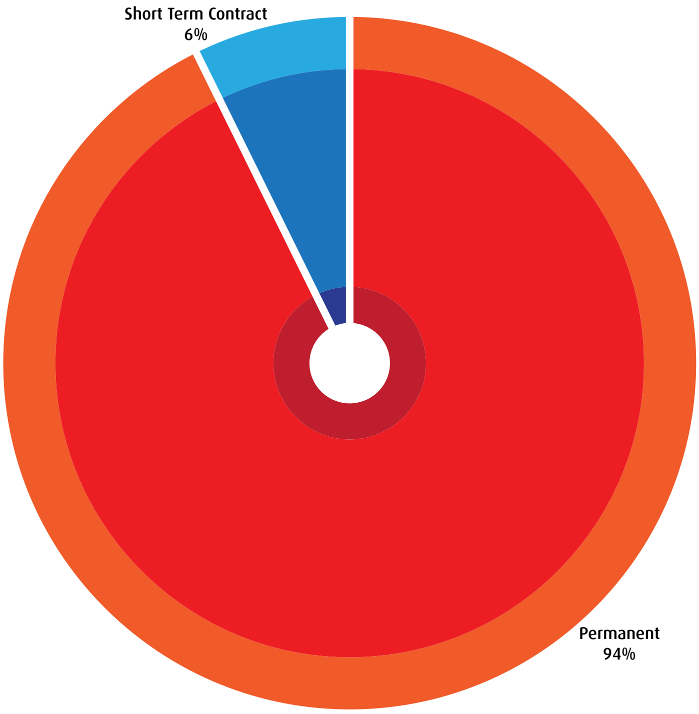
Turnover by Age	Unit	2021	2020
Under 30 years old	Count	3	-
30- 50 years old	Count	2	2
Total		5	2

Sustainability Performance (continued)

Staff turnover rate increased as the business experienced 2 deaths, one due to COVID-19 and the other due to terminal illness.

Employees by Contract type	Unit	2021	2020
Permanent	Count	31	36
Contract	Count	3	2
Total		34	38

2021 Employees by Contract Type



Employee Welfare

We operate in an environment heavily constrained by social and financial challenges which can lead to low engagement, absenteeism, and high turnover leading to poor business performance. Our business is committed to providing physical, emotional, and financial wellness programs to cushion our staff members from the harsh economic environment.

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. The business also provides free physical, emotional, and health programs for its employees. For those employees who require specialised treatment and rehabilitation, we also give them access to specialists. The business has also provided additional medical aid for all its staff members. To manage financial welfare the business hosted two financial welfare events to educate employees on retirement planning and investments. We were also able to provide grocery vouchers at the end of the year for all staff members.

Employee Wellness evaluation

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 the issues that affect staff members. We incorporate the feedback into the following year's human capital strategy.

Sustainability Performance (continued)

Goals

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

The business has received positive feedback from staff members regarding its staff welfare processes. We give credit to the stakeholder engagement processes within the business that has enabled us to meet employee welfare needs.

Occupational Health and Safety

First Mutual Properties Limited attaches great value to staff health and safety in the workplace. Employee wellbeing in the workplace is not only a foundation for the smooth operation of First Mutual Properties 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 our employees at all times.

First Mutual Properties is committed to the provision of a safe and healthy environment for all employees. This is currently being managed through the provisions of the Group Health and Safety Policy. The business conducts scheduled maintenance of elevators and fire suppression systems to assess risks. On an ad-hoc basis, we conduct emergence drills to assess our preparedness for emergencies. The overall goal is to achieve zero fatalities and work-related injuries. The business has no record of a work-related injury but continues to raise awareness on safety and health risks.

The business is committed to the provision of adequate control of health and safety risks arising from our work activities and to providing systems for a prompt and effective response to and control of emergencies to reduce losses and consequences of fire, robbery, and other emergencies. During the year, they were no safety incidences.

Training and Education

Training is a significant pillar of our business enabling First Mutual Properties 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 risks and opportunities. 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 also have training and development programs that are implemented on an annual basis to foster a continuous learning environment. 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 Properties are informed and assessed through employee engagement surveys and other stakeholder engagement processes. These surveys inform our training and development strategies.

Training hours

Below are the average training hours per employee:

Gender	Unit	2021	2020	2019	2018	2017
Male	Hours	43	6	39	59	17
Female	Hours	15	14	39	49	47

Sustainability Performance (continued)

Training by Employee Category	Unit	2021	2020
Executives	Hours	10	2
Senior Management	Hours	16	2
Rank and File	Hours	42	16

The increase in training hours is mostly attributed to the adoption of virtual training which proved to be a less expensive option compared to physical training.

COVID-19 RESPONSE

The COVID-19 pandemic disrupted the normal way of doing business challenging us to be innovative and responsive to our stakeholder needs. As a responsible business First Mutual Properties made an effort to comply with all local and international COVID-19 regulations and guidelines to protect the health of our staff members, customers, and society. The whole process of realigning our business to prevent the spread of the virus came at a cost to the business which was justifiable in that it ensured business continuity.

The COVID-19 pandemic has created a need for employees to work from home or remotely, justifying the need for strengthening our information technology infrastructure and skills. This has led the business to go on an innovation drive rolling out the digitalization program to equip staff with the necessary technical competencies and skills to make remote work secure and efficient.

Management Approach

First Mutual Properties is guided by the wellness policy in the management of COVID-19 impacts. The policy stipulates that employees should be provided with free COVID-19 support such as counselling, masks, sanitisers, gloves, visors, and face shields. The policy also provides work from home quotas of 20% of employees home and work rotation biweekly. These aspects were put in place to ensure business continuity while eliminating business closure from the virus. The business managed to reduce cases of COVID-19 which led to business continuity. There were also positive sentiments from employees regarding its management of COVID-19 and the support is provided.

Indicator	Unit	2021
Tests Conducted	Count	23
Positive cases	Count	8
Negative cases	Count	15
COVID-19 Related Death	Count	1

COMMUNITY INVESTMENTS

First Mutual Properties is committed to the support of local communities through donations and other support for those in need. The business occasionally donates groceries, medicines and provides school fees grants. We seek to help and assist the less privileged in the communities by allocating a percentage of our profits to them.

We are making an effort to make our donations directly to the beneficiaries by eliminating mediators or third parties. We observed instances in which beneficiaries had failed to access donations given. Engagement with the communities has resulted in the realisation that potential beneficiaries may not have access to donated medicines as they cannot access the clinics or hospitals.

Activities

Category	Purpose of Investing in the segment	Beneficiaries	Materials Donated
Education	Supporting talent but disadvantaged students with scholarships	Students	Funding/ Fees -Scholarship

SUSTAINABLE DEVELOPMENT GOALS

The business has identified 3 Sustainable Development Goals (SDG) it believes it can significantly contribute to. The Goals are SDG 4 on Quality Education, SDG 8 on Decent Work and Economic Growth, and SDG 11 on Sustainable Cities. In the future, we will conduct a full mapping of our SDG impacts aligned with our products and materiality assessment.

Sustainability Performance (continued)

Our SDGs Contributions are as follows:

Sustainable Development Goals	Our Actions
4 QUALITY EDUCATION	The business aims to promote quality education (SDG 4) through the First Mutual Foundation scholarships and educational support. Each year we provide funding to schools and students. We support talented but disadvantaged children with tuition so they can achieve their educational goals. We also provide an environment for learning to the institution through the provision of Industrial placement positions and graduate traineeships. During the year we funded scholarships amounting to ZWL $262,574
8 DECENT WORK AND ECONOMIC GROWTH	First Mutual Properties directly supports decent work and economic growth. Our business directly creates employment opportunities within the company and the supply chain. Our local support for entrepreneurs has an add on effect on creating jobs, boosting the economy.
11 SUSTAINABLE CITIES AND COMMUNITIES	We contribute to goal number eleven (11) of the Sustainable Development Goals of making cities and human settlements inclusive, safe, resilient, and sustainable. We ensure our property development projects respond to human settlement needs and business office space. As such, careful planning and designing is made to ensure our properties respond to sustainable cities goals.

ECONOMIC PERFORMANCE

Our business seeks to be the dominant real estate company in Sub Saharan Africa in terms of economic return. Through this aspiration we create economic value from our stakeholders and society as a whole. The key positive impacts we create include job creation, foreign currency earnings, and tax payments which also add to the country's Gross Domestic Product. Our expansion and growth can however create negative impacts on society and the environment if we don't operate responsibly.

Management Approach

Our growth and long-term success as a business is tied to operating responsibly through compliance with town planning and building bylaws. The business conducts strategy and review sessions every year to assess if the business is in line with achieving company goals. We are guided by the dividend policy and the finance procedure manual in our financial management processes. To measure our economic performance, we routinely evaluate our occupancy rate, rental yields, and return on capital employed. Management has committed to declaring a quarterly dividend to its shareholder as part of strengthening its capital raising processes. First Mutual Properties Limited Board of Directors established an Audit Committee that reviews internal audits, internal controls and monitors the integrity of financial statements and a compliance officer monitors and ensures compliance with all regulatory bodies. The business has been consistently declaring a dividend pay-out for the past 5 years. The company's share price has been on a positive trajectory which gives shareholders the confidence that the business is a going concern.

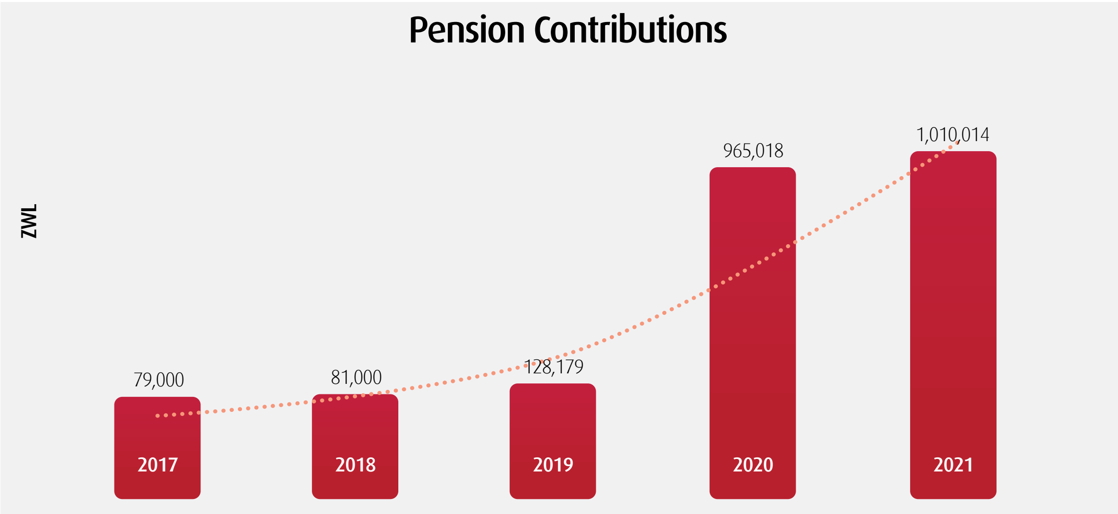
Sustainability Performance (continued)

The economic value we generate and distribute is available in our financial statements on pages 65 to 125

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 to 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. In addition, the Group contributes to a statutory national social security fund.

During the year, our contributions towards pension were as follows:

	2021	2020	2019	2018	2017
Pension Contribution ZWL	1,010,014	965,018	128,179	81,000	79,000



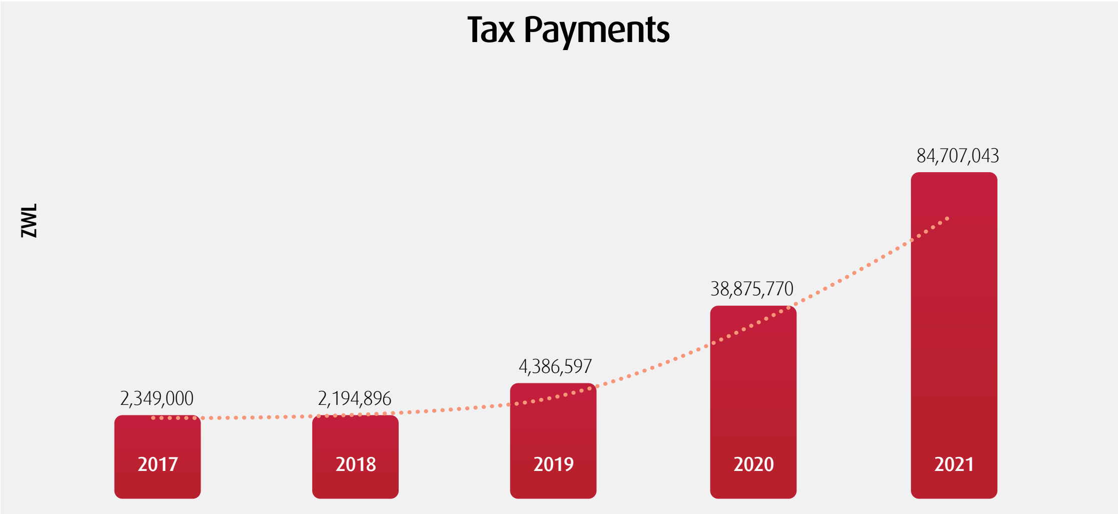
The pension contribution increased by 5% to counter the impacts of inflation on the local currency.

Tax Payments and Strategy
The Group makes payments to the government through taxes. These payments help the government address important developmental issues, maintain infrastructure, and develop national policies for our business operating environment. We believe that being transparent on our tax affairs is a fundamental ethical and good business culture. At First Mutual Properties Limited, our tax strategy is to prioritise paying taxes and ensure we are up to date with tax developments. As such, we have systems in place that help the Company to monitor all tax obligations and ensure compliance with all applicable tax laws and regulations as they develop. Regularly, we engage with the Zimbabwe Revenue Authority (ZIMRA) and tax experts on developments that help inform our tax planning and compliance.

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

	2021	2020	2019	2018	2017
Total Tax Payments (ZWL)	84,707,043	37,875,770	4,386,597	2,194,896	2,349,000

Sustainability Performance (continued)



RISK MANAGEMENT

Our Strategy
First Mutual Properties Limited is exposed to a wide range of risks from our customers and the business operating environment. To manage the risk, we face in our business we take a proactive approach to evaluate the threats we encounter. The Board is committed to increasing stakeholder value through the management of enterprise risks. We believe sustainability leadership at Board and Executive level play a significant role in integrating non-financial risk management in the business. As such, consideration of both financial and non-financial risk is critical to our business activities and enables us to make informed decisions. Our risk management process is aligned with First Mutual Holdings Limited Group's risk management processes.

The function of our Risk Management includes:

- Assisting the Board and Management to develop and maintain our risk management system, and inform the board of any material risks that may have a material effect on First Mutual Properties Limited.
- Identification, monitoring, and mitigation of material risks and promoting a robust risk culture in the organisation.
- Ensuring that there is sufficient capital in place to operate sustainably within the risk appetite and the trending risk profile.

The board is ultimately responsible for risk management in the organisation ensuring that our risk-taking endeavours are well informed. As an organisation, we have set parameters to assess the effectiveness of risk management to continuously monitor and improve ourselves. Our risk management model is structured to focus on strategy and business, enterprise wide, financial, credit, foreign currency, investment, interest, liquidity, and insurance risk. These are managed through committees with the board being overall responsible for Group risk management.

Management Approach
The Group Risk Management Department is headed by the Chief Risk Officer. Its main activities are to address the following issues at each of the business units of the Group:

- Appraising of systems, procedures, and management controls and providing recommendations for improvements;
- Evaluating the integrity of management and financial information;
- Assessing controls over the Group assets; and
- Reviewing compliance with applicable legislation, regulations, Group policies, and procedures.

The Group Internal Audit Department reports to the subsidiary company audit committees and the Group Combined Audit and Actuarial Committee and has unrestricted access to these Committees. Each company within the Group is audited regularly by the internal auditors based on the annual work plan and close communication is maintained between internal and independent auditors.

Financial Risk Management
The Group's internal financial controls are set out in the relevant procedures manuals which also set the required standards and key control activities. Adequate segregation of duties is in place to enhance the effectiveness of these controls. The accounting policies are reviewed periodically by the Group Combined Audit and Actuarial Committee, internal auditors, and independent auditors. The Group Investment Committee set limits on investment risk that individuals and managers can trade on.

Sustainability Performance (continued)

Operational and Business-Related Risk Management

The Company manages operational risks through formalised procedures and controls, well trained personnel, and where necessary back-up facilities. The Company manages risk of all forms including operational, market, reputational, liquidity, and credit risks. These risks are identified and monitored through various channels and mechanisms. The Group Risk Management Department is responsible for the assessment of the overall risk profile which is managed by the Managing Director on an ongoing basis. Emphasis is placed on continuous improvement of systems and ways of working through business process re-engineering as well as internal and external audits. First Mutual Properties has its Internal Risk Management Committee. The Board Risk Committee works closely with the other Board Committees, particularly the Audit Committee, to ensure that risk is minimised and to assess the adequacy of the internal controls, making the necessary recommendations to the Board.

Declaration by Head of Finance

31 December 2021

The financial statements on page 60 to 125 have been prepared under the supervision of the Head of Finance Tafadzwa Muzorewa.

Head of Finance: Tafadzwa Muzorewa MSc Real Estate Finance & Investments (UWE) (UK), BSc Accounting & Finance (UK)

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Independent Auditor's Report

To the Shareholders of First Mutual Properties Limited

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

Qualified Opinion

We have audited the accompanying inflation adjusted consolidated and company financial statements of First Mutual Properties Limited and its subsidiaries ("the Group"), as set out on pages 60 to 125, which comprise the inflation adjusted consolidated and company statement of financial position as at 31 December 2021, the inflation adjusted consolidated and company statements of profit or loss and other comprehensive income, the inflation adjusted consolidated and company statements of changes in equity and the inflation adjusted consolidated and company statements of cash flows for the year then ended, and notes to the inflation adjusted consolidated and company financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the inflation adjusted consolidated and company financial statements present fairly, in all material respects, the financial position of the Group and Company as at 31 December 2021, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Other Business Entities Act (Chapter 24:31).

Basis for qualified opinion

Non-compliance with International Financial Reporting Standards IAS 21 – The Effects of the Changes in Foreign Exchange Rates and IAS 8 – Accounting Policies, Changes In Accounting Estimates and Errors.

As explained in note 2.2 to the group and company inflation adjusted financial statements, the Group's financial statements are presented in Zimbabwean Dollars (ZWL). The Group changed its functional and reporting currency from United States Dollar (US$) to Zimbabwe Dollars (ZWL) on 22 February 2019 in compliance with Statutory Instrument 33 of 2019.

We however believe that the change occurred on 1 October 2018 in terms of IAS21 given the significant monetary and exchange control policy changes witnessed in Zimbabwe from 2016 through to 2019. Management has not made retrospective adjustments in terms of *IAS 8 – Accounting Polices, Changes in Accounting Estimates and* Errors to correct the above matters, as it was not practicable to do so. Our prior year audit report for the year ended 31 December 2020 was modified due to impact of this matter on Retained Earnings and Deferred Tax Liability balances on the inflation adjusted group and company Statement of Financial Position which still comprised of material amounts from opening balances, as well as movements on the inflation adjusted group and company statements of profit or loss, cashflows and changes in equity. Our opinion on the current period's inflation adjusted group and company financial statements is therefore modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.

First Mutual Properties Limited

Valuation of Investment Properties

Our opinion in the prior year was also modified for the incorrect valuation of investment properties where the concern was on applying a conversion rate to a USD valuation to calculate ZWL property values which was not an accurate reflection of market dynamics. The prior year misstatement has not been corrected in terms of *IAS 8 – Accounting Polices, Changes in Accounting Estimates and* Errors. As opening balances enter into the determination of performance, the following amounts on the inflation adjusted group and company Statements of Profit or Loss are impacted:

Group inflation adjusted Statement of Profit or Loss

Fair Value Adjustments ZWL 6 918 360 740 (2020: ZWL 5 143 334 133)

Income tax expense ZWL 1 292 959 539 (2020: ZWL (488 396 475))

Company inflation adjusted Statement of Profit or Loss

Fair Value Adjustments ZWL 4 080 726 018 (2020: ZWL 4 317 271 267)

Income tax expense ZWL (499 042 197) (2020: ZWL 1 120 321)

Consequently, Retained earnings on the inflation adjusted group and company Statements of Financial Position is impacted.

Further, corresponding amounts for Investment Properties and Deferred Tax on the inflation adjusted group and company Statements of Financial Position remain impacted. Our opinion on the current period's inflation adjusted group and company financial statements is therefore modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.

Impact on IAS 29 - Financial Reporting in Hyperinflationary Economies

Furthermore, notwithstanding that IAS 29 has been applied correctly, it is noted that its application on prior year corresponding numbers was based on financial information which was not in compliance with IAS 21/ IAS 8 as described above, therefore the inflation adjusted corresponding numbers for line items above also remains misstated. Consequently, the monetary (losses)/gains stated as follows would have been impacted:

Group Statement of Profit or Loss

Monetary (loss)/gain ZWL (96 046 339) (2020: ZWL (181 783 029))

Company Statement of Profit or Loss

Monetary (loss)/gain ZWL 9 504 994 (2020: ZWL (35 529 071))

The effects of the above departures from IFRS are material but not pervasive to the inflation adjusted financial statements.

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

Key Audit Matters

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

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

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

Key Audit Matter	How our audit addressed the matter
Issue: Current Year Valuation of Investment Properties	
Group • Note 6 – Investment Property • Note 6.1 – Fair Value Hierarchy **Company** • Note 1 – Investment Property • Note 1.1 – Fair Value Hierarchy As included in the above notes to the inflation adjusted consolidated and company financial statements, investment property amounting to ZWL$22 039 000 000 for the Group and ZWL$13 429 007 479 for the Company has been considered to be an area where significant judgements were applied.	We performed audit procedures to assess the adequacy of the valuation which included the following: • Assessed the competence, capabilities and objectivity of management's valuation expert and obtained an understanding of their work. • Inspected profiles of the individuals performing the valuation, in order to assess their experience and competence. • We involved the EY valuation experts to review the work done by management's expert.

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed the matter</th></tr>
<tr><td colspan="2">Issue: Current Year Valuation of Investment Properties</td></tr>
<tr><td>In determining the fair values of investment property, the directors make use of independent external valuers. The determination of the fair value of investment property was considered to be a matter of most significance to our current year audit due to the following:

- Uncertainties resulting from the hyperinflationary environment
- Excessive market volatility
- Lack of transactions conducted in ZWL

Due to the high level of estimation, significant judgement and complexity involved in determining the fair values of the investment properties the valuation of the investment properties was considered to be a Key Audit Matter.</td><td>- Assessed the appropriateness of the valuation methodologies adopted by management's specialist based on our knowledge of the industry.
- Compared the inputs used in the valuation by management's valuation expert with available market data.
- Identified, evaluated, and tested significant assumptions used by management's valuation expert by comparing them to those used by other valuers in the industry.
- Assessed completeness and appropriateness of the investment properties disclosures in accordance with the relevant financial reporting standards.</td></tr>
</table>

Other information

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

In connection with our audit of the inflation adjusted consolidated and company financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the inflation adjusted consolidated and company financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified Opinion section above, the Company did not comply with the requirements of IAS 21 – Effects of Changes in Foreign Exchange Rates and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors as a result of the prior year issues not resolved. Further the valuation of properties was inappropriate in the prior year. Consequently, the application of IAS 29 - Financial Reporting in Hyperinflationary Economies is also impacted due to use of incorrect prior year base numbers. We have concluded that the other information is materially misstated for the same reasons.

First Mutual Properties Limited

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

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

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

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the inflation adjusted consolidated and company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

However, future events or conditions may cause the Group and Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the inflation adjusted consolidated and company financial statements, including the disclosures, and whether the inflation adjusted financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the inflation adjusted consolidated and company financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Ernst & Young

Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors

Harare

Date: 27 April 2022

Consolidated Statement of Financial Position

		Audited Inflation adjusted		Unaudited Historical	
	Note	2021	2020	2021	2020
ASSETS		ZWL	ZWL	ZWL	ZWL
Non-current assets					
Investment property	6	22 039 000 000	15 102 853 422	22 039 000 000	9 395 892 350
Investment in associate	7	12 541 531	-	8 702 073	-
Vehicles and equipment	8	8 167 993	6 817 013	2 833 280	176 279
Financial assets at fair value through profit or loss- Unquoted shares	10	8 438 307	7 613 488	8 438 307	4 736 556
Financial assets at fair value through profit or loss - Quoted shares	10.1	1 398 286	-	1 398 286	-
Financial assets at amortised cost	9	390 498	627 683	390 498	390 498
		22 069 936 615	**15 117 911 606**	**22 060 762 444**	**9 401 195 683**
Current assets					
Inventories		480 749	1 016 296	121 410	181 592
Trade and other receivables	11	212 185 796	83 764 509	192 676 861	49 772 684
Investment property held for sale	6.2	-	78 468 951	-	48 817 650
Cash and cash equivalents	12	230 797 290	199 367 008	230 797 290	124 031 592
		443 463 835	**362 616 764**	**423 595 561**	**222 803 518**
Total assets		**22 513 400 450**	**15 480 528 370**	**22 484 358 005**	**9 623 999 201**
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Ordinary share capital	13	75 479 079	75 479 079	1 198 166	1 198 166
Retained earnings		19 707 167 482	13 958 624 265	19 760 449 547	8 723 959 159
Total shareholders' equity		**19 782 646 561**	**14 034 103 344**	**19 761 647 713**	**8 725 157 325**
Non-current liabilities					
Deferred tax liabilities	14	2 604 895 370	1 354 734 391	2 598 083 000	841 969 685
Current liabilities					
Trade and other payables	15	119 235 865	85 163 286	118 004 638	52 811 351
Current income tax liability	24.3	6 622 654	6 527 349	6 622 654	4 060 840
		125 858 519	**91 690 635**	**124 627 292**	**56 872 191**
Total liabilities		**2 730 753 889**	**1 446 425 026**	**2 722 710 292**	**898 841 876**
Total equity and liabilities		**22 513 400 450**	**15480 528 370**	**22 484 358 005**	**9 623 999 201**

The notes on pages 65 to 108 are an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 23 February 2022 and signed on its behalf by:

CHAIRMAN
E. K. MOYO
23 February 2022

MANAGING DIRECTOR
C. K. MANYOWA
23 February 2022

Consolidated Statement of Comprehensive Income

	Note	Audited Inflation Adjusted 2021 ZWL	Audited Inflation Adjusted 2020 ZWL	Unaudited Historical 2021 ZWL	Unaudited Historical 2020 ZWL
Revenue	16	594 746 584	427 147 144	475 465 488	177 823 207
Allowance for credit losses	17	(24 397 709)	(10 331 288)	(24 397 709)	(6 427 373)
Specific write offs	17	-	(262 090)	-	(163 053)
Property expenses	18	(121 680 605)	(103 321 151)	(95 897 972)	(40 564 654)
Net property income		**448 668 270**	**313 232 615**	**355 169 807**	**130 668 127**
Employee related expenses	19	(157 042 795)	(115 529 680)	(123 622 176)	(53 817 180)
Other expenses	20	(120 179 397)	(84 298 563)	(94 579 620)	(35 285 230)
Net property income after administration expenses		**171 446 078**	**113 404 372**	**136 968 011**	**41 565 717**
Fair value adjustments	21	6 918 360 740	5 143 334 133	12 629 753 627	8 052 577 664
Other income	22	88 441 775	251 147 571	96 776 135	94 208 079
Finance income	23	21 478 918	3 203 447	18 513 856	1 286 452
Net monetary loss		(96 046 339)	(181 783 029)	-	-
Profit before income tax		**7 103 681 172**	**5 329 306 494**	**12 882 011 629**	**8 189 637 912**
Income tax (expense)/credit	24	(1 292 959 539)	488 396 475	(1 798 911 876)	(614 335 834)
Profit for the year		**5 810 721 633**	**5 817 702 969**	**11 083 099 753**	**7 575 302 078**
Total comprehensive profit for the year		**5 810 721 633**	**5 817 702 969**	**11 083 099 753**	**7 575 302 078**
Attributable to:					
-Owners of the parent		5 810 721 633	5 817 702 969	11 083 099 753	7 575 302 078
Profit for the year		**5 810 721 633**	**5 817 702 969**	**11 083 099 753**	**7 575 302 078**
Basic and diluted earnings per share (ZWL cents)	25.1	470	470	896	612

The notes on pages 65 to 108 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

	Note	Ordinary Shares ZWL	Treasury Shares ZWL	Retained earnings ZWL	Shareholders' equity ZWL
		Audited Inflation Adjusted Attributable to owners of the parent			
Balance as at 1 January 2020		**76 877 450**	**(1 398 371)**	**8 179 132 775**	**8 254 611 854**
Profit for the year			-	5 817 702 969	5 817 702 969
Total comprehensive income for the year		**-**	**-**	**5 817 702 969**	**5 817 702 969**
Transactions with owners in their capacity as owners:					
Dividend declared and paid		-	-	(38 211 479)	(38 211 479)
Balance as at 31 December 2020		**76 877 450**	**(1 398 371)**	**13 958 624 265**	**14 034 103 344**
Balance as at 1 January 2021		76 877 450	(1 398 371)	13 958 624 265	14 034 103 344
Profit for the year			-	5 810 721 633	5 810 721 633
Transactions with owners in their capacity as owners:					
Dividend declared and paid		-	-	(62 178 416)	(62 178 416)
Balance as at 31 December 2021		**76 877 450**	**(1 398 371)**	**19 707 167 482**	**19 782 646 561**

The notes on pages 65 to 108 are an integral part of the financial statements.

Consolidated Statement of Changes in Equity

	Note	Ordinary Shares ZWL	Treasury Shares ZWL	Retained earnings ZWL	Shareholders' equity ZWL
		Unaudited Historical Attributable to owners of the parent			
Balance as at 1 January 2020		**1 238 157**	**(39 991)**	**1 159 574 416**	**1 160 772 582**
Profit for the year		-	-	7 575 302 078	7 575 302 078
Total comprehensive income for the year		**-**	**-**	**7 575 302 078**	**7 575 302 078**
Transactions with owners in their capacity as owners:					
Dividend declared and paid			-	(10 917 335)	(10 917 335)
Balance as at 31 December 2021		**1 238 157**	**(39 991)**	**8 723 959 159**	**8 725 157 325**
Total equity at the beginning of the financial year		**1 238 157**	**(39 991)**	**8 723 959 159**	**8 725 157 325**
Profit for the year		-	-	11 083 099 753	11 083 099 753
Total comprehensive income for the year		**-**	**-**	**11 083 099 753**	**11 083 099 753**
Transactions with owners in their capacity as owners:					
Dividend declared and paid		-	-	(46 609 365)	(46 609 365)
Balance as at 31 December 2021		**1 238 157**	**(39 991)**	**19 760 449 547**	**19 761 647 713**

The notes on pages 65 to 108 are an integral part of the financial statements.

Consolidated Statement of Cash Flows

	Note	Audited Inflation Adjusted		Unaudited Historical	
		'2021	'2020	2021	2020
		ZWL	ZWL	ZWL	ZWL
Cash flows from operating activities					
Profit before income tax		7 103 681 172	5 329 306 494	12 882 011 629	8 189 637 912
Adjustment for non-cash items and other adjustments:					
Depreciation	8	3 098 055	2 706 537	495 766	67 750
Allowance for credit losses	17	24 397 709	10 593 378	24 397 709	6 427 373
Fair value adjustment on investment property	21	(6 918 360 740)	(5 143 334 133)	(12 629 753 627)	(8 052 577 664)
Fair value movement on unquoted shares	10	(824 819)	(4 208 467)	(3 701 751)	(4 264 326)
Fair value movement on quoted shares	10.1	(330 851)	-	(501 394)	-
Finance income	23.2	(21 478 918)	(3 203 447)	(18 513 856)	(1 286 452)
Exchange (gain)		(77 705 331)	(224 070 778)	(60 216 936)	(83 897 974)
Net monetary loss		96 046 339	181 783 029	-	-
Dividend received		(1 362 229)	-	(1 055 645)	-
Loss/(Profit) from disposal of investment property		2 278 087	-	(9 915 762)	-
Profit from disposal of vehicles and equipment		(3 027 138)	-	(2 691 603)	-
Other non cash items		647 040	902 811	501 417	274 685
Cash flows generated from operating activities before working capital adjustments		**207 058 376**	**150 475 424**	**181 055 947**	**54 381 304**
Working capital adjustments					
(Increase) in trade and other receivables		(152 818 997)	(37 510 845)	(167 301 887)	(48 352 494)
Decrease/(increase) in inventory		535 547	398 388	60 182	(81 837)
Increase/(Decrease) in trade and other payables		34 072 579	22 156 076	65 193 287	44 647 482
Cash flow from operating activities after working capital adjustments		**88 847 505**	**135 519 043**	**79 007 529**	**50 594 455**
Income tax paid	24.3	(47 520 058)	(37 328 681)	(54 572 826)	(18 641 455)
Net cash generated from operating activities		**41 327 447**	**98 190 362**	**24 434 703**	**31 953 000**
Cash flows from investing activities					
Improvements to investment property	6	(20 985 457)	-	(15 756 372)	-
Purchase of vehicles and equipment	8	(4 451 628)	(283 532)	(3 291 164)	(46 620)
Investment in associate	7	(12 541 531)		(8 702 073)	
Acquisitions of equities	10.1	(1 067 435)		(896 892)	
Proceed on disposal of property, plant and equipment		3 800 090	-	3 430 000	
Proceed on disposal of investment property		79 390 484	-	61 135 762	-
Finance income received	23.2	5 255 956	2 037 634	4 073 048	1 003 431
Dividend received		1 362 229	-	1 055 645	
Net cash generated from investing activities		**50 762 708**	**1 754 102**	**41 047 954**	**956 811**
Cash flows from financing activities					
Dividends paid to Company's shareholders		(56 357 207)	(19 691 146)	(46 609 365)	(10 917 335)
Net cash used in financing activities		**(56 357 207)**	**(19 691 146)**	**(46 609 365)**	**(10 917 335)**
Inflation effect on cashflows		(117 721 074)	(235 764 027)	-	-
Net (decrease)/increase in cash and cash equivalents		**(81 988 126)**	**(155 510 709)**	**18 873 292**	**21 992 476**
Cash and cash equivalents at the beginning of the year		199 367 008	130 806 938	124 031 592	18 141 142
Effects of changes in foreign currency		113 418 408	224 070 779	87 892 406	83 897 974
Cash and cash equivalents at end of the year	**12**	**230 797 290**	**199 367 008**	**230 797 290**	**124 031 592**

The notes on pages 65 to 108 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2021

1 GENERAL INFORMATION

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Statement of Compliance

The Group and Company's financial statements have been prepared in accordance with International Financial Reporting Standard ("IFRS") as issued by the International Standard Board ("ÍASB'), International Financial Reporting Committee (IFRC) as issued by the IFRS Interpretation Committee (IFRS IC) and in a manner required by the Zimbabwe Companies and Other Business entities Act (Chapter 24:31) except for non compliance with IAS 21, Effects of changes in foreign exchange rates and IAS 8, Accounting policies, changes in accounting estimates and errors, valuation of investment properties USD and converting to ZWL at the year end Auction rate and the consequential impact of applying International Accounting Standard 29 (Financial Reporting in Hyperinflationary Economies on incorrect base numbers. The financial statements are based on statutory records that are maintained under the historical cost convention except for Investment Property and equity securities at fair value through profit or loss that have been measured on a fair value basis.

(a) Basis of preparation

The Group and Company's financial statements have been prepared in accordance with International Financial Reporting Standard ("IFRS") as issued by the International Accounting Standards Board ("the IASB"), International Financial Reporting Interpretations Committee ("IFRIC") as issued by the IFRS Interpretations Committee ("IFRS IC") and in a manner required by the Zimbabwe Companies and Other Business Act (Chapter 24:31) of 2019 except for non compliance with IAS 21, Effects of changes in foreign exchange rates and IAS 8, Accounting policies, changes in accounting estimates and errors. The financial statements are based on statutory records that are maintained under the historical cost convention except for investment properties and equity securities at fair value through profit or loss that have been measured on a fair value basis.

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

(b) Inflation adjustments

International Accounting Standard ("IAS") 29 "Financial Reporting in Hyperinflationary Economies" requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of a measuring unit current at the balance sheet date, and that corresponding figures for previous periods be stated in the same terms to the latest balance sheet date. On 11 October 2019, the PAAB issued pronouncement 01/2019 which advised that there was a broad market consensus within the accounting and auditing professions that the factors and characteristics to apply the Financial Reporting in Hyperinflationary Economies Standard (IAS 29), in Zimbabwe have been met. First Mutual Properties Limited has therefore complied with this consensus and has applied IAS 29 accordingly. The restatement has been calculated by means of conversion factors derived from the consumer price index (cpi) prepared by the Zimbabwe Central Statistical Office. The conversion factors used to restate the financial statements at 31 December 2021, using December 2020 base year, are as follows:

Unaudited Historical cost accounting

The financial statements of First Mutual Properties Limited are based on a Unaudited Historical cost except for investment properties which are measured at fair value.

Restatement of non-monetary items

Items in the statement of comprehensive income

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Statement of Compliance (continued)

Items in the statement of financial position

Investment properties
Investment property was revalued as at 31 December 2021 and therefore was not restated as they are already expressed at the measuring unit current at the reporting date.

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

Property, plant and equipment
Vehicles and equipment purchased in September 2018 and earlier carried a $USD value cost hence it was first been translated to a ZWL value as at 30 September 2018 using a rate of 1:1.
Additions during the year ended 31 December 2021 were restated using the conversion factors prevailing in the month of purchase.

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

2.2 Foreign currency translation

(a) Functional and presentation currency
The Group and Company changed its functional currency from United States of America Dollar ("US$") to Zimbabwe Dollar ("ZWL") on 22 February 2019 following promulgation of Statutory Instrument 33 of 2019 ("SI33"). However for the purposes of financial reporting, transactions that happened between 1 January 2019 and 22 February 2019 were converted to ZWL using the rate of US$1:ZWL2.5 in the statement of comprehensive Income. Statement of Financial Position items in US$ were converted to ZWL applying IAS21. The Group has consistently used its functional currency as the presentation currency and has therefore also changed its presentation from US$ to ZWL.

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

2.3 New standards, interpretations and amendments

2.3.1 New standards, interpretations and amendments, effective for the first time for 31 December 2021 year ends that are relevant to the Group and Company.

Standard/interpretation	Effective date	Executive summary
Amendments to IFRS 3: Definition of a Business	1 January 2020	The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Group, but may impact future periods should the Group enter into any business combinations.

2.3 New standards, interpretations and amendments (continued)

2.3.1 New standards, interpretations and amendments, effective for the first time for 31 December 2021 year ends that are relevant to the Group and Company. (continued)

Standard/interpretation	Effective date	Executive summary
Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform	1 January 2020	The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships.
Amendments to IAS 1 and IAS 8 Definition of Material	1 January 2020	The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.
Conceptual Framework for Financial Reporting issued on 29 March 2018	1 January 2020	The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the consolidated financial statements of the Group.
Amendments to IFRS 16 Covid-19 Related Rent Concessions	1 June 2020	On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022. he amendment applies to annual reporting periods beginning on or after 1 April 2021. However, the Group has not received Covid-19-related rent concessions, but plans to apply the practical expedient if it becomes applicable within allowed period of application.

2.3 New standards, interpretations and amendments (continued)

2.3.1 New standards, interpretations and amendments, effective for the first time for 31 December 2021 year ends that are relevant to the Group and Company. (continued)

Standard/interpretation	Effective date	Executive summary
Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	1 January 2022	In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	1 January 2022	In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needsto include when assessing whether a contract is onerous or loss-making. The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.
IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary “as a first-time adopter”	1 January 2022	As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards.The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent’s date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted.
IFRS 9 Financial Instruments – Fees in the ’10 per cent’ test for derecognition of financial liabilities	1 January 2022	As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

2.3 New standards, interpretations and amendments (continued)

2.3.1 New standards, interpretations and amendments, effective for the first time for 31 December 2021 year ends that are relevant to the Group and Company. (continued)

Standard/interpretation	Effective date	Executive summary
Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies	1 January 2023	In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary. The Group is currently assessing the impact of the amendments to determine the impact they will have on the Group's accounting policy disclosures.
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	1 January 2024	In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify: ,What is meant by a right to defer settlement , That a right to defer must exist at the end of the reporting period, That classification is unaffected by the likelihood that an entity will exercise its deferral right , That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

2.4 Basis of consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The consolidated financial statements comprise the financial statements of First Mutual Properties Limited and its subsidiary as at 31 December 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with other equity holders of the investee;
- rights arising from other contractual arrangements and
- the Group's voting rights and potential voting rights.

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

2.4 Basis of consolidation (continued)

(b) Loss of control

If the Group loses control of the subsidiary, it:

- derecognises the assets (including goodwill) and liabilities of the subsidiary;
- derecognises the carrying amount of any non-controlling interest;
- derecognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received or receivable;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss; and
- reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

(c) Separate financial statements of the Company

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

(d) Common control transactions

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

No assets or liabilities are restated to their fair values. Instead, the acquirer incorporates predecessor carrying values. These are the carrying values of the acquired entity. They are generally the carrying amounts of assets and liabilities of the acquired entity from the consolidated financial statements of the highest entity that has common control for which consolidated financial statements are prepared. These amounts include any goodwill recorded at the consolidated level in respect of the acquired entity. If no consolidated financial statements are produced, the values used are those from the financial statements of the acquired entity. Gain or losses on acquisition are accounted directly in the statement of changes in equity utilising available reserves.

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

2.5 Segment reporting

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

2.6 Investment property

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

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Investment in associate

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

Significance influence generally accompanies a shareholding of between 20% and 50% of the voting rights. The Group's investment in its associate is accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

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

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

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

2.8 Vehicles and equipment

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

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

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

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

An item of vehicles and equipment and any significant part initially recognized is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss when the asset is derecognised.

2.9 Impairment of non-financial assets

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

2.9 Impairment of non-financial assets (continued)

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

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

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

2.9.1 Financial instruments - initial recognition and subsequent measurement

2.9.2 Investments and other financial assets

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

(ii) Initial recognition and measurement of financial assets

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

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

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

(iii) Subsequent measurement of financial assets

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

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

(iv) Impairment of financial assets

Simplified approach
The Group and Company applies the simplified approach forward looking to measure expected credit losses. The simplified approach uses a lifetime expected credit loss allowance for all trade receivables. To measure the expected credit losses, rental receivables and operating cost receivables have been grouped based on shared credit characteristics and the days past due. The Group and Company has therefore concluded that the expected credit loss rates for tenant receivables are a reasonable approximation of the loss rates for the receivables. The Group and Company has adjusted the backward-looking incurred credit loss based credit provision into a forward-looking expected credit loss. The expected credit loss rates are based on the following:

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

2.9.2 Financial assets (continued)

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

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

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

2.9.3 Trade and other payables

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

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

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

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

2.10 Trade and other receivables
These are amounts due from tenants and other customers for services offered in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group and Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group and Company's allowance for impairment policies and the calculations are provided in note 13.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Fair value measurement

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

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

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

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

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

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

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

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

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

2.13 Leases

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

2.14 Borrowing costs

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

2.15 Inventories

Consumables

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

Property classified as inventory

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 Share capital

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

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

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

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

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

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

All other assets are classified as non-current.

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

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

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Revenue recognition (continued)

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

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

2.23 Current income and deferred tax

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

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

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

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

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

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

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 Value added tax

Revenues, expenses and assets are recognised net of the amount of value added tax, except when the value added tax incurred on purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

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

2.25 Employment benefits

(i) Post-employment benefits

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

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

(ii) Termination benefits

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

2.26 Selection of a general price index

IAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of a measuring unit current at the balance sheet date, and that corresponding figures for previous periods be stated in the same terms to the latest balance sheet date The restatement has been calculated by means of conversion factors derived from the month-on-month consumer price index ("CPI") prepared by the Zimbabwe National Statistics Agency. The conversion factors used to restate the financial statements as at 31 December 2021 are as follows:

Date	CPI	Conversion factor
31 December 2021	3 977,50	1,00
30 November 2021	3 760,90	1,06
31 October 2021	3 555,90	1,12
30 September 2021	3 342,02	1,19
31 August 2021	3 191,18	1,25
31 July 2021	3 062,93	1,30
30 June 2021	2 986,40	1,33
31 May 2021	2 874,80	1,38
30 April 2021	2 803,60	1,42
31 March 2021	2 759,83	1,44
28 February 2021	2 698,89	1,47
31 January 2021	2 608,79	1,52
31 December 2020	2 474,51	1,61

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.26 Selection of a general price index (continued)

The main considerations and procedures applied for the above-mentioned restatement are as follows:

- financial statements are stated in terms of a measuring unit current at the balance sheet date;
- the corresponding figures for the previous period are restated to the measuring unit current at the balance sheet date;
- monetary assets and liabilities that are carried at amounts current at the balance sheet date are not restated because they are already expressed, in the monetary unit current at the balance sheet date;
- the non-monetary assets and liabilities that are not carried at amounts current at the balance sheet date and component of shareholders' equity are restated by applying the relevant conversion factors from the date of the transaction to the balance sheet date;
- additions to property and equipment acquired are restated using the relevant conversion factors from the date of the transaction to the balance sheet date;
- comparative financial statements are restated using general inflation indices in terms of the measuring unit current at the balance sheet date;
- all items in the statement of comprehensive income are restated by applying the relevant monthly conversion factors;
- the effect of inflation on the net monetary position of the Group and Company is included in the Group and Company's statement of comprehensive income as a gain or loss on net monetary position; and
- items in the cashflow statement are expressed in terms of the measuring unit current at the balance sheet date.

2.27 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.3 Non-current assets held for sale

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

The Group and Company classifies assets as held for sale when the following criteria are met;

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

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

Additional disclosures are provided in Note 6.2

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

3.1 Significant estimates and assumptions

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

3.1.1 Valuation of investment property

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

Valuation approach

Until the economy improves, government's fiscal and monetary policies are consistent, inflation controlled and local currency stability is achieved, it appears prudent to measure property's worth in a stable currency such as the United States dollar.

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

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

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

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

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

3.1.2 Allowance for credit losses

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

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

3.2 Going concern assumption

The Directors have assessed the ability of the Group and Company to continue operating as going concerns and believe that the preparation of these financial statements on a going concern basis is appropriate.
Based in the Unaudited Historical financial performance throughout 2020, and despite the Covid-19 pandemic and induced lockdowns prescribed by government, the business continues to experience sound financial performance, continues to implement futuristic plans in response to the market trends to ensure sustainable earnings and continues to purse borrowing capabilities due to the positive cash flow position. These all provide evidence of business continuity and the thrust to implement strategic plans and targets. It is to this effect that First Mutual Properties Limited financial statements will continue to be prepared under the going concern basis.

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

These risks are managed as follows:

4.1 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its investing and operating activities, including deposits with banks and other financial institutions and financial assets measured at amortised cost.

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

(i) Risk management

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

Analysis by credit quality of trade receivables is as follows:

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

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

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

Group - Audited Inflation Adjusted

31 December 2021	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
Expected loss rate	6,65%	13,37%	32,56%	41,56%	100%	
Gross carrying amount-trade receivables provided for	35 771 769	15 308 189	12 518 386	5 802 720	21 665 187	91 066 251
Credit loss allowance*	**2 380 596**	**2 047 277**	**4 075 610**	**2 411 745**	**21 665 187**	**32 580 415**
Expected loss rate	4,52%	4,52%	4,52%	4,52%	4,52%	
Gross carrying amount-trade receivables provided for	2 555 351	459 375	971 599	3 129 049	6 124 494	13 239 868
Credit loss allowance**	**115 446**	**20 754**	**43 895**	**141 365**	**276 693**	**598 153**
Total credit loss allowance	**2 496 042**	**2 068 031**	**4 119 505**	**2 553 110**	**21 941 880**	**33 178 568**

31 December 2020	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
Expected loss rate	4,92%	7,92%	30,57%	62,21%	100%	
Gross carrying amount-trade receivables provided for	23 867 244	11 285 931	5 078 949	4 198 214	7 880 974	52 311 312
Credit loss allowance	**1 175 179**	**893 707**	**1 552 770**	**2 611 624**	**7 880 974**	**14 114 254**

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

4.1 Credit risk (continued)

Company - Audited Inflation Adjusted

31 December 2021	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
Expected loss rate	6,65%	13,37%	32,56%	41,56%	100%	
Gross carrying amount-trade receivables provided for	31 023 192	12 916 831	9 666 785	5 225 004	20 256 011	79 087 823
Credit loss allowance*	**2 064 580**	**1 727 463**	**3 147 215**	**2 171 633**	**20 256 011**	**29 366 902**
Expected loss rate	4,52%	4,52%	4,52%	4,52%	4,52%	
Gross carrying amount-trade receivables provided for	2 555 351	459 375	971 599	3 129 049	6 124 494	13 239 868
Credit loss allowance**	**115 446**	**20 754**	**43 895**	**141 365**	**276 693**	**598 153**
Total credit loss allowance	**2 180 026**	**1 748 217**	**3 191 110**	**2 312 998**	**20 532 704**	**29 965 055**

31 December 2020	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
Expected loss rate	4,92%	7,92%	30,57%	62,21%	100,00%	
Gross carrying amount-trade receivables provided for	16 105 711	9 189 257	4 401 091	3 081 657	5 594 346	38 372 062
Credit loss allowance	**793 016**	**727 676**	**1 345 531**	**1 917 036**	**5 594 346**	**10 377 605**

*Credit loss allowance at different loss rates
**Credit loss allowance at 4.52%

Group - Unaudited Historical

31 December 2021	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
Expected loss rate	6,65%	13,37%	32,56%	41,56%	100%	
Gross carrying amount-trade receivables provided for	35 771 769	15 308 189	12 518 386	5 802 720	21 665 187	91 066 251
Credit loss allowance*	**2 380 596**	**2 047 277**	**4 075 610**	**2 411 745**	**21 665 187**	**32 580 415**
Expected loss rate	4,52%	4,52%	4,52%	4,52%	4,52%	
Gross carrying amount-trade receivables provided for	2 555 351	459 375	971 599	3 129 049	6 124 494	13 239 868
Credit loss allowance**	**115 446**	**20 754**	**43 895**	**141 365**	**276 693**	**598 153**
Total credit loss allowance	**2 496 042**	**2 068 031**	**4 119 505**	**2 553 110**	**21 941 880**	**33 178 568**

31 December 2020	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
Expected loss rate	4,92%	7,92%	30,57%	62,21%	100%	
Gross carrying amount-trade receivables provided for	14 848 456	7 021 282	3 159 751	2 611 822	4 902 967	32 544 278
Credit loss allowance	**731 111**	**555 999**	**966 020**	**1 624 762**	**4 902 967**	**8 780 859**

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

4.1 Credit risk (continued)

Company - Unaudited Historical

31 December 2021	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
Expected loss rate	6,65%	13,37%	32,56%	41,56%	100%	
Gross carrying amount-trade receivables provided for	31 023 192	12 916 831	9 666 785	5 225 004	20 256 011	79 087 823
Credit loss allowance*	**2 064 580**	**1 727 463**	**3 147 215**	**2 171 633**	**20 256 011**	**29 366 902**
Expected loss rate	4,52%	4,52%	4,52%	4,52%	4,52%	
Gross carrying amount-trade receivables provided for	2 555 351	459 375	971 599	3 129 049	6 124 494	13 239 868
Credit loss allowance**	**115 446**	**20 754**	**43 895**	**141 365**	**276 693**	**598 153**
Total credit loss allowance	**2 180 026**	**1 748 217**	**3 191 110**	**2 312 998**	**20 532 704**	**29 965 055**

31 December 2020	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
Expected loss rate	4,92%	7,92%	30,57%	62,21%	100%	
Gross carrying amount-trade receivables provided for	10 019 797	5 716 885	2 738 037	1 917 182	3 480 394	23 872 295
Credit loss allowance	493 356	452 707	837 091	1 192 640	3 480 394	6 456 188

*Credit loss allowance at different loss rates
**Credit loss allowance at 4.52%

Change of provisioning matrix
At 31 December 2021, 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 2021 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.

The closing credit loss allowances for trade receivables as at 31 December 2021 reconcile to the opening loss allowances as follows:

	Unaudited Historical Amounts			
	Group		**Company**	
	2 021 ZWL	**2 020 ZWL**	**2 021 ZWL**	**2 020 ZWL**
Credit loss allowances as at 31 December 2020	8 780 859	2 353 486	6 456 188	1 577 359
Increase in credit loss allowance recognised in profit or loss during the year	24 397 709	6 427 373	23 508 867	4 878 829
Expected credit losses allowances as at 31 December 2021	**33 178 568**	**8 780 859**	**29 965 055**	**6 456 188**

	Audited Inflation Adjusted			
	Group		Company	
	2 021 ZWL	2 020 ZWL	2 021 ZWL	2 020 ZWL
Credit loss allowances as at 31 December 2020	14 114 254	16 969 841	10 377 605	11 373 567
Increase in credit loss allowance recognised in profit or loss during the year	24 397 709	10 331 288	23 508 867	7 842 176
Inflation effect	(5 333 395)	(13 186 874)	(3 921 417)	(8 838 138)
Expected credit losses allowances as at 31 December 2021	**33 178 568**	**14 114 254**	**29 965 055**	**10 377 605**

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

4.1 Credit risk (continued)

	Audited Inflation Adjusted		Unaudited Historical	
	2 021	**2 020**	**2 021**	**2 020**
The Group's maximum exposure to credit risk by class of financial asset is as follows:	**ZWL**	**ZWL**	**ZWL**	**ZWL**
Financial assets at fair value through profit or loss - Unquoted shares	8 438 307	7 613 488	8 438 307	4 736 556
Financial assets at fair value through profit or loss - Quoted shares	1 398 286	-	1 398 286	-
Financial assets at amortised cost (note 9)	390 498	627 683	390 498	390 498
Trade other receivables (excluding prepayments) (note 11)	127 678 248	75 691 244	127 678 248	47 089 565
Cash and cash equivalents (note 12)	230 797 290	199 367 008	230 797 290	124 031 592
	368 702 629	**283 299 423**	**368 702 629**	**176 248 211**

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

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

The Group holds no collateral in respect of these trade receivables. Trade receivables that are past due, without payment plans and whose chances of recovery are rated remote are considered for specific write-off. An assessment of amounts that are neither past due nor impaired has been done based on the history of the tenant account and management is satisfied with the chances of recovery. Estimation process used with regards to the assessment of the credit quality of trade receivables, using the following broad criteria:

- occupancy status of the tenant;
- length of period of non-payment or adherence to agreed payment plans;
- analysis of results of collection efforts undertaken so far in order to recover the amounts that are past due through inspection of subsequent receipts from tenants, consideration of adherence to payment plans that were in place, and through inspection;
- liquidity, solvency and past payment status of the tenant; and
- security arrangements in place.

Related party expected credit losses
Related party receivables are short term receivables arising from leases entered into with related parties, mainly fellow subsidiaries of First Mutual Holdings Limited and the Company. The Group has assessed that the related parties have sufficient liquid at the reporting date to be able to repay the receivable on demand. No interest is charged on balances due as they are short term. The effect of discounting was assessed to be immaterial therefore no impairment was recognised.

4.2 Liquidity risk

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

As at 31 December 2021, the table below analyses the maturity profile of the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

4.2 Liquidity risk

Group

Maturity profile	On demand ZWL	Less than 3 months ZWL	3 - 12 months ZWL	1 to 5 years ZWL	Total ZWL
Year ended 31 December 2021					
Trade and other payables	109 514 124	-	-	-	109 514 124
Amounts owing to Group companies (Note 26.1.2)	8 490 514	-	-	-	8 490 514
	118 004 638	-	-	-	**118 004 638**
Year ended 31 December 2020					
Trade and other payables	49 585 770	-	-	-	49 585 770
Amounts owing to Group companies (Note 26.1.2)	3 225 581	-	-	-	3 225 581
	52 811 351	-	-	-	**52 811 351**

Company

Maturity profile	On demand ZWL	Less than 3 months ZWL	3 - 12 months ZWL	1 to 5 years ZWL	Total ZWL
Year ended 31 December 2021					
Trade and other payables	108 728 062	-	-	-	108 728 062
Amounts owing to Group companies (Note 26.1.2)	8 490 493	-	-	-	8 490 493
	117 218 555	-	-	-	**117 218 555**
Year ended 31 December 2020					
Trade and other payables	47 690 885	-	-	-	47 690 885
Amounts owing to Group companies (Note 26.1.2)	1 440 457	-	-	-	1 440 457
	49 131 342	-	-	-	**49 131 342**

4.3 Market risk

(i) Equity price risk

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

(ii) Currency risk

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

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

Foreign currency sensitivity

The table below demonstrates the sensitivity of pre tax profits and equity to a 5% change in USD$ and ZWL exchange rates. The effects are assumed to have arisen from movements in foreign denominated rental income and cash and cash equivalents.

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

4.3 Market risk (continued)

Group		Change in USD rate	Effect on profit before income tax ZWL	Effect on equity ZWL
	2021	+5%	23 773 274	29 436 385
		-5%	(23 773 274)	(29 436 385)
	2020	+5%	2 830 120	7 825 481
		-5%	(2 830 120)	(7 825 481)

Company		Change in USD rate	Effect on profit before income tax ZWL	Effect on equity ZWL
	2021	+5%	16 665 582	15 063 803
		-5%	(16 665 582)	(15 063 803)
	2020	+5%	344 761	353 609
		-5%	(344 761)	(353 609)

4.4 Capital management

Capital of the Group comprises equity and retained earnings. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group adjusts the dividend payments to shareholders or issue new shares.

	Audited Inflation Adjusted		Unaudited Historical	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
Maximum borrowing limit (50% of shareholders 'equity)	9 891 323 281	7 017 051 673	9 880 823 857	4 362 578 663
Borrowings	-	-	-	-
Borrowing headroom	**9 891 323 281**	**7 017 051 673**	**9 880 823 857**	**4 362 578 663**

The directors shall borrow an aggregate principal amount at any one time not exceeding 50% of the total shareholders equity as set out in the latest consolidated audited statement of financial position of the Group. As at 31 December 2021, the Group was not exposed to any external capital restrictions (2020: no exposure)

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus debt. The Group includes within net debt interest bearing loans and borrowings less cash and cash equivalents. No changes were made in the objective or processes for managing capital during the years ended 31 December 2021 and 31 December 2020.

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

4.4 Capital management (continued)

	Audited Inflation Adjusted		Unaudited Historical	
The table below sets out the Group's capital position;	2021	2020	2021	2020
Net debt	**ZWL**	**ZWL**	**ZWL**	**ZWL**
Borrowings	-	-	-	-
Loans and other payables	-	-	-	-
Less: cash and cash equivalents	(230 797 290)	(199 367 008)	(230 797 290)	(124 031 592)
	(230 797 290)	(199 367 008)	(230 797 290)	(124 031 592)
Capital				
Ordinary share capital	76 877 450	76 877 450	1 238 157	1 238 157
Treasury shares	(1 398 371)	(1 398 371)	(39 991)	(39 991)
Retained earnings	19 707 167 482	13 958 624 265	19 760 449 548	8 723 959 159
Total capital	**19 782 646 561**	**14 034 103 344**	**19 761 647 714**	**8 725 157 325**
Capital and net debt	**19 551 849 271**	**13 834 736 336**	**19 530 850 424**	**8 601 125 733**

	Audited Inflation Adjusted		Unaudited Historical	
The table below sets out the Company's capital position;	2021	2020	2021	2020
Net debt	**ZWL**	**ZWL**	**ZWL**	**ZWL**
Borrowings/overdraft	-	54 477 491	-	33 891 916
Loans and other payables	-	-	-	-
Less: cash and cash equivalents	(50 359 050)	(34 766 251)	(50 359 050)	(21 629 022)
	(50 359 050)	19 711 240	(50 359 050)	12 262 894
Capital				
Ordinary share capital	76 877 450	76 877 450	1 238 157	1 238 157
Treasury shares	(1 398 371)	(1 398 371)	(39 991)	(39 991)
Retained earnings	14 951 156 362	11 278 123 500	12 144 431 497	5 293 768 002
Total capital	**15 026 635 441**	**11 353 602 579**	**12 145 629 663**	**5 294 966 168**
Capital and net debt	**14 976 276 391**	**11 373 313 819**	**12 095 270 613**	**5 307 229 062**

5 SEGMENTAL REPORTING

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

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

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

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

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

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

5 SEGMENTAL REPORTING (continued)

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

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

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

Major customer
First Mutual Holdings Limited, the parent of the Company and its other subsidiaries contributed 12.28% (FY2020: 12.28%) of total revenue. The operating leases are for lettable space within the office segment.

Segment reporting FOR THE YEAR ENDED 31 DECEMBER 2021

			AUDITED INFLATION ADJUSTED			
All figures in ZWL	**Office**	**Retail**	**Industrial**	**Other**	**Consolidation adjustment**	**Total**
Revenue	348 255 018	152 475 123	59 113 591	36 615 954	(1 713 102)	594 746 584
Allowance for credit losses	(9 004 379)	(5 473 425)	(3 307 586)	(6 612 319)	-	(24 397 709)
Specific write offs	-	-	-	-	-	-
Property expenses	(80 151 533)	(13 747 925)	(3 222 924)	(24 558 223)	-	(121 680 605)
Segment results	**259 099 106**	**133 253 773**	**52 583 081**	**5 445 412**	**(1 713 102)**	**448 668 270**
Net gain from fair value adjustment on investment property	2 924 063 396	1 392 386 974	663 896 218	1 938 014 152	-	6 918 360 740
Segment profit	**3 183 162 502**	**1 525 640 747**	**716 479 299**	**1 943 459 564**	**(1 713 102)**	**7 367 029 010**
Employee related expenses	-	-	-	(157 042 795)	-	(157 042 795)
Other expenses	(20 435 306)	(16 226 907)	(6 111 329)	(138 627 041)	61 221 186	(120 179 397)
Other income	55 031 054	-	-	33 410 721	-	88 441 775
Finance income	11 980 697	3 922 587	2 155 411	3 420 223	-	21 478 918
Net monetary loss					(96 046 339)	(96 046 339)
Profit before income tax	**3 229 738 947**	**1 513 336 427**	**712 523 381**	**1 684 620 672**	**(36 538 255)**	**7 103 681 172**

Reconciliation of segment assets for 2021

All figures in ZWL	**Office**	**Retail**	**Industrial**	**Other**	**Consolidation adjustment**	**Total**
Assets						
Investment property	9 465 000 000	4 492 800 000	2 074 000 000	6 007 200 000		22 039 000 000
Trade receivables (note 11)	37 482 580	16 951 244	9 526 476	7 819 145	(844 237)	70 935 208
Segment assets	**9 502 482 580**	**4 509 751 244**	**2 083 526 476**	**6 015 019 145**	**(844 237)**	**22 109 935 208**
Other non-current assets	-	-	-	30 936 615	-	30 936 615
Other current assets	-	-	-	372 528 627	-	372 528 627
Total assets	**9 502 482 580**	**4 509 751 244**	**2 083 526 476**	**6 418 484 387**	**(844 237)**	**22 513 400 450**
Current liabilities	**28 612 437**	**6 928 538**	**2 327 182**	**87 137 784**	**852 578**	**125 858 519**
Capital expenditure	**1 163 649**	**19 878 242**	**-**	**4 395 194**	**-**	**25 437 085**

5 SEGMENTAL REPORTING (continued)

All figures in ZWL	Unaudited Historical Office	Retail	Industrial	Other	Consolidation adjustment	Total
Revenue	278 409 741	121 895 040	47 257 896	29 272 337	(1 369 526)	475 465 488
Allowance for credit losses	(9 004 379)	(5 473 425)	(3 307 586)	(6 612 319)	-	(24 397 709)
Property expenses	(63 168 402)	(10 834 908)	(2 540 026)	(19 354 636)	-	(95 897 972)
Segment results	**206 236 960**	**105 586 707**	**41 410 284**	**3 305 382**	**(1 369 526)**	**355 169 807**
Net gain from fair value adjustment on investment property	5 337 998 648	2 541 860 000	1 211 970 000	3 537 924 979	-	12 629 753 627
Segment profit	**5 544 235 608**	**2 647 446 707**	**1 253 380 284**	**3 541 230 361**	**(1 369 526)**	**12 984 923 434**
Employee related expenses	-	-	-	(123 622 176)	-	(123 622 176)
Other expenses	(16 082 319)	(12 770 364)	(4 809 536)	(109 097 676)	48 180 275	(94 579 620)
Other income	60 216 936	-	-	36 559 199	-	96 776 135
Finance income	10 326 819	3 381 093	1 857 867	2 948 077	-	18 513 856
Profit before income tax	**5 598 697 044**	**2 638 057 436**	**1 250 428 615**	**3 348 017 785**	**46 810 749**	**12 882 011 629**

Reconciliation of segment assets for 2021

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

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

5 SEGMENTAL REPORTING (continued)

Segment reporting for the year ended 31 December 2020

	AUDITED INFLATION ADJUSTED					
All figures in ZWL	**Office**	**Retail**	**Industrial**	**Other**	**Consolidation adjustment**	**Total**
Revenue	252 216 039	123 942 911	33 570 424	19 230 922	(1 813 152)	427 147 144
Allowance for credit losses	(4 693 813)	(4 507 595)	(259 351)	(1 132 619)	-	(10 593 378)
Property expenses	(50 052 546)	(15 121 171)	(5 499 967)	(32 647 467)	-	(103 321 151)
Segment results	**197 469 680**	**104 314 145**	**27 811 106**	**(14 549 164)**	**(1 813 152)**	**313 232 615**
Net loss from fair value adjustment on investment property	2 237 130 245	1 116 673 006	495 984 444	1 293 546 438	-	5 143 334 133
Segment profit / (loss)	**2 434 599 925**	**1 220 987 151**	**523 795 550**	**1 278 997 274**	**(1 813 152)**	**5 456 566 748**
Employee related expenses	-	-	-	(115 529 680)	-	(115 529 680)
Other expenses	(11 380 401)	(11 569 349)	(4 059 002)	(83 832 745)	26 542 934	(84 298 563)
Other income	221 591 071	-	-	29 556 500	-	251 147 571
Finance income	1 233 735	1 015 123	193 256	761 333	-	3 203 447
Net monetary loss	-	-	-	-	(181 783 029)	(181 783 029)
Profit before income tax	**2 646 044 330**	**1 210 432 925**	**519 929 804**	**1 109 952 682**	**(157 053 247)**	**5 329 306 494**

Reconciliation of segment assets for 2020

All figures in ZWL	**Office**	**Retail**	**Industrial**	**Other**	**Consolidation adjustment**	**Total**
Assets						
Investment property	6 632 295 717	3 135 919 374	1 385 617 486	3 949 020 845	-	15 102 853 422
Trade receivables	35 432 356	12 184 495	2 391 338	8 789 461	(630 237)	58 167 413
Segment assets	**6 667 728 073**	**3 148 103 869**	**1 388 008 824**	**3 957 810 306**	**(630 237)**	**15 161 020 835**
Other non-current assets	-	-	-	15 058 184	-	15 058 184
Other current assets	-	-	-	304 449 351	-	304 449 351
Total assets	**6 667 728 073**	**3 148 103 869**	**1 388 008 824**	**4 277 317 841**	**(630 237)**	**15 480 528 370**
Current liabilities	**26 347 708**	**3 731 062**	**1 215 399**	**590 353 680**	**1 361 096**	**91 690 635**

5 SEGMENTAL REPORTING (continued)

Segment reporting FOR THE YEAR ENDED 31 DECEMBER 2020

	Unaudited Historical					
All figures in ZWL	**Office**	**Retail**	**Industrial**	**Other**	**Consolidation adjustment**	**Total**
Revenue	104 998 630	51 597 971	13 975 513	8 005 916	(754 823)	177 823 207
Allowance for credit losses	(2 808 557)	(2 759 305)	(154 878)	(704 633)	-	(6 427 373)
Specific write offs	(111 591)	(44 991)	(6 471)	-	-	(163 053)
Property expenses	(19 651 003)	(5 936 684)	(2 159 328)	(12 817 639)	-	(40 564 654)
Segment results	**82 427 479**	**42 856 991**	**11 654 836**	**(5 516 356)**	**(754 823)**	**130 668 127**
Net gain from fair value adjustment on investment property	3 502 526 684	1 748 300 980	776 530 000	2 025 220 000	-	8 052 577 664
Segment profit	**3 584 954 163**	**1 791 157 971**	**788 184 836**	**2 019 703 644**	**(754 823)**	**8 183 245 791**
Employee related expenses	-	-	-	(53 817 180)	-	(53 817 180)
Other expenses	(4 763 546)	(4 842 634)	(1 698 995)	(35 090 251)	11 110 196	(35 285 230)
Finance costs	-	-	-	-	-	-
Other income	83 121 127	-	-	11 086 952	-	94 208 079
Finance income	495 448	407 657	77 608	305 739	-	1 286 452
Profit before income tax	**3 663 807 192**	**1 786 722 994**	**786 563 449**	**1 942 188 904**	**10 355 373**	**8 189 637 912**

Reconciliation of segment assets for 2020

All figures in ZWL	**Office**	**Retail**	**Industrial**	**Other**	**Consolidation adjustment**	**Total**
Assets						
Investment property	4 126 130 000	1 950 940 000	862 030 000	2 456 792 350		9 395 892 350
Trade receivables (note 11)	22 043 424	7 580 303	1 487 715	5 468 161	(392 088)	36 187 515
Segment assets	**4 148 173 424**	**1 958 520 303**	**863 517 715**	**2 462 260 511**	**(392 088)**	**9 432 079 865**
Other non-current assets	-	-	-	5 303 333	-	5 303 333
Other current assets	-	-	-	186 616 003	-	186 616 003
Total assets	**4 148 173 424**	**1 958 520 303**	**863 517 715**	**2 654 179 847**	**(392 088)**	**9 623 999 201**
Current liabilities	**16 342 475**	**2 314 235**	**753 866**	**36 617 380**	**844 236**	**56 872 192**

6 INVESTMENT PROPERTY

	Audited Inflation adjusted		Unaudited Historical	
	2021	**2020**	**2021**	**2020**
All figures in ZWL				
As at 1 January	15 102 853 422	10 037 988 240	9 395 892 350	1 392 132 336
Improvements to existing property	20 985 457	-	15 756 372	-
Reclassification to held for sale	-	(78 468 951)	-	(48 817 650)
Fair value adjustments	6 915 161 121	5 143 334 133	12 627 351 278	8 052 577 664
As at 31 December	**22 039 000 000**	**15 102 853 422**	**22 039 000 000**	**9 395 892 350**

6 INVESTMENT PROPERTY (continued)

6.1 Fair value hierarchy

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

All figures in ZWL	AUDITED INFLATION ADJUSTED				
	Group Level 1	Level 2	Level 3	Total	Total gain/(loss) in the period in the statement of of profit or loss
31 December 2021					
CBD offices	-	-	3 825 000 000	3 825 000 000	1 181 673 797
Office parks	-	-	5 640 000 000	5 640 000 000	1 742 389 599
CBD retail	-	-	2 992 800 000	2 992 800 000	927 514 186
Suburban retail	-	-	1 500 000 000	1 500 000 000	464 872 787
Industrial	-	-	2 074 000 000	2 074 000 000	663 896 218
Residential	-	-	834 000 000	834 000 000	269 061 094
Land*	-	-	5 173 200 000	5 173 200 000	1 668 953 059
Total	-	-	**22 039 000 000**	**22 039 000 000**	**6 918 360 740**
31 December 2020					
CBD offices	-	-	2 725 231 500	2 725 231 500	919 243 966
Office parks	-	-	3 907 064 217	3 907 064 217	1 317 886 281
CBD retail	-	-	2 090 795 087	2 090 795 087	744 513 541
Suburban retail	-	-	1 045 124 287	1 045 124 287	372 159 466
Industrial	-	-	1 385 617 486	1 385 617 486	495 984 443
Residential	-	-	548 199 997	548 199 997	179 569 110
Land*	-	-	3 400 820 848	3 400 820 848	1 113 977 326
Total	-	-	**15 102 853 422**	**15 102 853 422**	**5 143 334 133**

All figures in ZWL	Unaudited Historical				
	Group Level 1	Level 2	Level 3	Total	Total gain/(loss) in the period in the statement of of profit or loss
31 December 2021					
CBD offices	-	-	3 825 000 000	3 825 000 000	2 129 560 000
Office parks	-	-	5 640 000 000	5 640 000 000	3 208 438 648
CBD retail	-	-	2 992 800 000	2 992 800 000	1 692 060 000
Suburban retail	-	-	1 500 000 000	1 500 000 000	849 800 000
Industrial	-	-	2 074 000 000	2 074 000 000	1 211 970 000
Residential	-	-	834 000 000	834 000 000	478 064 979
Land*	-	-	5 173 200 000	5 173 200 000	3 059 860 000
Total	-	-	**22 039 000 000**	**22 039 000 000**	**12 629 753 627**
31 December 2020					
CBD offices	-	-	1 695 440 000	1 695 440 000	1 498 928 127
Office parks	-	-	2 430 690 000	2 430 690 000	2 003 598 557
CBD retail	-	-	1 300 740 000	1 300 740 000	1 165 300 980
Suburban retail	-	-	650 200 000	650 200 000	583 000 000
Industrial	-	-	862 030 000	862 030 000	776 530 000
Residential	-	-	341 050 000	341 050 000	272 380 000
Land*	-	-	2 115 742 350	2 115 742 350	1 752 840 000
Total	-	-	**9 395 892 350**	**9 395 892 350**	**8 052 577 664**

Gains and losses recorded in profit or loss for recurring fair value measurements categorised within level 3 of the fair value hierarchy amount to ZWL12.630 billion (2020: ZWL8.053 billion) and are presented in the consolidated statement of profit or loss in line item 'fair value adjustments'

6 INVESTMENT PROPERTY (continued)

6.1 Fair value hierarchy (continued)

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

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

All amount in ZWL

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

Notes to the Consolidated Financial Statements (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

6 INVESTMENT PROPERTY (continued)

6.1 Fair value hierarchy (continued)

Class of property	Fair value 31 2020 December 2020 ZWL	Valuation technique	Key unobservable inputs	Range	weighted average
CBD offices	1 695 440 000	Income Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL500-ZWL700 12.00%-18.00%	26%
Office parks	2 430 690 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL700-ZWL850 10.00%-11.00%	13%
CBD retail*	1 300 740 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL750-ZWL2000 6.00%-13.00%	0%
Suburban retail*	650 200 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL165-ZWL1300 9.00%-11.00%	0%
Industrial	862 030 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL75-ZWL400 14.00%-18.00%	0%
Residential	341 050 000	Market comparable	Comparable transacted properties prices		
Land - residential	3 270 000	Market comparable	Rate per square metre	ZWL1300.00-ZWL2500.00	
Land - commercial	2 112 472 350	Market comparable	Rate per square metre	ZWL425.00-ZWL7400.00	
Total	**9 395 892 350**				

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

6 INVESTMENT PROPERTY (continued)

6.1 Fair value hierarchy (continued)

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

	Lettable space m2		% of portfolio	
	December 2021	December 2020	December 2021	December 2020
Sector				
CBD offices	31 760	32 518	25,72%	26,34%
Office park	25 769	25 770	20,86%	20,87%
CBD retail	21 267	20 327	17,22%	16,47%
Suburban retail	7 723	7 723	6,25%	6,26%
Industrial	36 997	37 113	29,95%	30,06%
Total	**123 516**	**123 451**	**100,00%**	**100,00%**

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

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

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

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

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

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

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

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

	Audited Inflation Adjusted		Unaudited Historical	
	2 021 ZWL	2 020 ZWL	2 021 ZWL	2 020 ZWL
Within 1 year	86 005 092	362 823 036	86 005 092	110 390 739
Later than one year but not later than 5 years	784 512 290	470 136 716	784 512 290	143 041 467
Later than 5 years	6 019 200	17 041 214	6 019 200	5 184 876
Total	**876 536 582**	**850 000 966**	**876 536 582**	**258 617 082**

6 INVESTMENT PROPERTY (continued)

6.1 Fair value hierarchy (continued)

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

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

Sensitivity analysis.

	2021		2020	
All figures in ZWL	**Increase in yield 10% ZWL**	**Decrease in yield 10% ZWL**	**Increase in yield 10% ZWL**	**Decrease in yield 10% ZWL**
Investment property	(7 079 286 116)	19 798 466 691	(3 274 771 488)	10 810 127 755
Deferred tax effect	1 749 999 528	(4 894 180 966)	809 523 512	(2 672 263 581)
Profit for the year	(5 329 286 588)	14 904 285 725	(2 465 247 976)	8 137 864 174
Equity	(5 329 286 588)	14 904 285 725	(2 465 247 976)	8 137 864 174

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

Investment property is stated at fair value, which was determined based on valuations performed by Knight Frank Zimbabwe, an independent property valuer, as at 31 December 2021 and 31 December 2020. Investment property is stated based on a full valuation. Knight Frank Zimbabwe is an industry specialist in valuing the types of properties owned by the Group and Company. The fair values of the property portfolio have been determined using income capitalisation method except for land and residential properties whose fair values are determined using comparable transactions. Valuation models in accordance with those recommended by the International Valuation Standards Committee have been applied.

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

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

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

6 INVESTMENT PROPERTY (continued)

6.1 Fair value hierarchy (continued)

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

On an annual basis, after the Management Committee has discussed the valuations with the internal Valuation Department, they present the valuation results to the Audit Committee and the Group's independent auditor. This includes a discussion of the major assumptions used in the valuations, with an emphasis on:

- properties with fair value changes that are abnormal; and
- investment properties under construction.

6.2 Investment property held for sale

During the year ended 31 December 2020, the directors of First Mutual Properties Limited decided to dispose of a residential parcel of land, known as 103 Kingsmead Road, Borrowdale, Harare as part of the Group's ongoing capital recycling strategy. Conditions for the classification as held for sale (as stipulated in IFRS 5- Non-current assets held for sale and discontinued operations) were met as at 31 December 2020. The company managed to find a buyer and the sale was competed on 31 July 2021. The asset was reclassified to current assets from investment property as disclosed below.

Investment property held for sale	**Audited Inflation Adjusted**		**Unaudited Historical**	
	2021 ZWL	**2020 ZWL**	**2021 ZWL**	**2020 ZWL**
As at 1 January	78 468 951	-	48 817 650	-
Reclassification to held for sale	-	78 468 951	-	48 817 650
Fair value adjustment	3 199 621	-	2 402 350	-
Disposal	(81 668 572)	-	(51 220 000)	-
As at 31 December	**-**	**78 468 951**	**-**	**48 817 650**

7 INVESTMENT IN ASSOCIATE

	Audited Inflation Adjusted		**Unaudited Historical**	
	2021 ZWL	**2020 ZWL**	**2021 ZWL**	**2020 ZWL**
As at 1 January				
Additions	12 541 531	-	8 702 073	-
As at 31 December	**12 541 531**	**-**	**8 702 073**	**-**

During March 2021, The Group contributed to the construction of the solar project at First Mutual Park through a special purpose vehicle (Infrastructure Fund Zimbabwe (Private) Limited). The Group holds 24.41% interest in Infrastructure Fund Zimbabwe (Private) Limited as a result of the capital contribution, which resulted in the Group having significant influence. The investment was equity accounted for as per the requirements of IAS 28. There was no share of profits during 2021 as the project is still under its commissioning stage.

The company is a separate purpose vehicle under which the Group have contributed to construction of the solar project. The separate purpose vehicle have not yet generated income and incurred expenses since it is still under commission stage at the reporting date. All the cost incurred in the separate purpose vehicle were capitalised.

Below is a summary of the total capitalised costs of the associate.

	Audited Inflation Adjusted		**Unaudited Historical**	
	2021 ZWL	**2020 ZWL**	**2021 ZWL**	**2020 ZWL**
Total cost capitalised	51 380 286	-	35 650 749	-
	51 380 286	**-**	**35 650 749**	**-**

8 VEHICLES AND EQUIPMENT INFLATION ADJUSTED

All figures in ZWL

	Audited Inflation Adjusted Group					
Year ended	**Motor vehicles**	**Computers**	**Office equipment**	**Equipment and machinery**	**Office furniture**	**Total**
31 December 2020						
Opening net book amount	-	3 060 435	3 637 796	317 815	2 223 972	9 240 018
Additions	-	260 469	23 063	-	-	283 532
Depreciation charge	-	(951 849)	(1 206 408)	(86 495)	(461 785)	(2 706 537)
Closing net book amount	**-**	**2 369 055**	**2 454 451**	**231 320**	**1 762 187**	**6 817 013**
As at 31 December 2020						
Cost	11 570 981	8 701 178	12 844 941	10 546 281	6 437 669	50 101 050
Accumulated depreciation	(11 570 981)	(6 332 123)	(10 390 490)	(10 314 961)	(4 675 482)	(43 284 037)
Net book amount	**-**	**2 369 055**	**2 454 451**	**231 320**	**1 762 187**	**6 817 013**
Year ended 31 December 2021						
Opening net book amount	-	2 369 055	2 454 451	231 320	1 762 187	6 817 013
Additions	-	4 329 845	121 783	-	-	4 451 628
Disposals	-	(172 191)	-	-	-	(172 191)
Depreciation disposal	-	169 598	-	-	-	169 598
Depreciation charge	-	(1 668 581)	(912 769)	(80 455)	(436 250)	(3 098 055)
Closing net book amount	**-**	**5 027 726**	**1 663 465**	**150 865**	**1 325 937**	**8 167 993**
As at 31 December 2021						
Cost	11 478 181	12 858 833	12 966 724	10 546 281	6 437 669	54 287 688
Accumulated depreciation	(11 478 181)	(7 831 107)	(11 303 259)	(10 395 416)	(5 111 732)	(46 119 695)
Net book amount	**-**	**5 027 726**	**1 663 465**	**150 865**	**1 325 937**	**8 167 993**

8 VEHICLES AND EQUIPMENT

HISTORICAL GROUP

All figures in ZWL

Year ended	Motor vehicles	Computers	Office equipment	Equipment and machinery	Office furniture	Total
31 December 2020						
Opening net book amount	-	79 401	77 668	8 192	32 148	197 409
Additions	-	41 921	4 699	-	-	46 620
Depreciation charge	-	(26 242)	(32 676)	(6 914)	(1 918)	(67 750)
Closing net book amount	**-**	**95 080**	**49 691**	**1 278**	**30 230**	**176 279**
As at 31 December 2020						
Cost	186 357	211 384	217 157	173 365	103 684	891 947
Accumulated depreciation	(186 357)	(116 304)	(167 466)	(172 087)	(73 454)	(715 668)
Net book amount	**-**	**95 080**	**49 691**	**1 278**	**30 230**	**176 279**
Year ended 31 December 2021						
Opening net book amount	-	95 080	49 691	1 278	30 230	176 279
Additions	-	3 206 664	84 500	-	-	3 291 164
Disposals	-	(172 191)	-	-	-	(172 191)
Depreciation disposal	-	33 794				33 794
Depreciation charge	-	(453 892)	(33 710)	(1 006)	(7 158)	(495 766)
Closing net book amount	**-**	**2 709 455**	**100 481**	**272**	**23 072**	**2 833 280**
As at 31 December 2021						
Cost	186 357	3 245 858	301 657	103 682	173 365	4 010 919
Accumulated depreciation	(186 357)	(536 403)	(201 176)	(103 410)	(150 293)	(1 177 639)
Net book amount	**-**	**2 709 455**	**100 481**	**272**	**23 072**	**2 833 280**

9 FINANCIAL ASSETS AT AMORTISED COST

	Audited Inflation adjusted		Unaudited Historical	
	2021	**2020**	**2021**	**2020**
As at 1 January	627 683	2 815 694	390 498	390 498
Loss due to inflation adjustment	(237 185)	(2 188 011)	-	-
Amortised interest	646 323	221 363	500 861	67 350
Repayments of interest	(646 323)	(221 363)	(500 861)	(67 350)
As at 31 December	**390 498**	**627 683**	**390 498**	**390 498**
Short-term portion	-	-	-	-
Long-term portion	390 498	627 683	390 498	390 498
Total	**390 498**	**627 683**	**390 498**	**390 498**

The carrying amounts closely approximate the fair values of the financial assets at amortised cost. The financial assets are held to maturity.

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

All figures in ZWL	Audited Inflation adjusted		Unaudited Historical	
	2021	**2020**	**2021**	**2020**
As at 1 January	7 613 488	3 405 021	4 736 556	472 230
Fair value adjustment	824 819	4 208 467	3 701 751	4 264 326
As at 31 December	**8 438 307**	**7 613 488**	**8 438 307**	**4 736 556**

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

The Group has an investment of 8.91% of the ordinary shares of First Mutual Property Fund One (Private) Limited ("FMPFO") which is incorporated and domiciled in Zimbabwe and is unquoted. The fair value of the Group's investment in FMPFO is based on the net asset value of FMPFO. FMPFO is a property holding company which owns one building that is leased out to one tenant. The building constitutes 98% of the total assets of FMPFO. The fair value of the building was therefore a significant element in determining the net asset value of FMPFO. The building was valued by an independent valuer using the income approach. The investment in FMPFO is categorised as level 3 in the IFRS 13 'Fair value measurement' hierarchy. This implies that the fair value is determined with reference to unobservable inputs. Key unobservable inputs used in the valuation included rental per square metre and the capital rate/prime yield. The total lettable space is 2 508 square metres (2020: 2 508 square metres).

The key inputs that were used to value the building that is owned by FMPFO are:

Class of property	Fair Value as at 31 December 2021	Fair Value as at 31 December 2 020	Valuation technique	Key unobservable inputs	Range of inputs 2 021	2 020
Fair value of the Full Fund (CBD retail)	123 750 000	53 160 000	Income capitalisation	Rental per square metre *	ZWL980-ZWL1600	ZWL80-ZWL250
				Capital rate/yield	4.00%-5.00%	9.00%-11.00%

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

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

All figures in ZWL	Audited Inflation Adjusted 2021	2020	Unaudited Historical 2021	2020
As at 1 January				
Additions	1 067 435	-	896 892	-
Fair value adjustment	330 851	-	501 394	-
As at 31 December	**1 398 286**	**-**	**1 398 286**	**-**

These are quoted equity investments in Delta (Pvt)Ltd. The fair value of the shares is determined by the value of the share price

11 TRADE AND OTHER RECEIVABLES

All figures in ZWL	Audited Inflation Adjusted 2021 ZWL	2020 ZWL	Unaudited Historical 2021 ZWL	2020 ZWL
Tenant receivables	72 226 417	49 769 957	72 226 417	30 963 233
Tenant operating cost recoveries	31 887 359	22 511 710	31 887 359	14 005 141
Trade receivables	**104 113 776**	**72 281 667**	**104 113 776**	**44 968 374**
Less: allowance for credit losses	(33 178 568)	(14 114 254)	(33 178 568)	(8 780 859)
Net trade debtors	**70 935 208**	**58 167 413**	**70 935 208**	**36 187 515**
Prepayments - other	117 686 117	22 187 521	98 177 182	11 463 978
Staff debtors	12 579 537	3 409 575	12 579 537	2 121 191
Group companies receivables	10 984 934	-	10 984 934	-
Total trade and other receivables	**212 185 796**	**83 764 509**	**192 676 861**	**49 772 684**

11 TRADE AND OTHER RECEIVABLES

Reconciliation of gross trade receivables	Audited Inflation Adjusted		Unaudited Historical	
	2 021	2 020	2 021	2 020
	ZWL	ZWL	ZWL	ZWL
As at 1 January	72 281 666	47 087 984	44 968 374	6 530 462
Add: charge for the year	582 266 947	422 047 966	465 720 877	175 625 667
Recovery due to payments	(406 575 475)	(220 514 080)	(406 575 475)	(137 187 755)
Inflation effect	(143 859 361)	(176 340 204)		
As at 31 December	**104 113 777**	**72 281 666**	**104 113 776**	**44 968 374**
Reconciliation of allowance for credit losses				
As at 1 January	14 114 254	16 969 844	8 780 859	2 353 486
Add: charge for the year	47 059 756	51 638 429	41 959 426	38 437 912
Recovery due to payments	(22 662 047)	(41 307 141)	(17 561 717)	(32 010 539)
Inflation effect	(5 333 395)	(13 186 878)		
As at 31 December	**33 178 568**	**14 114 254**	**33 178 568**	**8 780 859**

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

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

	Audited Inflation Adjusted		
Year ended 31 December 2021 All figures in ZWL	**Individually impaired**	**Collectively impaired**	**Total**
	ZWL	ZWL	ZWL
As at 1 January	12 673 039	4 296 805	16 969 844
Charge for the year	9 507 454	823 834	10 331 288
Inflation effect	(9 847 928)	(3 338 950)	(13 186 878)
As at 31 December 2020	**12 332 565**	**1 781 689**	**14 114 254**
Year ended 31 December 2021			
As at 1 January	12 332 565	1 781 689	14 114 254
Charge for the year	21 758 155	2 639 554	24 397 709
Inflation effect	(4 660 144)	(673 251)	(5 333 395)
As at 31 December 2021	**29 430 576**	**3 747 992**	**33 178 568**

	Unaudited Historical		
Year ended 31 December 2021 **All figures in ZWL**	**Individually impaired**	**Collectively impaired**	**Total**
	ZWL	ZWL	ZWL
As at 1 January	1 757 578	595 908	2 353 486
Charge for the year	5 914 844	512 529	6 427 373
As at 31 December 2020	**7 672 422**	**1 108 437**	**8 780 859**
Year ended 31 December 2021			
As at 1 January	7 672 422	1 108 437	8 780 859
Charge for the year	21 758 155	2 639 554	24 397 709
As at 31 December 2021	**29 430 577**	**3 747 991**	**33 178 568**

Trade receivables are normally on 30 day terms. Tenants are charged interest at 47% (2020: 10%) per annum on overdue amounts that remain outstanding after 30 days.

12 CASH AND CASH EQUIVALENTS

	Audited Inflation Adjusted		Unaudited Historical	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
Short-term investments				
Cash at bank and in hand :	11 648 447	5 881 364	11 648 447	3 658 955
USD	207 796 789	183 080 517	207 796 789	113 899 327
ZWL	11 352 054	10 405 127	11 352 054	6 473 310
At 31 December	**230 797 290**	**199 367 008**	**230 797 290**	**124 031 592**

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

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

	Audited Inflation Adjusted		Unaudited Historical	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
Bank balances:	230 797 290	199 367 008	230 797 290	124 031 592
Bank overdraft	-	-	-	-
Balances as per cash flow statements	**230 797 290**	**199 367 008**	**230 797 290**	**124 031 592**

13 ORDINARY SHARE CAPITAL

	2021			
	Audited Inflation adjusted		Unaudited Historical	
Authorised	**Shares**	**ZWL**	**Shares**	**ZWL**
2 000 000 000 ordinary shares with a nominal value of ZWL0.001 per share	2 000 000 000	2 000 000	2 000 000 000	2 000 000
Issued and paid				
1 238 157 310 ordinary shares with a nominal value of ZWL0.001 per share	1 238 157 310	76 877 450	1 238 157 310	1 238 157
Less: treasury shares				
Repurchased in 2016 at a price of 0.0163 cents per share.	(1 229 638)	(1 242 364)	(1 229 638)	(20 009)
Repurchased in 2019 at a price of 0.0163 and cents per share.	(136 400)	(156 007)	(136 400)	(19 982)
As at 31 December	**1 236 791 272**	**75 479 079**	**1 236 791 272**	**1 198 166**

The shareholders at an annual general meeting held on 28 May 2019 passed an ordinary resolution for the Company to purchase its shares in terms of section 129 of the Companies and Other Business Entities Act (Chapter 24:31) and the Zimbabwe Stock Exchange Listing Requirements. Purchased shares will be used for treasury purposes. Acquisitions shall be of ordinary share which, in aggregate in any one financial year shall not exceed 10% (2020: 10%)of the Company's issued ordinary share capital.

14 DEFFERED TAX LIABILITIES

	Audited Inflation Adjusted		Unaudited Historical	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
As at 1 January	1 354 734 391	1 879 677 441	841 969 685	250 378 797
Recognised in the statement of profit or loss				
-Arising on inventory	(117 510)	206 339	-	-
-Arising from prepayments	1 808 813	3 318 157	-	-
-Arising on property plant and equipment	(79 269)	(541 129)	60 534	(6 085)
-Arising on investment properties	1 247 602 178	(518 449 916)	1 761 442 524	595 041 547
-Arising on financial assets at fair value through profit or loss	41 241	210 423	(2 231 071)	2 634 389
-Arising on leave pay provision	5 618 225	(7 046 372)	2 872 442	(4 490 117)
-Arising on provision for credit losses	(4 712 699)	(2 640 552)	(6 031 114)	(1 588 846)
As at 31 December	**2 604 895 370**	**1 354 734 391**	**2 598 083 000**	**841 969 685**
Deferred tax liability				
Arising on inventory	88 829	206 339	-	-
Arising from prepayments	5 121 956	3 318 157	-	-
-Arising on property plant and equipment	1 682 674	1 761 942	81 089	20 555
-Arising on investment properties	2 607 424 916	1 359 822 738	2 607 424 916	845 982 392
-Arising on financial assets at fair value through profit or loss	426 929	380 675	426 929	2 658 000
-Arising on leave pay provision	(1 648 192)	(7 266 417)	(1 648 192)	(4 520 634)
-Arising on provision for credit losses	(8 201 742)	(3 489 043)	(8 201 742)	(2 170 628)
As at 31 December	**2 604 895 370**	**1 354 734 391**	**2 598 083 000**	**841 969 685**

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

15 TRADE AND OTHER PAYABLES

All figures in ZWL	Audited Inflation Adjusted		Unaudited Historical	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
Tenant payables	8 330 819	8 849 323	7 099 592	5 334 378
Related party payables	6 557 364	22 432 042	6 557 364	13 955 577
Sundry creditors	49 707 199	21 967 560	49 707 199	13 666 612
Suppliers payables*	39 482 526	24 414 223	39 482 526	15 188 746
Provision for leave days**	6 667 443	2 315 375	6 667 443	1 440 457
Group company payables	8 490 514	5 184 763	8 490 514	3 225 581
As at 31 December	**119 235 865**	**85 163 286**	**118 004 638**	**52 811 351**

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

15.1 ** Leave pay provision reconciliation

	Audited Inflation Adjusted		Unaudited Historical	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
At 1 January	2 315 375	890 153	1 440 457	123 452
Recognised during the period	6 990 664	1 425 222	5 417 342	1 321 593
Utilised during the period	(245 640)	(33 084)	(190 356)	(4 588)
Inflation effect	(2 392 956)	33 084		
At 31 December	**6 667 443**	**2 315 375**	**6 667 443**	**1 440 457**

16 REVENUE

All amount in ZWL	Audited Inflation Adjusted		Unaudited Historical	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
Rental income	582 266 947	422 047 966	465 720 878	175 625 667
Property services income	12 479 637	5 099 178	9 744 610	2 197 540
	594 746 584	**427 147 144**	**475 465 488**	**177 823 207**

	Audited Inflation Adjusted		Unaudited Historical	
	2021	2020	2021	2020
	ZWL	ZWL	ZWL	ZWL
17 ALLOWANCE FOR CREDIT LOSSES				
Allowance for credit losses	24 397 709	10 331 288	24 397 709	6 427 373
Specific write-offs	-	262 090	-	163 053
	24 397 709	**10 593 378**	**24 397 709**	**6 590 426**

18 PROPERTY EXPENSES

	Audited Inflation Adjusted		Unaudited Historical	
	2021	2 020	2021	2 020
	ZWL	ZWL	ZWL	ZWL
Operating costs under recoveries	79 277 952	45 798 911	61 872 804	19 214 784
Maintenance costs	33 131 772	53 021 701	25 844 986	19 339 413
Valuation fees	1 697 312	2 556 843	2 112 643	1 035 064
Property cost of sales	2 137 086	240 323	1 795 646	120 600
Property security and utilities	5 436 483	1 703 373	4 271 893	854 793
As at 31 December	**121 680 605**	**103 321 151**	**95 897 972**	**40 564 654**
Property expenses arising from investment properties that generated rental income	114 107 036	101 377 455	89 830 433	39 709 861
Property expenses arising from investment properties that did not generate rental income	7 573 569	1 943 696	6 067 539	854 793
	121 680 605	**103 321 151**	**95 897 972**	**40 564 654**

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

19 EMPLOYEE COSTS

	Audited Inflation Adjusted		Unaudited Historical	
	2021	2 020	2 021	2 020
	ZWL	ZWL	ZWL	ZWL
Salaries	42 951 931	26 058 919	34 674 997	9 983 676
Staff training	806 310	95 873	734 737	45 655
NSSA and levies	2 554 840	1 202 292	2 043 900	523 631
Pension contributions	4 978 559	855 090	4 010 210	965 018
General allowances	61 998 708	24 165 467	47 813 317	11 604 754
Motor vehicle allowance	20 420 327	16 337 907	16 091 293	7 207 605
Performance bonus	5 883 551	36 225 733	5 883 551	18 317 014
Other staff costs	17 448 569	10 588 399	12 370 171	5 169 827
	157 042 795	**115 529 680**	**123 622 176**	**53 817 180**

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

	Audited Inflation Adjusted		Unaudited Historical	
	2021	2020	2021	2020
20 OTHER EXPENSES	ZWL	ZWL	ZWL	ZWL
Directors' fees				
-For services as directors	15 900 543	9 368 179	12 870 573	4 672 218
Auditors' fees:				
-current year	2 539 593	3 072 032	1 977 172	1 624 998
-prior year	3 636 229	5 070 025	2 830 945	2 681 866
Information and communication technology expenses	11 775 872	7 946 687	9 293 116	3 244 562
Depreciation	3 098 055	2 471 633	495 765	67 750
Communication expenses	1 992 551	994 574	1 625 287	450 189
Fees and other charges*	15 588 702	9 957 744	12 512 857	4 268 354
Investment fees	72 691	176 052	340 933	45 129
Office costs	20 887 955	12 082 271	16 623 471	5 612 709
Travel and entertainment expenses	1 513 788	1 602 319	1 301 877	671 695
Group shared services	40 152 751	29 201 788	32 151 458	11 257 130
Advertising	3 020 667	2 355 259	2 556 166	688 630
	120 179 397	**84 298 563**	**94 579 620**	**35 285 230**

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

Notes to the Consolidated Financial Statements (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

		Audited Inflation Adjusted		Unaudited Historical	
		ZWL	ZWL	ZWL	ZWL
		2021	2020	2021	2020
21	**FAIR VALUE ADJUSTMENTS**				
	Fair value adjustment - investment property	6 915 161 120	5 143 334 133	12 627 351 277	8 052 577 664
	Fair value adjustments- Investment property held for sale	3 199 620	-	2 402 350	-
		6 918 360 740	**5 143 334 133**	**12 629 753 627**	**8 052 577 664**
22	**OTHER INCOME**				
	Bad debts recovered	-	2 175	-	600
	Exchange Gains/(Losses)	63 149 968	224 070 778	60 216 936	83 930 017
	Shared services	21 302 267	12 105 884	17 687 936	3 683 276
	Insurance claim	-	4 966 618	-	1 370 614
	Fair value gain on financial assets at fair value through profit and loss	824 819	4 208 467	4 203 145	4 264 326
	Profit on disposal of investment property held for sale and PPE	749 051	-	12 607 366	-
	Sundry income*	2 415 670	5 793 649	2 060 752	959 246
		88 441 775	**251 147 571**	**96 776 135**	**94 208 079**

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

		Audited Inflation Adjusted		Unaudited historic	
23	**FINANCE INCOME**	**2 021**	**2 020**	**2021**	**2020**
	All figures in ZWL				
23.1	**Finance income for statement of profit or loss**				
	Interest on overdue tenant accounts	20 897 842	3 079 190	18 012 995	1 219 101
	Interest on investments	581 076	124 257	500 861	67 351
		21 478 918	**3 203 447**	**18 513 856**	**1 286 452**
23.2	**Finance income for statement of cash flows**				
	Finance income received	5 255 956	2 037 634	4 073 048	1 003 431
	Finance income accrued	16 222 962	1 165 813	14 440 808	283 021
		21 478 918	**3 203 447**	**18 513 856**	**1 286 452**
24	**INCOME TAX EXPENSE/(CREDIT)**				
	Current income tax	42 798 561	36 546 575	42 798 561	22 736 610
	Deferred tax	1 250 160 978	(524 943 050)	1 756 113 315	591 599 224
		1 292 959 539	**(488 396 475)**	**1 798 911 876**	**614 335 834**
24.1	**Reconciliation of income tax charge**	**2021**	**2020**	**2021**	**2020**
	Accounting Profit	7 103 681 171	5 329 306 494	12 882 011 630	8 189 637 912
	Tax at Standard rate	24,72%	24,72%	24,72%	24,72%
	Notional accounting tax at standard rate	1 756 029 985	1 317 404 565	3 184 433 275	2 024 478 492
	Expenses not deductible for tax purposes*	47 160 816	35 932 268	37 115 837	7 784 198
	Effect of different tax rates- Investment property	(150 879 880)	(534 258 685)	(584 613 949)	595 033 214
	Income not subject to tax**	(389 923 448)	(1 605 436 505)	(838 023 287)	(2 012 960 070)
	Inflation effect on adoption of IAS 29	30 572 066	297 961 882		-
	Effective tax for the period	**1 292 959 539**	**(488 396 475)**	**1 798 911 876**	**614 335 834**

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

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

24.2 Reconciliation of income tax rate	2021	2020	2021	2020
Notional tax rate	24,72%	24,72%	24,72%	24,72%
Expenses not deductible for tax purposes*	0,66%	0,67%	0,29%	0,10%
Effect of different tax rates- Investment property	(2,12%)	(10,02%)	(4,54%)	7,27%
Income not subject to tax	(5,49%)	(30,12%)	(6,51%)	(24,58%)
Inflation effect on adoption of IAS 29	0,43%	5,59%		
Effective tax rate for the period	**18,20%**	**(9,16%)**	**13,96%**	**7,51%**

24.3 Reconciliation of income tax paid	Audited Inflation Adjusted		Unaudited Historical	
	2021	2020	2021	2020
Tax assets at beginning of the year	-	(1 434 366)	-	(198 927)
Tax liability at beginning of the year	6 527 350	1 186 937	4 060 840	164 612
Current income tax expense (note 29)	42 798 561	36 546 575	42 798 561	22 736 610
Provision/(reversal) of interest and penalties	14 336 079	-	14 336 079	-
Tax liability at end of the year	(6 622 654)	(6 527 349)	(6 622 654)	(4 060 840)
Effects of inflation after adoption of IAS 29	(9 519 278)	7 556 884		
Income tax paid	**47 520 058**	**37 328 681**	**54 572 826**	**18 641 455**

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

25 EARNINGS PER SHARE

25.1 Basic earnings per share

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

	Audited Inflation Adjusted		Unaudited Historical	
	2021	2020	2021	2020
All figures in ZWL				
Earnings attributable to ordinary equity holders of the parent for basic earnings per share	5 810 721 631	5 817 702 969	11 083 099 754	7 564 901 311
Issued ordinary shares at 1 January	1 238 157 310	1 238 157 310	1 238 157 310	1 238 157 310
Effect of treasury shares held	(1 366 038)	(1 366 038)	(1 366 038)	(1 366 038)
Weighted average number of ordinary shares at 31 December	**1 236 791 272**	**1 236 791 272**	**1 236 791 272**	**1 236 791 272**
Basic and diluted earnings per share (ZWL cents)	470	470	896	612

25.2 Diluted earnings per share

The Company has no arrangements or contracts that could result in dilution therefore, the diluted earnings per share are the same as the basic earnings per share.

26 RELATED PARTY DISCLOSURES

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

26.1 Transactions and balances with related companies

26.1.1 Parent company's effective shareholding

First Mutual Holdings Limited directly owns 3.09% (2018: 1.46%) and controls 70.66% (2018: 64.16%) of the ordinary shares of First Mutual Properties Limited through a shareholding in the companies/funds listed below:

	2021	2020
First Mutual Life Assurance Company (Private) Limited, policyholders	40,85%	40,85%
First Mutual Life Assurance Company (Private) Limited, shareholders	17,67%	17,67%
FMRE Company (Private) Limited Shareholders	2,21%	2,21%
First Mutual Insurance Company Limited	0,35%	0,35%
First Mutual Life Medical Savings fund	5,35%	5,35%
First Mutual Life Managed Fund	0,65%	0,65%
FML - Econet Pension Fund	0,26%	0,26%
First Mutual Holdings Limited	3,09%	3,09%
First Mutual Wealth Management (Private) Limited	0,15%	0,15%
First Mutual Properties Limited	0,10%	0,10%
	70,68%	**70,68%**

26 RELATED PARTY DISCLOSURES

26.1.2 Summary of related party transactions

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

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

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

26 RELATED PARTY DISCLOSURES (CONTINUED)

26.1.2 Summary of related party transactions (continued)

The following table provide the total amount of transactions that have been entered into with related parties during the year ended 31 December 2020:

All figures in ZWL	Relationship to First Mutual Properties Limited	Rentals charged to related parties	Purchases from related parties	Amount owed to related parties	Amount owed by related parties	Group shared services
First Mutual Holdings Limited	Parent	4 710 812	-	-	2 565 214	5 958 792
First Mutual Life Assurance Company (Private) Limited	Intermediate Parent	7 236 861	1 403 533	990 752	-	2 503 385
First Mutual Wealth Management (Private) Limited	Fellow subsidiary	543 024	43 781		43 265	157 155
FMRE Company (Private) Limited	Fellow subsidiary	1 114 932	-	-	521 734	191 184
First Mutual Health Company (Private) Limited	Fellow subsidiary	3 195 611	1 713 473	511 290	-	550 372
Nicoz Diamond Insurance Company (Private) Limited	Fellow subsidiary	321 091	10 444 455	1 659 428	-	1 669 950
First Mutual Funeral (Private) Limited	Fellow subsidiary	863 834	-	64 111	-	-
Totals		**17 986 165**	**13 605 242**	**3 225 581**	**3 130 213**	**11 030 838**
Key management personnel of the Group						
Amounts owing to Key management				17 087 527		
Other directors interests**		**3 622 553**	-		-	-

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

26.2 Terms and conditions of transactions with related parties

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

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

26.3 Remuneration of key management

	Audited Inflation Adjusted		Unaudited Historical	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
Details of transactions with directors are set out in the directors' report.				
The following remuneration was paid to key management during the year:				
Short term employee benefits	35 368 887	14 871 328	27 408 750	9 251 854
Post-employment benefits	2 021 415	861 287	1 566 474	535 830
Share appreciation rights	17 009 591	8 112 225	17 009 591	5 046 834
	54 399 893	**23 844 840**	**45 984 815**	**14 834 518**

Key management team includes executive directors and members of the management committee. Directors fees are disclosed on note 20.

26.4 BOND SECURITY AGREEMENT WITH FIRST MUTUAL MICROFINANCE LIMITED

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

27 FIRST MUTUAL HOLDINGS LIMITED GROUP PENSION FUNDS

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

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

	2021	2020
All employees contribute to the pension fund at the same prescribed rate.		
Total employer contributions amounted to:	16 391 479	2 376 769
National Social Security Authority Scheme		
The Group and its employees also contribute to the National Social Security Authority Scheme. This is a social security scheme which was set up under the National Social Security Act (Chapter 17.04). The Group's obligations under the scheme are limited to specific contributions as legislated from time to time.		
Total employer contributions amounted to:	23 457 961	7 271 122

28 CONTINGENCIES AND COMMITMENTS

28.1 Contingencies

The Group and the Company do not have significant contingent liabilities that require disclosure as at 31 December 2021.

29 COVID-19 and its impact on the Group.

The COVID-19 pandemic had varied impacts on the business during the year, with increased risk to rental collection, while occupancy levels remained largely static with real growth in revenue. Renewed COVID-19 restrictions stemming from the spread of the Delta and the OMICRON variant impeded space demand recovery. Uncertainty remains an ongoing theme; however, most real estate sectors are now starting to see signs of a demand recovery.

The focus during the pandemic shifted to ensuring long term occupancy of performing tenants by enhancing tenant experience through maintenance and refurbishment of space. Despite the COVID-19 pandemic and a gradual shift to a hybrid of remote working and office presence, corporates have maintained offices leases. Demand for traditional retail shops, retail warehousing, light industrial properties and office park properties remains strong. The main effect on the business has been increasing instances of tenants struggling to remain operational during the lockdowns, therefore affecting collections.

The construction sector has been affected by the COVID-19 pandemic, with delivery of projects being slowed down as contractors adhere WHO protocols on health and safety, which include social distancing and the need to have limited number of employees on construction sites. In addition, as various levels of the lockdown were implemented, the supply chain for materials was affected, slowing down new development initiative and refurbishments.

30 Events after the balance sheet date

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

31 Dividend declaration

At a meeting held on 23 February 2022, the Board resolved that a final dividend of ZWL 20,031,335 being 1.6196 ZWL cents per share be declared from the profits for the quarter ended 31 December 2021. The dividend will be payable on or about 27 May 2022 to all shareholders of the Company registered at close of business on 13 May 2022. The shares of the Company will be traded cum-dividend on the Zimbabwe Stock Exchange up to 10 May 2022 and ex-dividend as from 11 May 2022. This brings the cumulative dividend for the year to ZWL 45,176,042.

Company Statement of Financial Position

AS AT 31 DECEMBER 2021

		Audited Inflation Adjusted		Unaudited Historical	
		2021	2020	2021	2020
ASSETS	**Notes**	**ZWL**	**ZWL**	**ZWL**	**ZWL**
Non-current assets					
Investment property	1	13 429 007 479	9 331 647 981	13 429 007 479	5 805 469 829
Investments in subsidiaries	2	2 909 450 491	2 909 450 491	46 858 428	46 858 428
Investment in associate	3	12 541 531	-	8 702 073	-
Vehicles and equipment	4	8 107 102	6 817 013	2 797 530	176 279
Financial assets at amortised cost	5	390 498	627 682	390 498	390 498
Financial assets at fair value through profit or loss- Unquoted shares	6	8 438 307	7 613 488	8 438 307	4 736 556
Financial assets at fair value through profit or loss - Quoted shares	6.1	1 398 286	-	1 398 286	-
Total non-current assets		**16 369 333 694**	**12 256 156 655**	**13 497 592 601**	**5 857 631 590**
Current assets					
Inventories		254 078	1 016 297	99 927	181 592
Trade and other receivables	7	145 757 509	66 281 250	129 784 785	40 803 121
Investment property held for sale	1.2	-	78 468 951	-	48 817 650
Cash and cash equivalents	8	50 359 050	34 766 251	50 359 050	21 629 022
Total current assets		**196 370 637**	**180 532 749**	**180 243 762**	**111 431 385**
Total assets		**16 565 704 331**	**12 436 689 404**	**13 677 836 363**	**5 969 062 975**
EQUITY AND LIABILITIES					
Ordinary share capital	9	75 479 079	75 479 079	1 198 166	1 198 166
Retained earnings		14 951 156 362	11 278 123 500	12 144 431 497	5 293 768 002
Total shareholders' equity		**15 026 635 441**	**11 353 602 579**	**12 145 629 663**	**5 294 966 168**
Non-current liabilities					
Deferred tax liabilities	10	1 416 214 055	946 871 951	1 410 332 539	589 391 582
		1 416 214 055	**946 871 951**	**1 410 332 539**	**589 391 582**
Current liabilities					
Bank overdraft	8	-	54 477 491	-	33 891 916
Current tax payable	20.3	4 655 606	2 703 575	4 655 606	1 681 967
Trade and other payables	11	118 199 229	79 033 808	117 218 555	49 131 342
		122 854 835	**136 214 874**	**121 874 161**	**84 705 225**
Total liabilities		**1 539 068 890**	**1 083 086 825**	**1 532 206 700**	**674 096 807**
Total equity and liabilities		**16 565 704 331**	**12 436 689 404**	**13 677 836 363**	**5 969 062 975**

The notes on pages 114 to 125 are an integral part of the financial statements.

The financial statements were authorised for issue by the Board of directors on 23 February 2022 and signed on its behalf by:

CHAIRMAN
E. K. MOYO
23 February 2022

MANAGING DIRECTOR
C. K. MANYOWA
23 February 2022

Company Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2021

		Audited Inflation Adjusted		Unaudited Historical	
		2021	2020	2021	2020
		ZWL	ZWL	ZWL	ZWL
Revenue	12	483 873 179	298 351 597	391 236 526	121 562 522
Allowance for credit losses	13	(23 508 866)	(7 842 176)	(23 508 866)	(4 878 829)
Specific write offs	13	-	(260 145)	-	(161 843)
Property expenses	14	(89 570 229)	(82 663 423)	(70 494 535)	(31 393 217)
Net property income		**370 794 084**	**207 585 853**	**297 233 125**	**85 128 633**
Employee related expenses	15	(154 341 322)	(121 418 265)	(123 622 176)	(53 817 180)
Other expenses	16	(159 914 014)	(96 040 667)	(126 861 888)	(42 399 779)
Net property income after administration expenses		**56 538 748**	**(9 873 079)**	**46 749 061**	**(11 088 326)**
Fair value adjustments	17	4 080 726 018	4 317 271 267	7 611 048 844	5 147 979 107
Other income	18	68 673 998	28 886 764	73 871 455	11 086 955
Finance income	19	18 809 717	2 693 403	16 244 550	1 048 980
Net monetary gain/ (loss)		9 504 994	(35 529 071)		
Profit before income tax		**4 234 253 475**	**4 303 449 284**	**7 747 913 910**	**5 149 026 716**
Income tax (expense)/credit	20	(499 042 197)	1 120 321	(850 641 050)	(435 742 426)
Profit for the year		**3 735 211 278**	**4 304 569 605**	**6 897 272 860**	**4 713 284 290**
Total comprehensive profit for the year		**3 735 211 278**	**4 304 569 605**	**6 897 272 860**	**4 713 284 290**
Attributable to:					
-Owners of the parent		3 735 211 278	4 304 569 605	6 897 272 860	4 713 284 290
Profit for the year		**3 735 211 278**	**4 304 569 605**	**6 897 272 860**	**4 713 284 290**
Basic and diluted earnings per share (ZWL cents)		**302**	**348**	**558**	**381**

The notes on pages 114 to 125 are an integral part of these financial statements.

Company Statement of Changes In Equity

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Audited Inflation Adjusted Attributable to owners of the parent Ordinary Shares ZWL	Treasury Shares ZWL	Retained earnings ZWL	Shareholders' equity ZWL
Balance as at 1 January 2020		**76 877 450**	**(1 398 371)**	**7 011 765 375**	**7 087 244 454**
Profit for the year		-	-	4 304 569 605	4 304 569 605
Total comprehensive income for the year		**-**	**-**	**4 304 569 605**	**4 304 569 605**
Transactions with owners in their capacity as owners:					
Dividend declared and paid			-	(38 211 480)	(38 211 480)
Balance as at 31 December 2020		**76 877 450**	**(1 398 371)**	**11 278 123 500**	**11 353 602 579**
Balance as at 1 January 2021		**76 877 450**	**(1 398 371)**	**11 278 123 500**	**11 353 602 579**
Profit for the year		-	-	3 735 211 278	3 735 211 278
Transactions with owners in their capacity as owners:					
Dividend declared and paid		-	-	(62 178 416)	(62 178 416)
Balance as at 31 December 2021		**76 877 450**	**(1 398 371)**	**14 951 156 362**	**15 026 635 441**

The notes on pages 114 to 125 are an integral part of the financial statements.

Company Statement of Changes In Equity

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Unaudited Historical Attributable to owners of the parent Ordinary Shares ZWL	Treasury Shares ZWL	Retained earnings ZWL	Shareholders' equity ZWL
Balance as at 1 January 2020		**1 238 157**	**(39 991)**	**591 401 047**	**592 599 213**
Profit for the year		-	-	4 713 284 290	4 713 284 290
Total comprehensive income for the year		**-**	**-**	**4 713 284 290**	**4 713 284 290**
Transactions with owners in their capacity as owners:					
Dividend declared and paid			-	(10 917 335)	(10 917 335)
Balance as at 31 December 2020		**1 238 157**	**(39 991)**	**5 293 768 002**	**5 294 966 168**
Total equity at the beginning of the financial year		**1 238 157**	**(39 991)**	**5 293 768 002**	**5 294 966 168**
Profit for the year		-	-	6 897 272 860	6 897 272 860
Total comprehensive income for the year		**-**	**-**	**6 897 272 860**	**6 897 272 860**
Transactions with owners in their capacity as owners:					
Dividend declared and paid		-	-	(46 609 365)	(46 609 365)
Balance as at 31 December 2021		**1 238 157**	**(39 991)**	**12 144 431 497**	**12 145 629 663**

The notes on pages 114 to 125 are an integral part of the financial statements.

Company Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Audited Inflation Adjusted 2 021 ZWL	Audited Inflation Adjusted 2 020 ZWL	Unaudited Historical 2021 ZWL	Unaudited Historical 2020 ZWL
Cash flows from operating activities					
Profit before income tax		4 234 253 475	4 303 449 284	7 747 913 910	5 149 026 716
Adjustment for non-cash items and other adjustments:					
Depreciation	4	3 098 055	2 706 537	489 265	67 750
Allowance for credit losses	13	23 508 866	7 842 176	23 508 866	4 878 829
Fair value adjustment on investment property	17	(4 080 726 018)	(4 317 271 267)	(7 611 048 844)	(5 147 979 107)
Fair value movement on unquoted shares	6	(824 819)	(4 208 467)	(3 701 751)	(4 264 326)
Fair value movement on quoted shares	6.1	(330 851)	-	(501 394)	-
Finance income	19	(18 809 717)	(2 693 403)	(16 244 550)	(1 048 980)
Exchange (gain)	18	(16 434 535)	(1 809 971)	(16 210 284)	(808 893)
Net monetary loss/(gain)		(9 504 994)	35 529 071		
Dividend received		(28 592 704)		(22 157 617)	
Loss/(profit) from disposal of investment property	18	2 278 087	-	(9 915 762)	-
Profit from disposal of vehicles and equipment		(3 027 138)	-	(2 691 603)	-
Other non cash items		3 227 863	(10 508 951)	2 501 399	(3 197 401)
Cash flows generated from operating activities before working capital adjustments		**108 115 570**	**13 035 009**	**91 941 635**	**(3 325 412)**
Working capital adjustments					
(Increase) in trade and other receivables		(102 985 125)	(25 707 995)	(112 490 531)	(38 967 389)
Decrease/(increase) in inventory		762 219	398 388	81 665	(81 837)
Increase/(Decrease) in trade and other payables		39 165 421	(23 700 648)	68 087 213	41 466 404
Cash flow from operating activities after working capital adjustments		**45 058 085**	**(35 975 246)**	**47 619 982**	**(908 234)**
Income tax paid	20.3	(30 729 242)	(14 458 481)	(27 294 024)	(7 203 267)
Net cash generated from operating activities		**14 328 843**	**(50 433 727)**	**20 325 958**	**(8 111 501)**
Cash flows from investing activities					
Improvements to investment property	1	(19 824 929)	-	(14 885 020)	-
Purchase of vehicles and equipment	4	(4 390 737)	(283 532)	(3 248 914)	(46 620)
Investment in associate	3	(12 541 531)		(8 702 073)	
Acquisitions of equities	6.1	(1 067 435)		(896 892)	
Proceed on disposal of property, plant and equipment		3 800 090	-	3 430 000	-
Proceed on disposal of investment property		79 390 484	-	61 135 762	-
Finance income received	19.2	4 611 716	1 661 497	3 573 801	818 204
Dividend received		28 592 704		22 157 617	
Net cash generated from investing activities		**78 570 362**	**1 377 965**	**62 564 281**	**771 584**
Cash flows from financing activities					
Dividends paid to Company's shareholders		(56 357 207)	(19 782 341)	(46 609 365)	(10 917 335)
Net cash used in financing activities		**(56 357 207)**	**(19 782 341)**	**(46 609 365)**	**(10 917 335)**
Inflation effect on cashflows		7 151 473	38 981 826	-	-
Net (decrease)/increase in cash and cash equivalents		**43 693 471**	**(29 856 277)**	**36 280 874**	**(18 257 252)**
Cash and cash equivalents at the beginning of the year		(19 711 240)	8 335 064	(12 262 894)	5 185 468
Effects of changes in foreign currency		26 376 819	1 809 973	26 341 070	808 890
Cash and cash equivalents at end of the year		**50 359 050**	**(19 711 240)**	**50 359 050**	**(12 262 894)**

The notes on pages 114 to 125 are an integral part of these consolidated financial statements.

Notes to the Company Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2021

1 INVESTMENT PROPERTY

	Audited Inflation Adjusted		Unaudited historical	
	2021	2020	2021	2020
All figures in ZWL				
As at 1 January	9 331 647 981	5 092 845 665	5 805 469 829	706 308 372
Improvements to existing property	19 824 929	-	14 885 020	-
Reclassification to held for sale	-	(78 468 951)	-	(48 817 650)
Fair value adjustments	4 077 534 569	4 317 271 267	7 608 652 630	5 147 979 107
As at 31 December	**13 429 007 479**	**9 331 647 981**	**13 429 007 479**	**5 805 469 829**

1.1 Fair value hierarchy

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

	Audited Inflation Adjusted				
	Company				Total gain/(loss)
All amount in ZWL	Level 1	Level 2	Level 3	Total	Total gain/(loss) in the period in the statement of profit or loss
31 December 2021					
CBD offices	-	-	3 825 000 000	3 825 000 000	1 162 317 993
Office parks	-	-	1 540 000 000	1 540 000 000	467 965 937
CBD retail	-	-	2 992 800 000	2 992 800 000	909 434 062
Suburban retail	-	-	1 500 000 000	1 500 000 000	455 810 978
Industrial	-	-	2 074 000 000	2 074 000 000	630 234 645
Residential	-	-	834 000 000	834 000 000	253 430 903
Land*	-	-	663 207 479	663 207 479	201 531 500
Total	**-**	**-**	**13 429 007 479**	**13 429 007 479**	**4 080 726 018**

	Company				
	Level 1	Level 2	Level 3	Total	Total gain/(loss) in the period in the statement of profit or loss
31 December 2020					
CBD offices	-	-	2 725 231 500	2 725 231 500	1 260 823 777
Office parks	-	-	1 100 338 097	1 100 338 097	509 069 573
CBD retail	-	-	2 090 795 087	2 090 795 087	967 302 836
Suburban retail	-	-	1 045 124 287	1 045 124 287	483 524 996
Industrial	-	-	1 385 617 486	1 385 617 486	641 053 603
Residential	-	-	548 199 997	548 199 997	253 623 808
Land*	-	-	436 341 527	436 341 527	201 872 674
Total	**-**	**-**	**9 331 647 981**	**9 331 647 981**	**4 317 271 267**

*This consists of land earmarked for future developments.

1.1 INVESTMENT PROPERTY (continued)

Fair value hierarchy (continued)

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

	Company				
	Level 1	Level 2	Level 3	Total	Total gain/(loss) in the period in the statement of profit or loss
31 December 2020					
CBD offices	-	-	1 695 440 000	1 695 440 000	1 498 928 127
Office parks	-	-	684 550 000	684 550 000	565 050 000
CBD retail	-	-	1 300 740 000	1 300 740 000	1 165 300 980
Suburban retail	-	-	650 200 000	650 200 000	583 000 000
Industrial	-	-	862 030 000	862 030 000	776 530 000
Residential	-	-	341 050 000	341 050 000	272 380 000
Land*	-	-	271 459 829	271 459 829	286 790 000
Total	**-**	**-**	**5 805 469 829**	**5 805 469 829**	**5 147 979 107**

*This consists of land earmarked for future developments.

Gains and losses recorded in profit or loss for recurring fair value measurements categorised within level 3 of the fair value hierarchy amount to ZWL 7.611 billion (2020: ZWL5.147 billion) and are presented in the statement of profit or loss in line item 'fair value adjustments-investment properties'. hierarchy are attributable to changes in unrealised gains or losses relating to investment property held at the end of the reporting period.

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

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

1.1 INVESTMENT PROPERTY (continued)

Fair value hierarchy (continued)

All amount in ZWL

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

Class of property	Fair value 31 December 2020 ZWL	Valuation technique	Key unobservable inputs	Range	weighted average
CBD offices	1 695 440 000	Income Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL500-ZWL700 12.00%-18.00%	26%
Office parks	684 550 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL700-ZWL850 10.00%-11.00%	13%
CBD retail*	1 300 740 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL750-ZWL2000 6.00%-13.00%	0%
Suburban retail*	650 200 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL165-ZWL1300 9.00%-11.00%	0%
Industrial	862 030 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWL75-ZWL400 14.00%-18.00%	0%
Residential	341 050 000	Market comparable	Comparable transacted properties prices		
Land - residential	3 270 000	Market comparable	Rate per square metre	ZWL1300.00-ZWL2500.00	
Land - commercial	268 189 829	Market comparable	Rate per square metre	ZWL425.00-ZWL7400.00	
Total	5 805 469 829				

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

1.2 Investment property held for sale

During the year ended 31 December 2020, the directors of First Mutual Properties Limited decided to dispose of a residential parcel of land, known as 103 Kingsmead Road, Borrowdale, Harare as part of the Group's ongoing capital recycling strategy. Conditions for the classification as held for sale (as stipulated in IFRS 5- Non-current assets held for sale and discontinued operations) were met as at 31 December 2020. The company managed to find a buyer and the sale was competed on 31 July 2021. The asset was reclassified to current assets from investment property as disclosed below.

Investment property held for sale	Audited Inflation Adjusted		Unaudited Historical	
	2021	2020	2021	2020
All figures in ZWL	ZWL	ZWL	ZWL	ZWL
At 1 January	78 468 951	-	48 817 650	-
Reclassification to held for sale	-	78 468 951	-	48 817 650
Fair value adjustment	3 199 621	-	2 402 350	-
Disposal	(81 668 572)	-	(51 220 000)	-
	-	**78 468 951**	**-**	**48 817 650**

2 INVESTMENTS IN SUBSIDIARIES

All figures in ZWL	% Holding	Audited Inflation Adjusted 2021	Audited Inflation Adjusted 2020	Unaudited Historical 2021	Unaudited Historical 2020
Arundel Office Park (Private) Limited	100%	2 905 725 078	2 905 725 078	46 798 428	46 798 428
Sticklip Enterprises (Private) Limited	100%	3 725 413	3 725 413	60 000	60 000
		2 909 450 491	**2 909 450 491**	**46 858 428**	**46 858 428**

3 INVESTMENT IN ASSOCIATE

	% Holding	Audited Inflation Adjusted 2021	Audited Inflation Adjusted 2020	Unaudited Historical 2021	Unaudited Historical 2020
Infrastructure Fund Zimbabwe (Private) Limited	24,41%	12 541 531	-	8 702 073	-
		12 541 531	**-**	**8 702 073**	**-**

During March 2021, First Mutual Properties contributed to the construction of the solar project at First Mutual Park through a separate purpose vehicle (Infrastructure Fund Zimbabwe (Private) Limited). The Group holds 24.41% in Infrastructure Fund Zimbabwe (Private) Limited as a result of the capital contribution, which resulted in the Group having significant influence. The investment was recorded at cost as per IAS 27.

4 VEHICLES AND EQUIPMENT INFLATION ADJUSTED

All figures in ZWL

Year ended	Motor vehicles	Computers	Office equipment	Equipment and machinery	Office furniture	Total
31 December 2020						
Opening net book amount	-	3 060 435	3 637 796	317 815	2 223 972	9 240 018
Additions	-	260 469	23 063	-	-	283 532
Disposal	-	-				-
Depreciation on disposal	-	-				-
Depreciation charge	-	(951 848)	(1 206 408)	(86 495)	(461 786)	(2 706 537)
Closing net book amount	**-**	**2 369 056**	**2 454 451**	**231 320**	**1 762 186**	**6 817 013**
As at 31 December 2020						
Cost	11 570 981	8 701 178	12 844 942	10 546 280	6 437 669	50 101 050
Accumulated depreciation	(11 570 981)	(6 332 122)	(10 390 491)	(10 314 960)	(4 675 483)	(43 284 037)
Net book amount	**-**	**2 369 056**	**2 454 451**	**231 320**	**1 762 186**	**6 817 013**
Year ended 31 December 2021						
Opening net book amount	-	2 369 056	2 454 451	231 320	1 762 186	6 817 013
Additions	-	4 329 845	60 892	-	-	4 390 737
Disposals	-	(172 191)	-	-	-	(172 191)
Depreciation disposal	-	169 598	-	-	-	169 598
Depreciation charge	-	(1 668 580)	(912 770)	(80 455)	(436 250)	(3 098 055)
Closing net book amount	**-**	**5 027 728**	**1 602 573**	**150 865**	**1 325 936**	**8 107 102**
As at 31 December 2021						
Cost	11 478 181	12 858 833	12 905 834	10 546 280	6 437 669	54 226 797
Accumulated depreciation	(11 478 181)	(7 831 105)	(11 303 261)	(10 395 415)	(5 111 733)	(46 119 695)
Net book amount	**-**	**5 027 728**	**1 602 573**	**150 865**	**1 325 936**	**8 107 102**

4 VEHICLES AND EQUIPMENT HISTORICAL

All figures in ZWL

Year ended	Motor vehicles	Computers	Office equipment	Equipment and machinery	Office furniture	Total
31 December 2020						
Opening net book amount	-	79 401	77 668	8 192	32 148	197 409
Additions	-	41 921	4 699	-	-	46 620
Disposal		-				-
Depreciation on disposal		-				-
Depreciation charge	-	(26 242)	(32 676)	(6 914)	(1 918)	(67 750)
Closing net book amount	**-**	**95 080**	**49 691**	**1 278**	**30 230**	**176 279**
As at 31 December 2020						
Cost	186 357	211 384	217 157	173 365	103 684	891 947
Accumulated depreciation	(186 357)	(116 304)	(167 466)	(172 087)	(73 454)	(715 668)
Net book amount	**-**	**95 080**	**49 691**	**1 278**	**30 230**	**176 279**
Year ended 31 December 2021						
Opening net book amount	-	95 080	49 691	1 278	30 230	176 279
Additions	-	3 206 664	42 250	-	-	3 248 914
Disposals	-	(172 191)	-	-	-	(172 191)
Depreciation disposal		33 793				33 793
Depreciation charge	-	(453 891)	(27 210)	(1 006)	(7 158)	(489 265)
Closing net book amount	**-**	**2 709 455**	**64 731**	**272**	**23 072**	**2 797 530**
As at 31 December 2021						
Cost	186 357	3 245 858	301 657	103 682	173 365	4 010 919
Accumulated depreciation	(186 357)	(536 403)	(236 926)	(103 410)	(150 293)	(1 213 389)
Net book amount	**-**	**2 709 455**	**64 731**	**272**	**23 072**	**2 797 530**

5 FINANCIAL ASSETS AT AMORTISED COST

	Audited Inflation Adjusted		Unaudited Historical	
	2021	2020	2021	2020
All figures in ZWL				
As at 1 January	627 682	2 815 694	390 498	390 498
Loss due to inflation adjustment	(237 184)	(2 188 012)		-
Amortised interest	646 323	221 363	500 861	67 350
Repayments of interest	(646 323)	(221 363)	(500 861)	(67 350)
As at 31 December	**390 498**	**627 682**	**390 498**	**390 498**
Short-term portion	-	-	-	-
Long-term portion	390 498	627 682	390 498	390 498
Total	**390 498**	**627 682**	**390 498**	**390 498**

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

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

All figures in ZWL	Audited Inflation Adjusted		Unaudited Historical	
As at 1 January	7 613 488	3 405 021	4 736 556	472 230
Fair value adjustment	824 819	4 208 467	3 701 751	4 264 326
As at 31 December	**8 438 307**	**7 613 488**	**8 438 307**	**4 736 556**

The Group has an investment of 8.91% of the ordinary shares of First Mutual Property Fund One (Private) Limited ("FMPFO") which is incorporated and domiciled in Zimbabwe and is unquoted. The fair value of the Group's investment in FMPFO is based on the net asset value of FMPFO. FMPFO is a property holding company which owns one building that is leased out to one tenant. The building constitutes 98% of the total assets of FMPFO. The fair value of the building was therefore a significant element in determining the net asset value of FMPFO. The building was valued by an independent valuer using the income approach. The investment in FMPFO is categorised as level 3 in the IFRS 13 'Fair value measurement' hierarchy. This implies that the fair value is determined with reference to unobservable inputs. Key unobservable inputs used in the valuation included rental per square metre and the capital rate/prime yield. The total lettable space is 2 508 square metres (2020: 2 508 square metres).

The key inputs that were used to value the building that is owned by FMPFO are:

Class of property	**Fair Value as at 31 December 2021**	**Fair Value as at 31 December 2 020**	**Key unobservable inputs**	**2 021**	**2 020**
Fair value of the Full Fund (CBD retail)	123 750 000	53 160 000	Rental per square metre *	ZWL980-ZWL1600	ZWL80-ZWL250
			Capital rate/yield	4.00%-5.00%	9.00%-11.00%

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

Notes to the Company Financial Statements (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

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

All figures in ZWL	Audited Inflation Adjusted		Unaudited Historical	
As at 1 January				
Additions	1 067 435	-	896 892	-
Fair value adjustment	330 851	-	501 394	-
As at 31 December	**1 398 286**	**-**	**1 398 286**	**-**

These are quoted equity investments in Delta (Pvt)Ltd. The fair value of the shares is determined by the value of the share price

7 TRADE AND OTHER RECEIVABLES

	Audited Inflation Adjusted		Unaudited Historical	
All figures in ZWL	**2021**	**2020**	**2021**	**2020**
Tenant receivables	68 487 486	44 755 003	68 487 486	27 843 294
Tenant operating cost recoveries	24 340 763	14 147 668	24 340 763	8 801 646
Trade receivables	**92 828 249**	**58 902 671**	**92 828 249**	**36 644 940**
Less: allowance for credit losses	(29 965 055)	(10 377 605)	(29 965 055)	(6 456 188)
Net trade debtors	**62 863 194**	**48 525 066**	**62 863 194**	**30 188 752**
Prepayments - other	59 329 842	14 346 605	43 357 118	8 493 178
Staff debtors	23 564 473	3 409 579	23 564 473	2 121 191
Total trade and other receivables	**145 757 509**	**66 281 250**	**129 784 785**	**40 803 121**
Reconciliation of gross trade receivables				
As at 1 January	58 902 671	41 524 565	36 644 940	5 758 892
Add: charge for the year	412 063 168	268 133 369	333 311 638	108 254 786
Recovery due to payments	(357 612 826)	(124 361 654)	(277 128 329)	(77 368 738)
Effect of IAS 29	(20 524 764)	(126 393 609)	-	-
As at 31 December	**92 828 249**	**58 902 671**	**92 828 249**	**36 644 940**
Reconciliation of allowance for credit losses				
As at 1 January	10 377 605	11 373 567	6 456 188	1 577 359
Add: charge for the year	40 171 297	49 645 892	36 421 243	30 886 048
Recovery due to payments	(16 662 430)	(41 803 716)	(12 912 376)	(26 007 219)
Effect of IAS 29	(3 921 417)	(8 838 138)	-	-
As at 31 December	**29 965 055**	**10 377 605**	**29 965 055**	**6 456 188**

8 CASH AND CASH EQUIVALENTS

	Audited Inflation adjusted		Unaudited Historical	
All figures in ZWL	**2021**	**2 020**	**2021**	**2020**
Cash at bank and in hand :				
USD	38 219 015	(44 127 012)	38 219 015	(27 452 604)
ZWL	12 140 035	24 415 772	12 140 035	15 189 710
At 31 December	**50 359 050**	**(19 711 240)**	**50 359 050**	**(12 262 894)**

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

8 CASH AND CASH EQUIVALENTS (continued)

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

	Audited Inflation Adjusted		Unaudited Historical	
	2021	**2020**	**2021**	**2020**
Bank balances:	50 359 050	34 766 251	50 359 050	21 629 022
Bank overdraft	-	(54 477 491)	-	(33 891 916)
Balances as per cash flow statements	**50 359 050**	**(19 711 240)**	**50 359 050**	**(12 262 894)**

9 ORDINARY SHARE CAPITAL

	2021			
	Audited Inflation Adjusted		Unaudited Historical	
Authorised	**Shares**	**ZWL**	**Shares**	**ZWL**
2 000 000 000 ordinary shares with a nominal value of ZWL0.001 per share	2 000 000 000	2 000 000	2 000 000 000	2 000 000
Issued and paid				
1 238 157 310 ordinary shares with a nominal value of ZWL0.001 per share	1 238 157 310	76 877 450	1 238 157 310	1 238 157
Less: treasury shares				
Repurchased in 2016 at a price of 0.0163 cents per share.	(1 229 638)	(1 398 371)	(1 229 638)	(20 009)
Repurchased in 2019 at a price of 0.0163 and cents per share.	(136 400)	-	(136 400)	(19 982)
As at 31 December	**1 236 791 272**	**75 479 079**	**1 236 791 272**	**1 198 166**

The shareholders at an annual general meeting held on 28 May 2019 passed an ordinary resolution for the Company to purchase its shares in terms of section 79 of the Companies and Other Business Entities Act (Chapter 24:31) and the Zimbabwe Stock Exchange Listing Requirements. Purchased shares will be used for treasury purposes. Acquisitions shall be of ordinary share which, in aggregate in any one financial year shall not exceed 10% (2020: 10%)of the Company's issued ordinary share capital.

10 DEFFERED TAX LIABILITIES

	Audited Inflation Adjusted		Unaudited Historical	
	2021 ZWL	**2020 ZWL**	**2021 ZWL**	**2020 ZWL**
As at 1 January	946 871 951	962 624 640	589 391 582	162 752 349
Recognised in the statement of profit or loss				
-Arising on inventory	(168 233)	206 339		
-Arising from prepayments	2 501 490	1 446 967		
-Arising on property plant and equipment	219 112	(541 131)	60 533	(6 085)
-Arising on investment properties	465 048 587	(7 388 365)	825 475 786	430 089 892
-Arising on financial assets at fair value through profit or loss	41 241	210 423	(2 231 071)	2 634 389
-Arising on leave pay and profit share provision	5 618 225	(7 046 372)	2 872 442	(4 490 117)
-Arising on provision for credit losses	(3 918 318)	(2 640 550)	(5 236 733)	(1 588 846)
As at 31 December	**1 416 214 055**	**946 871 951**	**1 410 332 539**	**589 391 582**
Deferred tax liability				
-Arising on inventory	38 106	206 339		
-Arising from prepayments	3 943 443	1 446 967		
-Arising on property plant and equipment	1 981 057	1 761 944	81 090	20 555
-Arising on investment properties	1 418 880 073	953 831 486	1 418 880 073	593 404 289
-Arising on financial assets at fair value through profit or loss	426 929	380 675	426 929	2 658 000
-Arising on leave pay and profit share provision	(1 648 192)	(7 266 417)	(1 648 192)	(4 520 634)
-Arising on provision for credit losses	(7 407 361)	(3 489 043)	(7 407 361)	(2 170 628)
As at 31 December	**1 416 214 055**	**946 871 951**	**1 410 332 539**	**589 391 582**

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

		Audited Inflation Adjusted		Unaudited Historical	
11	**TRADE AND OTHER PAYABLES**	**2021**	**2020**	**2021**	**2020**
	All figures in ZWL				
	Rentals received in advance	6 762 566	6 700 910	5 781 892	4 131 096
	Sundry payables*	55 882 651	23 050 544	55 882 651	14 340 365
	Trade payables	33 060 810	20 483 616	33 060 810	12 743 410
	Leave pay provision**	6 667 443	2 315 375	6 667 443	1 440 457
	Related party payables	7 335 266	26 483 363	7 335 266	16 476 014
	Group company payables	8 490 493	-	8 490 493	-
	As at 31 December	**118 199 229**	**79 033 808**	**117 218 555**	**49 131 342**

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

		Audited Inflation Adjusted		Unaudited Historical	
11.1	**** Leave pay provision reconciliation**	**2021**	**2020**	**2021**	**2020**
	At 1 January	2 315 375	890 153	1 440 457	123 452
	Recognised during the period	6 990 664	1 425 222	5 417 342	1 321 593
	Utilised during the period	(245 640)	(33 084)	(190 356)	(4 588)
	Inflation effect	(2 392 956)	33 084		
	At 31 December	**6 667 443**	**2 315 375**	**6 667 443**	**1 440 457**

		Audited Inflation Adjusted		Unaudited Historical	
12	**REVENUE**	**2021**	**2020**	**2021**	**2020**
	All amount in ZWL				
	Rental income	412 063 168	268 133 369	333 311 639	108 254 786
	Property services income	71 810 011	30 218 228	57 924 887	13 307 736
		483 873 179	**298 351 597**	**391 236 526**	**121 562 522**
13	**ALLOWANCE FOR CREDIT LOSSES**				
	Allowance for credit losses	23 508 866	7 842 176	23 508 866	4 878 829
	Specific write-offs	-	260 145	-	161 843
		23 508 866	**8 102 321**	**23 508 866**	**5 040 672**
14	**PROPERTY EXPENSES**				
	Operating costs under recoveries	67 559 686	35 887 028	53 082 558	14 877 020
	Maintenance costs	18 570 252	43 699 399	14 525 418	15 297 759
	Valuation fees	2 459 688	2 556 844	2 112 644	1 035 064
	Property security and utilities	980 603	520 152	773 915	183 374
	As at 31 December	**89 570 229**	**82 663 423**	**70 494 535**	**31 393 217**
	Property expenses arising from investment properties that generated rental income	88 589 626	82 143 271	69 720 620	31 209 843
	Property expenses arising from investment properties that did not generate rental income	980 603	520 152	773 915	183 374
		89 570 229	**82 663 423**	**70 494 535**	**31 393 217**

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

15	**EMPLOYEE COSTS**				
	Salaries	43 111 959	25 800 347	34 674 997	9 983 676
	Staff training	806 082	95 873	734 736	45 656
	NSSA and levies	2 539 390	1 202 291	2 043 900	523 631
	Pension contributions	4 947 362	2 487 465	4 010 210	965 018
	General allowances	62 015 083	24 165 468	47 813 317	11 604 754
	Motor vehicle allowance	20 420 328	16 337 908	16 091 293	7 207 605
	Performance bonus	5 883 551	35 897 388	5 883 551	18 317 014
	Other staff costs	14 617 567	15 431 525	12 370 172	5 169 826
		154 341 322	**121 418 265**	**123 622 176**	**53 817 180**

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

		Audited Inflation Adjusted 2021	Audited Inflation Adjusted 2020	Unaudited Historical 2021	Unaudited Historical 2020
16	**OTHER EXPENSES**				
	All figures in ZWL				
	Directors' fees				
	-For services as directors	15 758 633	9 368 179	12 870 573	4 672 218
	Auditors' fees:				
	-current year	2 539 593	3 072 032	1 977 172	1 624 998
	-prior year	3 636 229	5 070 024	2 830 945	2 681 866
	Information and communication technology expenses	11 715 304	7 946 687	9 293 116	3 632 401
	Depreciation	3 098 055	2 706 537	489 265	67 750
	Communication expenses	1 990 008	994 573	1 625 287	450 189
	Fees and other charges*	55 118 034	5 142 920	44 829 488	1 821 364
	Investment fees	72 691	176 052	340 933	45 129
	Office costs	21 493 016	29 324 592	16 595 607	14 884 730
	Travel and entertainment expenses	1 513 788	1 276 771	1 301 877	573 373
	Group shared services	39 952 707	28 607 039	32 151 458	11 257 130
	Advertising	3 025 956	2 355 261	2 556 167	688 631
		159 914 014	**96 040 667**	**126 861 888**	**42 399 779**

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

		Audited Inflation Adjusted 2021	Audited Inflation Adjusted 2020	Unaudited Historical 2021	Unaudited Historical 2020
17	**FAIR VALUE ADJUSTMENTS**				
	All figures in ZWL				
	Fair value adjustment - investment property	4 077 526 397	4 317 271 267	7 608 646 494	5 147 979 107
	Fair value adjustments- Investment property held for sale	3 199 621		2 402 350	
		4 080 726 018	**4 317 271 267**	**7 611 048 844**	**5 147 979 107**
18	**OTHER INCOME**				
	Bad debts recovered	-	2 175	-	600
	Exchange Gains/(Losses)	16 434 535	1 809 971	16 210 284	808 893
	Shared services	21 178 855	12 105 884	17 687 936	3 683 276
	Insurance claim	-	4 966 618	-	1 370 614
	Fair value gain on financial assets at fair value through profit and loss	824 819	4 208 467	4 203 145	4 264 326
	Profit on disposal of investment property held for sale and PPE	749 051	-	12 607 365	-
	Sundry income*	29 486 738	5 793 649	23 162 725	959 246
		68 673 998	**28 886 764**	**73 871 455**	**11 086 955**

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

		Audited Inflation Adjusted 2 021	Audited Inflation Adjusted 2 020	Historical 2021	Historical 2020
19	**FINANCE INCOME**				
	All figures in ZWL				
19.1	**Finance income for statement of profit or loss**				
	Interest on overdue tenant accounts	18 214 254	2 555 654	15 743 689	981 629
	Interest on investments	595 463	137 749	500 861	67 351
		18 809 717	**2 693 403**	**16 244 550**	**1 048 980**
19.2	**Finance income for statement of cash flows**				
	Finance income received	4 611 716	1 661 497	3 573 801	818 204
	Finance income accrued	14 198 001	1 031 906	12 670 749	230 776
		18 809 717	**2 693 403**	**16 244 550**	**1 048 980**

		Audited Inflation Adjusted		Historical	
		2 021	2 020	2021	2020
20	**INCOME TAX EXPENSE/(CREDIT)**				
	Current income tax	29 700 093	14 632 368	29 700 093	9 103 193
	Deferred tax	469 342 104	(15 752 689)	820 940 957	426 639 233
		499 042 197	**(1 120 321)**	**850 641 050**	**435 742 426**

20.1	**Reconciliation of income tax charge**	**2021**	**2 020**	**2021**	**2 020**
	Accounting Profit	**4 234 253 475**	**4 303 449 284**	**7 747 913 910**	**5 149 026 716**
	Tax at Standard rate	24,72%	24,72%	24,72%	24,72%
	Notional accounting tax at standard rate	1 046 707 459	1 063 812 663	1 915 284 319	1 272 839 404
	Expenses not deductible for tax purposes*	20 999 281	20 117 369	11 390 617	6 262 375
	Effect of different tax rates- Investment property	(325 089 086)	(23 197 135)	(251 924 397)	423 036 411
	Income not subject to tax**	(305 383 886)	(906 582 169)	(824 109 489)	(1 266 395 764)
	Inflation effect on adoption of IAS 29	61 808 429	(155 271 049)	-	-
	Effective tax for the period	**499 042 197**	**(1 120 321)**	**850 641 050**	**435 742 426**

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

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

20.2	**Reconciliation of income tax rate**	**2021**	**2020**	**2021**	**2020**
	Notional tax rate	24,72%	24,72%	24,72%	24,72%
	Expenses not deductible for tax purposes*	0,50%	0,47%	0,15%	0,12%
	Effect of different tax rates- Investment property	(7,68%)	(0,54%)	(3,25%)	8,22%
	Income not subject to tax	(7,21%)	(21,07%)	(10,64%)	(24,59%)
	Inflation effect on adoption of IAS 29	1,46%	(3,61%)	0,00%	0,00%
	Effective tax rate for the period	11,79%	(0,03%)	10,98%	8,47%

		Audited Inflation Adjusted		Unaudited Historical	
20.3	**Reconciliation of income tax paid**	**2021**	**2020**	**2021**	**2020**
	Tax assets at beginning of the year	-	-	-	-
	Tax liability at beginning of the year	2 703 575	-	1 681 967	-
	Current income tax expense (note 29)	29 700 093	14 632 371	29 700 093	9 103 193
	Provision/(reversal) of interest and penalties	912 306	(716 368)	567 570	(217 959)
	Tax liability at end of the year	(4 655 606)	(2 703 575)	(4 655 606)	(1 681 967)
	Effects of inflation after adoption of IAS 29	2 068 874	3 246 053	-	-
	Income tax paid	**30 729 242**	**14 458 481**	**27 294 024**	**7 203 267**

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

Risk Disclosures
The Company has the same risk profile as the Group as a whole. The disclosures are shown on the notes to the Group financial statements under note 4.

TOP 20 SHAREHOLDERS

FOR THE YEAR ENDED 31 DECEMBER 2021

Rank	Names	Tax	Industry	Shares	Percentage
1	STANBIC NOMINEES (PVT) LTD.	LN	LN	798 114 754	64,46
2	PIM NOMINEES (PVT) LTD	LN	LN	169 061 513	13,65
3	FIRST MUTUAL LIFE SHAREHOLDERS	INS	INS	96 403 627	7,79
4	SCB NOMINEES 033667800003	LN	LN	89 513 334	7,23
5	QuantAfrica Wealth Management	LC	LC	39 915 745	3,22
6	WORLDOVER CAPITAL LTD	LC	LC	3 405 613	0,28
7	CIMAS MEDICAL AID SOCIETY	PF	PF	3 289 000	0,27
8	HIPPO VALLEY ESTATE PF-DATVEST	PF	PF	3 190 773	0,26
9	ZIMBABWE ELECTRICITY IND. PF	PF	PF	2 429 261	0,20
10	ZB LIFE ASSURANCE LIMITED	INS	INS	1 713 761	0,14
11	RHYS SUMMERTON	LR	LR	1 700 074	0,14
12	Marsh Ret. Enhanc Fund-Datvest	FM	FM	1 003 079	0,08
13	MULTIMANAGER POOL-DATVEST	PF	PF	988 606	0,08
14	J SOFT P/L	LC	LC	950 000	0,08
15	ZB FIN HOLDINGS GROUP PF	PF	PF	931 518	0,08
16	EARL.A AND VALERIE .J CONNOLLY	LR	LR	912 529	0,07
17	OAK TRUST	TR	TR	900 000	0,07
18	MINING INDUSTRY PF - DATVEST	PF	PF	842 073	0,07
19	NATFOODS PENSION FUND-DATVEST	PF	PF	825 184	0,07
20	DATVEST NOMINEES (PVT) LTD	LN	LN	815 701	0,07
	Selected Shares			1 216 906 145	98,28
	Non - Selected Shares			21 251 165	1,72
	Issued Shares			1 238 157 310	100,00

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the nineteenth Annual General Meeting of First Mutual Properties Limited is to be held at First Mutual Office Park, 100 Borrowdale Road, Harare on 28 June 2022 at 9.30am for the purpose of transacting the business set out in this AGM Notice.

AGENDA

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements and Reports of the Directors and Auditors for the financial year ended 31 December 2021.

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

   Dr Chidakwa is a highly experienced professional with a broad understanding of business issues ranging from business development, economics, strategy design, corporate finance, financial management, business valuations, financial and econometric modelling. He has experience in both public and private sectors, having worked in key economic ministries in Zimbabwe, Advisory and Research services, Finance, Investment Management, Telecommunications, Export Credit Insurance, Hospitality, Tertiary Education and Mining Sectors. He is a member of the Institute of Chartered Management Accountants ("ACMA") a Chartered Global Management Accountant ("CGMA").

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

   Dr Sasha Jogi recently retired as a director of Arup Zimbabwe (Private) Limited. He is well qualified and has extensive experience in Development Planning with particular reference to Environmental, Regional and Urban Planning in both the public and private sectors in Zimbabwe. He has also been involved in Strategic Planning both at a company and institutional level. As past President of the Zimbabwe Institute of Regional and Urban Planners he initiated the involvement of Professional Development Institutions in the preparation of a National Planning and Development Agenda as well as direct involvement in the delivery of housing in Harare. Dr Sasha Jogi is a member of several professional associations.

4. To re-elect as a non- independent non-executive director, Mr Douglas Hoto, who retires by rotation in terms of the Articles of Association of the Company, and being eligible, offers himself for re-election.

   Mr Hoto is an accomplished business leader and Group Chief Executive Officer of FMHL. He holds a Bachelor of Science Honours Degree in Mathematics (University of Zimbabwe) and is a qualified Actuary. He has previously worked as Chief Executive Officer for Altfin Holdings Limited. Mr Hoto has more than two decades of experience as an actuary and has worked in various roles in the insurance industry in Zimbabwe and the SADC region. He works closely with national development organizations and is the past chairman for Zimbabwe National Statistics Agency (ZIMSTATS). He serves on a number of boards and is a past chairman of Actuarial Society of Zimbabwe, former board member of the Insurance Pension Commission ("IPEC") and a Trustee of the S. V. Muzenda Foundation.

5. To approve the Directors' remuneration for the financial year ended 31 December 2021.

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

6. To confirm the remuneration of the Auditors, Ernst & Young Chartered Accountants (EY), for the past audit.

   (NOTE: EY has served two years as external auditors of the Company.)

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

8. To confirm the final dividend of ZWL 20,031,335 being 1,6196 ZWL cents per share declared on 23 February 2022 and the interim dividends declared during the year, being ZWL 5,561,887 declared on 2 June 2021 and ZWL 5,600,000 declared on 23 August 2021 and ZWL 13,982,820 declared on 8 November 2021.

SPECIAL BUSINESS

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

1. Loans to Executive Directors

AS AN ORDINARY RESOLUTION

THAT the Company be and is hereby authorized to make any loan to any Executive Director or to enter into any guarantee or provide any security in connection with a loan to such Executive Director for the purpose of enabling him/her to properly perform his/her duty as an officer of the

Company as may be determined by the Group Human Resources and Governance Committee, provided that the amount of the loan or the extent of the guarantee or security shall not exceed the annual remuneration of that Director. Any such loans, securities or guarantees made or provided during the six months preceding this Annual General Meeting are hereby ratified.

2. General Authority to Buy Back Shares

AS A SPECIAL RESOLUTION
THAT the Company authorises in advance, in terms of section 129 of the Companies and other Business Entities Act [Chapter 24:31] and the Zimbabwe Stock Exchange Listing Requirements the purchase by the Company of its own shares subject to the following terms and conditions:

a. The authority in terms of this resolution shall expire on the date of the Company's next Annual General Meeting; and
b. Acquisitions shall be of ordinary shares which, in the aggregate in any one financial year shall not exceed 10% of the Company's issued ordinary share capital; and
c. The maximum and minimum prices, respectively, at which such ordinary shares may be acquired will not be more than 5% (five per centum) above and 5% (five per centum) below the weighted average of the market price at which such ordinary shares are traded on the ZSE, as determined over the 5 (five) business days immediately preceding the date of purchase of such ordinary shares by the Company.

(NOTES:
i. The Directors will only exercise the authority if they believe that to do so would be in the best interests of shareholders generally.
ii. All shares purchased pursuant to this resolution shall be utilised for treasury purposes or cancelled at the discretion of the Board of Directors from time to time.
iii. If the maximum number of shares that can be purchased pursuant to the authority is purchased, the Directors believe that the Company will be able, in the ordinary course of business, to pay its debts for a period of twelve months after the date of this notice; the assets of the Company and the Group will be in excess of the liabilities of the Company and the Group; there will be adequate ordinary capital and reserves in the Company for a period of 12 months after the date of this notice; and there will be adequate working capital in the Company and the Group for a period of 12 months after the date of this notice.
iv. a press announcement will be published as soon as the Company has acquired ordinary shares constituting, on a cumulative basis in the period between annual general meetings, 3% (three per centum) of the number of ordinary shares in issue prior to the acquisition.)

3. Any Other Business
To transact any other business competent to be dealt with at a general meeting.
i. **NOTES:** Members may follow proceedings live on the Company website via a link which will be uploaded on the website. However, in order to vote, you will need to attend in person or appoint a proxy to represent you at the meeting.
ii. Shareholders are advised to update their contact details with the transfer secretaries on the following contacts: Corpserve Registrars (Private) Limited, Second Floor, ZB Centre, Corner First Street and Kwame Nkrumah Avenue, Harare Telephone: +263 242 751 559 – 61, Email: corpserve@escrowgroup.org
iii. In terms of the Companies and Other Business Entities Act (Chapter 24:31) a member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote on a poll and speak in his stead. A proxy need not be a member of the Company.
iv. Proxy forms must be lodged at the registered office of the Company or the transfer secretaries not less than forty-eight hours before the time for holding the meeting.
v. Members may request a copy of the 2021 Annual Report from the registered office of the Company or from the office of the transfer secretaries. The 2021 Annual Report is also available for download from the Company's website https://firstmutualpropertiesinvestor.com

BY ORDER OF THE BOARD

Dulcie Kandwe (Mrs.)
Company Secretary
HARARE

27 May 2022

Registered Office
First Mutual Park
100 Borrowdale Road
Borrowdale
HARARE

PROXY FORM

I /We, ____
(full names)
of ____
(full address)
being the registered holder/s of ____ ordinary shares in
FIRST MUTUAL PROPERTIES LIMITED, do hereby appoint:

____
(full names)
of ____
(full address)

as my/our proxy to vote for me/us on my/our behalf at the **ANNUAL GENERAL MEETING** of the Company to be held on **28 June 2022** and at any adjournment thereof.

I/We instruct my/our proxy or proxies to vote in the following way:
(Please mark the appropriate box with an "X" next to each resolution)

	ORDINARY BUSINESS	For	Against	Abstain
1	Adoption of the Audited Financial Statements and Reports of the Directors and Auditors for the financial year ended 31 December 2021			
2	Re-election of Dr A Chidakwa as a director of the Company			
3	Re-election of Dr S Jogi as a director of the Company			
4	Re-election of Mr D Hoto as a director of the Company			
5	Confirmation of the remuneration of the Directors			
6	Confirmation of the remuneration of the Auditors, Ernst & Young Chartered Accountants Zimbabwe, for the past audit			
7	Re-appointment of Ernst & Young Chartered Accountants Zimbabwe as Auditors of the Company until the conclusion of the next A.G.M.			
8	Confirmation of the dividend			
	SPECIAL BUSINESS			
9	THAT the Company be authorised to make loans to Executive Directors in terms of Section 208 of the Companies and Other Business Entities Act [Chapter 24:31], subject to certain conditions.			
10	As a Special Resolution THAT the Company be authorised in terms of section 129 of the Companies & Other business Entities Act to purchase its own shares, subject to certain conditions.			

Details of the above resolutions are set out in the Notice of the Annual General Meeting.

Signed this ______________________________ day of ______________________________ 2022

____
SIGNATURE OF SHAREHOLDER

NOTES:

1. Members may follow proceedings live on the Company website via a link which will be uploaded on the website. However, in order to vote, you will need to attend in person or appoint a proxy to represent you at the meeting.
2. Shareholders are encouraged to participate in the AGM and to make use of proxy voting, as outlined in the AGM Notice.
3. In terms of section 171 of the Companies and Other Business Entities Act (Chapter 24:31), a member of the Company is entitled to appoint one or more persons to act in the alternative as his proxy, to attend and vote and speak in his stead. A proxy need not be a shareholder of the Company.
4. Unless otherwise instructed, the proxy will vote as he/she thinks fit.
5. This proxy form must be deposited at the Registered Office of the Company which is situated at First Floor, First Mutual Park, Borrowdale Road, Harare so as to be received by the Secretary not less than 48 hours before the meeting.
6. The proxy form must be signed and dated for it to be valid. Any alterations or corrections to this form must be initialled.
7. Anyone signing this proxy form in a representative capacity must be authorised to do so. Please stamp this form with your company or organisation's stamp and enclose proof of authorisation.
8. The return of this proxy form will not prevent you from attending the meeting and voting in person. However, should this happen, the proxy will be revoked.

GRI Content Index

GRI Standard	Disclosure	Page number(s)	Omission		
			Part Omitted	Reason	Explanation
GRI 101: Foundation 2016					
General Disclosures					
	Organisational profile				
	102-1 Name of the organisation	Cover page			
	102-2 Activities, brands, products, and services	8			
	102-3 Location of headquarters	130			
	102-4 Location of operations	8, 130			
	102-5 Ownership and legal form	126			
	102-6 Markets served	8			
	102-7 Scale of the organisation	8, 44, 61, 109			
	102-8 Information on employees and other workers	45-46			
	102-9 Supply chain	8, 17			
	102-10 Significant changes to the organisation and its supply chain	17			
	102-11 Precautionary Principle or approach	32			
	102-12 External initiatives	48			
	102-13 Membership of associations	8			
	Strategy				
	102-14 Statement from senior decision-maker	14, 22			
	Ethics and integrity				
	102-16 Values, principles, standards, and norms of behaviour	1			
	Governance				
GRI 102: General Disclosures 2016	102-18 Governance structure	24-25, 27-31			
	Stakeholder engagement				
	102-40 List of stakeholder groups	36, 37			
	102-41 Collective bargaining agreements	44	56% of our employees our covered by collective bargaining agreements		
	102-42 Identifying and selecting stakeholders	36			
	102-43 Approach to stakeholder engagement	36			
	102-44 Key topics and concerns raised	37			
	Reporting practice				
	102-45 Entities included in the consolidated financial statements.	8			
	102-46 Defining report content and topic Boundaries	2			
	102-47 List of material topics	35			
	102-48 Restatements of information	2			
	102-49 Changes in reporting	35	There were changes in the list of material topics		
	102-50 Reporting period	2	The reporting period for this report is from 1 January 2021 to 31 December 2021.		
	102-51 Date of most recent report	2	31 December 2020		
	102-52 Reporting cycle	2	We report on an annual basis.		
	102-53 Contact point for questions regarding the report	2			
	102-54 Claims of reporting in accordance with the GRI Standards	2	This report has been prepared in accordance with the GRI Standards Core option.		
	102-55 GRI content index	127 -129			
	102-56 External assurance	2			

GRI Content Index

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
Material Topics					
200 series (Economic topics)					
Economic Performance					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	2, 49			
	103-2 The management approach and its components	49-50			
	103-3 Evaluation of the management approach	50			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	65-125			
	201-3 Defined benefit plan obligations and other retirement plans	50			
Tax					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	2, 50			
	103-2 The management approach and its components	50			
	103-3 Evaluation of the management approach	50			
GRI 201: Tax 2019	207-1 Approach to tax	50			
Indirect Economic Impacts					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	2, 48			
	103-2 The management approach and its components	48			
	103-3 Evaluation of the management approach	48			
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	48			
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