Zimbabwe Stock Exchange Limited

Annual Financials Statements
31 December 2024

NATURE OF BUSINESS

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

DIRECTORS:

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

SECRETARY:

Mr L. Nkomo

REGISTERED OFFICE

44 Ridgeway North
Highlands
Harare

AUDITORS

BDO Zimbabwe
Chartered Accountants
3 Baines Avenue
HARARE

MAIN BANKERS:

FBC Bank Limited
Stanbic Bank Zimbabwe Limited

LAWYERS:

Kantor and Immerman
McDonald House
10 John Landa Avenue
Harare

Contents

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

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

The Directors have assessed the ability of the Company 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 Company 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 investment at fair value through OCI.

The Company'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 Company'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 Company's annual financial statements which are set out on pages 5 to 40 were, in accordance with their responsibilities, approved by the Board of Directors on 4 April 2025 and are signed on its behalf by:

....

Mrs. C. Sandura
Group Board Chairman

....

Mr. J. Bgoni
Group Chief Executive Officer

These financial statements were prepared under the supervision of:

....

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

Tel/Fax: +263 242703876/7/8
Cell: +263 772 573 266/7/8/9
bdo@bdo.co.zw
www.bdo.co.zw

Kudenga House
3 Baines Avenue
P.O. Box 334
Harare
Zimbabwe

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ZIMBABWE STOCK EXCHANGE LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of **ZIMBABWE STOCK EXCHANGE LIMITED** set out on pages 5 to 40, which comprise the inflated adjusted statement of financial position as at 31 December 2024, the inflation adjusted statement of profit or loss and other comprehensive income, inflation adjusted statement of changes in equity and inflation adjusted statement of cashflows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and explanatory notes.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying inflation adjusted financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

The Company's investment at fair value through other comprehensive income is carried in the statement of financial position at ZWG4 330 385. Management has valued the investment at the USD cost incurred to purchase the shares, converted at the official exchange rate as at reporting date. The determination of the value does not consider the performance of the investment and fair market value. This constitutes a departure from International Financial Reporting Standard 13 (IFRS 13)- Fair Value Measurement and IFRS 9 - Financial Instruments. The financial impact of the non-compliance with IFRS 13 and 9 could not be determined but it is considered to be material to the financial statements.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (Parts A and B), together with other ethical requirements that are relevant to our audit of the financial statements in Zimbabwe, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Directors for the financial statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standard (IFRSs) and supporting regulations. The responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless they intend to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of those financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

Report on Other Legal and Regulatory Requirements
In fulfilment of the requirements of Section 193 of the Companies and Other Business Entities Act (Chapter 24:31) ("the Act"), we report to the shareholders as follows:

Section 193(1) (a)
Due to the matter referred to in the basis for qualified opinion section of our report the financial statements are not drawn up in compliance with the requirements of section 193(1) of the Act.

BDO Zimbabwe
Chartered Accountants

Kudenga House
3 Baines Avenue
HARARE

4 April 2025

Statement of financial position
as at 31 December 2024

	Notes	Inflation adjusted 2024 ZWG	Inflation adjusted 2023 ZWG	Historical cost 2024 ZWG	Historical cost 2023 ZWG
ASSETS					
Non-current assets					
Property and equipment	4	49 240 329	50 727 079	46 991 835	30 830 020
Intangible assets	5	18 032 492	19 548 896	10 925 389	11 754 870
Investment at fair value through OCI	6	4 330 386	4 455 286	4 330 385	2 678 991
Investment in subsidiary	8	37 160 474	168 256	22 344 820	101 174
		108 763 681	74 899 517	84 592 429	45 365 055
Current assets					
Financial assets at fair value through profit/loss	9	2 028 923	1 711 005	2 028 923	1 028 838
Trade and other receivables	10	14 092 105	39 352 543	14 092 105	23 662 922
Income tax refundable	21	-	1 666 303	-	1 001 958
Cash and cash equivalents	11	2 681 439	6 138 383	2 681 439	3 691 047
		18 802 467	48 868 234	18 802 467	29 384 765
Total Assets		127 566 148	123 767 751	103 394 896	74 749 820
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital		3 216	3 216	1 934	1 934
Share premium		227 493	227 493	136 793	136 793
Non-distributable reserve		32 353 678	36 612 935	35 564 207	22 015 580
Mark to market reserve		3 876 948	4 166 988	3 991 890	2 505 635
Retained earnings		49 224 195	55 484 768	24 085 635	33 690 847
Total equity		85 685 530	96 495 400	63 780 459	58 350 789
Non-current liabilities					
Deferred tax liability	7	13 979 833	11 939 710	11 713 652	7 179 420
Related party loan		16 556 832	-	16 556 832	-
		30 536 665	11 939 710	28 270 484	7 179 420
Current liabilities					
Trade and other payables	16	9 262 359	12 093 701	9 262 359	7 272 015
Income tax payable	21	1 293 389	-	1 293 389	-
Short term borrowings	14	788 205	3 238 940	788 205	1 947 596
		11 343 953	15 332 641	11 343 953	9 219 611
Total liabilities		41 880 618	27 272 351	39 614 437	16 399 031
Total equity and liabilities		127 566 148	123 767 751	103 394 896	74 749 820

The financial statements were approved by the Board on 4 April 2025 and signed on its behalf by:

Mrs. C. Sandura
Chairman

Mr. J. Bgoni
Chief Executive Officer

Statement of profit or loss and other comprehensive income for the year ended 31 December 2024

	Notes	Inflation adjusted 2024 ZWG	Inflation adjusted 2023 ZWG	Historical cost 2024 ZWG	Historical cost 2023 ZWG
Revenue	17	102 276 400	119 596 746	73 112 621	71 914 252
Fair value gain on financial assets through P&L	9	1 000 085	1 545 009	1 000 085	929 023
Other income	18	40 499 564	37 009 655	23,532,806	22 254 131
		143 776 049	158 151 410	97 645 512	95 097 406
Operating expenses					
Staff costs	19.1	67 002 798	66 568 584	48 185 827	40 028 095
Other operating costs	19.2	42 311 517	36 115 968	31,502,847	21 716 752
Depreciation and amortisation	19.3	5 458 275	2 920 014	3 291 085	1 755 822
		114 772 590	105 604 566	82 979 759	63 500 669
Operating profit		29 003 459	52 546 844	14 665 753	31 596 737
Finance income	20.1	302 062	178 500	181 725	107 333
Finance costs	20.2	(318 927)	(613 748)	(211 722)	(369 050)
Monetary loss		(25 165 924)	(9 653 563)	(18 123 293)	(5 477 227)
Profit / (Loss) before tax		**3 820 670**	**42 458 033**	**(3 487 536)**	**25 857 793**
Income tax expense	21	(7 202 112)	(1 420 286)	(4 386 438)	(854 027)
(Loss) /Profit after tax		(3 381 442)	41 037 747	(7 873 974)	25 003 766
Other comprehensive income:					
Items that will not be reclassified subsequently to profit or loss:					
(Loss) / Gain on property and equipment revaluation	4	(1 065 556)	31 105 290	16 742 328	18 703 800
Fair value adjustments on financial assets through	6	(124 900)	2 055 321	1 651 395	1 235 877
Tax effect	7	(3 358 841)	(8 734 984)	(3 358 841)	(5 252 399)
		(4 549 297)	24 425 627	15 034 882	14 687 278
Total comprehensive (loss)/income for the year		(7 930 739)	65 463 374	7 160 909	39 691 044

Statement of changes in equity
for the year ended 31 December 2024

	Inflation Adjusted					
	Share capital ZWG	Share premium ZWG	Non-distributable reserve ZWG	Mark to market reserve ZWG	Retained earnings ZWG	Total ZWG
Balance at 1 January 2023	3 216	227 493	14 242 629	2 111 667	14 920 729	31 505 733
Total comprehensive income for the year	-	-	22 370 306	2 055 321	41 037 747	65 463 374
Dividend paid	-	-	-	-	(473 708)	(473 708)
Balance at 31 December 2023	**3 216**	**227 493**	**36 612 935**	**4 166 988**	**55 484 768**	**96 495 399**
Total comprehensive loss for the year	-	-	(4 259 257)	(290 040)	(3 381 442)	(7 930 739)
Dividend paid	-	-	-	-	(2 879 130)	(2 879 130)
Balance at 31 December 2024	**3 216**	**227 493**	**32 353 678**	**3 876 948**	**49 224 195**	**85 685 531**

	Historical cost					
	Share capital ZWG	Share premium ZWG	Non-distributable reserve ZWG	Mark to market reserve ZWG	Retained earnings ZWG	Total ZWG
Balance at 1 January 2023	1 934	136 793	8 564 179	1 269 758	8 971 925	18 944 589
Total comprehensive income for the year	-	-	13 451 401	1 235 877	25 003 766	39 691 044
Dividend paid	-	-	-		(284 844)	(284 844)
Balance at 31 December 2023	**1 934**	**136 793**	**22 015 580**	**2 505 635**	**33 690 847**	**58 350 789**
Total comprehensive income for the year	-	-	13 548 627	1 486 255	(7 873 974)	7 160 909
Dividend paid	-	-		-	(1 731 238)	(1 731 238)
Balance at 31 December 2024	**1 934**	**136 793**	**35 564 207**	**3 991 890**	**24 085 635**	**63 780 459**

Statement of cash flows
for the year ended 31 December 2024

		Inflation adjusted		Historical cost	
		2024	2023	2024	2023
	Notes	ZWG	ZWG	ZWG	ZWG
Cash flows from operating activities					
Profit before tax		3 820 670	42 458 033	(3 487 536)	25 857 793
Adjustments for:					
Depreciation and amortisation	19.3	5 458 275	2 920 014	3 291 085	1 755 822
(Profit)/Loss on disposal of property and equipment	18	(20 498)	(121 007)	(15 158)	(72 762)
Finance income	20.1	(302 062)	(178 500)	(181 725)	(107 333)
Finance costs	20.2	318 927	613 748	211 722	369 050
Fair value (gain)/loss on financial instruments	9	(1 000 085)	(1 545 009)	(1 000 085)	(929 023)
Cashflow from Operating activities		8 275 227	44 147 279	(1 181 699)	26 873 547
Changes in working capital					
(Decrease)/Increase in trade and other receivables		25 260 438	(32 788 061)	9 570 817	(19 715 661)
(Decrease)/increase in trade and other payables		(2 831 342)	8 655 657	1 990 345	5 204 700
Cash flows (utilised in)/generated from operating		30 704 323	20 014 875	10 379 463	12 362 586
Income taxes paid	21	(1 764 281)	(2 195 891)	(1 764 281)	(1 320 403)
Cash flows from investing activities					
Additions to property and equipment	4	(2 633 231)	(3 409 042)	(1 583 650)	(2 049 878)
Investment in subsidiary	8.1	(36 992 218)	-	(22 243 646)	-
Proceeds from disposal of assets		20 498	125 677	15,158	75 570
Additions to intangible assets	5	(887 444)	(8 434 330)	(624 958)	(5 071 613)
Interest income received	20.1	302 062	178 500	181 725	107 333
Net cash flows utilised in investing activities		(40 190 333)	(11 539 194)	(24 255 372)	(6 938 588)
Cash flows from financing activities					
Short-term borrowings raised	14	-	3 238 940	-	1 947 595
Dividends paid		(2 879 130)	(473 708)	(1 731 238)	(284 844)
Loans repayment	14	(1 159 391)	(251 737)	(1 159 391)	(151 370)
Finance costs paid	20.2	(318 927)	(613 748)	(211 722)	(369 050)
Net cash flows generated from financing activities		(4 357 448)	1 899 748	(3 102 351)	1 142 331
Net (decrease)/increase in cash and cash		(15 607 739)	8 179 539	(18 742 541)	5 245 926
Cash and cash equivalents at beginning of the year		6 138 383	935 478	3 691 047	562 508
Effects of IAS 29 restatement of opening balances		12 150 794	(2 976 635)	17 732 933	(2 117 387)
Cash and cash equivalents at end of year	11	2 681 439	6 138 383	2 681 439	3 691 047

Statement of accounting policies
For the year ended 31 December 2024

1 GENERAL INFORMATION

1.1 Nature of business and incorporation

The Zimbabwe Stock Exchange Limited (the "Company") 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). The principal nature of business of the Company is to operate a Stock Exchange. 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 STANDARDS AND INTERPRETATIONS AFFECTING THE REPORTED RESULTS OR FINANCIAL POSITION

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

2.1 Basis of preparation

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and in the manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31), except for non-compliance with International Accounting Standard (""IAS"") 21.

The financial statements of the Company are prepared under the historical cost conversion. For the purpose of fair presentation in accordance with International Accounting Standard (IAS) 29- Financial Reporting In Hyperinflationary Economies, this historical cost information has been restated for changes in the general purchasing power of the ZWG and appropriate adjustments and reclassifications have been made. Accordingly, the inflation adjusted financial statement represent the primary financial statements of the Company.

The Consumer Price Indices (CPIs) were obtained from the Reserve Bank of Zimbabwe website, as supplied by the Zimbabwe Central Statistical Office. The Consumer Price Indices adopted are as follows:-

Year ended	Index	Conversion factor
31 December 2024	166.30	1.000
5-Apr-24	100.00	1.663

Statement of accounting policies
For the year ended 31 December 2024 (continued)

2.2 Functional and presentation currency

Through Statutory Instrument 60 of 2024 the Government of Zimbabwe pronounced the Introduction of the ZWG as legal tender to replace the ZWL. In accordance with the aforementioned pronouncement Zimbabwe Stock Exchange changed its functional currency from ZWL to ZWG as at 5th April 2024.

2.3 New standards, interpretations and amendments that are effective for the current year

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 material impact on the Group's financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

The amendments are effective for annual reporting periods beginning on or after 1 January 2024. The amendments to IAS 1 require reporting entities to disclose their material accounting policy information rather than their material account policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The amendments have no material impact on the company's financial statements on initial application as there are no liabilities subject to covenants.

Amendments to IAS 1: Disclosure of accounting policies

The amendments are effective for annual reporting periods beginning on or after 1 January 2024. The amendments to IAS 1 require reporting entities to disclose their material accounting policy information rather than their material account policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The amendments had no material impact on initial application as all ""material"" accounting policies disclosed in prior years were retained as ""material"" in the current year."

Amendments to IAS 12 Income Taxes

The amendments require an entity to recognise deferred tax on certain transactions (egg leases and decommissioning liabilities) that give rise to equal amounts of taxable and deductible temporary differences on initial recognition.

The amendments have no material impact on the company's financial statements because the company does not have such transactions."

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 and IFRS S2 were effective for annual reporting periods beginning 1 January 2024 .

Statement of accounting policies
For the year ended 31 December 2024 (continued)

The company has developed the core sustainability disclosure metrics for adoption as a minimum starting point.

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

The IASB issued amendments to IFRS 16 in September 2024, specifying how a seller-lessee should measure the lease liability in a sale and leaseback transaction. The goal is to prevent the recognition of any gain or loss related to the right of use the seller-lessee retains. These amendments are now effective for annual reporting periods beginning 1 January 2024 and require retrospective application to applicable transactions occurring after the initial adoption of IFRS 16.

The amendments are expected to have no material impact on the company's financial statements because the company does not have such transactions.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

2.4 New standards, interpretations and amendments not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of the issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement.

Amendments to IAS 21: Lack of Exchangeability

The amendments in Lack of Exchangeability (Amendments to IAS 21) amend IAS 21 to:

- Specify when a currency is exchangeable into another currency and when it is not.
- Specify how an entity determines the exchange rate to apply when a currency is not exchangeable.
- Require the disclosure of additional information when a currency is not exchangeable.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025.

The amendment is expected to have no material impact on the company as currently there is no lack of exchangeability. However, the impact will be re-assessed in financial year 2025 based on the macro-economic environment at that time. The company shall not be early adopting the amendments."

IFRS 18: Presentation and Disclosure in Financial Statements

The International Accounting Standards Board (IASB) issued IFRS 18 on April 9, 2024. This standard introduces new requirements for the presentation of financial statements, including classification of income and expenses, disclosure of management performance measures, and enhanced disaggregation of information. The amendments will be effective for annual reporting periods beginning on or after 1 January 2027.

The company will adopt the amendments of the standard for the financial period beginning on January 1, 2027. These amendments will have material impact on initial application.

IFRS 19: Subsidiaries without Public Accountability: Disclosures

The International Accounting Standards Board (IASB) issued IFRS 19 in early May 2024. This standard offers reduced disclosure requirements for subsidiaries that don't hold public accountability. The amendments will be effective for annual reporting periods beginning on or after 1 January 2027.

The company will adopt the amendments of the standard for the financial period beginning on January 1, 2027. The amendments are expected to have no material impact on the Group's financial statements on initial application.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

3.1 Property and equipment

Recognition and measurement
All items of property and equipment are shown at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. Repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred. Land is carried at cost. No depreciation is provided on land or capital work-in-progress. Depreciation commences when the asset is available for use. Depreciation on Buildings and Automated Trading System (ATS) Hardware (Computer Equipment) 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 years
Motor vehicles	4 years
Intangible assets	10 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.

An item of Property and Equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. 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.

3.2 Revaluation policy
The directors also apply material judgment, estimates and assumptions on carrying out the revaluation of property, plant and equipment in line with the policy on revaluation. The directors engage a professional valuer to perform an independent valuation.

Statement of accounting policies
For the year ended 31 December 2024 (continued)

3.3 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 cost 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 10 years but are assessed 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.

3.4 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.

3.5 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.

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

Statement of accounting policies
For the year ended 31 December 2024 (continued)

Pension Obligations

The Company 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 Company pays fixed contributions into a separate entity. The Company 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 Company's contributions to the pension plan are charged to the profit or loss in the period to which the contributions relate.

3.7 Income tax

Income tax recognised in profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly to equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are recognised for all temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and those for taxation purposes, unless the deferred tax liability arises from:

- Taxable temporary differences arising on initial recognition of Goodwill; or
- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss.

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to affect current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

Deferred tax is calculated based on the tax rates that are expected to apply to the temporary difference when the asset or liability is settled. The effect on deferred tax of any changes in tax rates is charged to profit or loss, except to the extent that it relates to items previously charged or credited directly to equity or other comprehensive income.

3.8 Revenue

The Company recognises revenue as and when it satisfies a performance obligation by transferring control of a product or service to a customer. The amount of revenue recognised is the amount the Company expects to receive in accordance with the terms of the contract, and excludes amounts collected on behalf of third parties, such as Value Added Tax.

To determine whether to recognise revenues, the Company follows a 5-step process:

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

Transaction levy income is based on a percentage of the value of shares traded and is recognised on the dates of the transactions.

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.

Market access fees are fees charged to members based on their brokerage commission they would have earned in the preceding month.

Administration fees on advances are fees charged to a supplier on advancement of funds. Commission on advances are fees charged to traders whose funds are advanced to suppliers.

3.9 Other income

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

3.10 Financial Instruments

3.11.1 Classification and measurement of financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when it becomes a party to the contractual provisions of the instrument.

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 Company 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.

3.11.2 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:

- Fair value through profit and loss (FVTPL),
- Fair value through other comprehensive income (FVOCI), or
- Amortised cost (AC)

Financial assets at FVTPL

Financial assets at FVTPL are:

- assets with contractual cash flows that are not Solely Payments of Principal and Interest (SPPI); or/and
- assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- 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 materially 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 Company's risk management or investment strategy, and information about the Company 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.

3.11.3 Financial assets at FVOCI

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

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

3.11.4 Financial assets at amortised cost

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

- 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
- 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 Company 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 Company's financial assets. During the current financial year and previous accounting period there was no change in the business model under which the Company 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.

3.11.5 Financial liabilities

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 Company 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 materially reduces a measurement or recognition inconsistency that would otherwise arise; or

- The financial liability forms part of a Company 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 Company's documented risk management or investment strategy, and information about the Company 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.

3.11.6 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 (EIR).

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.

3.11.7 De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company'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 Company 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 Company 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.

3.12 Share capital

Ordinary shares are classified as equity.

3.13 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).

3.14 IFRS 13 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 Company maximises the use of relevant observable inputs and minimises the use of unobservable inputs.

3.15 Material judgements and estimates

Useful lives and residual values of property, plant and equipment

The Company 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.

Provision for impairment of receivables

Provision for impairment of receivables is a specific provision made for trade and other receivables which is reviewed on a monthly basis. In determining the recoverability of a trade receivable, the Company assesses whether there has been a material evidence of financial difficulty or increase in credit risk from the debtor or issuer from the date the credit was granted up to the end of the reporting period.

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

The Company 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 Company assesses if there has been a material or prolonged decline in the fair value of the investment below its cost or there is information about material 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.

3.16 Going concern assessment

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

3.17 Determination of functional currency

For the year ended 31 December 2024, significant developments in the economy have warranted an assessment of whether the functional currency of the Company has changed from the Zimbabwe Gold (ZWG). The Company realized its total income and disbursed its total expenses at a ratio of approximately 50% in USD dollars and 50% in local currency.

Given that the currency mix is yet to stabilize and continues to fluctuate within relatively short intervals, and considering the Government's ongoing efforts to promote the use of local currency, the Company cannot conclusively assert, with a high level of reliability, that the increase in foreign currency transactions in the year ending 31 December 2024 would be sustained in the coming months. The period in which these changes have occurred is too limited for the Company to conclude that the functional currency has indeed changed.

Considering the developments summarised above and guidance from IAS 21, the Directors concluded that the Company's functional currency remains the Zimbabwe gold, as presented in the prior and current year financial statements. All values are rounded to the nearest ZWG unless otherwise indicated."

Inflation adjusted

4 Property and equipment

	Land and buildings ZWG	Solar Plant ZWG	Equipment (including furniture and fittings) ZWG	Container Office WIP ZWG	Vehicles ZWG	Total ZWG
Gross carrying amount						
Balance at 1 January 2024	41 603 994	4 390 493	4 848 542	-	2 590 436	53 433 465
Additions	-	-	1 240 769	1 392 462	-	2 633 231
Disposals			(51 541)			(51 541)
Revaluation	(933 308)	(132 248)	-	-	-	(1 065 556)
Balance at 31 December 2024	40 670 686	4 258 245	6 037 770	1 392 462	2 590 436	54 949 600
Depreciation and impairment						
Balance at 1 January 2023	-		(1 988 694)	-	(717 693)	(2 706 387)
Depreciation	(670 686)	(658 245)	(1 176 164)	-	(549 330)	(3 054 426)
Disposals			51 541			51 541
Balance at 31 December 2024	(670 686)	(658 245)	(3 113 317)	-	(1 267 023)	(5 709 271)
carrying amount at 31 December 2024	**40 000 000**	**3 600 000**	**2 924 453**	**1 392 462**	**1 323 412**	**49 240 329**
Gross carrying amount						
Balance at 1 January 2023	15 032 472	1 775 773	3 416 354	-	1 158 261	21 382 861
Additions			1 432 188		1 432 175	2 864 363
Revaluation	28 334 554	2 770 736	-	-		31 105 290
Balance at 31 December 2023	43 367 027	4 546 508	4 848 542		2 590 436	55 352 514
Depreciation and impairment						
Balance at 1 January 2023	(973 542)	(39 701)	(240 211)	-	(524 423)	(1 777 877)
Depreciation	(789 491)	(116 315)	(1 748 482)	-	(193 270)	(2 847 558)
Balance at 31 December 2023	(1 763 032)	(156 015)	(1 988 694)	-	(717 693)	(4 625 435)
Carrying amount at 31 December 2023	**41 603 994**	**4 390 493**	**2 859 849**	**-**	**1 872 743**	**50 727 079**

Land and buildings and the solar plant were revalued as at 31 December 2024 by an independent valuer (Amazon Real Estate Agents (Private) Limited using the market values to determine the fair value. The market value estimated amounts for which the property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arms length transaction.

Notes to the financial statements
for the year ended 31 December 2024 (continued)

Historical cost

4 Property and equipment (continued)

	Land and buildings ZWG	Solar Plant ZWG	Equipment (including furniture and fittings) ZWG	Container Office WIP ZWG	Vehicles ZWG	Total ZWG
Gross carrying amount						
Balance at 1 January 2024	25 016 735	2 640 030	2 915 458	-	1 557 645	32 129 868
Additions	-	-	746 082	837 568	-	1 583 650
Disposals			(30 992)			(30 992)
Revaluation	15 386 552	1 355 776	-	-	-	16 742 328
Balance at 31 December 2024	40 403 287	3 995 807	3 630 548	837 568	1 557 645	50 424 854
Depreciation and impairment						
Balance at 1 January 2024	-	-	(1 195 814)	-	(431 553)	(1 627 367)
Disposal			30 992			30 992
Depreciation	(403 288)	(395 807)	(707 235)	-	(330 316)	(1 836 645)
Balance at 31 December 2024	(403 288)	(395 807)	(1 872 056)	-	(761 869)	(3 433 020)
Carrying amount at 31 December 2024	**40 000 000**	**3 600 000**	**1 758 492**	**837 568**	**795 776**	**46,991,835**
Gross carrying amount						
Balance at 1 January 2023	9 039 117	1 067 783	2 054 275	-	696 470	12 857 644
Additions	-	-	861 184	-	1 188 694	2 049 878
Revaluation	17 037 740	1 666 060	-	-	-	18 703 800
Balance at 31 December 2023	26 076 857	2 733 843	2 915 458	-	1 885 164	33 611 322
Depreciation and impairment						
Balance at 1 January 2023	(585 396)	(23 872)	(144 441)	-	(315 339)	(1 069 048)
Depreciation	(474 726)	(69 941)	(1 051 373)	-	(116 215)	(1 712 254)
Balance at 31 December 2023	(1060 122)	(93 813)	(1 195 814)	-	(431 553)	(2 781 302)
Carrying amount at 31 December 2023	**25 016 735**	**2 640 030**	**1 719 644**	**-**	**1 453 611**	**30 830 020**

The land and buildings and the solar plant were revalued as at 31 December 2024 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 financial statements
for the year ended 31 December 2024 (continued)

	Inflation adjusted		Historical cost	
	2024 ZWG	2023 ZWG	2024 ZWG	2023 ZWG
5 Intangible assets				
Gross carrying amount				
Balance at 1 January	23 535 377	15 101 047	14 151 965	9 080 352
Additions	887 444	8 434 330	624 958	5 071 613
Balance at 31 December	**24 422 821**	**23 535 377**	**14 776 923**	**14 151 965**
Depreciation and impairment				
Balance at 1 January	(3 986 481)	(3 914 024)	(2 397 095)	(2 353 527)
Amortisation charge	(2 403 849)	(72 456)	(1 454 439)	(43 568)
Balance at 31 December	(6 390 330)	(3 986 481)	(3 851 534)	(2 397 095)
Carrying amount at 31 December	**18 032 492**	**19 548 896**	**10 925 389**	**11 754 870**

Intangible asset represent purchased ATS Software including the cost of the development of market surveillance systems and internally developed ZSE direct system.

6 Investment at fair value through OCI				
Balance at the beginning of the year	4 455 286	2 399 965	2 678 990	1 443 114
Fair value adjustments of financial assets through other comprehensive income	(124 900)	2 055 321	1 651 395	1 235 877
Balance at the end of the year	**4 330 386**	**4 455 286**	**4 330 385**	**2 678 991**

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 ZWG 4 330 385 as at 31 December 2024 (2023:ZWG 4 455 286)

Notes to the financial statements
for the year ended 31 December 2024 (continued)

	Inflation adjusted		Historical cost	
	2024	**2023**	**2024**	**2023**
	ZWG	**ZWG**	**ZWG**	**ZWG**
7 Deferred tax				
Analysis of deferred tax:				
Property and equipment	14 015 841	12 150 856	11 749 660	7 306 384
Fairvalue of Chengetedzai Depository Company	165 140	-	165 140	-
Investment in quoted equities	10 001	-	10 001	-
Leave pay provision	(211 149)	(211 146)	(211 149)	(126 964)
	13 979 833	11 939 710	11 713 652	7 179 420
Deferred tax reconciliation				
Balance at beginning of the year	11 939 710	2 797 270	7 179 420	1 682 015
Recognised in statement of profit or loss	(1 318 718)	407 456	1 175 391	245 006
Recognised in other comprehensive income	3 358 841	8 734 984	3 358 841	5 252 399
Balance at the end of the year	13 979 833	11 939 710	11 713 652	7 179 420

Notes to the financial statements
for the year ended 31 December 2024 (continued)

	Inflation adjusted		Historical cost	
	2024 ZWG	2023 ZWG	2024 ZWG	2023 ZWG
8 Investment in subsidiary				
Investment in Victoria Falls Stock Exchange				
Balance at the beginning of the year	168 256	168 256	101 174	101 174
Capital contribution	36 992 218	-	22 243 646	-
Balance at the end of the year	37 160 474	168 256	22 344 820	101 174

The Victoria Falls Stock Exchange Limited (VFEX), is a 100% owned subsidiary of the Zimbabwe Stock Exchange establised in the special economic zone of Victoria Falls and trades exclusively in foreign currency particularly USD. The investment is measured at cost in accordance with IAS 27.10(a).

The Board of Zimbabwe Stock Exchange resolved in the current year to convert US$ 1 400 000 Intercompany receivables owed by VFEX to Equity. The amount has been converted to ZWG equivalent for reporting purposes. This resulted in the noted increment in the Investment in subsidiary balance.

9 Financial assets at fair value through profit or loss

Opening balance	1 711 005	794 624	1 028 838	477 812
Fair value gains on financial assets through prof	1 000 085	1 545 009	1 000 085	929 023
Effects of inflation	(682 167)	(628 628)	-	(377 998)
	2 028 923	1 711 005	2 028 923	1 028 838

Financial assets at fair value through profit or loss at year end is made up of Equities and Unit Trusts.

Notes to the financial statements
for the year ended 31 December 2024 (continued)

10 Trade and other receivables

Trade receivables	13 706 991	8 820 491	13 706 991	5 303 815
Allowance for expected credit losses	(1 789 310)	(456 796)	(1 789 310)	(274 674)
Net trade receivables	11 917 681	8 363 695	11 917 681	5 029 141
Intercompany balances	-	26 390 390	-	15 868 703
Staff loans	1 809 156	2 079 448	1 809 156	1 250 383
Prepaid expenses and other receivables	365 268	2 519 009	365 268	1 514 695
Balance at the end of the year	14 092 105	39 352 543	14 092 105	23,662,922

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

10.1 Allowance for expected credit losses

Opening balance	456 796	14,072	274 674	8 461
Movement for the year	1 514 636	467 747	1 514 636	281 259
Effects of Inflation	(182 122)	(25 023)	-	(15 047)
Closing balance	1 789 310	456 796	1 789 310	274 674

The expected loss rates are based on the company's historical credit losses. The historical losses then adjusted for current and forward looking information on macroeconomioc factors affecting the copmpany's clients. The company has identified Inflation rate, lending rates and Gross domestic product (GDP) growth rates as the relavant macroeconomic factors to consider.

Days Past Due Bucket	Amount	Default rate (adjusted)	Provision for credit losses
Current		0%	-
1-30 Days	265 242	13%	13 546
31-60 Days	101 759	13%	201 802
61-90 Days	1 515 984	13%	1 342 490
91-120 Days	10 085 129	13%	3 159
121-180 Days	23 735	13%	228 312
180 Days Plus	1 715 141	100%	-
	13 706 991		**1 789 310**

11 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise:

Cash at bank	**2 681 439**	**6 138 383**	**2 681 439**	**3 691 047**
	2 681 439	6 138 383	2 681 439	3 691 047

12 Share capital and premium

Authorised share capital

6 000 000 ordinary shares of $0.01 each	99 783	99 783	60 000	60 000

Notes to the financial statements
for the year ended 31 December 2024 (continued)

	Inflation adjusted		Historical cost	
	2024	**2023**	**2024**	**2023**
	ZWG	**ZWG**	**ZWG**	**ZWG**
12 Share capital and premium (continued)				
Issued share capital				
102 704 ordinary shares of $0.01 each	3 216	3 216	1 934	1 934
Share premium	227 493	227 493	136 793	136 793
Balance at the end of the year	230 709	230 709	138 727	138 727
13 Reserves				
13.1 Non Distributable Reserves				
Opening Balance	36 612 935	14 242 629	22 015 580	8 564 179
Revaluation Gain	(4 259 257)	22 370 306	13 548 627	13 451 401
Reserves	32 353 678	36 612 935	35 564 207	22 015 580

Non Distributable Reserves are comprised of Revaluation Gains/(Losses) on Land and Buildings and Translation differences as a result of change in functional currency from the Zimbabwe Dollar to the United States Dollar in 2009 and the change in Functional Currency from Zimbabwe Dollar to ZWG.

Notes to the financial statements
for the year ended 31 December 2024 (continued)

	Inflation adjusted		Historical cost	
	2024 ZWG	2023 ZWG	2024 ZWG	2023 ZWG
13.2 Mark to market reserve				
Opening balance	4 166 988	2 111 667	2 505 635	1 269 758
Movement during the year	(290 040)	2 055 321	1 486 255	1 235 877
Closing balance	3 876 948	4 166 988	3 991 890	2 505 635

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

14 Borrowings

Short-term borrowings	2024 ZWG	2023 ZWG	2024 ZWG	2023 ZWG
Opening balance	3 238 942	1 209 690	1 947 596	727 394
Facility drawdown	-	3 238 940	-	1 947 595
Loans repayment	(1 159 391)	(251 737)	(1 159 391)	(151 370)
Effects of Inflation	(1 291 346)	(957 953)	-	(576 023)
Closing balance	788 205	3 238 940	788 205	1 947 596

The company secured a loan of USD180,000 from the Company's bankers FBC bank for the purchase of vehicles. The loan is repaid by equal monthly instalments of principal plus interest until 30 April 2025. It accrues interest of 13%-19% per annum.

15 Related party information

15.1 Related parties

The following are the related parties of the company:

Related party	Nature of relationship
Victoria Falls Stock Exchange Limited	Shareholder
Zimbabwe Stock Exchange Holding Limited	Ultimate shareholder
Justin Bgoni	Exceutive Director
Yolanda Chanakira	Senior Management
Lyndon Nkomo	Senior Management
Irvine Sithole	Senior Management
Edwin Mtami	Senior Management
Hillarious Karani	Senior Management
Edmond Sithole	Senior Management
	Senior Management

15.2 Key management personnel compensation

Salaries and other short term employee benefits	35 890 658	38 695 082	24 584 930	23 267 589
Pension contributions	2 386 248	6 361 267	1 434 866	3 825 069
	38 276 906	45 056 349	26 019 796	27 092 658

15.3 Related party transactions

Below are the balances of the related party:

Related party	Nature of transaction	2024 ZWG	2023 ZWG	2024 ZWG	2023 ZWG
Victoria Falls	Advances	28 929 322	35 456 839	28 929 322	35 456 839
	Repayments	80 320 895	661 061	80 320 895	661 061

15.4 Related party balances

Amounts included in trade receivables relating to related parties				
Victoria Falls Stock Exchange Limited	-	26 390 390	-	15 868 703
Amounts included in non-current liabilities relating to related parties				
Victoria Falls Stock Exchange Limited	16 556 832	-	16 556 832	-

No security or guarantees have been pledged for related party balances and no interest is charged

16 Trade and other payables

Trade creditors	1 769 971	1 153 563	1 769 971	693 644
Payroll liabilities	4 517 721	7 605 155	4 517 721	4 573 026
Provisions	2 974 667	3 334 983	2 974 667	2 005 345
	9 262 359	12 093 701	9 262 359	7 272 015

Notes to the financial statements
for the year ended 31 December 2024 (continued)

	Inflation adjusted		Historical cost	
	2024	2023	2024	2023
	ZWG	ZWG	ZWG	ZWG
17 Revenue				
ZSE levy	6 824 997	8 946 337	4 897 191	5 379 487
ZSE EDS levy	900 161	905 871	616 940	544 706
Annual listing fees	88 772 949	99 160 217	63 819 539	59 625 642
Index fees	6 081	41 827	4 049	25 151
Space advertising	36 693	55 134	23 559	33 152
Automated trading system market access fees	800 766	1 061 483	562 161	638 276
Corporate action and document review fees	1 717 906	4 510 465	1 195 003	2 712 170
Custodial Membership Fees	343 355	-	205 305	-
Members subscription fees	1 352 541	616 696	812 795	370 823
Non-member institution subscription fees	185 921	373 667	111 795	224 688
Data vending	328 729	1 024 169	208 779	615 839
Operation fees	568 717	102 440	371 439	61 598
Training services	117 307	2 545 282	73 599	1 530 493
ZSE direct commissions	279 673	243 662	186 174	146 515
Security pledge administration fees	2 424	9 496	1 458	5 710
Membership Application	38 178	-	22 835	-
	102 276 400	119 596 746	73 112 621	71 914 252
18 Other income				
Sundry income	8 685	103 443	5 222	62 201
Profit on disposal of assets	20 498	121 007	15 158	72 762
Exchange gain	40 470 381	36 785 205	23 512 426	22 119 168
	40 499 564	37 009 655	23 532 806	22 254 131

19 Operating profit

Operating profit is stated after taking into account of the following items:

	Inflation adjusted		Historical cost	
	2024 ZWG	2023 ZWG	2024 ZWG	2023 ZWG
19.1 Staff costs				
Salaries and allowances	37 749 201	37 859 177	26 718 678	22 764 953
Staff bonus	8 713 695	6 818 388	7 769 027	4 099 938
Other staff costs	9 844 323	13 124 169	6 941 438	7 891 643
Leave pay expenses	2 874 323	4 012 891	1 199 163	2 412 976
Medical aid	1 835 109	1 505 875	1 284 098	905 492
Statutory levies	918 708	2 202 371	676 069	1 324 299
Social security costs	4 741 523	755 513	3 364 591	454 295
Pension fund administration fees	325 916	290 201	232 765	174 499
	67 002 798	66 568 584	48 185 827	40 028 095
19.2 Other operating costs				
Computer maintenance and systems support	2 682 732	1 933 548	1 805 362	1 162 654
Printing/stationery	800 762	549 532	551 300	330 437
Audit fees	1 076 974	500 052	814 057	300 685
Bank charges	1 486 711	1 760 795	1 060 740	1 058 777
Board sitting fees	8 573 826	4 083 548	6 059 470	2 455 462
Brand promotion or marketing costs	2 086 999	1 843 362	1 904 771	1 108 425
Premises costs	4 675 628	4 439 229	3 365 567	2 669 336
Recruitment expenses	-	65 103	-	39 147
Consultancy and professional fees	3 321 629	2 024 484	2 480 508	1 217 335
Staff welfare	411 264	742 275	307 767	446 334
Insurance	944 593	792 856	674 382	476 749
Investor education and promotion	375 982	176 361	286 050	106 047
Legal fees	502 492	316 935	502 492	190 575
Motor vehicle costs	1 974 048	2 309 869	1 340 205	1 388 938
Software and licensing costs	3 601 059	4 041 893	2 486 826	2 430 415
Company secretarial fees	148 645	301 548	89 381	181 323
Allowance for credit losses	1 514 636	467 747	1 514 636	281 259
Bad debts written off	1 743 463	-	1 743 463	-
Staff training/professional development	853 466	642 163	538 887	386 136
Subscription, membership/publications fees	360 890	869 657	236 635	522 930
Travelling and conferences	5 175 719	8 320 114	3 740 349	5 002 935
	42 311 517	36 115 968	31 502 847	21 716 752

	Inflation adjusted		Historical cost	
	2024 ZWG	2023 ZWG	2024 ZWG	2023 ZWG
19.3 Depreciation and amortisation				
Buildings	670 686	789 491	403 288	474 726
Solar plant	658 245	116 315	395 807	69 941
Equipment (including furniture and fittings)	1 176 164	1 748 482	707 235	1 051 373
Vehicles	549 330	193 270	330 316	116 215
Automated trading system & Market Surveillance System	2 403 849	72 456	1 454 439	43 568
	5 458 275	2 920 014	3 291 085	1 755 822

20 Finance costs and interest income

	Inflation adjusted 2024 ZWG	Inflation adjusted 2023 ZWG	Historical cost 2024 ZWG	Historical cost 2023 ZWG
20.1 Finance income				
Interest on staff Loans	300 929	-	180 951	-
Interest on short-term fixed deposits and loans advances	1 133	178 500	774	107 333
	302 062	178 500	181 725	107 333
20.2 Finance costs				
Interest paid - short term borrowings	318 927	613 748	211 722	369 050

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

Notes to the financial statements
for the year ended 31 December 2024 (continued)

	Inflation adjusted		Historical cost	
	2024 ZWG	2023 ZWG	2024 ZWG	2023 ZWG
21 Income tax expense				
Current tax	8 520 830	1 012 830	3 211 047	609 021
Deferred tax	(1 318 718)	407 456	1 175 391	245 006
	7 202 112	1 420 286	4 386 438	854 027
Tax rate reconciliation				
Profit before tax	3 820 670	42 458 033	(3 487 536)	25 857 793
Income tax charge at 25.75%	983 822	10 372 235	(898 041)	6 236 888
Tax effect of:				
Non-deductible expenses	9 665 832	1 891 280	5 720 915	1 236 617
Non-taxable items	(4 735 677)	(10 843 229)	(2 559 109)	(6 619 478)
Tax rate change efffect	1 288 135	-	2 122 673	-
	7 202 112	1 420 286	4 386 438	854 027
Income tax payable/(refundable)				
Balance at beginning of year	(1 666 303)	621 483	(1 001 958)	373 702
Current tax	8 520 830	1 012 830	3 211 047	609 021
Taxes paid	(1 764 281)	(2 195 891)	(1 764 281)	(1 320 403)
Effects of inflation	(3 796 857)	(1 104 725)	848 581	(664 278)
Balance at the end of the year	1 293 389	(1 666 303)	1 293 389	(1 001 958)

Notes to the financial statements
for the year ended 31 December 2024 (continued)

23 Financial Instrument Measurement

(a) Risk management framework

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

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate limits and controls and to monitor risks and adherence to the limits. Risk managemet policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company 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 Company's risk managemet policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Committee is assisted in its oversight role by the Finance and Compliance Department which undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Commitee.

(a) Risk management framework (continued)

The Company is exposed to the following principal risks arising from financial instruments:

- Credit Risk;
- Liquidity risk;
- Interest rate risk.

(i) Credit Risk

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

There is no significant concentration of credit risk with respect to cash and cash equivalents as the Company holds cash accounts with large financial institutions with sound financial and capital cover.

The Company limits its exposure to credit risk by ensuring its ratio of trade receivable to total revenue is kept within acceptable threshholds. The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

Cash and cash equivalents

The Company held cash and cash equivalents of ZWG 2 681 439 at 31 December 2024 (2023 : ZWG 6 138 382) 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.

(ii) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketables securities.

A maturity analysis of financial instruments as at 31 December 2024 is as follows:

23 Financial Risk Management (continued)

Description	Up to 3 months ZWG	3 months - 1 year ZWG	1 year - 5 years ZWG	Total ZWG
Cash and cash equivalents	2 681 439	-	-	2 681 439
Trade and other receivables	14 092 105	-	-	14 092 105
Financial assets at fairvalue through profit or loss	-	2 028 923	-	2 028 923
Total Assets	16 773 544	2 028 923	-	18 802 467

(ii) Liquidity risk

Liabilities				
Interest bearing loans and borrowings	-	788 205	-	788 205
Income tax payable	1 293 389			
Trade and other payables	9 262 359	-	-	9 262 359
Total Liabilities	10 555 748	788 205	-	10 050 564
Deficit	6 217 796	1 240 718	-	8 751 903

(iii) 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 Company's income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return. The Company uses a range of tools such as sensitivity analysis to manage its exposure to market risk.

(iv) 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.

(v) 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 Company 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 Company's interest rate risk arises from investments in short-term placements and long-term debt obligations with floating interest rates.

23 Financial Risk Management (Continued)

(vi) Capital Risk Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders 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 2024.The Company monitors capital on the basis of the capital adequacy directive by the regulator, the Securities and Exchange Commission of Zimbabwe.

23.1 Principal financial instruments

The principal financial instruments used by the Company, from which financial instrument
a) Trade and other receivables
b) Bank and cash balances
c) Short term deposits
d) Trade and other payables

A summary of the financial instruments held by category is provided below:

	At amortised cost	
Financial assets	**2024**	**2023**
	ZWG	**ZWG**
Trade and other receivables	14 092 105	39 352 543
Bank and cash balances	2 681 439	6 138 383
Investment in subsidiary	22 344 820	101 174
Short term deposits	788 205	1 947 595
	39 906 569	**47 539 695**
Financial assets at fairvalue through OCI	4 330 385	2 678 991
Financial assets at fairvalue through P/L	2 028 923	1 711 005
Financial liabilities		
Trade and other payables	9 262 359	7 272 015
Related party loan	16 556 832	-
Borrowings	788 205	3 238 940
	26 607 396	**10 510 955**

24 Fair value of financial assets and liabilities

24.1 Fair value hierarchy

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 Company'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.

The table below summarises the various assets and liabilities measured at fair value and the level on the fair value hierarchy.

	Level 1	Level 2	Level 3	Total
Financial assets	**ZWG**	**ZWG**	**ZWG**	**ZWG**
At fair value through profit or loss 2024	2 028 923	-	-	2 028 923
At fair value through profit or loss 2023	1 711 005	-	-	1 711 005
Unquoted equities 2024 (At fairvalue through other comprehensive income)	-	-	4 330 385	4 330 385
Unquoted equities 2023 (At fairvalue through other comprehensive income)	-	-	4 455 286	4 455 286

25 Retirement Benefits Plans

25.1 Zimbabwe Stock Exchange Pension Fund

Pension funds are provided for employees to a separate fund to which the Company contributes. The fund is independently administered by ZB Life Assurance Limited. The company's contributions during the year amounted to ZWG 2 796 479 (2023: ZWG 1 434 808).

Retirement Benefits Plans(continued)

25.2 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 company's contributions during the year amounted to ZWG 568 111 (2023: ZWG 454 295).

26 Management of capital

The company's objective when managing capital is to safeguard the entity's ability to continue as a going concern so that it can continue to provide returns to shareholders and benefits to other stakeholders. Although the parent company owes the subsidiary ZWG 16,556,832 the subsidiary has no intentions of recalling or demanding any repayment of the funds owed in the next 12 months. The company's capital includes issued share capital and retained earnings. In order to maintain the capital structure, the company may issue new shares or reduce debt.

27 Events after the reporting period

No adjusting event has occurred between the 31 December 2024 reporting and the date of authorisation of this financial statements.

A significant non-adjusting event expected to take place in the second quarter of the year 2025, is the self listing of the Company on its main bourse.

28 Approval of financial statements

The financial statements were approved by the Board of Directors for issue on 4 April 2025