

**OLD MUTUAL INVESTMENT GROUP ZIMBABWE (PRIVATE) LIMITED**  
**TRANSLATED FINANCIAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**OLD MUTUAL INVESTMENT GROUP ZIMBABWE (PRIVATE) LIMITED**  
**Translated Financial Report**  
as at 31 December 2024

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**Note:** Unless stated otherwise, all the financial amounts are presented in Zimbabwe Gold (ZWG).

## **OLD MUTUAL INVESTMENT GROUP ZIMBABWE (PRIVATE) LIMITED**

### **Company Information**

as at 31 December 2024

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Old Mutual Investment Group Zimbabwe (Private) Limited (OMIG) is a Company domiciled in Zimbabwe. The Company is a wholly owned subsidiary of Old Mutual Zimbabwe Limited (OMZIL). In turn, OMZIL is ultimately a wholly owned subsidiary of Old Mutual Limited (OML). The Company is primarily involved in asset management, unit trusts management services and property investments management services, under the license of the Securities and Exchange Commission of Zimbabwe (SECZ).

#### **Postal address:**

PO Box 70  
Harare  
Zimbabwe

#### **Registered office:**

Mutual Gardens  
100 The Chase (West)  
Emerald Hill  
Harare  
Zimbabwe

#### **Registration no.:**

39156/2008

#### **Attorneys:**

##### **Name of law firm**

Dube, Manikai & Hwacha Legal Practitioners  
Gill, Godlonton & Gerrans Legal Practitioners  
Kantor & Immerman

##### **Address**

6th Floor Goldbridge, Eastgate Complex, Sam Nujoma / Robert Mugabe  
Beverly Court, 100 Nelson. Mandela Avenue, Harare  
McDonald House, John Landa Nkomo Avenue, Harare, Zimbabwe

#### **Auditors:**

Axcentium  
West Block, Borrowdale Office Park, Borrowdale Road,  
Borrowdale  
Harare  
Zimbabwe

#### **Bankers:**

##### **Name of bank**

Central Africa Building Society  
First Capital Bank  
Stanbic Bank

##### **Address**

3 Northend Close Northridge Park Borrowdale  
Barclay House PO Box 1279 Corner First St & Jason Moyo Ave,  
59 Samora Machel Avenue

#### **Preparation supervised by:**

Faith Mundeta  
PAAB Registration number: 0710

## OLD MUTUAL INVESTMENT GROUP ZIMBABWE (PRIVATE) LIMITED

### Chairman's statement

for the year ended 31 December 2024

#### Introduction

The Directors of Old Mutual Investment Group are pleased to present the company's audited results for the year ended 31 December 2024. The company's financials reflect the difficult trading conditions as well as its resilience in the face of a challenging macro-economic environment.

#### Review of the Operating Environment

In 2024, Zimbabwe's economy faced profound challenges that tested the resilience of business. Real GDP growth decelerated sharply from 5.3% to an estimated 2%, primarily due to the El Niño-induced drought that disrupted agricultural output and hydroelectric power generation. These disruptions were compounded by significant currency volatility, particularly in the first quarter, which led to the strategic introduction of the gold-backed Zimbabwe Gold (ZWG) currency in April 2024 to replace the Zimbabwe Dollar. The ZWG was devalued by 43% on 27 September 2024, underscoring the 'work-in-progress' nature of macroeconomic policy, particularly monetary policy. Tight money supply conditions persisted to year-end, weighing down valuations of investment assets and aggregate economic activity as captured by a significant selloff on the Zimbabwe Stock Exchange (ZSE) and widespread reports of corporate distress.

Our company managed to weather these turbulent conditions through prudent strategic planning and portfolio diversification, which enabled us to capitalize on opportunities in resilient sectors like mining and tourism while mitigating risks in vulnerable areas. The mining industry benefited from sustained high gold prices, while tourism experienced growth driven by increased international arrivals and higher hotel occupancy rates. We remain committed to navigating through these challenging times by prioritizing adaptability and leveraging Zimbabwe's inherent strengths—its abundant natural resources and growing sectors—to ensure sustainable value creation for all our stakeholders.

#### Financial performance

The Company recorded profit before tax of ZWG35,167,913 for the year (2023: ZWG64,532,146) and a loss after tax of ZWG1,470,383 compared to a profit after tax of ZWG30,618,083 in 2023.

#### Compliance issues

The company was compliant with all regulatory requirements. Old Mutual Investment Group has an independent Compliance function that ensures that it complies with all regulatory requirements, with oversight by the Audit, Risk and Compliance Committee, and the Board.

#### Corporate governance

The Board of Directors and Management remain committed to best practices in corporate governance. The Audit, Risk and Compliance Committee, Management and other Board Committees met regularly throughout the year under review to assess operations, evaluate risk, as well as to monitor and develop systems and procedures that safeguard the company's assets.

#### Board Composition

As of 31 December 2024, the Board comprised one (1) executive Director, one (1) non-executive Director and five (5) independent non-executive Directors as shown in the table below. All Board Committees were chaired by independent non-executive Directors. The board Chairman is an independent non-executive Director and does not have any relationship with the company or with its directors, staff, or business associates, which might reasonably be regarded as compromising his independence. The Board continues to monitor the independence of all independent directors.

Name	Details	Board	Audit, Risk and Compliance Committee
	<b>Number of meetings held</b>	<b>4</b>	<b>4</b>
M. Mayida	Non-Independent, Executive	4	-
Mr. S Matsekete	Non-Independent, Non-Executive	3	-
Dr. K Mandevhani - Retired -31/12/24	Independent, Non-Executive -Chairman	4	-
Dr. C C Jinya - Appointed Chairman 01/01/25	Independent, Non-Executive	4	4
Mr. B L Nkomo	Independent, Non-Executive	4	4
Mrs. S Kuvarika	Independent, Non-Executive	3	-
Mr. S J Hammond	Independent, Non-Executive	4	4

**Board and Audit, Risk and Compliance Committee meeting attendance**

During the year ended 31 December 2024, the Board and Audit, Risk and Compliance Committee met four (4) times.

**Board Committees**

The Board has appointed the Audit, Risk and Compliance Committee to assist it in discharging its responsibilities:

**Audit, Risk and Compliance Committee**

The Audit, Risk and Compliance Committee is responsible for the integrity of the Company's financial statements and the effectiveness of the systems of governance, risk management and internal control, and for monitoring the effectiveness and objectivity of the internal and independent auditors. The committee is also responsible for reviewing, on behalf of the Board, management's recommendations on risk, particularly concerning the structure and implementation of the Company's risk framework, including the quality and effectiveness of internal controls, risk appetite limits, risk profile and capital management processes. Every year, the committee reviews the authority, resources and scope of work of the internal audit and approves the internal audit plan.

The Committee reports to the Board, identifying any matters in respect of significant risks to the company, for which it considers that action or improvement is needed, and makes recommendations as to the adequacy of the risk mitigation plans. It considers the appointment and fees of both audit and non-audit services for the independent auditors, who have unrestricted access to it. It also monitors internal and independent auditors' performance against expectations. The members of this Committee comprise three (3) independent non-executive Directors. The Committee met four (4) times during the year ended 31 December 2024.

**Special Appreciation to Our Outgoing Chairman**

As we reflect on Old Mutual Investment Group's journey, we would like to take a moment to express our deepest gratitude to Dr. K Mandevhani, whose leadership has been instrumental in shaping the success and growth we have experienced. Serving as the Chairman of the Board, Dr. K Mandevhani has led with unwavering dedication, vision, and integrity.

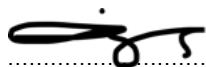
Under his stewardship, the company has made significant strides, reached new heights and overcoming challenges with grace and resilience. His strategic guidance, deep industry knowledge, and commitment to excellence inspired us all to strive for the highest standards.

On behalf of the entire board and staff, we extend our heartfelt thanks for the exceptional leadership and invaluable contributions that Dr. K Mandevhani has made throughout his tenure. While we will certainly miss his steady hand at the helm, we are confident that his legacy will continue to inspire our work in the years to come.

We wish Dr. K Mandevhani all the best in his future endeavours and look forward to continuing to build upon the strong foundation he laid for the company.

**Appreciation**

On behalf of the Board, I would like to express my profound appreciation to our valued customers who are at the core of our business, fellow directors on the Board, strategic partners, management and staff for their resilience, effort and commitment to the wellbeing of the company within this turbulent environment.



.....  
Dr. C C Jinya

Chairman  
28 March 2025  
Harare

**OLD MUTUAL INVESTMENT GROUP ZIMBABWE (PRIVATE) LIMITED**  
**Statement of Directors' responsibilities**  
as at 31 December 2024

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The directors are responsible for the preparation and fair presentation of the translated financial report of Old Mutual Investment Group Zimbabwe (Private) Limited (the Company), comprising the translated statement of financial position as at 31 December 2024, the translated statement of profit or loss and other comprehensive income, translated statement of changes in equity, translated statement of cash flows for the year then ended, and the notes to the translated financial report which include a summary of material accounting policy information and other explanatory notes, in accordance with the Monetary Policy Statement issued by the Reserve Bank of Zimbabwe (RBZ) on 6 February 2025 and the requirements of the Companies and Other Business Entities Act of Zimbabwe (Chapter 24:31), the Asset Management Act (Chapter 24:26) and the Securities and Exchange Act (Chapter 24:25). In addition, the directors are responsible for preparing the directors' report.

The directors are also responsible for such internal controls as the directors determine as necessary to enable the preparation of translated financial report that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The directors have assessed the ability of the Company to continue as a going concern and are satisfied that the Company has or had access to adequate resources to continue in operating existence for the foreseeable future.

The external auditor is responsible for expressing an opinion on whether the translated financial report are fairly presented in accordance with the applicable financial reporting framework.

This annual translated financial report has been prepared under the supervision of the Finance Manager; Faith Mundeta (CA(Z), PAAB number 0710).

The full year translated financial report of Old Mutual Investment Group Zimbabwe (Private) Limited, as identified in the first paragraph, were approved by the board of directors on 28 March 2025 and signed by:



.....  
**Dr C C Jinya**  
**Chairman**

28 March 2025



.....  
**M Mayida**  
**Managing Director**

28 March 2025

## **OLD MUTUAL INVESTMENT GROUP ZIMBABWE (PRIVATE) LIMITED**

### **Directors' report**

for the year ended 31 December 2024

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The directors of Old Mutual Investment Group Zimbabwe (Private) Limited have pleasure in submitting their report on the translated financial report for the year ended 31 December 2024.

#### **Business activities**

Old Mutual Investment Group Zimbabwe (Private) Limited is a registered asset management company whose main business is the management of wholesale investment funds, mostly retirement funds, administration and management of unit trusts, and managing property investments.

#### **Financial highlights**

The operating results and financial position of the Company are set out in the translated statement of profit or loss, translated statement of financial position, translated statement of changes in equity, statement of cash flows and the accompanying notes.

The Company recorded profit before tax of ZWG35,167,913 for the year (2023: ZWG64,532,146) and a loss after tax of ZWG1,470,383 compared to a profit after tax of ZWG30,618,083 in 2023.

The Company, in accordance with trends observed in the rest of the economy, has seen an increasing proportion of transactions denominated in United States Dollars. The Company changed its functional currency from ZWG to USD effective 1 July 2024. Despite this, the Company has presented this translated financial report in ZWG

#### **Going concern**

The translated financial report has been prepared on a going concern basis, which assumes that the Company will continue operating for the foreseeable future.

#### **Compliance with legislation**

This translated financial report which has been prepared using the historical cost convention as the primary basis. In preparing the translated financial report, management makes critical accounting estimates and exercises judgement in applying the Group's accounting policies. Note 2.13 of the translated financial report provides disclosure on areas that involve a higher degree of judgement or complexity, including assumptions and estimates that are significant to the translated financial report. The statements are in agreement with the underlying books and records, have been properly prepared in accordance with the accounting policies set out in note 2, and comply with the disclosure requirements of the Companies and Other Business Entities Act (Chapter 24:31). The Company is also regulated by the Asset Management Act (Chapter 24:26) and the Securities and Exchange Act (Chapter 24:25) of Zimbabwe.

#### **Compliance with Monetary Policy Statement (MPS)**

The translated financial report is derived from the audited general purpose financial statements of Old Mutual Investment Group Zimbabwe (Private) Limited for the year ended 31 December 2024. The translated financial report is prepared with the aim of complying with the Monetary Policy issued by the Reserve Bank of Zimbabwe (RBZ) on 6 February 2025.

Complying with the MPS achieves consistency with the financial reporting as required by the MPS. Using the MPS also allows comparability with similar businesses and consistency in the interpretation of the translated financial report.

The directors are not aware of any areas of non-compliance with the MPS in the 2024 translated financial report. However, the directors would like to draw the attention of users to the translated financial report to the fact that prevailing market conditions in Zimbabwe have required the use of more judgement than would normally be the case around areas such as property valuations, valuation of unlisted investments as well as the carrying value of certain receivables. In addition, there are a wide range of views in the market concerning economic variables such as inflation and exchange rates. While management believe that these factors have been sufficiently considered in the 2024 translated financial report and that the required accounting judgements are appropriate, additional disclosures and sensitivities have been provided, and readers of the translated financial report should pay close attention to these.

#### **Holding Company**

The Company is a wholly owned subsidiary of Old Mutual Zimbabwe Limited. The ultimate holding Company is Old Mutual Limited, which is incorporated in South Africa and listed on the London, Johannesburg, Malawi, Namibia and Zimbabwe stock exchanges.

#### **Share capital**

The Company's authorized share capital is made up of 20 000 ordinary shares with a nominal value of ZWG0.0004 per share. The issued share capital comprises 10 000 ordinary shares.

#### **Borrowings**

No borrowings were issued or received from third parties in 2024 (2023: NIL).

**OLD MUTUAL INVESTMENT GROUP ZIMBABWE (PRIVATE) LIMITED**  
**Directors' report (continued)**  
for the year ended 31 December 2024

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**Dividends**

The Company did not declare a dividend for the period under review (2023: ZWG1 602 809)

**Directors**

The directors currently holding office are:

**Non-executive directors**

Mr S. Matsekete (Group Chief Executive Officer)  
Dr. K.Mandevhani  
Dr. C C Jinya  
Mr. B L Nkomo  
Dr. S Kuvarika  
Mr. S J Hammond

Non-Independent, Non-Executive  
Independent Non Executive  
Independent Non-Executive  
Independent Non-Executive  
Independent Non-Executive  
Independent Non-Executive

**Executive director**


Mrs M. Mayida

**Company Secretary**

Mr H Nharingo

**Business address:**  
Mutual Gardens  
100 The Chase (West)  
Emerald Hill  
Harare, Zimbabwe

**Postal address:**  
P O Box 70  
Harare  
Zimbabwe



.....  
**Director**

28 March 2025



.....  
**Director**

28 March 2025

## **INDEPENDENT AUDITOR'S REPORT ON THE TRANSLATED FINANCIAL REPORT**

### **TO THE SHAREHOLDERS OF OLD MUTUAL INVESTMENT GROUP ZIMBABWE (PRIVATE) LIMITED**

#### **Opinion**

We have audited the special purpose translated financial report of Old Mutual Investment Group Zimbabwe (Private) Limited ("the Company") which comprise the translated statement of financial position as at 31 December 2024, and the translated statement of profit or loss and other comprehensive income, the translated statement of changes in equity, and the translated statement of cash flows for the year then ended, and related notes, which are derived from the audited general purpose financial statements of Old Mutual Investment Group Zimbabwe (Private) Limited for the year ended 31 December 2024.

In our opinion, the accompanying translated financial report of Old Mutual Investment Group Zimbabwe (Private) Limited as at 31 December 2024 is prepared, in all material respects, in accordance with the financial reporting provisions established by the Monetary Policy Statement (MPS) of 6 February 2025.

#### **The audited general purpose financial statements and our report thereon**

We are the auditors of the Old Mutual Investment Group Zimbabwe (Private) Limited and rendered our opinion on the underlying general-purpose annual financial statements that were used to prepare the translated financial report. Our opinion thereon was an unmodified audit opinion on the audited general purpose financial statements in our report dated 30 March 2024. That report also includes the communication of a key audit matter related to presumed risk of revenue recognition as reported in the auditor's report of the audited financial statements.

#### **Emphasis of Matter – Basis of Accounting**

We draw attention to Note 2.2 to the translated financial report, which describes the basis of accounting. The translated financial report is prepared to assist the Company to meet the requirements of the Monetary Policy Statement (MPS) of 6 February 2025 and the requirements of the Securities and Exchange Commission of Zimbabwe (SECZ).

The translated financial report does not contain all the disclosures required by IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies and Other Business Entities Act (Chapter 24:31) as applicable to annual translated financial report. Reading the translated financial report and the auditor's report thereon, therefore, is not a substitute for reading the audited general purpose financial statements of the Company and the auditor's report thereon. Our opinion is not modified in respect of this matter.

#### **Responsibilities of Directors and Those Charged with Governance for the translated financial report**

The directors are responsible for the preparation of the translated financial report in accordance with the basis of accounting described in note 2.2 to the translated financial report and the requirements of the Securities and Exchange Commission of Zimbabwe (SECZ) as applicable to translated financial report, and for such internal control as the directors determine is necessary to enable the preparation of translated financial report that are free from material misstatement, whether due to fraud or error.

In preparing the translated financial report, the directors are responsible for assessing the 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 Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

**INDEPENDENT AUDITOR'S REPORT ON THE  
TRANSLATED FINANCIAL REPORT OF OLD MUTUAL INVESTMENT GROUP ZIMBABWE (PRIVATE) LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**Auditor's Responsibilities for the Audit of the Translated Financial report**

Our responsibility is to express an opinion on whether the translated financial report is prepared, in all material respects, in accordance with the financial reporting provisions established by the Monetary Policy Statement (MPS) of 6 February 2025, based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 800 (Revised), Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks.

*Axcentium*

**Axcentium**  
**Chartered Accountants (Zimbabwe)**  
**Per. Rumbidzayimambo Ndebele**  
**Partner**  
**Registered Auditor**  
**PAAB Practice Certificate 0631**  
**Harare, Zimbabwe**

Date: 31 March 2025

**OLD MUTUAL INVESTMENT GROUP ZIMBABWE (PRIVATE) LIMITED**  
**Translated Statement of Profit or Loss and Other Comprehensive Income**  
for the year ended 31 December 2024

<b>Revenue</b>	<b>Notes</b>	<b>31-Dec-24 ZWG</b>	<b>Restated* 31-Dec-23 ZWG</b>
Fee income	<b>3</b>	272 697 523	293 844 657
Other income	<b>4</b>	42 557 972	50 736 801
<b>Total revenue</b>		<b>315 255 495</b>	<b>344 581 458</b>
<b>Expenses</b>			
Operating and administration expenses	<b>5</b>	(207 723 395)	(230 939 634)
Impairment losses on fee receivables	<b>10.1</b>	(8 374 813)	(4 021 135)
Net monetary adjustment		(63 989 374)	(45 088 543)
<b>Profit before tax</b>		<b>35 167 913</b>	<b>64 532 146</b>
Income tax expense	<b>6</b>	(36 638 296)	(33 914 063)
<b>(Loss)/profit after tax for the period</b>		<b>(1 470 383)</b>	<b>30 618 083</b>
<b>Total comprehensive income</b>		<b>(1 470 383)</b>	<b>30 618 083</b>

\*The comparative periods have been restated to present the ZWG amounts following the Monetary Policy Statement (MPS) issued by the Reserve Bank of Zimbabwe (RBZ) on 6 February 2025, requiring all entities to adopt a common presentation currency, for reporting purposes regardless of the functional currency which in the case of OMIG is the USD (United States dollar). More detail has been included in **Note 2.2** of the translated financial report.

**OLD MUTUAL INVESTMENT GROUP ZIMBABWE (PRIVATE) LIMITED**  
**Translated Statement of financial position**  
as at 31 December 2024

<b>Assets</b>	<b>Notes</b>	<b>31-Dec-24 ZWG</b>	<b>Restated* 31-Dec-23 ZWG</b>
Property and equipment	7	13 399 895	9 924 579
Intangible Assets	7.1	3 516 704	1 369 262
Investments and securities	9.1	22 180 542	28 673 304
Fee Receivables	10	53 241 462	64 710 945
Other assets	11	9 371 176	6 445 342
Cash and cash equivalents	13	4 881 876	3 342 966
<b>Total assets</b>		<b>106 591 655</b>	<b>114 466 398</b>
<b>Liabilities</b>			
Provisions	14	7 350 069	19 056 501
Income tax payable	21	6 786 528	6 436 187
Payables	15	18 122 466	14 379 697
Deferred tax liability	8	1 592 782	513 957
Amounts due to group companies	12	3 055 420	2 925 283
<b>Total liabilities</b>		<b>36 907 265</b>	<b>43 311 625</b>
<b>Net assets</b>		<b>69 684 390</b>	<b>71 154 773</b>
<b>Shareholder's equity</b>			
Share capital	16	7 275	7 275
Share premium	16	26 777 140	26 777 140
Share-based payments reserve	28	5 460 792	5 460 792
Retained earnings		37 439 183	38 909 566
<b>Total equity</b>		<b>69 684 390</b>	<b>71 154 773</b>



.....  
**Director**

28 March 2025



.....  
**Director**

28 March 2025

\*The comparative periods have been restated to present the ZWG amounts following the Monetary Policy Statement (MPS) issued by the Reserve Bank of Zimbabwe (RBZ) on 6 February 2025, requiring all entities to adopt a common presentation currency, for reporting purposes regardless of the functional currency which in the case of OMIG is the USD (United States dollar). More detail has been included in **Note 2.2** of the translated financial report.

**OLD MUTUAL INVESTMENT GROUP ZIMBABWE (PRIVATE) LIMITED**

**Translated Statement of changes in equity**

for the year ended 31 December 2024

	Share Capital ZWG	Share premium ZWG	Share Based Payment reserve ZWG	Retained earnings ZWG	Total ZWG
<b>Shareholder's equity at 1 January 2024</b>	<b>7 275</b>	<b>26 777 140</b>	<b>5 460 792</b>	<b>38 909 566</b>	<b>71 154 773</b>
Total comprehensive loss for the year	-	-	-	(1 470 383)	(1 470 383)
<b>Shareholder's equity at 31 December 2024</b>	<b>7 275</b>	<b>26 777 140</b>	<b>5 460 792</b>	<b>37 439 183</b>	<b>69 684 390</b>
	Share Capital ZWG	Share premium ZWG	Share Based Payment reserve ZWG	Retained earnings ZWG	Restated* Total ZWG
<b>Shareholder's equity at 1 January 2023</b>	<b>7 275</b>	<b>26 777 140</b>	<b>5 460 792</b>	<b>9 894 282</b>	<b>42 139 499</b>
Total comprehensive income for the year	-	-	--	30 618 083	30 618 083
Dividends for the year	-	-	--	(1 602 809)	(1 602 809)
<b>Restated shareholder's equity at 31 December 2023</b>	<b>7 275</b>	<b>26 777 140</b>	<b>5 460 792</b>	<b>38 909 566</b>	<b>71 154 773</b>

\*The comparative periods have been restated to present the ZWG amounts following the Monetary Policy Statement (MPS) issued by the Reserve Bank of Zimbabwe (RBZ) on 6 February 2025, requiring all entities to adopt a common presentation currency, for reporting purposes regardless of the functional currency which in the case of OMIG is the USD (United States dollar). More detail has been included in **Note 2.2** of the translated financial report.

**OLD MUTUAL INVESTMENT GROUP ZIMBABWE (PRIVATE) LIMITED**  
**Translated Statement of cash flows**  
for the year ended 31 December 2024

		<b>31-Dec-24</b>	<b>Restated*</b>
	<i>Note</i>	<b>ZWG</b>	<b>31-Dec-23</b>
			<b>ZWG</b>
<b>Cash flows from operating activities</b>			
Profit before tax		35 167 913	64 532 146
Non-cash movements and adjustments to profit before tax	<b>19</b>	(3 961 643)	(5 483 676)
Changes in working capital	<b>20</b>	12 416 555	(25 887 324)
		<b>43 622 825</b>	<b>33 161 146</b>
Taxation paid	<b>21</b>	(37 366 780)	(29 621 448)
<b>Net cash generated from operating activities</b>		<b>6 256 045</b>	<b>3 539 698</b>
<b>Cash flows from investing activities</b>			
Dividends received from investments		1 819 568	1 770 835
Interest received from investments		695 218	1 043 008
Proceeds on disposal of property and equipment		31 719	230 277
Acquisition of software, property and equipment		(10 267 907)	(7 320 917)
Purchase of Investments	<b>22</b>	(663 909)	(9 769 118)
Sale of Investments	<b>22</b>	3 668 176	14 889 836
<b>Net cash (used in) / generated from investing activities</b>		<b>(4 717 135)</b>	<b>843 921</b>
<b>Cash flows from financing activities</b>			
Dividend paid		-	(1 602 809)
<b>Net cash used in financing activities</b>		-	<b>(1 602 809)</b>
<b>Net increase in cash and cash equivalents</b>		<b>1 538 910</b>	<b>2 780 810</b>
<b>Cash and cash equivalents as at 1 January</b>		<b>3 342 966</b>	<b>562 156</b>
<b>Cash and cash equivalents as at 31 December</b>	<b>13</b>	<b>4 881 876</b>	<b>3 342 966</b>

\*The comparative periods have been restated to present the ZWG amounts following the Monetary Policy Statement (MPS) issued by the Reserve Bank of Zimbabwe (RBZ) on 6 February 2025, requiring all entities to adopt a common presentation currency, for reporting purposes regardless of the functional currency which in the case of OMIG is the USD (United States dollar). More detail has been included in **Note 2.2** of the translated financial report.

## OLD MUTUAL INVESTMENT GROUP ZIMBABWE (PRIVATE) LIMITED

### Notes to the translated financial report

for the year ended 31 December 2024

#### 1 General information

Old Mutual Investment Group Zimbabwe (Private) Limited (OMIG) is a Company domiciled in Zimbabwe. The Company is a wholly owned subsidiary of Old Mutual Zimbabwe Limited (OMZIL). In turn, OMZIL is ultimately a wholly owned subsidiary of Old Mutual Limited (OML). The Company is primarily involved in asset management, unit trusts management services and property investments management services, under the license of the Securities and Exchange Commission of Zimbabwe (SECZ). The Registered address of the Company is Mutual Gardens, 100 The Chase West, Emerald Hill, Harare.

#### Presentation of translated financial report

Despite the entity having a USD functional currency, its presentation currency remained the local currency as prescribed by the RBZ monetary policy of 6 February 2025 (ZWG) and adopted the provisions of the guidelines issued by the International Accounting Standards Board (IASB). The translated financial report is presented in ZWG and the amounts are rounded off to the nearest dollar. All amounts (ie assets, liabilities, equity items, income and expenses, including comparatives) have been translated at the closing rate at the date the statement of financial position.

#### 2 Material accounting policies

##### 2.1 Statement of compliance

The translated financial report is derived from the audited general purpose financial statements of Old Mutual Investment Group Zimbabwe (Private) Limited for the year ended 31 December 2024. The translated financial report is prepared in accordance with the requirements of the Companies and Other Business Entities Act, 2019 (Chapter 24:31) of Zimbabwe. The Company is regulated by the Asset Management Act (Chapter 24:26) and the Securities and Exchange Act (Chapter 24:25) of Zimbabwe.

##### 2.2 Basis of preparation for translated financial report

As per IAS 21, Presentation currency is the currency in which the financial statements are presented. An entity may present its financial statements in any currency (or currencies). The Monetary Policy Statement issued by the Reserve Bank of Zimbabwe on the 6th of February 2025 prescribed that all entities adopt a common presentation currency, ZWG, for reporting purposes. These financial statements are therefore special purpose financial statements to meet the regulatory requirements as pronounced by the RBZ. The directors have complied with the pronouncement and adopted ZWG as the presentation currency for these special purpose financial statements even though the functional currency for the Company had changed to USD.

The translated financial report has therefore been prepared in accordance with Monetary Policy statement (MPS) of 6 February 2025. These are based on Old Mutual Investment Group Zimbabwe (Private) Limited's (audited financial statements for the year ended 31 December 2024. These underlying financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards (refer to accounting policy note 2.1 - 2.19 for an extract of material accounting policies applied therein). The translation process is detailed in note 2.2.2.

#### Comparative information

As at 31 December 2023, the functional currency remained as ZWL which was a hyperinflationary currency. Therefore, for purposes of presenting the current year financial statements, the comparative period was restated into USD, a non-hyperinflationary currency. In restating the comparative period into USD (primary financial statements), guidance as per IAS 21 "The Effects of Changes in Foreign Exchange Rates" was applied. The comparatives for both the statement of financial position and the statement of comprehensive income were derived by dividing the prior period ZWL numbers by the closing USD rate as at 31 December 2023 and then converted to ZWG for presentation purposes (as mentioned above). The exchange rates used are as follows:

ZWL to USD - 31 December 2023	6 104.72
ZWG to USD - 31 December 2024	25.80

The Company has not presented a 1 January 2023 statement of financial position for the change in presentation currency to ZWG as it is not likely to present more relevant financial information to the users of the financial statements.

#### Inflation-adjusted accounting

The translated financial report has been prepared on the inflation-adjusted basis up to 30 June 2024 as the ZWG currency is considered a hyperinflationary currency. This was before the change of the functional currency for the Company to USD effective 1 July 2024, refer to note 2.13.1. Comparative figures were translated to USD using the exchange rate as at 31 December 2023 as the translated financial report was prepared under International Accounting Standards 29, 'Financial reporting in hyperinflationary economies' (IAS 29).

Given that the functional currency of the Company was ZWL up to 5 April 2024 and ZWG up to 30 June 2024, a blended inflation rate is not ideal in the preparation of restated translated financial report under IAS 29 as it incorporates the inflation movements of the USD. The move from ZWL was due to the introduction of the Zimbabwe Gold (ZWG) currency on 8 April 2024 by the Reserve Bank of Zimbabwe (RBZ). In Zimbabwe, USD transactions currently are officially estimated to account for more than 80% of the transactions in the economy, which is not subject to hyperinflation. It is also the Company's assessment that the use of conversion factors based on a blended CPI would not achieve compliance with IAS 29.

**2 Accounting policies (continued)**

**2.2 Basis of preparation for special purpose financial statements (continued)**

**Inflation-adjusted accounting (continued)**

For the restated translated financial report to be prepared up to 5 April 2024 when ZWL was still the functional currency, the Company is using the movements in the Poverty Datum Line (PDL) (alternatively called the Total Consumption Poverty Line (TCPL) which is also published by ZIMSTAT, which measures the amount required to purchase both non-food and food items for a family at the poverty line. By analysing the correlation between the movement in PDL and the officially published ZWL CPI from January 2021 to December 2022, the Group observed a strong relationship with a correlation coefficient of 0.99. While IAS 29 provides for the use of exchange rate movements as a proxy for inflation where a general price index is not available, we did not observe a strong relationship between ZWL CPI and the exchange rate movements over the previous two financial reporting periods. Consequently, the estimated CPI after February 2023 has been derived by adjusting the last published ZWL CPI (published in January 2023) by the monthly movement of the PDL.

Effective 5 April 2024, ZIMSTAT started publishing the ZWG CPI which were used to in the preparation of inflation adjusted translated financial report up to 30 June 2024 before the change in the Company's function currency to USD.

The indices and conversion factors used to restate the accompanying translated financial report as at 30 June 2024 are given below:

Date	Indices	Conversion factor
30 June 2024	97.6223	1.000
5 April 2024	100.00	0.9762
31 March 2024	429 224.24	4.6046

**The main procedures applied for the above-mentioned restatement up to 30 June 2024 are as follows:**

- i. Monetary assets and liabilities that are carried at amounts current at statement of financial position date are not restated because they are already expressed in terms of the monetary unit current at the statement of financial position date.
- ii. Non-monetary assets and liabilities that are not carried at amounts current at the statement of financial position date and components of shareholders equity are restated by applying the change in the index from the date of the transaction or if applicable from the date of their most recent revaluation to 30 June 2024. An impairment loss is recognised in profit or loss if the remeasured amount of a non-monetary item exceeds its estimated recoverable amount.
- iii. Property and equipment that is not current at the statement of financial position date is restated from the date of initial application of hyperinflation conditions, that is, 1 January 2018 or from the transaction date if purchased after 1 January 2018. Depreciation and amortisation amounts are based on restated costs.
- iv. Deferred tax is calculated on restated carrying amounts.
- v. Profit or loss items/transactions, except the depreciation and amortisation charges explained above and fair value gains or losses, are restated by applying the change in the index from the date of the transaction to 30 June 2024.
- vi. The effect of inflation on the net monetary position of the entity is included in the income statement as loss or gain on monetary position.
- vii. All items in the cash flow statement are expressed in terms of the measuring unit current at the statement of financial position date.

To provide reliable and more relevant information about the effects of inflation on the fair value adjustments, management adopted the methodology to consider the effects of inflation on the opening balance of assets and liabilities which are measured at fair value. The change has no impact on the value of the assets and liabilities and net result of the Company.

**2.2.2 Translation process to a ZWG presentation currency**

In accordance with the financial reporting provisions established by the Monetary Policy Statement (MPS) of 6 February 2025 and with guidance issued by the Public Accountants and Auditors board, the company translated the USD based consolidated financial statements to ZWG based on the prevailing Reserve Bank of Zimbabwe interbank rate as at 31 December 2024. This is in accordance with the requirements of the Exposure Draft "Translation to a Hyperinflationary Presentation Currency" issued by the International Accounting Standards Board (IASB) which states that when an entity's presentation currency is the currency of a hyperinflationary economy but its functional currency is the currency of a non-hyperinflationary economy, the results and financial position of the entity shall be translated into the presentation currency by translating all amounts (ie assets, liabilities, equity items, income and expenses, including comparatives) at the closing rate at the date of the most recent statement of financial position. This resulted in the Company translating the translated financial report from a functional currency of USD to a presentation currency of ZWG by applying the spot rate of ZWG\$25.7985 to US\$1 as at 31 December 2024.

## **2 Accounting policies (continued)**

### **2.3 Revenue**

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it satisfies performance obligation over a service to a customer.

The Company's revenue consists of asset management fee income, commission income and development fee income.

#### **Fee income**

The Company enters into management service contracts with clients. This contract stipulates the performance obligations of both parties, fee rates to be charged, when the fees will be charged amongst other things. Generally, management fees are charged as at the last day of each month by multiplying the fee rate to the cumulative market value as at that date. Performance fees are charged as per agreed cycles set in the contract only if the Company exceeds the agreed performance benchmarks.

As such revenue for management fees recognised overtime at the specified collection dates in the contract as the customer:

- simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs and
- the entity has an enforceable right to payment for performance completed as per dates and conditions in the management service contract.

#### **Commission income**

The Company through its property boutique manages buildings on behalf of group companies and third parties. In this relationship the Company is an agent who collects rental income on behalf of the principal and in turn collects commission income. Since the customers enjoys the services or goods simultaneously as the entity performs, the revenue is recognised overtime and collected on the agreed dates as stipulated in the rental agreement.

#### **Development fee income**

The Company through its property boutique engages in new building project management via sourcing contractors, making sure they are sticking to the building plan and ensuring they adhere to the project timelines. Revenue is recognised over time-based on the cost-to-cost method. The Company calculates its revenue by multiplying the project cost to the agreed percentage as stipulated in the contract. Related expenses are recognised in the profit or loss when incurred.

### **2.3.1 Interest income**

Interest income is derived from money market investments and recognised in the income statement using the effective interest rate method taking into account the expected timing and amount of cash flows. Interest income include the amortisation of any discount or premium or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest basis.

### **2.4 Intangible Assets acquired separately**

Intangible assets made up of right of use of computer software are measured at cost on recognition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses.

Intangible assets are amortised over their useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method is reviewed at least each financial year-end. Changes in expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. Intangible assets are amortised over a period of 5 years using the straight-line method.

### **2.4.1 Derecognition of intangible assets**

Intangible assets are derecognised either on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition is determined as the difference between the disposal proceeds, if any, and the carrying amount of the asset. The gain or loss is recognised in profit or loss on derecognition.

### **2.5 Equipment**

#### **Owned assets**

Equipment, principally computer equipment, motor vehicles, fixtures, and furniture, are recognised at cost less accumulated depreciation and impairment losses.

#### **Subsequent expenditure**

Subsequent expenditure is capitalized when it can be measured reliably and will result in probable future economic benefits. Expenditure incurred to replace a separate component of an item of equipment is capitalized to the cost of the item and component replaced is derecognized. All other expenditure is recognized in profit or loss as an expense when incurred.

**2 Accounting policies (continued)**

**2.5 Equipment (continued)**

**Derecognition**

An item of equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. On derecognition of an item of equipment, any gain or loss on disposal, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in profit or loss in the period of derecognition.

**Depreciation**

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of items of equipment that are accounted for separately.

Motor vehicles, computer equipment, fixtures and furniture are depreciated over 5 years using the straight-line method.

Residual values, useful lives and depreciation methods are re-assessed at each reporting date.

**2.6 Taxation**

Income tax charge for the year comprises current and deferred tax. Included within the tax charge are charges relating to normal income tax and capital gains tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is recognised in other comprehensive income.

**Current Tax:** The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

**Deferred Tax:** Deferred taxation is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax base. The amount of deferred taxation provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the reporting date.

Deferred taxation is charged to profit or loss except to the extent that it relates to a transaction that is recognized directly in equity. The effect on deferred taxation of any changes in tax rates is recognised in profit or loss, except to the extent that it relates to items previously charged or credited directly to equity or other comprehensive income.

Deferred tax liability is not recognised on temporary differences that arise from:

- initial recognition of goodwill
- initial recognition of an asset or liability in a transaction that is not a business combination which, at the time of transaction, affects neither the accounting nor taxable profit or loss; and
- temporary differences associated with investments in subsidiaries, associates and joint ventures where the timing of the reversal of the temporary differences can be controlled by the Company and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable income will be available, against which the unutilised tax losses and deductible temporary differences can be used. Deferred-tax assets are reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend and are included in the tax charge.

**2 Accounting policies (continued)**

**2.7 Employee benefits**

Employee benefits are all forms of consideration given by the Company in exchange for services rendered by employees.

**Short-term employee benefits**

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

**Post employment benefits**

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

**Termination benefits**

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer to those benefits and when the Company recognises costs for restructuring. If the benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted. Termination benefits for voluntary redundancies are recognised as an expense at the earlier of when the employee accepts the offer; and when a restriction on the Company's ability to withdraw the offer takes effect.

**Other long-term employee benefits**

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods determined using the projected unit credit method. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

**2.8 Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will occur, and where a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all a provision to be reimbursed, for example under the Company's insurance arrangements, 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 statement of profit or loss net of any reimbursement. If the effect of discounting is material, provisions are discounted. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Future operating costs or losses are not provided for.

**2.9 Financial instruments**

**Classification and measurement of financial assets and financial liabilities**

Financial instruments are accounted for in terms of IFRS 9, Financial Instruments.

**Initial recognition of financial assets**

Financial assets and liabilities are initially recognised on the trade date when the Company becomes party to the contractual provisions of the instrument. A financial asset or financial liability is measured initially at fair value, plus or less, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

**Classification**

**Financial Assets**

On initial recognition, a financial asset is classified as measured at either: amortised cost, fair value through other comprehensive income or fair value through profit or loss. A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- the financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**2 Accounting policies (continued)**

**2.9 Financial instruments (continued)**

**Classification**

**Financial Assets**

A financial asset is measured at fair value through other comprehensive income if it meets the following conditions and is not designated as at fair value through profit or loss:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income (OCI). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at fair value through profit or loss. In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

**Business model assessment**

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.

How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected and the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at fair value through profit or loss because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

**Assessment of whether contractual cash flows are solely payments of principal and interest.**

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

**Subsequent measurement of financial assets**

The following accounting policies apply to the subsequent measurement of financial assets;

**Financial assets at FVTPL**

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

**Financial assets at amortised cost**

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

**2 Accounting policies (continued)**

**2.9 Financial instruments (continued)**

**Classification (continued)**

**Financial assets at FVOCI**

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

**Equity investments at FVOCI**

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

**Subsequent measurement of financial liabilities**

Financial liabilities are subsequently measured at amortised cost using the effective interest method. The liability is reduced by payment and increased by the interest expense. Foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

**Impairment of financial assets**

The Company recognises loss allowances for ECL on financial instruments that are not measured at fair value through profit or loss.

**Classification (continued)**

The ECL impairment loss allowance is an unbiased, probability-weighted amount determined by evaluating a range of possible outcomes that reflects reasonable and supportable information that is available without undue cost or effort of past events, current conditions, and forecasts of forward-looking economic conditions. The ECL model is dependent on the availability of relevant and accurate data to determine whether a significant increase in credit risk occurred since initial recognition, the probability of default (PD), the loss given default (LGD) and the possible exposure at default (EAD). Of equal importance is sound correlation between these parameters and forward-looking economic conditions.

ECL reflects an entity's own expectations of credit losses. However, when considering all reasonable and supportable information that is available without undue cost or effort in estimating ECL, an entity should also consider observable market information about the credit risk of the particular financial instrument or similar financial instruments.

Estimates regarding credit risk parameters and the impact of forward-looking information used in the calculation of the ECL loss amount is reviewed at each reporting date and updated if necessary.

The ECL loss amount depends on the specific stage where the financial instrument has been allocated to within the ECL model:

**Stage 1:** At initial recognition a financial instrument is allocated into stage 1, except for purchased or originated credit impaired financial instruments.

**Stage 2:** A financial instrument is allocated to stage 2 if there has been a significant increase in credit risk since initial recognition of the financial instrument.

**Stage 3:** A financial instrument is allocated to stage 3 if the financial instrument is in default or is considered to be credit impaired.

Under IFRS 9, impairment loss allowances are measured on either of the following bases:

- **12-month ECLs:** These are ECLs that result from possible default events within the 12 months after the reporting date; and
- **Lifetime ECLs:** These are ECLs that result from all possible default events over the expected life of a financial instrument.

**Company's assessment**

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured as 12-month ECLs:

- Financial assets that are determined to have low credit risk at the reporting date; and
- Financial assets where credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The Company has elected to apply the IFRS 9 simplified approach in measuring expected credit losses. This uses a provision matrix when determining the lifetime expected loss allowance for all trade receivables, contract assets and lease receivables.

**2 Accounting policies (continued)**

**2.9 Financial instruments (continued)**

**Company's assessment (continued)**

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers quantitative and qualitative information, based on the Company's unaudited historical experience, credit assessment and including forward-looking information. The Company's assessment of a significant increase in credit risk from initial recognition consists of a primary and secondary risk driver as follows:

The primary risk driver aligns to the quantitative credit risk assessments performed, such as the credit score, credit rating, probability of default or arrears aging of a financial instrument.

The secondary risk assessment considers a broad range of qualitative risk factors based on a forward-looking view such as economic and sector outlooks. The secondary risk assessment can be performed on a portfolio basis as opposed to a quantitative assessment at a financial instrument level.

These primary and secondary risk drivers are included by the Company as part of the ongoing credit risk management.

When making a quantitative assessment, the Company uses the change in the probability of default occurring over the expected life of the financial instrument. This requires a measurement of the probability of default at initial recognition and at the reporting date.

A rebuttable assumption is that the credit risk since initial recognition has increased significantly if a financial instrument is 30 days past due on any payments or is one payment in arrears. It is not anticipated that this assumption will be rebutted.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk. The ECL calculation of a financial instrument considers both the contractual and available behavioural repayment patterns over the relevant estimation period.

A financial asset is in default when the financial asset is credit-impaired or if the Basel definition of default is met.

**Measurement of expected credit losses (ECL)**

ECLs are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

**2.10 Impairment of non-financial assets**

The carrying amounts of the Company's assets, other than financial assets and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount is the greater of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessment of the time value of money and of the risks specific to the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised whenever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss for the period. An impairment loss is reversed to profit or loss if there has been a change in the estimates used to determine the recoverable amount.

**2.11 Foreign currency transactions**

Transactions in foreign currencies presented in statement of profit or loss and other comprehensive income are translated to the functional currency at the spot exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Exchange gains or losses on foreign currency transactions are recognised in the profit or loss.

## **2 Accounting policies (continued)**

### **2.12 Share-based payments**

#### **Equity-settled share-based payment transactions**

The services received from employees in terms of the Indigenisation and Economic Empowerment Act (Chapter 14:33) transaction entered into in June 2012, are equity-settled and are measured at the fair value of the equity instruments granted. The fair value of those equity instruments was measured at grant date and is not subsequently re-measured.

If the equity instruments granted vest immediately and the employee is not required to complete a specified period of service before becoming unconditionally entitled to those instruments, the services received are recognized in full on grant date in profit or loss, with a corresponding increase in share-based payments reserve.

Where the equity instruments do not vest until the employee has completed a specified period of service, or where not unconditionally entitled to these instruments, it is assumed that the service rendered by the employee, as consideration for those equity instruments, will be received in the future, during the vesting period. These services are accounted for in profit or loss as they are rendered during the vesting period, with a corresponding increase in share-based payments reserve.

### **2.13 Critical accounting estimates and judgements**

The preparation of the translated financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Critical accounting estimates are those which involve the most complex or subjective judgements or assessments. The areas of the Company's business that typically require such estimates are provisions, determination of the fair value for financial assets and liabilities, impairment charges, foreign currency denominated assets and liabilities and the determination of functional currency.

Assets are subject to regular impairment reviews as required. Impairments are measured at the difference between the cost (or amortised cost) of a particular asset and the current fair value or recoverable amount. Impairments are recorded in profit or loss in the period in which they occur. There was no impaired non-financial asset during the period. Impairment values and procedures for financial assets are disclosed in notes 10 and 24.3.2 respectively.

#### **2.13.1 Changes in functional currency**

Due to the use of multiple currencies in the economy, management is required to assess what the functional currency is in accordance with International Accounting Standard (IAS) 21, The Effects of Changes in Foreign Exchange Rates. The company's assessment was based on weighting the volume of the local currency business against the foreign currency business.

As of 1 July 2024, the Company made a change in its functional currency from Zimbabwe Gold (ZWG) to United States Dollars (USD). This change was driven by several factors, including the steady increase in the use of foreign currency, particularly USD, following the promulgation of Statutory Instrument (SI) 185 of 2020 on 24 July 2020.

The Reserve Bank of Zimbabwe Governor reported in the 2024 monetary policy statement presentation, that 80% of the economy transactions, 80% of customer deposits and 89% of the loans were in USD. This trend is reflected in the Company's revenue and expenditure transactions.

In accordance with the requirements of IAS 21, "The Effects of Changes in Foreign Exchange Rates," management assessed the currency that best reflected the underlying transactions, events, and conditions relevant to the Company. The assessment considered the following factors:

- i. The currency that mainly influences the sales prices for the goods and services. Due to hyperinflation of the ZWG currency, prices for services were indexed against the USD hence the Company's pricing policies were mainly influenced by USD inputs. 68% of the Funds Under Management (FUM) are in USD and management fees that relate to FUM are calculated as a percentage based on the FUM held also depending on the currency which is predominantly USD. Property rentals are also denominated in USD which is the key driver of revenue although rentals may be collected in ZWG. USD therefore influences the revenues generated by OMIG in the form of management fees.
- ii. The currency of the country whose competitive forces and regulations mainly determine the sales price of its goods and services. The pricing of services in the asset management sector has been both ZWG and USD and this is a function of the underlying currency of managed funds. OMIG is operating in a multicurrency environment with both USD and ZWG being legal currencies amongst other currencies.

**2 Accounting policies (continued)**

**2.13 Critical accounting estimates and judgements (continued)**

**2.13.1 Changes in functional currency (continued)**

- iii. The currency that mainly influences labour, material and other costs of providing goods or services, which normally is the currency in which such costs are denominated and settled. Both USD and ZWG are the currencies that influence operating costs that are incurred by the business with 46% being USD. From Q3 of 2024 at least 55% of salaries were being paid in US dollars and resulted in an increase in USD denominated operating expenses (salaries ranged between 25% - 50% during H1 2024).

ZWG denominated operating expenses constitute 54% and a significant portion of these expenses are based in USD underlying prices and/or factors where the exchange rates are applied to determine the ZWG prices, this includes salaries which have USD benchmarks. USD is therefore the currency that mainly influences OMIG's operating and management expenses.

- iv. OMIG significant assets and liabilities are in ZWG. However, for OMIG, which is an asset management Company, FUM is the greater determinant of the nature of the business than assets and liabilities on the statement of financial position.

Based on these factors, the Company concluded that there was a change in its functional currency from ZWG to USD, effective from 1 July 2024. The change in functional currency was applied prospectively.

**Presentation currency and foreign currency translation**

As per IAS 21, Presentation currency is the currency in which the translated financial report is presented. An entity may present its translated financial report in any currency (or currencies). Management followed guidance and adopted ZWG as the presentation currency though the functional currency had changed to USD. The USD results and financial position were translated to ZWG using the closing exchange rate as at the balance sheet date.

**2.14 Share Capital**

Ordinary share capital is classified as equity if they are non-redeemable by the holder, and if dividends are discretionary.

**2.15 Cash and cash equivalents**

In the statement of financial position, cash and bank balances comprise cash (i.e., cash on hand and demand deposits) and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Such overdrafts are presented as short-term borrowings in the statement of financial position.

**2.16 Investment in Gold coins**

The Reserve Bank of Zimbabwe, on 25 July 2023, launched gold coins (Mosi-oa-Tunya) into the market to provide a store of value alternative to the USD in a bid to reduce demand for US dollars and help stabilize the local currency.

The gold coins are sold at the prevailing international price of gold plus 5 percent to cover the cost of production and distribution of the coin. The bank publishes the gold coin price everyday which is based on the previous day's London Bullion Market Association (LBMA) PM Fix plus the cost of producing the coin.

Characteristics of the gold coins are as follows: liquid asset status; prescribed asset status; tradable- holders of the coins can use them for daily transactions with traders willing to hold them or exchange them for products; can be used as collateral - holders can use them as security to obtain loans from registered credit providers; can be bought-back at the instance of the holder; at the discretion of the holder of the gold coin, the Bank or its Agents will buy back the gold coins after a vesting period of 180 days at the prevailing international spot price of gold; and lastly, on redemption, both residents and non-residents (international buyers), will have a choice to request payment in USD or ZWG

Management has assessed that there is no specific IFRS that applies to investment in gold coins and the parent of the Company, Old Mutual Zimbabwe Limited Group, developed its own accounting policy in line with the provisions of IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors which the Company also adopted.

The gold coins are a non-financial asset held for storage of value and capital appreciation. As such it would be appropriate to apply the fair value model similar to that applied to Investment Property, under IAS 40.

**2 Accounting policies (continued)**

**2.16 Investment in Gold coins (continued)**

At initial recognition, the gold coins will be measured at cost plus transaction costs. Subsequently, at the end of each reporting period, the investment in gold coins would need to be remeasured at fair value. The fair value would be the prevailing international spot price of gold at the end of the reporting period. The fair value is determined by reference to the price listed on the RBZ website ([www.rbz.co.zw](http://www.rbz.co.zw)). The value is equivalent to the international spot price of gold excluding any transaction costs.

**2.17 New and amended standards adopted by the Company**

**IAS 1 and IFRS Practice Statement 2: Making Materiality Judgements – Disclosure of Accounting Policies**

The Company has adopted the amendments to IAS 1 for the first time in the current year. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's translated financial report, it can reasonably be expected to influence decisions that the primary users of general-purpose translated financial report make on the basis of the translated financial report.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

**IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates**

The Company has adopted the amendments to IAS 8 for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in the translated financial report that are subject to measurement uncertainty".

The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications.

A change in accounting estimate that results from new information or new developments is not the correction of an error.

The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

**IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction**

The Company has adopted the amendments to IAS 12 for the first time in the current year. The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affect neither accounting nor taxable profit.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

**IAS 1 Presentation of Financial Statements: Amendments on classification of liabilities as current and non-current**

The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or noncurrent in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

There was no material impact on the translated financial report.

**2 Accounting policies (continued)**

**2.17 New and amended standards adopted by the Company (continued)**

**IAS 1 Presentation of the Financial Statements: Amendments on Non-current liabilities with Covenants**

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or noncurrent). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period.

However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of the translated financial report to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

There was no material impact on the translated financial report.

**IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Amendments to Disclosures—Supplier Finance Arrangements**

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of the translated financial report to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information. The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of the translated financial report to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information.

To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:

- The terms and conditions of the arrangements.
- The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements.
- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers.
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement.
- Liquidity risk information.

There was no material impact on the translated financial report.

**2 Accounting policies (continued)**

**2.18 Upcoming standards not yet effective**

**IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Amendments to sale or contribution of assets between an investor and its associate or joint venture**

The amendments deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture.

It states that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture.

Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set.

Currently, the amendments are not expected to impact the Company in the near future.

**Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability**

The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not.

The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency.

The assessment of whether a currency is exchangeable into another currency depends on an entity's ability to obtain the other currency and not on its intention or decision to do so.

When a currency is not exchangeable into another currency at a measurement date, an entity is required to estimate the spot exchange rate at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

The amendments do not specify how an entity estimates the spot exchange rate to meet that objective. An entity can use an observable exchange rate without adjustment or another estimation technique. Examples of an observable exchange rate include:

- a spot exchange rate for a purpose other than that for which an entity assesses exchangeability
- the first exchange rate at which an entity is able to obtain the other currency for the specified purpose after exchangeability of the currency is restored (first subsequent exchange rate).

An entity using another estimation technique may use any observable exchange rate—including rates from exchange transactions in markets or exchange mechanisms that do not create enforceable rights and obligations—and adjust that rate, as necessary, to meet the objective as set out above.

When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, the entity is required to disclose information that enables users of its translated financial report to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments add a new appendix as an integral part of IAS 21. The appendix includes application guidance on the requirements introduced by the amendments. The amendments also add new Illustrative Examples accompanying IAS 21, which illustrate how an entity might apply some of the requirements in hypothetical situations based on the limited facts presented.

**2 Accounting policies (continued)**

**2.18 Upcoming standards not yet effective (continued)**

**Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability (continued)**

In addition, the IASB made consequential amendments to IFRS 1 to align with and refer to the revised IAS 21 for assessing exchangeability.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025, with earlier application permitted. An entity is not permitted to apply the amendments retrospectively. Instead, an entity is required to apply the specific transition provisions included in the amendments.

There is expected impact on the translated financial report in the future periods.

**IFRS 18 Presentation and Disclosures in the Financial Statements**

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the translated financial report
- improve aggregation and disaggregation.

**IFRS 18 Presentation and Disclosures in Financial Statements (continued)**

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

There is expected impact on the translated financial report in the future periods.

**IFRS 19 Subsidiaries without Public Accountability: Disclosures**

IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its translated financial report.

A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated translated financial report available for public use that comply with IFRS Accounting Standards.

IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

An entity is only permitted to apply IFRS 19 if, at the end of the reporting period:

- it is a subsidiary (this includes an intermediate parent)
- it does not have public accountability, and
- its ultimate or any intermediate parent produces consolidated translated financial report available for public use that comply with IFRS Accounting Standards.

A subsidiary has public accountability if:

- its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets), or
- it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (for example, banks, credit unions, insurance entities, securities brokers/dealers, mutual funds and investment banks often meet this second criterion).

Eligible entities can apply IFRS 19 in their consolidated, separate or individual translated financial report. An eligible intermediate parent that does not apply IFRS 19 in its consolidated financial statement may do so in its separate translated financial report.

The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted.

**2 Accounting policies (continued)**

**2.18 Upcoming standards not yet effective (continued)**

**IFRS 19 Subsidiaries without Public Accountability: Disclosures (continued)**

If an entity elects to apply IFRS 19 for a reporting period earlier than the reporting period in which it first applies IFRS 18, it is required to apply a modified set of disclosure requirements set out in an appendix to IFRS 19. If an entity elects to apply IFRS 19 for an annual reporting period before it applied the amendments to IAS 21, it is not required to apply the disclosure requirements in IFRS 19 with regard to Lack of Exchangeability.

There is no impact on the translated financial report in the future periods.

**2.19 Comparative figures**

Where necessary comparative figures are reclassified in line with current year presentation. No reclassifications were done during the 2024 reporting period.

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<b>3</b>	<b>Fee income</b>	<b>31-Dec-24 ZWG</b>	<b>Restated 31-Dec-23 ZWG</b>
	Asset management fees	192 070 477	210 709 094
	Commission income	69 334 320	68 927 478
	Development fees	11 292 726	14 208 085
	<b>Total revenue</b>	<b>272 697 523</b>	<b>293 844 657</b>

Asset management fee and commission income are recognised over time and collected on the agreed dates as per signed contracts with the customers. Development fees revenue is also recognised over time based on the cost-to-cost method.

In respect of commissions, management has concluded that the Company is an agent due to the following reasons.

- the Company does not own any of the properties.
- the Company does not have discretion on the setting of rental prices as these have to be approved by the property owners first to be implemented.

<b>4</b>	<b>Other income</b>	<b>31-Dec-24 ZWG</b>	<b>Restated 31-Dec-23 ZWG</b>
	Interest on money market investments	695 218	1 043 008
	Foreign Exchange gains	33 229 801	43 980 638
	Profit/(loss) on Revaluation of Shares	1 543 163	(2 558 308)
	Profit/(loss) on Revaluation of Investment in gold coins	17 492	(849 648)
	Profit on Sale of Investments	-	2 812 501
	Other income	7 072 298	6 308 610
		<b>42 557 972</b>	<b>50 736 801</b>

<b>5</b>	<b>Operating and administration expenses</b>	<b>31-Dec-24 ZWG</b>	<b>Restated 31-Dec-23 ZWG</b>
	Statutory audit services	4 488 578	3 933 626
	Direct remuneration	74 368 743	87 841 261
	Indirect remuneration	29 990 292	23 539 274
	Rentals for office space	11 092 607	14 621 480
	Depreciation of equipment	4 415 904	3 758 558
	Amortisation costs	229 245	255 199
	Shared services expenses	27 859 000	32 697 535
	Directors' fees	3 298 545	2 775 506
	Marketing expenses	3 281 208	5 520 802
	Telephone	1 003 562	940 407
	Vehicle operating costs	6 821 872	14 059 125
	Stationery	1 492 495	1 549 819
	SEC Zimbabwe levy	2 958 778	2 530 059
	Software and Licensing	18 704 351	13 486 424
	Professional consultancy fees	4 697 530	11 549 963
	Intermediate Money Transfer Tax	2 441 260	1 932 669
	Legal fees	543 652	1 214 206
	Insurance	1 486 303	1 540 893
	Other administration expenses	8 549 470	7 192 828
		<b>207 723 395</b>	<b>230 939 634</b>

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	<b>31-Dec-24</b>	<b>Restated</b>
	<b>ZWG</b>	<b>31-Dec-23</b>
		<b>ZWG</b>
<b>6 Income tax expense</b>		
Current tax expense	37 717 121	31 626 433
Deferred tax (credit)/ expense (see <b>note 8</b> )	(1 078 825)	2 287 630
	<u><b>36 638 296</b></u>	<u><b>33 914 063</b></u>
 <b>Reconciliation of taxation rate on profit before tax</b>		
	<b>%</b>	<b>%</b>
Standard rate of taxation	<u>24,72</u>	<u>24,72</u>
 <b>Adjusted for:</b>		
Other exempt income <sup>^</sup>	(98)	(39,47)
Other disallowed expenses +	176,98	45,39
	<u><b>104,18</b></u>	<u><b>52,55</b></u>

<sup>^</sup> This includes profit or loss on disposal of Property, Plant and Equipment and profit and loss on sale of investment

+ This includes disallowed management fees, intermediated transfer tax, share based payments, donations, excess pension contributions and entertainment.

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7	Property and Equipment				
2024		Motor vehicles ZWG	Furniture and Fittings ZWG	Computer Equipment ZWG	Total ZWG
	<b>Cost</b>				
	<b>Opening balance at 1 January 2024</b>	16 414 889	2 794 571	5 952 023	25 161 483
	Additions during the year	5 684 493	23 657	2 183 070	7 891 220
	Disposals during the year	-	-	(96 641)	(96 641)
	Closing balance at 31 December 2024	<u>22 099 382</u>	<u>2 818 228</u>	<u>8 038 452</u>	<u>32 956 062</u>
	<b>Accumulated depreciation</b>				
	<b>Accumulated Depreciation at 1 January 2024</b>	10 350 694	1 052 140	3 834 070	15 236 904
	Depreciation for the year	2 775 248	219 623	1 421 033	4 415 904
	Accumulated depreciation of disposals	-	-	(96 641)	(96 641)
	<b>Accumulated Depreciation at 31 December 2024</b>	<u>13 125 942</u>	<u>1 271 763</u>	<u>5 158 462</u>	<u>19 556 167</u>
	<b>Carrying amount at 31 December 2024</b>	<u>8 973 440</u>	<u>1 546 465</u>	<u>2 879 989</u>	<u>13 399 895</u>

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7	Property and Equipment (continued)				
2023		Motor vehicles ZWG	Furniture and Fittings ZWG	Computer Equipment ZWG	Restated Total ZWG
	<b>Cost</b>				
	<b>Opening balance at 1 January 2023</b>	11 853 611	1 036 610	5 108 258	17 998 479
	Additions during the year	4 628 638	1 757 961	934 318	7 320 917
	Disposals during the year	(67 360)	-	(90 552)	(57 912)
	<b>Closing balance at 31 December 2023</b>	<u>16 414 889</u>	<u>2 794 571</u>	<u>5 952 024</u>	<u>25 161 484</u>
	<b>Accumulated depreciation</b>				
	<b>Opening balance at 1 January 2023</b>	7 819 680	902 251	2 783 142	11 505 073
	Depreciation for the year	2 555 677	149 889	1 052 992	3 758 558
	Accumulated depreciation of disposals	(24 663)	-	(2 064)	(26 727)
	<b>Closing balance at 31 December 2023</b>	<u>10 350 694</u>	<u>1 052 140</u>	<u>3 834 070</u>	<u>15 236 904</u>
	<b>Carrying amount as at 31 December 2023</b>	<u>6 064 195</u>	<u>1 742 431</u>	<u>2 117 953</u>	<u>9 924 579</u>

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**7.1 Intangible Assets - Computer systems**

	<b>2024</b>
	<b>ZWG</b>
<b>Opening balance at 1 January 2024</b>	<b>1 369 262</b>
Amortisation	(229 245)
Additions	2 376 687
<b>Closing balance at 31 December 2024</b>	<b>3 516 704</b>
	<b>Restated</b>
	<b>2023</b>
	<b>ZWG</b>
<b>Opening balance at 1 January 2023</b>	<b>1 624 461</b>
Amortisation	(255 199)
Additions	-
<b>Closing balance at 31 December 2023</b>	<b>1 369 262</b>

Intangible assets comprise of computer software.

**8 Deferred tax**

	<b>31-Dec-24</b>	<b>Restated</b>
	<b>ZWG</b>	<b>31-Dec-23</b>
		<b>ZWG</b>
<b>Analysis of deferred tax balance</b>		
Temporary differences arising from:		
Foreign Exchange Gain/Loss Unrealised	232	(2 578 895)
Leave pay	205 949	184 408
Performance bonus	1 039 112	3 634 570
Provision for Audit Fees	434 421	773 542
Capital allowances (Investments)	(290 955)	(309 427)
Capital allowances (Property and Equipment)	(2 981 541)	(2 218 155)
<b>Carrying amount as at 31 December</b>	<b>(1 592 782)</b>	<b>(513 957)</b>

The business has concluded that there is high probability that there will be future taxable profits against which the recognised deferred tax asset will be utilised - refer to going concern note 28.

**8.1 Deferred tax charge**

<b>Balance at beginning of the year</b>	(513 957)	(2 801 587)
Current tax recognised in profit or loss	(1 078 825)	2 287 630
<b>Balance at end of the year</b>	<b>(1 592 782)</b>	<b>(513 957)</b>

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<b>9</b>	<b>Investments and securities</b>		
<b>9.1</b>	<b>Analysis of investments</b>	<b>31-Dec-24</b>	<b>Restated</b>
		<b>ZWG</b>	<b>31-Dec-23</b>
			<b>ZWG</b>
	Equity securities	18 808 555.60	19 981 341.13
	ZSE equities	588 989.56	646 648.87
	*Mosi-Oa-Tunya Gold Coins	141 350	123 859
	Unit Trusts Investments	2 641 647	7 892 638
	^ Bankers' Acceptance	-	28 817
	<b>Total investments and securities</b>	<b>22 180 542</b>	<b>28 673 304</b>

^Banker's Acceptances have maturity periods of less than one year. They are carried at amortised cost.

**9.2 \*Investment in \*Mosi-Oa Tunya Gold Coins**

<b>Carrying amount at 1 January</b>	<b>123 858</b>	<b>1 107 942</b>
Acquired	-	86 167
Disposed	-	(220 603)
Net gain/(loss) from fair value adjustments	17 492	(849 648)
<b>Carrying amount at 31 December</b>	<b>141 350</b>	<b>123 858</b>
<b>Comprising:</b>		
<b>*Investment in gold coins</b>	<b>141 350</b>	<b>123 858</b>

\*The Company holds 2 ounces (oz) of Mosi-Oa-Tunya Gold Coins with a market value of ZWG 70 675 per ounce as at 31 December 2024 as per Reserve Bank of Zimbabwe (RBZ) valuation. The Company elected to apply the fair value model similar to that applied to Investment Property, under IAS 40 on initial recognition and subsequent measurement of the investment in gold coins.

**9.3 Fair Value Hierarchy**

The fair value of the equity investments has been arrived at on the basis of quoted prices on the Zimbabwe Stock Exchange (ZSE) and the Victoria Falls Securities Exchange (VFEX) which is a level 1 input in terms of IFRS 13 since prices are quoted from an active market and unadjusted for identical equity investments.

The fair value of the investment in gold coins has been arrived at using the value determined by reference to the price listed on the RBZ website (ww.rbz.co.zw). The value is equivalent to the international spot price of gold excluding any transaction costs which is a level 1 input in terms of IFRS 13 since prices are quoted from an active market and unadjusted for identical commodities.

The fair value of unit trusts investments is based on prices circulated by the asset manager used in daily trading of units. These prices include inputs from quoted prices on ZSE and VFEX. In terms of IFRS 13 this is level 2 input since prices corroborated by prices of quoted equity investments in active markets.

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**9 Investments and securities (continued)**

**9.3 Fair Value Hierarchy**

	<b>Level 1</b>	<b>2024 Level 2</b>	<b>Level 3</b>	<b>Level 1</b>	<b>2023 Level 2</b>	<b>Level 3</b>
Equity securities	19 397 545	-	-	20 627 990	-	-
Mosi-Oa-Tunya Gold Coins	141 350		-	123 859	-	-
Unit Trusts Investments		2 641 647	-		7 892 638	-

Equities securities comprise of listed equities on Zimbabwe Stock Exchange (ZSE) and Victoria Falls Securities Exchange (VFEX).

**10 Fee Receivables**

	<b>31-Dec-24 ZWG</b>	<b>Restated 31-Dec-23 ZWG</b>
Amounts due from third party clients	15 796 251	43 857 992
Amounts due from group companies	37 445 211	20 852 953
	<u><u>53 241 462</u></u>	<u><u>64 710 945</u></u>

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**10 Fee Receivables (continued)**

**10.1 IFRS 9 Loss allowance on fee receivables**

	2024 ZWG	2024 ZWG	2024 ZWG	Restated 2023 ZWG	Restated 2023 ZWG	Restated 2023 ZWG
	0 to 30 days	31 days +	Total	0 to 30 days	31 days +	Total
<b>Fee receivables gross carrying amount</b>	<b>45 176 794</b>	<b>17 937 995</b>	<b>61 114 790</b>	<b>63 835 705</b>	<b>6 307 398</b>	<b>70 143 103</b>
Due from third party clients	11 952 224	7 364 232	19 316 457	39 171 024	5 599 513	44 770 537
Due from group companies (Note 12)	31 224 570	10 573 763	41 798 333	24 664 681	707 885	25 372 566
<b>Credit Loss – 12-month ECL</b>						
Loss allowances on 1 January	(4 757 141)	(674 967)	(5 432 108)	(981 014)	(5 799 554)	(6 780 568)
Net movement of ECL through profit or loss	(5 776 749)	(2 598 064)	(8 374 813)	(4 552 997)	531 862	(4 021 135)
Inflation Adjustment	5 103 054	830 539	5 933 593	776 870	4 592 675	5 369 545
<b>Loss allowance balance as at 31 December</b>	<b>(5 430 836)</b>	<b>(2 442 492)</b>	<b>(7 873 328)</b>	<b>(4 757 141)</b>	<b>(675 017)</b>	<b>(5 432 158)</b>
Loss allowance on third party clients	(2 428 155)	(1 092 051)	(3 520 206)	(608 690)	(303 855)	(912 545)
Loss allowance on group companies	(3 002 681)	(1 350 441)	(4 353 122)	(4 148 451)	(371 162)	(4 519 613)
<b>Net carrying amount</b>	<b>37 745 958</b>	<b>15 495 503</b>	<b>53 241 462</b>	<b>59 078 564</b>	<b>5 632 381</b>	<b>64 710 945</b>
Due from third party clients	9 524 069	6 272 181	15 796 251	38 562 334	5 295 658	43 857 992
Due from group companies	28 221 889	9 223 322	37 445 211	20 516 230	336 723	20 852 953

The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience based on ageing. The following provision matrix has been used to come up with expected credit losses:

**Provision matrix adjusted for forward looking information (FLI)**

Provision matrix	Days past due (DPD)				
	Current	1-30 days	31-60 days	61-90 days	More than 90 days
Asset					
Management fee receivables	0.5%	1%	1.5%	3%	5%
Management commission receivable	15%	15%	20%	35%	100%

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		<b>31-Dec-24</b>	<b>Restated</b>
		<b>ZWG</b>	<b>31-Dec-23</b>
			<b>ZWG</b>
<b>11</b>	<b>Other assets</b>		
	Dividend income receivable	-	335
	Staff debtors+	423 250	969 740
	Prepayments	2 066 821	4 772 181
	Trading units^	3 183 174	117 383
	Workshop tools	3 697 931	585 703
		<b>9 371 176</b>	<b>6 445 342</b>

+Loans are granted to staff at a subsidized interest rate of 15% per annum. The tenure of the loans depends on the nature of the loan granted. Car loans have a 5-year term, whilst any other personal loans range from a 1-year term to a maximum of a 3-year term.

^Trading Units Account and Control Accounts are two lines on OMIGs trial balance (contra accounts) to recognize the obligation it has as the Fund Manager for managing Unit Trusts Control Accounts line is made up of bank accounts that receive money for Unit Trusts investments, and it sits under liabilities to recognize that as OMIG we have received client Funds.

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**12 Amounts due from or (to) group Companies**

	<b>Amounts due from 31-Dec-24 ZWG</b>	<b>Amounts due (to) 31-Dec-24 ZWG</b>	<b>Restated Amounts due from 31-Dec-23 ZWG</b>	<b>Restated Amounts due (to) 31-Dec-23 ZWG</b>
<b>Other Group Companies- fellow subsidiaries</b>				
Old Mutual Zimbabwe Limited	-	(2 360 331)	-	(2 717 632)
Old Mutual Life Assurance Company Zimbabwe Limited	7 346 073	-	23 062 725	-
Old Mutual Securities	183 866	-	68 779	-
Old Mutual Insurance Company (Private) Limited	2 493 219	-	1 299 161	-
Old Mutual Funeral Services	310 356	-	55 183	-
Central Africa Building Society	752 955	-	578 015	-
Old Mutual Finance	84 619	-	72 958	-
Frittlewell	9 726	-	3 147	-
Old Mutual Foundation	-	(570 069)	6 011	-
Mutual & Federal	186 626	-	226 588	-
Old Mutual Digital Services	-	(125 020)	-	(207 651)
Group management fee commission	30 430 869	-	-	-
	<b>41 798 333</b>	<b>(3 055 420)</b>	<b>25 372 567</b>	<b>(2 925 283)</b>

The amounts due to or from group companies above are unsecured, are not interest bearing, and are not subject to fixed terms of repayment. Transactions with related parties are disclosed in note 23.

Expected credit loss for amounts due from group companies is included in impairment assessment disclosed in note 10.

**13 Cash and cash equivalents**

	<b>31-Dec-24 ZWG</b>	<b>Restated 31-Dec-23 ZWG</b>
Cash at bank and in hand	4 881 876	3 342 966

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**14 Provisions**

	Staff Bonus ZWG	^Other provisions ZWG	Audit fees ZWG	Provision in lieu of leave ZWG	Total ZWG
<b>Balance at 1 January 2023</b>	<b>8 632 849</b>	<b>226 820</b>	<b>2 062 126</b>	<b>1 357 723</b>	<b>12 279 518</b>
Utilized during the year	(14 563 692)	-	(2 531 658)	-	(17 095 350)
Charge for the year	13 539 027	1 174 245	3 933 626	433 621	19 080 519
Inflation Adjustment	6 506 640	(179 635)	(460 013)	(1 075 178)	4 791 814
<b>Restated balance at 31 December 2023</b>	<b>14 114 824</b>	<b>1 221 456</b>	<b>3 004 055</b>	<b>716 166</b>	<b>19 056 501</b>
Prior year over provision					
Utilized during the year	(3 663 129)	-	(2 448 819)	-	(6 111 948)
Charge for the year	9 446 172	835 666	4 488 578	1 051 727	15 822 143
Inflation Adjustment	(15 694 363)	(1 500 984)	(3 286 472)	(934 808)	(21 416 627)
<b>Balance at 31 December 2024</b>	<b>4 203 504</b>	<b>556 138</b>	<b>1 757 342</b>	<b>833 085</b>	<b>7 350 069</b>

^Other provisions consist of provision for potential reversal of management fees.

Provision for potential reversal of management fees was raised upon issuance of a revised framework which was effective on the 1<sup>st</sup> of July 2022 for pension fund expenses by the Insurance and Pensions Commission (IPEC). The directive is applicable to the Company because a significant percentage of the Company's customers are pension funds. The framework requires asset managers to base their investment management fees dependent on the asset class as follows:

- Financial assets excluding private equity: Basis of fees should be assets under management with a cap of 0.8% per annum of assets under management,
- Private equity asset class: Basis of fees should be a percentage of dividend or income received,
- Property asset class: Basis of fees should be a percentage of gross rental income.

The provision relates to the equity class as management seek a reprieve on the method.

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	<b>31-Dec-24 ZWG</b>	<b>Restated 31-Dec-23 ZWG</b>
<b>15 Payables</b>		
Value Added Tax	134 668	370 079
Licences	-	1 769 932
Fidelity insurance	464	4 902
Non-member institute rebate payable	345 210	655 153
Control Account balances	3 219 266	107 889
Other payables	14 422 858	11 471 742
	<b>18 122 466</b>	<b>14 379 697</b>
<b>16 Share capital and premium</b>		
<b>Authorised share capital</b>		
20 000 ordinary shares	<b>20 000</b>	<b>20 000</b>
<b>Issued share capital</b>		
10 000 ordinary shares of ZWG 0.0004 each	7 275	7 275
Share premium	26 777 140	26 777 140
	<b>26 784 415</b>	<b>26 784 415</b>
<b>17 Post employment benefits</b>		
<p>The Company provides pension benefits to permanent employees and post-retirement benefits to qualifying employees. Pension benefits have been designed and are administered in accordance with the Pension and Provident Funds Act (Chapter 24:09) and are defined contribution schemes.</p> <p><b>The Old Mutual Staff Pension Fund</b>  The Fund is a defined contribution plan registered to provide retirement benefits for the Company's full-time employees.</p> <p><b>National Social Security Authority Scheme</b>  This scheme was promulgated under the National Social Security Authority Act 1989. The Group's obligation under the scheme is limited to specific contributions as legislated from time to time and is presently a maximum of 9% of the insured amount provided by the National Social Security Authority. The employee and the employer contribute 50% each per month.</p>		
	<b>31-Dec-24 ZWG</b>	<b>Restated 31-Dec-23 ZWG</b>
Contributions recognised as an expense for the year:		
Old Mutual Staff Pension Fund	5 463 065	3 909 015
National Social Security Authority Scheme	1 502 083	1 083 563
	<b>6 965 148</b>	<b>4 992 578</b>
<b>18 Remuneration of key management personnel</b>		
<b>Directors' fees</b>		
Dr. K Mandevani	1 102 241	893 136
Dr. C C Jinya	569 139	495 848
Mr. B L Nkomo	690 611	609 770
Mrs. S Kuvarika	367 415	295 152
Mr. S J Hammond	569 139	481 600
<b>Total Directors fees</b>	<b>3 298 545</b>	<b>2 775 506</b>
<b>Management short term benefits</b>	<b>15 195 911</b>	<b>23 416 289</b>
<b>Total</b>	<b>18 494 456</b>	<b>26 191 795</b>

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	<b>31-Dec-24 ZWG</b>	<b>Restated 31-Dec-23 ZWG</b>
<b>19</b>		
<b>non-cash movements and adjustments to profit before tax</b>		
Depreciation and amortisation	4 645 149	4 013 757
Unrealised exchange losses/(gains)	21 122 806	(26 967 843)
Charges to provisions	15 822 143	19 080 519
Impairment loss on receivables	8 374 813	4 021 135
Provisions utilised	(6 111 948)	(17 095 350)
(Profit/ loss) on Revaluation of Shares	(1 543 163)	2 558 308
(Profit)/ loss on Revaluation of gold coins	(17 492)	849 648
Profit on disposal of assets	(31 719)	(393 891)
Profit on sale of investments	-	(2 812 501)
Accrued interest - Money market	(695 218)	(1 043 008)
Dividend and Other Investment Income	(1 819 568)	(1 770 835)
Net Monetary loss on non-cash items	(43 709 687)	14 079 072
	<b>(3 961 643)</b>	<b>(5 483 676)</b>
<b>20</b>		
<b>Changes in working capital</b>		
Debtors and amounts due by group companies	8 543 624	(35 217 558)
Creditors and amounts due to group companies	3 872 906	9 330 234
	<b>12 416 555</b>	<b>(25 887 324)</b>
<b>21</b>		
<b>Taxation paid</b>		
<b>Balance at beginning of the year</b>	(6 436 187)	(4 431 202)
Current tax recognised in profit or loss	(37 717 121)	(31 626 433)
<b>Balance at the end of the year</b>	6 786 528	6 436 187
<b>Taxation paid</b>	<b>(37 366 780)</b>	<b>(29 621 448)</b>
<b>22</b>		
<b>Purchase or sale of investment</b>		
Investments balance at beginning of the year	28 673 304	20 432 489
Net movement in profit or loss	(3 488 495)	13 361 533
Purchase of investments	663 909	9 769 118
Sale of investments	(3 668 176)	(14 889 836)
<b>Investments balance at end of the year</b>	<b>22 180 542</b>	<b>28 673 304</b>

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**23 Related party disclosures**

**Amounts due from or to subsidiaries and other group companies**

All Company's fellow subsidiaries and associates due from or to them are listed on note 12.

	<b>31-Dec-24 ZWG</b>	<b>Restated 31-Dec-23 ZWG</b>
<b>Management fees earned from services offered to group companies</b>		
Old Mutual Zimbabwe Limited	5 349 540	3 916 677
Old Mutual Life Assurance Company Zimbabwe Limited	125 074 798	150 273 476
Old Mutual Finance	65 533	58 072
Old Mutual Securities	145 481	124 091
Old Mutual Insurance Company (Private) Limited	2 657 767	3 400 423
Central Africa Building Society	10 298 439	13 819 044
Frittlewell	12 203	11 093
Old Mutual Unit Trusts	4 970 365	3 912 755
Old Mutual Foundation	12 153	11 093
Mutual & Federal	290 517	294 516
Old Mutual Funeral Services	290 587	158 635
Old Mutual Digital Services	491 383	559 079
<b>Management expenses incurred</b>		
Old Mutual Zimbabwe Limited	(22 83 800)	(26 008 087)
Old Mutual Life Assurance Company Zimbabwe Limited	(3 473 150)	(3 961 566)
Central Africa Building Society	(734 888)	(1 087 613)
Old Mutual Digital Services	(1 022 698)	(1 000 027)

**Key management personnel remuneration and other compensation**

Key management personnel and their close family members and entities which they control, jointly control or over which they exercise significant influence are considered related parties to the Company. The Company's executive and non-executive directors as listed in the directors' report and members of the Executive Committee are considered to be key management personnel.

Executive Committee members consist of Marjorie Mayida, Munyaradzi Stephen Charangwa, Rejoice Gutuza, Faith Mundeta, Givemore Kandutu, Stephen Kapfunde, Davies Musoso, Jennifer Zanga, Phoebe Goremusandu, Chengetai Zvobgo, Tawanda Zuze and Gilbert Mangwere.

The amount of the compensation paid to key management personnel and directors is listed on **note 18**.

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**24 Financial instruments and risk management**

**24.1 Accounting classifications and fair values**

The analysis of assets and liabilities into their categories as defined in IFRS 9 'Financial Instruments: Recognition and Measurement' (IFRS 9) is set out in the following table. Only financial assets and liabilities are disclosed on the table below. The Company has not disclosed the fair values of financial assets and liabilities because their carrying amounts are a reasonable approximation of fair value.

**At 31 December 2024**

	Note	Financial Assets at FVPTL ZWG	Financial Assets at amortised cost ZWG	Liabilities at amortised cost ZWG	Total ZWG
<b>Assets</b>					
Receivables		-	53 241 461	-	53 241 461
Cash and cash equivalents	13	-	4 881 876	-	4 881 876
Investments and securities	9	22 180 542	-	-	22 180 542
Other assets			9 371 176	-	9 371 176
		<b>22 180 542</b>	<b>67 494 513</b>	<b>-</b>	<b>89 675 055</b>
<b>Liabilities</b>					
Payables	15	-	-	(18 122 466)	(18 122 466)
Amounts due to group companies	12	-	-	(3 055 420)	(3 055 420)
		<b>-</b>	<b>-</b>	<b>(21 177 886)</b>	<b>(21 177 886)</b>

**At 31 December 2023**

	Note	Financial Assets at FVPTL ZWG	Financial Assets at amortised cost ZWG	Liabilities at amortised cost ZWG	Restated Total ZWG
<b>Assets</b>					
Receivables	10	-	64 710 945	-	64 710 945
Cash and cash equivalents	13	-	3 342 966	-	3 342 966
Investments and securities	9	28 644 462	28 867	-	28 673 304
Other assets	12		6 445 342	-	6 445 342
		<b>28 644 462</b>	<b>74 528 095</b>	<b>-</b>	<b>103 172 557</b>
<b>Liabilities</b>					
Payables	15	-	-	14 379 697	14 379 697
Amounts due to group companies	12	-	-	(2 925 283)	(2 925 283)
		<b>-</b>	<b>-</b>	<b>11 454 410</b>	<b>11 454 410</b>

**24.2 Capital management**

Capital is actively managed to ensure that the Company is properly capitalised and always funded, having regard to its regulatory needs, prudent management and the needs of all stakeholders.

The Company has a business planning process that runs on an annual cycle with regular updates to projections. It is through this process, that the Company's capital is managed.

The Securities and Exchange Commission of Zimbabwe (SECZim) sets and monitors capital requirements for the Company. The minimum capital required for asset management companies is equivalent of 3 months cover expenses, counterparty risk, settlement risk and position risk. The company was in compliance with the regulatory requirement of the Capital Adequacy Framework issued by the regulator, the Securities and Exchange Commission of Zimbabwe (SECZ). The calculated required regulatory requirement was ZWG52 502 844 compared to adjusted liquid Capital of ZWG52 767 791.

**24 Financial instruments and risk management**

**24.3 Financial risk management**

The Company is exposed to financial risk through its financial assets and financial liabilities. In particular the key financial risk is that the proceeds from its financial assets may not be sufficient to fund its obligations.

**24.3.1 Market risk**

**Definition**

Market risk is the potential impact on earnings of unfavourable changes in foreign exchange rates, interest rates, prices, market volatilities and liquidity. Investment risk arises from changes in the fair value of investments.

All trading instruments are subject to market risk, that future changes in market conditions may make an instrument less valuable or more onerous. The instruments are recognised and measured in terms of IFRS as articulated under accounting policy note 2.9.

**Funds under management**

Funds under management (FUM) represents assets being managed on behalf of investors and these are kept off balance sheet. FUM is the base upon which our business earns its revenue. FUM is influenced by investment markets movements and Net Client Cash Flows (NCCF). We monitor and respond to market movements using our investments process that is supported by a well-developed research function.

**Interest rate risk**

Interest rate risk is the risk that fluctuating interest rates will unfavourably affect the Company's earnings and the value of its assets, liabilities, and capital.

The Company has due regard to the nature of the liabilities and guarantees given to clients. The interest rate risk of such liabilities is managed by investing in assets of similar duration. Derivative instruments are not used to any material extent to manage the interest rate risk of these long-term assets and liabilities.

Interest rate risk represents the price sensitivity of a fixed income security or interest-carrying asset to changes in interest rates. This risk is controlled by careful monitoring of the level of interest-bearing investments.

**Sensitivity Analysis**

The Company earns its income from investment activities on behalf of clients. This investment process is done following a rigorous investment policy which prescribes a balanced allocation of assets/funds across various asset classes. As such any movement in interest rates is not likely to adversely affect the Company's earnings. Movement in interest rates by 10% would affect the Company's profit or loss and equity in the following way:

<b>2024</b>	<b>Profit or (loss)</b>	<b>Equity</b>
Increase in interest rates by 10%	264 165	264 165
Decrease in interest rates by 10%	(264 165)	(264 165)
<b>2023</b>	<b>Profit or (loss)</b>	<b>Restated Equity</b>
Increase in interest rates by 10%	2 062 798	2 062 798
Decrease in interest rates by 10%	(2 062 798)	(2 062 798)

**Equity price risk**

Equity price risk is the possibility that equity prices will fluctuate affecting the fair value of equity investments and other instruments that derive their value from a particular equity investment or index of equity prices. The primary exposure to equity prices arises from trading activities.

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**24 Financial instruments and risk management**

**24.3 Financial risk management**

**24.3.1 Market risk**

**Sensitivity analysis**

The Company earns its income from investment activities. This investment process is done following a rigorous investment policy which prescribes a balanced allocation of assets/funds across various asset classes. As such any market movement on the industrial index is not likely to adversely affect the Company's earnings. Movement of the industrial index by 10% would affect the Company's profit or loss and equity in the following way.

	<b>Profit or (loss)</b>	<b>Equity</b>
Strengthening of the industrial index by 20%	1 939 755	1 939 755
Weakening of the index by 20%	(1 939 755)	(1 939 755)

**Foreign currency translation risk**

**Sensitivity analysis**

A reasonably possible weakening (strengthening) of the Zimbabwean dollar (ZWG) against the USD at the reporting date would affect the measurement of the net foreign currency denominated assets (liabilities) of the company. The Company had a net foreign assets position of ZWG19.55 million. This analysis assumes that all other variables remain constant, changes in foreign exchange rates to the ZWG would impact profit and equity as below:

	<b>Profit or (loss)</b>	<b>Equity</b>
<b>Exchange rate strengthening by 20%</b>	4 088 391	4 088 391
Exchange rate weakening by 20%	(4 088 391)	(4 088 391)

**24.3.2 Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and money market investments in banking institutions. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer or counterparty. However, management also considers other external factors that may influence the credit risk of its customers and counterparties.

For trade receivables most of the Company's clients have been on our books for more than 2 years and none of them have had their balances being credit impaired at the reporting date. In monitoring credit risk all external clients are grouped together as most of their affairs are managed by custodians and intercompany transactions separately.

On 31 December 2024, the assessed balances exposed to overall counterparty credit risk are as follows:

	<b>31-Dec-24 ZWG</b>	<b>Restated 31-Dec-23 ZWG</b>
Receivables	53 241 462	64 710 945
Cash and cash equivalents	4 881 876	3 342 966
Bankers' acceptance	-	28 817
Other assets	9 371 176	284 067
	<b>67 494 514</b>	<b>68 366 795</b>

**The expected credit losses for the Intercompany Sis shown on note 10.**

Past due 1- 30 days	28 188 487	30 408 202
Past due 31- 90 days	17 402 533	28 670 363
Over 90 days	7 650 442	5 632 380
	<b>53 241 462</b>	<b>64 710 945</b>

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**24 Financial instruments and risk management (continued)**

**24.3 Financial risk management (continued)**

**24.3.2 Credit risk (continued)**

For debt assets, the Company limits its exposure to credit risk by investing only in liquid debt securities and only with counterparties that have been approved by the risk department within the set maximum risk exposure. Factors considered when selecting the counterparties and setting exposure limits include but are not limited to capital levels, management quality, earnings quality, non-performing loans amongst other factors. Assessment of these factors is done monthly.

The expected credit losses for the trade receivables and debt securities are shown on note 10.

**24.3.3 Liquidity risk**

**Definition**

Liquidity risk is the risk that cash may not be available at a reasonable cost to pay obligations when due.

**Identification techniques**

The risk is identified through gap analysis.

**Measurement methods**

Liquidity risk is measured using the gap analysis techniques and the term structure of assets and liabilities.

**Measurement methods**

The risk is measured through assessing the risk of default using a credit risk-rating matrix.

**Adequacy and effectiveness of risk management systems**

The liquidity risk management and control mechanisms in place are adequate, effective and are adhered to by all staff members.

**Liquidity gap analysis**

	Up to 1 month ZWG	2 to 6 months ZWG	Above 6 months ZWG	Total ZWG
<b>At 31 December 2024</b>				
<b>Liabilities</b>				
Other Payables	(14 422 858)			(14 422 858)
Amounts due to group companies	(3 055 420)	-	-	(3 055 420)
<b>Total liabilities</b>	<b>(17 478 278)</b>	<b>-</b>	<b>-</b>	<b>(17 478 278)</b>
<b>Assets</b>				
Cash and cash equivalents	4 881 876	-	-	4 881 876
Fee Receivables	53 241 462	-	-	53 241 462
Other assets	-	-	9 371 176	9 371 176
Investments and securities	2 641 647	19 397 545	141 350	22 180 542
<b>Total assets</b>	<b>60 764 985</b>	<b>19 397 545</b>	<b>9 512 526</b>	<b>89 675 056</b>
<b>Liquidity gap</b>	<b>43 286 707</b>	<b>19 397 545</b>	<b>9 512 526</b>	<b>72 196 778</b>

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**24 Financial instruments and risk management (continued)**

**24.3 Financial risk management (continued)**

**24.3.3 Liquidity risk (continued)**

At 31 December 2023	Up to 1 month ZWG	2 to 6 months ZWG	Above 6 months ZWG	Non -current assets ZWG	Restated Total ZWG
<b>Liabilities</b>					
Licenses	-	-	(1 769 932)	-	(1 769 932)
Other Payables	(11 471 742)	-	-	-	(11 471 742)
Amounts due to group companies	(2 925 283)	-	-	-	(2 925 283)
<b>Total liabilities</b>	<b>(14 397 025)</b>	<b>-</b>	<b>(1 769 932)</b>	<b>-</b>	<b>(16166 957)</b>
<b>Assets</b>					
Cash and cash equivalents	3 342 966	-	-	-	3 342 966
Fee Receivables	64 710 945	-	-	-	64 710 945
Other assets	-	-	6 445 342	-	6 445 342
Investments and securities	7 921 455	20 627 990	123 859	-	28 673 304
<b>Total assets</b>	<b>75 975 366</b>	<b>20 627 990</b>	<b>6 569 201</b>	<b>-</b>	<b>103 172 557</b>
<b>Liquidity gap</b>	<b>61 578 341</b>	<b>20 627 990</b>	<b>4 799 269</b>	<b>-</b>	<b>87 005 600</b>

**25 Subsequent events**

The Reserve Bank of Zimbabwe (RBZ) Governor, Dr John Mushayavanhu on 6 February 2025 issued a Monetary Policy Statement (MPS) announcing a requirement for all entities to adopt a common presentation currency, ZWG for reporting purposes, with immediate effect, including for the 31 December 2024 and later period audited translated financial report. As a result, the regulator, SECZim issued directives to the industry in accordance with the RBZ's policy.

Subsequent to year end the board approved an additional capital injection to the company of ZWG26 730 700.

**26 Commitments for capital expenditure**

**Authorized and not yet contracted**

	2024 ZWG	Restated 2023 ZWG
Software and Projects	9 160 466	12 544 495
Furniture and Office Renovations	443 734	737 620
Motor vehicles	3 998 768	13 613 797
Computer Equipment	2 899 751	2 425 731
<b>Total budgeted capital commitments to be funded from internal resources.</b>	<b>16 502 719</b>	<b>29 321 643</b>

## OLD MUTUAL INVESTMENT GROUP ZIMBABWE (PRIVATE) LIMITED

### Notes to the translated financial report

for the year ended 31 December 2024

#### 27 Share based payments

##### Indigenisation transactions

In 2012 the Company, through the parent, Old Mutual Zimbabwe Limited (OMZIL), entered into an indigenisation transaction under the Indigenisation Act (Chapter 14:33). OMZIL donated ZWG2 393 930 to qualifying indigenous groups through trusts to acquire OMZIL shares from the main shareholder, Old Mutual Netherlands B.V. The shares were transferred to the various trusts on 1 June 2012. The grants represent a share-based payment transaction as defined in IFRS 2, Share-based payments.

##### OMZIL Indigenisation Employee Share Scheme

This scheme operates for the benefit of all employees of the Company. On 1 June 2012, an allocation was made by means of a once-off share award to the participants. The award is not subject to any performance targets but are required to be in the service of Old Mutual during the vesting period.

Participants only take delivery of the shares after the vesting periods of two years (one-third), three years (one-third) and 4 years (one-third) of participation in the scheme. The related expenses are recognised over the respective vesting periods.

##### OMZIL Management Incentive Scheme

This scheme operates for the benefit of management and its primary purpose is to attract, reward and retain senior and middle management. Awards will be made annually on agreed terms and conditions with a vesting period of three years. Participants receive dividends from the date of the award. Staff joining the Company after the allocation date also participate in the scheme.

	<b>31-Dec-24</b>	<b>Restated</b>
	<b>ZWG</b>	<b>31-Dec-23</b>
		<b>ZWG</b>
27.2 Share-based payment reserve		
Opening balance	5 460 792	5 460 792
Closing balance	<u>5 460 792</u>	<u>5 460 792</u>

#### 28 Going concern

The Translated financial report has been prepared on a going concern basis, which assumes that the Company will continue in operation for the foreseeable future.

For the year ended 31 December 2024, the Company had a loss of ZWG1 470 383 (2023: Profit ZWG30 618 083). The Company's net assets as at year end is ZWG69 684 390 (2023: ZWG71 154 773). Cash and cash equivalents as at the date of these translated financial report are ZWG4 881 876.

Funds under management (FUM) closed the year at ZWG30.9 billion. The business core pillars and foundations remained in place, as evidenced by customer numbers and Net Client Cashflows (NCCF) which closed the year in the positive at ZWG800 million.

The financial position of the Company, its cash flows and liquidity position are described above. In addition, notes 2 and 24 to the translated financial report includes the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk. The Company also has adequate financial resources to continue in operation for the foreseeable future and should profitability be affected OMZIL will inject capital.

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

**OLD MUTUAL INVESTMENT GROUP ZIMBABWE (PRIVATE) LIMITED**  
**Supplementary information**  
for the year ended 31 December 2024

**1. Funds Under Management**

As at 31 December 2024, the company's Funds under management stood at ZWG 30.9 billion. The funds are invested in the asset classes provided in below:

<b>Total Funds Under Management is represented by:</b>	<b>31-Dec-24 ZWG</b>	<b>Restated 31-Dec-23 ZWG</b>
Cash & cash equivalents	691 734 435	454 916 411
Interest Bearing Investments	1 124 326 851	1 557 668 744
Listed equity investments	12 850 987 386	11 092 394 814
Alternative investments	3 215 208 130	2 788 923 868
Property investments	13 024 659 530	16 760 999 249
	<b>30 906 916 332</b>	<b>32 654 903 086</b>

**2. Capital Adequacy**

Old Mutual Investment Group capital management framework is based on SECZim risk-based capital adequacy approach as provided in the Capital Adequacy Directive for Securities Market Intermediaries of July 2017. The minimum capital required for asset management companies is equivalent of 3 months cover expenses, counterparty risk, settlement risk and position risk.

As at 31 December 2024 the adjusted liquid capital stood at ZWG52 767 791 (see below) (2023:6 072 449) against minimum requirements of ZWG52 502 844 (Table 1), (2023:5 901 916) resulting in a surplus of ZWG264 947 (2023:170 533).

**Comparison of adjusted liquid capital and total requirements**

<b>Adjusted liquid capital</b>	<b>ZWG</b>
Ordinary share capital	7 275
Preference share capital	5 460 792
Share premium account	26 777 140
Audited retained earnings or accumulated losses	37 439 183
<b>Owners' equity</b>	<b>69 684 390</b>
Add Shareholders loans	-
<b>Total capital resources(a)</b>	<b>69 684 390</b>
<b>Less intangible assets + Guarantees provided (b)</b>	<b>-</b>
Goodwill	-
Capitalised development costs	-
Licenses, software	-
Trademarks and similar rights	-
Guarantees provided	-
<b>Available capital resources ( c ) =(a-b)</b>	<b>69 684 390</b>
<b>Less illiquid assets (d)</b>	<b>16 916 599</b>
Fixed assets, net of related secured loans	-
Investments in unlisted securities	-
<b>Adjusted liquid capital (c-d)</b>	<b>52 767 791</b>

**Table 1: Total requirements**

<b>REQUIREMENTS</b>	<b>ZWG</b>
13 Weeks operational expenditure	44 902 925
Counterparty risk requirement (Sum of receivables due more than 30 days and payables due more than 7days)	7 364 323
Position risk requirement (Sum of haircuts applied on proprietary positions – 40% listed equity , 10% investment property and 40% bank/corporate debt)	235 596
<b>TOTAL</b>	<b>52 502 844</b>

### **3. Anti-Money laundering (AML) risk**

The business assessed its AML/CFT risk for 2024 (Institutional Risk Assessment) in line with regulatory requirements which demands that Financial Institutions (FIs) should update their institutional Risk Assessments (IRAs) and apply the Risk-Based Approach (RBA) in implementing the AML/CFT measures. Where higher risks are identified, OMIG will implement enhanced AML/CFT measures to adequately mitigate the risk. Conversely, where lower risks are identified, reduced AML/CFT measures will be applied. The assessment covered customers, products, distribution channels and geographical location.

The RBA is designed to ensure efficient deployment of resources to mitigate AML/CFT risks. Instead of uniformly applying the rule-based measures to all situations, OMIG will reduce application of resources and effort to proven low-risk situations while increasing measures to high-risk situations. Furthermore, global and domestic developments during the year 2024 were also considered in the assessment to ensure that the business remains aligned and compliant.

#### **Regulatory Penalties and Corrective Actions/Measures**

There were no regulatory penalties levied against the Company during the financial year ended 31 December 2024.

### **4. Environmental, Social and Governance issues**

#### **Environmental**

As part of our dedication to sustainability, we are a leading investor in solar energy projects and a strong advocate for sustainable operations. We prioritize green energy solutions to reduce the environmental impact associated with fuel consumption in generators. Our commitment is demonstrated by the launch of the Renewable Energy Fund in 2024 and the successful completion of several solar projects within our Alternative Investments portfolio.

#### **Social**

We are committed to promoting a diverse and inclusive workplace, supporting local communities, and upholding ethical business practices. Key initiatives include:

- Enhancing workforce diversity, with a specific focus on gender equality. At Old Mutual Investment Group, women represent 39% of management positions.
- Providing training and professional development opportunities to empower employees and ensure equal prospects for career advancement.
- Contributing to local communities through donations and school sponsorships.
- Through the Old Mutual Group social responsibility initiatives, the Company partnered with Eye Institute to improve eye health for the elderly in marginalised communities. This initiative underscores our commitment to supporting vulnerable communities and ensuring access to essential healthcare.

Additionally, we uphold a strong commitment to human rights and labour standards, ensuring that we are free from forced labour, child labour, and any other unethical labour practices.

#### **Governance**

At the core of our operations is a commitment to governance, which we consider essential for maintaining business integrity. We adhere to the highest corporate governance standards to ensure accountability, transparency, and ethical conduct. Our governance practices include:

- A diverse and independent board, with 71% independent directors and 43% women members.
- Regular internal audits and risk assessments to ensure compliance with relevant laws and regulations.
- Rigorous anti-corruption measures, including a comprehensive code of conduct and ethics training for all employees.