

**ZB TRANSFER SECRETARIES (PRIVATE) LIMITED**

**FINANCIAL STATEMENTS**

**For the year ended 31 December 2024**

**ZB TRANSFER SECRETARIES (PRIVATE) LIMITED**

**FINANCIAL STATEMENTS**  
**For the year ended 31 December 2024**

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**ZB TRANSFER SECRETARIES (PRIVATE) LIMITED**

**REPORT OF THE DIRECTORS  
For the year ended 31 December 2024**

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The Directors are pleased to submit their report on the financial statements of ZB Transfer Secretaries (Private) Limited ("the Company") for the year ended 31 December 2024

**Capital and reserves**

The authorised and issued share capital comprised of 2 000 and 1 000 ordinary shares, respectively. The authorised share capital of the Company has a nominal value of ZWG0.016 per share.

**Financial results**

The Company posted a profit for the financial year ended 31 December 2024 of ZWG 6 564 738 (2023: loss of ZWG 435 935).

Total assets as at 31 December 2024 amounted to ZWG 23 458 940 (2023: ZWG7 490 499).

**Auditor**

Ernst & Young Chartered Accountants (Zimbabwe) were appointed to provide audit services to the Company. The Shareholder is requested to approve the auditor's fees for the year ended 31 December 2024.

On behalf of the Board of Directors



**L. Mawire  
(Chairman)**



**R. Mutakwa  
(Managing Director)**



**T. F A Masiwa  
(Company Secretary)**

**HARARE  
28 March 2025**

**Board of Directors**

L. Mawire (Chairman)  
R. Mutakwa (Managing Director)

## ZB TRANSFER SECRETARIES (PRIVATE) LIMITED

### DIRECTORS' RESPONSIBILITY STATEMENT For the year ended 31 December 2024

The Directors are responsible for the preparation of IFRS compliant and fair presentation of the annual financial statements of ZB Transfer Secretaries (Private) Limited, comprising the statement of financial position as at 31 December 2024, and 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 which include a summary of material accounting policy information and other explanatory notes, in accordance with International Financial Reporting Standards and the requirements of the Companies and Other Business Act (Chapter 24:31), Securities and Exchanges Act (Chapter 24:25) and the relevant statutory instruments (SI33/99 and SI62/96). In addition, the Directors are responsible for preparing the report of the Directors'.

The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management. The board structure is as follows:

Name	Position
L Mawire	Chairman
R. Mutakwa	Managing Director

IFRS Accounting Standards comprise the interpretations adopted by the International Accounting Standards Board (IASB) and the interpretations developed by the International Financial Reporting Interpretations Committee Interpretations Committee (SIC). Complying with IFRS Accounting Standards ensures comparability of the financial information of the Company with other (IFRIC) or by the former Standing organisations locally and globally. The Company achieved compliance with International Financial Reporting Standards.

The auditor is responsible for reporting on whether the financial statements are fairly presented in accordance with the applicable financial reporting framework.

The Company Committee which presides over the affairs of business managed to meet 4 times during the year, once every quarter. The committee meets regularly with the Company's

The internal and external auditors have unrestricted access to the Company Committee. The Chairman of the Board S K Chiganzi passed on this year and was replaced by L Mawire on the 24th of September 2024

#### Approval of financial statements

The financial statements set out on pages 6 to 37 were approved by the Board of Directors on 31 March 2025 and are signed on its behalf by: -

L. Mawire (Chairman)  
R. Mutakwa (Managing Director)



L Mawire  
(Chairman)



R. Mutakwa  
(Managing Director)



T. F A Masiwa  
(Company Secretary)

HARARE

28 March 2025

#### Preparer of the financial statements

The financial statements have been prepared under the supervision of C. Muchingami CA (Z), RPAcc, and have been audited in terms of sections 193 of the Companies and Other Business Entities Act (Chapter 24:31)

Registered Public Accountant number 4333.

## Independent Auditor's Report

### To the Shareholders of ZB Transfer Secretaries (Private) Limited

#### Report on the Audit of the Financial Statements

##### Opinion

We have audited the financial statements of *ZB Transfer Secretaries (Private) Limited* ('the company') set out on pages 6 to 36, which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of *ZB Transfer Secretaries (Private) Limited* as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies and Other Business Entities Act (Chapter 24:31), and the Securities and Exchanges Act (Chapter 24:25).

##### *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 Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and other independence requirements applicable to performing audits of financial statements of the company. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

##### *Other Information*

The directors are responsible for the other information. The other information comprises of the Report of the directors and the Directors Responsibility statement but 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 an audit opinion or any form of assurance 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, 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.

## **Independent Auditor's Report (Continued)**

### *ZB Transfer Secretaries (Private) Limited*

#### *Responsibilities of the Directors for Financial Statements*

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies and Other Business Entities Act (Chapter 24:31) and the Securities and Exchanges Act (Chapter 24:25), and for such internal control as the directors determine 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, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### *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 the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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.

## Independent Auditor's Report (Continued)

*ZB Transfer Secretaries (Private) Limited*

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

The engagement partner on the audit resulting in this independent auditor's report is N Manatsa (PAAB Number 0637).

*Ernst & Young*

Ernst & Young  
Chartered Accountants (Zimbabwe)  
Registered Public Auditors

Harare

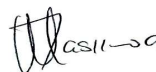
31 March 2025

**ZB TRANSFER SECRETARIES (PRIVATE) LIMITED****STATEMENT OF FINANCIAL POSITION  
as at 31 December 2024**

		Audited		
	Notes	31 Dec 2024 ZWG	31 Dec 2023 ZWG	31 Dec 2022 ZWG
ASSETS				
Cash and cash equivalents	4	250,444	535,859	550,932
Trade and other receivables	5	4,397,013	1,264,443	545,572
Investment securities	6	9,340,868	3,183,585	4,030,040
Other financial assets	7	8,384,808	2,443,739	-
Intangible assets	9	875,214	-	-
Office furniture and equipment	8	210,593	62,873	112,382
Total assets		23,458,940	7,490,499	5,238,926
LIABILITIES				
Deferred tax liability	10	1,209,432	324,709	112,305
Trade and other payables	11	12,349,235	3,830,255	1,355,153
Total liabilities		13,558,667	4,154,964	1,467,458
EQUITY				
Share capital	12	16	2,448	4,545
Share premium	13	320	325,629	604,496
Equity Translation Reserve	14	327,741	-	-
Revaluation reserve	16	104,219	30,222	68,624
Foreign currency translation reserves	15	2,546,398	-	-
Retained earnings	17	6,921,579	2,977,236	3,093,803
Total equity		9,900,273	3,335,535	3,771,468
Total equity and liabilities		23,458,940	7,490,499	5,238,926

For and on behalf of the Board:


**L. Mawire  
(Chairman)**

**R. Mutakwa  
(Managing Director)**

**T. F. A. Masiwa  
(Company Secretary)****HARARE****28 March 2025**

\*The comparative statement of financial position as at 31 December 2023 which was previously presented in the Zimbabwean Dollar (ZWL) after adjustments for inflation in accordance with IAS 29- Financial Reporting in Hyperinflationary Economies, was translated to the USD (functional currency) with the prevailing rate of ZWL6 104.7226 as at 31 December 2023 and thereafter, the ZWG (presentation currency) with the rate of ZWG13.5616 as at 5 April 2024 when ZWG was introduced.

\*The comparative statement of financial position was previously presented in the Zimbabwean Dollar (ZWL) after adjustments for inflation in accordance with IAS 29- Financial Reporting in Hyperinflationary Economies, was translated to the USD (functional currency) with the prevailing rate of ZWL684.3339 as at 31 December 2022.



**ZB TRANSFER SECRETARIES (PRIVATE) LIMITED**
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
for the year ended 31 December 2024**

		<b>Audited</b>	
	<b>Notes</b>	<b>31 Dec 2024 ZWG</b>	<b>31 Dec 2023 ZWG</b>
<b>Income</b>			
Fee and commission income	18	10,595,874	7,288,640
Other income	19	6,097,737	4,039,973
<b>Total income</b>		<b>16,693,611</b>	<b>11,328,613</b>
<b>Expenses</b>			
Staff costs	20	(4,875,340)	(5,787,650)
Other operating expenses	21	(7,307,855)	(4,863,754)
<b>Total expenses</b>		<b>(12,183,195)</b>	<b>(10,651,404)</b>
<b>Profit before taxation and impairment</b>		<b>4,510,416</b>	<b>677,209</b>
<b>Profit from ordinary activities</b>		<b>4,510,416</b>	<b>677,209</b>
Effects of inflation adjustments		-	929,474
<b>Profit before taxation</b>		<b>4,510,416</b>	<b>1,606,683</b>
Income tax (expense)	22	(566,073)	(306,368)
		3,944,343	1,300,315
<b>Other comprehensive income:</b>			
Gain on property and equipment revaluation	16	99,659	28,773
Income tax relating to component of other comprehensive income	16	(25,662)	(7,409)
Effects of translation to presentation currency		2,546,398	(1,757,614)
<b>Other comprehensive income for the year, net of tax</b>		<b>2,620,395</b>	<b>(1,736,250)</b>
<b>Total comprehensive Income /(Loss) for the year</b>		<b>6,564,738</b>	<b>(435,935)</b>
<b>Earnings per share</b>			
<b>From Continuing activities</b>			
Basic		<b>6,565</b>	<b>(435)</b>
Diluted		<b>6,565</b>	<b>(435)</b>

\*The comparative statement of profit or loss and other comprehensive income as at 31 December 2023 which was previously presented in the Zimbabwean Dollar (ZWL) after adjustments for inflation in accordance with IAS 29- Financial Reporting in Hyperinflationary Economies, was translated to the USD (functional currency) and thereafter, the ZWG (presentation currency) in line with IFRS.

**ZB TRANSFER SECRETARIES (PRIVATE) LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
for the year ended 31 December 2024**

<b>Audited</b>	<b>Share capital ZWG</b>	<b>Share premium ZWG</b>	<b>Foreign Currency Translation Reserve ZWG</b>	<b>Revaluation reserve ZWG</b>	<b>Equity Reserve ZWG</b>	<b>Retained earnings ZWG</b>	<b>Total ZWG</b>
<b>Balance at 1 January 2023</b>	<b>4,545</b>	<b>604,496</b>	-	<b>68,624</b>	-	<b>3,093,803</b>	<b>3,771,468</b>
Revaluation of property	-	-	-	21,364	-	-	<b>21,364</b>
Profit or loss	-	-	-	-	-	1,300,315	<b>1,300,315</b>
Effects of change in presentation currency	(2,097)	(278,867)	-	(59,766)	-	(1,416,882)	<b>(1,757,612)</b>
<b>Balance at 31 December 2023</b>	<b>2,448</b>	<b>325,629</b>	-	<b>30,222</b>	-	<b>2,977,236</b>	<b>3,335,535</b>
Profit for the year	-	-	-	-	-	3,944,343	<b>3,944,343</b>
Revaluation reserve	-	-	-	73,997	-	-	<b>73,997</b>
Transfer to Equity Reserve	(2,432)	(325,309)	-	-	327,741	-	-
Exchange differences on translating foreign currency	-	-	2,546,398	-	-	-	<b>2,546,398</b>
<b>Balance at 31 December 2024</b>	<b>16</b>	<b>320</b>	<b>2,546,398</b>	<b>104,219</b>	<b>327,741</b>	<b>6,921,579</b>	<b>9,900,272</b>

\*The comparative statement of changes in equity as at 31 December 2023 which was previously presented in the Zimbabwean Dollar (ZWL) after adjustments for inflation in accordance with IAS 29- Financial Reporting in Hyperinflationary Economies, was translated to the USD (functional currency) with the prevailing rate of ZWL6 104.7226 as at 31 December 2023 and thereafter, the ZWG (presentation currency) with the rate of ZWG13.5616 as at 5 April 2024 when ZWG was introduced.

\*The comparative statement of changes in equity was previously presented in the Zimbabwean Dollar (ZWL) after adjustments for inflation in accordance with IAS 29- Financial Reporting in Hyperinflationary Economies, was translated to the USD (functional currency) with the prevailing rate of ZWL684.3339 as at 31 December 2022.

**ZB TRANSFER SECRETARIES (PRIVATE) LIMITED****STATEMENT OF CASH FLOWS**  
**for the year ended 31 December 2024**

	Notes	Audited 31 Dec 2024 ZWG	31 Dec 2023 ZWG
<b>Cash flows from operating activities</b>			
Profit/ (loss) before tax		4,510,416	677,207
Adjustments for:			
Depreciation of equipment	8	52,136	21,099
Amortisation On Intangible Asset	9	14,834	-
Effects of foreign exchange		(2,620,057)	(2,071,917)
Fair value adjustment on listed equities	6	(2,589,869)	(1,157,324)
Impairment of assets		-	7,007
<b>Movements in working capital:</b>			
Increase / (decrease) in trade and other payables		8,519,050	3,100,210
Increase/ (decrease) in trade and other receivables		(2,880,253)	(1,005,680)
<b>Cash generated from operations</b>		<b>5,006,257</b>	<b>(429,398)</b>
Income taxes paid		(479,811)	(261,387)
Interest Income		(756,335)	(664,793)
Dividend income		(131,405)	(145,939)
<b>Net cash generated by operating activities</b>		<b>3,638,706</b>	<b>(1,501,517)</b>
<b>Cash flows from investing activities</b>			
Proceeds from redemption of investments	6	91,669	903,779
Dividend income		131,405	145,957
Purchase of listed investments securities	6	(772,322)	(758,871)
Interest received	7	374,184	664,793
Investment in debentures	7	(3,353,805)	(2,332,595)
Purchase of equipment	8	(949,573)	(25,618)
<b>Net cash used in investing activities</b>		<b>(4,478,442)</b>	<b>(1,402,555)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>			
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(839,736)</b>	<b>(2,904,073)</b>
Cash and cash equivalents at the beginning of the year		535,859	550,932
Effects on inflation adjustments		-	1,071,490
Effects of foreign exchange rate changes		2,620,057	2,071,917
Effects of translation to presentation currency		(2,065,735)	(254,407)
<b>Cash and cash equivalents at the end of the year</b>	<b>4</b>	<b>250,445</b>	<b>535,859</b>

## **ZB TRANSFER SECRETARIES (PRIVATE) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2024**

#### **1 NATURE OF BUSINESS**

ZB Transfer Secretaries (Private) Limited (the Company) is incorporated and domiciled in Zimbabwe. It is registered under the Companies Act (Chapter 24:03) and is licensed to act as Transfer Secretaries by the Securities and Exchange Commission of Zimbabwe. The address of its registered office and the principal place of business is 1st Floor, 21 Natal Road, Avondale, Harare, Zimbabwe respectively. Its main business is of the maintenance of share registers on behalf of clients.

The Company is a fully owned subsidiary of ZB Financial Holdings Limited, which is listed on the Zimbabwe Stock Exchange.

#### **2 CHANGES IN ACCOUNTING POLICIES, CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

##### **2.1 Application of new and revised International Financial Reporting Standards (IFRS)**

##### **2.1.1 New and revised IFRS in issue but not yet effective**

<b>New standard</b>	<b>Effective date</b>	<b>Major requirements</b>
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027	<p>IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.</p> <p>It also requires disclosure of newly defined management defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.</p> <p>In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.</p> <p>The directors of the company anticipate that the application of these amendments is not expected to have any material impact on the financial statements unless such transactions arise in the future periods. The company will not be early adopting the standard.</p>

**ZB TRANSFER SECRETARIES (PRIVATE) LIMITED****NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended 31 December 2024****2 CHANGES IN ACCOUNTING POLICIES, CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)****2.1 Application of new and revised International Financial Reporting Standards (IFRS) (Continued)****2.1.1 New and revised IFRS in issue but not yet effective (Continued)**

New standard	Effective date	Major requirements
Lack of exchangeability – Amendments to IAS 21	1 January 2025	<p>The amendment to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.</p> <p>A currency is exchangeable into another currency when an entity can obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.</p> <p>If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position, and cash flows. For the transition requirements the amendments must be applied prospectively. Early application is permitted and must be disclosed.</p> <p>The directors of company anticipate that the application of these amendments is not expected to have any material impact on the financial statements unless such transactions arise in the future periods. The company will not be early adopting the standard.</p>

**ZB TRANSFER SECRETARIES (PRIVATE) LIMITED****NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended 31 December 2024****2 CHANGES IN ACCOUNTING POLICIES, CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)****2.1 Application of new and revised International Financial Reporting Standards (IFRS) (Continued)****2.1.1 New and revised IFRS in issue but not yet effective (Continued)**

<b>New standard</b>	<b>Effective date</b>	<b>Major requirements</b>
Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	1 January 2024	<p>The IASB amends IAS 7 to require entities to provide qualitative and quantitative information about its supplier finance arrangements. The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk. The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows and the entity's exposure to liquidity risk. Supplier finance arrangements are characterised by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. These arrangements provide the entity with extended payment terms, or the entity's suppliers with early payment terms, compared to the related invoice payment due date.</p> <p>Supplier finance arrangements are often referred to as supply chain finance, payables finance or reverse factoring arrangements. Arrangements that are solely credit enhancements for the entity (for example, financial guarantees including letters of credit used as guarantees) or instruments used to settle directly with a supplier the amounts owed (for example, credit cards) are not supplier finance arrangements. To meet the disclosure objective set out above, an entity is required to disclose in aggregate for its supplier finance arrangements:</p> <p>(a) The terms and conditions of the arrangements (for example, extended payment terms and security or guarantees provided) However, an entity is required to disclose</p> <p>If ranges of payment due dates are wide, an entity is required to disclose explanatory information about those ranges or disclose additional ranges (for example, stratified ranges).</p>

**ZB TRANSFER SECRETARIES (PRIVATE) LIMITED****NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended 31 December 2024****2 CHANGES IN ACCOUNTING POLICIES, CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)****2.1 Application of new and revised International Financial Reporting Standards (IFRS) (Continued)****2.1.1 New and revised IFRS in issue but not yet effective (Continued)**

New standard	Effective date	Major requirements
Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7 (Continued)	1 January 2024	<p>(c) The type and effect of non-cash changes in the carrying amounts of the financial liabilities disclosed under (b)(i). Examples of non-cash changes include the effect of business combinations, exchange differences or other transactions that do not require the use of cash or cash equivalents.</p> <p>Under the existing Application Guidance in IFRS 7, an entity is required to disclose a description of how it manages the liquidity risk resulting from financial liabilities. The amendments include as an additional factor whether the entity has accessed, or has access to, supplier finance arrangements that provide the entity with extended payment terms or the entity's suppliers with early payment terms.</p> <p>In the Guidance on implementing IFRS 7, the amendments add that concentrations of liquidity risk and market risk may arise from supplier finance arrangements resulting in the entity concentrating with finance providers a portion of its financial liabilities originally owed to suppliers.</p> <p>The directors assessed the impact of the application of these amendments and have noted that they have no material impact on the financial statements.</p>
Classification of Liabilities as Current or Non-current - Amendments to IAS 1	1 January 2024	<p>The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.</p> <p>The amendments clarify that the classification of liabilities as current or non-current is based on the rights that are in existence at the end of the reporting period. It specifies that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets, or services.</p> <p>The directors of the company anticipate that the application of these amendments is not expected to have any material impact on the company financial statements.</p>

**ZB TRANSFER SECRETARIES (PRIVATE) LIMITED****NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended 31 December 2024****2 CHANGES IN ACCOUNTING POLICIES, CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)****2.1 Application of new and revised International Financial Reporting Standards (IFRS) (Continued)****2.1.1 New and revised IFRS in issue but not yet effective (Continued)**

<b>New standard</b>	<b>Effective date</b>	<b>Major requirements</b>
Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	1 January 2024	<p>The amendments add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15-Revenue from Contracts with Customers to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognize a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.</p> <p>The amendments do not affect the gain or loss recognized by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognized a gain on the right of use it retains solely because of a re-measurement of the lease liability (for example following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.</p> <p>The directors assessed the impact of the application of these amendments and have noted that they have no material impact on the financial statements.</p>

**2.2.1 Useful lives and residual values of office furniture and equipment**

As indicated in note 3.4, depreciation is provided on office furniture and equipment over the useful life of the asset in order to progressively write the asset down to its residual value. The useful lives of the assets are reviewed on an annual basis. In the current year, a review of the useful lives was carried out and the directors are of the view that for all asset categories, there were no material developments during the year and up to the reporting date, requiring the shortening or extension of the previously assessed useful lives.



## **ZB TRANSFER SECRETARIES (PRIVATE) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 December 2024**

## **2 CHANGES IN ACCOUNTING POLICIES, CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)**

### **2.2.1 Useful lives and residual values of office furniture and equipment (Continued)**

The residual values of the assets were assessed for both new and aged assets at the value that the entity will be able to obtain today if the assets were aged based on their use. A nil residual value has been ascribed to assets known to have limited resell potential, such as custom-specific partitioning, carpeting, software and certain components of hardware.

	<b>31 Dec 2024</b>	<b>31 Dec 2023</b>
Computer equipment	3 years	3 years
Office furniture	10 years	10 years

The financial effect of the aforementioned estimates on assets is expressed in note 8 as the charge for depreciation in the current year.

### **2.2.2 Revaluation of Equipment**

In the current year assets were revalued as at 31 December 2024 by South-bay Real Estate (2023 - South-bay Real Estate) who are independent valuers not related to the company and are members of the Chartered Surveyors (RICS) and possess appropriate qualifications and recent experience in the valuation of similar assets. The valuation conforms to RICS Appraisal and Manual was arrived at by reference to market evidence of transaction for similar assets at the time of valuation after application of the following:

#### Direct Comparison Approach (DCA)

The DCA method to assets valuation is an approach which uses the value of the recently sold assets. This method has been used on the valuation of the assets and the Zimbabwe market has been used as the basis.

### **2.2.3 The computation of expected credit losses (IFRS 9)**

The measurement of impairment losses under IFRS 9 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The company's expected credit loss (ECL) calculations are based on simplified approach and no complex computations were made.

## **3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION**

The principal accounting policies adopted by the Company, which are set out below, are consistent with the most recent financial statements for the year ended 31 December 2023 except for the change in functional currency as stated in note 3.1.1

### **3.1 Basis of preparation**

#### **3.1.1 Presentation and functional currency**

The Company adopted the Zimbabwe Gold currency (ZWG) as the presentation currency effective 1 January 2024. IAS 21 "The Effects of Changes in Foreign Exchange Rates" requires the application of a new presentation currency to be effected retrospectively. Consequently, comparative information has been presented in ZWG, translated at the first publicly available exchange rate for the ZWG.

## **ZB TRANSFER SECRETARIES (PRIVATE) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 December 2024**

#### **3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**

##### **3.1.1 Presentation and functional currency (Continued)**

###### Change in functional currency

With effect from 1 January 2024, the Company changed its functional currency from Zimbabwe Dollars (ZWG) to United States Dollars (USD, as the majority of the transactions and balances were now denominated in USD dollars. For example, the USD has become the primary currency on the Statement of Financial Position, comprising in excess of 65% of both financial assets and financial liabilities. Furthermore, more than 70 % of the revenue earned during the financial year was denominated in USD. Finally, the currency that primarily influences the staff costs, technology and other expenditure incurred in the delivery of its services is the US Dollar, with the use of USD on the market being broadly accepted, including certain government liabilities being settled in USD. Based on the above, the Directors concluded that conditions under IAS 21 "The Effects of Changes in Foreign Exchange Rates" for a change in functional currency were met during the period under review.

IAS 21 stipulates that the effect of change in functional currency should be accounted for prospectively. The financial results for the year ended 31 December 2023 were translated using the closing rate as at that date. Consequently, as a result of exchange rate discrepancies between the ZWG and the USD within the dynamic economic environment, the translated values of assets carried at valuation on consistent with the actual USD values provided by professional independent property valuers.

##### **3.1.2 Statement of compliance**

The financial statements as at, and for the year ended 31 December 2024, have been prepared under the supervision of C. Muchingami CA (Z). The company financial statements are based on accounting records maintained under the historical cost convention as modified by the revaluation of property and equipment and financial instruments carried at fair value.

The statements have been prepared in accordance with International Financial Reporting Standards (IFRS) promulgated by the International Accounting Standards Board (IASB) which includes standards and Interpretations approved by IASB, the International Financial Reporting Interpretations Committee (IFRIC) and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31) and the Securities and Exchange Act (24:25). The financial statements were authorized for issue by the board of directors on 31 March 2025.

##### **3.2 Revenue recognition**

###### **3.2.1 Interest income**

Interest income arises from the Company's money market activities.

The Company recognizes interest income in profit or loss using the effective interest method.

###### **3.2.2 Trading income**

The Company includes profits, losses and fair value adjustments on held for trading financial instruments both realized and unrealized, in income as earned, when the risks and rewards of ownership have passed.

## **ZB TRANSFER SECRETARIES (PRIVATE) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 December 2024**

#### **3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**

##### **3.2.3 Fee and commission income**

###### Performance obligations and revenue recognition policies

Fee and commission income from contracts with customers is measured based on the consideration specified in a contract with a customer.

Fees and commission income that are an integral part to the effective rate of a financial asset are included in the measurement of the effective interest rate, and specifically excluded from IFRS 15.

Revenue from account service and servicing fees is recognised over time as the services are provided.

Fees and commissions related to transactions arises when the transaction takes place and is recognized at the point in time.

Investments are recognized and derecognized on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the time frame established by the market concerned, and are initially measured at fair value. Financial assets classified as at fair value through profit or loss, which are initially measured at fair value. Transaction costs are included in the initial measurement of financial assets and financial liabilities, except for those measured at FVTPL and trade receivables initially measured at the transaction price as defined in IFRS15.

##### **3.2.4 Dividends**

The Company recognizes dividend in the financial statements when its right to receive the dividend is established.

The Company recognizes financial assets and financial liabilities on its statement of financial position when it becomes a party to the contractual provisions of the financial instrument.

#### **3.3 Financial instruments**

##### **3.3.1 Classification of financial assets**

Financial assets are classified into the following specified categories:

- financial assets 'at fair value through profit or loss' (FVTPL),
- financial assets at fair value through other comprehensive income (FVTOCI) and
- financial assets at amortised cost (AMCO)

The classification depends on the business model for managing the financial assets and the contractual cashflow characteristics at the time of initial recognition.

###### **3.3.1.1 Financial assets at FVTPL**

On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces any accounting mismatch that would otherwise arise. These financial assets are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Financial assets at FVTPL are measured at fair value, with any resultant gain or loss recognized in profit or loss.

## **ZB TRANSFER SECRETARIES (PRIVATE) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 December 2024**

#### **3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**

##### **3.3 Financial instruments (Continued)**

###### **3.3.1.2 Financial assets at FVTOCI**

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

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial asset meet the SPPI test

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

The fair value of monetary assets at FVTOCI denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the

###### **3.3.1.3 Financial assets at amortised cost**

This includes amounts due from customers, other receivables, and debentures with fixed or determinable payments and fixed maturity debts that the Company positive intent and ability to hold to maturity. Investments are recorded using the effective interest method less any impairments with revenue being recognized on an effective yield basis.

###### **3.3.1.4 Impairment of financial assets**

The Company is recording the allowance for expected credit losses for all debt financial assets not held at FVTPL. No impairment is recognized on equity assets.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of trade receivables is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, the gross carrying value and the allowance account will be written off. Subsequent recoveries of amounts previously written off would be recognized in the impairment loss line in profit or loss. Changes in the carrying amount of the allowance account are recognized in profit or loss.

In subsequent reporting periods, if the amount of the impairment decreases, the previously recognized impairment is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognized.

In respect of at FVTOCI equity securities, the carrying amount is measured at fair value and any movements in the carrying amount is recognized through other comprehensive income as fair value adjustment.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available for sale equity securities, impairments previously recognised through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to impairment is recognised directly in other comprehensive income.

## **ZB TRANSFER SECRETARIES (PRIVATE) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 December 2024**

## **3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**

### **3.3 Financial instruments (Continued)**

#### **3.3.1.5 Derecognition of financial assets**

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and any associated liabilities for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the sum of:

- the consideration received and
- any cumulative gain or loss that has been recognised in other comprehensive income,
- is recognised in profit or loss.

#### **3.3.1.6 Financial liabilities**

Financial liabilities are classified as either financial liabilities 'at Fair Value Through Profit or Loss' ('FVTPL') or 'other financial liabilities at Amortised Cost' ('AMCO').

#### **3.3.1.7 Derecognition of financial liabilities**

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

#### **3.3.1.8 Offsetting financial instruments.**

The Company offsets financial assets and liabilities and reports the net balance in the statement of financial position where:

- there is a legally enforceable right to set off;
- there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

#### **3.3.1.9 Fair value hierarchy**

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

**Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity has access at the measurement date.

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

**Level 3** - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The net asset value valuation is used for its subsidiaries and associates in order to track the value created by its investments. The assets of investments are normally exposed to fair value adjustments on a yearly basis and the net asset value represents the reasonable valuation of company's subsidiaries and associates.

## ZB TRANSFER SECRETARIES (PRIVATE) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 December 2024

#### 3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

##### 3.3 Financial instruments (Continued)

##### 3.3.1.9 Fair value hierarchy (Continued)

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

	Level 1 ZWG	Level 2 ZWG	Level 3 ZWG	Total ZWG
<b>2024</b>				
Assets at fair value through profit and loss	<b>8,634,104</b>	<b>706,764</b>	-	<b>9,340,868</b>
<b>2023</b>				
Assets at fair value through profit and loss	<b>2,865,749</b>	<b>317,835</b>	-	<b>3,183,585</b>

##### 3.4 Equipment and furniture

Equipment and furniture held for use in the supply of goods or services, or for administrative purposes are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, determined from market-based evidence by appraisal undertaken by or with assistance of professional valuers, less any subsequent accumulated depreciation and subsequent accumulated impairment. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the statement of financial position date.

Any revaluation increase arising on the revaluation of such equipment and furniture is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of such equipment and furniture is charged as an expense to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued equipment and furniture is recognised in profit or loss. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus remaining in the revaluation reserve is transferred directly to accumulated profit.

Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Depreciation of these assets is on the same basis as other property assets and commences when the assets are ready for their intended use.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, to their residual amounts using the straight-line method. The recoverable amount is assessed on an annual basis and where the residual amount exceeds the carrying amount, depreciation on those assets is ceased. Depreciation is calculated over the estimated useful life of the asset which is reassessed on an annual basis.

All assets are appraised for impairment on an annual basis. Any diminution in the value of an asset arising from this appraisal is charged to the statement of profit or loss.

The gain or loss arising from disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

## **ZB TRANSFER SECRETARIES (PRIVATE) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 December 2024**

#### **3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**

##### **3.5 Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

##### **3.5.1 Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the Statement of Profit and Loss and Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

##### **3.5.2 Deferred tax**

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the statement of financial position method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates and tax laws that have been enacted or substantively enacted by the statement of financial position date. The measurement of deferred tax liabilities and assets 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. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

##### **3.5.3 Current and deferred tax for the period**

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity.

##### **3.6 Share capital**

##### **3.6.1 Share issue costs**

Incremental external costs directly attributable to the issue of new shares, other than on a business combination, are deducted from equity net of any related taxes.

## **ZB TRANSFER SECRETARIES (PRIVATE) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 December 2024**

#### **3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**

##### **3.7 Related parties**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operational decisions.

The Company has related party transactions with its fellow subsidiaries, and the parent company as reflected in note 23.

##### **3.8 Climate-related matters**

The ZBTS considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on ZBTS due to both physical and transition risks. Even though ZBTS believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements even though climate-related risks might not currently have a significant impact on measurement, ZBTS is closely monitoring relevant changes and developments, such as new climate-related legislation. The items and considerations that are most directly impacted by climate-related matters are:

Useful life of property, plant and equipment. When reviewing the residual values and expected useful lives of assets, ZBTS considers climate-related matters, such as climate-related legislation and regulations that may restrict the use of assets or require significant capital expenditures.

Impairment of non-financial assets. The value-in-use may be impacted in several different ways by transition risk in particular, such as climate-related legislation and regulations and changes in demand for ZBTS's products.

The climate related matters have got a minimum impact on the operations of ZB Transfer secretaries



## ZB TRANSFER SECRETARIES (PRIVATE) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 December 2024

		Audited	
		31Dec 2024	31 Dec 2023
		ZWG	ZWG
<b>4</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	Bank balance with ZB Bank Limited	<u><b>250,444</b></u>	<u><b>535,859</b></u>

#### 4.1 Custodial Accounts

ZB Transfer Secretaries acts as a custodian for clients' assets through its custodial accounts services. These services involve the safekeeping and administration of securities and other financial assets on behalf of its clients. The assets held in custody are not included in the company's statement of financial position as they are not the property of the company. The company's role is purely of an agency nature; therefore, it does not assume any credit risk with respect to these assets.

The company earns fees from providing these custodial services. These fees are recognized in the income statement as they are earned over the period of service. The recognition is made on an accrual basis in accordance with IFRS 15 - Revenue from Contracts with Customers.

##### Custodial Activities:

1. Description of Services: The services provided include transaction execution, settlement, safekeeping, corporate actions processing, income collection, and reporting services related to the assets held in custody.
2. Client Assets and Liabilities: As of 31 December 2024, the total value of assets held in custody amounted to ZWG 322 080 for its clients. The company does not have any direct liability with respect to these assets; however, it is responsible for exercising due diligence in the execution of custodial duties.
3. Custodial Revenue: For the year ended 31 December 2024, the company recognized custodial fee revenue totalling ZWG 1 321 984.
4. Risks Associated with Custodial Activities: The company is exposed to operational risks inherent in custodial services, such as errors in transaction processing or failure to secure the assets properly. The company has in place a robust risk management framework to mitigate and manage these risks. Liability for negligence or breach of contract is addressed in our terms of service with clients, and the company maintains professional indemnity insurance coverage appropriate to the scale of its custodial operations.

##### **Significant Contracts and Arrangements:**

The company enters into contractual agreements with its clients that set forth the terms and conditions of the custodial services offered. These contracts specify the rights and obligations of both parties and outline the fee structure for services rendered. Since these are off balance sheet accounts, the external auditors did not look at these accounts.

**ZB TRANSFER SECRETARIES (PRIVATE) LIMITED**
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended 31 December 2024**

		<b>31 Dec 2024</b>	<b>Audited</b>
		<b>ZWG</b>	<b>31 Dec 2023</b>
			<b>ZWG</b>
<b>5</b>	<b>TRADE AND OTHER RECEIVABLES</b>		
	Trade receivables	4,544,080	1,413,114
	Expected Credit Loss	(626,695)	(148,671)
	Prepaid expenses	479,628	-
		<b>4,397,013</b>	<b>1,264,443</b>
	Current	<b>4,397,013</b>	<b>1,264,443</b>
<b>5.1</b>	<b>Expected Credit Loss</b>		
	Balance as at beginning of year	148,651	23,729
	Impairment charge to statement of profit or loss	478,045	143,713
	Effects of inflation adjustments	-	(18,791)
	Balance as at end of year	<b>626,696</b>	<b>148,651</b>
<b>6</b>	<b>INVESTMENT SECURITIES</b>		
	Carrying amount at beginning of the year	3,183,585	4,029,535
	Purchase of listed equities	772,322	758,871
	Fair value adjustments for the year	2,589,869	1,157,324
	Effects of translation to presentation currency	2,886,761	(1,858,366)
	Disposal of listed equities	(91,669)	(903,779)
	Carrying amount at end of year	<b>9,340,868</b>	<b>3,183,585</b>
	Current	<b>9,340,868</b>	<b>3,183,585</b>
<b>6.1</b>	<b>Assets at fair value through profit or loss</b>		
		<b>Level 1</b>	<b>level 2</b>
		<b>ZWG</b>	<b>ZWG</b>
		<b>Level 3</b>	<b>Total</b>
		<b>ZWG</b>	<b>ZWG</b>
	<b>Audited</b>		
	<b>2024</b>		
	Listed equity investments	9,340,868	9,340,868
	<b>2023</b>		
	Listed equity investments	3,183,585	3,183,585
	<b>Balance at 31 December 2023</b>		
<b>7</b>	<b>OTHER FINANCIAL ASSETS</b>		
	The company is a holder to debentures that have been issued by QUPA Micro Finance Private Limited during the year. QUPA Micro Finance Private Limited is a100% owned subsidiary of ZBFH.		
		<b>31 Dec 2024</b>	<b>Audited</b>
		<b>ZWG</b>	<b>31 Dec 2023</b>
			<b>ZWG</b>
	<b>INVESTMENT IN DEBENTURES</b>		
	Carrying amount at beginning of the year	2,443,739	-
	Additions	3,353,805	2,332,320
	Re-payment	(374,184)	-
	Interest Income	756,335	111,419
	Effects of translation to presentation currency	2,205,113	-
	Carrying amount at end of year	<b>8,384,808</b>	<b>2,443,739</b>
	<b>Current</b>	<b>8,384,808</b>	<b>2,443,739</b>

**ZB TRANSFER SECRETARIES (PRIVATE) LIMITED**
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended 31 December 2024**
**8**
**OFFICE FURNITURE AND EQUIPMENT**

<b>Audited</b>	<b>Office Furniture &amp; equipment ZWG</b>	<b>Computer equipment ZWG</b>	<b>Total ZWG</b>
<b>2024</b>			
<b>Cost/valuation</b>			
Balance at 1 January 2024	19,333	171,379	190,712
Additions	12,056	47,469	59,525
Effects of translation to presentation currency	5,453	35,220	40,673
Surplus on revaluation	79,435	20,224	99,659
	<u>116,277</u>	<u>274,292</u>	<u>390,569</u>
Balance at 31 December 2024			
	<u>116,277</u>	<u>274,292</u>	<u>390,569</u>
<b>Accumulated depreciation and impairment charges:</b>			
Balance at 1 January 2024	7,927	119,912	127,839
Charge to statement of profit or loss	15,707	36,430	52,136
	<u>23,634</u>	<u>156,342</u>	<u>179,976</u>
Balance at 31 December 2024			
	<u>23,634</u>	<u>156,342</u>	<u>179,976</u>
<b>Net book value at 31 December 2024</b>	<b><u>92,642</u></b>	<b><u>117,950</u></b>	<b><u>210,593</u></b>
<b>2023</b>			
<b>Cost/valuation</b>			
Balance at 1 January 2023	-	212,115	212,115
Additions	25,618		25,618
Effects of translation to presentation currency	(6,285)	(69,509)	(75,794)
Surplus on revaluation		28,773	28,773
	<u>19,333</u>	<u>171,379</u>	<u>190,712</u>
Balance at 31 December 2023			
	<u>19,333</u>	<u>171,379</u>	<u>190,712</u>
<b>Accumulated depreciation and impairment charges:</b>			
Balance at 1 January 2023	-	99,733	99,733
Impairment	7,007		7,007
Charge to statement of profit or loss	920	20,179	21,099
	<u>7,927</u>	<u>119,912</u>	<u>127,839</u>
Balance at 31 December 2023			
	<u>7,927</u>	<u>119,912</u>	<u>127,839</u>
<b>Net book value at 31 December 2023</b>	<b><u>11,406</u></b>	<b><u>51,467</u></b>	<b><u>62,873</u></b>

All Equipment was revalued as at 31 December 2024 on the basis of valuations carried out by an independent and professional valuer South bay Real Estates in terms of accounting policy. In the prior year, movable assets were valued by South Bay Real Estates.

The fair values of the property and equipment are categorized into Level 3 of the fair value hierarchy.

**ZB TRANSFER SECRETARIES (PRIVATE) LIMITED****NOTES TO THE FINANCIAL STATEMENTS (Continued)  
for the year ended 31 December 2024**

		<b>Audited</b>	
		<b>31 Dec 2024</b>	<b>31 Dec 2023</b>
		<b>ZWG</b>	<b>ZWG</b>
<b>9</b>	<b>INTANGIBLE ASSETS</b>		
	Balance at beginning of year	-	-
	Additions	890,048	-
	Charge to statement of profit or loss	(14,834)	-
	Balance as at end of the year	<b>875,214</b>	<b>-</b>
<b>10</b>	<b>DEFERRED TAX (ASSET)/ LIABILITY</b>		
	Balance at beginning of year	324,709	112,305
	Charge to statement of profit or loss	566,073	285,560
	Effects of translation to presentation currency	292,988	(80,565)
	Property revaluation	25,662	7,409
	Balance as at end of the year	<b>1,209,432</b>	<b>324,709</b>
	<b>Deferred tax comprises:</b>		
	Temporary differences arising on:		
	Property and equipment	91,698	12,386
	Assessed tax loss	84,574	18,551
	Fair value adjustments to financial assets	172,682	57,315
	Provisions	860,478	236,457
		<b>1,209,432</b>	<b>324,709</b>
<b>11</b>	<b>TRADE AND OTHER PAYABLES</b>		
	Sundry creditors	2,192	2,149,195
	*Other payables	12,347,116	1,681,060
		<b>12,349,308</b>	<b>3,830,255</b>
	Current	<b>12,349,308</b>	<b>3,830,255</b>
	* Other payables for the year 2024 and 2023 were mainly related to balances owed to Group companies.		
<b>12</b>	<b>SHARE CAPITAL</b>		
	Authorised share capital		
	2000 ordinary shares of ZWG0.016	<b>32</b>	<b>2,000</b>
	Issued share capital		
	1 000 ordinary shares of ZWG0.016	<b>16</b>	<b>2,448</b>
<b>13</b>	<b>SHARE PREMIUM</b>		
	Balance at the beginning of year	325,629	604,496
	Transfer to Equity Reserve	(325,309)	(278,867)
	Balance at the end of year	<b>320</b>	<b>325,629</b>

**ZB TRANSFER SECRETARIES (PRIVATE) LIMITED**
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended 31 December 2024**

		Audited 31 Dec 2024 ZWG	31 Dec 2023 ZWG
<b>14</b>	<b>EQUITY RESERVE</b>		
	Balance at the beginning of year		
	Transfer from share premium	2,432	
	Transfer from ordinary shares	325,309	-
		<u>327,741</u>	<u>-</u>
	Balance at the end of year		
	In the current year management decided to maintain issued share capital and share premium at its original par value. As such the difference resulting from application of IAS 29 in prior years and IAS 21 in the current year due to change in functional and presentation currency has been transferred to a component of equity called the equity reserve. The reserve is non distributable.		
<b>15</b>	<b>FOREIGN CURRENCY TRANSLATION RESERVE</b>		
	Balance at the beginning of year	-	-
	Effects of translation to presentation currency	2,546,398	-
		<u>2,546,398</u>	<u>-</u>
	Balance at the end of year		
<b>16</b>	<b>REVALUATION RESERVE</b>		
	Balance at the beginning of the year	30,222	68,624
	Other comprehensive income	99,659	(30,993)
	Income tax relating to component of other comprehensive income	(25,662)	(7,409)
		<u>104,219</u>	<u>30,222</u>
	Balance at the end of year		
<b>17</b>	<b>RETAINED EARNINGS</b>		
	Balance at the beginning of year	2,977,233	3,093,803
	Effects of changes in the presentation currency		(1,416,885)
	Profit / (Loss) for the year	3,944,273	1,300,315
		<u>6,921,506</u>	<u>2,977,233</u>
	Balance at end of year		
<b>18</b>	<b>FEES AND COMMISSION INCOME</b>		
	Share register fees	7,342,650	5,083,372
	Handling and delivery fees	3,143,336	1,385,139
	Bond register fees and commission fees	109,888	820,129
		<u>10,595,874</u>	<u>7,288,640</u>
<b>19</b>	<b>OTHER INCOME</b>		
	Fair value gain on listed equity	2,502,021	983,674
	Gold coin fair value gain adjustment	87,848	173,650
	Interest Income	756,335	664,793
	Exchange Gains	2,620,057	2,071,917
	Dividend income	131,405	145,939
		<u>6,097,666</u>	<u>4,039,973</u>

**ZB TRANSFER SECRETARIES (PRIVATE) LIMITED****NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended 31 December 2024**

		<b>Audited</b>	
		<b>31 Dec 2024</b>	<b>31 Dec 2023</b>
		<b>ZWG</b>	<b>ZWG</b>
<b>20</b>	<b>STAFF COSTS</b>		
	Salaries and wages	4,599,770	5,527,542
	Pension costs	275,570	260,108
		<b>4,875,340</b>	<b>5,787,650</b>
<b>21</b>	<b>OTHER OPERATING EXPENSES</b>		
	Administration expenses	2,640,869	2,631,845
	Occupation expenses	562,079	371,564
	Computer and information technology expenses	2,207,217	1,080,500
	Directors' fees	1,125,290	456,912
	Travelling expenses	332,572	240,560
	Audit fees	210,955	37,051
	Communication expenses	15,465	13,519
	Depreciation of equipment	52,136	21,099
	Transport expenses	161,274	10,704
		<b>7,307,857</b>	<b>4,863,754</b>
<b>22</b>	<b>INCOME TAX EXPENSE</b>		
	Current tax	-	-
	Deferred tax charge / (credit)	566,073	306,368
		<b>566,073</b>	<b>306,368</b>
	<b>Taxation reconciliation</b>		
	Profit / (Loss) before taxation	4,510,414	1,606,683
	Taxation at normal rate 25.75% (2023:24,72%)	1,161,432	397,172
	Adjusted for:		
	Exempt Income	(33,837)	(95,117)
	Fair value adjustment	(581,614)	(971,221)
	Depreciation	17,245	4,123
	Expenditure not allowed	2,847	358,274
	Effects of Change in tax rate	-	401
		<b>(566,073)</b>	<b>(306,368)</b>

**ZB TRANSFER SECRETARIES (PRIVATE) LIMITED****NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended 31 December 2024****23 RELATED PARTY DISCLOSURES**

The Company conducts investment activities with other fellow subsidiaries and the parent Company. These transactions are at arm's length.

The Company had the following balances and transactions with the related parties as at 31 December 2024 and for the year then ended:

	<b>Audited</b>	
	<b>31 Dec 2024</b>	<b>31 Dec 2023</b>
	<b>ZWG</b>	<b>ZWG</b>
<b>Related party balances</b>		
<b>Due from Group companies</b>		
ZB Bank Limited	250,279	535,852
ZB Financial Holdings Limited	701,719	-
Qupa Microfinance	8,383,893	111,110
	<b>9,335,891</b>	<b>646,962</b>
<b>Due to Group companies</b>		
ZB Financial Holdings Limited	3,269,392	1,381,185
ZB Bank Limited	8,557,758	1,327,165
ZB Life Limited	490,473	191,279
	<b>12,317,623</b>	<b>2,899,629</b>
<b>Bank charges (included in other admin expenses)</b>		
Paid to ZB Bank Limited	<b>19,437</b>	<b>173,588</b>
<b>Shared cost from the Group</b>		
Management Fees Paid to the group	<b>4,059,232</b>	<b>848,734</b>
<b>ZB Transfer Secretaries Limited (included in revenue)</b>		
Share register fees	<b>1,726,897</b>	<b>1,230,807</b>
Handling fees		

**Remuneration of directors**

The remuneration of directors of the company, is set out below:

	<b>Audited</b>	
	<b>31 Dec 2024</b>	<b>31 Dec 2023</b>
	<b>ZWG</b>	<b>ZWG</b>
Directors' remuneration:		
- fees	<b>1,125,290</b>	<b>1,983,181</b>

Key management includes holders of strategic positions in the general management grade.

**ZB TRANSFER SECRETARIES (PRIVATE) LIMITED****NOTES TO THE FINANCIAL STATEMENTS (Continued)  
for the year ended 31 December 2024****25 EARNINGS PER SHARE (EPS)**

Basic EPS is calculated by dividing the profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

The following reflects the income and share data used in EPS calculations:

	<b>Audited</b> <b>31Dec 2024</b> <b>ZWG</b>	<b>31 Dec 2023</b> <b>ZWG</b>
Profit attributable Equity holders for basic earnings	6,564,665	(435,935)
Weighted average number of Ordinary shares for basic earnings	<u>1,000</u>	<u>1,000</u>
<b>EPS</b>	<b><u>6,565</u></b>	<b><u>(435)</u></b>

**26 RISK MANAGEMENT****26.1 Liquidity risk**Definition

Liquidity risk arises in the general funding of the Company's activities and in the management of liquidity positions. It includes the risk of being unable to fund assets at appropriate maturities and rates and the risk of being unable to liquidate an asset at a reasonable price and in an appropriate time frame.

Identification techniques

This risk is identified through liquidity gap and maturity analyses.

Measurement methods

Liquidity risk is measured using the liquidity gap analysis techniques and the term structure of assets and liabilities.

Monitoring and controlling mechanisms

The funding gap is monitored through a number of management reports, including maturity profiles. The Company continually assesses risk by identifying and monitoring changes in funding required to meet business objectives and targets set in terms of the overall Company strategy. Other tools used are the imposition of dealer limits, reporting on facility utilisations and excesses that require management attention.

Adequacy and effectiveness of the risk management system

The liquidity risk management and control mechanisms in place are adequate, effective and are adhered to by all staff members.



**ZB TRANSFER SECRETARIES (PRIVATE) LIMITED**
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended 31 December 2024**
**26 RISK MANAGEMENT (continued)**
**26.2**

<b>Audited</b>	<b>Up to 1 month ZWG</b>	<b>2 to 6 months ZWG</b>	<b>7 to 12 months ZWG</b>	<b>Total ZWG</b>	<b>Carrying amount ZWG</b>
<b>Liquidity gap analysis as at 31 December 2024</b>					
<b>Financial assets by type</b>					
Cash and short-term funds	250,444	-	-	250,444	250,444
Trade and other receivables	795,698	2,935,760	812,621	4,544,079	4,544,079
Financial assets at fair value through profit or loss	-	-	-	-	-
Other financial assets	-	-	9,340,868	9,340,868	9,340,868
	-	-	8,384,808	8,384,808	8,384,808
	<b>1,046,142</b>	<b>2,935,760</b>	<b>18,538,297</b>	<b>22,520,200</b>	<b>22,520,200</b>
<b>Financial liabilities by type</b>					
Trade and other payables	-	12,349,309	-	12,349,309	-
	-	<b>12,349,309</b>	-	<b>12,349,309</b>	-
Period gap	<b>1,046,142</b>	<b>(9,413,548)</b>	<b>18,538,297</b>	<b>22,520,200</b>	<b>22,520,200</b>
Cumulative gap	<b>1,046,142</b>	<b>(8,367,406)</b>	<b>10,170,890</b>	<b>32,691,090</b>	<b>55,211,291</b>

**26.3**

<b>Audited</b>	<b>Up to 1 month ZWG</b>	<b>2 to 6 months ZWG</b>	<b>7 to 12 months ZWG</b>	<b>Total ZWG</b>	<b>Carrying amount ZWG</b>
<b>Liquidity gap analysis as at 31 December 2023</b>					
<b>Financial assets by type</b>					
Cash and short-term funds	535,859	-	-	535,859	535,859
Trade and other receivables	-	1,264,443	-	1,264,443	1,264,443
Financial assets at fair value through profit or loss	-	-	-	-	-
Other financial assets	-	-	3,183,585	3,183,585	3,183,585
	-	-	2,443,739	2,443,739	2,443,739
	<b>535,859</b>	<b>1,264,443</b>	<b>5,627,323</b>	<b>7,427,626</b>	<b>7,427,626</b>
<b>Financial liabilities by type</b>					
Trade and other payables	-	3,830,255	-	3,830,255	3,830,255
	-	<b>3,830,255</b>	-	<b>3,830,255</b>	<b>3,830,255</b>
Period gap	<b>535,859</b>	<b>(2,565,812)</b>	<b>5,627,323</b>	<b>3,597,371</b>	<b>3,597,371</b>
Cumulative gap	<b>535,859</b>	<b>(2,029,953)</b>	<b>3,597,371</b>	-	-

## **ZB TRANSFER SECRETARIES (PRIVATE) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 December 2024**

#### **26 RISK MANAGEMENT (Continued)**

##### **26.4 Equity price risk**

###### Definition

Equity price risk is the possibility that equity prices will fluctuate affecting the fair value of equity investments that derive their value from a particular equity investment of index of equity prices.

###### Identification techniques

The Company tracks the performance of all its equity investments using the price lists issued by members of the Zimbabwe Stock Exchange.

###### Measurement methods

Based on the price lists from the members of the Zimbabwe Stock Exchange, the Company quantifies the risk.

###### Impact evaluation

Equity price risk is assessed as medium since the Company's portfolio is well diversified.

###### Strategies for management/mitigation

The Company manages its exposure to equity price risk by maintaining a diversified portfolio.

###### Adequacy and effectiveness of the risk management system

The risk management system has proved adequate and effective in managing equity price risk.

##### **26.5 Operational risk**

###### Definition

Operational risk is inherent in all business activities and this is the potential of loss arising from deficiencies in internal control systems, poor operational

###### Identification techniques

The Board, through the medium of the Company Internal Audit function, assesses the efficacy of the internal accounting controls and makes recommendations for improvement to the Board of Directors.

###### Measurement methods

The risk is measured through risk workshops, interviews, research and control and risk self-assessments.

###### Impact evaluation

The Company has assessed this risk category as medium based on the adequate internal control system.

###### Strategies for management/mitigation

The Company manages the risk through staff training and development, segregation of duties, reviewing the work performed and regular internal and independent audits. Further, the Company has administration manuals to guide staff in the execution of their duties and these manuals are reviewed from time to time.

###### Monitoring and controlling mechanisms

Any losses incurred as a result of this risk are reported through the line to the Board Audit Committee and lessons learnt from each incident are used as case studies in training staff, improving the control procedures and the control environment.

**ZB TRANSFER SECRETARIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**26 RISK MANAGEMENT (Continued)**

Adequacy and effectiveness of the risk management system

Management is confident that the operational risk management systems noted above are adequate, effective and are adhered to in all material respects by all staff members.

**26.6 Legal, reputational and compliance risks**

Definition

Legal risk is the risk that the Company can be involved in litigation resulting in loss of money and/or impaired reputation. Compliance risk refers to the risk of failure to comply with material rules, regulations and laws.

Identification techniques

All agreements entered into by the Company are reviewed by the Legal and Investigations Department to make sure that they are consistent with normal market practices.

Measurement methods

The Company has a Compliance Department which monitors and ensures that the Company is complying with all the rules, regulations and laws of the country in all material respects. The Company Compliance Officer reports to the Company Board Audit Committee on a quarterly basis on all compliance related issues.

Impact evaluation

The Company considers this risk as low in the view of the adequate systems of internal controls.

Strategies for management through mitigation

The Company manages this risk through staff training and development, regular and independent audits.

Monitoring and controlling mechanisms

Any losses incurred are reported to the Company Board Audit and Board

Adequacy and effectiveness of the risk management system

The management system for legal, reputational and compliance risks is adequate and effective and all staff members adhere to the system.

**26.7 Technological risk**

Definition

This includes innovation, or the lack thereof, obsolescence, explosions and dependability of the technological platform.

Identification techniques

A Company Information Technology Committee which reviews developments and proposes enhancements to the technological platform is in place. The Company also has Business Continuity Plans (BCP) and Disaster Recovery Plans (DRP) and these are tested and maintained up to date. Access to computer systems is restricted to authorized personnel through a hierarchy of authority levels.

Impact evaluation

The Company considers this risk as low in view of the stability of the current technology platform, the in-house expertise that has been gained over the years and the strong support available from the vendor of the platform.

Measurement methods

The Company measures the risk through setting and monitoring the maximum tolerances for system downtimes, ensuring that the reports are available at the appropriate times and generally that operational efficiency is being achieved.

## ZB TRANSFER SECRETARIES (PRIVATE) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 December 2024

#### 26 RISK MANAGEMENT (Continued)

##### 26.7 Technological risk (Continued)

###### Strategies for management/mitigation

The Company manages this risk through staff training and development, regular and independent audits. Issues are also escalated to the vendor as appropriate and these are always resolved expeditiously. Further, the Company updates BCPs and DRPs regularly and also conducts business continuity and disaster recovery tests twice per year.

###### Monitoring and controlling mechanisms

The deadlines for the production of all reports are monitored strictly. Any system breakdowns are attended to and reported promptly to ensure that appropriate corrective action is instituted. The Company constantly reviews new technologies and adopts them where appropriate. All computer rooms are temperature controlled and well ventilated. Access is restricted to authorized persons only. There are various levels of access to the system based on the seniority of the officers concerned.

###### Adequacy and effectiveness of the risk management system

The management system for identifying, monitoring and controlling technological risk is adequate and effective and all staff members adhere to the system.

##### 26.8 Credit risk

###### Definition

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's debtors and money market investments.

###### Identification techniques

Credit risk is identified using know you client (KYC) procedures.

###### Exposure to credit risk

The carrying amount of the assets listed below represents the maximum credit exposure:

	Audited	
	31 Dec 2024 ZWG	31 Dec 2023 ZWG
<b>Carrying amount</b>		
<b>Current</b>	<b>795,698</b>	367,943
30-60 days	416,373	187,317
61- 90 days	396,248	359,561
91-120 days	376,759	130,590
Above 120 days	2,559,002	402,824
Total	4,544,079	1,448,235
Credit loss allowance	(626,696)	(148,651)
Carrying amount	<b>3,917,383</b>	<b>1,299,567</b>

###### Impact evaluation

Credit risk is assessed as low in view of the adequate systems of internal controls.

## **ZB TRANSFER SECRETARIES (PRIVATE) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 December 2024**

#### **26 RISK MANAGEMENT (Continued)**

##### **26.8 Credit risk (Continued)**

###### Strategy for management/mitigation

During their quarterly reviews, the Company Internal Audit division highlights to management any credit risk issues and appropriate action is taken. This process, together with parent oversight, is considered adequate for the size and nature of the Company's operations.

###### Monitoring and controlling mechanisms

The Company has a credit risk management process, which operates through a hierarchy of exposure discretions. All exposures above a certain level require the approval of the Board which comprises executive and non-executive Directors. Exposures below the Board's discretion are approved according to a system of tiered exposure discretions.

##### **26.9 Market risk**

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

###### **Interest rate risk**

###### Definition

The Company's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature or reprice at different times or in differing amounts. Risk management activities are aimed at optimising net interest income, given market interest rate levels consistent with the Company's business strategies.

###### Identification techniques

Interest rate risk is identified using the term structure of assets and liabilities.

###### Measurement methods

Rate sensitive assets and liabilities are analysed and a maturity profile established.

###### Impact evaluation

The Company has evaluated this risk as low. Adequate systems are in place to ameliorate the risk.

###### Strategies for management / mitigation:

The Investment committee ("INVECO") reviews the interest gap analyses and appropriate action is taken to keep risk within acceptable limits.

Monitoring and controlling mechanisms INVECO meets regularly to discuss the future direction of interest rates after the economic fundamentals have been analysed. Decisions are then taken on rate sensitive assets and liabilities. If economic fundamentals turn out differently, ad-hoc INVECO meetings are convened to discuss the issues said and chart a way forward.

Adequacy and effectiveness of the risk management system The interest rate risk management systems noted above are adequate and effective in dealing with the interest rate risk.

**ZB TRANSFER SECRETARIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended 31 December 2024**

**27 CAPITAL COMMITMENTS**

The Company had capital expenditure commitment of ZWG 949 573 as at 31 December 2024.

**28 COMPLIANCE WITH REGULATIONS**

The Directors are not aware of any cases of non-compliance with regulations governing the operations of the Company.

**29 CAPITAL MANAGEMENT**

The Board of Directors' policy is to maintain a strong capital base so as to maintain market confidence and to sustain future development of the business. The capital includes issued share capital, share premium, and all other equity reserves attributable to the equity holders of parent. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and requirements of financial covenants. To maintain or adjust capital structure, the Company may adjust dividend payment to shareholders or issue new share capital. The Company monitors its capital using the gearing ratio which it aims to keep at 20% to 40% range.

No changes were made in objectives, policies or processes for managing capital during the years ended 31 December 2024 and 2023.

The Company is subject to USD150 000 minimum capital requirements by the Securities and Exchange Commission of Zimbabwe and it is compliant as at 31 December 2024.

**Capital adequacy**

The table below summarizes the capital adequacy position as at 31 December 2024:

	<b>31 Dec 2024</b>	<b>31 Dec 2023</b>
	<b>ZWG</b>	<b>ZWG</b>
Share capital	16	2,448
Share premium	320	325,629
Revaluation reserve	104,219	30,222
Retained earnings	6,921,506	2,977,233
<b>Total capital Resources</b>	<b>7,026,062</b>	<b>3,335,532</b>
<b>Add / (less)</b>		
Intangible assets	(875,214)	
less fixed assets	(210,593)	(62,873)
<b>Adjusted Liquid Capital</b>	<b>5,940,254</b>	<b>3,272,659</b>

The ZB Transfer secretaries was in compliance with all capital requirements as at 31 December 2024 , if ZWG 5 940 254 is to be converted to USD it will give \$232 042 which is over and above the minimum capital requirements of \$150 000 , thus ZBTS has the ability to meet their liabilities as they fall due.

Trust Accounts –As per Part IV of the Securities and Exchange Act [Chapter 24:25] and Section 40 of Statutory Instrument 100 of 2010, licensed SMIs who maintain trust and nominees accounts, has caused the books of accounts relating to these trust and nominee accounts to be audited at the end of the financial year .

### **30 SUBSEQUENT EVENTS**

There is no subsequent events during the period under review.

### **31 GOING CONCERN**

The Board undertakes regular assessment of whether the Company is a going concern in the light of current economic conditions and all available information about future risks and uncertainties.

The projections for the Company have been prepared, covering its future performance, capital and liquidity for a period of 12 months from the date of approval of these financial statements including performing sensitivity analyses.

Based on preliminary assessments the Board believes that the Company is likely to achieve its performance, capital and liquidity targets for the year 2025. Consequently, the financial statements for the year ended 31 December 2024 have been prepared on a going-concern basis.

### **32 Anti-money laundering (AML)**

ZBTS have put a set of procedures, laws, and regulations designed to prevent the illegal process of making large sums of money generated by criminal activity that appear legitimate yet they are not. The goal of AML is to detect, report, and ultimately prevent money laundering activities.

#### **Key components of ZBTS AML programs include:**

1. Customer Due Diligence (CDD): ZBTS verify the identity of their customers and understand the nature of their transactions. This helps prevent illegal activities.
2. Know Your Customer (KYC): KYC the company gathers detailed information about clients to verify their identity, occupation, and source of funds.
3. Suspicious Activity Reporting (SAR): If the company identifies suspicious activity, they are required to file a case with the appropriate regulatory authorities.
4. AML Compliance Programs: the company has established internal controls and policies to comply with AML laws. These often include training programs for employees, periodic audits, and monitoring of suspicious activities