



First Transfer Secretaries (Private) Limited
Annual Financial Statements
31 December 2024

First Transfer Secretaries (Private) Limited

NATURE OF BUSINESS:

First Transfer Secretaries (Private) Limited is a private limited company incorporated and domiciled in Zimbabwe. The Company is owned by the following shareholders: Tanmel Investments (Private) Limited (66.59%), Cabletech Investments (Private) Limited (10%), Eastpeak Investments (Private) Limited (11.69%), Tanmel (Private) Limited (8.87%), and the Employee Share Ownership Trust (2.85%). The Company's primary objective is to provide securities transfer secretarial services.

DIRECTORS:

Ms Nokuthula Moyo	(Board Chairperson)
Mr Campbell V. Musiwa	(Non-Executive Director)
Mr Joshua Chimhanda	(Non-Executive Director)
Mrs Mildred Chiri	(Non-Executive Director)
Mr Tanaka M. Musiwa	(Managing Director)

ACTING COMPANY SECRETARY:

Ms Daphne Mandizvidza

REGISTERED OFFICE:

1 Armagh Avenue
Eastlea
HARARE

AUDITORS:

Grant Thornton
Chartered Accountants (Zimbabwe)
Registered Public Auditors
Camelsa Business Park
135 E.D. Mnangagwa Road
Highlands
HARARE

First Transfer Secretaries (Private) Limited

MAIN BANKERS:

NMB Bank
Corner Jason Moyo Ave & Julius Nyerere Way
HARARE

LAWYERS:

Coghlan Welsh and Guest
2 Central Avenue
HARARE

Caleb Mucheche & Partners Law Chambers
6 Meredith Drive
Eastlea
HARARE

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

Responsibilities of Management and Those Charged with Governance for the Annual Financial Statements for the year ended 31 December 2024

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

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

The annual financial statements are prepared with the aim of complying fully 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 Conceptual Framework for Financial Reporting requires that in applying fair presentation of financial statements, entities should go beyond the consideration of the legal form of transactions and any other factors that could have any impact on them. IAS 21 requires an entity to apply certain parameters in determining the functional currency of an entity for use in the preparation of its financial statements. This standard also requires an entity to make certain judgements, where applicable, regarding appropriate exchange rates between currencies where exchangeability through a legal and market exchange mechanism is not achievable.

After a thorough assessment and analysis made in February 2025, the management of First Transfer Secretaries (Private) Limited concluded that the company's functional currency has changed to USD. However, for the year ended 31 December 2024 audit, management decided to use the local currency as both its functional and presentation currency. The decision emanated from the need to meet the Securities and Exchange Commission submission deadline of 31 March 2025.

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

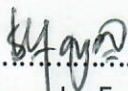
attention of the Directors have been addressed and the Directors confirm that the system of accounting and internal control is operating in a satisfactory manner. In light of the current financial position, the Directors are satisfied that the Company is a going concern and have continued to adopt the going concern basis in preparing the financial statements.

The Company's annual financial statements which are set out on pages 7 to 41 were, in accordance with their responsibilities, approved by the Board of Directors on 22 April 2025 and are signed on its behalf by:


.....
Nokuthula Moyo
Chairperson


.....
Tanaka Musiwa
Managing Director

These financial statements were prepared under the supervision of:


.....
Simbarashe Faya
Acting Finance Manager

INDEPENDENT AUDITOR'S REPORT

Grant Thornton

Camelsa Business Park
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Causeway, Harare
Zimbabwe

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To the members of First Transfer Secretaries (Private) Limited

Report on the Audit of the Annual Financial Statements

Adverse Opinion

We have audited the annual financial statements of First Transfer Secretaries (Private) Limited set out on pages 7 to 41, which comprise the statement of financial position as at 31 December 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements.

In our opinion, because of the significance of the matter described in *Basis for Adverse Opinion* section of our report, the financial statements do not present fairly, in all material respects, the financial position of First Transfer Secretaries (Private) Limited as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Adverse Opinion

Non-compliance with International Accounting Standard 21 "The Effects of Changes in Foreign Exchange Rates" (IAS 21)

As disclosed in Note 1.2 to these financial statements, management determined that the Company's functional currency, being the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions of the Company, had changed from Zimbabwe Dollar (ZWL) to United States Dollar (USD) effective 1 January 2024. Subsequent to the assessment and determination of the USD as the Company's functional currency, the Company continued to use the ZWL as its functional currency.

On 5 April 2024, the Government of Zimbabwe through Statutory Instrument 60 of 2024, introduced a new currency, the Zimbabwe Gold (ZWG) to be the unit of account for transactions previously denominated in ZWL. Following the introduction of ZWG, management reassessed the functional currency and determined that the USD continued to be the Company's functional currency. The Company continued to use the local currency as its functional currency for the year ended 31 December 2024.

According to IAS 21, "an entity's functional currency reflects the underlying transactions, events and conditions that are relevant to it. Accordingly, once determined, the functional currency is not changed unless there is a change in those underlying transactions, events and conditions".

The continued use of the local currency as the Company's functional currency when the underlying transactions, events and conditions of the Company have changed, constitutes a departure from the requirements of IAS 21.

The effects of non-compliance with the requirements of IAS 21 have been considered to be material and pervasive to the financial statements as a whole.

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 adverse opinion.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs), and for such internal control as management determines 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 responsible for overseeing 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's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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 business activities within the Company to express an opinion on the financial statements.
- We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

Report on other legal and regulatory requirements

In our opinion, except for the matter described in our *Basis for Adverse Opinion* section, the annual financial statements have been properly prepared in compliance with the requirements of the Companies and Other Business Entities Act (Chapter 24:31) and the Securities Act (Chapter 24:25).

The engagement partner on the audit resulting in this Independent Auditor's report is James Marambire.

Grant Thornton

James Marambire
Partner

Registered Public Auditor (PAAB No: 0846)

Grant Thornton
Chartered Accountants (Zimbabwe)
Registered Public Auditors

HARARE

22 April 2025

**Statement of financial position
as at 31 December 2024**

	Notes	Inflation Adjusted		Historical Cost	
		2024 ZWG	2023 ZWG	2024 ZWG	2023 ZWG
Assets					
Non-current assets					
Property and equipment	4	15 164 528	6 815 533	15 164 528	1 043 298
Intangible assets	5	912	986	101	151
Financial assets	6	1 060 378	2 299 655	1 060 378	190 650
Deferred tax asset	20	-	102 576	-	15 702
		16 225 818	9 218 750	16 225 007	1 249 801
Current assets					
Loans to employees and directors	14	8 310 245	832 387	8 310 245	127 419
Related party receivables	21	534 177	107 188	534 177	16 408
Trade and other receivables	7	1 475 358	852 653	1 475 358	130 522
Current tax receivable	12	-	24 670	-	4 669
Cash and cash equivalents	8	1 879 598	2 042 547	1 879 598	312 666
		12 199 378	3 859 445	12 199 378	591 684
Total assets		28 425 196	13 078 195	28 424 385	1 841 485
Equity, Reserves and Liabilities					
Equity and Reserves					
Share capital	9	654	654	100	100
Revaluation reserve		9 679 372	3 665 472	10 928 009	568 881
Retained earnings		11 004 410	6 146 638	10 112 487	848 130
		20 684 436	9 812 764	21 040 596	1 417 111
Non-current liabilities					
Deferred tax liability	20	895 354	-	538 382	-
Current liabilities					
Trade and other payables	10	1 310 080	544 924	1 310 080	83 415
Related party payables	21	77 669	127 348	77 669	19 494
Provisions	11	386 084	136 637	386 084	36 637
Current tax payable	12	647 045	-	647 045	-
Dividend payable	13	4 424 528	2 456 522	4 424 529	284 828
		6 845 406	3 265 431	6 845 407	424 374
Total equity and liabilities		28 425 196	13 078 195	28 424 385	1 841 485

.....
Ms Nokuthula Moyo
Chair Person

.....
Mr Tanaka Musiwa
Managing Director

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

	Note	Inflation Adjusted		Historical Cost	
		2024 ZWG	2023 ZWG	2024 ZWG	2023 ZWG
Revenue	15	31 365 280	14 350 596	23 872 675	2 196 739
Cost of sales	16	(1 115 324)	(841 913)	(771 749)	(128 877)
Gross profit		30 249 956	13 508 683	23 100 926	2 067 862
Other income	0	1 042 648	86 435	477 017	13 231
Operating gains	18	9 140 411	1 433 519	6 212 039	219 438
Other operating expenses	19	(19 090 884)	(9 007 967)	(13 883 359)	(1 378 958)
Loss on net monetary position		(7 891 316)	(3 203 579)	-	-
Profit/(loss) before income tax		13 450 815	2 817 091	15 906 623	921 573
Income tax credit/ (expense)	20	(1 041 732)	(210 449)	909 045	(39 998)
Profit /(loss) for the year		12 409 083	2 606 642	16 815 668	881 575
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Revaluation surplus	4	8 099 528	4 936 662	13 951 687	755 687
Income tax relating to items of other comprehensive income	20	(2 085 628)	(1 271 190)	(3 592 559)	(186 806)
Other comprehensive income net of tax		6 013 900	3 665 472	10 359 128	568 881
Total comprehensive income for the year		18 422 983	6 272 114	27 174 796	1 450 456

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

	Inflation Adjusted			
	Share capital	Retained earnings	Revaluation Reserves	Total equity
	ZWG	ZWG	ZWG	ZWG
Balance as at 1 January 2023	654	6 353 047	-	6 353 701
Total comprehensive income for the year	-	2 606 642	3 665 472	6 272 114
Dividends	-	(2 813 051)	-	(2 813 051)
Balance as at 31 December 2023	654	6 146 638	3 665 472	9 812 764
Balance as at 1 January 2024	654	6 146 638	3 665 472	9 812 764
Total comprehensive income for the year	-	12 409 083	6 013 900	18 422 983
Dividends	-	(7 551 311)	-	(7 551 311)
Balance as at 31 December 2024	654	11 004 410	9 679 372	20 684 436

	Historical Cost			
	Share capital	Retained earnings	Revaluation Reserves	Total equity
	ZWG	ZWG	ZWG	ZWG
Balance as at 1 January 2023	100	397 167	-	397 267
Total comprehensive income for the year	-	881 575	568 881	1 450 456
Dividends	-	(430 612)	-	(430 612)
Balance as at 31 December 2023	100	848 130	568 881	1 417 111
Balance as at 1 January 2024	100	848 130	568 881	1 417 111
Total comprehensive income for the year	-	16 815 668	10 359 128	27 174 796
Dividends	-	(7 551 311)	-	(7 551 311)
Balance as at 31 December 2024	100	10 112 487	10 928 009	21 040 596

Statement of cash flows
for the year ended 31 December 2024

	Note	Inflation Adjusted		Historical Cost	
		2024 ZWG	2023 ZWG	2024 ZWG	2023 ZWG
Cash flows from operating activities					
Profit/(loss) before income tax		13 450 815	2 817 091	15 906 623	921 573
Adjustments for:					
Depreciation and amortisation	19	55 407	38 680	37 708	5 971
Loss on disposal of property and equipment		-	(27 333)	-	(4 184)
Fair value adjustments through profit or loss	6	(1 969 468)	(1 082 250)	(1 338 497)	(165 667)
Changes in working capital:					
Loans to employees and directors		(7 477 858)	(821 851)	(8 182 826)	(125 806)
Related party receivables		(426 989)	(87 440)	(517 769)	(13 385)
Trade and other receivables		(622 705)	501 867	(1 344 836)	76 824
Trade and other payables		765 156	512 169	1 226 665	78 401
Related party payables		(49 679)	122 997	58 175	18 828
Provisions		249 447	217 669	349 447	33 320
Net cash flows generated from operating activities		3 974 126	2 191 599	6 194 690	825 875
Taxation paid	12	(1 477 716)	(1 616 238)	(1 477 716)	(247 408)
Net cash generated form operating activities		2 496 410	575 361	4 716 974	578 467
Cash flows from Investing activities					
Purchase of property and equipment	4	(712 955)	(842 508)	(484 541)	(128 968)
Proceeds from sale of property and equipment		277 340	-	277 340	-
Financial assets disposals	6	781 709	28 051	560 248	4 294
Financial assets additions	6	(94 833)	-	(91 479)	-
Net cash flows utilised in investing activities		251 261	(814 457)	261 568	(124 674)
Cash flows from financing activities					
Dividend paid	13	(3 411 610)	(985 919)	(3 411 610)	(150 921)
Net cash flows utilised in financing activities		(3 411 610)	(985 919)	(3 411 610)	(150 921)
Increase in cash and cash equivalents		(663 939)	(1 225 014)	1 566 932	302 872
Cash and cash equivalents at the beginning of the year		2 042 547	2 042 547	312 666	9 794
Effects of inflation on monetary items		500 991	1 225 014	-	-
Cash and cash equivalents at the end of the year	8	1 879 598	2 042 547	1 879 598	312 666

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

1 General Information

1.1 Nature of business and incorporation

First Transfer Secretaries (Private) Limited is a private limited company incorporated and domiciled in Zimbabwe. The Company is owned by the following shareholders: Tanmel Investments (Private) Limited (66.59%), Cabletech Investments (Private) Limited (10%), Eastpeak Investments (Private) Limited (11.69%), Tanmel (Private) Limited (8.87%), and the Employee Share Ownership Trust (2.85%). The Company's primary objective is to provide securities transfer secretarial services.

1.2 Functional and Presentation currency

In February 2019, the Government of Zimbabwe issued Statutory Instrument 33 of 2019, which prescribed parity between the United States Dollar (USD) and the local currency as at and up to the effective date of 22 February 2019. The Company adopted the Zimbabwe Dollar (ZWL) as its functional and reporting currency in 2019 in line with the requirements of the law. For 2019 and subsequent financial years, the Directors and management determined that the Company's functional currency is ZWL based on requirements of IAS 21.

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

After the multi-currency extension, significant inflationary pressures on the ZWL led to an increase in the level of USD transactions for the period under review. The income statement was dominated by USD transactions.

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

The Company continued to use the ZWL as its functional and reporting currency for the first three months whilst monitoring the economic developments to determine whether there will be need to change the functional currency in the near future.

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

1 General Information (continued)

1.2 Functional and Presentation currency (continued)

On 5 April 2024, the Government of Zimbabwe through Statutory Instrument 60 of 2024, introduced a new currency, Zimbabwe Gold (ZWG) to be the unit of account for transactions previously denominated in ZWL. Following the introduction of ZWG, management reassessed the functional currency and determined that the USD continued to be the Company's functional currency. However, for the year ended 31 December 2024 audit, management decided to use the local currency as both its functional and presentation currency. The decision emanated from the need to meet the Securities and Exchange Commission submission deadline of 31 March 2025.

The Directors adopted the Zimbabwe Gold (ZWG) as the functional and reporting currency for the year ended 31 December 2024.

Conversion from Zimbabwe Dollar to Zimbabwe Gold

Following the Introduction of the Zimbabwe Gold Currency by the Reserve Bank of Zimbabwe (RBZ) on 5 April 2024 and the Statutory Instrument (SI) 60 of 2024, all the previously existing Zimbabwe Dollar (ZWL) balances were converted into ZWG as at that date. The swap rate of ZWG 1: ZWL 2 498.7242 was used as guided by the closing interbank exchange rate and the price of gold as at that date. The previously reported balances and transactions between 1 January 2024 and 31 March 2024 were inflated to the 31st of March 2024. This was done for the first 3 months when the ZWL was still in use and also in line with IAS 21.42 & 43 for the change from ZWL to ZWG.

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

1 General Information

1.3 Basis of preparation

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB); and in compliance with the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31), (COBE). The financial statements are based on statutory records that are maintained under the historical cost convention.

The principal accounting policies applied in the preparation of the Company annual financial statements are in terms of IFRS except for the non-compliance with IAS 21 (The Effects of Change in Foreign Exchange Rates).

1.4 Statement of compliance

These financial statements have been prepared in conformity with International Financial Reporting Standards, promulgated by the International Accounting Standards Board (IASB) which includes standards and interpretations approved by IASB. These financial statements has been prepared under the assumption that the Company operates on a going concern basis.

2 Changes in accounting policies and interpretations

New standards, interpretations and amendments

Several amendments and interpretations apply for the first time in 2024, but do not have an impact on the financial statements of First Transfer Secretaries (Private) Limited. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Standards issued and effective on 1 Jan 2024

2.1 Amendment to IAS 1 Classification of liabilities as current or non-current

The amendments clarify the guidance in IAS 1 by:

- Specifying that the classification of a liability as either current or non-current is based on the entity's rights at the end of the reporting period;
- Stating that management's expectations around whether they will defer settlement or not does not impact the classification of the liability;
- Adding guidance about lending conditions and how these can impact classification; and
- Including requirements for liabilities that can be settled using an entity's own instruments.

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

2 Changes in accounting policies and interpretations (continued)

New standards, interpretations and amendments (continued)

Standards issued and effective on 1 Jan 2024 (continued)

2.2 Amendment to IAS 1 Non-current liabilities with covenants.

The amendments set out in 'Non-current Liabilities with covenants (Amendments to IAS 1)' state that at the reporting date, the entity does not consider covenants that will need to be complied with in the future, when considering the classification of the debt as current or non-current. Instead, the entity should disclose information about these covenants in the notes to the financial statements. The IASB want these amendments to enable investors to understand the risk that such debt could become repayable early and therefore improving the information being provided on the long-term debt.

2.3 IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information)

The requirements includes:

The Company shall apply this Standard in preparing and reporting sustainability-related financial disclosures in accordance with IFRS Sustainability Disclosure Standards. Sustainability-related risks and opportunities that could not reasonably be expected to affect an entity's prospects are outside the scope of this Standard.

Fair presentation requires disclosure of relevant information about sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects, and their faithful representation in accordance with the principles set out in this Standard. To achieve faithful representation, an entity shall provide a complete, neutral and accurate depiction of those sustainability-related risks and opportunities. Materiality is an entity-specific aspect of relevance based on the nature or magnitude, or both, of the items to which the information relates, in the context of the entity's sustainability-related financial disclosures.

2.4 IFRS S2 (Climate-related Disclosures)

In June 2023 the ISSB issued IFRS S2 Climate-related Disclosures. The objective of IFRS S2 is to require an entity to disclose information about its climate-related risks and opportunities that is useful to users of general purpose financial reports in making decisions relating to providing resources to the entity. These requirements includes:

- a) the governance processes, controls and procedures the entity uses to monitor, manage and oversee climate-related risks and opportunities;
- b) the entity's strategy for managing climate-related risks and opportunities;

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

2 Changes in accounting policies and interpretations(continued)

New standards, interpretations and amendments (continued)

Standards issued and effective on 1 Jan 2024 (continued)

2.4 IFRS S2 (Climate-related Disclosures) (continued)

- c) the processes the entity uses to identify, assess, prioritise and monitor climate-related risks and opportunities, including whether and how those processes are integrated into and inform the entity's overall risk management process; and
- d) the entity's performance in relation to its climate-related risks and opportunities, including progress towards any climate-related targets it has set, and any targets it is required to meet by law or regulation.

Standards issued but not yet effective

2.5 Amendments to IAS 21: Lack of exchangeability

The IASB's amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates require disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. The amendments:

- introduce a definition of whether a currency is exchangeable, and the process by which an entity should assess this exchangeability.
- provide guidance on how an entity should estimate a spot exchange rate in cases where a currency is not exchangeable
- require additional disclosures in cases where an entity has estimated a spot exchange rate due to a lack of exchangeability, including the nature and financial impact of the lack of exchangeability, and details of the spot exchange rate used and the estimation process.

2.6 Amendments to IFRS 9 and IFRS 7: Amendments to the classification and measurement of financial instruments

The amendments to IFRS 9 and IFRS 7 provide new guidance and clarifications on the derecognition, classification, and disclosure of financial instruments, including electronic payment systems, contractual cash flows, and contingent events.

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

2 Changes in accounting policies and interpretations(continued)

New standards, interpretations and amendments (continued)

Standards issued but not yet effective (continued)

2.7 IFRS 18 'Presentation and Disclosures in Financial Statements

The main change introduced by IFRS 18 is to the way in which reporting entities will structure their statement of profit or loss. Firstly, the Standard introduces two new defined subtotals:

- Operating profit, and
- Profit before financing and income taxes.

These new required subtotals are intended to increase comparability by ensuring that information presented for investors is consistent across different entities. Additionally, the Standard requires an entity to classify all income and expenses into one of the following five categories:

- Operating
- Investing
- Financing
- Income taxes, and
- Discontinued operations.

New requirements to be included in the notes to the financial statements

The Standard also introduces new disclosures, in addition to those carried forward from IAS 1, to supplement the primary financial statements. They are:

- Management-defined performance measures, and
- Specified expenses by nature.

3 Material accounting policies

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

3.1 Property, plant and equipment

Property, plant and equipment are tangible assets which the Company holds for its own use or for rental to others and which are expected to be used for more than one year. Property Plant and equipment is initially measured at cost. Cost includes all the expenditure which is directly attributable to the acquisition or construction of the assets, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting where appropriate.

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

3 Material accounting policies (continued)

3.1 Property, plant and equipment (continued)

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses. Subsequent to initial recognition, property, plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses.

When an item of property and equipment is revalued, any accumulated depreciation at the date of revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount. The revaluation surplus in equity related to a specific item of property and equipment is transferred directly to retained earnings when the asset is derecognised.

Depreciation is charged on a straight line basis over the estimated useful lives as follows:

ITEM	Average Useful Life
Furniture and fittings	10year
Office equipment	5years
Motor vehicles - brand new	5years
IT equipment	4years
Computer Software	4years

The residual value, useful life and depreciation method of each asset is reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of an item property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

3.2 Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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

3 Material accounting policies (continued)

3.2 Financial instruments (continued)

3.2 Financial assets and liabilities – Recognition and derecognition

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not measured at fair value through profit or loss.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income (OCI), it needs to give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. This assessment is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

The Company's financial assets include cash and cash equivalents, trade and other receivables, loans to shareholders, directors and employees. The Company initially recognises loans and receivables on the date when they become party to a contract. All other financial assets and financial liabilities are initially recognised on the trade date.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, or financial liabilities at amortised cost net of directly attributable transaction costs.

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

The Company derecognises a financial asset when the contractual rights to cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to the other party. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expire.

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

3 Material accounting policies (continued)

3.2 Financial instruments (continued)

3.2 Financial assets and liabilities – Recognition and derecognition (continued)

Financial assets at amortized cost

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

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

After initial recognition, financial assets at amortised cost are subsequently measured at amortised cost using effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes loans, trade and other receivables and 'Cash and cash equivalents' which are classified under current assets except for maturities greater than 12 months after the reporting date which are classified under non-current assets.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held on call with banks, and investments in money market instruments. Cash and cash equivalents are measured at amortised cost with any movement in the foreign currency denominated balances arising from changes in exchange rates, being recognised in profit or loss. In the statement of financial position, bank overdrafts are shown under current liabilities.

Financial assets at fair value through profit or loss:

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

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

3 Material accounting policies (continued)

3.2 Financial instruments (continued)

3.2 Financial assets and liabilities – Recognition and derecognition (continued)

Financial assets at fair value through profit or loss:

Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Financial liabilities at Amortized cost

The Company's loans and borrowings comprise interest-bearing loans and borrowings, fixed term payables and trade and other payables.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are subsequently measured at amortised cost using the effective interest rate method.

3.3 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity. This is presented as a share repurchase reserve under share capital. Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the Company in which they are declared.

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

3 Material accounting policies (continued)

3.4 Impairment of assets

3.4.1 Impairment of financial assets

An allowance for expected credit losses (ECLs) is recognised when an impairment exists. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL).

For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). Default events may include indications that the debtors or a Company of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive payment from debtors.

For trade receivables due in less than 12 months, the Company applies the simplified approach in calculating ECLs, as permitted by IFRS 9. Therefore, the Company does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For any other financial assets carried at amortised cost (which are due in more than 12 months), the ECL is based on the 12-month ECL. The 12-month ECL is the proportion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

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

3 Material accounting policies (continued)

3.4 Impairment of assets (continued)

3.4.2 Non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to dispose, an appropriate valuation model is used.

Impairment losses are recognised in profit or loss in those expense categories consistent with the function of the impaired asset. For assets an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimate of the recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount.

That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

3.4 Provisions and Contingencies

Provisions are recognised when:

- The Company has a present obligation as a result of a past event;
It is probable that an outflow of resources embodying economic benefits will be required to settle
- the obligation; and
- A reliable estimate can be made of the obligation.

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

3 Material accounting policies (continued)

3.4 Provisions and Contingencies (continued)

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation. Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses. If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision. After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of the amount that would be recognised as a provision and the amount initially recognised less cumulative amortisation. The Company did not have any contingent assets or liabilities as at the reporting date.

3.5 Tax

Current income tax assets and liabilities

Current income tax for current and prior periods are, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset. Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

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

3 Material accounting policies (continued)

3.5 Tax (continued)

Deferred tax assets and liabilities (continued)

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, in other comprehensive income, or a business combination. Current tax and deferred taxes are charged or credited in other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, in other comprehensive income. Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

3.6 Revenue recognition

The Company recognises revenue by following the principles of the five-step model in terms of the IFRS 15 as illustrated below:

Step 1: Identification of the contract (s) with customers;

Step 2: Identification of separate performance obligations in the contract;

Step 3: Determination of the transaction price;

Step 4: Allocation of the transaction price to separate performance obligation in the contract; and

Step 5: Recognition of the revenue when (or as) the Company satisfies a performance obligation.

Revenue comprises of revenue from share administration charges, dividend processing fees, corporate issues, Annual General Meetings and Extra Ordinary General Meetings, sundry income and recoveries. Revenue is recognised in terms of IFRS 15 considering whether performance obligations are satisfied at a point in time or over time. Revenue is measured based on consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control over a good or service to a customer. Revenue is presented net of value added tax (VAT) and discounts.

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

4 Property and equipment

	Inflation Adjusted						
	Land and buildings ZWG	Furniture and ZWG	Computer Equipment ZWG	Motor vehicles ZWG	Office equipment ZWG	Work in Progress ZWG	Total ZWG
Year ended 31 December 2023							
Opening net book amount	915 176	3 221	18 448	9 093	18 180	110 925	1 075 043
Additions	-	80 960	246 779	-	86 630	428 139	842 508
Revaluation	4 936 662	-	-	-	-	-	4 936 662
Depreciation charge	-	(1 137)	(24 870)	(3 188)	(9 485)	-	(38 680)
Closing net book amount	5 851 838	83 044	240 357	5 905	95 325	539 064	6 815 533
As at 31 December 2023							
Cost or revalued amount	5 851 838	84 769	270 251	13 182	113 153	539 064	6 872 257
Accumulated depreciation	-	(1 725)	(29 894)	(7 277)	(17 828)	-	(56 724)
Net book amount	5 851 838	83 044	240 357	5 905	95 325	539 064	6 815 533
Year ended 31 December 2024							
Opening net book amount	5 851 838	83 044	240 357	5 905	95 325	539 064	6 815 533
Additions	-	90 050	174 457	-	116 036	332 412	712 955
Disposals	(311 703)	-	-	-	-	(96 378)	(408 081)
Revaluation	5 479 240	651 125	249 097	1 132 586	1 119 646	(532 166)	8 099 528
Depreciation charge	-	(7 091)	(29 587)	(706)	(18 023)	-	(55 407)
Closing net book amount	11 019 375	817 128	634 324	1 137 785	1 312 984	242 932	15 164 528
As at 31 December 2024							
Cost or revalued amount	11 019 375	817 128	634 324	1 137 785	1 312 984	242 932	15 164 528
Accumulated depreciation	-	-	-	-	-	-	-
Net book amount	11 019 375	817 128	634 324	1 137 785	1 312 984	242 932	15 164 528

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

4 Property and equipment

	Historical Cost						
	Land and buildings ZWG	Furniture and ZWG	Computer Equipment ZWG	Motor vehicles ZWG	Office equipment ZWG	Work in Progress ZWG	Total ZWG
Year ended 31 December 2023							
Opening net book amount	140 092	493	2 824	1 392	2 783	16 980	164 564
Additions	-	12 393	37 776	-	13 261	65 538	128 968
Revaluation	755 687	-	-	-	-	-	755 687
Depreciation charge	-	(174)	(3 807)	(488)	(1 452)	-	(5 921)
Closing net book amount	895 779	12 712	36 793	904	14 592	82 518	1 043 298
As at 31 December 2023							
Cost or revalued amount	895 779	12 976	41 369	2 018	17 321	82 518	1 051 981
Accumulated depreciation	-	(264)	(4 576)	(1 114)	(2 729)	-	(8 683)
Net book amount	895 779	12 712	36 793	904	14 592	82 518	1 043 298
Year ended 31 December 2024							
Opening net book amount	895 779	12 712	36 793	904	14 592	82 518	1 043 298
Additions	-	61 200	118 565	-	78 861	225 915	484 541
Disposals	(211 841)	-	-	-	-	(65 501)	(277 342)
Revaluation	10 335 437	748 035	499 074	1 137 361	1 231 780	-	13 951 687
Depreciation charge	-	(4 819)	(20 108)	(480)	(12 249)	-	(37 656)
Closing net book amount	11 019 375	817 128	634 324	1 137 785	1 312 984	242 932	15 164 528
As at 31 December 2024							
Cost or revalued amount	11 019 375	817 128	634 324	1 137 785	1 312 984	242 932	15 164 528
Accumulated depreciation	-	-	-	-	-	-	-
Net book amount	11 019 375	817 128	634 324	1 137 785	1 312 984	242 932	15 164 528

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

5 Intangible assets

Opening carrying amount

Amortisation charge

Closing carrying amount

Inflation Adjusted		Historical Cost	
2024	2023	2024	2023
ZWG	ZWG	ZWG	ZWG
986	1 313	151	201
(74)	(327)	(50)	(50)
912	986	101	151

6 Financial assets

Financial assets measured at fair value
through profit or loss.

Unlisted shares

Listed shares

Total financial assets

96 699	34 101	96 699	5 220
963 679	2 265 554	963 679	185 430
1 060 378	2 299 655	1 060 378	190 650

Investment in unlisted equities

As at 1 January

Additions

Effects of inflation

As at 31 December

34 101	34 101	5 220	5 220
94 833	-	91 479	-
(32 235)	-	-	-
96 699	34 101	96 699	5 220

Investment in unlisted equities comprises a 15% equity shareholdings in Chengetedzai Depository Company.

Investment in listed equities

As at 1 January

Disposals

Fair value adjustments

Effects of inflation

As at 31 December

2 265 554	1 211 355	185 430	24 057
(781 709)	(28 051)	(560 248)	(4 294)
1 969 468	1 082 250	1 338 497	165 667
(2 489 634)			
963 679	2 265 554	963 679	185 430

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

7 Trade and other receivables

	Inflation Adjusted		Historical Cost	
	2024	2023	2024	2023
	ZWG	ZWG	ZWG	ZWG
Trade receivables	2 316 284	1 060 999	2 316 284	162 414
Allowance for expected credit losses (Note 22)	(991 546)	(305 650)	(991 546)	(46 787)
Trade receivables at amortised cost	1 324 738	755 349	1 324 738	115 627
Other receivables	36 233	-	36 233	-
Non-financial instruments				
Prepayments	114 387	97 304	114 387	14 895
Total trade and other receivables	1 475 358	852 653	1 475 358	130 522

7.1 Doubtful Debts Provision

Opening balance	305 650	19 938	46 787	3 052
Increase in provision	944 759	285 712	944 759	43 735
Effects of inflation adjustment	(45 884)	-	-	-
Closing balance	1 204 525	305 650	991 546	46 787

8 Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	13 112	882	13 112	135
Bank balances	1 866 486	2 041 665	1 866 486	312 531
	1 879 598	2 042 547	1 879 598	312 666

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

8 Cash and cash equivalents (continued)

There is no significant concentration of credit risk with respect to cash and cash equivalents as the Company holds cash accounts with financial institutions with sound financial and capital cover. The financial institutions holding the company's cash and cash equivalents have the following external credit ratings according to the Global Credit Rating Company:

	Inflation Adjusted		Historical Cost	
	2024	2023	2024	2023
	ZWG	ZWG	ZWG	ZWG
AA +	13 112	882	13 112	135
BBB	1 866 486	2 041 665	1 866 486	312 531
	<u>1 879 598</u>	<u>2 042 547</u>	<u>1 879 598</u>	<u>312 666</u>

9 Share capital

Authorised

1 000 000 Ordinary shares of ZWG \$0.000004 each

Issued

740,382 Ordinary shares of ZWG \$0.000004 each

Share Capital inflation adjustment

Share Premium

	4	4	4	4
	20	20	3	3
	-	-	-	-
	<u>634</u>	<u>634</u>	<u>97</u>	<u>97</u>
	<u>654</u>	<u>654</u>	<u>100</u>	<u>100</u>

The unissued share capital is under the control of the directors subject to the limitations of the Companies and Other Business Entities Act (Chapter 24:31) and the Articles and Memorandum of Association of the Company.

10 Trade and other payables

Trade payables

Other payables

Closing balance

	Inflation Adjusted		Historical Cost	
	2024	2023	2024	2023
	ZWG	ZWG	ZWG	ZWG
	77 726	58 729	77 726	8 990
	<u>1 232 354</u>	<u>486 195</u>	<u>1 232 354</u>	<u>74 425</u>
	<u>1 310 080</u>	<u>544 924</u>	<u>1 310 080</u>	<u>83 415</u>

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

	Inflation Adjusted		Historical Cost	
	2024 ZWG	2023 ZWG	2024 ZWG	2023 ZWG
11 Provision				
Leave provision	237 329	136 637	237 329	36 637
Audit fees provision	148 755	-	148 755	-
Closing balance	<u>386 084</u>	<u>136 637</u>	<u>386 084</u>	<u>36 637</u>
11.1 Leave pay provision				
Opening balance	136 637	21 669	36 637	3 317
Increase in provision	200 692	217 669	200 692	33 320
Effects of inflation adjusted	(100 000)	(102 701)	-	-
Closing balance	<u>237 329</u>	<u>136 637</u>	<u>237 329</u>	<u>36 637</u>
11.2 Audit provision				
Increase in provision	281 710	-	281 710	-
Paid	(132 955)	-	(132 955)	-
Closing balance	<u>148 755</u>	<u>-</u>	<u>148 755</u>	<u>-</u>
12 Current tax payable/ (receivable)				
Balance at the beginning of the year	(24 670)	(2 404)	(4 669)	(368)
Current tax for the year recognised in profit or loss	2 129 430	1 588 141	2 129 430	243 107
Tax paid	(1 477 716)	(1 616 238)	(1 477 716)	(247 408)
Effect of inflation adjustment	20 001	5 831	-	-
Balance at the end of the year	<u>647 045</u>	<u>(24 670)</u>	<u>647 045</u>	<u>(4 669)</u>
13 Dividend payable				
Balance at the beginning of the year	2 456 522	33 558	284 828	5 137
Dividends declared for the year	7 551 311	2 813 051	7 551 311	430 612
Dividend paid	(3 411 610)	(985 919)	(3 411 610)	(150 921)
Effect of inflation adjustment	(2 171 695)	595 832	-	-
Balance at the end of the year	<u>4 424 528</u>	<u>2 456 522</u>	<u>4 424 529</u>	<u>284 828</u>

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
14 Loans to employees and directors				
Educational loans	339 440	124 905	339 440	19 120
Car loans	1 009 929	416 249	1 009 929	63 718
Directors loans	6 960 876	291 233	6 960 876	44 581
	<u>8 310 245</u>	<u>832 387</u>	<u>8 310 245</u>	<u>127 419</u>
15 Revenue from contracts with customers				
Share administration Charges	11 723 112	5 796 102	8 922 670	887 247
Dividend processing fees	13 716 266	2 037 589	10 439 695	311 907
Corporate issues and other related incomes	3 759 073	5 205 332	2 861 098	796 814
AGMs & EGMs	1 167 843	487 998	888 866	74 701
Sundry Income	14 443	3 991	10 993	611
Recoveries	984 543	819 584	749 353	125 459
	<u>31 365 280</u>	<u>14 350 596</u>	<u>23 872 675</u>	<u>2 196 739</u>
16 Cost of sales				
Stationery/Class A	149 803	95 005	103 656	14 543
Printing/Class A	821 827	378 706	568 664	57 971
Postage Expense/Class A	138 094	346 167	95 554	52 990
Distribution Expense/Class A	-	21 898	-	3 352
Company Secretarial expenses/Class A	5 600	137	3 875	21
	<u>1 115 324</u>	<u>841 913</u>	<u>771 749</u>	<u>128 877</u>

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

	Inflation Adjusted		Historical Cost	
	2024	2023	2024	2023
	ZWG	ZWG	ZWG	ZWG
17 Other income				
(Loss)/ Profit on disposal of property, plant and equipment	-	27 333	-	4 184
Loss on disposal of shares	(37 995)	-	(17 383)	-
Interest received	887 957	8 924	406 245	1 366
Other income	192 686	50 178	88 155	7 681
	<u>1 042 648</u>	<u>86 435</u>	<u>477 017</u>	<u>13 231</u>
18 Operating gains				
Foreign currency exchange gains	7 170 943	351 269	4 873 542	53 771
Available for sale gains	1 969 468	1 082 250	1 338 497	165 667
	<u>9 140 411</u>	<u>1 433 519</u>	<u>6 212 039</u>	<u>219 438</u>
19 Other operating expenses				
Administration, advertising and directors fees	1 991 196	494 374	1 448 317	75 677
Allowances for credit losses	1 298 887	285 707	944 759	43 735
Auditors remuneration	387 305	74 688	281 710	11 433
Bad debts	872	470	634	72
Consulting fees	1 989 879	879 737	1 447 359	134 667
Depreciation, amortisation and impairment	55 407	38 680	37 708	5 971
Employee costs	8 574 807	4 278 436	6 236 975	654 928
Legal fees, Levies and insurance	408 319	226 227	296 995	34 630
Lease rentals on operating lease	730 225	333 095	531 137	50 989
Other office running costs	1 146 113	203 467	833 637	31 146
Repairs and maintenance	266 198	1 372 745	193 622	210 135
Royalties	953 723	405 928	693 700	62 138
Security	352 586	149 781	256 457	22 928
Subscriptions and communication	220 243	103 118	160 196	15 785
Training and workshops	73 094	1 581	53 166	242
Travel, Transport and freight	564 884	127 041	410 874	19 447
Donation	77 146	32 892	56 113	5 035
	<u>19 090 884</u>	<u>9 007 967</u>	<u>13 883 359</u>	<u>1 378 958</u>

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

20 Income tax expense

Current

Current tax

Deferred tax

Inflation Adjusted		Historical Cost	
2024	2023	2024	2023
ZWG	ZWG	ZWG	ZWG
2 129 430	1 588 141	2 129 430	243 107
(1 087 698)	(1 377 692)	(3 038 475)	(203 109)
<u>1 041 732</u>	<u>210 449</u>	<u>(909 045)</u>	<u>39 998</u>

Taxation Reconciliation

Profit/(Loss) before taxation

National tax thereon at 25.75%, (2023: 24.72%)

Tax Effect of :

Non taxable items

Income tax (credit)/ expense

13 450 815	2 817 091	15 906 623	921 573
3 463 585	725 401	4 095 955	227 813
(2 421 853)	(514 952)	(5 005 000)	(187 815)
<u>1 041 732</u>	<u>210 449</u>	<u>(909 045)</u>	<u>39 998</u>

Deferred tax

Analysis of temporary differences

Property and equipment

Intangible assets

Leave pay provision

Provision for credit losses

Advance payments

1 457 829	(437 683)	876 601	(66 999)
43	(1 535)	26	(235)
(101 634)	239 338	(61 113)	36 637
(509 868)	-	(306 587)	-
48 984	97 304	29 455	14 895
<u>895 354</u>	<u>(102 576)</u>	<u>538 382</u>	<u>(15 702)</u>

Reconciliation

Opening balance

Movement through profit or loss

Movement through other comprehensive income

Closing balance

(102 576)	3 926	(15 702)	601
(1 087 698)	(1 377 692)	(3 038 475)	(203 109)
2 085 628	1 271 190	3 592 559	186 806
<u>895 354</u>	<u>(102 576)</u>	<u>538 382</u>	<u>(15 702)</u>

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

21 Related parties (continued)

The following are the related parties of the Company:

Related party	Nature of relationship	Nature of transactions
Tanmel Investments (Pvt) Ltd	Majority Shareholder	Loans, royalty and retainer
Cabletech Investment (Pvt) Ltd	Board Representation	Loans and advances
Tanmel (Pvt) Ltd	Board Representation	Loans and advances
Eastpeak Investments (Pvt) Ltd	Board Representation	Loans and advances
Ms Nokuthula Moyo	Board Chairperson	Directors fees
Mr Campbell V Musiwa	Non Executive Director	Directors fees
Mr Joshua Chimhanda	Non Executive Director	Directors fees
Mrs Mildred Chiri	Non Executive Director	Directors fees
Mr Tanaka M Musiwa	Managing Director	Directors fees

Transactions with related parties

	Inflation Adjusted		Historical Cost	
	2024 ZWG	2023 ZWG	2024 ZWG	2023 ZWG
(i) Shareholders' loans				
Tanmel (Pvt) Ltd	171 992	231 303	171 992	35 407
Tanmel Investments (Pvt) Ltd	217 616	89 811	217 616	13 748
Cabletech Investments (Pvt) Ltd	240 711	83 664	240 711	12 807
	<u>630 319</u>	<u>404 778</u>	<u>630 319</u>	<u>61 962</u>
(ii) Royalties				
Tanmel Investments (Pvt) Ltd	<u>693 700</u>	<u>405 930</u>	<u>693 700</u>	<u>62 138</u>
(iii) Retainer				
Tanmel Investments Pvt Ltd	<u>852 577</u>	<u>566 221</u>	<u>852 577</u>	<u>86 675</u>
(iv) Directors fees	<u>150 047</u>	<u>119 682</u>	<u>150 047</u>	<u>18 321</u>

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

21 Related parties (continued)

Transactions with related parties (continued)

(v) Rentals

Roncadin Investments (Pvt) Ltd

Inflation Adjusted		Historical Cost	
2024	2023	2024	2023
ZWG	ZWG	ZWG	ZWG

654 362	371 919	654 362	56 932
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(vi) Housing loans

6 916 268	294 182	6 916 268	45 032
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21.1 Related party receivables

Tanmel (Pvt) Ltd

Tanmel Investments (Pvt) Ltd

Tanmel (Pvt) Ltd USD

Tanmel Investment (Pvt) Ltd USD

Cabletech Investments (Pvt) Ltd

21 795	34 741	21 795	5 318
91 089	17 370	91 089	2 659
54 055	-	54 055	-
126 527	55 077	126 527	8 431
240 711	-	240 711	-
534 177	107 188	534 177	16 408

21.2 Related party payables

Cabletech (Pvt) Ltd

Eastpeak (Pvt) Ltd

ESOT

Tanmel Investments (Pvt) Ltd

Tanmel (Pvt) Ltd USD

Tanmel Investments (Pvt) Ltd

Cabletech Investments (Pvt) Ltd

10 870	20	10 870	3
3	26	3	4
-	261	-	40
66 796	131	66 796	20
-	1 803	-	276
-	41 443	-	6 344
-	83 664	-	12 807
77 669	127 348	77 669	19 494

21.3 Key management compensation

Key management comprises directors (executive and non-executive) of the Company. The compensation paid or payable to key management for employee services is shown below:

Salaries and other short-term benefits

345 866	243 081	345 866	37 210
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Notes to the financial statements
for the year ended 31 December 2024 (continued)

22 Treasury and financial risk management

22.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including price risk, fair value interest rate risk, cash flow interest rate risk and foreign exchange rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out under policies approved by the Board of Directors (the "Board"). The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and the investment of excess liquidity.

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument, will fluctuate because of changes in market prices. The Company's market risks arise from open positions in (a) foreign currencies and (b) interest bearing assets and liabilities to the extent that these are exposed to general and specific market movements.

i) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk and currency risk, whether these changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting all financial instruments traded in the market. The Company is not exposed to commodity or equity securities price risks because it had no assets nor obligations that exposes the Company to these risks at year end.

ii) Cash flow and fair value interest rate risk

Cash flow and fair value interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the Company has no significant interest-bearing assets or liabilities, the Company's income and operating cash flows are substantially independent of changes in market interest rates. Trade and other receivables and trade and other payables are interest free and have settlement dates within one year.

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

22 Treasury and financial risk management (continued)

22.1 Financial risk factors (continued)

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities. The company's sales are denominated in United States dollars (USD) but settled in both United States dollars (USD) and local currency (ZWG). The bulk of company capital development is denominated in USD. Company operational expenses are denominated and settled with a mixture of ZWG and USD.

22.2 Interest rate risk

The Company finances its operations through retained earnings hence not exposed to interest rate risk.

22.2.1 Credit risk

Credit risk arises on cash and cash equivalents and trade receivables. The risk in respect of cash and cash equivalents is managed by only investing with financially sound institutions and by setting prudent exposure limits for each institution. The risk arising on trade receivables is managed through normal credit limits, continual review, and exception reporting. Adequate provision is made for doubtful debts.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. The maximum exposure to credit risk at the reporting date was as follows:

	Inflation Adjusted		Historical Cost	
	2024	2023	2024	2023
	ZWG	ZWG	ZWG	ZWG
Receivables	1 475 358	852 659	1 475 358	130 522

The allowance account in respect of trade receivables is used to record impairment losses unless the Company is satisfied that no recovery of the amount owing is possible. At that point, the amount is considered irrecoverable and is written off against the financial asset directly.

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

22 Treasury and financial risk management (continued)

22.2 Interest rate risk (continued)

22.2.1 Credit risk (continued)

Impairment of trade and other receivables

The Company applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and their aging.

The expected loss rates are based on the Company's historical credit losses. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Company's clients.

Impairment of trade and other receivables

	Inflation adjusted					Total
	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	
	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG
2024						
Expected credit loss rate	7%	10%	14%	7%	100%	
Trade receivables	431 360	307 665	231 867	482 542	862 850	2 316 284
Trade receivables-allowances	(32 174)	(32 174)	(32 174)	(32 174)	(862 850)	(991 546)
Trade receivables-net	399 186	275 491	199 693	450 368	-	1 324 738
	Inflation adjusted					Total
	Current	More	More than	More than	More than	
	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG
2023						
Expected credit loss rate	14%	13%	24%	47%	100%	
Trade receivables	310 518	344 802	184 019	95 266	126 394	1 060 999
Trade receivables-allowances	(44 814)	(44 815)	(44 814)	(44 813)	(126 394)	(305 650)
Trade receivables-net	265 704	299 987	139 205	50 453	-	755 349

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

22 Treasury and financial risk management (continued)

22.2 Interest rate risk (continued)

22.2.1 Credit risk (continued)

Impairment of trade and other receivables (continued)

2024	Historical cost					Total ZWG
	Current ZWG	More ZWG	More than ZWG	More than ZWG	More than ZWG	
Expected credit loss rate	7%	10%	14%	7%	100%	
Trade receivables	431 360	307 665	231 867	482 542	862 850	2 316 284
Trade receivables-allowances	(32 174)	(32 174)	(32 174)	(32 174)	(862 850)	(991 546)
Trade receivables-net	399 186	275 491	199 693	450 368	-	1 324 738

2023	Historical cost					Total ZWG
	Current ZWG	More ZWG	More than ZWG	More than ZWG	More than ZWG	
Expected credit loss rate	14%	13%	24%	47%	100%	
Trade receivables	47 533	52 781	28 169	14 583	19 348	162 414
Trade receivables-allowances	(6 860)	(6 860)	(6 859)	(6 860)	(19 348)	(46 787)
Trade receivables-net	40 673	45 921	21 310	7 723	-	115 627

(ii) Liquidity risk

The company's risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments and credit facilities.

22.3 Reputational risk

Reputational risk refers to the risk of damage to the Company's image, which may affect its ability to retain and generate business. The Company manages reputational risk by ensuring that business is conducted in accordance with the legal and regulatory requirements. In The Company also has systems in place to monitor customer service satisfaction levels as well as processes to resolve customer queries and complaints.

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

22 Treasury and financial risk management (continued)

22.4 Legal and compliance risk

Legal and compliance risk is the risk that arises due to the Company's failure to adhere to legal and regulatory obligations. The Company manages this risk through the dedicated Risk and Compliance department, and deliberations by its Audit, Risk and Compliance Committee.

22.5 Strategic risk

Strategic risk refers to the potential for opportunity losses arising from failure to optimise the earnings potential of the Company. The Board approves the Company's strategy as formulated by management, while the Managing Director has the overall responsibility for strategy implementation. The Board conducts a quarterly review of the strategy's performance and its continued applicability.

22.6 Operational risk

This is the potential for loss arising from human error and fraud, inadequate or failed internal processes, systems failure, non-adherence to procedure or other external sources that result in the compromising of the Company's revenue or erosion of the Company's statement of financial position value. The Audit, Risk and Compliance Committee exercises adequate oversight over operational risks across the Company. The Risk and Compliance Department is responsible for setting Operational Policies and maintaining standards for operational risk.

23 Anti-Money Laundering (AML) Disclosure

By virtue of being a licenced Designated Non-Financial Business Agent in the financial services space, we have an obligation to identify any potential violation on FTS anti-money laundering mandate. The company's policy frameworks take a broad view of the crimes related to money laundering, and specifically includes tax evasion, human trafficking/modern slavery, and illegal wildlife trade as Money Laundering offences. This framework is guided by both local and international standards which includes but not limited to the following:

- Financial Action Task Force (FATF) Forty Recommendations
- Money Laundering and Proceeds of Crime Act (Chapter 9:24)
- Bank Use Promotion Act (Chapter 24:24)
- Reserve Bank of Zimbabwe Anti-Money Laundering and Combating of Financing of Terrorism Guidelines

Throughout the reporting period, the company has continued to strengthen AML/CFT policies, procedures and controls to effectively identify, access and mitigate risks associated with financial crimes. FTS robust AML/CFT policy encompasses comprehensive customer due diligence, transaction monitoring, suspicious activity reporting and ongoing training and awareness initiatives for staff.

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

24 Going concern

The company's operations have been significantly affected and may continue to be affected by the challenging environment particularly the lack of liquidity in the Zimbabwean economy. However, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. They 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.

Capital adequacy Disclosure

First Transfer Secretaries is in the business of Transfer secretarial services and is regulated by The Securities and Exchange Commission of Zimbabwe. During the year ended 2024 the Securities & Exchange Commission of Zimbabwe ("Commission") advised all Securities Market Intermediaries (SMIs) to include disclosures specified hereunder as part of the audited financial statements. They shall be audited by registered public auditors appointed in terms of the Public Accountants and Auditors Act [Chapter 27:12] and the disclosures shall be submitted annually to the Commission as part of the audited financial statements. Subject to prior approval by the Commission, all SMIs shall be required to provide an audited capital adequacy position as prescribed in the Capital Adequacy Directive (Directive Number 08/2024) for Securities Intermediaries from time to time.

First Transfer Secretaries (Private) Limited
Overall capital requirement calculation

SECZ Capital Adequacy	2024	2024
		ZWG
SECZ Capital adequacy requirements:		
Interbank rate as at 31 December 2024	26	
Capital adequacy required (USD)	150 000	
Total Requirement (TR) (ZWG)		3 869 775
Adjusted Liquid capital (ALC):		
Ordinary share capital		3
Preference share capital		-
Share premium account		97
Audited retained earnings or accumulated losses		848 130
Unaudited profit/loss		16 815 668
Owners Equity		17 663 898
Guarantees received		
Total Capital Resources(a)		17 663 898
Less intangible assets + Guarantees provided (b)		-
Goodwill		-
Capitalised developments costs		-
Licenses,softwares		-
Trademarks and similar rights		-
Guarantees provided		-
Available capital resources ©=(a-b)		17 663 898
Less illiquid assets(d):		
Fixed assets, net of related secured loans		(6 065 811)
Investments in unlisted securities		(1 060 378)
Adjusted Liquid capital (c-d)		10 537 709
Capital surplus/(shortfall)		14 407 484

