



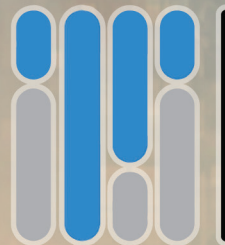
2023 Annual Report



VFEX Direct

An online trading platform of the Victoria Falls Stock Exchange
The VFEX Direct platform makes it easy to trade securities listed on the VFEX and has the following key features:

- User-friendly interface
- Your portfolio indicating all your securities
- Latest market statistics
- The market depth feature showing up to
- 10 best orders on both the buy and sell side
- The price range on buy and sell tabs
- Counter performance
- Notification tab
- Placing of bids or offers for volumes from 1 up to 99



VICTORIA
FALLS
STOCK
EXCHANGE



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Website: www.vfexdirect.vfex.exchange

Email: vfexdirect@vfex.exchange

Facebook: Victoria Falls Stock Exchange

LinkedIn: Victoria Falls Stock Exchange

X: VFEX_ZW

Instagram: VicFalls Stock Exchange

Youtube: Victoria Falls Stock Exchange

Whatsapp: Victoria Falls Stock Exchange

REGISTER TODAY



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mrs Caroline Sandura
Mr Bartholomew Mswaka
Mr Benson Gasura
Mrs Maureen Rudo Svova
Mr Masimba Mudzungayiri
Mrs Lindiwe Tirivanhu
Mr Markus de Klerk
Mr Justin Bgoni

Chairman
Deputy Chairman
Non-Executive Director
Non-Executive Director
Non-Executive Director
Non-Executive Director
Non-Executive Director
Executive Director

SECRETARY

Mr Lyndon Tuyani Nkomo

REGISTERED OFFICE

Number 44
Ridgeway North
Highlands
Harare

AUDITORS

Grant Thornton
Camelsa Business Park
135 Emmerson Mnangagwa Road
Highlands
Harare
Zimbabwe

ATTORNEYS

Kantor and Immerman
Legal Practitioners
MacDonald House
10 Selous Avenue
Harare
Zimbabwe

PRINCIPAL BANKERS

FBC Bank

45 Nelson Mandela Avenue
Harare Central
Harare
Zimbabwe

Stanbic Bank Zimbabwe Limited

59 Samora Machel Avenue
Harare
Zimbabwe

OUR VISION, MISSION STATEMENT AND VALUES



VISION:

To be the preferred securities and commodities exchange in Africa.

MISSION STATEMENT:

To be the best in providing long term capital and risk management solutions to businesses and Governments whilst allowing the public to enjoy diversified, safe and easy investments.



VALUES:



- **COMMITMENT**
- **DILIGENCE**
- **INNOVATION**
- **INTEGRITY**

COMMITMENT

We are committed to realising our vision and mission.

DILIGENCE

We are diligent in performing our tasks and duties.

INNOVATION

We are innovative, in developing solutions to our challenges and opportunities.

INTEGRITY

We adhere to strong moral and ethical standards.

A man with a beard, wearing a dark hoodie over a white t-shirt, is shown in profile, looking intently at a computer screen. His hands are on a keyboard and mouse. The background is a blurred office setting with multiple computer monitors displaying various financial charts, including bar graphs and line plots. The overall lighting is dim, with the primary light source coming from the screens, creating a professional and tech-oriented atmosphere.

Who we are

The Zimbabwe Stock Exchange (“ZSE”) is a licensed securities exchange providing an avenue for capital raising anchored on a multi-asset class trading platform.

We offer a broad range of products and services comprising

Equities, Exchange Traded Funds (ETFs), Real Estate Investment Trusts (REITs), data and training services geared towards addressing investors’ needs.

Dating back to 1894, the ZSE has evolved to be one of the longest established capital raising platforms in Africa.

WHAT WE DO

1. Create Enabling Environment

- Admit issuers and participants
- Provide a list of securities and commodities that can be traded
- develop rules for issuers, participants and trading of securities
- Provide relevant technology solutions

2. Create Systems and Processes

- Provide safe custody for securities
- Provide a guaranteed and safe settlement and clearing platform
- Provide an orderly trading platform
- Provide information and data for decision-making
- Train, monitor and regulate issuers and participants

3. Manage Stakeholder Relationships

- Educate the public on investments and facilitate inclusion
- Identify opportunities, influence policies and proffer solutions
- Value our staff, support their development and reward their performance
- Create value for our shareholders

WHO WE SERVE

1. Investors

We serve a wide array of retail and Institutional investors both local and foreign

2. Issuers

We offer a capital-raising platform for issuers looking to raise capital

3. Participants

We provide regulatory oversight to the market participants including stockbrokers and sponsoring brokers

4. Government

We provide information to the Government of Zimbabwe on all matters relating to securities and capital markets

5. Data & Training Clients

The ZSE offers data products to a wide variety of domestic and international clients including Data Vendors, Investment Advisors, Fund Managers, retail and institutional investors. We also offer specialized training services to a wide variety of market players and the general public

ROLES OF THE ZSE

- Facilitating long-term capital raising for companies, Government and semi Government institutions
- Providing a regulated platform for the trading of securities on the secondary market
- Provision of market information
- Regulating stockbrokers, market makers and security issuers

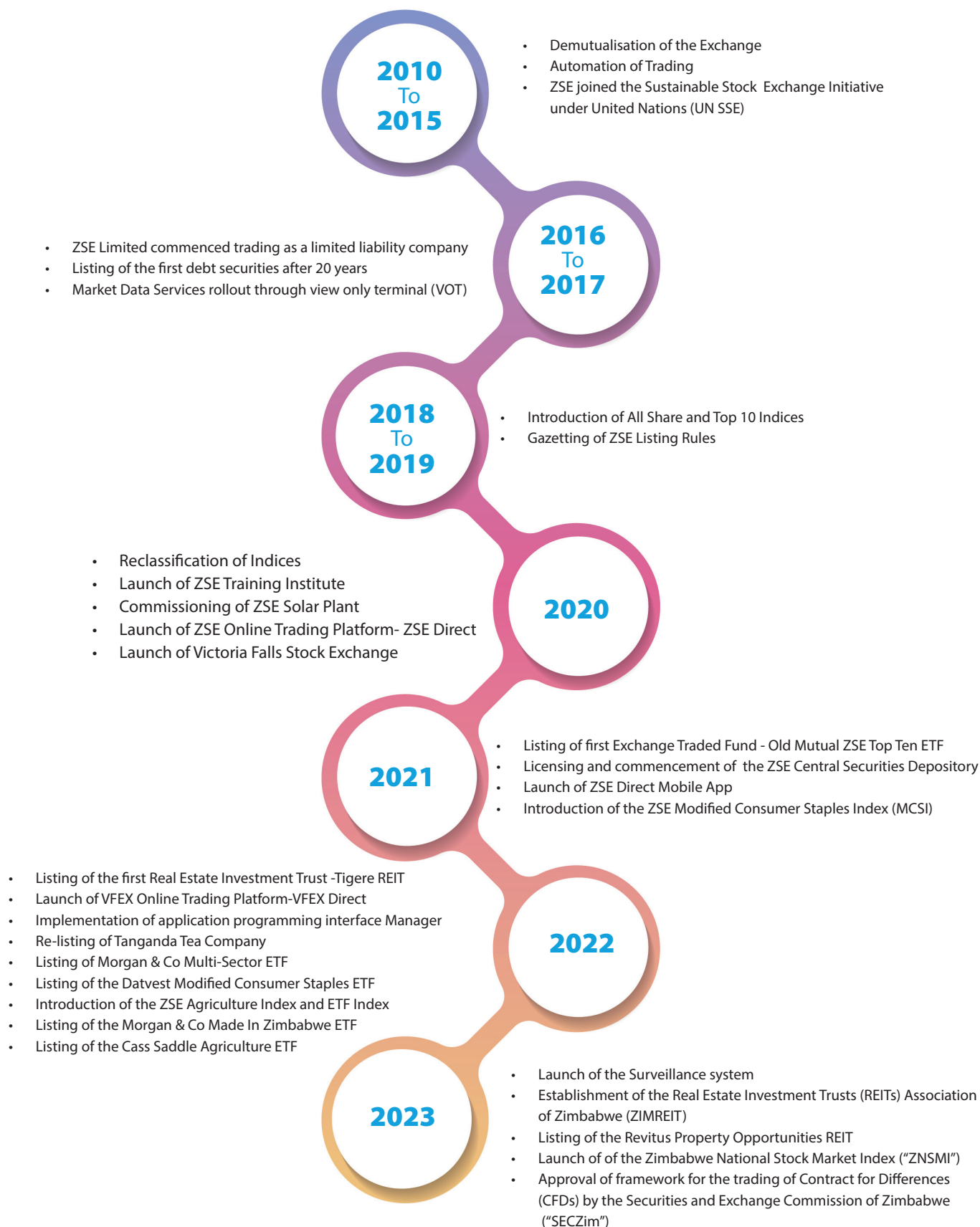
PRODUCT AND SERVICE OFFERING

The ZSE facilitates the listing and trading of the following security types;

- Ordinary shares
- Preference shares
- Depository receipts
- Real Estate Investment Trusts
- Debt securities such as debentures, notes and bonds
- Exchange Traded Funds
- Warehouse receipts
- Derivatives

BACKGROUND AND TRANSFORMATIONAL JOURNEY

The ZSE was formed in 1894 and has evolved to be one of the longest-established capital-raising platforms and diversified securities exchanges in Sub-Saharan Africa. Having evolved over the past years, undergoing a digital transformational journey, the key milestones of the exchange are as follows;



OUR BRANDS

ZSE Markets

The ZSE Markets is responsible for the secondary trading on the ZSE and oversees new and existing listings, product development, market data, and operations.

ZSE Depository

The ZSE Depository is responsible for the operation of the Central Securities Depository (CSD) and facilitates the efficient transfer of securities.

ZSE Direct

ZSE Direct is the online trading platform of the ZSE that provides retail investors with a smart way to manage their investments online.

ZSE Training Institute

The ZSE Training Institute delivers specialised training to stakeholders on various capital market subjects.

Victoria Falls Stock Exchange

The Victoria Falls Stock Exchange (VFEX), is a subsidiary of the ZSE established to launch the International Financial Services Centre (IFSC) earmarked for the special economic zone in Victoria Falls.

VFEX Depository

The VFEX Depository keeps custody of securities (debt, equities, ETFs) for investors in electronic form and also offers other related services such as securities clearing and settlement, securities transfer and pledges that are related to securities transactions.

VFEX Direct

VFEX Direct is the online trading platform of the Victoria Falls Stock Exchange, that makes it easy for retail investors to trade listed securities.



2023 PROJECT HIGHLIGHTS

Training

The mandate of the ZSE Training Institute is to deliver specialised training on various capital markets subjects. These include ZSE and VFEX listing requirements, ZSE and VFEX products and services, how companies can list and preserve value for investors, and the general process of investing on the stock exchange.

The ZSE adopted a multi-pronged delivery strategy in its training encompassing virtual, and physical workshops, customised training, seminars and masterclasses. The courses offered are designed to equip participants with practical skills and knowledge that improve their understanding of various aspects of the capital market. The ZSE conducted a total of 7 training sessions and 11 investor sessions. The team looks forward to more customised training programmes for its stakeholders.

Corporate Social Responsibility

The ZSE played its part in terms of corporate social responsibility by initiating a scholarship program for underprivileged female students embarking on their first undergraduate degree. Three students are still on the program and are in their 3rd year. The ZSE has offered them industrial attachment to help them advance their studies.

The ZSE also participated in raising awareness for breast cancer by sponsoring and having its board of directors and staff members participating in the Zimpapers Cancer Power Walk. The Power walk was hosted by Zimpapers Limited.



Zimpapers Cancer Power walk

ZSE Direct

ZSE Direct is an online trading platform of the ZSE, accessible through the web and mobile applications. ZSE Direct extends the functionality of the current Automated Trading System (ATS) to cater to retail investors. In 2023, significant enhancements were made to the platform's integrations with the ZB Payment Gateway and the EcoCash Payment Gateway. These improvements ensure that deposits reflect in investors' wallets more efficiently. Since its launch in 2020, the platform has consistently experienced rapid growth, culminating to 18,200 users as of 31 December 2023.

VFEX Direct

VFEX Direct is an online trading platform of the VFEX and an extension of the Automated Trading System (ATS). VFEX Direct has experienced remarkable growth since its launch in September 2022. The platform provides investors with a convenient way to trade securities listed on the VFEX. In 2023, the platform saw a significant increase in users, reaching a total of 3200 as of 31 December 2023. To enhance user experience, new features were introduced, including the InnBucks Payment Gateway Integration. This integration allows investors to fund their trading wallets directly from their InnBucks account, simplifying the investing process for retail investors on VFEX.

SUSTAINABILITY STRATEGY

How the ZSE is delivering the ESG commitments

As the ZSE, we believe that sustainability is a crucial aspect of the creation of long-term value for our business. Guided by this, our focus is on ensuring that we run our business in an environmentally cautious and socially progressive way anchored on strong governance structures. The report aims to highlight the efforts that the ZSE has undertaken to embed sustainability internally and the initiatives that are key to our sustainability agenda. The report will also profile how we have aligned our initiatives to the United Nations Sustainable Development Goals, our key stakeholders, and our proposed engagement with the stakeholders

Environment

The ZSE remains dedicated to operating its business in a sustainable manner that recognises environmental impacts. The ZSE has made considerable investments in Solar plants both in Harare and Victoria Falls in its thrust to promote green energy.

Social

The organisation has a Corporate Social Investment Policy which encompasses strategies for improving the social, environmental and economic well-being of the communities and societies we operate in. In 2021, the ZSE rolled out scholarships targeted at female students in local universities and remains committed to supporting them until completion of their respective programmes.

Governance

To also promote Environment, Social, and Governance (ESG) matters, the ZSE, through its listing requirements also encourages listed companies to adopt internationally accepted reporting frameworks such as the Global Reporting Initiatives (GRI's) Sustainability Reporting Standards when reporting on sustainability performance. We also organised training sessions on ESG principles for our issuers in preparation for the sustainability reporting, which will become mandatory starting 1 January 2024.

Future sustainability Initiatives

As part of its future sustainability initiatives, the ZSE will launch the Bond Market Association of Zimbabwe with all market participants. As part of this initiative, sustainable and green financing will form a key pillar in reviving the fixed income framework in Zimbabwe. Sustainable and green financing is a global initiative and the ZSE will align with other exchanges in the region and globally.



PERFORMANCE AGAINST UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGS)

The ZSE has committed to supporting various initiatives that contribute directly or indirectly to the achievement of various sustainable development goals. We identified key areas in which we had an opportunity to create a greater impact. These areas included Financial Inclusion and Literacy, Gender Equality and women empowerment and decent work and economic growth, as we seek to promote the fulfillment of the United Nations Sustainable Development Goals.



Financial Inclusion and Literacy

Goal: Ensure financial inclusion and promote investment opportunities for all.

ZSE's Commitment: Promote financial literacy and inclusion for economic empowerment amongst Zimbabweans from all walks of life.

The ZSE made a conscious effort to enhance financial literacy for economic growth and development. During the year, the ZSE undertook the following initiatives

- Training of retail investors on how to invest on the exchange through webinars
- School visits at primary, secondary and tertiary level
- The enrollment of free courses on the ZSE training portal
- Participation in school exhibitions and career fairs
- Launch of VFEX Online Trading Platform-VFEX Direct
- Diversification of products and services to include Exchange Traded Funds (ETFs)



Gender Equality

Target: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making. Ensure accessibility of capital markets services to female entrepreneurs and investors.

ZSE's Commitment: Promote Gender Equality in the capital markets, amongst the exchange, our listed companies and our participants.

As the ZSE, we aim to ensure that both women and men enjoy the same opportunities and are accorded equal rights and obligations. With a ratio of 40% females and 60% males as of 30 December 2023, the exchange has made notable progress in the past years to introduce gender diversity in the workplace and enhance women's access to management positions.

Inspired by the promise of sustainable development Goal 5, in 2023, the ZSE joined other Exchanges globally to Ring the Bell for Gender Equality in commemoration of International Women's Day. The yearly event raises awareness on the importance of Gender Equality to both business and sustainable development.



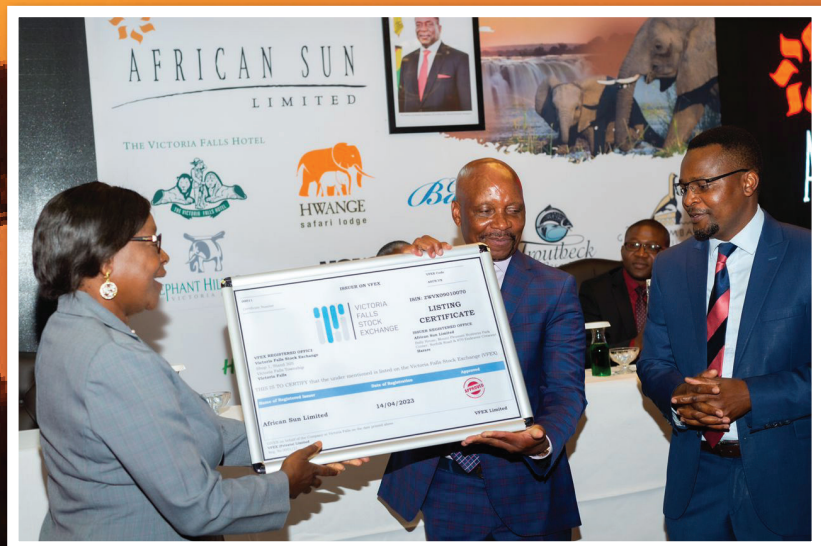
Employee Development

Target: Support sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all.

ZSE's Commitment: To foster a progressive, inclusive and respectful working environment for all employees.

We are cognizant of the fundamental role our employees play in supporting the exchange to achieve its strategic priorities. In 2023, we continued to focus on career development and succession planning. This was achieved through the graduate training programme. Other initiatives undertaken by the Group to facilitate employee development during the year included payment of professional subscription fees, continuous skills development training programmes, and workshops.

African Sun Limited Lists on VFEX



Depository Services

Safeguard Your Investments with the ZSE Depository



The ZSE Depository is a secure and efficient way to hold your ZSE investments.

Service Offering:

- **Centralized custody:** Hold your securities electronically in one safe place.
- **Reduced risk:** Eliminate the risk of loss or theft of physical certificates.
- **Convenience:** Simplified settlement and transfer of securities.
- **Transparency:** Real-time access to your holdings electronically.
- **Clearing and Settlement:** Facilitate efficient processing of cash payments in exchange for securities
- **Pledges:** Use of securities to secure loan facilities with financial institutions
- **Early Settlement:** The ZSE Depository offers accelerated settlement to investors
- **Innovative products:** Such as day trading and contracts for difference (CFDs)

Open a ZSE Depository account today and experience a safer way to invest.

44 Ridgeway North, Highlands, Harare

Website: www.zse.co.zw | **Email:** depository@zse.co.zw

Tel: +263 (24) 2886830-5

Depository participants

Custodians

- Open CSD accounts on behalf of investors
- Provide a platform for their clients to access the capital markets
- Receive and execute trading (buy/sell) instructions from investors
- Facilitate any CSD-related investor requests

Issuers

- These are companies whose securities are available for purchase at the exchange
- Provide timely financial performance updates and share material company information with investors

Transfer Secretaries

- Keeps updated records of the issuer's listed securities
- Maintain and update the issuer's register of shareholders
- Pay dividends and execute other corporate actions on behalf of the issuer

ZSE Stakeholder Engagement

The ZSE recognizes and appreciates that engagement with and active cooperation of its stakeholders is essential for its strong business performance on a sustainable basis as well as for achieving and maintaining public trust and confidence within the organisation.

We are in an era where ESG factors are increasingly shaping our business practices and investor decisions, it is, therefore, crucial for the exchange to engage with stakeholders to ensure that our reporting reflects an inclusive view of the organisation's impact and performance.

During the past year, the ZSE engaged with all key stakeholders to ensure that its business and strategy are in line with stakeholder input as follows;



ZSE hosts the 11th ASEA BAFM SEMINAR



Stakeholder	Purpose of engagement	Methods of Engagement
Shareholders	-To provide current and future shareholders with relevant and timely information. -To manage shareholder expectations and reputational risk.	-Annual General Meetings. -Extraordinary General Meetings as and when called for.
Board of Directors	-Strategic direction and to keep them informed about ZSE and its subsidiaries' activities	-Regular, direct communication between CEO, Company Secretary. -face-to-face, written, digital and emails. -Board Meetings. -Internal and external functions.
Ministry of Finance, Economic Development and Investment Promotion	-To provide National Budget Input -To lobby on tax incentives on products. -To lobby the removal of restrictions on fungibility. -Establishment of commodities exchange. -Growth of VFEX	-Various industry and regulatory forums and meetings with management. -Internal and external functions.
Ministry of Mines and Mining Development	-Establishment of commodities exchange -Growth of VFEX	Various industry and regulatory forums, meetings with management
Reserve Bank of Zimbabwe (RBZ)	-Government debt securities -Promotion of Financial literacy and inclusion -VFEX fungibility	Various industry and regulatory forums, meetings with management.
Other Government institutions	To build and strengthen relationships with the Government.	-Various engagements with Government officials. -participation in consultative industry and sector forums.
Securities and Exchange Commission of Zimbabwe	-Amendments to the Securities and Exchange Act -Market performance updates -Investor education initiatives	Various industry and regulatory forums, meetings with management. -face-to-face, written, digital and emails -Internal and external functions.
Insurance and Pensions Commission (IPEC)	-Input on new products	Various industry and regulatory forums, meetings with management
Zimbabwe Association of Pension Funds (ZAPF)	-Input on new products	Various industry and regulatory forums, meetings with management
Competition and Tariff Commission (CTC)	-Approval of issuer's transactions (mergers and acquisitions).	-face-to-face, written, digital and emails
Investors	-To provide current and future Investors with relevant and timeous information. -New products and market developments.	-Trainings -website, annual report, social media handles, press releases and public notices - marketing and advertising activities -email and newsletters
Market participants	-To get feedback that informs our strategy, business operations and how we govern. -New products and services -Trading -Inspection	-meetings with management -Industry forums -Trainings -public notices -marketing and advertising activities -email and newsletters
Issuers	-To get feedback that informs our strategy , business operations and how we govern. -Corporate actions -Compliance -Practice notes	-meetings with management -Industry forums -Trainings -corporate announcements -marketing and advertising activities
Chengetedzai Depository Company (CDC)	-Trading and Settlement -new products	-meetings with management -Industry forums
African Securities Exchanges Association	-Market Statistics -product and market research -To build and strengthen relationships with exchanges	-Regional integrations and sub-committee meetings -quarterly bulletins, monthly reports
Media	-To leverage the reach and influence of media channels to share our business story, market performance and developments with Stakeholders -To protect and manage our reputation.	-Launches of various ZSE and VFEX products and services -Interviews with key business media on relevant matters -telephone and email interaction regarding media Enquiries. -Trainings -website, annual report, press releases and public notices -email and newsletters
Community	-To create awareness of our Vision, values, and Initiatives -adherence to corporate Governance and corporate social investment policy	-website, annual report, social media handles, press releases, and public notices -marketing and advertising activities.
Employees	-To provide staff with strategic direction and keep them informed about our activities -To ensure that we remain an employer of choice that provides a safe, positive and inspiring working environment -To understand and respond to the needs and concerns of staff Members -To provide opportunities for career development and growth	-Regular, direct communication between managers, teams and Individuals. -face-to-face, written, digital communications -functions -trainings
Suppliers	To obtain products or services required for conducting the ZSEs' business -To maintain an ideal and timeous supply of goods and services for operations	-face-to-face, written, digital communications -marketing and advertising activities

Association of Investment Managers Zimbabwe (AIMZ) Golf Day



Axia Limited Lists on VFEX



CHAIRMAN'S STATEMENT TO MEMBERS



Mrs. Caroline Sandura
Chairman

Overview

It is my great pleasure to present the financial and operational performance report of the Zimbabwe Stock Exchange Limited for the financial year ending 31 December 2023.

Operating Environment Review

In 2023, the world continued to experience global challenges with the ongoing Russia-Ukraine war, and these have an impact on capital markets as global supply chains are disrupted and investors take a more cautious approach.

We also witnessed the softening of global commodities prices as aggregate demand fell for most minerals across the world markets.

Back home, currency volatility resulted in soaring inflation and directly reduced the disposable incomes for investors on the market. This resulted in the Government introducing blended inflation reporting in February 2023. Interest rates remained high, with the minimum lending rate to companies at 166% per annum.

The auction system for foreign currency experienced challenges as successful bidders experienced delays in accessing the funds.

Climatic Changes

The El Nino effects currently being experienced in the Southern Africa region, characterized the end of 2023, and will exert pressure on the economy as the Government will need to secure food for the people, especially those in the rural areas because of drought induced poor harvests and food shortages.

Organizational Transformation

As we draw close to the final year of our 5-year Strategic roadmap, the ZSE's strategic priorities remain on track, as the drafting of the commodities exchange rules was finalised, and now awaits gazetting as law. We plan to launch the Commodities Exchange during the year 2024. We are grateful for the support received from the key stakeholders on this project.

Further, the Contract for Difference ("CFD") regulations were approved by our regulator, and we look forward to starting offering CFDs during the first half of 2024. This new product will significantly contribute to deepening our markets and enhancing liquidity on the VFEX.

Again, the Group facilitated the establishment and the subsequent launch of the Real Estate Investment Trust Association of Zimbabwe. The main objective of this Association is to raise awareness of the product and lobby the Government and our sector regulator to formulate laws and policies that will facilitate product growth and a favourable investment climate for REITs in the country.

The ZSE Direct and VFEX Direct have been instrumental in expanding access to our retail investing community, thus fostering greater financial inclusion. Through these platforms, individuals have opportunities to engage directly in the financial markets by such means, empowering them to participate in investment activities previously inaccessible.

Finally, the Group continued to engage local and international investors to attract investments into our market through various investment road shows held during the year.

CHAIRMAN'S STATEMENT TO MEMBERS

Human Capital Development

The total staff count for 2023 was 40 employees, with a ratio of 40% females and 60% males. These numbers affirm the significant strides made by the Group over the last four (4) years to introduce gender diversity in the workplace. The Group continues to focus on career development and succession planning by capacitating the various departments with graduate trainees to ensure skills development and training of the younger workforce. The graduate training programme and other initiatives, such as payment of professional subscription fees, continuous skills development training programmes, and workshops, help to ensure that all employees are well-equipped and highly skilled.

Financial Performance

Despite the challenging year, with liquidity constraints and other macroeconomic factors, the business performed significantly well compared to the prior year. The business achieved profits that were 300% higher in the financial year under review compared to the prior year, with profits reaching ZWL\$6,833 billion (2022 : ZWL\$1,692 billion). A comprehensive review of the 2023 financial performance is covered in the Chief Executive Officer's Statement.

Dividend

The Board of Directors has remained focused on creating shareholder value and building returns on their investment within the Group over the years. The Board declared a dividend payment of ZiG 5.25 per share and USD 0.88 per share in relation to the financial performance of the Group in 2023.

Directorate

There were no changes in the directorate during the period under review.

Outlook

The year ahead may be difficult for the economy because of the macroeconomic challenges. However, these conditions may increase the appetite for inflation-hedging assets and promote investor participation on the exchange. High inflation, depreciating local currency, and decreasing consumer disposable incomes may make capital raising on the ZSE difficult. On the contrary, we anticipate the Victoria Falls Stock Exchange to prime itself as a viable capital-raising option.

As part of our strategy, the Board has decided to self-list the business in the coming year for the following reasons:

- To access more appropriate risk-adjusted capital (debt and equity);
- To unlock shareholder value;
- To strengthen and enhance the visibility of the ZSE brand to both the public and private sectors, leading to new business opportunities; and
- To further strengthen the corporate governance and reporting structures of the company by adhering to the rigors of a listing.

The self-listing process is currently underway and is subject to approval by shareholders at an EGM, which we anticipate to hold later in 2024.

Appreciation

My sincere gratitude goes to our issuers, investors, and shareholders, who support the organisation despite the volatile macroeconomy. I would also like to thank fellow Board members, management, and all staff for their continued diligence in executing and delivering on the ZSE 5-year strategy on diversification.

I am also thankful for the support and guidance from our regulators, the Securities and Exchange Commission of Zimbabwe, and the Ministry of Finance, Economic Development and Investment Promotion.



.....
Mrs. C. Sandura
Board Chairman



Revitus Property Opportunities REIT IPO Launch



CEO's STATEMENT



Mr. Justin Bgoni
Chief Executive Officer

Dear Shareholders,

It is an honour and a privilege to present the operational and financial performance of the ZSE Group for the year ending 31 December 2023. Despite navigating through unprecedented times, our commitment to excellence, innovation, and inclusivity has remained unwavering. Thank you for your unwavering support and dedication to our shared vision of a vibrant and resilient capital market.

Overview

This report presents the integrated report and Financial statements for the period ended 31 December 2023. The year 2023 was a difficult period given the increased global conflicts and El Nino induced drought in the SADC region and the currency volatility which led to significant Government interventions to try to address the challenges in the market.

The ZSE experienced a period of general depression, evidenced by the significantly low number of trades and two delistings on the bourse. This is mostly attributable to the restrictions placed on the market through SI 103A of 2022 which effectively increased overall trading costs on the market. However, amidst this downturn, a positive development emerged with the listing of a new Real Estate Investment Trust named Revitus Property Opportunities REIT. This listing is indicative of the potential for growth within the REITs space, offering a glimmer of hope for future prospects.

The Victoria Falls Stock Exchange (VFEX) on the other hand experienced notable progress, with the addition of six new counters to its listings and improved trading levels. This uptick in activity on the VFEX reflects growing confidence and interest from the market participants in this platform, underscoring the increasing momentum and viability of the VFEX as a key player in the financial market.

As we navigate through challenging times, these developments serve as promising indicators of resilience and growth within our market.

Environmental analysis

In 2023, the macroeconomic environment in Zimbabwe was characterized by various key developments that had significant implications for the country's economic landscape. The Inflation rate ended the year at 29.4%. This figure reflects a reconstitution of the inflation rate, which is now a blended one, encompassing various components that influence the overall price levels in the economy.

In terms of economic performance, the GDP for 2023 was recorded at \$38 billion. This figure provided insights into the size and output of the economy, reflecting the aggregate value of goods and services produced within the country during the year. Another noteworthy development in the macroeconomic environment was the increase in Value Added Tax (VAT) from 14.5% to 15%.

Moreover, the Monetary Policy Statement issued in February 2023 had notable implications for economic policies and incentives. One key development highlighted in the policy statement was the removal of export retention incentives on VFEX-listed companies. This adjustment in export incentives had implications for companies operating on the VFEX platform and could influence their export strategies and competitiveness in the global market.

ZSE Operations and Trading Review

In the trading year of 2023, the ZSE Allshare Index, serving as the comprehensive gauge of the exchange's performance, saw a remarkable 981.54% increase to conclude the year at 210,833.92 points. This substantial surge was primarily driven by the overall uptrend in local prices, considering that the ZSE predominantly operates in local currency. In real terms, the returns on the ZSE were positive when compared to the official exchange rate which depreciated by 792%.

Conversely, the VFEX Allshare Index experienced a decline of 28.86% throughout 2023, ultimately closing at 70.48%.

The divergent movements in the ZSE Allshare Index and the VFEX Allshare Index underscored the distinct dynamics and performance trends within the two respective exchanges, reflecting the complexities of the Zimbabwean financial markets in the year 2023.

The total market turnover recorded on ZSE in 2023 was ZWL\$555 billion and this is 320% compared to the previous trading year. The equities market contributed 98% of this turnover and the REITs and ETF board made up the remaining 2%.

The VFEX on the other hand recorded USD \$26 million in 2023 which was a significant 116% increase from 2022 turnover figures. This is highly attributed to the increased number of listings on the bourse.

2023 ZSE LIQUIDITY RATIO : TOP 10

RANK	SYMBOL	LIQUIDITY	MARKET CAP: \$ZWL MIL	TURNOVER: \$ZWL MIL
1	First Mutual Properties Limited	16.95%	398,000	67,500
2	OK Zimbabwe Limited	11.34%	277,000	31,400
3	First Mutual Holdings Limited	7.49%	722,000	54,100
4	National Tyre Services Limited	5.52%	12,000	691
5	Edgars Stores Limited	4.62%	54,300	2,500
6	Proplastics Limited	4.56%	153,000	6,992
7	Delta Corporation Limited	4.35%	4,582,000	199,200
8	Mashonaland Holdings Limited	4.26%	238,700	10,160
9	Seed Co Limited	4.14%	249,300	10,300
10	British American Tobacco Zimbabwe Limited	3.99%	270,200	10,778

2023 VFEX LIQUIDITY RATIO : TOP 10

RANK	SYMBOL	LIQUIDITY	MARKET CAP: \$USD MIL	TURNOVER: \$USD MIL
1	Innsco Africa Limited	5%	250	12,73
2	Axia Corporation Limited	4%	44	1,84
3	Simbisa Brands Limited	4%	183	7,36
4	Seed Co International Limited	3%	81	2,21
5	Padenga Holdings Limited	1%	92	1,27
6	First Capital Bank Limited	1%	44	0.45
7	Bindura Nickel Corporation	0.70%	15	0.11
8	National Foods Holdings Ltd	0.70%	99	0.70
9	Nedbank Group Limited Zimbabwe Depository Receipts	0.70%	2	0.013
10	Caledonia Mining Corporation Plc	0.27%	10	0.027

FOREIGN INVESTOR PARTICIPATION ON THE ZSE

ZSE recorded a net foreign seller's position of \$46.6 billion in 2023 compared to \$31.7 billion in 2022. Foreign investor participation declined, contributing 7% of the total trades compared to 19% in 2022.

YEAR	2017	2018	2019	2020	2021	2022	2023
Local Investors	70%	69%	66%	77%	88%	81%	93%
Foreign Investors	30%	31%	34%	23%	12%	19%	7%

Market Capitalisation on the ZSE

The ZSE closed the trading year 2023 at a total valuation of ZWL\$16 trillion, representing an increase of 700% from the previous trading year. The top ten counters by market capitalization on the ZSE were as follows:

TOP 10 BY MARKET CAPITALISATION

RANK	COMPANY	MARKET (ZWL\$ MILLION)
1	Delta Corporation Limited	4,600,000
2	Econet Wireless Zimbabwe Limited	2,500,000
3	CBZ Holdings Limited	1,000,000
4	Ecocash Holdings Zimbabwe Limited	739,000
5	First Mutual Holdings Limited	722,000
6	FBC Holdings Limited	608,000
7	Rainbow Tourism Group Limited	399,000
8	First Mutual Properties Limited	398,000
9	TSL Limited	393,000
10	Hippo Valley Estates Limited	366,000



WestProp Holdings Limited Lists on VFEX



CEO's STATEMENT (continued)

PROJECTS REVIEW

The major highlights for the various ZSE projects are detailed below:

1. Victoria Falls Stock Exchange (VFEX)

The listing of 6 issuers on VFEX increased the number of listings to 14 listings as of 31 December 2023.

The submission of the commodities framework for approval to SECZim in December 2023 marked a significant milestone in the drafting process, reflecting the culmination of dedicated efforts in crafting the legislation.

On the CFD side, we witnessed the approval and licensing of VCG Markets as the first foreign CFD licensed player in Zimbabwe. More players are expected to apply for this license, which will ultimately increase the number of our securities intermediaries in the market.

2. ZSE Direct

In 2023, the ZSE Direct web and mobile platforms underwent significant enhancements to extend the functionality of our Automated Trading System (ATS), specifically catering to retail investors. We improved integrations with the ZB Payment Gateway and the EcoCash Payment Gateway, ensuring more efficient and prompt reflection of deposits in investors' wallets. Since its inception in 2020, the platform has experienced remarkable growth of 184.33 % in 2023, reaching a record 18,200 users as of 31 December 2023.

3. Market Surveillance

Clarity Surveillance System

The Clarity Surveillance system was successfully deployed and commissioned during the 1st Quarter of 2023. Comprehensive training sessions were conducted to ensure that all stakeholders were proficient in using the new system as mandated by Statutory Instrument 104A of 2022. The project was implemented according to the established timeline, specifications and after thorough testing and validation, it was officially commissioned for use.

We emphasize our steadfast commitment to robust market surveillance practices aimed at overseeing trading activities. Through a comprehensive framework, we diligently monitor market behaviours, ensuring strict adherence to regulatory standards and the preservation of market integrity.

Our Market Surveillance policy outlines stringent requirements aimed at minimizing financial crime encompassing areas such as

- money laundering
- terrorist financing
- insider trading
- market abuse
- misuse of confidential information and
- other malpractices

In 2023, we encountered a few breaches, one of which resulted in the suspension of a Stock Broker's license, while the others underwent thorough investigations. These incidents underscore the importance of our continuous monitoring efforts, which have consistently enhanced transparency, mitigated risks, and maintained the trust of stakeholders. We reaffirm our unwavering dedication to upholding the highest standards of market surveillance to cultivate a fair and efficient trading environment.

4. InnBucks Payment Gateway on VFEX Direct

VFEX Direct introduced a new payment funding option to the platform, providing an additional means for investors to fund their trading wallets. This innovative solution offers users a convenient and secure way to add funds to their accounts, enhancing the overall user experience. The seamless integration done in 2023 allows users to initiate fund transfers directly from their InnBucks account without having to navigate to external banking portals or third-party payment processors. Adding InnBucks on VFEX Direct simplifies the funding process and reduces the risk of errors or delays for our retail investors.

5. Operation from the Disaster Recovery

As part of our business continuity management (BCM), the organization conducted a comprehensive disaster recovery (DR) site switch-over exercise to test and validate the effectiveness of the DRS strategy and processes. This exercise was conducted during the second quarter of 2023, and it was a crucial step in ensuring that the ZSE systems and operations could be successfully recovered and restored in the event of a disaster or major outage.

The switch-over exercise involved transitioning critical systems and services from our primary data center to our designated DR site. This process simulated a real-life scenario where our primary site was rendered unavailable, and we needed to activate our DR site to maintain business continuity.

Overall, the switch-over exercise successfully demonstrated the organization's preparedness and ability to respond to a disaster effectively. The insights gained from the exercise will be used to strengthen our DRS capabilities further and ensure that ZSE continues to deliver uninterrupted services to our customers, even in the face of unforeseen challenges.

6. Digitalisation

The ZSE continued its thrust towards digitalization, intending to develop processes and change workflows to improve manual systems. In 2023, the key focus was on user requirement gathering specifically aimed at the internal departments to identify and comprehensively understand the department's needs. After consolidating the user requirements, a gap analysis was carried out to compare the current state with the ideal state, highlighting the shortcomings and opportunities for improvement.

A phased approach to the project was adopted, and following the feedback during the internal engagements, in 2024, the development teams will be actively engaged in implementing the necessary changes and enhancements tailored to meet the identified needs of the Depository and ZSE Markets Departments.

7. Contract For Differences

Following the approval of the framework for the trading of Contract for Difference ("CFDs") by the Commission, one foreign member received licensing from SECZim. Although the commencement of trading for this product was initially anticipated in Q4, 2023, the launch was postponed to 2024 to facilitate contract negotiations regarding the settlement and operational aspects of CFDs.

CEO's STATEMENT (continued)

8. Commodities Exchange

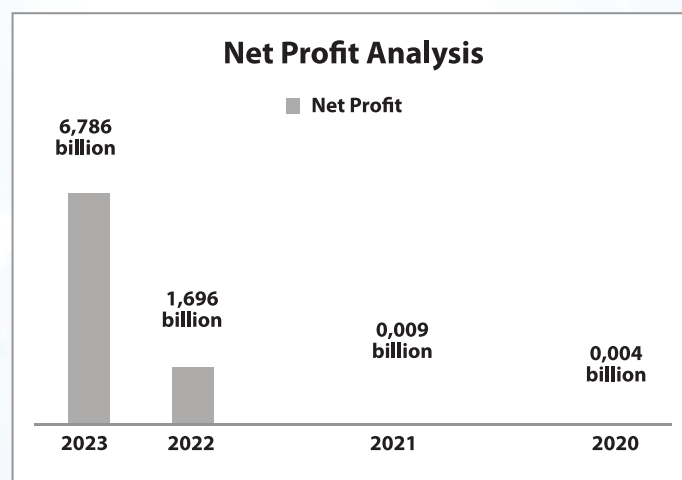
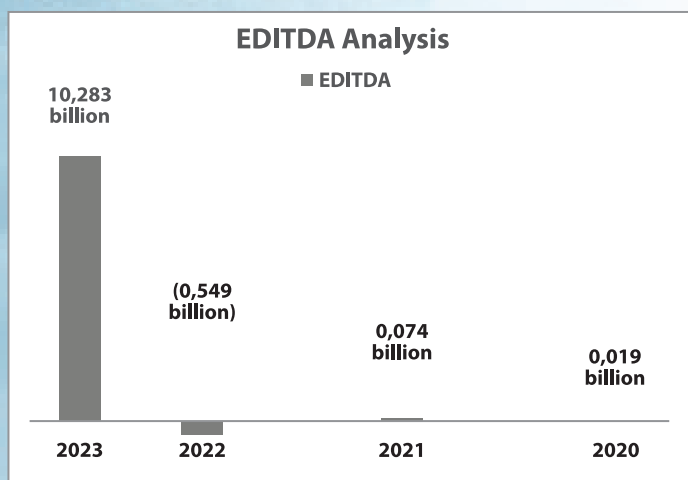
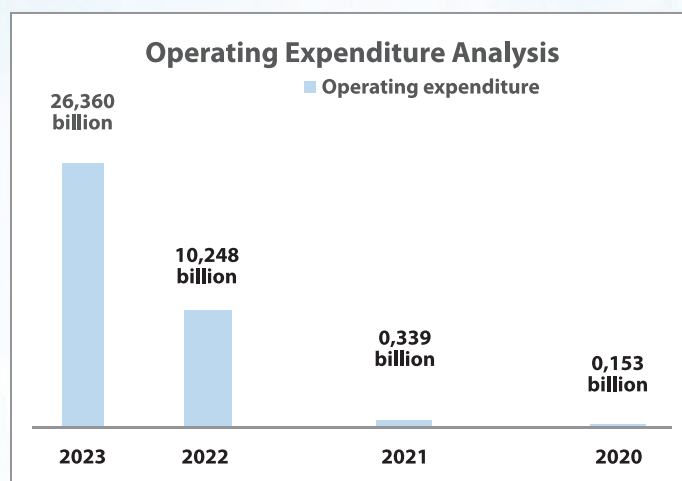
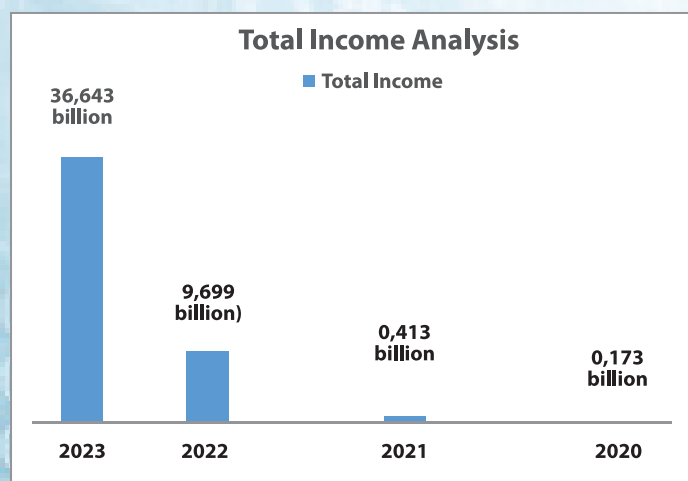
The ZSE successfully concluded drafting of the legal framework on the Commodities Exchange. The framework was put together by the working party that included the Ministry of Finance, Economic Development and Investment Promotion ("MoFEDIP"), the Ministry of Mines and Mining Development ("MMMD"), the Attorney General's Office ("AG"), Minerals and Marketing Corporation of Zimbabwe ("MMCZ"), Securities and Exchange Commission of Zimbabwe ("SECZim") and VFEX. The rules were formally submitted to SECZim in December 2023.

Other work streams for recruiting participants are ongoing. We have also successfully engaged warehouse operators and are in the process of recruiting other participants. We expect to go live on the commodities exchange in the first half of 2024.

Financial Performance Overview

The business has shown an upsurge in performance over the past four years, as depicted in the figures below. Despite facing macroeconomic challenges such as volatility in exchange rates and liquidity shortages, the business managed to navigate through these hurdles with the dedication of its staff and the unwavering support of the Board of Directors.

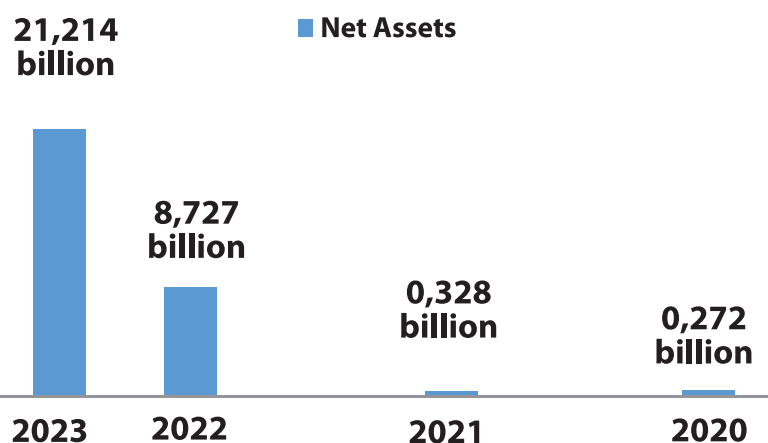
Company performance Highlights



CEO's STATEMENT (continued)

Company performance Highlights

Net Asset Value Analysis



Turnover

The turnover increased significantly, above inflation, in the financial year under review compared to the prior year. The business achieved a 280% increase in turnover to ZWL 32.909 billion, with the major contributor being the listing fees which saw a 512% boost from the prior year.

The increase in the number of listings on both exchanges, along with the increase in volume and value of trades on the VFEX, also played a role in the turnover increase. Additionally, there were a significant number of requests from issuers to extend their publication dates, which boosted the document review fees.

Profitability

Profits increased by 300%, from ZWL 1.696 billion in the previous year to ZWL 6.786 billion in the current year. This increase was achieved as a result of cost-containment measures implemented during the financial year. Despite a 157% increase in operating costs due to exchange rate volatility, the business maintained its margins at 18% from the previous year, all made possible by the 280% increase in turnover.

Statement of Financial Position

The Group's Statement of Financial Position grew to ZWL21.349 billion in 2023, a 1400% increase from ZWL1.402 billion in the prior year on historical cost basis. This significant increase can be attributed to the following factors:

- A 1290% increase in property values compared to the previous year.
- A 415% increase in intangible assets, reflecting ongoing investments in the establishment of the Commodities Exchange, as well as the development and enhancement of the VFEX Direct and Surveillance System.
- A 505% increase in cash and cash equivalents, indicating improved liquidity compared to the prior year.
- Significant growth in profits, which contributed to an increase in equity.

Overall, these factors combined to drive the substantial growth experienced by the Group's Statement of Financial Position in the period under review.

Statement of Cashflow

Cash generated from operating activities was at ZWL4.287 billion, up from ZWL1.282 billion in the previous year. The Group invested ZWL1.685 billion in capital expenditure, which helped strengthen the Statement of Financial Position compared to previous years. Additionally, ZWL0.274 billion was invested in short-term deposits for additional income generation. A positive cash balance of ZWL2.925 billion was achieved at the end of the year (2022: ZWL0.272 billion).

Outlook

As we look ahead to the next trading year, the ZSE is optimistic about the prospects of the business environment. The upcoming changes to the Zimbabwean currency, which are expected to bring about stability and confidence in the economy, are likely to have a positive impact on the ZSE's trading activities in the long run. This, in turn, is expected to drive growth and increase investor confidence in the market.

The diversification of products on VFEX is also expected to play a significant role in the exchange's growth prospects. This increased product diversity will not only attract new investors but also provide existing ones with more opportunities to diversify their portfolios.

The ZSE's outlook for the next trading year is therefore positive, driven by the anticipated economic growth, and increased product diversity on the VFEX. We are confident that these factors will drive growth and increase investor confidence in the exchange.

Appreciation

We wish to express our sincere appreciation and gratitude to the Board of Directors for their invaluable guidance. Additionally, we extend our heartfelt thanks to our dedicated staff for their loyalty and unwavering dedication. Moreover, we are grateful to our regulator, the Securities and Exchange Commission of Zimbabwe, for their ongoing support and to the Ministry of Finance, Economic Development, and Investment Promotion for their wholesome contribution to the growth and development of our capital markets.

Mr. J.Bgoni
Chief Executive Officer

Hosting of the 11th ASEA BAFM Seminar



STATEMENT OF CORPORATE GOVERNANCE REPORT

The Board Of Directors

The Board of Directors is chaired by a non-executive director and comprises six other non-executive and two executive directors. The Board enjoys a strong mix of skills and experience which include finance, business, legal, economic and accountancy. The Board is the primary governance organ whose role is to determine overall policies, plans and strategies of the ZSE and to ensure that these are implemented ethically and professionally.

The Board meets regularly, at least four times a year, and guides corporate strategy, risk management practices, annual budgets and business plans. Special Board meetings may be convened on an ad-hoc basis when necessary, to consider issues requiring urgent attention or decision. The Company Secretary maintains an attendance register of Directors to all scheduled meetings during the year.



Mrs. Caroline Sandura
Chairman and
Non- Executive Director

Caroline Sandura was admitted as a Barrister at Law of England and Wales and was subsequently admitted as a Legal Practitioner of the Zimbabwe High Court and Supreme Court. Caroline holds a Joint Honours degree in Law and Politics from Keele University (UK). She joined the then Post and Telecommunications Corporation (PTC) which was commercialized in the year 2000 to TelOne (Private) Limited. Whilst at TelOne, Caroline represented TelOne at several International foras where at some of the meetings, she was appointed to chair Committees and also to sit as a rapporteur and she acquitted herself very well.

Since 1993, Caroline has served as a non-executive Chairman and Board Member of several organizations, which included the ZB Bank as Chairman of the ZB Building Society, Chairman of the Communications and Allied Industries Pension Fund where she won a gold medal which was awarded in Geneva for Good Management and Good Corporate Governance. She was also appointed as a non-executive board member of the Zimbabwe Mining Development Corporation (ZMDC) where she was firstly assigned to chair the Sabi Gold Mine in Zvishavane and then she was elevated to the position of Chairman of the ZMDC Board. As Chairman of the ZMDC Board, her Board was accredited for opening the Chiadzwa/Marange Diamond Field. The ZMDC board also went into several international joint ventures with several companies to mine platinum, gold and diamonds. Caroline was then subsequently appointed to the Board of the Zimbabwe Stock Exchange as a non-executive chairman and this board has also established the Victoria Falls Foreign Currency Exchange as its first subsidiary company. She was the deputy chairman of the Thematic Committee which drafted the first National Code of Corporate Governance for Zimbabwe. Caroline was married to the late Supreme Court Judge, Justice Wilson Sandura and they had two children.



Mr. Bartholomew Mswaka
Non-Executive Deputy Chairman

Bart Mswaka retired on the 31st of January 2023 as the Chief Executive Officer of St Giles Medical Rehabilitation Centre, a registered welfare organisation dedicated to the rehabilitation of adults and children with all types of physical disabilities.

He holds a Bachelor's degree in Economics from the University of Zimbabwe. Bart has worked at the Reserve Bank of Zimbabwe as well as the Bank of Botswana where he was an expatriate manager. Bart switched careers in 1996 and joined stockbrokers Fleming Martin Edwards Securities (now Imara) as a manager.

In 1999 he moved to HSBC Securities as the Managing Director (HSBC later became ReNaissance Securities (Pvt) Ltd). Bart is a registered stockbroker and a former Chairman of the Zimbabwe Stock Exchange Committee. He is currently the Deputy Chairman of the Zimbabwe Stock Exchange Limited and chairs its Listings Committee.

Bart was also the inaugural Chairman of the Zimbabwe Asset Management Company Limited, a subsidiary of the Reserve Bank that was formed to manage nonperforming loans and resolve these to accepted international threshold. Bart is also Chairman of a leading microfinance entity Untu Holdings Limited. He is also the independent Chairman of the Motor Industry Pension Fund.

In November 2023 Bart was appointed by the President of the Republic of Zimbabwe to the Board of the country's Sovereign Wealth Fund, the Mutapa Investment Fund. In November 2022 Bart was awarded the Capital Markets Lifetime Achievement Award. This Award recognizes individuals who have contributed significantly and demonstrated outstanding achievements in the Capital Markets and Exchanges landscape of Zimbabwe's financial sector.



Mrs Maureen Svova
Non-Executive Director

Maureen Svova is one of the pioneer black women Chartered Accountants in Zimbabwe with over 30 years of experience. She holds a Bachelor of Accountancy degree from the University of Zimbabwe and is a Chartered Accountant. Mrs. Svova is a results-oriented, detail-oriented leader who is able to relate and interface easily at top executive levels, having worked at senior executive level for the greater part of her working life. She has held various directorship roles and currently sits on the Boards of the Zimbabwe Stock Exchange (ZSE), the Victoria Falls Stock Exchange (VFEX), Export Credit Guarantee Corporation, and Schweppes Africa Holdings.

STATEMENT OF CORPORATE GOVERNANCE REPORT

The Board Of Directors



Mr. Masimba Mudzungayiri
Non-Executive Director

Masimba Mudzungayiri is the Director Audit Assurance and Advisory Services in the Ministry of Finance Economic Development and Investment Promotion. Masimba has over 30 years of experience as an Accountant in various sectors of industry in Zimbabwe.

He holds an MSc. Professional Accountancy Degree from the University of London and a BSc. (Honours) Applied Accounting from Oxford Brookes University. Masimba is a member of ACCA and the Institute of Internal Auditors of Zimbabwe.



Mrs. Lindiwe Tirivanhu
Non - Executive Director

Lindiwe Tirivanhu is currently the Director of Debt, Recording, and Settlement in the Ministry of Finance Economic Development and Investment Promotion. As Director, she provides leadership and day-to-day management of the debt management function, ensuring that these functions meet full legal requirements in each of the organization's offices and striving for bottom-line results.

Before becoming Director in 2016, Lindiwe Tirivanhu was the Chief Accountant, a position she held for 8 years. Lindiwe has over 35 years of experience in Government Sector finance and debt management. She holds a Master's in Business Administration and a Bachelor's in Commerce Accounting from Midlands State University. Lindiwe also has a Certificate in International Public Sector Accounting and a higher national diploma in Accounting.



Mr. Benson Gasura
Non-Executive Director

Benson Gasura is the Managing Director of FBC Securities (Private) Limited, a brokerage subsidiary of the financial services group FBC Holdings.

He sits on several Board and Executive Management committees within the FBC Group. Benson is a registered stockbroker, Chairman of the Stockbrokers Association of Zimbabwe, chairman of TIB Insurance, Chairman of the Corporate Governance and Risk Committee of the IODZ, and a full member of the South African Institute of Financial Markets.

He holds a Master of Science in Strategic Management and a Masters in Business Administration. Additionally he holds qualifications in Management, Risk, Banking and Business leadership. He has been involved in financial services for over 10 years.



Mr. Markus de Klerk
Non-Executive Director

Markus de Klerk is a registered legal practitioner in Zimbabwe and has over 20 years' experience in commercial legal matters, corporate administration and the financial services sector in SADC.

His areas of expertise include Legal Counsel, Advisory Services, Debt and Equity Capital Financing, Structured Trade and Commodity Finance, Corporate restructuring, Collateral Restructuring and Credit Process Management, Mergers, Acquisitions and Securities. Markus is currently the Legal Executive for African Sun Limited, an entity listed on the VFEX.



Mr. Justin Bgoni
Chief Executive Officer

Justin is a Chartered Accountant with over 24 years of international experience in the financial and public sector. Justin holds amongst other qualifications a Bachelor of Accounting from the University of South Africa and a Master in Applied Finance from Victoria University of Wellington in New Zealand. Some notable previous appointments include being a management consultant for McKinsey Incorporated and Chief Financial Officer at New Zealand Stock Exchange.

Zimplot Holdings Limited lists on VFEX



COMMITTEES OF THE BOARD

The Board of Directors of the Company has six (6) Board Committees which provide support to the work of the main Board namely;

1. Audit and Risk Committee
2. Listings Committee
3. Human Resources and Nominations Committee
4. Business Development and ICT Committee
5. Membership Committee
6. Depository Committee

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee is constituted by three Non-Executive Directors and chaired by a Non-Executive Director. The Chief Executive Officer and Finance Executive also sit on the committee as ex-officio members. The Committee meets quarterly and as and when urgent matters require its attention.

The Committee's brief includes reviewing the annual financial statements, financial control, the effectiveness of systems of governance, risk management and the adequacy and effectiveness of internal control systems.

The Committee formulates the organisation's investment strategy and policy and reviews the investment opportunities available to the company as well the financing and capital structure of the company.

The Committee reviews the principles, policies and practices adopted in the preparation of the financial statements of the ZSE and assesses whether the financial statements of the ZSE and any formal announcement relating to the organization comply with statutory requirements. In addition, the Committee oversees the external audit process and is responsible for recommending the appointment of the external auditors as well as the remuneration of the external audit engagement. The external auditors are invited to attend the Committee's meetings. The members of the Committee as of 31 December 2023 were:-

Mrs M.R. Svova (Chairman)
Mr M. de Klerk
Mrs L. Tirivanhu

LISTINGS COMMITTEE

The Listings Committee is chaired by an Independent Non-Executive Director and comprises Non-Executive Directors and external technical experts with experience in financial advisory services. The Chief Executive Officer and the Head of Issuer Regulation are ex-officio members of the Committee. The Listings Committee meets monthly and on an ad-hoc basis as necessary to make determinations pursuant to the ZSE Listing Requirements. The members of the Committee as of 31 December 2023 were:-

Mr B. Mswaka (Chairman)
Mrs M.R. Svova
Mr M. de Klerk
****Mr. M. Mudzungayiri (was appointed on 24 May 2023)**
Mr S. Shumba (Expert member)
Mr R. Ndamba (Expert member)

HUMAN RESOURCES AND NOMINATION COMMITTEE

The Human Resources and Nomination Committee determines the remuneration for the Executive Directors and other executive management. It also considers the composites of the Board and its committees and makes appropriate recommendations to the Board regarding the retirement, appointment and replacement of Directors. The Committee's brief includes reviewing human capital policies, performance measurement, reviewing and approval of staff remuneration and conditions of service. The members of the Committee as of 31 December 2023 were:-

Mrs. C. Sandura (Chairman)
Mr. B. Mswaka
Mr. B. Gasura

BUSINESS DEVELOPMENT AND ICT COMMITTEE

The Committee's role is to assess and oversee the organisation's capacity to operate an efficient ICT infrastructure that supports business objectives and operate an efficient Business Development Unit that is assessing new business opportunities to develop income streams outside the traditional markets.

The Committee also provides oversight of ZSE's business development activities, annually review ZSE's business development performance to ensure that business development activities are aligned to the ZSE's mission and vision, strategic priorities and meet key performance metrics established for the business. The members of the Committee as of 31 December 2023 were:-

Mr. M. Mudzungayiri (Chairman)
Mr. B. Gasura
Mr. M. de Klerk

MEMBERSHIP COMMITTEE

The Committee's broad role is to regulate Membership issues; determine the fees, levies, penalties and subscriptions for ZSE Members and Non-Member Institutions. The Committee prescribes the general conduct of the ZSE Members and also establishes members' complaints and grievance handling procedures. The members of the Committee as of 31 December 2023 were:-

Mrs L. Tirivanhu (Chairman)
Mrs. C. Sandura
Mr. M. Mudzungayiri

DEPOSITORY COMMITTEE

The Committee's broad role is to ensure that policies and procedures are put in place for the safe keeping and custody of securities (debt, equities, ETFs.) for investors in electronic form. The Committee prescribes the general conduct and guidelines related to services such as securities clearing and settlement, securities transfer and pledges that are related to securities transactions. The members of the Committee as of 31 December 2023 were:-

Mr B. Gasura (Chairman)
Mr B. Mswaka
Mrs L. Tirivanhu
Ms S. Musa (Expert member)
Mr M. Kapachika (Expert member)
Mr W. Karombo (Expert member)

BOARD ATTENDANCE DURING THE YEAR

Zimbabwe Stock Exchange Board & Committee Attendance (2023)

NAME	BOARD MEETINGS	AUDIT & RISK COMMITTEE	MEMBERSHIP COMMITTEE	LISTINGS COMMITTEE	HUMAN RESOURCES	BUSINESS DEV & ICT	DEPOSITORY COMMITTEE
	No. Meetings	No. Meetings	No. Meetings	No. Meetings	No. Meetings	No. Meetings	No. Meetings
	(7)	(5)	(5)	(10)	(7)	(4)	(4)
C. Sandura	7		5		7		
B. Mswaka	7			10	7		4
B. Gasura	7				6	4	4
M. de Klerk	5	3		7		3	
M.R.Svova	7	5		10			
L. Tirivanhu	7	5	5				4
M. Mudzungayiri	7		5	*4		4	

KEY

* Mr Mudzungayiri was appointed to the Listings Committee on 24 May 2023.

Victoria Falls Stock Exchange Board & Committee Attendance (2023)

NAME	BOARD MEETINGS	AUDIT & RISK COMMITTEE	LISTINGS COMMITTEE	BUSINESS DEV ICT COMMITTEE	DEPOSITORY COMMITTEE
	No. Meetings 6	No. Meetings 4	No. Meetings 3	No. Meetings 4	No. Meetings 4
C. Sandura	6				
B. Mswaka	6		3		4
B. Gasura	6			4	4
M. de Klerk	3	2	2	3	
M.R. Svova	6	4	2		
L. Tirivanhu	6	4			4
M. Mudzungayiri	6		*N/A	4	

Key

* Mr Mudzungayiri was appointed to the listing committee on 24 May 2023.

EXECUTIVE COMMITTEE (EXCO)

This committee is made up of ZSE Senior Management Team (SMT), and its role is to implement the ZSE strategy and also oversee day-to-day operations of the Exchange. It recommends strategic initiatives and changes of the strategy to the Board in line with developments in the business environment

The Committee meets on a weekly basis and its members as of 31 December 2023 were:-

Mr. Justin Bgoni (Chairman)

Mr. Lyndon Nkomo

Mr. Robert Mubaiwa

Mr. Irvine Sithole

Mrs. Yolanda Chanakira (appointed as the Finance Executive in January 2023)

Mr. Edwin Mtami (appointed in October 2023 as Acting Head ZSE Markets)

Mr. Tinashe Mapara (left the organisation in October 2023)

Mr. Kudakwashe Mundwozi (left the organisation in August 2023)

ZIMPAPERS CANCER POWER WALK





ZSE Training Portal

The ZSE Training Portal is a user-friendly, online educational portal developed for investors to promote financial inclusion and literacy.

The training portal offers various investment resources which include:

- **Free Investment Courses**
- **Investment 101**
- **Exchange Traded Funds (ETFs)**
- **Real Estate Investment Trusts (REITs)**
- **Glossary of Capital market terms**
- **Upcoming Events and Trainings**
- **ZSE Blog with investment articles**
- **Investment Tutorials**



REGISTER TODAY



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Instagram: Zimstock Exchange

Youtube: Zimbabwe Stock Exchange

Whatsapp: Zimbabwe Stock Exchange

ZSE EXECUTIVE COMMITTEE



Mr Justin Bgoni
Chief Executive Officer and Chairman

Justin is a Chartered Accountant with over 24 years of international experience in the financial and public sector. Justin holds amongst other qualifications a Bachelor of Accounting Science from the University of South Africa and a Master in Applied Finance from Victoria University of Wellington in New Zealand. Some notable previous appointments include being a Management Consultant at McKinsey Incorporated and Chief Financial Officer at New Zealand Stock Exchange.



Mr. Robert Mubaiwa
Head VFEX Markets

Robert holds a BSc in Applied Accounting from Oxford Brookes University, UK and is a Fellow of the Association of Chartered Certified Accountants and Public Accountants and member of Auditors Board of Zimbabwe and has over 15 years in Capital Markets and insurance. Robert joined ZSE as Trading Manager in May 2008. Robert was instrumental in the automation of the ZSE in 2015 and implementation of the debt market framework. Prior to joining ZSE he was Account Executive at Marsh Insurance Brokers Zimbabwe and Capitol Insurance Brokers. He was responsible for underwriting short term insurance business and claims management and accounting.



Mr. Lyndon Nkomo
Company Secretary and
Head of Legal, Compliance
and Issuer Regulation

Lyndon holds a Bachelor of Laws (Honours) (LLB) (Hons) degree from the University of Zimbabwe, a Master of Laws (LLM) (Communications Laws) degree from the University of the Witwatersrand, Johannesburg, South Africa and a Master of Business Administration (MBA) degree from the University of Zimbabwe. He is a registered Legal Practitioner, Notary Public and Conveyancer. Lyndon has over two decades of legal experience in both private practice and the corporate sector. He also chairs and sits on a number of Boards including those of Not for Profit Organisations like Deaf Zimbabwe Trust and the Marketers Association of Zimbabwe.



Mr. Irvine Sithole
Head of Information
Communication
and Technology

Irvine holds a MSc Information Systems Management and a BSc Information Systems (Hons) from Midlands State University. Irvine holds numerous certifications and accreditation from internationally recognised ICT institutions namely Cisco, CompTIA, EXIN Axelos, ICSI and Microsoft which includes security certifications. Irvine was instrumental on the Automated Trading project as well as the Debt Market project. Prior to joining ZSE, Irvine worked as a Senior Systems Administrator with National Blood Service Zimbabwe as well as a consultant with Digitron Business Systems.



Mrs Yolanda Chanakira
Finance Executive

Yolanda Chanakira is a qualified Chartered Accountant Zimbabwe (CAZ) who is registered with the Institute of Chartered Accountants (ICAZ) and a member of the WeCAN Committee Harare Charter (ICAZ). She holds, amongst other qualifications a BSC in Accounting with the University of Nicosia in Cyprus, an Honors Degree in Certified Theory in Accounting with UNISA, a certificate in Corporate Finance with ICAZ, and is currently doing her Masters in Financial Engineering with NUST. Yolanda trained her articles with EY (Zimbabwe). Prior to joining the ZSE, she was a Corporate Finance Manager at Imara Corporate Finance Zimbabwe, and an Audit Manager at EY.

VFEX CFD training to Participants



RISK MANAGEMENT REPORT

The ZSE Board of Directors and SMT recognise that effective risk management creates and preserves value for ZSE stakeholders.

RISK MANAGEMENT FRAMEWORK

The ZSE has a comprehensive Risk Management Framework that aligns with the ISO 31000:2018 Risk Management Guidelines. The Risk Management Framework operates within the ZSE's risk appetite and aims to provide a systematic and comprehensive approach to managing risks.

RISK GOVERNANCE

The Board, supported by the Audit and Risk Committee, oversees the ZSE's risk management activities, while SMT is responsible for implementing and executing them.

The ZSE Board adopted the Three Lines Model to assign roles and responsibilities and enhance the flow of risk management information across all levels. The First Line involves operational management, including SMT, Staff, Controls, Policies, and Procedures, to identify, assess, and manage the risks that ZSE faces.

The Second Line includes the Risk Management function which provides complementary expertise, support and

monitors the effectiveness of risk management practices across ZSE. The Risk Management Function also assists with developing Risk Management Framework, Policies, and Procedures.

The Third Line is the Internal Audit function which communicates independent and objective assurance and advises the Audit and Risk Committee and the Board on the adequacy and effectiveness of governance and risk management (including internal control) to promote and facilitate continuous improvement.

External Assurance Providers include our External Auditors and the Securities and Exchange Commission of Zimbabwe who provide additional assurance to satisfy legislative, regulatory and ethical expectations that serve to protect the interests of stakeholders.

RISK CULTURE

The ZSE Group risk culture ensures that risk management is embedded in all activities and interactions. Risk Management trainings is provided to the Board and staff.

RISK PROFILING

SMT and Risk Champions in collaboration with Coronation Risk Advisors, conducted monthly risk assessments to identify, analyse, evaluate, and treat risks. Risks in the Consolidated Risk Register are presented to the Audit and Risk Committee on a quarterly basis.

PRINCIPAL RISKS FOR ZSE

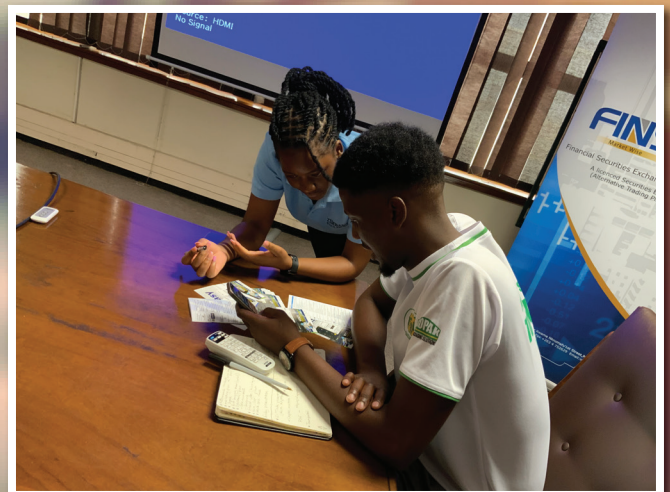
The following are the principal risks faced by the zse;

RISK CATEGORY	DESCRIPTION
Strategic Risk	Risk is associated with the decisions and actions taken by the ZSE in order to achieve its business objectives. To mitigate strategic risk, the ZSE regularly monitors and evaluates the progress and effectiveness of the Five-Year Strategy as well as ongoing stakeholder engagement to understand their concerns, expectations, and feedback.
Operational Risk	There is a risk of financial loss that results from the failure of ZSE's operational processes, people, or systems. This risk can be mitigated by implementing departmental policies and procedure manuals, backup and redundant systems, disaster recovery sites, staff training, and segregation of duties.
Compliance Risk	The risk of legal, regulatory, or ethical violations can result in fines, penalties, or even loss of ZSE's license to operate. The risk can be mitigated by proactively engaging in alternative dispute resolution, seeking legal counsel, and providing comprehensive compliance trainings to stakeholders.
Financial Risk	The potential for financial losses or missed opportunities that can arise from fluctuations in the value of financial assets or liabilities and can be mitigated by adhering to Finance Policies and Procures, procuring from local markets, and investing in diversified money market instruments.
Hazard Risk	The ZSE is exposed to the risks arising from property, liability or personnel loss exposures. The risks are managed through insurance arrangements, adherence to Human Resources policies and the implementation of safety measures such as first aid facilities.

RISK MATURITY

The ZSE has matured since the organisation adopted Enterprise Risk Management from being a Novice (Level 1) to Proficient (Level 3), indicating an understanding of the benefits of risk management and its preparedness to undertake appropriate risks.

INVESTOR EDUCATION



ZSE Direct

A Zimbabwe Stock Exchange Online Trading Platform

The ZSE Direct platform makes it easy to trade securities listed on the ZSE and has the following key features:

- User-friendly interface
- Your portfolio indicating all your securities
- Latest market statistics
- The market depth feature showing up to 10 best orders on both the buy and sell side
- The price range on buy and sell tabs
- Counter performance
- VFEX Direct migration tab
- Notification tab
- Placing of bids or offers for volumes from 1 up to 99

REGISTER TODAY

44 Ridgeway North,
Highlands, Harare

Tel: +263 (24) 2886830-5, 0719225779

Website: www.zsedirect.co.zw

Email: zsedirect@zse.co.zw

Facebook: Zimbabwe Stock Exchange

LinkedIn: Zimbabwe Stock Exchange

X: ZSE_ZW

Instagram: Zim Stock Exchange

Youtube: Zimbabwe Stock Exchange

Whatsapp: Zimbabwe Stock Exchange



OPERATIONS REPORT

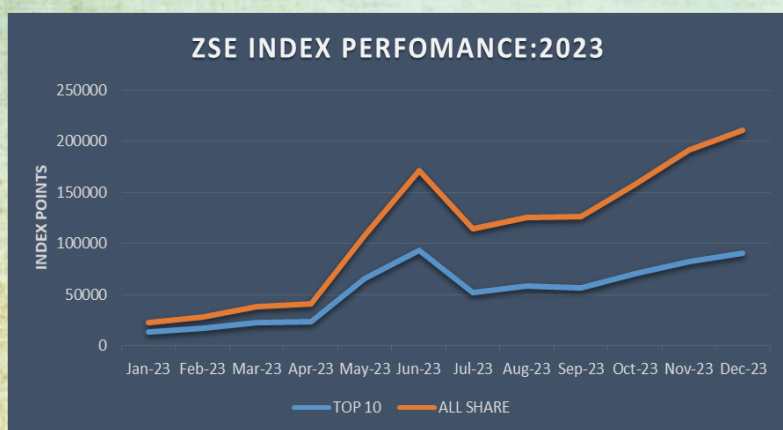
INDEX PERFORMANCE

The ZSE All Share Index went up 981.54% in 2023, a massive jump driven by the consistent spike in ZSE securities prices.

The ZSE Top 10 Index recorded a 631.74% growth during the same period.

INDEX	31 DEC-23	31 DEC-22	CHANGE
All share	210,833.90	19,493.85	981.54%
Top 10	90,085.91	12,311.13	631.74%

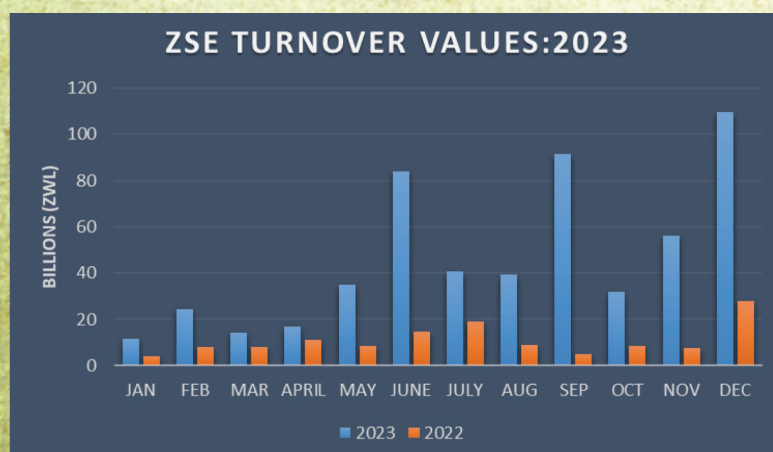
The graphs below shows the main indices trends during the year 2023.



The ZSE Financials index recorded the highest returns in the trading year 2023 after registering a huge 1591% increase to close at 29,140.88 points. The table below shows the sectoral index returns for the year 2023.

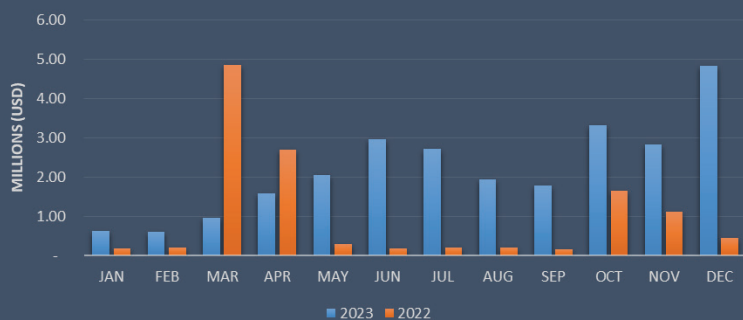
TURNOVER AND VOLUME FIGURES

The trading year 2023 saw the market recording turnover of \$555 billion and this represents 320% increase from the preceding year.

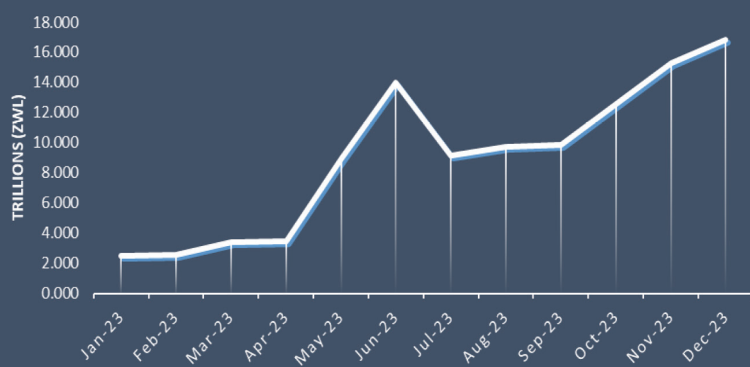


OPERATIONS REPORT

VFEX TURNOVER VALUES



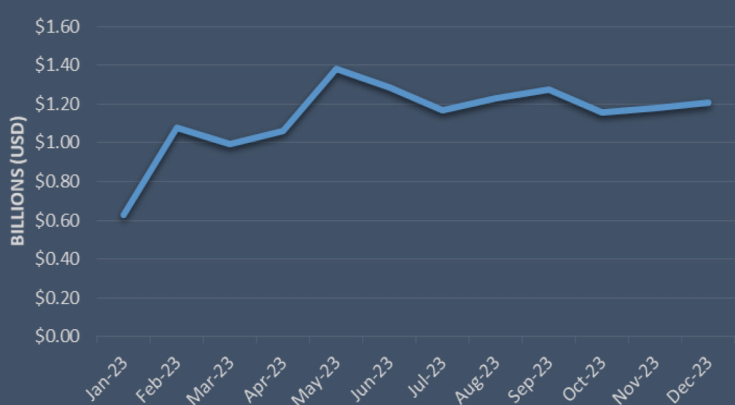
ZSE MARKET CAP:2023



MARKET CAPITALIZATION

The ZSE market capitalization rose by 700% from the previous year to close the trading year of 2023 at \$16 trillion.

VFEX MARKET CAPITALISATION:2023



VFEX MARKET CAPITALISATION

The VFEX recorded a significantly high gain in the market capitalization of 113% to close the year at USD\$1.18 billion.

Innscor Africa Limited Lists on VFEX





Security Pledging

Unlock the full potential of your holdings with Security pledging on the ZSE and VFEX Depository

The ZSE and VFEX Depositories offer a security pledging platform enabling investors to unlock new financial possibilities.

What is Security Pledging?

Security pledging allows investors to use their existing listed securities on the ZSE or VFEX as collateral to secure loans or lines of credit. You retain ownership of your securities, while the pledged securities act as security for the lender.

Benefits of Security Pledging:

- **Access Capital:** Secure funding for business ventures, investments, or personal needs without selling one's securities.
- **Retain Ownership:** Maintain control and potential future gains of pledged securities.
- **Increased Flexibility:** Unlock the hidden value of your shareholdings.
- **Transparent & Cost-Effective:** A one-time fee of 1% of the market value of pledged securities is charged by the ZSE/VFEX Depository (payable by the pledger).
- **Competitive Rates:** With a security pledge facility, one can negotiate favourable lending rates with your chosen financial institution.

The Pledge process.

- **Initiate the Pledge:** Contact your stockbroker or custodian to initiate the pledge process and fill in the pledge form. The custodian will verify ownership and facilitate the necessary documentation.
- **Secure Pledging:** Your securities are electronically locked within the secure depository, ensuring transparency and safety.

Contact your stockbroker or custodian today to learn about Security Pledging available on the ZSE and VFEX Depository.

Website: www.zse.co.zw,
www.vfex.exchange

Email: depository@zse.co.zw

Tel: +263 (24) 2886830-5



ZSE AND VFEX DEPOSITORIES

The ZSE and the VFEX operate their own central securities depositories - the ZSE Depository and VFEX Depository, respectively. These depositories play a crucial role in facilitating safe and efficient trading on both exchanges. The ZSE and the VFEX depositories offer a robust clearing and settlement system designed to minimize risk and ensure timely settlement of transactions. The two depositories are also active members of the Africa and Middle East Association for Depositories, (AMEDA) which is an international organization established in 2005 with the mission to promote collaboration, development, and best practices among securities depositories in Africa and the Middle East.

Core functions of the Depositories

- **Securities Immobilization:** Both depositories hold and manage electronic records of ownership for all securities listed on the respective exchanges. Physical certificates are no longer issued, reducing the risk of loss or theft.
- **Clearing and Settlement:** The depositories operate a robust clearing and settlement system that ensures timely and accurate transfer of securities between buyers and sellers after a trade is executed. The depositories operate on a prefunding model and a strict delivery versus payment mechanism within a rolling T+3 settlement cycle. These measures are meant to eliminate principal risk and settlement risk. The settlement model on the two depositories is DvP model 2 whereby securities are settled in the CSD system on a gross basis while funds are settled on a multilateral net basis through the Reserve Bank of Zimbabwe.
- **Pledge Recording:** The depositories also allow the recording of pledges, where securities are used as collateral for loans. This facilitates secure borrowing and lending within the financial ecosystem.
- **Depository Participants:** The depositories onboard and work with a network of approved depository participants, typically registered stockbrokers, custodian banks, and transfer secretaries. Depository participants hold client accounts in the depository and facilitate the deposit, withdrawal, and transfer of securities on behalf of investors.

Regulatory Framework for the Depositories

- **Securities Exchange Commission of Zimbabwe (SECZim):** The SECZim is the primary regulator of the Zimbabwean capital market participants, including the ZSE and VFEX Depositories. It issues regulations and guidelines that govern the operations of depositories, including safekeeping standards, risk management practices, and reporting requirements.
- **The ZSE and VFEX Depository Rules:** Both the ZSE and VFEX have their own rulebooks that establish specific requirements for depository participants and the settlement process for listed securities.

DEPOSITORY PARTICIPANTS AS OF 31 DECEMBER 2023

CUSTODIAN BANKS	TRANSFER SECRETARIES	SETTLEMENT BANKS
Stanbic Investor Services	First Transfer Secretaries (Private Limited)	Reserve Bank of Zimbabwe
CABS Custodial Services	Corpserve (Private) Limited	
CBZ Custodial Services	ZB Transfer Secretaries (Private) Limited	
Standard Chartered Securities Services		
ZB Custodial Services		
FBC Custodial Services		

* The cash settlement leg of securities transactions on both the ZSE and VFEX Depositories is performed through the Reserve Bank of Zimbabwe as the settlement bank.

CLEARING AND SETTLEMENT STATISTICS AS OF 31 DECEMBER 2023

INDICATOR	ZSE DEPOSITORY	VFEX DEPOSITORY
Trades Executed	11,107	9,512
Trades Settled	11,107	9,512
Failed Trades	Nil	Nil
Volume Traded	209,660,418	116,224,388.
Value Traded	ZWL44,425,689,935.63	USD 26,287,371.68

* The ZSE & VFEX Depositories both settle trades on a T+3 settlement cycle using DVP model 2, with cash settlement happening on a net basis while securities are settled on a gross basis.



ZSE Training Portal

The ZSE Training Portal is a user-friendly, online educational portal developed for investors to promote financial inclusion and literacy.

The training portal offers various investment resources which include:

- **Free Investment Courses**
- **Investment 101**
- **Exchange Traded Funds (ETFs)**
- **Real Estate Investment Trusts (REITs)**
- **Glossary of Capital market terms**
- **Upcoming Events and Trainings**
- **ZSE Blog with investment articles**
- **Investment Tutorials**

REGISTER TODAY

Website: www.zsetraining.co.zw

Email: info@zse.co.zw

Tel: +263 (24) 2886830-5

Facebook: Zimbabwe Stock Exchange

LinkedIn: Zimbabwe Stock Exchange

X: VFEX_ZW

Instagram: Zimstock Exchange

Youtube: Zimbabwe Stock Exchange

Whatsapp: Zimbabwe Stock Exchange



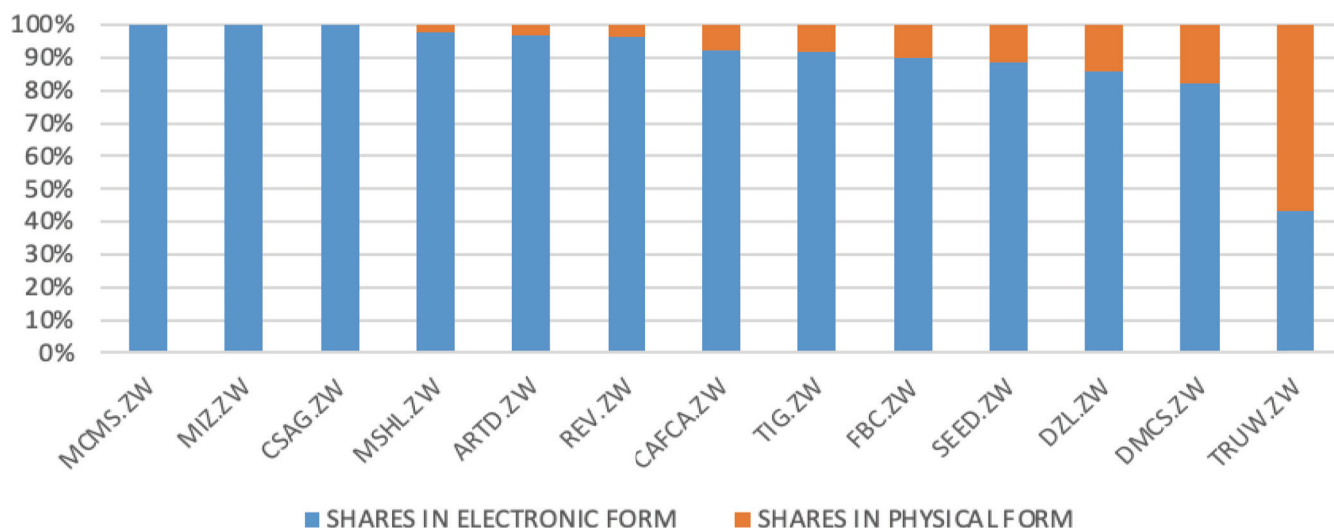
ZSE Depository

- Established in October 2021, the ZSE Depository serves the Zimbabwe Stock Exchange on which trading is in local currency.
- It is an active member of the Africa and Middle East Depositories Association (AMEDA`), promoting collaboration, development and best practices within the region.
- As of 31 December 2023, the ZSE Depository had onboarded 13 issuers, which included 7 equity securities, 4 exchange-traded funds (ETFs) and 2 real estate investment trusts (REITs).
- The ZSE Depository reported a dematerialization ratio (percentage of securities held electronically) of 67% as of 31 December 2023.

DEMATERIALIZATION STATISTICS: ZSE DEPOSITORY

SHORT NAME	FULL NAME	SHARES IN ELECTRONIC FORM	SHARES IN PHYSICAL FORM	DEMAT RATIO
MCMS.ZW	Morgan & Co Multi-Sector ETF Trust	137,359,941	0	100.00%
MIZ.ZW	Morgan & Co Made In Zimbabwe Exchange Traded Fund	494,417,400	0	100.00%
CSAG.ZW	CASS Saddle Agriculture Exchange Traded Fund	42,871,206	0	100.00%
MSHL.ZW	Masimba Holdings Limited	233,449,158	5,938,949	97.52%
ARTD.ZW	Amalgamated Regional Trading (ART) Holdings Limited	423,105,142	13,872,217	96.83%
REV.ZW	Revitus Property Opportunities	355,603,312	12,722,932	96.55%
CAFCA.ZW	CAFCA Limited	807,1944	663,164	92.41%
TIG.ZW	Tigere Real Estate Investment Trust	660,898,897	58,424,103	91.88%
FBC.ZW	FBC Holdings Limited	604,488,478	6,7461,449	89.96%
SEED.ZW	SEED Co Limited	221,414,744	27,958,926	88.79%
DZL.ZW	Dairibord Holdings Limited	307,027,689	50,973,169	85.76%
DMCS.ZW	Datvest Modified Consumer Staples Exchange Traded Fund	136,162,052	29,925,136	81.98%
TRUW.ZW	Truworthis Limited	332,306,551	435,828,473	43.26%

ZSE DEMAT RATIO AS AT 31 DECEMBER 2023



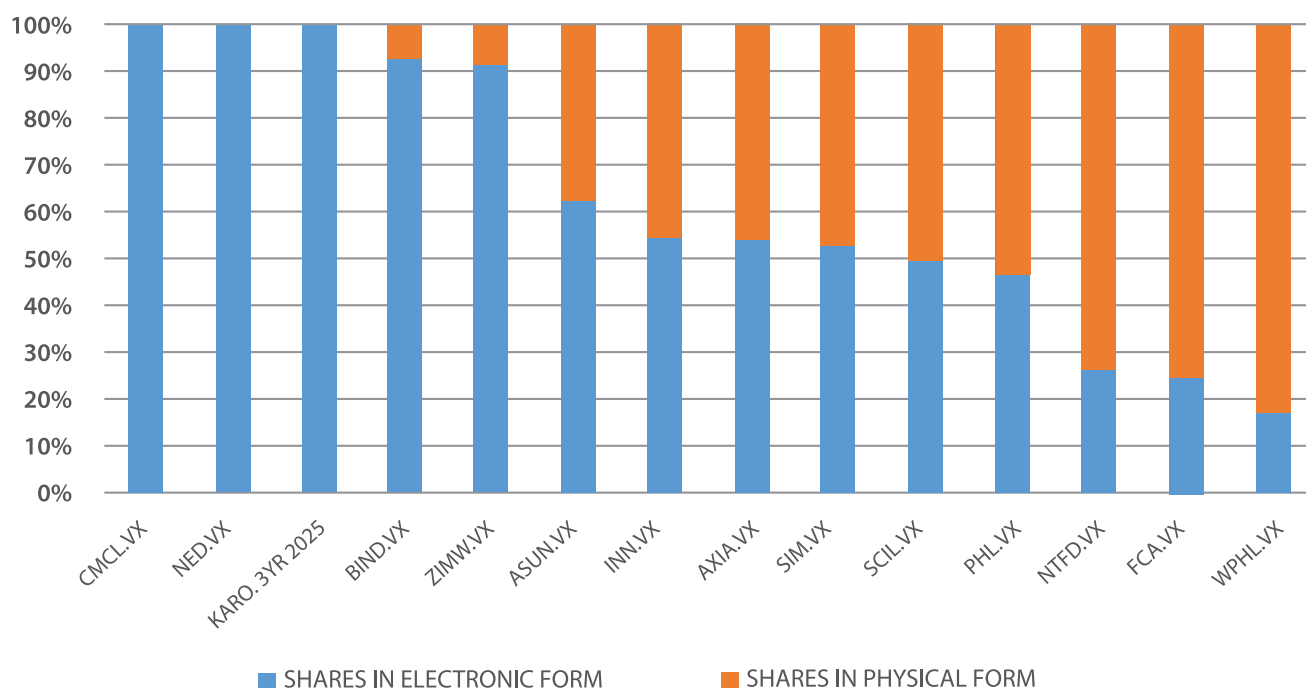
VFEX Depository

- Established in 2020, the VFEX Depository serves the Victoria Falls Stock Exchange, on which trading is in USD.
- The VFEX Depository supports international investment by offering a USD-denominated settlement platform.
- As of 31 December 2023, the VFEX Depository had onboarded 14 issuers, which included 12 equity securities, 1 depository receipt (DR) and a bond.
- The VFEX Depository reported a dematerialization ratio (percentage of securities held electronically) of 89% as of 31 December 2023.

DEMATERIALIZATION STATISTICS: VFEX DEPOSITORY

SHORT NAME	FULL NAME	SHARES IN ELECTRONIC FORM	SHARES IN PHYSICAL FORM	DEMAT RATIO
CMCL.VX	Caledonia Mining Corporation Plc	620,984	0	100.00%
NED.VX	Nedbank Group Limited Depository Receipts	161,273	0	100.00%
KARO.3YR2025	KARO Mining Holdings	14,733	0	100.00%
BIND.VX	Bindura Nickel Corporation Limited	118,910,0467	83,632,171	93.43%
ZIMW.VX	Zimplot Holdings Limited	316,428,503	28,151,983	91.83%
ASUN.VX	African Sun Limited	922,530,117	555,371,378	62.42%
INN.VX	Innsco Africa Limited	309,426,341	260,450,109	54.30%
AXIA.VX	Axia Corporation Limited	299,143,127	255,777,181	53.91%
SIM.VX	Simbisa Brands Limited	296,326,181	265,858,607	52.71%
SCIL.VX	Seed Co International Limited	129,107,574	131,468,514	49.55%
PHL.VX	Padenga Holdings Limited	263,394,933	278,198,507	48.63%
NTFD.VX	National Foods Holdings Limited	18,067,916	50,332,192	26.42%
FCA.VX	First Capital Bank Limited	528,988,901	1,631,877,028	24.48%
WPHL.VX	West Properties Holdings Limited	5,135,730	2,486,4270	17.12%

VFEX DEMAT RATIO AS 31 DECEMBER 2023



CONCLUSION:

The ZSE and VFEX depositories play a critical role in the smooth functioning of the respective stock exchanges. They provide a secure and efficient infrastructure for the settlement and safekeeping of securities contributing to a stable and attractive investment environment in Zimbabwe.

LISTINGS

Zimbabwe Stock Exchange (ZSE) Listings

The year 2023 concluded with the listing of the REVITUS Real Estate Investment Trust on 18 December 2023, thereby increasing the total number of REITs listed on the ZSE to 2.

ISSUER	DATE OF LISTING
Revitus Real Estate Investment Trust	18-Dec-23

CORPORATE ACTIONS

The Zimbabwe Stock Exchange (ZSE) experienced several corporate actions aimed at raising capital for listed companies on the exchange.

Corporate Action Activities in 2023:

ISSUER	NATURE OF TRANSACTION	VALUE
Turnall Holdings Limited	Rights Issue	ZWL 42 billion
Truworths Limited	Rights Issue	ZWL 2.228 billion
FBC Holdings Limited	Acquisition of 100% shareholding in Standard Chartered Bank Zimbabwe	Values disclosed in share purchase agreements
CBZ Holdings Limited	Acquisition of 31.22% stake in First Mutual Holdings Limited	Value disclosed in share purchase agreement
Ecocash Holdings Zimbabwe Limited	Renounceable rights offer	USD30.3 million
Econet Wireless Zimbabwe Limited	Renounceable rights offer	USD30.3 million

DELISTINGS

ISSUER	DATE OF DELISTING
*Axia Corporation Limited	28-Feb-23
*Innskor Africa Limited	23-Feb-23
*African Sun Limited	6-Apr-23
*First Capital Bank Limited	17-May-23
*Zimplow Holdings Limited	12-July-23
GetBucks MicroFinance Bank Limited	18-Sep-23
Border Timbers Limited	3-Nov-23
* Issuer migrated to VFEX	

During the year under review, a total of 7 counters were delisted from the ZSE. Among these, 5 migrated to the VFEX. Border Timbers Limited applied for voluntary termination of listing subsequent to the acquisition of the entire shareholding by Cicada Plantations Zimbabwe (Pvt) Limited ("CPZ"). Get Bucks Limited applied for and was granted voluntary termination of listing.

SUSPENSIONS

In addition to the counters already suspended, at the issuer's request the ZSE sought and was granted permission by the Securities and Exchange Commission of Zimbabwe to suspend trading in the shares of Khaya Cement Limited (formerly Lafarge Zimbabwe Limited). The suspension was meant to allow the company to attend to material developments within its operations post the execution of a sale and purchase agreement between Associated International Cement Limited and Fossil Mines (Private) Limited for a 76.45% shareholding in Lafarge.

The following counters remain suspended.

1. Cottco Holdings Limited
2. Hwange Colliery Company Limited
3. Old Mutual Limited
4. PPC Limited

VICTORIA FALLS STOCK EXCHANGE Listings

The year 2023 saw the listing of WestProp Holdings Limited on 5 May 2023.

ISSUER	DATE OF LISTING
Westprop Holdings Limited	05-May-23

MIGRATION

In 2023, the VFEX experienced a successful year with the addition of four new listings. These issuers migrated from the ZSE to list on the VFEX, marking a significant development in the exchange's growth.

ISSUER	DATE OF MIGRATION
Axia Corporation Limited	3 March 2023
Innskor Africa Limited	24 February 2023
African Sun Limited	14 April 2023
WestProp Holdings Limited	5 May 2023
First Capital Bank Limited	19 May 2023
Zimplow Holdings Limited	14 July 2023

First Capital Bank Limited Lists on VFEX



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 57 to 85 were, in accordance with their responsibilities, approved by the Board of Directors on 5 April 2024 and are signed on its behalf by:

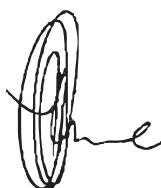


Mrs. C. Sandura
Board Chairman



Mr. J. Bgoni
Chief Executive Officer

These financial statements were prepared under the supervision of:



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

INDEPENDENT AUDITOR'S REPORT

Grant Thornton
Camelsa Business Park
135 ED Mnangagwa Road, Highlands
PO Box CY 2619
Causeway, Harare
Zimbabwe

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+263 8677009063
E info@zw.gt.com
www.grantthornton.co.zw

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 57 to 85, 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
<p>IFRS 15 – Revenue from contracts with customers</p> <ul style="list-style-type: none"> 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. 	<p>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:</p> <ul style="list-style-type: none"> 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. <p>We were reasonably satisfied that the Group's revenue recognition is appropriate.</p>

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.

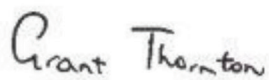
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

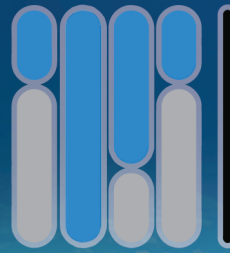


Farai Chibisa
Partner

Registered Public Auditor (PAAB No: 0547)

Grant Thornton
Chartered Accountants (Zimbabwe)
Registered Public Auditors
HARARE

5 April 2024



VICTORIA
FALLS
STOCK
EXCHANGE



VFEX Direct

An online trading platform of the Victoria Falls Stock Exchange
The VFEX Direct platform makes it easy to trade securities listed on the VFEX and has the following key features:

- User-friendly interface
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- The market depth feature showing up to 10 best orders on both the buy and sell side
- The price range on buy and sell tabs
- Counter performance
- Notification tab
- Placing of bids or offers for volumes from 1 up to 99

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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
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

	Notes	Inflation adjusted		Historical cost	
		2023 ZWL	2022 ZWL	2023 ZWL	2022 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						Total ZWL
	Share capital ZWL	Share premium ZWL	Revaluation reserve ZWL	Non- distributable reserve ZWL	Mark to market ZWL	Retained earnings 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						Total ZWL
	Share capital ZWL	Share premium ZWL	Revaluation reserve ZWL	Non- distributable reserve ZWL	Mark to market ZWL	Retained earnings 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	1 109 947 788	5 241 691 011	218 923 328
Income taxes paid	23	505 048 755)	(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	1 281 954 312	4 210 771 992	269 297 611
Cash flows from investing activities					
Additions to property and equipment	5	(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		1307672746	2056224128	-	-
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-inflation accounting basis. Effective date of applying IAS 29 was 1 October 2019.

On the 3rd of March 2023, 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	4.8054
31-Dec-21	3,977.46	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 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 1:1.
- 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 be 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	2022
	Dec	Dec
	Mid - rate	Mid - rate
	ZWL	ZWL
United States Dollar (USD)	6104.7226	671.4447

Statement of Group accounting policies 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

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 current period

3.5 Amendments to IAS 1 – 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 a 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,
- identifiable intangible assets.

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 is 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 properties 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 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 stages in which the costs incurred. Costs incurred at the application development stage are capitalised and not expensed. Costs incurred at preliminary project stage and at 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.

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.

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

4. Summary of significant accounting policies (continued)

4.5 Prepayments

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

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 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 of 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 good will 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 reflect 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 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 between 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 basis of the market capitalisation value of listed securities as 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 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 their 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.

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 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);

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 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.

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.

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)

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:

- 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.

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)

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).

4.14 Fair value measurement

Fair value is the '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 which 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 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.

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

4. Summary of significant accounting policies (continued)

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 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 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	(661 295)	(2 619 261)	(7 890 175)	(549 562))	(11 720 293)
Carrying amount at 31 December 2022	3 265 959 916	600 060 073	862 658 329	130 000 339	4 858 678 656

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	665 646 305	127 491 963	29 543 853	880 741	823 562 862
Balance at 1 January 2023	-	-	213 112 672	189 622 749	402 735 422
Additions					
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)

6. Intangible assets

Gross carrying amount

Balance at 1 January

Additions

Balance at 31 December

Depreciation and impairment

Balance at 1 January

Amortisation charge

Balance at 31 December

Carrying amount at 31 December

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

Fair value adjustments through other
comprehensive income

Balance at the end of the year

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)

8. Deferred tax

Analysis of deferred tax:

Property and equipment

Leave pay provision

Allowance for credit losses

	Inflation adjusted		Historical cost	
	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
Property and equipment	2 821 433 415	665 002 563	2 213 733 14	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

Impairment of investment

Balance at the end of the year

	-	69 474 799	-	745 077
	-	(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 (2022 : 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)

10. Financial assets at fair value through profit or loss

	Inflation adjusted		Historical cost	
	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
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 amortised 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)

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		Historical cost	
	2023 ZWL	2022 ZWL	2023 ZWL	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 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

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

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)

15. Share capital and premium

Authorised share capital

6 000 000 ordinary shares of \$0.01 each

Issued share capital

102 704 ordinary shares of \$0.01 each

Share premium

Balance at the end of the year

	Inflation adjusted		Historical cost	
	2023	2022	2023	2022
	ZWL	ZWL	ZWL	ZWL
	8 031 775	8 031 775	60 000	60 000
	739 667	739 667	1 000	1 000
	52 322 761	52 322 761	70 739	70 739
	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
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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 Nondistributable reserve.

16.2 Revaluation reserve

Opening balance

Movement during the year

Closing balance

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

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

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

16.3 Mark to market reserve

Opening balance
Movement during the year

Closing balance

Inflation adjusted		Historical cost	
2023	2022	2023	2022
ZWL	ZWL	ZWL	ZWL
485 677 364	234 981 914	114 462 988	17 833 742
472 717 885	250 695 450	909 834 674	96 629 246
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

Opening balance
Facility drawdown
Loans repayment

Closing balance

Balance	Balance	Balance	Balance
2023	2022	2023	2022
ZWL	ZWL	ZWL	ZWL
278 225 242	233 060 653	57 898 766	48 500 000
744 947 028	96 107 486	744 947 028	20 000 000
(278 225 242)	(50 942 897)	(57 898 766)	(10 601 234)
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 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
Payroll liabilities
Accruals and other payables

265 316 121	252 103 194	265 316 121	52 462 759
1 749 163 825	243 346 879	1 749 163 825	50 640 567
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.

19. Revenue

Trading levies
Depository levies
Annual listing fees
Initial listing fees
Index fees
Space advertising
Automated trading system market access fees
Corporate action and document review fees
Members subscription fees
Non-member institution subscription fees
Data vending
Operation fees
Training services
ZSE direct commissions
Security pledge administration fees
Fintech - systems integration

Inflation adjusted		Historical cost	
2023	2022	2023	2022
ZWL	ZWL	ZWL	ZWL
2 612 680 925	2 190 254 054	1 502 063 265	283 732 187
353 444 461	516 224 254	176 510 402	62 255 788
26 596 681 528	4 341 708 762	13 795 339 206	532 667 601
232 969 353	166 928 602	66 322 301	16 627 761
9 619 997	2 012 765	7 352 638	304 548
12 680 593	10 263 751	4 125 921	727 000
244 138 145	168 965 687	135 541 177	22 902 462
1 298 144 216	174 841 852	703 077 694	30 673 209
283 392 974	141 921 103	149 471 664	21 229 907
113 682 141	62 699 471	41 145 093	7 003 087
235 555 952	118 276 734	137 178 428	14 554 178
78 379 734	221 945 832	32 396 694	43 413 781
640 785 171	248 061 658	238 742 563	12 402 536
56 041 541	50 831 749	27 044 007	5 402 584
140 614 860	237 277 610	64 918 806	38 639 035
-	16 840 843	-	3 447 443
32 908 811 593	8 669 054 726	17 081 229 860	1 095 983 108

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

20. Other income

	Inflation adjusted		Historical cost	
	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
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
Government 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	-

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)

21.2 Other operating costs (continued)

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

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
21.3 Depreciation and amortisation				
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
22. Finance costs and interest income				
22.1 Finance income				
Interest on short-term fixed deposits & staff loans	50 337 029	197 098 933	39 005 522	40 825 250
22.2 Finance costs				
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				
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
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 Legal, Compliance and Issuer Regulation, Head of VFEX Markets, Head of ZSE Markets, Head of ICT and Head of Depository.

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

25. Financial risk management

25.1 Risk management framework

Fundamental to the business activities and growth of the Group is a strong risk management practice 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 management 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 management 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

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.

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 thresholds. 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 another financial 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.

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	-	-	-	-
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

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

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 Group'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.

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 ZWL 173 765 832 (2022: ZWL 65 001 986).

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.

VFEX



VICTORIA
FALLS
STOCK
EXCHANGE

The Victoria Falls Stock Exchange (VFEX) is a sustainable capital raising and trading platform that facilitates capital raising and risk management solutions for businesses and Governments while allowing the public to enjoy diversified, safe, and easy investments.

Service Offering

The VFEX offers opportunities to list and trade in any of the following instruments

- Shares
- Depository receipts
- Fixed Income instruments
- Exchange traded funds (ETFs)
- Exchange traded notes (ETNs)
- Real Estate Investments Trust (REITs)
- Contract for Differences
- Commodities

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Email: info@vfex.exchange

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ZSE AND VFEX ISSUERS COCKTAIL



ZSE BOARD OF DIRECTORS



Mr. Markus de Klerk
Non-Executive Director

Mr. Benson Gasura
Non-Executive Director

Mrs. Maureen Svova
Non-Executive Director

Mr. Justin Bgoni
Chief Executive Officer

Mr. Masimba Mudzungayiri
Non-Executive Director

Mr. Bartholomew Mswaka
Non-Executive Deputy
Chairman

Mrs. Lindiwe Tirivanhu
Non - Executive Director

Mrs. Caroline Sandura
Chairman and
Non- Executive Director

TOP TEN SHAREHOLDERS

RANK	HOLDER #	ACCOUNT NAME	INDUSTRY	COUNTRY	SHARES	% OF TOTAL
1	4667636	GOVERNMENT OF ZIMBABWE	GVT	ZIMBABWE	32,865	32.00
2	50240	FBC SECURITIES (PRIVATE) LIMITED	NOM	ZIMBABWE	10,534	10.26
3	3516341	I H SECURITIES (PVT)LTD,	NOM	ZIMBABWE	9,024	8.79
4	4718209	LEGAT, JOHN RICHARD	LR	ZIMBABWE	3,835	3.73
5	4457234	TUNMER, MARK JOHN STEELE	LR	ZIMBABWE	2,321	2.26
6	4577426	MMC CAPITAL (PRIVATE) LIMITED,	CO	ZIMBABWE	1,814	1.77
7	4577428	INVICTUS SECURITIES ZIMBABWE (PVT) LTD	CO	ZIMBABWE	1,814	1.77
8	3515613	OLD MUTUAL SECURITIES (ZIMBABWE),	NOM	WARRANT NOT PRESENTABLE	1,814	1.77
9	191352	REMO NOMINEES (PRIVATE) LIMITED	NOM	ZIMBABWE	1,814	1.77
10	253134	IMARA EDWARDS SECURITIES	NOM	ZIMBABWE	1,814	1.77



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Email: info@zse.co.zw
Website: www.zse.co.zw

NOTICE OF THE TENTH ANNUAL GENERAL MEETING OF THE ZIMBABWE STOCK EXCHANGE LIMITED

Notice is hereby given that the Tenth Annual General Meeting of the Shareholders of Zimbabwe Stock Exchange Limited will be held virtually on 28 June 2024 at 1100hrs for the purpose of transacting the following business;

AGENDA

To consider and if deemed fit, to pass the following resolutions with or without amendments:-

1. Audited Financial Statements

To receive, consider and adopt the Group Financial Statements, the report of the Directors and Auditors for the year ended 31 December 2023.

2. Election of Directors

In terms of Clause 99.2 of the Articles of Association of the Company one third of the directors are supposed to retire from the board but being eligible may offer themselves for re-election. Consequently, Mr Markus de Klerk and Mr Benson Gasura will be retiring and both being eligible, offer themselves for re-election. The Directors will be re-elected by separate resolutions.

3. Director's Remuneration

To confirm the Directors fees for the year ended 31 December 2023.

4. Audit Fees

To approve the remuneration of Auditors for the year ended 31 December 2023.

5. Appointment of Auditors

To empower the Board of Directors to appoint external auditors of the company for the year ending 31 December 2024 and thereafter seek ratification of the appointment at the next general meeting of the company's shareholders.

6. Dividend

To ratify dividend payment for the financial year ended 31 December 2023 of US\$0.88 per share and ZIG5.25 per share.

By Order of the Board

Lyndon T. Nkomo
Company Secretary
6 June 2024

NOTES:

- A member entitled to attend and vote at the Annual General Meeting of Shareholders may appoint a proxy to attend and speak and, on poll, vote in his stead. A proxy need not to be a member of the Company. Forms of proxy must be lodged at the Registered Office of the Company not less than forty eight (48) hours before the time of holding of the meeting.
- The link for the virtual meeting will be sent to all the shareholders directly at least seven (7) days ahead of the scheduled date of the meeting.



PROXY FORM

FOR THE TENTH ANNUAL GENERAL MEETING OF THE ZIMBABWE STOCK EXCHANGE LIMITED

For use at the Tenth Annual General Meeting of the Zimbabwe Stock Exchange Limited to be held virtually on Friday 28 June 2024 at 1100hrs

I/We, the undersigned..... of

.....being registered holder (s) ofordinary

shares, hereby appoint.....or failing him,

..... to act for me/us or my/our behalf as indicated

below at the Tenth Annual General Meeting of the Company to be held on 28 June 2024 at 1100 Hours and at any adjournment thereof.

Signature..... Signed this..... day of..... 2024.

PROXY

- (a) In terms of s171 of the Companies and Other Business Entities Act, Chapter 24:31 members are entitled to appoint one or more proxies to act in the alternative, to attend, vote and speak in their place at the meeting. A proxy need not be a member of the Company.
- (b) In terms of Article 90 of the Company's Articles of Association instruments of the proxy must be lodged at the registered office of the Company at least forty-eight hours before the time appointed for handling the meeting.
- (c) Any alteration or correction made to this form of proxy (including the deletion of alternative) must be initialled by the signatory/signatories.

Physical Address:

Company Secretary
Zimbabwe Stock Exchange Limited
44 Ridgeway North Highlands
Harare
Email: Inkomo@zse.co.zw

Revitus Property Opportunity REIT lists on ZSE



NOTES

[illegible]

[illegible]



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