Grant Thornton

Zimbabwe Stock Exchange Limited and its Subsidiaries

Annual Financial Statements

31 December 2023

Zimbabwe Stock Exchange Limited

NATURE OF BUSINESS:

The Group ("ZSE") is a securities exchange regulated in terms of the Securities and Exchange Act (Chapter 24:25) (the "Act") to provide for the listing and trading of securities.

DIRECTORS:

Mrs. C. Sandura	(Non-Executive Director, *Chairman*)
Mr. B. Mswaka	(Non-Executive Director, *Deputy Chairman*)
Mr. B. Gasura	(Non-Executive Director)
Mr. M. De Klerk	(Non-Executive Director)
Mrs. L. Tirivanhu	(Non-Executive Director)
Mrs. M. R. Svova	(Non-Executive Director
Mr. M. Mudzungayiri	(Non-Executive Director)
Mr. J. Bgoni	(Chief Executive Officer)

SECRETARY:

Mr. L. Nkomo

REGISTERED OFFICE:

44 Ridgeway North
Highlands
HARARE

AUDITORS:

Grant Thornton
Chartered Accountants (Zimbabwe)
Registered Public Auditors
Camelsa Business Park
135 Enterprise Road
Highlands
HARARE

Zimbabwe Stock Exchange Limited

MAIN BANKERS:

FBC Bank Limited
Stanbic Bank Zimbabwe Limited

LAWYERS:

Kantor and Immerman
McDonald House
10 John Landa Avenue
Harare

Contents

These annual financial statements are expressed in Zimbabwe Dollars (ZWL).

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

It is the Directors' responsibility to ensure that the annual consolidated financial statements fairly present the state of affairs of the Group. The external auditors are responsible for independently reviewing and reporting on the inflation adjusted consolidated annual financial statements.

The Directors have assessed the ability of the Group to continue as a going concern and believe that the preparation of these annual financial statements on a going concern basis is still appropriate. However, the Directors believe that under the current economic environment a continuous assessment of the ability of the Group to continue to operate as a going concern will need to be performed to determine the continued appropriateness of the going concern assumption that has been applied in the preparation of these annual financial statements.

The annual financial statements are prepared in compliance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB), which includes standards and interpretations approved by the IASB and Standing Interpretations Committee (SIC) interpretations issued under previous constitutions except for non-compliance with IFRS 13 "fair value measurement" on the valuation of unquoted investment.

The Group's accounting and internal control systems are designed to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability of its assets. Such controls are based on established written policies and procedures and all employees are required to maintain the highest ethical standards in ensuring that the Group's business practices are conducted in a manner which in all reasonable circumstances is above reproach. Issues that come to the attention of the Directors have been addressed and the Directors confirm that the system of accounting and internal control is operating in a satisfactory manner.

The Group's annual financial statements which are set out on pages 8 to 39 were, in accordance with their responsibilities, approved by the Board of Directors on 03 April 2024 and are signed on its behalf by:

Mrs. C. Sandura
Board Chairman

Mr. J. Bgoni
Chief Executive Officer

These financial statements were prepared under the supervision of:

Mrs Y. Chanakira
Registered Public Accountant (PAAB No. 05286)
Chief Finance Executive

Grant Thornton

INDEPENDENT AUDITOR'S REPORT

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To the members of Zimbabwe Stock Exchange and its Subsidiaries

Report on the Audit of the Consolidated Annual Financial Statements

Qualified Opinion

We have audited the inflation adjusted annual financial statements of Zimbabwe Stock Exchange and its subsidiaries set out on pages 8 to 39, which comprise the inflation adjusted statement of financial position as at 31 December 2023, and the inflation adjusted statement of profit or loss and other comprehensive income, the inflation adjusted statement of changes in equity and the inflation adjusted statement of cash flows for the year then ended, and the notes to the inflation adjusted financial statements, including a summary of the Company's significant accounting policies.

In our opinion, except for the matters described in the *Basis for Qualified Opinion* section of our report, the inflation adjusted financial statements present fairly, in all material respects, the financial position of the group and its subsidiaries as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Non-compliance with IFRS 13 "fair value measurement" on valuation of unquoted investments

These financial statements include an investment of 111 945 shares in Chengetedzai Depository Company (CDC), an unlisted company which is measured at fair value through other comprehensive income. This investment was valued by Directors as at 31 December 2023 for ZWL 1 024 702 951. The valuation of this unquoted investment was derived by applying certain assumptions which are not consistent with the requirements of IFRS 13 *'Fair Value Measurement'*. The value was based on a USD price that was derived from a transaction for the sale of CDC shares in 2020 and converted to ZWL at the closing interbank rate. The valuation did not consider all relevant market information that market participants would consider in valuing similar investments. The impact of this non-compliance with IFRS 13 has been considered material but not pervasive to the financial statements for the year ended 31 December 2023.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming the opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters noted below relate to the financial statements.

Key Audit Matter	How our audit addressed the Key Audit Matter
IFRS 15 - Revenue from contracts with customers • There is a presumed fraud risk with regards revenue recognition as guided by International Standard on Auditing (ISA 240 Revised). There is a risk that the revenue is presented at amounts higher than what has been actually generated by the Company. This is a significant risk and accordingly a key audit matter.	Our audit procedures incorporated a combination of tests of the Company's controls relating to revenue recognition and the appropriateness of revenue recognition policies as well as substantive procedures in respect of testing the occurrence assertion. Our procedures included but were not limited to the following: • Reviewed whether the revenue recognition criteria is appropriate and in line with the requirements of IFRS 15. • Performed cut-off tests on year end balances to ensure revenue is recognised in the correct period. • Tested design, existence and operating effectiveness of internal controls implemented as well as test of details to ensure accurate processing of revenue transactions. • Identified key controls and tested these controls to obtain satisfaction that they were operating effectively for the year under review. • The results of our controls testing have been the basis for the nature and scoping of the additional test of details, which mainly consisted of testing individual

	transactions by reconciling them to external sources (supporting documentation). • Carried out analytical procedures and assessed the reasonableness of explanations provided by management. We were reasonably satisfied that the Group's revenue recognition is appropriate.

Responsibilities of Management and Those Charged with Governance for the consolidated financial statements.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31) and for such internal control as is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Group'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 it either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements.

In our opinion, except for the possible effects of the matters described in the *Basis for Qualified Opinion* paragraph, the consolidated annual financial statements have been properly prepared in compliance with the requirements of the Companies and Other Business Entities Act (Chapter 24:31).

The engagement partner on the audit resulting in this Independent Auditor's Report is Farai Chibisa.

Grant Thornton

Farai Chibisa
Partner

Registered Public Auditor (PAAB No: 0547)

Grant Thornton
Chartered Accountants (Zimbabwe)
Registered Public Auditors

5 APRIL 2024

HARARE

Consolidated statement of financial position
as at 31 December 2023

		Inflation adjusted		Historical cost	
	Notes	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
Assets					
Non-current assets					
Property and equipment	5	12 593 354 301	4 858 678 656	11 281 358 217	811 842 569
Intangible assets	6	6 585 014 115	4 439 326 698	1 580 258 080	307 044 427
Unquoted investments	7	1 024 702 951	551 985 066	1 024 702 951	114 868 277
		20 203 071 367	9 849 990 420	13 886 319 248	1 233 755 273
Current assets					
Financial assets at fair value through profit or loss	10	393 526 210	182 761 311	393 526 210	38 032 691
Short-term deposits	14	282 188 351	-	282 188 351	-
Trade and other receivables	12	3 480 151 316	351 000 217	3 480 151 316	73 043 263
Income tax refundable	23	383 244 990	-	383 244 990	-
Cash and cash equivalents	13	2 924 556 568	272 474 252	2 924 556 568	56 701 983
		7 463 667 435	806 235 780	7 463 667 435	167 777 937
Total assets		27 666 738 802	10 656 226 200	21 349 986 683	1 401 533 210
Equity and liabilities					
Capital and reserves					
Share capital	15	739 667	739 667	1 000	1 000
Share premium	15	52 322 761	52 322 761	70 739	70 739
Non-distributable reserve	16.1	57 706 453	57 706 453	77 981	77 981
Revaluation reserve	16.2	9 425 206 991	4 165 295 536	9 195 003 955	747 722 181
Mark to market reserve	16.3	958 395 244	485 677 364	1 024 297 662	114 462 988
Retained earnings		10 689 322 125	3 964 819 196	5 255 190 056	169 251 595
Total equity		21 183 693 241	8 726 560 977	15 474 641 393	1 031 586 484
Non-current liabilities					
Deferred tax liability	8	2 746 099 060	643 364 097	2 138 398 789	102 267 032
Current liabilities					
Trade and other payables	18	2 991 999 473	865 112 308	2 991 999 473	180 030 161
Bank overdraft	13	-	24 220	-	5 040
Short term borrowings	17	744 947 028	278 225 242	744 947 028	57 898 766
Income tax payable	23	-	142 939 357	-	29 745 727
		3 736 946 501	1 286 301 127	3 736 946 501	267 679 694
Total liabilities		6 483 045 561	1 929 665 223	5 875 345 290	369 946 726
Total equity and liabilities		27 666 738 802	10 656 226 200	21 349 986 683	1 401 533 210

....
Mrs. C. Sandura
Chairperson

....
Mr. J. Bgoni
Chief Executive Officer

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2023

		Inflation adjusted		Historical cost	
		2023	2022	2023	2022
	Notes	ZWL	ZWL	ZWL	ZWL
Revenue	19	32 908 811 593	8 669 054 726	17 081 229 860	1 095 983 108
Fair value gain on financial instruments	10	210 764 899	-	355 493 519	21 616 033
Interest from advances	11	-	40 820 492	-	2 114 627
Other income	20	3 523 697 384	988 689 913	3 490 424 793	184 338 421
Total income		36 643 273 876	9 698 565 131	20 927 148 172	1 304 052 189
Operating expenses					
Staff costs	21.1	14 804 045 102	4 809 377 976	8 640 122 582	545 507 154
Other operating costs	21.2	11 552 356 423	3 780 810 263	6 791 702 730	518 888 099
Depreciation and amortisation	21.3	343 915 055	137 439 779	157 167 845	15 830 259
Fair value loss on financial instruments	10	-	1 658 057 198	-	-
Total expenses		26 700 316 580	10 385 685 216	15 588 993 157	1 080 225 512
Operating (loss) / profit		9 942 957 296	(687 120 085)	5 338 155 015	223 826 677
Finance income	22.1	50 337 029	197 098 933	39 005 522	40 825 250
Finance costs	22.2	(141 160 186)	(394 811 224)	(75 784 365)	(70 709 232)
Impairment of joint venture	9	-	(69 474 799)	-	(745 077)
Monetary(loss) or gain		(2 542 355 210)	3 197 645 023	-	-
Profit before tax		7 309 778 929	2 243 337 848	5 301 376 172	193 197 618
Income tax expense	23	(476 324 426)	(551 217 523)	(184 421 104)	(37 993 148)
Profit for the year		6 833 454 503	1 692 120 325	5 116 955 068	155 204 470
Other comprehensive income:					
Items that will not be reclassified subsequently to profit or loss:					
Gain on property revaluation	5	7 268 932 766	1 145 555 846	10 214 157 278	612 817 098
Fair value adjustments on unquoted investment	7	472 717 885	250 695 445	909 834 674	96 629 246
Income tax effect	8	(2 009 021 311)	(77 697 126)	(1 766 875 504)	(73 691 979)
Total comprehensive income for the year		12 566 083 843	3 010 674 490	14 474 071 516	790 958 835
Earnings per share					
Number of shares in issue		102 704	102 704	102 704	102 704
Basic and diluted (ZWL cents per share)		6 653 543	1 647 570	4 982 235	151 118

Consolidated statement of changes in equity
for the year ended 31 December 2023

	Inflation adjusted						
	Share capital ZWL	Share premium ZWL	Revaluation reserve ZWL	Non-distributable reserve ZWL	Mark to market reserve ZWL	Retained earnings ZWL	Total ZWL
Balance at 1 January 2022	739 667	52 322 761	3 093 431 669	57 706 453	234 981 914	2 302 868 794	5 742 051 257
Total comprehensive income for the year	-	-	1 071 863 867	-	250 695 445	1 692 120 325	3 014 679 637
Dividend paid						(30 169 923)	(30 169 923)
Balance at 31 December 2022	739 667	52 322 761	4 165 295 536	57 706 453	485 677 359	3 964 819 196	8 726 560 972
Total comprehensive income for the year	-	-	5 259 911 455	-	472 717 885	6 833 454 503	12 566 083 843
Dividend paid	-	-	-	-	-	(108 951 574)	(108 951 574)
Balance at 31 December 2023	739 667	52 322 761	9 425 206 991	57 706 453	958 395 244	10 689 322 125	21 183 693 241

	Historical cost						
	Share capital ZWL	Share premium ZWL	Revaluation reserve ZWL	Non-distributable reserve ZWL	Mark to money reserve ZWL	Retained earnings ZWL	Total ZWL
Balance at 1 January 2022	1 000	70 739	208 597 062	77 981	17 833 742	18 895 451	245 475 975
Total comprehensive income for the year	-	-	539 125 119	-	96 629 246	155 204 470	790 958 835
Dividend paid	-	-	-	-	-	(4 848 326)	(4 848 326)
Balance at 31 December 2022	1 000	70 739	747 722 181	77 981	114 462 988	169 251 595	1 031 586 484
Total comprehensive income for the year	-	-	8 447 281 774	-	909 834 674	5 116 955 068	14 474 071 516
Dividend paid	-	-	-	-	-	(31 016 606)	(31 016 606)
Balance at 31 December 2023	1 000	70 739	9 195 003 955	77 981	1 024 297 662	5 255 190 056	15 474 641 394

Consolidated statement of cash flows
for the year ended 31 December 2023

		Inflation adjusted		Historical cost	
	Notes	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
Cash flows from operating activities					
Profit before tax		7 309 778 929	2 243 337 848	5 301 376 172	193 197 618
Adjustments for:					
Depreciation and amortisation	21.3	343 915 055	137 439 779	157 167 845	15 830 259
(Profit) on disposal of property, plant and equipment	20	(27 831 258)	-	(5 763 039)	-
Finance income	22.1	(50 337 029)	(197 098 933)	(39 005 522)	(40 825 250)
Finance costs	22.2	141 160 186	394 811 224	75 784 365	70 709 232
Impairment of joint venture	9	-	69 474 799	-	745 077
Monetary loss or (gain)		2 542 355 210	(3 197 645 023)	-	-
Fair value loss or (gain) on financial instruments	10	(210 764 899)	1 658 057 198	(355 493 519)	(21 616 033)
Increase in provision for expected credit losses	12	103 399 518	1 570 896	107 624 709	882 425
Net cash inflows from operations		10 151 675 712	1109 947 788	5 241 691 011	218 923 328
Income taxes paid	23	(505 048 756)	(51 018 793)	(328 155 569)	(10 617 028)
Changes in working capital					
Decrease or (Increase) in trade and other receivables		(3 232 550 617)	24 072 345	(3 514 732 762)	(54 624 020)
Increase in trade and other payables		(2 126 887 165)	198 952 972	2 811 969 312	115 615 331
Net cash flows generated from operating activities		4 287 189 175	1281 954 312	4210 771 992	269 297 611
Cash flows from investing activities					
Additions to property and equipment	4	(784 069 880)	(131 071 029)	(402 735 422)	(12 772 579)
Proceeds from disposal of assets	20	28 905 243	-	6 137 089	
Purchase of intangible assets	5	(2 172 349 451)	(1 570 142 207)	(1 283 378 495)	(198 136 663)
Proceeds from disposal of financial instruments	10	-	1 800 893 782	-	251 021 698
Proceeds from disposal of amortised investments	11	-	299 545 616	-	19 602 355
Dividend received	20	-	12 700 902	-	1 289 298
Purchase of financial instruments - FVTPL	10	-	(3 353 648 987)	-	(250 000 000)
Purchase of amortised cost financial instrument	11		(84 566 044)		(6 944 740)
Short term deposits	14	(274 712 517)	-	(274 712 517)	-
Interest income received		42 861 195	197 098 933	31 529 687	40 825 250
Net cash flows utilised in investing activities		(3 159 365 411)	(2 829 189 033)	(1 923 159 657)	(155 115 381)
Cash flows from financing activities					
Borrowings	17	744 947 028	96 107 486	744 947 028	20 000 000
Dividends paid		(108 951 574)	(30 169 923)	(31 016 606)	(4 848 326)
Loans repayment	17	(278 225 242)	(50 942 897)	(57 898 766)	(10 601 234)
Finance costs paid	22.2	(141 160 186)	(394 811 224)	(75 784 365)	(70 709 232)
Net cash flows utilised in financing activities		216 610 026	(379 816 559)	580 247 291	(66 158 792)
Net increase/(decrease) in cash and cash equivalents		1344 433 790	(1 927 051 280)	2867 859 625	48 023 438
Cash and cash equivalents at beginning of the year		272 450 032	143 277 184	56 696 943	8 673 505
Effects of inflation for opening balances of monetary items		1 307 672 746	2 056 224 128	-	-
Cash and cash equivalents at end of year		2 924 556 568	272 450 032	2 924 556 568	56 696 943

Statement of Group accounting policies
for the year ended 31 December 2023

1 Corporate information

Nature of business and incorporation

The Zimbabwe Stock Exchange Limited (the "Group") was incorporated on 31 December 2014 (No. 10653/2014) and domiciled in Zimbabwe and is registered under the Companies and Other Business Entities Act (Chapter 24:31). It owns 100% a Victoria Falls Stock Exchange Limited subsidiary which was incorporated on 30 July 2020.The principal nature of business of the Group is to operate a Stock Exchange which facilitate long term capital raising through listing of securities as well as offering secondary market securities trading and issuer regulation services. The address of its registered office is 44 Ridgeway North, Highlands, Harare. The Companies Act and Other Business Entities Act (Chapter 24:31) provides the governance framework, capital structure and financial reporting requirements and obligations.

2 General information, statement of compliance with IFRS and going concern assumption

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS"), published by the International Accounting Standards Board ("IASB") as issued by the International Financial Reporting Interpretations Committee, ("IFRIC") and adopted by the Public Accountants and Auditors Board, ("PAAB") except for non compliance with IFRS 13 on valuation of unquoted investments. These policies have been consistently applied over the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements have been prepared under the current cost basis as per the provisions of IAS 29 "Financial Reporting in hyper-inflationary Economies". The local accounting regulatory board, Public Accountants and Auditors Board ("PAAB") proclaimed all financial periods after 1 July 2019 to be reported under the hyper-inflationary accounting basis. The effective date of applying IAS 29 was 1 October 2019.

On the 3rd of March 2023, the Minister of Finance and Economic Development introduced Statutory Instrument 27 of 2023: Census and Statistics (General) Notice, 2023 which states that the rate of inflation is now blended for both the Zimbabwe and United States dollars. The separate consumer price index for the Zimbabwe dollar, which is the Group's functional currency and the currency that is experiencing hyper-inflation, is no longer available. Consequently, ZIMSTAT stopped reporting ZWL inflation and CPI figures and only released blended CPI figures. The Company faced challenges, which had been using the ZWL CPI for restating historical figures to reflect hyperinflation.

Prior to the change in the CPI methodology, the use of indices issued by ZIMSTAT made it possible for businesses in Zimbabwe to compare results. While it would be preferable for all companies using the ZWL functional currency to use the same index, the standard allows each business to determine its own index for the purpose of compliance with IFRS. The determination of an appropriate index is a significant area of judgement, and the timing of the resolution of the uncertainty regarding the CPI is unknown.

In efforts to guide businesses, the Institute of Chartered Accountants of Zimbabwe (ICAZ) in May 2023 provided a recommendations on IAS 29 - Financial Accounting in Hyper Inflationary Economies which proposed the use of official publicly available information in determining the CPI estimates. ZIMSTAT publishes monthly statistics on the Total Consumption Poverty Line (TCPL) in ZWL, which measures the amount required to purchase both non-food and food items. By analysing the correlation between the movement in TCPL and the officially published CPI from January 2019 to January 2022, a very strong relationship with a coefficient correlation of 0.99 was observed and ICAZ consequently determined that from February 2023 going forward CPI can be estimated by adjusting the last published CPI based on the monthly movement of the TCPL. The Group adopted this guidance.

The current year and prior year financial statements have been inflation adjusted for changes in the general purchasing power of the ZWL. The conversion factors used are as follows:

Year ended	Index	Conversion factors
31-Dec-23	65,703.44	1.000
31-Dec-22	13,672.91	4.805
31-Dec-21	65,703.44	16.520

These financial statements are presented in Zimbabwe Dollars (ZWL), which is the Group's functional and presentation currency and all values are rounded to the nearest dollar, except when otherwise indicated.

Statement of Group accounting policies
for the year ended 31 December 2023

Basis of preparation (continued)

Functional and Presentation Currency

In assessing the functional and presentation currency, the directors considered the factors below;

- On 1 October 2018, the Reserve Bank of Zimbabwe (RBZ) instructed banks to separate bank accounts into FCA Nostro (US Dollar balances (USD)) and FCA RTGS (RTGS balances (RTGS)). This resulted in the need for the Company to reassess the functional currency of the Company in accordance with IAS 21: The Effects of Changes in Foreign Exchange Rates. It was determined that the functional currency had changed to Real Time Gross Settlement Dollars (RTGS Dollars) with effect from 1 October 2018.
- The RBZ announced that the RTGS would be recognised as an official currency and that an inter-bank foreign exchange market would be established to formalise trading in RTGS with other currencies on 20 February 2019. This further confirmed the change in functional currency of the Company.

- The Government of Zimbabwe issued SI 33 of 2019 introducing Real Time Gross Settlement Dollars (RTGS Dollars) as currency. It also specified, among other things, that for accounting and other purposes, all assets and liabilities held immediately before the effective date valued in United States Dollars were deemed to be valued in RTGS Dollars at a rate of

- On 24 June 2019, The Government of Zimbabwe then followed up with issuing SI 142 of 2019 reintroducing the Zimbabwean Dollar (ZWL) and declaring it the sole legal tender for local transactions.

- On 29 March 2020, The Government of Zimbabwe the issued Statutory Instrument 85 of 2020 which was valid until 30 June 2025 which reintroduced the use of multi-currencies. The cut off date was further extended by Statutory Instrument 218 of 2023 gazetted on 27 October 2023 which extended the multi-currency regime to 2030.

  As such, both management's strategy and the prevailing market sentiment inclined towards favouring the Zimbabwean Dollar (ZWL) as the functional currency in the first half of the year.

- Before Statutory Instrument 218 of 2023 was implemented, the anticipation was for the multi-currency system to cease by June 30, 2025. This led to a prevailing market belief that USD loan durations were confined to this deadline. Consequently, there was a slowdown in the creation of USD loan assets in the initial months of the year due to the perception of limited tenures until June 30, 2025.

- Post the introduction of the multi-currency extension, significant inflationary pressures on the ZWL led to the increased levels of USD transactions in the last two months of the year. The income statement was dominated by ZWL transactions, but management also noted the growth in contributions from the USD transactions which was assessed as a temporary movement owing to the tight ZWL liquidity and the 2024 Monetary Policy Statement.

- In light of this increased level of USD transactions, the Directors conducted a thorough assessment of the factors influencing the determination of ACL's functional currency. The assessment considered factors such as primary economic activities, currency of transactions, cash flow patterns, the regulatory environment, and long-term stability.

- Taking into account the above, the Directors concluded that the Zimbabwean Dollar (ZWL) is the appropriate functional currency, considering income and expense distribution, regulatory framework, and long-term investment considerations. This conclusion aligns with both regulatory requirements and the economic reality of operating in Zimbabwe.

- The Directors will continue to assess the developments in accordance with IAS 21 to determine whether there will the need to change the functional currency in the near future.

- The following exchange rates have been used to translate the foreign currency balances to Zimbabwean Dollars at year end.

	2023 Dec Mid - rate	2022 Dec Mid - rate
	ZWL	ZWL
United States Dollar (USD)	6104.7226	671.4447

Statement of Group accounting policies (continued)
for the year ended 31 December 2023

2 General information, statement of compliance with IFRS and going concern assumption (continued)

2.2 Statement of accounting policy

The principal accounting policies applied in the preparation of these financial statements are consistent with those used in the prior year.

2.3 Going concern

The Board of Directors ("BOD") have considered it appropriate to prepare the financial statements on a going concern basis due to the Group's ability to continue in operational existence for the foreseeable future on the basis of sound liquidity, a strong financial position and business continuity strategies that have been put in place.

3 Amended Standards, New or Revised Standards or Interpretations

Amended, New or Revised Standards or Interpretations

Several new and revised standards and interpretations became effective during the year. The Directors have evaluated the impact of the new standards and interpretations and none of them had a significant impact on the Group's financial statements.

a) New standards adopted in the current period

3.1 Amendments to IAS 1:Disclosure of accounting policies

The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted. The amendments to IAS 1 require reporting entities to disclose their material accounting policy information rather than their significant account policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures.

3.2 IFRS 17 Insurance Contracts

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It considers market interest rates and the impact of policyholders 'options and guarantees.

The Group does not have any contracts that meet the definition of an insurance contract under IFRS 17. .

3.3 Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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.

Depending on the applicable tax law, 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 affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

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.

3.4 Amendments to IAS 8 - Definition of Accounting Estimates

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 financial statements 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:

Statement of Group accounting policies (continued)
for the year ended 31 December 2023

3 Amended Standards, New or Revised Standards or Interpretations (continued)

3.4 Amendments to IAS 8 - Definition of Accounting Estimates (continued)

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.

b) Standards, amendments and interpretations not yet effective in the current period

3.5 Amendments to IAS1 – Classification of Liabilities as Current or Non-current

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current 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.

Effective 1 January 2024, the amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date, a present obligation exists as a result of past events.

For a levy that would be within the scope of International Financial Reporting Interpretations Committee ("IFRIC") 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

3.6 IFRS Sustainability Disclosure Standards

The IFRS International Sustainability Standards Board (ISSB) toward achieving the inaugural sustainability disclosure standards, IFRS S1, General Requirements for Disclosure of Sustainability - related information and topic specific IFRS S2 Climate related disclosures. IFRS S1 is effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted as long as IFRS S2 Climate-related Disclosures is also applied.

3.7 Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed. The amendments are not expected to have any impact on the Company's financial statements.

3.8 Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments:
Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted, but will need to be disclosed.

Statement of Group accounting policies
for the year ended 31 December 2023 (continued)

3 Application of Amended Standards, New or Revised Standards or Interpretations (continued)

b) Standards, amendments and interpretations not yet effective in current period (continued)

3.9 Amendments to IAS 21: Lack of Exchangeability

The amendments clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable effective 1 January 2025.

Under the amendments, a currency is considered to be 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 exchange transaction might not always complete instantaneously because of legal or regulatory requirements, or for practical reasons such as public holidays, but such normal administrative delays do not preclude a currency from being exchangeable into the other currency.
An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. In making that assessment, an entity must consider its ability to obtain the other currency, rather than its intention or decision to do so. A currency is not exchangeable into the other currency if the entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purposes. Furthermore, in making the assessment, an entity only considers markets or exchange mechanisms in which a transaction to exchange the currency for the other currency would create enforceable rights and obligations, meaning that so-called unofficial, parallel or black markets would not be considered. Enforceability is a matter of law and depends on facts and circumstances. The amendments note that different exchange rates might be available for different uses of a currency (e.g., imports of specific goods and distribution of dividends). Therefore, an entity is required to assess whether a currency is exchangeable into another currency separately for each particular purpose.

Estimating the spot exchange rate when a currency is not exchangeable

If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement 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 the objective, but they note that an entity can use an observable exchange rate without adjustment or another estimation technique.

The amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted, in which case, an entity is required to disclose that fact. The date of initial application is the beginning of the annual reporting period in which an entity first applies the amendments.

4 Summary of significant accounting policies

4.1 Consolidation
Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which the Group obtains control. They are deconsolidated from the date that control ceases.
The acquisition method of accounting is used to account for all business combinations. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the company and its subsidiaries;
- fair value of any asset or liability resulting from a contingent consideration arrangement and,
- fair value of any pre-existing equity interest in the subsidiary

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the Group's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Statement of Group accounting policies
for the year ended 31 December 2023 (continued)

4 Summary of significant accounting policies (continued)

4.2 Property and equipment

Buildings are carried at revaluation less any subsequent accumulated depreciation. Revaluations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the year. The frequency of valuation is annual.

Professional valuations on buildings are carried out in accordance with the Group policy. The fair value is determined based on the market comparable approach that reflects recent transaction prices for similar properties. In estimating the fair value of the properties, the highest and best use of the properties is their current use. There has been no change to the valuation technique during the year.

Increases in the carrying amounts of property resulting from revaluation are recognized in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in carrying amount arising on the revaluation of buildings is recognized in profit or loss to the extent that it exceeds the balance, if any, held in the property's revaluation reserve relating to a previous revaluation of that asset.

Motor vehicles and equipment are carried at cost less accumulated depreciation and any impairment losses.

Depreciation commences when the asset is available for use. Depreciation on Buildings is calculated using the straight line basis over the estimated useful lives. Other assets are depreciated using the reducing balance method to allocate the cost over the assets' estimated useful lives. The estimated useful lives are as follows:

Buildings	50 years
Furniture, fittings and equipment	10 years
Computer equipment	3 to 5 years
Motor vehicles	4 years

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively if appropriate. The carrying values of equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable in full. Gains and losses on disposal of equipment are determined as the difference between the sales proceeds and the carrying amount of the asset at the date of disposal and taken into account in determining operating profit. Gains or losses arising from changes in the fair value of the building are included in other comprehensive income in the period in which they arise net of deferred taxes.

4.3 Intangible assets

Intangible assets acquired separately are initially measured and recognised at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets are either capitalised or expensed depending on their cost and the stages in which the costs incurred. Costs incurred at the application development stage are capitalised and not expensed. Costs incurred at the preliminary project stage and at the post-implementation stage are expensed and not capitalised.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over their useful economic lives and are assessed for impairment whenever there is an indication that the intangible assets are impaired. The amortisation expense and impairment losses on intangible assets are recognised in profit or loss in the period in which they occur.

Intangible assets are amortised over a period of 5 - 10 years, but are tested for impairment annually. Gains or losses arising from de-recognition or disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised or disposed off.

4.4 Provisions

Provisions are recognised in the statement of financial position when the company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

4.5 Prepayments

Prepayments are stated at cost less amortised amounts. Prepayments are amortised to income by the straight-line method or according to the performance of the underlying transaction.

Statement of Group accounting policies
for the year ended 31 December 2023 (continued)

3 Summary of significant accounting policies (continued)

4.6 Employee benefits

Provision for leave pay

This is provided based on accumulated leave days multiplied by the basic pay rate per day. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the date of reporting.

Pension Obligations

The Group operates a defined contribution pension plan and it also participates in the National Social Security Authority ("NSSA") statutory defined contribution pension plan. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the Fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group's contributions to the pension plan are charged to the profit or loss in the period to which the contributions relate.

Other short-term benefits

Other short-term benefits provided include staff membership in various medical aid societies.

4.7 Taxation

Income tax expense represents the sum of the current income tax and deferred income tax movement.

Current income tax

The current tax payable/refundable is based on the taxable profit/loss for the year. Taxable profit/loss differs from profit/loss as reported in the statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or allowable deductions in other years and items that are disallowed. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Management establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences are utilised.

Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates that have been enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current tax and deferred income tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income.

Statement of Group accounting policies
for the year ended 31 December 2023 (continued)

4 Summary of significant accounting policies (continued)

4.8 Revenue

IFRS 15 provides a five step for the determination and recognition of revenue to be applied to all contracts with customers. The five steps are as follows:

- Identifying the contract with the customer;
- Identifying the performance obligation;
- Determining the transaction price;
- Allocating the price to the performance obligation; and,
- Recognising revenues when/as performance obligations.

The amount of revenue recognised is the amount that the Company expects to receive in accordance with the terms of the contract, excluding amounts collected on behalf of third parties, such as Value Added Tax.

Trading levy income is based on a percentage of the value of shares traded and is recognised on the date of the transaction. The trading levy on equities, REITs, ETFs is computed at the rate of 0.10% of the value of trades executed. The trading levies are computed on both the buy and sell side.

Listing fees are computed on the based on the market capitalisation value of listed securities at the end of the quarter. Quarterly billing dates are 31 March, 30 June, 30 September and 31 December. The Group recognises revenue on a straight-line basis over the period to which the fee relates as this reflects the extent of the Group's progress towards completion of the performance obligation under the contract.

Initial listing income is recognised in the year in which the listing company makes the floatation. Additional listing income is recognised during the year in which the issuing company makes an announcement of the bonus or rights issues.

Interest income from a financial asset is recognised on a time basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Data vending income emanates from the sale of trading data statistics. This is charged either on a monthly, quarterly or annual basis depending on the contract provision and how the performance obligation is satisfied throughout the contract.

Market access fees are fees charged to members based on the brokerage commission they would have earned in the preceding month for the use of the trading system.

Dividend income is recognised in profit or loss when the right to receive payment is established, which is the date the dividend is declared.

Annual members and Non-Member fees are invoiced in advance for the year unless collection is in doubt.

Documentation review fees are billed as and when the services are provided. The fees as provided for in S.I. 218 of 2022.Training fees are recognised at the point in time where the services are rendered.

Security pledge fees are charged on the market value of the pledged securities and space advertising fees are fees from placing adverts on ZSE publications. The fees are on a cost recovery basis with an additional margin.

Back-office or operations fees are charged on a monthly basis to trading firms that would have requested back office services as provided in the contract.

4.9 Other Income

Other income is recognised on the date when all risks and rewards associated with the transaction have been transferred to the buyer.

4.10 Financial Instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Statement of Group accounting policies
for the year ended 31 December 2023 (continued)

4 Summary of significant accounting policies (continued)

4.11 Financial instruments (continued)

Recognised financial assets and financial liabilities are initially measured at fair value.

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs are directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss. If the transaction price differs from fair value at initial recognition, the Group will account for such difference as follows:

If fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in profit or loss on initial recognition (i.e. day 1 profit or loss);

In all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to profit or loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Financial assets
All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at FVTPL. Transaction costs directly attributable to the acquisition of financial assets classified as at FVTPL are recognised immediately in profit or loss.

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial assets are classified into the following specified categories:

1.Fair value through profit and loss (FVTPL);
2.Fair value through other comprehensive income (FVOCI), or
3.Fair value through other comprehensive income (FVOCI), or

Financial assets at FVTPL

Financial assets at FVTPL are:

1.assets with contractual cash flows that are solely payments of principal and interest (SPPI) or/and
2.assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
3.assets designated at FVTPL using the fair value option.

Financial assets may be designated as at FVTPL upon initial recognition if:
Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or

The financial asset forms part of a group of financial assets or financial liabilities or both, which is managed, and its performance evaluated on a fair value basis, in accordance with the Group's risk management or investment strategy, and information about the Group is provided initially on that basis, or It forms part of a contract containing one or more embedded derivatives, and IAS 39.

Financial instruments, recognition and measurement, permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Statement of Group accounting policies
for the year ended 31 December 2023 (continued)

4 Summary of significant accounting policies (continued)

Financial assets at FVTPL (continued)

Financial assets at FVTPL are measured at fair value, with any resultant gain or loss recognised in profit or loss. Interest income from these financial assets is included in interest and related income using the effective interest rate method.

Financial assets at FVOCI

The Group applies the new category under IFRS 9 of debt instruments measured at FVOCI when both of the following conditions are met:

1 The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and

2 "The contractual terms of the financial asset meet the solely payments of principal and interest (SPPI) test."

Gains and losses arising from changes in fair value are recognised directly in other comprehensive income in the investments revaluation reserve with the exception of impairment losses, interest calculated using the effective interest rate method and foreign exchange gains and losses on monetary assets, which are recognised directly in profit or loss.

The Group made an irrevocable election to measure unquoted investments at fair value through other comprehensive income on initial recognition.

This includes amounts due from banks, loans and other receivables, bills of exchange and debentures with fixed or determinable payments and fixed maturity debts that the Group has the positive intent and ability to hold to maturity. Investments are recorded using the effective interest method less any impairments with revenue being recognised on an effective yield basis.

The Group only measures financial assets at amortised cost if both of the following conditions are met:

1 The financial asset is held within a business model with the objective to hold the financial assets in order to collect contractual cash flows; and

2 The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Reclassifications

If the business model under which the Group holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the Group's financial assets. During the current financial year and previous accounting period, there was no change in the business model under which the Group holds financial assets and therefore no reclassifications were made. Changes in contractual cash flows are considered under the accounting policy on modification and de-recognition of financial assets.

Financial liabilities at FVTPL

Either financial liabilities are classified as at 'FVTPL' where the financial liability is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing in the near future, or
- It is part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit taking, or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration that may be paid by an acquirer as part of a business combination may be designated as at FVTPL upon initial recognition if:

Statement of Group accounting policies
for the year ended 31 December 2023 (continued)

4 **Summary of significant accounting policies (continued)**

Financial liabilities at FVTPL (continued)

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

- The financial liability forms part of a Group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the Group is provided internally on that basis; or

It forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire hybrid (combined) contract to be designated as at FVTPL.

Other financial liabilities

Other financial liabilities, including payables and borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition

De-recognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability.

4.12 **Share capital**

Ordinary shares are classified as equity.

4.13 **Foreign currency transactions**

Transactions in foreign currencies are initially recorded at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date.

All differences arising on settlement or translation of monetary items are taken to profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

Statement of Group accounting policies
for the year ended 31 December 2023 (continued)

4 Summary of significant accounting policies (continued)

4.14 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the market date'. Fair value is a market-based measurement, not an entity-specific measurement. IFRS 13 states that valuation techniques must be those that are appropriate and for which sufficient data are available. The Group maximises the use of relevant observable inputs and minimises the use of unobservable inputs.

Level 1 - Quoted prices (unadjusted) in the active market for identical assets or liabilities. This level includes listed equity securities traded on the Zimbabwe Stock Exchange.

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This level includes non-quoted equity investments.

The hierarchy requires the use of observable market data when available. The Exchange considers relevant and observable market prices in its valuations where possible.

4.15 Significant judgements and estimates

4.15.1 Useful lives and residual values of property, plant and equipment

The Group assesses useful lives and residual values of property and equipment each year taking into consideration past experience, technology changes and the local operating environment. The useful lives are set out in note 4.2 and no changes to those useful lives have been considered necessary during the year. Residual values will be reassessed each year and where there are any changes adjustments for depreciation will be done in future periods.

4.15.2 Provision for impairment of receivables

The Group uses the simplified approach for the calculation of expected credit losses which is more suitable for trade receivables and contract assets under IFRS 15 without significant financing component. The expected credit losses are calculated using the provision matrix, which calculates the expected credit losses by applying the default rate percentage to a certain group of assets.

4.15.3 Fair value and impairment of unquoted equities classified as available for sale

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

The Group assesses if there has been a significant or prolonged decline in the fair value of the investment below its cost or if there is information about significant changes in the operating environment with adverse effects in which the issuer operates in which may indicate that the carrying amount in the investment may not be recovered. We were unable to determine the fair value as per IFRS 13 requirements.

4.15.4 Going concern assessment

The Group assesses the appropriateness of the going concern assumption at each statement of financial position date. This involves making objective judgments about viability of proposed strategies to turn around the company, as well as estimation of future cash flows.

Notes to the Consolidated financial statements
for the year ended 31 December 2023 (continued)

Inflation adjusted

5 **Property and equipment**

	Land and buildings ZWL	Solar Plant ZWL	Equipment (including furniture and fittings) ZWL	Vehicles ZWL	Total ZWL
Gross carrying amount					
Balance at 1 January 2023	3 527 883 733	612 646 602	1 108 796 419	266 396 775	5 515 723 528
Additions	-	-	329 399 140	454 670 741	784 069 880
Revaluation	6 446 408 480	822 524 286	-	-	7 268 932 766
Balance at 31 December 2023	9 974 292 213	1 435 170 888	1 438 195 558	721 067 516	13 568 726 175
Depreciation and impairment					
Balance at 1 January 2023	(261 923 817)	(12 586 529)	(246 138 090)	(136 396 436)	(657 044 873)
Disposals	-	-	(185 385)	(888 595)	(1 073 980)
Depreciation	(181 580 622)	(30 340 136)	(60 880 675)	(44 451 588)	(317 253 021)
Balance at 31 December 2023	(443 504 439)	(42 926 665)	(307 204 150)	(181 736 619)	(975 371 873)
Carrying amount at 31 December 2023	9 530 787 774	1 392 244 223	1 130 991 408	539 330 897	12 593 354 301
Gross carrying amount					
Balance at 1 January 2022	2 847 578 283	147 396 207	977 725 390	266 396 775	4 239 096 654
Additions	-	-	131 071 029	-	131 071 029
Revaluation	680 305 450	465 250 395	-	-	1 145 555 846
Balance at 31 December 2022	3 527 883 733	612 646 602	1 108 796 419	266 396 775	5 515 723 528
Depreciation and impairment					
Balance at 1 January 2022	(261 793 077)	(6 681 585)	(194 652 238)	(135 394 294)	(598 521 195)
Depreciation	(130 740)	(5 904 945)	(51 485 852)	(1 002 142)	(58 523 678)
Balance at 31 December 2022	(261 923 817)	(12 586 529)	(246 138 090)	(136 396 436)	(657 044 873)
Carrying amount at 31 December 2022	3 265 959 916	600 060 073	862 658 329	130 000 339	4 858 678 656

Land and buildings and the solar plant were revalued as at 31 December 2023 by an independent valuer (Amazon Real Estate Agents (Private) Limited) using the market values to determine the fair value. The market value estimated amounts for which the property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arms length transaction.

Notes to the Consolidated financial statements
for the year ended 31 December 2023 (continued)

Historical cost

5 **Property and equipment (continued)**

	Land and buildings ZWL	Solar Plant ZWL	Equipment (including furniture and fittings) ZWL	Vehicles ZWL	Total ZWL
Gross carrying amount					
Balance at 1 January 2023	665 646 305	127 491 963	29 543 853	880 741	823 562 862
Additions	-	-	213 112 672	189 622 749	402 735 422
Revaluation	8 935 029 980	1 279 127 298	-	-	10 214 157 278
Balance at 31 December 2023	9 600 676 285	1 406 619 261	242 656 525	190 503 490	11 440 455 562
Depreciation and impairment					
Balance at 1 January 2023	(661 295)	(2 619 261)	(7 890 175)	(549 562)	(11 720 293)
Disposals	-	-	(185 385)	(188 664)	(374 049)
Depreciation	(69 227 216)	(11 567 111)	(38 326 503)	(27 882 173)	(147 003 002)
Balance at 31 December 2023	(69 888 511)	(14 186 372)	(46 402 063)	(28 620 399)	(159 097 345)
Carrying amount at 31 December 2023	**9 530 787 774**	**1 392 432 889**	**196 254 463**	**161 883 091**	**11 281 358 217**
Gross carrying amount					
Balance at 1 January 2022	149 647 970	30 673 200	16 771 274	880 741	197 973 185
Additions	-	-	12 772 579	-	12 772 579
Revaluation	515 998 335	96 818 763	-	-	612 817 098
Balance at 31 December 2022	665 646 305	127 491 963	29 543 853	880 741	823 562 862
Depreciation and impairment					
Balance at 1 January 2022	(646 305)	(1 390 440)	(2 741 442)	(439 201)	(5 217 388)
Disposals	-	-	-	-	-
Depreciation	(14 990)	(1 228 821)	(5 148 733)	(110 361)	(6 502 905)
Balance at 31 December 2022	(661 295)	(2 619 261)	(7 890 175)	(549 562)	(11 720 293)
Carrying amount at 31 December 2022	**664 985 010**	**124 872 702**	**21 653 678**	**331 179**	**811 842 569**

The land and buildings and the solar plant were revalued as at 31 December 2023 by an independent valuer (Amazon Real Estate Agents (Private) Limited) using the market values to determine the fair value. The market value was estimated as amounts for which the asset could be exchanged on the date of valuation between a willing buyer and a willing seller in an arms length transaction.

Notes to the Consolidated financial statements
for the year ended 31 December 2023 (continued)

	Inflation adjusted		Historical cost	
	2023	2022	2023	2022
	ZWL	ZWL	ZWL	ZWL
6 Intangible assets				
Gross carrying amount				
Balance at 1 January	5 432 136 595	3 861 994 389	328 038 877	129 902 214
Additions	2 172 349 451	1 570 142 207	1 283 378 495	198 136 663
Balance at 31 December	7 604 486 046	5 432 136 595	1 611 417 372	328 038 877
Depreciation and impairment				
Balance at 1 January	(992 809 897)	(913 893 796)	(20 994 450)	(11 667 096)
Amortisation charge	(26 662 034)	(78 916 101)	(10 164 842)	(9 327 354)
Balance at 31 December	(1 019 471 931)	(992 809 897)	(31 159 292)	(20 994 450)
Carrying amount at 31 December	**6 585 014 115**	**4 439 326 698**	**1 580 258 080**	**307 044 427**

Intangible asset represent purchased ATS Software including the cost of the development of market surveillance system currently work in progress and internally developed ZSE direct system. Capitalised market surveillance system development costs during the year amounted to ZWL 1 939 871 690 (2022: ZWL 325 298 472).

7 Unquoted investments				
Balance at the beginning of the year	551 985 066	301 289 621	114 868 277	18 239 031
Fair value adjustments through other comprehensive income	472 717 885	250 695 445	909 834 674	96 629 246
Balance at the end of the year	1 024 702 951	551 985 066	1 024 702 951	114 868 277

The Company holds 111 945 shares (13.24% interest) in Chengetedzai Depository Company (CDC) an unlisted company. The fair value of the investment has been estimated at ZWL 1 024 702 951 as at 31 December 2023 (2022:551 985 066)

Notes to the Consolidated financial statements
for the year ended 31 December 2023 (continued)

	Inflation adjusted		Historical cost	
	2023	2022	2023	2022
	ZWL	ZWL	ZWL	ZWL
8 Deferred tax				
Analysis of deferred tax:				
Property and equipment	2 821 433 415	665 002 563	2 213 733 144	106 770 004
Leave pay provision	(48 563 036)	(17 601 125)	(48 563 036)	(3 662 800)
Allowance for credit losses	(26 771 319)	(4 037 341)	(26 771 319)	(840 172)
	2 746 099 060	643 364 097	2 138 398 789	102 267 032
Deferred tax reconciliation				
Balance at beginning of the year	643 364 097	541 751 795	102 267 032	23 598 297
Recognised in statement of profit or loss	93 713 652	23 915 175	269 256 253	4 976 756
Recognised in other comprehensive income	2 009 021 311	77 697 126	1 766 875 504	73 691 979
Balance at the end of the year	2 746 099 060	643 364 097	2 138 398 789	102 267 032

9 Investment in Joint Venture

Investment in Zimbabwe Receivables Marketplace (Private) Limited

Balance at the beginning of the year	-	69 474 799	-	745 077
Share of losses	-	-	-	-
Impairment of investment	-	(69474 799)	-	(745 077)
Balance at the end of the year	-	-	-	-

In the prior year, management decided to impair an investment in the joint venture. The recoverable amount for the investment was determined as nil. Therefore, an impairment loss of ZWL 69 474 799 (historical cost: ZWL 745 077) was recognised and included in the statement of profit/loss and other comprehensive income.

**Notes to the Consolidated financial statements
for the year ended 31 December 2023 (continued)**

	Inflation adjusted		Historical cost	
	2023	2022	2023	2022
	ZWL	ZWL	ZWL	ZWL
10 Financial assets at fair value through profit or loss				
Opening balance	182 761 311	288 063 304	38 032 691	17 438 356
Purchase of financial instruments	-	3 353 648 987	-	250 000 000
Withdrawal or disinvestment	-	(1 800 893 782)	-	(251 021 698)
Fair value adjustments through profit or loss	210 764 899	(1 658 057 198)	355 493 519	21 616 033
Closing balance	393 526 210	182 761 311	393 526 210	38 032 691

Financial assets at fair value through profit or loss at year end is made up of equities and unit trusts.

11 Financial assets at amortized cost				
Opening balance	-	174 159 081	-	10 542 988
Capital advanced	-	84 566 044	-	6 944 740
Withdrawal or disinvestment	-	(299 545 616)	-	(19 602 355)
Interest accrual through profit or loss	-	40 820 492	-	2 114 627
	-	-	-	-

Financial assets at armotised cost represent advances to Zimbabwe Receivables Market Place Limited. The advances bear interest at a rate that is determined by market. Due to changes in the economic environment and sub-economic interest rates, the company stopped making capital advances in ZRM .

12 Trade and other receivables				
Trade receivables	2 530 818 071	179 135 431	2 530 818 071	37 278 143
Allowance for credit losses	(108 298 218)	(5 335 513)	(108 298 218)	(1 110 322)
Net trade receivables	2 422 519 853	173 799 918	2 422 519 853	36 167 821
Staff loans	478 266 578	72 425 956	478 266 578	15 071 866
Prepaid expenses and other receivables	579 364 885	104 774 342	579 364 885	21 803 576
Balance at the end of the year	3 480 151 316	351 000 217	3 480 151 316	73 043 263

Notes to the Consolidated financial statements
for the year ended 31 December 2023 (continued)

	Inflation adjusted		Historical cost	
	2023	2022	2023	2022
	ZWL	ZWL	ZWL	ZWL

12 Trade and other receivables (continued)

Trade and other receivables are non-interest bearing and are generally settled between 30 days and 90 days.

Allowance for expected credit losses

	Inflation adjusted 2023 ZWL	Inflation adjusted 2022 ZWL	Historical cost 2023 ZWL	Historical cost 2022 ZWL
Opening balance	5 335 513	3 764 617	1 110 322	227 897
Movement for the year	103 399 518	1 570 896	107 624 709	882 425
Closing balance	108 735 031	5 335 513	108 735 031	1 110 322

The Company uses the simplified approach for calculation of expected credit losses which is more suitable for trade receivables and contract assets under IFRS 15 without significant financing component. The expected credit losses are be calculated using the provision matrix, which calculates the expected credit losses by applying the default rate percentage to a certain group of assets.

13 Cash and cash equivalents

	Inflation adjusted 2023 ZWL	Inflation adjusted 2022 ZWL	Historical cost 2023 ZWL	Historical cost 2022 ZWL
For the purposes of the statement of cash flows, cash and cash equivalents includes the following:				
Cash at bank	2 924 556 568	272 474 252	2 924 556 568	56 701 983
Bank overdraft	-	(24 220)	-	(5 040)
	2 924 556 568	272 450 032	2 924 556 568	56 696 943

Cash at bank earns interest at floating rates based on daily bank deposit rates.

14 Short-term deposits

	Inflation adjusted 2023 ZWL	Inflation adjusted 2022 ZWL	Historical cost 2023 ZWL	Historical cost 2022 ZWL
Opening balance	-	-	-	-
Money placement	274 712 517	-	274 712 517	-
Interest accrual	7 475 834	-	7 475 834	-
Closing balance	282 188 351		282 188 351	

The Group has two fixed deposits (USD45,000) held with FBC Bank as collateral or liquidity support for the vehicle loan financing advanced of USD180,000. The two deposits attract average interest rate of 5.5% per annum. The deposits mature on 30 April 2025.This investment has been classified as short-term. The interest accrual is included in finance income note. Refer to note 22.1.

Notes to the Consolidated financial statements
for the year ended 31 December 2023 (continued)

	Inflation adjusted		Historical cost	
	2023	2022	2023	2022
	ZWL	ZWL	ZWL	ZWL
15 Share capital and premium				
Authorised share capital				
6 000 000 ordinary shares of $0.01 each	8 031 775	8 031 775	60 000	60 000
Issued share capital				
102 704 ordinary shares of $0.01 each	739 667	739 667	1 000	1 000
Share premium	52 322 761	52 322 761	70 739	70 739
Balance at the end of the year	53 062 428	53 062 428	71 739	71 739

The total number of authorised ordinary shares is 6 million (2022: 6 million) with a par value of ZWL 0.01 per share. The issued shares are 102 704 (2022: 102 704) which are all fully paid up. Immediately on demutualisation, the ZSE proprietary rights were converted to ZSE shares. The unissued shares are under the control of Directors subject to the limitations imposed by the Companies and Other Business Entities Act (Chapter 24:31) and the Articles and Memorandum of Association of the Company.

16 Reserves

16.1 Non-distributable reserves

Non-distributable reserves	57 706 453	57 706 453	77 981	77 981

This arose as a result of change in functional currency from the Zimbabwe Dollar to the United States Dollar in 2009. It represents the residual equity in existence as at the date of the change over and has been designated as Non-distributable reserve.

16.2 Revaluation reserve

Opening balance	4 165 295 536	3 093 431 669	747 722 181	208 597 062
Movement during the year	5 259 911 455	1 071 863 867	8 447 281 774	539 125 119
Closing balance	9 425 206 991	4 165 295 536	9 195 003 955	747 722 181

This arose from the revaloution of our land and buildings including the solar plant.

Notes to the Consolidated financial statements
for the year ended 31 December 2023 (continued)

	Inflation adjusted 2023 ZWL	Inflation adjusted 2022 ZWL	Historical cost 2023 ZWL	Historical cost 2022 ZWL
16.3 Mark to market reserve				
Opening balance	485 677 364	234 981 914	114 462 988	17 833 742
Movement during the year	472 717 885	250 695 450	909 834 674	96 629 246
Closing balance	958 395 249	485 677 364	1 024 297 662	114 462 988

This relates to fair valuation of investment in Chengetedzai Depository Company ("CDC"), an unquoted entity.

17 Borrowings

	Balance 2023 ZWL	Balance 2022 ZWL	Balance 2023 ZWL	Balance 2022 ZWL
Opening balance	278 225 242	233 060 653	57 898 766	48 500 000
Facility drawdown	744 947 028	96 107 486	744 947 028	20 000 000
Loans repayment	(278 225 242)	(50 942 897)	(57 898 766)	(10 601 234)
Closing balance	744 947 028	278 225 242	744 947 028	57 898 766

The Group secured a loan of USD180,000 from the Company's bankers FBC bank for the purchase of vehicles. The loan is repaid by equal monthly instalments of principal plus interest until 30 April 2025. It accrues interest of 13% per annum. The short term borrowings in ZWL in the prior year were fully extinguished.These borrowings have been classified as short-term.

18 Trade and other payables

Trade creditors	265 316 121	252 103 194	265 316 121	52 462 759
Payroll liabilities	1 749 163 825	243 346 879	1 749 163 825	50 640 567
Accruals and other payables	977 519 527	369 662 236	977 519 527	76 926 835
	2 991 999 473	865 112 308	2 991 999 473	180 030 161

Trade and other payables are non-interest bearing and normally settled between 30 and 60 days.

Notes to the Consolidated financial statements
for the year ended 31 December 2023 (continued)

	Inflation adjusted		Historical cost	
	2023	2022	2023	2022
	ZWL	ZWL	ZWL	ZWL
19 Revenue				
Trading levies	2 612 680 925	2 190 254 054	1 502 063 265	283 732 187
Depository levies	353 444 461	516 224 254	176 510 402	62 255 788
Annual listing fees	26 596 681 528	4 341 708 762	13 795 339 206	532 667 601
Initial listing fees	232 969 353	166 928 602	66 322 301	16 627 761
Index fees	9 619 997	2 012 765	7 352 638	304 548
Space advertising	12 680 593	10 263 751	4 125 921	727 000
Automated trading system market access fees	244 138 145	168 965 687	135 541 177	22 902 462
Corporate action and document review fees	1 298 144 216	174 841 852	703 077 694	30 673 209
Members subscription fees	283 392 974	141 921 103	149 471 664	21 229 907
Non-member institution subscription fees	113 682 141	62 699 471	41 145 093	7 003 087
Data vending	235 555 952	118 276 734	137 178 428	14 554 178
Operation fees	78 379 734	221 945 832	32 396 694	43 413 781
Training services	640 785 171	248 061 658	238 742 563	12 402 536
ZSE direct commissions	56 041 541	50 831 749	27 044 007	5 402 584
Security pledge administration fees	140 614 860	237 277 610	64 918 806	38 639 035
Fintech - systems integration	-	16 840 843	-	3 447 443
	32 908 811 593	8 669 054 726	17 081 229 860	1 095 983 108
20 Other income				
Sundry income	23 791 634	2 335 412	12 587 261	467 000
Profit on disposal of assets	27 831 258	-	5 763 039	-
Dividend received	-	12 700 902	-	1 289 298
Governent grant	-	973 653 599	-	182 582 123
Exchange gain	3 472 074 493	-	3 472 074 493	-
	3 523 697 384	988 689 913	3 490 424 793	184 338 421

In August 2022, the Group received a Government grant of USD350 000 for the implementation of the market surveillance system. There were no conditions or contingencies attached to the grant.In 2023 there was an introduction of USD billing. The exchange gain emanates from translation of USD balances.

Profit on disposal of assets reconciliation

Proceeds from disposal	28 905 243	-	6 137 089	-
Carrying amount of assets disposed	(1 073 980)	-	(374 049)	-
Profit on disposal	27 831 263	-	5 763 040	-

Notes to the Consolidated financial statements
for the year ended 31 December 2023 (continued)

	Inflation adjusted		Historical cost	
	2023	2022	2023	2022
	ZWL	ZWL	ZWL	ZWL
21 Operating profit				
Operating profit is stated after taking into				
21.1 Staff costs				
Salaries and allowances	8 707 502 428	2 477 844 985	5 116 938 064	277 259 801
Staff bonus	1 568 209 703	363 502 452	1 138 584 045	48 181 517
Other staff costs	3 018 521 371	1 312 066 452	1 795 488 383	173 492 805
Leave pay expenses	922 953 442	344 045 823	237 242 732	2 345 659
Medical aid	346 347 036	220 750 611	211 140 537	31 969 735
Social security costs	173 765 832	65 001 986	100 353 145	8 965 417
Pension fund administration fees	66 745 289	26 165 667	40 375 676	3 292 220
	14 804 045 102	4 809 377 976	8 640 122 582	545 507 154
21.2 Other operating costs				
Computer maintenance and systems support	505 334 067	260 889 407	275 669 276	33 280 635
Annual report	24 173 990	38 734 320	15 714 375	6 604 005
Audit fees	141 395 744	74 890 197	35 593 606	7 612 822
Bank charges	458 464 849	195 465 760	238 462 562	26 160 330
Board sitting fees	1 451 767 197	266 303 863	871 651 666	37 995 608
Marketing & business development costs	837 198 362	251 460 787	530 317 995	30 223 802
Teas/cleaning and general office expenses	214 077 578	81 583 559	128 140 250	10 620 859
Consultancy and professional fees	450 652 019	56 428 593	306 468 206	9 319 285
Entertainment and gifts	165 760 252	34 419 925	113 194 357	5 523 363
Insurance	182 354 579	85 175 327	109 663 525	11 434 499
Investor education and promotion	40 562 601	6 690 407	9 752 957	886 800
Balance carried forward	4 471 741 238	1 352 042 145	2 634 628 775	179 662 008

Notes to the Consolidated financial statements
for the year ended 31 December 2023 (continued)

	Inflation adjusted		Historical cost	
	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
21.2 Other operating costs (continued)				
Balance brought forward	**4 471 741 238**	**1352 042 145**	**2 634 628 775**	**179 662 008**
Legal fees	72 894 054	30 491 628	45 672 369	2 970 577
Management fees	-	4 836 393	-	329 985
Motor vehicle - fuel and oil	429 910 033	212 500 946	246 531 378	31 225 965
Printing/stationery	103 429 192	34 256 730	60 656 928	4 285 014
Allowance for credit losses	103 399 518	5 335 513	107 624 709	1 110 322
Bad debts written off	-	950 772	-	197 856
Recruitment expenses	14 973 506	5 092 409	9 076 058	664 952
Premises costs	734 510 654	282 611 367	441 996 245	40 094 003
Staff training/professional development	147 695 638	13 244 746	93 298 483	1 493 115
Staff welfare	4 960 865	8 621 178	2 054 321	881 408
Statutory levies	711 027 572	134 567 145	415 756 324	14 829 652
Subscription, membership/publications fees	200 018 684	83 371 798	114 281 728	10 851 456
Telephone and other communication expenses	485 813 049	177 592 838	278 963 105	27 194 431
Travelling and conferences	2 115 802 735	416 748 440	1 223 294 249	58 881 977
Motor vehicle service and other	101 353 192	46 395 283	63 276 213	6 912 144
Website support services	86 103 455	26 297 329	42 686 577	3 823 999
Software licencing costs	1 699 367 908	690 303 551	959 485 531	102 819 246
Company Secretarial Fees	69 355 127	4 052 476	52 419 737	635 233
Operation Fees	-	251 497 577	-	30 024 756
	11 552 356 423	3 780 810 263	6 791 702 730	518 888 099

21.3 Depreciation and amortisation

	Inflation adjusted 2023 ZWL	Inflation adjusted 2022 ZWL	Historical cost 2023 ZWL	Historical cost 2022 ZWL
Buildings	181 580 622	130 740	69 227 216	14 990
Solar plant	30 340 136	5 904 945	11 567 111	1 228 821
Equipment (including furniture and fittings)	60 880 675	51 485 852	38 326 503	5 148 733
Vehicles	44 451 588	1 002 142	27 882 173	110 361
Software amortisation	26 662 034	78 916 101	10 164 842	9 327 354
	343 915 055	137 439 779	157 167 845	15 830 259

Notes to the Consolidated financial statements for the year ended 31 December 2023 (continued)

	Inflation adjusted		Historical cost	
	2023	2022	2023	2022
	ZWL	ZWL	ZWL	ZWL

22 Finance costs and interest income

22.1 Finance income

	2023 ZWL (Inflation adjusted)	2022 ZWL (Inflation adjusted)	2023 ZWL (Historical cost)	2022 ZWL (Historical cost)
Interest on short-term fixed deposits & staff loans	50 337 029	197 098 933	39 005 522	40 825 250

22.2 Finance costs

	2023 ZWL (Inflation adjusted)	2022 ZWL (Inflation adjusted)	2023 ZWL (Historical cost)	2022 ZWL (Historical cost)
Interest paid - short term borrowings	141 160 186	394 811 224	75 784 365	70 709 232

Interest paid relates to finance costs on the vehicle financing facility.

23 Income tax expense

	2023 ZWL (Inflation adjusted)	2022 ZWL (Inflation adjusted)	2023 ZWL (Historical cost)	2022 ZWL (Historical cost)
Current tax	382 610 774	527 302 347	(84 835 148)	33 016 392
Deferred tax	93 713 652	23 915 175	269 256 253	4 976 756
	476 324 426	551 217 523	184 421 104	37 993 148
Tax rate reconciliation				
Profit before tax	7 309 778 929	2 243 337 848	5 301 376 172	193 197 618
Income tax charge at 24.72%	1 806 977 351	32 546 190	1 310 500 190	47 758 451
Tax effect of:				
Non-deductible expenses	473 000 988	1 184 682 371	230 851 970	34 893 338
Non-taxable items	(1 803 653 913)	(666 011 038)	(1 356 931 056)	(44 658 641)
	476 324 426	551 217 523	184 421 104	37 993 148

Notes to the Consolidated financial statements
for the year ended 31 December 2023 (continued)

	Inflation adjusted		Historical cost	
	2023	2022	2023	2022
	ZWL	ZWL	ZWL	ZWL
23 Income tax expense (continued)				
Income tax payable/(refundable)				
Balance at beginning of year	142 939 357	121 354 226	29 745 727	7 346 365
Charge to profit or loss	382 610 774	527 302 347	(84 835 148)	33 016 390
Taxes paid	(505 048 755)	(51 018 793)	(328 155 569)	(10 617 028)
Effects on inflation	(403 746 366)	(454 698 423)	-	-
Balance at the end of the year	(383 244 990)	142 939 357	(383 244 990)	29 745 727
24 Key management personnel compensation				
Salaries and other short term employee benefits	8 899 758 311	3 160 301 182	5 175 409 624	361 608 646
Pension contributions	1 463 073 260	223 939 077	872 676 183	25 623 604
	10 362 831 571	3 384 240 259	6 048 085 807	387 232 250

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company (Senior Management Team). These include the Chief Executive Officer, Finance Executive, Head of ZSE

25 Financial risk management

25.1 Risk management framework

Fundamental to the business activities and growth of the Group is a strong risk management pracice which is at the core of achieving the Group's Strategic Objectives. The Board has overall responsibility for the establishment and oversight of the Group's risk management framework. The Audit and Risk Committee is responsible for developing and monitoring the Group's risk management policies. The Audit and Risk Committee regularly reports to the Board on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate limits and controls and to monitor risks and adherence to the limits. Risk managemet policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group through its training and management standards and procedures, aims to develop a disciplined and risk informed environment in which all employees have a good understanding of inherent risk specific to their departments.

The Audit and Risk Committee oversees how management monitors compliance with the Group's risk managemet policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Committee is assisted in its oversight role by the Finance and Compliance Department which undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Commitee.

The Group is exposed to the following principal risks arising from financial instruments:
- Credit Risk;
- Liquidity risk;
- Market risk;
- Price risk; and
- Interest rate risk.

25.2 Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counter party to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables and investment securities.

Notes to the Consolidated financial statements
for the year ended 31 December 2023 (continued)

25 Financial Risk Management (continued)

There is no significant concentration of credit risk with respect to cash and cash equivalents as the Group holds cash accounts with large financial institutions with sound financial and capital cover.
The Group limits its exposure to credit risk by ensuring its ratio of trade receivable to total revenue is kept within acceptable threshholds . The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

25.3 Cash and cash equivalents

The Group held cash and cash equivalents of ZWL2 924 556 568 at 31 December 2023 (2022 : ZWL 272 474 252) which represents its maximum exposure on these assets. The cash and cash equivalents with maturity profile of less than 3 months are held with local banks with solid financial and capital cover.

25.4 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or anotherfinancial asset. The Group's approach to managing liquidity is to ensure as far possible that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Group's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketables securities.
A maturity analysis of financial instruments as at 31 December 2023 is as follows:

Description	Up to 3 months ZWL	3 months - 1 year ZWL	1 year - 5 years ZWL	Total ZWL
Cash and cash equivalents	2 924 556 568	-	-	2 924 556 568
Trade and other receivables	3 480 151 316	-	-	3 480 151 316
Income tax refundable	-	383 244 990	-	-
Financial assets at fairvalue through profit or	-		-	-
Total assets	6 404 707 884	383 244 990	-	6 404 707 884
Liabilities				
Trade and other payables	2 991 999 473	-	-	2 991 999 473
Short term borrowings	-	744 947 028	-	744 947 028
Total liabilities	2 991 999 473	744 947 028	-	3 736 946 501
Liquidity gap	3 412 708 411	(361 702 038)	-	2 667 761 383
Cumulative liquidity gap	3 412 708 411	3 051 006 373	3 051 006 373	3 051 006 373

25.5 Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Gropu's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return. The Group uses a range of tools such as sensitivity analysis to manage its exposure to market risk.

Notes to the Consolidated financial statements
for the year ended 31 December 2023 (continued)

25.6 Price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk and currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting all financial instruments traded in the market.

25.7 Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group manages the risk by maintaining an appropriate mix of fixed and variable instruments. Interest on floating instruments is repriced at intervals of less than 1 year. Interest on fixed interest rate instruments is priced at inception of the financial instruments and is fixed until maturity. The Group's interest rate risk arises from investments in short-term placements and long-term debt obligations with floating interest rates.

25.8 Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholder and benefits to other stakeholders; and to maintain an optimal capital structure to reduce the cost of capital. No changes were made to the objectives, policies or processes during the year ended 31 December 2023. The Group monitors capital on the basis of the capital adequacy directive by the regulator, the Securities and Exchange Commission of Zimbabwe.

26 Fair values of financial assets and liabilities

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Group's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities. This level includes listed equity securities traded on the Zimbabwe Stock Exchange.

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This level includes non-quoted equity investments.

The hierarchy requires the use of observable market data when available. The Exchange considers relevant and observable market prices in its valuations where possible.

27 Retirement Benefits Plans

27.1 Zimbabwe Stock Exchange Pension Fund

Pension funds are provided for employees to a separate fund to which the Group contributes. The fund is independently administered and insured by ZB Life Assurance Limited. The Group's contributions during the year amounted to ZWL 548 808 121 (2022: ZWL 139 420 929).

27.2 National Social Security Authority Scheme (NSSA)

All employees are required by law to be members of the National Social Security Scheme which is a defined contribution scheme established under the National Social Security Authority Act (1989). The Group's contributions during the year amounted to ZWL173 765 832 (2022: ZWL65 001 986).

Notes to the Consolidated financial statements
for the year ended 31 December 2023 (continued)

28 Events after the reporting period

No adjusting or significant non-adjusting events have occurred between the 31 December 2023 reporting and the date of authorisation of this financial statements.

29 Approval of financial statements

The consolidated financial statements were approved by the Board of Directors for issue on 3 April 2024.