

PROPERTIES

Go Beyond

Reviewed Abridged Consolidated Group Financial Results for the Six Months Ended 30 June 2022

Short-form Financial Announcement

This short form financial announcement has been issued in terms of the Zimbabwe Stock Exchange (ZSE) Practice note 13.

This short-form financial announcement is only a summary of the information contained in the reviewed abridged consolidated financial statements for the six months ended 30 June 2022. Any investment decision by investors and/or shareholders should be based on consideration of the reviewed abridged consolidated financial results for the six months ended 30 June 2022. The reviewed abridged consolidated financial statements have been released on the ZSE Data Portal: www.zse.co.zw and the Company's website: <https://firstmutualpropertiesinvestor.com/>

Financial performance

The summarised financial statement

	Inflation adjusted			Historical cost**		
	30-Jun-22 ZWL000	30-Jun-21 ZWL000	Change %	30-Jun-22 ZWL000	30-Jun-21 ZWL000	Change %
Revenue	746,274	595,460	25%	485,763	191,416	154%
Net property income (NPI)	247,196	314,737	(21%)	122,984	89,506	37%
Fair value movements- Investment properties	29,743,530	(4,651,593)	(739%)	55,970,982	358,404	15517%
Profit/(loss) before income tax	29,909,713	(4,586,123)	752%	56,478,288	402,384	13936%
Profit/(loss) for the period	25,064,733	(2,058,299)	1318%	48,547,060	340,160	14172%

	Inflation adjusted			Historical cost**		
	30-Jun-22 ZWL000	31-Dec-21 ZWL000	Change %	30-Jun-22 ZWL000	31-Dec-21 ZWL000	Change %
Investment properties	77,989,500	48,246,709	62%	77,989,500	22,039,000	254%
Total assets	79,223,670	49,285,243	61%	79,154,209	22,484,356	252%

	30-Jun-22	30-Jun-21	Change %	30-Jun-22	30-Jun-21	Change %
Cash generated from operations	236,573	87,663	170%	198,777	27,238	630%

	Inflation adjusted			Historical cost**		
	30-Jun-22	30-Jun-21	Change %	30-Jun-22	30-Jun-21	Change %
Headline earnings per share (ZWL cents)	2,026.69	(166.42)	1318%	3,925.44	27.50	14173%
Basic earnings per share (ZWL cents)	2,026.69	(166.42)	1318%	3,925.44	27.50	14173%

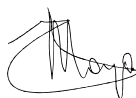
*The historical cost information has been shown as supplementary information for the benefit of users. The historical cost information does not comply with the International Financial Reporting Standards in that it has not taken into account the requirements of International Accounting Standard 29 – Financial Reporting in Hyperinflationary Economies. As a result, the auditors have not expressed an opinion on this historic financial information and company financial information

Dividend

On 30 August 2022 the Board resolved that an interim dividend of ZWL 87 million and USD 100,000 be declared from the profits of the Company for the quarter ended 30 June 2022. Further details on the payment of the dividend will be communicated in a separate dividend announcement.

Review opinion

The consolidated inflation adjusted financial statements from which this abridged version has been extracted have been reviewed by the Group's external auditors, Ernst and Young Chartered Accountants (Zimbabwe). A qualified review conclusion has been issued thereon as a result of non-compliance with the requirements of International Accounting Standard 8 (Accounting policies, changes in accounting estimates and errors) and the consequential impact of applying International Accounting Standard 29 (Financial reporting in Hyperinflationary Economies) on incorrect base numbers for the corresponding (prior year) figures only. The auditor's review conclusion is available for inspection at the Group's registered office. The partner of this engagement was Fungai Kuipa (PAAB Practising certificate number 335).



E K Moyo
Chairman

30 August 2022

HY 2022 CHAIRMAN'S STATEMENT

Overview of Operating Environment

Zimbabwe has been experiencing rising inflationary pressures and exchange rate volatility since the beginning of the year. This has also been worsened by geopolitical conflicts, particularly the Russia-Ukraine conflict and the Covid-19 induced supply chain disruptions. These developments during the period under review had significant knock-on effects with global inflation reaching its highest since 2008 while economic growth remained mixed. Global issues coupled with climate change (unpredictable rainfall and weather patterns) had important implications for Zimbabwe's operating environment, cost of doing business and hence strategy implementation as well as business viability.

Annual inflation rose to 191.6% in June 2022 from 60.7% in December 2021. Both the official and unofficial exchange rates were under pressure during the period under review. The official rate depreciated by 70.7% from ZWL108.67 on 31 December 2021 to ZWL370.96 on 30 June 2022. Management, however, continued to implement effective strategies to minimise the potentially huge negative effects of the changing operating environment on business.

Property Market Overview

Space absorption remained low during the period under review due to relatively weak demand that resulted in excess supply of space in the Central Business District (CBD) offices and Suburban Shopping centres. In contrast, the retail, warehousing and prime office space segments enjoyed relatively strong demand resulting in high occupancy levels.

Achieving sustainable rentals has remained a major challenge for the industry given the inflationary and exchange rate depreciation pressures experienced during the review period. Further, pressure to preserve value of the local currency denominated rentals remained a top priority for property companies including the First Mutual Properties. Against this, quarterly reviews of local currency denominated rentals were being made in tandem with the prevailing business conditions.

The country has seen some developments in the industrial and retail warehousing sectors. Further, there has been an increase in the development of owner-occupied office park style buildings, cluster houses and residential house conversions and new commercial developments especially in suburbs just outside the CBD and on major roads. First Mutual Properties has positioned itself to take advantage of the emerging growth opportunities for the benefit of the shareholders.

Business performance overview

The Group's inflation adjusted Net Property Income after administration expenses decreased by 46% to ZWL67.4 million (HY 2021: ZWL125.8 million) despite growth in inflation adjusted revenue of 25% to ZWL746.3 million (HY 2021: ZWL595.5 million). Rental income remains the main source of revenue. In historical terms, revenue grew by 154% from ZWL191 million in June 2021 to ZWL486 million mainly due to timeous rental reviews and stable occupancy level averaged 89.23% for the 6 months ending 30 June 2022 (FY 2021: 89.53%).

Management continued to engage the tenants for timeous rental payments. This initiative resulted in the drop on the number of tenants who in the past deliberately delayed to meet their lease obligations leading to improved collection rate at 87% (FY 2021: 82%). The Company is committed to providing a quality and safe product (property) to its tenants. In light of this, ZWL 85.4 million and ZWL 3.4 million were committed towards maintenance and improvements respectively during the period under review.

Property valuations

An independent property valuation conducted by Knight Frank Zimbabwe as at 30 June 2022 valued the property portfolio at ZWL 78.018 billion (FY 2021: ZWL 22.039 billion). The growth in property values of 254% is driven by the growth in rentals in line with the inflationary environment.

Developments

The Group has positioned itself to create value for its shareholders by embarking on various projects that are at different stages of execution. We are happy to report on the Arundel Office Park extension and Mbare retail warehouse for Gains Cash and Carry.

With regards to the Arundel Office Park extension, all the construction designs, tenders and approvals were obtained. Construction is scheduled to commence in September 2022.

The Mbare retail warehouse was completed and handed over to the tenant (Gain Cash and Carry) in June 2022. Tenant operations began in July 2022.

Sustainability

The Group will continue to run its operations sustainably in line with the environmental, social and governance (ESG) requirements. The adoption of "green" operations including investing in a solar power plant, energy efficient operations and waste management initiatives remain key to the Group's strategy. We will continue to enhance the Group's ESG framework in line with the global trends.

Dividend

On 30 August 2022 the Board resolved that an interim dividend of ZWL 87 million and USD 100,000 be declared from the profits of the Company for the quarter ended 30 June 2022. Further details on the payment of the dividend will be communicated in a separate dividend announcement.

Business Outlook

The business outlook remains highly uncertain. Despite this, the Company will continue to explore pragmatic strategies to grow the shareholder value including investing in high-yielding properties which will hedge the Company against inflation and exchange rate risks. Maintaining high occupancy levels on the back of effective client relationship management, provision of quality and safe product through on-going property refurbishment, maintenance and upgrades will remain a key focus area in the outlook.



E K Moyo
Chairman

30 August 2022

Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2022

Note	Inflation Adjusted		Historical Cost	
	Reviewed 30 Jun 2022 ZWL 000	Audited 31 Dec 2021 ZWL 000	Unaudited 30 Jun 2022 ZWL 000	Unaudited 31 Dec 2021 ZWL 000
ASSETS				
Non-current Assets				
Investment properties	6.1 77 989 500	48 246 709	77 989 500	22 039 000
Investment in Associate	7 27 455	27 455	8 702	8 702
Vehicles and equipment	8 20 405	17 881	6 175	2 833
Financial assets at fair value through profit or loss - Unquoted shares	9 27 185	18 473	27 185	8 438
Financial assets at fair value through profit or loss - Quoted shares	9.1 3 522	3 061	3 522	1 398
Financial assets at amortised cost	10 200	855	200	390
	78 068 267	48 314 434	78 035 284	22 060 761
Current Assets				
Inventory	155	1 052	24	121
Trade and other receivables	11 348 234	464 507	311 887	192 677
Investment Property held for sale	6.2 28 000	-	28 000	-
Cash and cash equivalents	12 779 014	505 250	779 014	230 797
	1 155 403	970 809	1 118 925	423 595
Total Assets	79 223 670	49 285 243	79 154 209	22 484 356
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent				
Ordinary share capital	165 235	165 235	1 198	1 198
Retained earnings	68 113 130	43 141 966	68 245 733	19 760 449
Total Shareholders' Equity	68 278 365	43 307 201	68 246 931	19 761 647
Non-current liabilities				
Deferred tax liabilities	13 10 502 270	5 702 520	10 483 981	2 598 083
	10 502 270	5 702 520	10 483 981	2 598 083
Current liabilities				
Current income tax liability	14 14 120	14 498	14 120	6 623
Trade and other payables	428 915	261 024	409 177	118 003
	443 035	275 522	423 297	124 626
Total Liabilities	10 945 305	5 978 042	10 907 278	2 722 709
Total Equity and Liabilities	79 223 670	49 285 243	79 154 209	22 484 356

Interim Condensed Consolidated Statement of Comprehensive Income for the period ended 30 June 2022

Note	Inflation Adjusted		Historical Cost	
	Reviewed 30 Jun 2022 ZWL 000	Restated Reviewed 30 Jun 2021 ZWL 000	Unaudited 30 Jun 2022 ZWL 000	Restated Unaudited 30 Jun 2021 ZWL 000
Revenue	15 746 274	595 460	485 763	191 416
Property expenses	16 (472 550)	(263 450)	(336 251)	(95 986)
Provision for credit losses	(26 528)	(17 273)	(26 528)	(5 924)
Net property income (NPI)	247 196	314 737	122 984	89 506
Employee related expenses	(55 002)	(83 715)	(38 593)	(27 184)
Other expenses	(124 810)	(105 233)	(84 653)	(22 059)
NPI after admin expenses	67 384	125 789	(262)	40 263
Fair value adjustment - investment properties	18 29 743 530	(4 651 593)	55 970 982	358 404
Net monetary loss	(534 445)	(73 569)	-	-
Finance income	19 50 716	7 948	32 328	2 562
Other income	20 582 528	5 302	475 240	1 156
Profit/(loss) before income tax	17 29 909 713	(4 586 123)	56 478 288	402 385
Income tax (expense) credit	21 (4 844 980)	2 527 824	(7 931 228)	(62 224)
Profit/(loss) for the period	25 064 733	(2 058 299)	48 547 060	340 161
Other comprehensive income for the period				
	-	-	-	-
Total comprehensive profit/(loss) for the period	25 064 733	(2 058 299)	48 547 060	340 161
Attributable to:				
-Owners of the parent	25 064 733	(2 058 299)	48 547 060	340 161
Total profit/(loss) for the period	25 064 733	(2 058 299)	48 547 060	340 161
Basic and diluted earnings/(loss) per share (ZWL cents)				
	2 027	(166)	3 925	28
Headline earnings per share (ZWL cents)	2 027	(166)	3 925	28
Weighted average number of shares in issue	1 236 730	1 236 730	1 236 730	1 236 730

Interim Condensed Consolidated Statement of Changes in Equity for the period ended 30 June 2022

	Inflation Adjusted			
	Attributable to owners of the parent			Total
	Ordinary Share Capital	Treasury shares	Retained Earnings	Shareholders Equity
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
At 1 January 2021	168 296	(3 061)	30 557 543	30 722 778
Loss for the period	-	-	(2 058 299)	(2 058 299)
Dividend paid	-	-	(69 878)	(69 878)
At 30 June 2021	168 296	(3 061)	28 429 366	28 594 601
At 1 January 2022	168 296	(3 061)	43 141 966	43 307 201
Acquisition of treasury shares	-	-	(518)	(518)
Profit for the period	-	-	25 064 733	25 064 733
Dividend paid	-	-	(93 051)	(93 051)
At 30 June 2022	168 296	(3 061)	68 113 130	68 278 365

Interim Condensed Consolidated Statement of Changes in Equity for the period ended 30 June 2022

All figures in ZWL

	Historical Cost			
	Attributable to owners of the parent			Total
	Ordinary Share Capital	Treasury shares	Retained Earnings	Shareholders Equity
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
At 1 January 2021	1 238	(40)	8 723 959	8 725 157
Profit for the period	-	-	340 160	340 160
Dividend paid	-	-	(21 511)	(21 511)
At 30 June 2021	1 238	(40)	9 042 608	9 043 806
At 1 January 2022	1 238	(40)	19 760 449	19 761 647
Acquisition of treasury shares	-	-	(518)	(518)
Profit for the period	-	-	48 547 060	48 547 060
Dividend paid	-	-	(61 258)	(61 258)
At 30 June 2022	1 238	(40)	68 245 733	68 246 931

Interim Condensed Consolidated Statement of Cash Flows for the period ended 30 June 2022

	Inflation Adjusted		Historical	
	Reviewed 30 Jun 2022	Reviewed 30 Jun 2021	Unaudited 30 Jun 2022	Unaudited 30 Jun 2021
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Profit before tax	29 909 713	(4 586 123)	56 478 288	402 385
Adjustment for non-cash items**	(29 931 672)	4 760 046	(56 425 044)	(346 955)
Cash flows from operating activities before working capital adjustments	(21 959)	173 923	53 244	55 430
Working capital adjustments	258 533	(86 260)	145 533	(28 192)
Cash generated from operations	236 574	87 663	198 777	27 238
Tax paid	(51 567)	(75 648)	(37 758)	(24 678)
Net cash flow from operating activities	185 007	12 015	161 019	2 560
Net cash flows used in investing activities	(34 562)	(50 208)	(4 205)	(17 238)
Net cash flows from financing activities*	(68 052)	(65 016)	(61 777)	(21 511)
Net increase/(decrease) in cash and cash equivalents	82 393	(103 209)	95 037	(36 189)
Inflation effect on overall cash flows	(543 945)	(79 299)	-	-
Opening cash and cash equivalents	505 250	436 445	230 797	124 032
Effects of changes in foreign currency	735 316	26 858	453 180	8 464
Cash and cash equivalents at 30 June 2022	779 014	280 795	779 014	96 307

*Net cash flow from financing activities is entirely comprised of dividends paid out
**Adjustment for non cash items take into account the following

	Inflation adjusted		Historical	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Profit/(loss) before tax	29 909 713	(4 586 123)	56 478 288	402 385
Fair value adjustments	(29 743 530)	4 651 593	(55 970 982)	(358 404)
Impairment of trade receivables	26 528	17 273	26 528	5 924
Net monetary loss	534 445	73 569	-	-
Exchange (gain)/ loss	(706 110)	11 814	(435 179)	4 383
Other non cash items*	(43 005)	5 797	(45 411)	1 142
Cash flows from operating activities before working capital adjustments	(21 960)	173 923	53 244	55 430

*Other non cash items includes depreciation, profit on disposal, finance income and exchange gains

Notes to the Interim Condensed Consolidated Financial Results for the period ended 30 June 2022

1 Corporate information
First Mutual Properties Limited is a public company incorporated and domiciled in Zimbabwe and its shares are publicly traded on the Zimbabwe Stock Exchange. The principal activities of the Group are property investment development and management. The condensed consolidated financial statements of the Group for the period ended 30 June 2022 were authorised for issue in accordance with a resolution of the directors at a meeting held on 30 August 2022.

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

Auditor's statement

The consolidated inflation adjusted financial statements from which this abridged version has been extracted have been reviewed by the group's external auditors, Ernst and Young Chartered Accountants (Zimbabwe). A qualified review conclusion has been issued thereon as a result of non-compliance with the requirements of International Accounting Standard 8 (Accounting policies, changes in accounting estimates and errors) and the consequential impact of applying International Accounting Standard 29 (Financial reporting in Hyperinflationary Economies) on incorrect base numbers for the corresponding (prior year) figures only. The auditor's review conclusion is available for inspection at the Group's registered office. The partner of this engagement was Fungai Kuipa (PAAB Practising certificate number 335).

Notes to the Interim Condensed Consolidated Financial Results for the period ended 30 June 2022

Inflation Adjustments

For the purpose of fair presentation in accordance with International Accounting Standard 29 "Financial Reporting in Hyper Inflationary Economies" the financial statements have been restated for changes in the general purchasing power of the ZWL and appropriate adjustments have been made. The restatement has been calculated by means of conversion factors derived from the month on month Consumer Price Index (CPI) prepared by the Zimbabwe Statistical Agency. All items in the statement of comprehensive income are restated by applying the relevant monthly conversion factors. The conversion factors used are as follows:

Date	CPI	Conversion factor
30-Jun-22	8 707,35	1,00
31-Dec-21	3 977,50	2,19
30-Jun-21	2 986,40	2,92
31-Dec-20	2 608,79	3,52

3 Accounting policies

The principal accounting policies adopted in the presentation of these financial statements are consistent with those of the previous financial year. However the Group changed the classification of staff related expenses and other offices expenses which are directly associated with the management of properties from administration expenses to property expenses in line with regional listed property companies. The reclassification resulted in increase in property expenses and decrease in administration expenses with no effect on profit for the period.

4 Reporting period and currency

The reporting period is 1 January 2022 to 30 June 2022. The financial statements are presented in Zimbabwean dollars (ZWL) being the functional and reporting currency of the primary economic environment in which the Group operates. There was no change in the functional currency and reporting currency of the Group from the previous financial period. The Group used the RBZ auction rate to translate all transactions done in foreign currency to Zimbabwean dollars (ZWL).

5 Going concern assumption

The Directors have assessed the ability of the Group to continue operating as going concerns and believe that the preparation of these interim condensed financial statements on a going concern basis is appropriate based on the Unaudited Historical financial performance for the half year of 2022. The business also continues to implement futuristic plans in response to the market trends to ensure sustainable earnings, with investments planned for Arundel Office Park expansion and participation in FMHL Group projects, retail land acquisitions and tenant driven expansion initiatives. In addition, borrowing capabilities continue to be pursued due to the positive cash flow generation. These all provide evidence of business continuity and the thrust to implement strategic plans and targets. It is to this effect that First Mutual Properties Limited interim condensed financial statements will continue to be prepared under the going concern basis.

6 Fair value measurement

The Group's fair values of its investment properties are based on valuations performed by Knight Frank Zimbabwe an accredited independent valuer. Knight Frank is a specialist in valuing these types of investment properties and has recent experience in the location and category of the investment properties being valued. The valuations are based upon assumptions on future rental income, anticipated maintenance costs, future development costs and the appropriate discount rate. Where the market information is available, the valuers make use of market information from transactions of similar properties. Significant judgements were applied as at 30 June 2022 as a result of the uncertainties resulting from the hyperinflationary economic environment, currency shifts, excessive market volatility and lack of recent transactions conducted in ZWL.

	Inflation adjusted		Historical	
	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
At 1 January	48 246 709	33 062 434	22 039 000	9 395 892
Additions	81 836	-	44 794	-
Disposals	(58 055)	-	(40 756)	-
Transfer to held for sale	(28 000)	-	(28 000)	-
Improvements to existing properties	3 480	45 940	3 480	15 756
Fair value adjustments	29 743 530	15 138 335	55 970 982	12 627 352
Closing Balance	77 989 500	48 246 709	77 989 500	22 039 000

6.2 Investment property held for sale

During the half year ended 30 June 2022, the directors of First Mutual Properties Limited decided to dispose of a parcel of land, known as Good hope, 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 30 June 2022. The asset was reclassified to current assets from investment property as disclosed below.

	Inflation adjusted		Historical	
	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
At 1 January	-	171 780	-	48 818
Reclassification to held for sale	28 000	-	28 000	-
Fair value adjustment	-	7 005	-	2 402
Disposal	-	(178 785)	-	(51 220)
Closing Balance	28 000	-	28 000	-

6.3 Valuation techniques and inputs

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.

Notes to the Interim Condensed Consolidated Financial Results
for the period ended 30 June 2022

All figures in ZWL 000

Class of Property	Fair value 30-Jun 2022	Valuation Technique	Key Unobservable Inputs	
CBD Offices	13 850 000	Income Capitalisation	Optimal Rental Per Square Metre	ZWL1 400-ZWL2 500 Range
			Return on Optimal Rental	5.5.00%-8.5% Range
			Vacancy Rate	26% weighted average
Office Parks	21 150 000	Income Capitalisation	Optimal Rental Per Square Metre	ZWL3 000-ZWL4 000 Range
			Return on Optimal Rental	5.00%-6.00% Range
			Vacancy rate	13% weighted average
CBD Retail*	10 309 800	Income Capitalisation	Optimal Rental Per Square Metre	ZWL2 000 -ZWL5 700 Range
			Return on Optimal Rental	4.00%-5.00% Range
			Vacancy rate	0%
Suburban Retail*	4 665 000	Income Capitalisation	Optimal Rental Per Square Metre	ZWL2 500 -ZWL5 000 Range
			Return on Optimal Rental	4.00%-5.00% Range
			Vacancy rate	0%
Industrial	7 145 000	Income Capitalisation	Optimal Rental Per Square Metre	ZWL700 - ZWL1 700 Range
			Return on Optimal Rental	7.00%-10.00% Range
			Vacancy rate	0%
Residential	2 833 500	Market Comparable	Comparable transacted Property Prices	
Land - Residential	-	Market Comparable	Rate per square metre Comparable Transacted land Prices	ZWL12 000.00-ZWL21 000.00 Range
Land - Commercial	18 036 200	Market Comparable	Rate per square metre Comparable Transacted land Prices	ZWL25 000.00-ZWL50 000.00 Range
Total	77 989 500			

7 Investment in associate

	Inflation adjusted		Historical	
	30 Jun 2022 ZWL 000	31 Dec 2021 ZWL 000	30 Jun 2022 ZWL 000	31 Dec 2021 ZWL 000
As at 1 January	27 455	-	8 702	-
Additions	-	27 455	-	8 702
Closing Balance	27 455	27 455	8 702	8 702

8 Vehicles and Equipment

	Inflation adjusted		Historical	
	30 Jun 2022 ZWL 000	31 Dec 2021 ZWL 000	30 Jun 2022 ZWL 000	31 Dec 2021 ZWL 000
At 1 January	17 881	14 923	2 833	176
Additions	7 715	9 745	3 877	3 291
Disposals	(111)	(376)	(3)	(138)
Depreciation	(5 080)	(6 411)	(532)	(496)
Closing Balance	20 405	17 881	6 175	2 833

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

	Inflation adjusted		Historical	
	30 Jun 2022 ZWL 000	31 Dec 2021 ZWL 000	30 Jun 2022 ZWL 000	31 Dec 2021 ZWL 000
At 1 January	18 473	16 667	8 438	4 737
Fair value adjustment	8 712	1 806	18 747	3 701
Closing Balance	27 185	18 473	27 185	8 438

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.

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

Class of property	Fair Value as at 30-Jun-22	Valuation technique	Key unobservable inputs	Range of inputs	Sensitivity of the input to fair value
Fair value of the Full Fund (CBD retail)	400 000 000,00	Income Capitalisation	Optimal Rental Per Square Metre Capital rate	ZWL2 500 -ZWL5 000 4.00%-5.00%	10% (2021: 10%) increase (decrease) in the growth rate would result in an increase (decrease) in fair value by ZWL 40,000,000 (2021: ZWL 12,375,000)

Notes to the Interim Condensed Consolidated Financial Results
for the period ended 30 June 2022

9.1 Financial Assets at fair value through profit or loss - Quoted shares

	Inflation adjusted		Historical	
	30 Jun 2022 ZWL 000	31 Dec 2021 ZWL 000	30 Jun 2022 ZWL 000	31 Dec 2021 ZWL 000
As at January	3 061	-	1 398	-
Additions	-	2 337	-	897
Fair value adjustment	461	724	2 124	501
	3 522	3 061	3 522	1 398

10 Financial Assets at Amortised Cost

	Inflation adjusted		Historical	
	30 Jun 2022 ZWL 000	31 Dec 2021 ZWL 000	30 Jun 2022 ZWL 000	31 Dec 2021 ZWL 000
Treasury bills	200	438	200	200
Housing bonds	-	417	-	190
	200	855	200	390

11 Trade and Other Receivables

	Inflation adjusted		Historical	
	30 Jun 2022 ZWL 000	31 Dec 2021 ZWL 000	30 Jun 2022 ZWL 000	31 Dec 2021 ZWL 000
Tenant receivables	113 260	158 115	113 260	72 226
Tenant operating cost recoveries	36 450	69 806	36 450	31 888
Trade receivables	149 710	227 921	149 710	104 114
Less: Allowance for Credit Losses	(59 706)	(72 633)	(59 706)	(33 179)
Net Trade Receivables	90 004	155 288	90 004	70 935
Prepayments	234 784	257 632	198 437	98 177
Other receivables	18 814	27 539	18 814	12 580
Related party receivables	4 632	24 048	4 632	10 985
	348 234	464 507	311 887	192 677

11.1 Reconciliation of allowance for credit losses

	Inflation adjusted		Historical	
	30 Jun 2022 ZWL 000	31 Dec 2021 ZWL 000	30 Jun 2022 ZWL 000	31 Dec 2021 ZWL 000
At 1 January	72 633	29 308	33 179	8 781
Add: Charge for the year	26 528	53 410	26 527	24 398
Effect of inflation	(39 455)	(10 085)	-	-
	59 706	72 633	59 706	33 179

11.2 Analysis of Allowance for Expected Credit Losses (Inflation adjusted)

June 2022 ZWL 000	Current	30 days +	60 days +	90 days +	120 days +	Total
Expected loss rate	7,39%	14,97%	23,77%	44,61%	100%	
Gross carrying amount of trade receivables provided for	44 935	22 625	13 961	9 165	45 112	135 798
Credit loss allowance*	3 322	3 386	3 318	4 089	45 112	59 227
Expected loss rate	3,43%	3,43%	3,43%	3,43%	3,43%	
Gross carrying amount-trade receivables provided for	10 218	467	175	2 044	1 080	13 984
Credit loss allowance**	350	16	6	70	37	479
Total credit loss allowance	3 673	3 402	3 324	4 159	45 149	59 706

December 2021 ZWL 000

	Current	30 days +	60 days +	90 days +	120 days +	Total
Expected loss rate	6,65%	13,37%	32,56%	41,56%	100%	
Gross carrying amount of trade receivables provided for	78 310	33 512	27 405	12 703	47 428	199 358
Expected Credit loss allowance*	5 212	4 482	8 922	5 280	47 428	71 324
Expected loss rate	4,52%	4,52%	4,52%	4,52%	4,52%	
Gross carrying amount of trade receivables provided for	5 594	1 006	2 127	6 850	13 407	28 984
Expected Credit loss allowance**	253	45	96	309	606	1 309
Total credit loss allowance	5 464	4 527	9 018	5 589	48 034	72 633

11.2 Analysis of Allowance for Expected Credit Losses (Historical data)

June 2022 ZWL 000	Current	30 days +	60 days +	90 days +	120 days +	Total
Expected loss rate	7,39%	14,97%	23,77%	44,61%	100%	
Gross carrying amount of trade receivables provided for	44 935	22 625	13 961	9 165	45 112	135 798
Credit loss allowance*	3 322	3 386	3 318	4 089	45 112	59 227
Expected loss rate	3,43%	3,43%	3,43%	3,43%	3,43%	
Gross carrying amount-trade receivables provided for	10 218	467	175	2 044	1 080	13 984
Credit loss allowance**	350	16	6	70	37	479
Total credit loss allowance	3 672	3 402	3 324	4 159	45 149	59 706

December 2021 ZWL 000

	Current	30 days +	60 days +	90 days +	120 days +	Total
Expected loss rate	6,65%	13,37%	32,56%	41,56%	100%	
Gross carrying amount of trade receivables provided for	35 806	15 308	12 518	5 803	21 665	91 100
Expected Credit loss allowance*	2 381	2 047	4 076	2 412	21 665	32 581
Expected loss rate	4,52%	4,52%	4,52%	4,52%	4,52%	
Gross carrying amount of trade receivables provided for	2 555	459	972	3 129	6 124	13 239
Expected Credit loss allowance**	115	21	44	141	277	598
Total credit loss allowance	2 496	2 068	4 120	2 553	21 942	33 179

*Credit loss allowance at different loss rates

**Credit loss allowance at 4.52%

Change of provisioning matrix

As at 30 June 2022, 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 took into account historical data for the past three years. Forward looking information was incorporated by adjusting historical loss rates using estimated GDP movements in the Zimbabwean economy.

Notes to the Interim Condensed Consolidated Financial Results
for the period ended 30 June 2022

12 Cash and Cash Equivalents

	Inflation adjusted		Historical	
	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Short-term Investments	177 130	25 500	177 130	11 648
Cash at Bank: USD	573 148	454 899	573 148	207 797
ZWL	28 736	24 851	28 736	11 352
	779 014	505 250	779 014	230 797

13 Deferred Tax Liability

	Inflation adjusted		Historical	
	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
1 January	5 702 520	2 965 728	2 598 083	841 971
Recognised in the statement of profit or loss				
-Arising on inventory	(162)	(257)	-	-
-Arising from prepayments	2 640	3 960	-	-
-Arising on vehicles and equipment	1 024	(174)	317	61
-Arising on investment properties	4 792 523	2 731 190	7 893 146	1 761 443
-Arising on financial assets at fair value through profit or loss	462	90	884	(2 231)
-Arising on provisions for credit losses	3 196	(10 317)	(6 558)	(6 031)
-Arising on leave pay provisions	67	12 300	(1 891)	2 870
	10 502 270	5 702 520	10 483 981	2 598 083

14 Trade and Other Payables

	Inflation adjusted		Historical	
	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Income received in advance	200 374	18 236	180 636	7 100
Related party payables	50 851	14 355	50 851	6 558
Sundry payables	89 174	108 817	89 174	49 707
Trade payables	66 594	86 433	66 594	39 480
Leave pay provision	14 321	14 596	14 321	6 667
Group company payables	7 601	18 587	7 601	8 491
	428 915	261 024	409 177	118 003

15 Revenue

	Inflation adjusted		Historical	
	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Rental income	725 122	581 372	468 332	186 851
Property Services income	21 152	14 088	17 431	4 565
	746 274	595 460	485 763	191 416

16 Property Expenses

	Inflation adjusted		Historical	
	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Maintenance costs	110 983	45 737	85 444	14 782
Property security and utilities	7 086	5 659	5 567	1 807
Valuation fees	1 581	1 864	761	591
Operating cost under recoveries	74 854	99 085	55 930	31 713
Staff costs*	200 603	68 006	134 926	28 825
Other costs*	77 443	43 099	53 623	18 268
	472 550	263 450	336 251	95 986

16.1 *Reclassification effect on property expenses and administration

The Group changed the classification of staff related expenses and other offices expenses which are directly associated with the management of properties from administration expenses to property expenses in line with regional listed property companies. The effect of the reclassification is disclosed below.

16.1

	30 Jun 2022		31 Dec 2021	
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Increase in property expenses	278 046	111 105	188 549	47 093
Decrease in employee related expenses	(200 603)	(68 006)	(134 926)	(28 825)
Decrease in other expenses	(77 443)	(43 099)	(53 623)	(18 268)
	-	-	-	-

17 Profit before income tax takes into account the following

	Inflation adjusted		Historical	
	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Directors fees -for services as directors	7 628	8 746	4 853	1 882
Audit fees	7 773	5 207	4 547	1 132
Information communication and technology expenses	3 280	10 172	2 404	813
Fees and other charges	26 813	6 465	18 278	3 013
Depreciation	5 080	2 280	106	44
Office costs	13 192	23 896	12 272	1 039
Group shared services	57 496	42 182	39 317	13 593

18 Fair value adjustments

	Inflation adjusted		Historical	
	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Fair value adjustment on investment properties	29 743 530	(4 628 417)	55 970 982	356 254
Fair value adjustment on investment property held for sale	-	(23 176)	-	2 150
	29 743 530	(4 651 593)	55 970 982	358 404

19 Finance Income

	Inflation adjusted		Historical	
	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Interest on overdue tenants accounts	48 392	7 447	30 451	2 401
Interest on money market investments	2 324	501	1 877	161
	50 716	7 948	32 328	2 562

Notes to the Interim Condensed Consolidated Financial Results
for the period ended 30 June 2022

20 Other Income

	Inflation adjusted		Historical	
	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Exchange gains	543 217	(11 813)	435 179	(4 382)
Shared service recoveries	29 137	16 629	18 510	5 378
Sundry income*	9 176	430	20 877	142
Disposal of Property Plant and Equipment	119	-	87	-
Other income**	879	56	587	18
	582 528	5 302	475 240	1 156

*Sundry income consists of lease fees, Operating Cost fee income and bad debts recovered

**Other income consists of exhibition fee income (2021) and proceeds from insurance claim (2022)

21 Income Tax Expense/ (Credit)

	Inflation adjusted		Historical	
	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Current income tax	45 255	24 906	45 255	8 542
Deferred tax	4 799 725	(2 552 730)	7 885 973	53 682
	4 844 980	(2 527 824)	7 931 228	62 224

INFLATION ADJUSTED - AUDITED

2022

22 Segment Reporting for the half year ended 30 June 2022

	Inflation adjusted				Historical	
	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Revenue	371 901	228 066	89 348	180 942	(123 984)	746 273
Property expenses and allowance for credit losses	(130 481)	(40 910)	(10 419)	(317 268)	-	(499 078)
Segment results	241 420	187 156	78 929	(136 326)	(123 984)	247 195
Fair value adjustment - Investment property	13 971 572	4 988 453	2 694 779	8 088 726	-	29 743 530
Segment profit	14 212 992	5 175 609	2 773 708	7 952 400	(123 984)	29 990 725
Employee related expenses	-	-	-	(55 002)	-	(55 002)
Other Expenses	(249)	(38)	(1)	(248 505)	123 984	(124 809)
Finance income	26 586	8 660	5 921	9 549	-	50 716
Other income	394 987	-	-	187 541	-	582 528
Net monetary loss	-	-	-	-	(534 445)	(534 445)
Profit before income tax expense	14 634 316	5 184 231	2 779 628	7 845 983	(534 445)	29 909 713

Reconciliation of Segment Results for 30 June 2022

	Inflation adjusted				Historical	
	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000
All figures in ZWL Assets						
Investment Property	35 000 000	14 974 800	7 145 000	20 869 700	-	77 989 500
Trade receivables	47 069	19 471	17 792	39 308	(33 636)	90 004
Segment Assets	35 047 069	14 994 271	7 162 792	20 909 008	(33 636)	78 079 504
Other non-current assets	-	-	-	78 768	-	78 768
Other current assets	-	-	-	1 066 242	(844)	1 065 398
Total Assets	35 047 069	14 994 271	7 162 792	22 054 018	(34 480)	79 223 670
Current Liabilities	225 800	20 424	4 792	226 499	(34 480)	443 035
Capital expenditure	3 480	-	-	-	-	3 480

2021

Segment Reporting for the half year ended 30 June 2021

	Inflation adjusted				Historical	
	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Revenue	357 306	150 370	45 301	99 295	(56 812)	595 460
Property expenses and allowance for credit losses	(94 537)	(16 290)	(7 426)	(162 470)	-	(280 723)
Segment results	262 769	134 080	37 875	(63 175)	(56 812)	314 737
Fair value adjustment - Investment property	(2 333 023)	(405 388)	(489 814)	(1 423 368)	-	(4 651 593)
Segment profit	(2 070 254)	(271 308)	(451 939)	(1 486 543)	(56 812)	(4 336 856)
Employee related expenses	-	-	-	(83 715)	-	(83 715)
Other Expenses	(37 391)	(24 838)	(8 040)	(122 084)	87 120	(105 233)
Finance income	4 103	1 569	504	1 772	-	7 948
Other income	(22 516)	-	-	27 818	-	5 302
Net monetary gain	-	-	-	-	(73 569)	(73 569)
Loss before income tax expense	(2 126 058)	(294 577)	(459 475)	(1 662 752)	(43 261)	(4 586 123)

Reconciliation of Segment Results for 31 December 2021

	Inflation adjusted				Historical	
	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000
All figures in ZWL Assets						
Investment Property	20 720 319	9 835 420	4 540 300	13 150 670	-	48 246 709
Trade receivables	82 055	37 109	20 855	17 117	(1 848)	155 288
Segment Assets	20 802 374	9 872 529	4 561 155	13 167 787	(1 848)	48 401 997
Other non-current assets	-	-	-	67 725	-	67 725
Other current assets	-	-	-	815 521	-	815 521
Total Assets	20 802 374	9 872 529	4 561 155	14 051 033	(1 848)	49 285 243
Current Liabilities	62 637	15 168	5 095	190 756	1 866	275 522
Capital expenditure	2 547	43 516	-	-	-	46 063

Notes to the Interim Condensed Consolidated Financial Results for the period ended 30 June 2022

HISTORICAL - UNAUDITED

2022

22 Segment Reporting for the half year ended 30 June 2022

All figures in ZWL					Consolidation	Total ZWL 000
	Office ZWL 000	Retail ZWL 000	Industrial ZWL 000	Other ZWL 000	Jrnl ZWL 000	
Revenue	242 077	148 452	58 158	117 779	(80 703)	485 763
Property expenses and allowance for credit losses	(94 379)	(32 114)	(9 242)	(227 045)	-	(362 780)
Segment results	147 698	116 338	48 916	(109 266)	(80 703)	122 983
Fair value adjustment - Investment property	26 291 520	9 387 206	5 071 000	15 221 258	-	55 970 984
Segment profit	26 439 218	9 503 544	5 119 916	15 111 992	(80 703)	56 093 967
Employee related expenses	-	-	-	(38 593)	-	(38 593)
Other Expenses	(169)	(26)	(1)	(165 160)	80 703	(84 653)
Finance income	16 946	5 520	3 774	6 087	-	32 327
Other income	322 240	-	-	153 000	-	475 240
Profit before income tax expense	26 778 235	9 509 038	5 123 689	15 067 326	-	56 478 288

Reconciliation of Segment Results for 30 June 2022

All figures in ZWL					Consolidation	Total ZWL 000
	Office ZWL 000	Retail ZWL 000	Industrial ZWL 000	Other ZWL 000	Jrnl ZWL 000	
Assets						
Investment Property	35 000 000	14 974 800	7 145 000	20 869 700	-	77 989 500
Trade receivables	47 069	19 471	17 792	39 308	(33 635)	90 005
Segment Assets	35 047 069	14 994 271	7 162 792	20 909 008	(33 635)	78 079 505
Other non-current assets	-	-	-	45 784	-	45 784
Current assets	-	-	-	1 029 764	(844)	1 028 920
Total Assets	35 047 069	14 994 271	7 162 792	21 984 556	(34 479 643)	79 154 209
Current Liabilities	215 741	19 515	4 579	217 942	(34 480)	423 297
Capital expenditure	3 480	-	-	-	-	3 480

2021

Segment Reporting for the half year ended 30 June 2021

All figures in ZWL					Consolidation	Total ZWL 000
	Office ZWL 000	Retail ZWL 000	Industrial ZWL 000	Other ZWL 000	Jrnl ZWL 000	
Revenue	114 860	48 338	14 562	31 919	(18 263)	191 416
Property expenses and allowance for credit losses	(34 288)	(5 860)	(2 690)	(59 072)	-	(101 910)
Segment results	80 572	42 478	11 872	(27 153)	(18 263)	89 506
Fair value adjustment - Investment property	179 759	31 235	37 740	109 670	-	358 404
Segment profit	260 331	73 713	49 612	82 517	(18 263)	447 910
Employee related expenses	-	-	-	(27 184)	-	(27 184)
Other Expenses	(7 838)	(5 207)	(1 685)	(25 593)	18 263	(22 060)
Finance income	1 323	506	163	570	-	2 562
Other income	(4 908)	-	-	6 064	-	1 156
Profit before income tax expense	248 908	69 012	48 090	36 374	-	402 384

Reconciliation of Segment Results for 31 December 2021

All figures in ZWL					Consolidation	Total ZWL 000
	Office ZWL 000	Retail ZWL 000	Industrial ZWL 000	Other ZWL 000	Jrnl ZWL 000	
Assets						
Investment Property	9 465 000	4 492 800	2 074 000	6 007 200	-	22 039 000
Trade receivables	37 483	16 951	9 526	7 819	(844)	70 935
Segment Assets	9 502 483	4 509 751	2 083 526	6 015 019	(844)	22 109 935
Other non-current assets	-	-	-	21 761	-	21 761
Current assets	-	-	-	352 660	-	352 660
Total Assets	9 502 483	4 509 751	2 083 526	6 389 440	(844)	22 484 356
Current Liabilities	28 333	6 861	2 304	86 284	844	124 626
Capital expenditure	871	14 885	-	3 291	-	19 047

Notes to the Interim Condensed Consolidated Financial Results for the period ended 30 June 2022

23 Related Party disclosures

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

Transactions and balances with related Companies

The following table provide the total amount of transactions that have been entered into with related parties during the year ended 30 June 2022:

All figures in ZWL 000

Company	Inflation adjusted			Historical		
	Group Company Payables	Group Company receivables	Rentals charged to Group Companies	Group Company Payables	Group Company receivables	Rentals charged to Group Companies
- First Mutual Holdings Limited	-	1 560	15 883	-	1 560	9 789
- First Mutual Life Assurance Company (Private) Limited	2 361	-	36 660	2 361	-	22 594
- First Mutual Reinsurance Company Limited	-	2 956	3 540	-	2 956	2 182
- First Mutual Health Company (Private) Limited	523	-	18 086	523	-	11 146
- First Mutual Microfinance (Private) Limited	-	-	510	-	-	314
- First Mutual Funeral Services (Private) Limited	188	-	832	188	-	513
- First Mutual Wealth Management (Private) Limited	-	117	1 729	-	117	1 065
- Nicoz Diamond Insurance Limited	4 529	-	1 063	4 529	-	655
	7 601	4 633	78 303	7 601	4 633	48 258

Other directors interests*

1 788

1 788

*During the 2022 half year the Group rented out premises to Eazstar Investments (Private) Limited, of which the spouse of one of the directors of the Company, is director and controlling shareholder. The Group also rented out premises to Arup Zimbabwe (Private) Limited of which one of the directors of the Company has 25.5% shareholding. The rentals were at market rates.

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

All figures in ZWL 000

Company	Inflation adjusted			Historical		
	Group Company Payables	Group Company receivables	Rentals charged to Group Companies	Group Company Payables	Group Company receivables	Rentals charged to Group Companies
- First Mutual Holdings Limited	-	18 090	18 076	-	8 263	8 257
- First Mutual Life Assurance Company (Private) Limited	8 378	-	41 047	3 827	-	18 750
- First Mutual Reinsurance Company Limited	-	5 841	4 084	-	2 668	1 866
- First Mutual Health Company (Private) Limited	2 760	-	22 489	1 261	-	10 273
- First Mutual Microfinance (Private) Limited	-	-	1 104	-	-	504
- First Mutual Funeral Services (Private) Limited	349	-	1 891	160	-	864
- First Mutual Wealth Management (Private) Limited	-	117	1 982	-	53	905
- Nicoz Diamond Insurance Limited	7 099	-	1 217	3 243	-	556
	18 586	24 048	91 890	8 491	10 984	41 975

To the Shareholders of First Mutual Properties Limited

Report on the Review of the Inflation Adjusted Consolidated Financial Information

Introductions

We have reviewed the accompanying interim condensed inflation adjusted consolidated financial information of First Mutual Properties Limited (“the Group”), as set out on pages 1 to 5, which comprise the interim condensed inflation adjusted consolidated statement of financial position as at 30 June 2022 and the related interim condensed inflation adjusted consolidated statement of profit or loss and other comprehensive income, the interim condensed inflation adjusted statement of changes in equity and the interim condensed inflation adjusted consolidated statement of cash flows for the six-month period then ended and explanatory notes.

Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with the International Financial Reporting Standards. Our responsibility is to express a review conclusion on this interim condensed consolidated inflation adjusted financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for qualified review conclusion

Non-compliance with IAS 8 - Accounting Policies, Changes In Accounting Estimates and Errors

Our half year conclusion in the prior year was 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. Furthermore, notwithstanding that IAS 29 has been applied correctly, it is noted that its application was based on prior period financial information and financial statements which were not in compliance with IAS 8. Since the prior year misstatements have not been corrected in terms of *IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors* the corresponding amounts for fair value adjustments, income tax expense and monetary gain or loss on the Interim Condensed Consolidated Inflation Adjusted Statement of Profit or Loss maybe misstated.

The effects of the above departures from IFRS are material but not pervasive to the interim condensed consolidated inflation adjusted financial information.

Independent Auditor's Review Conclusion – Continued

First Mutual Properties Limited

Qualified review conclusion

Based on our review with the exception of matters described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated inflation-adjusted financial information, do not present fairly, in all material respects, in accordance with International Financial Reporting Standards.

The engagement partner on the review audit resulting in this review conclusion report on the interim condensed inflation adjusted consolidated financial information is Mr Fungai Kuipa (PAAB Practicing Certificate Number 335).

Ernst & Young

Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors

Harare

20 September 2022