Grant Thornton

Financial Securities Exchange (Private) Limited

Annual Financial Statements

31 December 2024

NATURE OF BUSINESS:

A registered Securities Exchange (Alternative Trading Platform) in terms of section 30 of the Securities & Exchange Act [Chapter 24:25], as read with the Securities (Alternative Trading Platform) Rules, S.I.100 OF 2016.

BOARD OF DIRECTORS:

Kupara R. P.	Chairman
Tapfumaneyi C.	Chief Executive Officer
Mavingire W.	Non-Executive Director
Gambiga D.	Non-Executive Director
Matete D.	Non-Executive Director

REGISTERED OFFICE:

2nd Floor, ZB Center
No. 59 Kwame Nkurumah
CBD
HARARE

AUDITORS:

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

PRINCIPAL BANKERS:

Nedbank
Jason Moyo Branch
HARARE

PRINCIPAL BANKERS:

CABS Bank
Borrowdale Platinum
HARARE

ATTORNEYS:

Kantor & Immerman Legal Practitioners
10 Selous Avenue
HARARE

Manakore Attorneys
61 Princes Road
Glenara Avenue
Newlands
HARARE

Contents

These financial statements are expressed in Zimbabwe Gold (ZWG).

Responsibilities of Management and Those Charged with Governance for the inflation adjusted annual financial statements for the year ended 31 December 2024.

It is the Directors' responsibility to ensure that the financial statements fairly present the state of affairs of Financial Securities Exchange (Private) Limited. The external auditors are responsible for independently reviewing and reporting on the financial statements.

The Directors have assessed the ability of Financial Securities Exchange (Private) Limited to continue as a going concern and believe that the preparation of these 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 financial statements.

The financial statements set out in this report have been prepared by management in accordance 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.

The Directors carried out an assessment of the impact of liquidity constraints and foreign currency shortages on the Company's operations and income streams and came to a conclusion that the impact is not material to affect the ability of the Company to continue as a going concern for the twelve months ended 31 December 2024.

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.

Other Information

Chairman's Statement for FINSEC's 2024 Financial Results

Ladies and Gentlemen,

It is with great pride that I present the Financial Securities Exchange (FINSEC) financial results for the year 2024. Despite a challenging economic and operational environment, FINSEC has demonstrated resilience and adaptability, achieving key milestones while navigating market headwinds. Our commitment to innovation, financial inclusion, and sustainable growth remains steadfast, and I am pleased to share our progress and accomplishments over the past year.

Financial Performance

In 2024, FINSEC recorded a profit of ZWG419,564, a commendable achievement given the macroeconomic challenges, including high inflation, liquidity constraints, and the impact of climate change on the agricultural sector.

Operational Highlights

- **Admissions and Listings**: We welcomed **2 mutual fund admissions** and on-boarded Edgars onto the Invoice Discounting platform. However, liquidity challenges persisted, with the primary market experiencing a low listing conversion rate of **5%**.
- **Derivatives Activity**: Derivatives trading remained subdued throughout the year.
- **Expenses Management**: We maintained disciplined cost control keeping expenses **45% below budget** - a reflection our focus on operational efficiency.

Strategic Initiatives

FINSEC continues to innovate and expand its product offerings to meet the evolving needs of the market. Key initiatives in 2024 included:

- **Digital Property Exchange (DPX)**: The development of the DPX product is nearing completion, with implementation anticipated in the first half of 2025. This initiative is set to enhance revenue through management contracts.
- **Climate Financing**: We are actively exploring climate financing opportunities, including Green Bonds and Carbon Credits, to support sustainable development.

- **Regional Integration**: Discussions with CoSSE and SADC are underway to pursue regional stock exchange interconnectivity, broadening FINSEC's reach and exposing our listings to regional markets.

Market Environment

The 2024 operating environment presented significant challenges namely:

- **Economic Volatility**: High inflation and sharp devaluation of the ZWG undermined market confidence.
- **Climate Change**: The El Niño-induced drought affected agricultural output and household incomes, straining liquidity and impacting the FINSEC associated company, ZMX.
- **Regulatory Changes**: The promulgation of the Cyber and Data Protection Licensing Regulations increased compliance costs but strengthened data protection for market participants.

Despite these obstacles, FINSEC remained steadfast in its mission.

Looking Ahead

As we move into 2025, our strategic priorities are:

1. **Enhancing Financial Inclusion**: Expanding access to diverse investment opportunities through innovative products and services.
2. **Driving Revenue Growth**: Increasing listings, particularly in mutual funds and unit trusts, while leveraging DPX to diversify income streams.
3. **Strengthening Market Resilience**: Investing in technology and infrastructure to improve boost operational efficiency and market participation.
4. **Promoting Sustainability**: Advancing climate financing initiatives and embedding ESG principles into our operations.

Capital adequacy

FINSEC employs a robust capital management strategy to ensure financial stability and operational continuity. As part of this approach, the company maintains sufficient liquidity to cover at least three months of working capital requirements at all times. This proactive measure mitigates short-term liquidity risks, supports seamless business operations, and strengthens the company's ability to meet its financial obligations promptly. The three-month working capital cover underscores FINSEC's commitment to maintaining strong capital adequacy and financial resilience.
Additionally, the company has a professional indemnity cover of USD30,000 and a fidelity guarantee cover of USD25,000 further reinforcing its financial safeguards.

Acknowledgments

I extend sincere gratitude to the Board of Directors, management, and staff for their dedication and hard work in navigating a challenging year. I also thank our shareholders, clients, and stakeholders for their continued support and trust in FINSEC.

Board Meeting Attendance

The Board of Directors has been actively engaged in guiding FINSEC's strategy and operations. Below is a summary of Board meeting attendance for 2024:

Board Member	Meetings Attended	Total Meetings Held	Attendance Rate
Kudzayi Gambinga	4	4	100%
Rachel Kupara	4	4	100%
Desmond Matete	4	4	100%
Welcome Mavingire	4	4	100%
Collen Tapfumaneyi	4	4	100%

The Board's commitment to sound governance and oversight has been instrumental in steering FINSEC through a challenging year. I am confident that their leadership will continue to drive our success in 2025.

Conclusion

While 2024 presented notable challenges, FINSEC has emerged stronger, more agile, and resolute in its mission to foster financial inclusion and innovation. We remain committed to creating long-term value for our clients, shareholders, and stakeholders, and I am optimistic about the opportunities that lie ahead.

Thank you.

……………………….

Rachel Kupara

Chairperson

Risk Assessment

FINSEC is committed to maintaining a robust risk management framework to identify, assess, monitor, and mitigate risks associated with its operations. The enterprise risk management (ERM) framework adopted by FINSEC ensures that risks are systematically managed across all levels of the organization. This framework encompasses a wide range of risks, including but not limited to operational risk, market risk, strategic risk, liquidity risk, and legal and compliance risk. The risk assessment process is designed to ensure that FINSEC remains resilient in the face of potential threats and continues to operate in compliance with regulatory requirements.

Risk Assessment Process

FINSEC conducts regular risk assessments to identify and evaluate risks specific to its operations. A risk report is submitted to the Board for their oversight on a quarterly basis. The risk assessment process involves the following key steps:

1. **Risk Identification:** Risks are identified through a combination of internal audits, stakeholder feedback, and industry analysis. This includes risks related to operational processes, market dynamics, strategic decisions, liquidity management, and compliance with legal and regulatory requirements.

2. **Risk Evaluation:** Identified risks are evaluated based on their likelihood of occurrence and potential impact on the business. Risks are scored using a risk matrix that considers both the probability and severity of each risk.

3. **Risk Mitigation**: For each identified risk, mitigation strategies are developed and implemented. These strategies include enhancing internal controls, updating policies and procedures, and conducting regular training for staff.

4. **Monitoring and Reporting:** Risks are continuously monitored, and regular reports are submitted to senior management and the Board. The effectiveness of risk mitigation measures is reviewed periodically to ensure they remain adequate and effective.

Key Risks Monitored by FINSEC

FINSEC’s risk management framework focuses on several key risk areas, including operational, market, strategic, liquidity, and legal/compliance risks. Below is an overview of the risks monitored by FINSEC, with particular attention to the four high-risk areas identified in the risk assessment:

1. **Transactional Risk (Risk Score: 16)**

Transactional risk refers to the potential for financial loss or operational disruption due to errors, fraud, or inefficiencies in transaction processing. FINSEC has implemented stringent controls to mitigate this risk, including:

• **Clear Policies and Procedures:** Detailed operational procedures are in place to ensure accurate and efficient transaction processing.

• **Technology Utilization:** Advanced technology is used to automate transaction processing, reducing the likelihood of human error.

• **Regular Audits:** Internal and external audits are conducted to ensure compliance with policies and identify areas for improvement.

1. **Settlement Risk (Risk Score: 16)**

Settlement risk arises from the potential failure of counterparties to settle trades on time, leading to financial losses. FINSEC mitigates this risk through:

• **Delivery vs. Payment (DvP):** A strict DvP process is enforced to ensure that securities are only delivered upon receipt of payment, virtually eliminating counterparty credit risk.

• **Manual Settlement Oversight:** In cases where manual settlement is required, transactions are closely monitored and verified to prevent errors.

2. **Country Risk / Political Risk (Risk Score: 16)**

Country and political risks stem from changes in the business environment, such as regulatory changes, political instability, or economic downturns. FINSEC addresses these risks through:

• **Business Continuity Planning (BCP):** A comprehensive BCP ensures that FINSEC can continue operations during periods of disruption.

• **PESTLE Analysis:** Regular analysis of political, economic, social, technological, legal, and environmental factors helps FINSEC anticipate and prepare for potential risks.

3. **Market Acceptance (Risk Score: 16)**

‘Non-Acceptance’ is the risk of operational failure and capital loss arising from the Platform’s failure to gain market acceptance.

- **Promotional Plan:** Since the inception of the ATP, FINSEC has rolled out a strategic promotional plan that ensures that the exchange rides on values that are shared amongst local market makers (including the benefits of home-grown technology, credible risk management, a qualified board and experienced sponsors).

- **Product Management:** new products are introduced guided by a thorough product management lifecycle framework

Internal Controls and Effectiveness

FINSEC has established a comprehensive set of internal controls to manage and mitigate the risks identified in its risk assessment process. These controls include:

- **Policies and Procedures:** Clear policies and procedures are in place to guide operations and ensure compliance with regulatory requirements.

- **Regular Training:** Staff and board members receive regular training on risk management, AML/CFT, and other relevant areas to ensure they are equipped to identify and manage risks effectively.

- **Internal Audits:** The Group Internal Auditor conducts regular audits to assess the effectiveness of internal controls and ensure compliance with policies and procedures.

- **Compliance Monitoring:** The Compliance Officer monitors adherence to regulatory requirements and ensures that any changes in regulations are promptly incorporated into FINSEC's operations.

Conclusion

FINSEC's risk management framework is designed to ensure that risks are identified, assessed, and mitigated effectively. The four high-risk areas—transactional risk, settlement risk, country/political risk, and market risk—are closely monitored, and robust controls are in place to mitigate these risks. The effectiveness of these controls is regularly reviewed through internal audits and compliance monitoring, ensuring that FINSEC remains resilient and compliant with regulatory requirements.

FINSEC remains committed to maintaining a strong risk management culture and will continue to enhance its risk management practices to address emerging risks and ensure the sustainability of its operations.

Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT)

FINSEC has demonstrated a robust commitment to maintaining a strong Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT) framework. As part of its ongoing compliance obligations, FINSEC conducts an annual institutional risk assessment to identify, assess, and mitigate risks associated with money laundering, terrorist financing, and proliferation financing (ML/TF/PF). The 2024 risk assessment was submitted to the Securities and Exchange Commission of Zimbabwe (SECZ) in accordance with regulatory requirements. The assessment utilized the World Bank AML/CFT Risk Assessment Tool, which evaluates the institution's inherent risks, control effectiveness, and overall vulnerability to ML/TF/PF risks. FINSEC's risk assessment concluded that the institution maintains a medium-low risk profile, supported by effective controls and monitoring systems.

FINSEC has implemented stringent measures to ensure compliance with international and local regulatory standards. The institution regularly updates its systems with the United Nations sanctions list, ensuring that sanctioned individuals or entities are flagged and prevented from trading on the exchange. All directives issued in 2024 were promptly integrated into FINSEC's systems, and any attempts by sanctioned individuals to trade are automatically detected and blocked. This proactive approach ensures that FINSEC remains compliant with global AML/CFT standards.

Throughout 2025, FINSEC submitted monthly Cash Transaction Reports (CTRs) and Suspicious Transaction Reports (STRs) to the relevant regulatory authorities. During the year, five transactions exceeded the daily reporting threshold of USD 5,000 and were reported to the Financial Intelligence Unit (FIU) via the GoAML platform. Notably, no suspicious transactions were identified or processed through the Exchange during 2024, reflecting the effectiveness of FINSEC's monitoring and reporting mechanisms.

FINSEC places a strong emphasis on staff and board training to ensure a high level of awareness and compliance with AML/CFT regulations. In 2024, both staff and board members participated in annual AML training sessions, which focused on updates to the Money Laundering and Proceeds of Crime Act (Chapter 9:24). These training sessions, coupled with workshops facilitated by the SEC and FIU, have enhanced the institution's overall understanding of AML/CFT requirements and reinforced its commitment to maintaining a secure and compliant trading environment.

In conclusion, FINSEC's AML/CFT risk assessment process is comprehensive and aligned with regulatory expectations. The institution's proactive approach to risk management, combined with its robust monitoring systems and regular training programs, ensures that it remains vigilant against potential ML/TF risks. The external audit confirms that FINSEC has effectively applied its risk assessment processes and continues to uphold the highest standards of compliance in AML/CFT.

Financial Securities Exchange (Private) Limited Sustainability Report

Reporting Period: Year Ending December 31, 2024

Prepared by: Mukayi Kuveya, Company Secretary

Introduction

Financial Securities Exchange (Private) Limited (FINSEC) is committed to building a sustainable and resilient capital market in Zimbabwe. This report outlines our sustainability initiatives and performance, aligning with IFRS Sustainability Disclosure Standards (IFRS S1 and IFRS S2). We recognize the interconnectedness of environmental, social, and governance (ESG) factors and their impact on our stakeholders and the broader economy.

ENVIRONMENTAL

FINSEC acknowledges the growing importance of sustainable finance and its role in addressing climate change.

Green and Sustainability Bonds Framework: In line with global trends, FINSEC has incorporated a framework for green bonds and sustainability bonds into its rules, scheduled for regulatory submission in 2025. This initiative will facilitate the mobilization of capital for environmentally friendly projects and promote sustainable development.

Benefits:

(i) Attracts environmentally conscious investors, expanding the investor base.

(ii) Supports the transition to a low-carbon economy.

(iii) Enhances the exchange's reputation as a leader in sustainable finance.

(iv) Contributes to the countries' Nationally Determined Contributions.

The above initiative directly addresses climate-related risks and opportunities by facilitating the issuance of green bonds, which finance projects that mitigate climate change.

SOCIAL

FINSEC is committed to promoting financial literacy and inclusive capital market participation. To this end it embarked on a number of initiatives in 2024.

Harare Institute of Technology Portfolio Engineering Challenge:

C-Trade (a FINSEC associated product) served as a technical partner, providing students with practical experience through C-Trade Fantasy. C-TRADE is a comprehensive suite of mobile and internet-based products designed to automate the end-to-end processes of the entire capital markets from securities trading, clearing and settlement. It enables users to participate in trading of securities from the comfort of their home. Certificates were awarded to participants, recognizing their achievement.

Benefits:

(i) Develops future financial professionals.

(ii) Increase awareness of capital market opportunities among students.

Educational Capital Markets Outreach with SECZ:

Collaborated with the Securities and Exchange Commission of Zimbabwe to conduct outreach programs at various high schools.

Benefits:

(i) Expands financial literacy among young people.

(ii) Promotes early engagement with capital markets.

Educational Tour - Bindura University of Science Education:

The Business hosted an educational tour, providing students with first-hand exposure to the Exchange's operations. The students were also taken on a tour of the Zimbabwe Mercantile Exchange and Corpserve Transfer Secretaries which are FINSEC affiliated entities.

Benefits:

(i) Enhances students' understanding of capital market functions and commodity exchanges.

(ii) Provides valuable practical learning experiences.

Tobacco Sales Floor (TSF) Management Workshop:

FINSEC conducted a capital market awareness program for TSF Management.

Benefits:

(i) Improves the knowledge of capital market instruments for industry professionals.

(ii) Promotes informed investment decisions.

Chisipite Girls High Careers in Commercials and Hospitality Industry Fair:

FINSEC participated in the careers fair, promoting careers in the financial industry.

Benefits:

(i) Inspires young women to pursue careers in finance.

(ii) Contributes to gender diversity in the industry.

Social Bonds Framework:

The exchange introduced a framework for social bonds.

Benefits:

(i) Allows for the raising of capital for projects with positive social outcomes.

(ii) Increases social impact investing.

(iii) Contributes to achieving sustainable development goals.

These initiatives contribute to social capital development by enhancing financial literacy, promoting inclusive participation, and creating opportunities for education and career development.

GOVERNANCE

FINSEC maintains a robust governance framework that ensures accountability and transparency. Board Composition and Meetings: All four scheduled board meetings were successfully held during the quarter, demonstrating effective oversight. The board comprises five members, with a female chairperson, reflecting our commitment to gender diversity and inclusive leadership. This diverse leadership enhances decision-making and fosters a culture of ethical conduct.

Regulatory Compliance: No issues of non-compliance were raised by the regulator, highlighting the effectiveness of our internal controls and governance practices. Proactive compliance mitigates risks and builds trust with stakeholders.

Benefits: Strong governance ensures responsible management, protects shareholder interests, and promotes long-term value creation. Diverse leadership fosters innovation and enhances the exchange's reputation.

Risk Management

FINSEC recognizes the importance of managing ESG-related risks. We continuously assess and mitigate potential risks associated with our operations and initiatives.

Metrics and Targets

FINSEC will develop specific metrics and targets to measure the impact of our sustainability initiatives. We will track key performance indicators related to environmental, social, and governance factors.

Stakeholder Engagement

FINSEC is committed to engaging with our stakeholders, including investors, regulators, educational institutions, and the community. We value their feedback and strive to incorporate it into our sustainability initiatives.

Future Outlook

FINSEC will continue to enhance its sustainability efforts and contribute to a more sustainable and resilient capital market. We will monitor the evolving landscape of sustainability reporting and adapt our practices accordingly.

FINSEC is dedicated to integrating sustainability into our core business operations. We believe that by promoting responsible business practices, we can create long-term value for our stakeholders and contribute to a sustainable future for Zimbabwe.

Disclaimer: This report is based on the information provided and is intended for informational purposes only. It should not be considered as financial or investment advice.
Contact Information: Mukayi Kuveya Company Secretary Financial Securities Exchange (Private) Limited

The Company's financial statements which are set out on pages 17 to 43 were, in accordance with their responsibilities, approved by the Board of Directors on .... 2025 and are signed on its behalf by:

……………………	………..……………
Mavingire W.	Munema G.
Director	**General Director**

INDEPENDENT AUDITORS' REPORT

To the member of Financial Securities Exchange (Private) Limited

Report on the audit of the Annual Financial Statements

Opinion

We have audited the inflation adjusted financial statements of Financial Securities Exchange (Private) Limited set out on pages 17 to 43 which comprise of the inflation adjusted statement of financial position as at 31 December 2024, 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 significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the inflation adjusted financial position of Financial Securities Exchange (Private) Limited as at 31 December 2024, its inflation adjusted financial performance, and its inflation adjusted cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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 (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Opinion.

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 year. 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. There were no key audit matters.

Other information

The Directors are responsible for the other information. The other information comprises the Chairman's Statement, Risk Assessment Report, Anti-Money Laundering Report and Company Secretary's as required by the Companies and Other Business Entities Act (Chapter 24:31), which we obtained prior to the date of this Auditors' Report. The other information does not include the financial statements and our Auditor's Report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Report Standards (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 financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has 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 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 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 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 Company'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 Company ability to continue as a going concern. If we conclude that 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 Company to cease to continue as a going concern.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the Company's 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the 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 our opinion, the 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 Edmore Chimhowa.

Edmore Chimhowa
Partner

Registered Public Auditor (PAAB No: 0470)

Grant Thornton
Chartered Accountants (Zimbabwe) ……………………………………....2025
Registered Public Auditors

HARARE

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

		Inflation adjusted		Historical cost	
		2024	2023	2024	2023
	Notes	ZWG	ZWG	ZWG	ZWG
Revenue	4.1	687 090	1 332 766	616 745	801 401
Other income	4.2	3 476 232	5 854 286	2 449 995	3 520 218
Foreign exchange gain		416 336	1 296 206	336 024	779 417
Operating expenses	5	(2 535 376)	(5 185 776)	(1 820 969)	(3 118 245)
Operating profit		2 044 282	3 297 482	1 581 795	1 982 791
Finance costs	6	(238 252)	(602 101)	(220 251)	(362 047)
Share of losses from ZMX	10	-	(5 189 690)	-	(3 120 592)
Monetary (loss)/gain		(1 490 901)	(4 132 074)	(501 567)	(2 484 641)
Profit/(loss) before tax		315 129	(6 626 383)	859 977	(3 984 489)
Income tax expense	7	(440 412)	(642 802)	(440 412)	(386 521)
(Loss)/profit for the year		(125 283)	(7 269 185)	419 565	(4 371 010)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		(125 283)	(7 269 185)	419 565	(4 371 010)

Statement of financial position
as at 31 December 2024

		Inflation adjusted		Historical cost	
		2024	2023	2024	2023
	Notes	ZWG	ZWG	ZWG	ZWG
ASSETS					
Non current assets					
Equipment	8	41 725	70 673	25 089	42 496
Intangible assets	9	5 605 481	5 806 739	3 370 607	3 491 626
Deferred tax	14	-	264 652	-	159 137
		5 647 206	6 142 064	3 395 696	3 693 259
Current assets					
Trade and other receivables	11	2 349 624	4 051 261	2 349 624	2 436 045
Related party receivables	15.3	2 589 413	875 124	2 589 413	526 217
Cash and cash equivalents	12	75 863	86 079	75 863	51 759
		5 014 900	5 012 464	5 014 900	3 014 021
Total assets		10 662 106	11 154 528	8 410 596	6 707 280
Capital and reserves					
Share Capital	13	16 265	16 265	9 780	9 780
Share premium	13	1 900 347	1 900 347	1 142 690	1 142 690
(Accumulated loss)		(680 230)	(554 947)	85 867	(333 698)
Revaluation reserve		5 652 118	5 652 118	3 398 653	3 398 653
		6 888 500	7 013 783	4 636 990	4 217 425
Non current liabilities					
Deferred tax	14	3 358	-	3 358	-
Related party payables	15.1	434 846	-	434 846	-
Intercompany	15.2	2 714 785	819 458	2 714 785	492 746
		3 152 989	819 458	3 152 989	492 746
Current liability					
Trade and other payables	16	620 617	3 321 287	620 617	1 997 109
Total equity and liabilities		10 662 106	11 154 528	8 410 596	6 707 280

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Mavingire W.
Director

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Tapfumaneyi C.
Chief Executive Officer

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

	Inflation Adjusted				
	Share Capital ZWG	Share Premium ZWG	Revaluation Surplus ZWG	Accumulated Loss ZWG	Total ZWG
For the year ended 31 December 2024					
At 1 January 2023	16 265	1 900 347	5 652 118	6 714 238	14 282 968
Total comprehensive loss for the year	-	-	-	(7 269 185)	(7 269 185)
At 31 December 2023	16 265	1 900 347	5 652 118	(554 947)	7 013 783
At January 2024	16 265	1 900 347	5 652 118	(554 947)	7 013 783
Total comprehensive loss for the year	-	-	-	(125 283)	(125 283)
At 31 December 2024	16 265	1 900 347	5 652 118	(680 230)	6 888 500

	Historical cost				
	Share Capital ZWG	Share Premium ZWG	Revaluation Surplus ZWG	Accumulated Loss ZWG	Total ZWG
For the year ended 31 December 2024					
At 1 January 2023	9 780	1 142 690	3 398 653	4 037 312	8 588 435
Total comprehensive loss for the year	-	-	-	(4 371 010)	(4 371 010)
At 31 December 2023	9 780	1 142 690	3 398 653	(333 698)	4 217 425
At 1 January 2024	9 780	1 142 690	3 398 653	(333 698)	4 217 425
Total comprehensive income for the year	-	-	-	419 565	419 565
At 31 December 2024	9 780	1 142 690	3 398 653	85 867	4 636 990

All ordinary shares rank equally with regards to the Company's residual assets. The historical share premium of ZWG 1 142 690 represents the difference between the value of the software contributed as consideration and the value of shares allotted (500 000 ordinary shares of ZWG0.01) and the difference between the value of the loan converted to shares and the value of shares alloted (600 ordinary shares of ZWG0.01).

Statement of cash flows

for the year ended 31 December 2024

	Notes	Inflation adjusted 2024 ZWG	Inflation adjusted 2023 ZWG	Historical cost 2024 ZWG	Historical cost 2023 ZWG
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(loss) before tax		315 129	(6 626 383)	859 977	(3 984 489)
Adjustment for:					
Amortisation of intangible assets	9	201 258	201 258	121 019	121 019
Depreciation on property and equipment	8	28 948	33 163	17 407	19 941
Interest on investments		(220 482)	(405 182)	(180 244)	(243 639)
Share of losses from ZMX		-	5 189 690	-	3 120 592
Monetary gain		1 490 901	4 132 074	501 567	2 484 641
Finance costs	6	238 252	602 101	220 251	362 047
Operating cash flow before changes in working capital		2 054 006	3 126 721	1 539 977	1 880 112
Effect of working capital changes					
Decrease in payables		(2 700 670)	3 040 836	(1 376 491)	1 828 467
Increase in receivables		(12 652)	(4 497 887)	(1 976 775)	(2 704 603)
Corporate income tax paid		(277 917)	(892 748)	(277 917)	(536 815)
Net cash (utilised in)/generated from operating activities		(937 233)	776 922	(2 091 206)	467 161
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received from investments		220 482	405 182	180 244	243 639
Interest paid		(238 252)	(602 101)	(220 251)	(362 047)
Acquisition of equipment	8	-	(74 031)	-	(44 515)
Net cash utilised in investing activities		(17 770)	(270 950)	(40 007)	(162 923)
CASH FLOWS FROM FINANCING ACTIVITIES					
Related party loan receipt		434 846	-	434 846	-
Shareholders loan advanced		1 895 327	693 621	2 222 039	417 079
Net cash generated from financing activities		2 330 173	693 621	2 656 885	417 079
Increase in cash and cash equivalents during the year		1 375 170	1 199 593	525 672	721 317
Effects of inflation		(1 385 386)	(1 957 989)	(501 568)	(1177 346)
Cash and cash equivalents at the beginning of the year		86 079	844 475	51 759	507 788
Cash and cash equivalents at year end	12	75 863	86 079	75 863	51 759

Notes to the financial statements
for the year ended 31 December 2024

1 General information

The Company is incorporated in Zimbabwe and it has been registered as a Securities Exchange (Alternative Trading Platform) in terms of Section 30 of The Securities & Exchange Act (Chapter 24:25) as read with Securities Rules, S.I. 100 of 2016. The company was registered on the 14th of May 2015 and started its operations on the 1st of December 2016.

Basis for preparation

The financial statements of the company are prepared with the intention of complying with International Financial Reporting Standards (IFRS) and in the manner required by the Companies and other Business Entities Act (Chapter 24:31). For the purpose of fair presentation in accordance with International Accounting Standard (IAS) 29 (*"Financial Reporting In Hyperinflationary Economies"*), the historical cost information from the beginning of the year to 05 April 2024 has been restated for changes in the general purchasing power of the ZWG$ and appropriate adjustments and reclassifications have been made. The restated figures were then converted to ZWG currency at the rate of ZWG1: ZWL2498.7242 and used as take-on balances fpr the historical cost ledgers as of 05 April 2024. Historical cost information as of 31 December 2024, has also been restated for ZWG pruchasing power changes, with adjustments and reclassifications made. The inflation adjusted financial statements are the primary financial statements of the company, with historical statements provided as supplementary information.

2 Significant accounting policies

2.1 IFRS 11 - Joint arrangements

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Those parties are called joint venturers.

A joint venturer recognises its interest in a joint venture as an investment and shall account for that investment using the equity method in accordance with IAS 28 Investments in Associates and Joint Ventures unless the entity is exempted from applying the equity method as specified in that standard.

2.2 IFRS 16 - Leases

An operating lease is recorded together with operating lease assets and related depreciation and interest expense. The directors considered the following facts about the rental lease agreement:

1. The rental lease is a sub-lease, the lessor has no title to the offices;
2. The current lease payments are not material;
3. The lessor is actively seeking for a cheaper accommodation alternative outside the city centre due to the risk which is posed be the demonstrations in the area; and

Considering all of the above facts, the directors are of the opinion that the rental lease qualifies for the exemptions under IFRS 16 and the lease will be accounted as an operating lease.

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

2.3 Revenue

2.3.1 Revenue from trading activities

Revenue from trading activities represents the amount receivable in the ordinary course of business for services provided. Revenue is measured by reference to the fair value of the consideration received or receivable by the Company for services provided, excluding, trading levies, VAT, rebates and trade discounts. The performance obligations that were identified are the platform levy, settlement levy and listing fees. Revenue from these services is recognised as the services are provided.

2.3.2 IFRS 15 : Revenue from Contracts with Customers

The company uses a 5-step model for revenue recognition from contracts with customers;

1 Identify the performance obligations in the contract;

2 Identify the performance obligation in the contract;

3 Determine the transaction price;

4 Allocate the transaction price to the performance obligations; and

5 Recognise revenue when (or as) the entity satisfies a performance obligation.

The company complied with the requirements of the IFRS 15 in all respects, an assessment of retrospect application effect was done, and it was established that retrospect application of IFRS 15 was not applicable as the revenue recognized in prior periods meet the provisions of the standard.

The revenue from contracts with customers was recognised based of the satisfaction of performance obligations as follows:

●Annual listing fees are contractual based and are recognised proportional to time stated in the customers contacts.

●The use of C Trade software system by Corpserve to provide service to retail investors trading over C-Trade for a full calendar year.

●The use of the software system in the facilitation of trading of Quilter and Ned bank share in South Africa, the income recognized is based on the value of shares actually traded.

●The use of C trade to trade shares by brokers on both ZSE and Finsec was added as an income line item.

2.4 Current and deferred tax

'Revenue from contracts with customers is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Listing fees are contractual based and are recognised proportional to time spend in the period they relate to. The fees for the use of software system is also contractual based and is recognised.

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit or loss and other comprehensive income.

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

2.4 Current and deferred tax (continued)

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or, received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, or if it arises from the initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised, or liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.5 Net finance (cost)/income

Net finance (cost)/income consist of interest receivable on funds invested in financial institutions and interest payable on borrowings. Interest income is recognised in profit or loss as it is accrued, taking into account the effective yield on the asset. All interest and other costs on borrowings are expensed as they are incurred.

2.6 Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of 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.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

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

2.7 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of acquisition as part of the purchase consideration. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12 Income Taxes.

The holders of the ordinary shares are entitled to one vote per share at the annual general meeting of the Company. Subject to Section 183 of the Companies and other Business Entities Act (Chapter 24:31) , the unissued share capital is under the control of the Directors who may allot or otherwise dispose of the same at their discretion.

2.8 Office equipment and furniture

Office equipment and furniture is stated at cost less accumulated depreciation.
Depreciation is provided to write off the depreciable amount of office equipment and furniture on a straight-line basis over the expected useful lives which are currently estimated as follows:-

Office equipmen· 3 - 10 years

Residual values of assets are reassessed annually, and should the value exceed the carrying amount, depreciation is no longer charged. A full year's depreciation will be charged in the first year of use and proportionate depreciation charge will be expensed in the year the asset is disposed. The residual values, if not insignificant, are reassessed annually.

2.9 Financial Instruments

Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – (debt investment); FVOCI (equity investment); or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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

2.9 Financial Instruments (continued)

Classification and subsequent measurement (continued)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

●it is held within a business model whose objective is to hold assets to collect contractual cash flows;

●its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL

●it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

●its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

The information considered includes:

●The stated policies and objectives for the portfolio and the operation of those policies in practice.

These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

●How the performance of the portfolio is evaluated and reported to the Company's management;

●The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

●How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

●The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

2.9 Financial Instruments (continued)

Classification and subsequent measurement (continued)

●Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the company's continuing recognition of the assets.

'The objective of the entity's business model is not based on management's intentions with respect to an individual instrument, but rather is determined at a higher level of aggregation. The assessment needs to reflect the way that an entity manages its business or businesses. A single reporting entity may have more than one business model for managing its financial instruments.

IFRS 9 does not provide specific guidance for business model assessment related to portfolios of financial assets for which the entity's objectives include transfers of financial assets to third parties in transactions that do not qualify for derecognition. In our view, whether such a portfolio is considered consistent with a held-to-collect business model depends on the circumstances.

Financial assets that are held for trading are managed and performance is evaluated on a fair value basis and measured at FVTPL.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

●Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest;

●Contingent events that would change the amount or timing of cash flows;

●Terms that may adjust the contractual coupon rate, including variable-rate features;

●Prepayment and extension features; and

●Terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the sole payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual payment, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

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

2.9 Financial Instruments (continued)

Classification and subsequent measurement (continued)

Financial assets at FVTPL

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

Financial assets at amortised cost

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

Debt investments at FVOCI

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

Equity investments at FVOCI

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

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

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

2.9 Financial Instruments (continued)

Derecognition (Continued)

Financial assets(Continued)

The Company derecognises a financial liability when its contractual obligations are discharged cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously

Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Company designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates and certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

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

2.9 Financial Instruments (continued)

Cash flow hedges (continued)

The Company designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts ('forward points') is separately accounted for as a cost of hedging and recognised in a cost of hedging reserve within equity.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

Net investment hedges

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of, for a derivative, changes in the fair value of the hedging instrument or, for a non-derivative, foreign exchange gains and losses is recognised in OCI and presented in the translation reserve within equity. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on the non-derivative is recognised immediately in profit or loss. The amount recognised in OCI is reclassified to profit or loss as a reclassification adjustment on disposal of the foreign operation.

Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

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

2.9 Financial Instruments (continued)

Fair value of financial assets and liabilities

The valuation technique used depends on the nature of the financial instrument.

The fair values of quoted financial assets are based on quoted bid prices. If the market for a financial asset is not active, the Company establishes fair value using the valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models. 'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

The fair values of quoted financial assets are based on quoted bid prices. If the market for a financial asset is not active, the Company establishes fair value using the valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models.

2.10 Fair value hierarchy

IFRS 13 specifies a hierarchy of valuation techniques based on whether the units 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 markets 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 2 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-listed equity investments.

The hierarchy requires the use of observable market data when available. The Company considers relevant and observable market prices in its valuations, where possible. The Company does not disclose the fair value of financial instruments where their carrying amounts are a reasonable approximation of fair value.

2.11 Employee benefits

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

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

2.11 Employee benefits (Continued)

Short term benefits

Benefits earned by employees under normal employment terms, including salaries, bonuses and leave pay. These are expensed as they are incurred and, accordingly, provisions are made for unpaid bonuses and leave pay.

Pension fund

Pensions are provided for employees to which the Company and employees contribute. The schemes include Zimnat and the National Social Security Scheme. All schemes are defined contribution funds. Contributions are recognised as an expense in the income statement as incurred.

2.12 Related party and related party transactions

For the purposes of these financial statements, a party is considered to be related to the Company if:

a) The party has the ability, directly or indirectly through one or more intermediaries, to control the Company or exercise significant influence over the Company in making financial and operating policy decisions, or has joint control over the Company;

b) The Company and the party are subject to common control; and

c) The party is a member of key management personnel of the Company or the Company's parent, or a close family member of such an individual.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

The Company discloses the nature and amounts due to/from related parties at the end of each financial year as a result of transactions with related parties. Such transactions include transactions with the Directors, executive officers and branch or related companies. The Company has related party relationships. Transactions and balances are disclosed in **note 15**.

2.13 Intangible assets

Intangible assets that are acquired by the Company have a finite useful life and are measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual value using the straight-line method over their estimated useful lives and is recognised in profit or loss. The estimated useful life for the current period is 20 years. Amortisation methods, useful lives and residual values are reviewed at each reporting period.

2.14 Audit fees

Audit fees are expenses in the period when the auditing services are provided.

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

3 CRITICAL JUDGEMENTS IN APPLYING THE COMPANY'S ACCOUNTING POLICIES

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts presented in the financial statements and related disclosures. Use of available information and the application of judgement are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgements include:

3.1 Impairment testing

The Company assesses its assets for impairment at each reporting date in order to determine whether there is any objective evidence of impairment. Impairment testing is an area involving management judgement, requiring assessment as to whether the carrying amount of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate.

3.2 Going concern

The Company assesses its going concern at each reporting date. Going concern assessment is an area involving management judgement requiring assessment as to whether the carrying amount of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. Refer to **note 18** for a summary of factors that support the Company's assessment of the going concern basis.

3.3 Functional currency

These financial statements are presented in Zimbabwe Dollars (ZWG), which is also the functional currency of the Company. Transactions in other foreign currencies are translated to ZWG at the rate of exchange prevailing at dates of transactions. Exchange gains or losses on monetary items are recognised in profit or loss in the period in which they arise.

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

4 Revenue

The Company's income is derived from the operation of an Alternative Trading Platform (ATP). The income is depended on the number of counters listed, the number of tradable instruments listed and the volume of the trades. Additional income is derived from the sub-lease of the intangible asset to a related company,Corpserve Registrars (Private) Limited.

		Inflation adjusted		Historical cost	
		2024	2023	2024	2023
		ZWG	ZWG	ZWG	ZWG
4.1 Revenue from trading activities					
ATP Services fees					
Platform levy		61 196	143 856	43 572	86 502
Listing fees		325 414	839 554	323 092	504 829
		386 610	983 410	366 664	591 331
Fees for the use of software system					
Annual participation fees		41 551	105 089	24 985	63 191
CDS rental fees		154 522	135 770	147 439	81 639
Share of brokerage revenue		90 155	108 497	66 299	65 240
Finsec (Private) Limited		14 252	-	11 358	-
		687 090	1 332 766	616 745	801 401
4.2 Other Income					
Management fees		3 245 211	5 449 104	2 259 212	3 276 579
Interest on investments		220 482	405 182	180 244	243 639
Allowance for credit losses		10 539	-	10 539	-
		3 476 232	5 854 286	2 449 995	3 520 218
5 Operating expenses					
Auditor's fees		45 170	29 685	27 161	17 850
Advertising and promotions		21 622	390 422	18 502	234 763
Staff costs	5.1	452 189	393 439	339 850	236 577
Depreciation on equipment		28 948	33 163	17 407	19 941
Amortisation of intangible assets		201 258	201 258	121 019	121 019
Directors' remuneration		531 255	1 015 046	370 156	610 354
Management fees		436 923	714 808	316 939	429 819
Insurance and licence		16 627	20 703	10 679	12 449
Allowance for credit losses		-	1 096 656	-	659 426
System support fees		213 724	507 250	154 086	305 012
Other operating expenses		587 660	783 346	445 170	471 035
		2 535 376	5 185 776	1 820 969	3 118 245

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
5.1 Employee expenses				
Salaries and wages	341 588	278 198	242 247	167 282
Bonuses	34 573	44 158	34 573	26 553
Allowance	2 361	931	1 420	560
Leave pay	31 059	21 966	31 059	13 208
NSSA	18 158	15 070	13 041	9 062
Levies	5 817	4 968	4 274	2 987
Medical Aid expense	18 633	28 148	13 236	16 925
	452 189	393 439	339 850	236 577
6 Finance costs				
Finance costs	238 252	602 101	220 251	362 047
7 Income tax expense				
7.1 Income tax recognised in profit or loss:				
Current tax	277 917	892 748	277 917	536 815
Deferred tax	162 495	(249 946)	162 495	(150 294)
	440 412	642 802	440 412	386 521
7.2 Reconciliation of income tax expense:				
Profit/(loss) before tax	315 129	(6 626 383)	859 977	(3 984 489)
Notional tax credit calculated at 25.75%	81 146	(1 638 042)	221 444	(984 966)
Tax effect of:				
Non-taxable income	(224 921)	(745 946)	(135 246)	(448 542)
Non-deductible items	584 187	3 026 790	354 214	1 820 029
Income tax expense	440 412	642 802	440 412	386 521

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

8 Equipment

	Inflation adjusted ZWG	Historical cost ZWG
Year ended 31 December 2023		
Cost or valuation at 1 January 2023	90 017	54 128
Additions	74 031	44 515
Cost or valuation at 31 December 2023	164 048	98 643
Depreciation and impairment		
Accumulated depreciation at 1 January 2023	(60 212)	(36 206)
Depreciation charge for the year	(33 163)	(19 941)
Accumulated depreciation 31 December 2023	(93 375)	(56 147)
Carrying amount at 31 December 2023	70 673	42 496
Year ended 31 December 2024		
Cost or valuation at 1 January 2024	164 048	98 643
Disposals	-	(1 936)
Cost or valuation at 31 December 2024	164 048	96 707
Depreciation and impairment		
Accumulated depreciation at 1 January 2024	(93 375)	(56 147)
Depreciation charge for the year	(28 948)	(17 407)
Disposals	-	1 936
Accumulated depreciation 31 December 2024	(122 323)	(71 618)
Carrying amount at 31 December 2024	41 725	25 089

The Directors assessed office equipment and furniture at the end of the year, no indications of impairment were noted.

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

9 Intangible Assets

	Inflation adjusted					
	CDS Software ZWG	ATS Software ZWG	Cell Trade Software ZWG	Derivative System ZWG	GEM Portal System ZWG	Total ZWG
Cost/Valuation						
At 1 January 2023	2 867 412	2 867 412	706 146	31 683	10 560	6 483 213
At 31 December 2023	2 867 412	2 867 412	706 146	31 683	10 560	6 483 213
Accumulated amortisation						
At 1 January 2023	(163 852)	(163 852)	(141 174)	(4 753)	(1 585)	(475 216)
Amortisation charge for the year	(81 926)	(81 926)	(35 294)	(1 584)	(528)	(201 258)
At 31 December 2023	(245 778)	(245 778)	(176 468)	(6 337)	(2 113)	(676 474)
Carying amount as at 31 December 2023	2 621 634	2 621 634	529 678	25 346	8 447	5 806 739
Cost/Valuation						
At 1 January 2024	2 867 412	2 867 412	706 146	31 683	10 560	6 483 213
At 31 December 2024	2 867 412	2 867 412	706 146	31 683	10 560	6 483 213
Accumulated amortisation						
At 1 January 2024	(245 778)	(245 778)	(176 468)	(6 337)	(2 113)	(676 474)
Amortisation charge for the year	(81 926)	(81 926)	(35 294)	(1 584)	(528)	(201 258)
At 31 December 2024	(327 704)	(327 704)	(211 762)	(7 921)	(2 641)	(877 732)
Carying amount as at 31 December 2024	2 539 708	2 539 708	494 384	23 762	7 919	5 605 481

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

9 Intangible assets (continued)

	Historical cost					
	CDS Software ZWG	ATS Software ZWG	Cell Trade Software ZWG	Derivative System ZWG	GEM Portal System ZWG	Total ZWG
Cost/Valuation						
At 1 January 2023	1 724 192	1 724 192	424 610	19 051	6 350	3 898 395
At 31 December 2023	1 724 192	1 724 192	424 610	19 051	6 350	3 898 395
Accumulated amortisation						
At 1 January 2023	(98 525)	(98 525)	(84 889)	(2 858)	(953)	(285 750)
Amortisation charge for the year	(49 263)	(49 263)	(21 222)	(953)	(318)	(121 019)
At 31 December 2023	(147 788)	(147 788)	(106 111)	(3 811)	(1 271)	(406 769)
Carying amount as at 31 December 2023	1 576 404	1 576 404	318 499	22 862	7 621	3 491 626
Cost/Valuation						
At 1 January 2024	1 724 192	1 724 192	424 610	19 051	6 350	3 898 395
At 31 December 2024	1 724 192	1 724 192	424 610	19 051	6 350	3 898 395
Accumulated amortisation						
At 1 January 2024	(147 788)	(147 788)	(106 111)	(3 811)	(1 271)	(406 769)
Amortisation charge for the year	(49 263)	(49 263)	(21 222)	(953)	(318)	(121 019)
At 31 December 2024	(197 051)	(197 051)	(127 333)	(4 764)	(1 589)	(527 788)
Carying amount as at 31 December 2024	1 527 141	1 527 141	297 277	14 287	4 761	3 370 607

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

9 Intangible assets (continued)

The Company obtained software systems namely Automated Trading system “ATS”, Central Depository System “CDS”, and Cell Trade System through its parent company, Escrow Zimbabwe (Private) Limited. The systems were developed by a member of the group and were transferred to the Company as capital contribution. The Derivative system and the Growth Enterprise System were acquired during the year. The Directors assessed intangible assets at the end of the year for any indicators of impairment. No indications of impairment were noted.

For the purposes of impairment testing, the directors had to determine the value in use of the software. Fair value less cost to sale was not considered suitable as the directors noted that there is no active market of the software from which a reliable fair value maybe ascertained. The value in use was determined using a discounted cash flow model.

	Inflation adjusted		Historical cost	
	2024	2023	2024	2023
	ZWG	ZWG	ZWG	ZWG
10 Investment in ZMX				
Investment in ZMX - Cost	-	(5 189 690)	-	3 120 592
Share of Loss	-	5 189 690	-	(3 120 592)
	-	-	-	-

ZMX was launched in July 2021 as a joint venture between Escrow Zimbabwe (Private) Limited and TSL Limited on a 50:50 ownership. Later on Escrow Zimbabwe transferred the investment to its subsidiary FINSEC and its contribution to the ZMX project was mainly attributable to softwares. During the year 2023 CBZ Holdings contributed USD 630 000 and became the major shareholder in ZMX with 44% and FINSEC & TSL share equally the remaining 56%. Over the past 3 years ZMX was making losses as a new market entrant and these losses reduced the investment to a nil balance. For the year ended 2023, Investment in ZMX had an opening book value of ZWG 3 120 592 and FINSEC's portion of the loss in ZMX exceeded the book value of the investment. Consequently, the loss was restricted to the book value of the investment, resulting in the investment's value becoming zero.

The Zimbabwe Mercantile Exchange (Private) Limited (ZMX) operates an electronic warehouse receipt system and a commodities trading platform.

	Inflation adjusted		Historical cost	
	2024	2023	2024	2023
	ZWG	ZWG	ZWG	ZWG
11 Trade and other receivables				
Trade receivables	254 275	4 471 484	254 275	2 688 731
Allowance for credit losses	(28 795)	(427 541)	(28 795)	(257 083)
Other receivables	2 124 144	7 318	2 124 144	4 397
	2 349 624	4 051 261	2 349 624	2 436 045

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

Trade and other receivables ageing summary:	Total	120 days	90days	60days	Current
	ZWG	ZWG	ZWG	ZWG	ZWG
	254 275	254 275	-	-	-

12 Cash and equivalents

For the purposes of the statement of cashflows, cash and cash equivalents comprise of the following:

	Inflation adjusted		Historical cost	
	2024	2023	2024	2023
	ZWG	ZWG	ZWG	ZWG
12.1 Cash at bank	75 046	85 240	75 046	51 255
12.2 Short-term investment	817	839	817	504
	75 863	86 079	75 863	51 759

13 Share capital

	Inflation adjusted		Historical cost	
	2024	2023	2024	2023
	ZWG	ZWG	ZWG	ZWG
Authorised				
1 000 000 ordinary shares of ZWG 0.01 each (before inflation adjustment)	10 000	10 000	10 000	10 000
Issued and fully paid				
500 000 ordinary shares of ZWG0.01 each (before inflation adjustment)	16 265	16 265	9 780	9 780
Share premium				
Share premium	1 900 347	1 900 347	1 142 690	1 142 690

All ordinary shares rank equally with regards to the Company's residual assets.
The holders of the ordinary shares are entitled to one vote per share at the annual general meeting of the Company. Subject to Section 98 of the Companies and other Business Entities Act (Chapter 24:31) of Zimbabwe, the unissued share capital is under the control of the Directors who may allot or otherwise dispose of the same at their discretion.

14 Deferred taxation

The gross movement on the deferred tax account is as follows:

	Inflation adjusted		Historical cost	
	2024	2023	2024	2023
	ZWG	ZWG	ZWG	ZWG
As at 01 January	(264 652)	(514 598)	(159 137)	(309 431)
Amount charged to profit / loss and other comprehensive income	162 495	249 946	162 495	150 294
As at 31 December 2024	3 358	(264 652)	3 358	(159 137)

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

15 Related parties

15.1 Related Party payables

	Inflation adjusted		Historical cost	
	2024	2023	2024	2023
	ZWG	ZWG	ZWG	ZWG
Escrow Zimbabwe	434 846	-	434 846	-

15.2 Intercompany loans and advances

	Inflation adjusted		Historical cost	
	2024	2023	2024	2023
	ZWG	ZWG	ZWG	ZWG
Corpserve Registrars (Private) Limited loan	2 263 130	723 152	2 263 130	434 836
Shareholders Loan - Escrow Zimbabwe	451 655	96 306	451 655	57 910
	2 714 785	819 458	2 714 785	492 746

15.3 Related party receivables

	Inflation adjusted		Historical cost	
	2024	2023	2024	2023
	ZWG	ZWG	ZWG	ZWG
ZMX loan	2 589 413	875 124	2 589 413	526 217

Ultimate controlling party

The ultimate controlling party is Escrow Zimbabwe (Private) Limited (Escrow Zimbabwe). It is under the same control with Corpserve Registrars (Private) Limited.

These are considered related parties together with key management and the Directors.

Corpserve loan terms

The loan is under a drawdown facility is of ZWG 5 000 000, at an interest rate to equal to RBZ lending rates per annum and is charged to the loan balance on a yearly basis, the the facility is available for 3 years ending 31 December 2025.

Escrow Zimbabwe loan terms

The loan is under a drawdown facility of ZWG 5 000 000, at an interest rate to equal to RBZ lending rates per annum and is charged to the loan balance on a yearly basis, the the facility is available for 3 years ending 31 December 2025.

In the month of January 2020, the related parties balance was converted to equity, the effect of the transaction is that both the Corpserve loan and the shareholder's loan were cleared by means of debt to equity conversion.

Transactions with related parties

a) The Company was charged ZWG 316 939 by Escrow Zimbabwe as management fees.

b) The Company was charged ZWG 53 385 by Escrow Zimbabwe as office rent and ZWG 53 957 was charged by Corpserve as administrative service.

c) Escrow Zimbabwe charged FINSEC ZWG 154 086 as annual system support fees.

d) Interest on loan of ZWG 208 314 was charged by Corpserve Registrars.

e) Interest on loan of ZWG 4 169 was charged to Escrow Zimbabwe.

f) Interest on loan of USD 6 810 was charged to Zimbabwe Mercantile Exchange.

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

15.3 Related party receivables (continued)

Escrow Zimbabwe loan terms (continued)

Transactions with related parties (continued)

g) An amount of ZWG 134 892 was charged to Corpserve annual license fees for the use for the software system.

h) An amount of ZWG 12 547 was charged to Corpserve Registrars for the use of the software system, the fees were charged on revenue sharing basis.

16 Trade and other payables

	Inflation adjusted		Historical cost	
	2024	2023	2024	2023
	ZWG	ZWG	ZWG	ZWG
Trade payables	116 715	916 931	116 715	551 356
Other payables	254 419	2 404 356	254 419	1 445 753
Tax payable	249 483	-	249 483	-
	620 617	3 321 287	620 617	1 997 109

17 Pension arrangements

As required by legislation all permanent employees are members of the National Social Security Scheme to which both the employees and the Company contribute. The Company contributes 4.5% to this fund and the Company's contributions to the scheme for the year amounted to ZWG 13 041.

18 Going concern

The company made a profit for the year ended 31 December 2024 of ZWG 419 564 (Loss 2023:ZWG (4 371 010)). In these circumstances, the directors have assessed the appropriateness of the use of the going concern assumption and have considered the following matters in their assessment:

- The company has a management contract to manage Zimbabwe Merchantile Exchange amounting to USD129 600 per annum.
- The directors prepared a cash flow forecast which shows that the company will be able to generate sufficient cash flows to settle its liabilities as and when they fall due. The cash flow forecast takes into account an increase in revenue from the introduction of the products listed below:

  1) Derivatives on the alternative trading platform – targeting all FINSEC, ZSE Listed counters and commodities listed on ZMX are already launched, they are being expected to take off during the year.

  2) Finsec Private Markets- is a unit wholly owned and operated by the exchange and is a private funding market place for businesses at every stage of development including those in start-up, growth, maturity and declining phases. Given the market's expansion, we anticipate an income increase of USD 39 240 for the year 2025.

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

18 Going concern (continued)

Accordingly, the financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis assumes that funds will be available to finance future operations and that the realization of assets and settlement of liabilities will occur in the ordinary course of business.

19 Treasury and financial risk management

The main risks arising from the Company's financial instruments are credit risk, interest risk and liquidity risk. The Company does not use derivative financial instruments for speculative purposes. The Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. These policies are reviewed by management on a regular basis for adequacy in being able to manage any changes in risks arising from changes in the operating environment.
This note presents information about the Company's exposure to risks, its objectives, policies and processes for measuring and managing the risks, and the Company's management of capital.

Interest rate risk

Borrowings have a fixed interest rate and, as such, are not impacted by changes in interest rates.

Credit risk

Management defines credit risk as the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and short-term investments. The Company manages the risk through monitoring customer historical payment ability and operational performance.

Liquidity risk

Management defines liquidity risk as the risk that the Company will not be able to meet its financial obligations as they fall due. In order to manage any liquidity risk the Company may face, the Company's policy has been, throughout the year ended 31 December 2022, to maintain significant liquid resources to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Additional financial support is obtained from the parent as and when required by the Company.

Capital management

The Board of Directors' policy is to keep the expenditure within the budget, to maintain lines of credit which allow the Company to access funds at a short notice, and to preserve a short term cash investment of at least USD 50 000 held at a top tier financial institution.

Foreign exchange risk

Management defines foreign exchange risk as the risk that an investment's value may change due to changes in the value of two different currencies. This risk is limited to ZAR 36 317.22 and USD 801.41 which is the balance in the Nostro FCA with CABS and NEDBANK.

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

20 Financial Instruments

Credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

20.1	Inflation adjusted		Historical	
	2024	2023	2024	2023
	ZWG	ZWG	ZWG	ZWG
Sundry receivables	2 320 829	4 478 802	2 320 829	2 693 128
Related party receivables	2 589 413	875 124	2 589 413	526 217
Cash and cash equivalents	75 863	86 079	75 863	51 759
Allowance for credit loss	(28 795)	(427 541)	(28 795)	(257 083)
	4 957 310	5 012 464	4 957 310	3 014 021

20.2 Liquidity risk

The following are contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount	0-12 months	12 months or more
	ZWG	ZWG	ZWG
Non-derivative financial liabilities			
Other payables	620 620	620 620	-
Related party payables	434 846	(434 846)	434 846
	1 055 466	185 774	434 846

21 Capital commitments

No capital commitments were in existence as at 31 December 2024.

22 Contingent liabilities

No contingent liabilities existed as at 31 December 2024.

23 Events after reporting period

The Company has evaluated events from 31 December 2024 through to the date the financial statements were signed. The Directors concluded that there were no material events, after the statement of financial position date that have a bearing on the understanding of these financial statements.