

**EFE SECURITIES (PRIVATE) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

Now, for tomorrow



EFE Securities (Private) Limited

Financial Statements for the year ended 31 December 2024

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EFE Securities (Private) Limited

Financial Statements for the year ended 31 December 2024

General Information

Country of incorporation and domicile	Zimbabwe
Nature of business and principal activities	Stock Broking
Directors	Mr. E.T. Tsanga Mr. M.S. Tsanga
Registered office	26 Cork Road Belgravia Harare
Bankers	Stanbic Bank Zimbabwe Limited NMB Bank Limited
Auditors	Baker Tilly Chartered Accountants (Zimbabwe)
Secretary	KPMG Advisory P/L

Environmental, Social and Governance report

Executive Summary

At EFE Securities, we recognize the importance of Environmental, Social and Governance (ESG) factors in our business operations and investment decisions. This report outlines our ESG performance, progress, and commitments made during the year 2024.

Environmental performance

We managed to reduce energy consumption by 10% through efficient lighting at our offices and machinery upgrades. We also managed to implement a paperless platform for account opening and trading of shares by reducing paper usage by 40%.

Our goal is to achieve carbon neutrality by 2028 through continued energy efficiency improvements and renewable energy investments. Developing a sustainable supply chain management policy to engage with suppliers on ESG best practices.

Social performance

We have managed to maintain a diverse workforce with 25% female and 75% male representations. The company managed to provide about 27 hours of training and development programs for employees, focusing on ESG and sustainable investing.

As a securities firm, we believe in giving back to the community that supports us. We have been involved in the following engagements with the community:

1. Charitable Golf Sponsorship

We sponsored charitable golf tournaments, bringing together local business leaders and golf enthusiasts to raise funds for a worthy cause. This event not only promoted camaraderie and sportsmanship but also contributed to the betterment of our community.

2. Education Support

We provided financial assistance to cover university fees for deserving students from University of Zimbabwe, Midlands State University, Nust and children's homes. This initiative aims to empower young minds, bridge the education gap, and foster a more inclusive society.

3. Orphanage Support

We donated food and essential items to local orphanages, helping to bring joy and sustenance to those who need it most. This small act of kindness demonstrates our commitment to caring for the vulnerable members of our community.

4. Educational tours

EFE participated in teaching the children at Harare International schools about the importance of keeping environment clean.

Governance

We managed to implement an enterprise risk management framework to identify and manage Environmental, Social and governance related risks by conducted regular audits and reviews to ensure compliance with regulatory requirements.

We have established a range of policies, procedures and manuals to ensure that we operate in a responsible and sustainable manner. Our code of conduct outlines the principles and values that guide our behaviour and decision making.

Our goal is to promote a culture of ethical behaviour and ensure compliance with the relevant laws and our regulations such as suspicious transactions and anti-money laundering. We are also looking forward to develop a comprehensive ESG risk management policy to integrate ESG considerations into investment decisions.

Future goals and strategies

Expand community engagement programs to include educational initiatives in local schools.

EFE is looking into investing in renewable energy through investing in solar energy

At EFE Securities, we are committed to integrating Environmental, Social and Governance considerations into our business operations and investment decisions. We recognize the importance of transparency and accountability in our ESG performance and will continue to report on our progress annually.

Environmental, Social and Governance report

KEY RISK MANAGEMENT DISCLOSURES

Operational risk- The company has a clear compliance module which outlines policies and procedures that the employees need to adhere to all the time. The company timeously trains the employees on the risk management and compliance. External auditors also check on the compliance to the policies and procedures.

Compliance risk-The compliance department has a manual that guides the operations of the company and the compliance officer is responsible for ensuring that everyone is following the procedures. The compliance officer attends all trainings to enhance their knowledge and new market trends.

Market and liquidity risk- All trades are performed on funded position and follow-ups are made on failed settlements. The accounts department checks the funding position daily and cash flow analysis is also done.

Legal risk-a compliance module is in place for EFE Securities. The company regularly reviews and updates contracts with service providers and clients. The employees are trained on the conduct and ethics they need to adhere to. Enhanced due diligence is done before on boarding a client to ensure compliance with AML and KYC regulations.

Strategic risk-The employees are well appraised with the new products and financial news. The company continues to invest in young blood so as to ensure the company's competitiveness on the market. Strategy meetings are held timeously to update and check on the new trends and review previous strategies.

ANTI MONEY LAUNDERING DISCLOSURES

- EFE performs enhanced due diligence on customers and the identity of clients before onboarding.
- Clients are checked on the sanctions list before on-boarding
- EFE establishes the source of wealth of clients before on-boarding
- The compliance officer and the managing director signs off and checks the account opening forms
- The company keeps records of clients records for at least 5 years
- The company conducts staff trainings on AML/CFT procedures
- The company also conducts ongoing due diligence on existing customers
- Suspicious transactions, third party payments and threshold are reported to FIU monthly
- The company has an AML manual in place

EFE Securities (Private) Limited

Financial Statements for the year ended 31 December 2024

Directors' Responsibilities and Approval

The directors are required in terms of the Companies and Other Business Entities Act [Chapter 24:31] to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

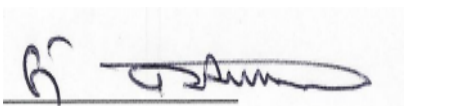
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

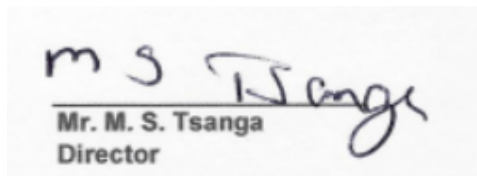
The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on pages 6 to 7.

The financial statements set out on pages 8 to 23, which have been prepared on the going concern basis, were approved by the directors on ...29.../.....03...../...2025..... and were signed on their behalf by:

Approval of financial statements



Mr. E.T. Tsanga
Director



Mr. M. S. Tsanga
Director

Chartered Accountants
15 Connaught Road,
Avondale
Harare
Zimbabwe

T: +263 242 369 017, 369 486,
301 598, 301 537

enquiries@bakertilly.co.zw
www.bakertilly.co.zw

Independent Auditor's Report

To the members of EFE Securities (Private) Limited

Opinion

We have audited the financial statements of EFE Securities (Private) Limited set out on pages 8 to 23 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 a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of EFE Securities (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 and the requirements of the Companies and Other Business Entities Act [*Chapter 24:31*].

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 organization in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Zimbabwe. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Zimbabwe. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with the organisation's basis of accounting, and for such internal control as management determines is necessary to enable the preparation of financial statements that is free from material misstatement whether due to fraud and error.

In preparing the financial statements, management is responsible for assessing the organisation'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 organisation or cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

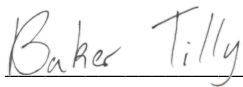
The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing 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.

We conducted our audit in accordance with International Standards on Auditing (ISAs). We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Zimbabwe, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

As part of an audit in accordance with International Standards on Auditing, 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.
- Conclude on the appropriateness of director'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 EFE Securities (Private) Limited'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 statements to the related disclosures in the financial statements or, if such disclosure is inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's statements. However future events and conditions may cause EFE Securities (Private) Limited to cease to continue as a going concern.

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



Partner: Fungai Nyagwaya
PAAB Practising Number: 0477
Baker Tilly Chartered Accountants (Zimbabwe)
15 Connaught Road, Avondale, Harare

Date:15/.....03/.....2025

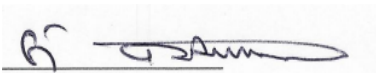
EFE Securities (Private) Limited

Financial Statements for the year ended 31 December 2024

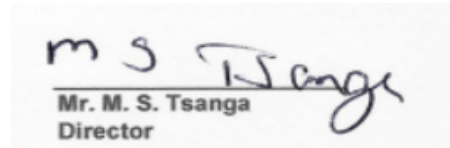
Statement of Financial Position as at 31 December 2024

	Note(s)	2024 ZWG	2023 ZWG Translated
ASSETS			
Non-Current Assets			
Property and equipment	3	10,135,316	54,761
Intangible assets	4	4,256	4,256
		<u>10,139,572</u>	<u>59,017</u>
Current Assets			
Trade and other receivables	6	47,884	154,030
Other financial assets	7	1,506,610	1,346,718
Prepayments		-	4,345
Cash and cash equivalents	8	4,723,536	1,319,750
		<u>6,278,030</u>	<u>2,824,843</u>
Total Assets		<u>16,417,602</u>	<u>2,883,860</u>
Equity and Liabilities			
Equity			
Share capital	9	38,688	38,688
Reserves		10,706,280	829,140
Retained Income		1,628,203	498,705
		<u>12,373,171</u>	<u>1,366,533</u>
Non-Current Liabilities			
Deferred tax	5	1,458,750	975,562
Liabilities			
Current Liabilities			
Trade and other payables	10	964,304	305,213
Loans from shareholders		1,599,708	230,099
Current tax payable		21,669	6,453
		<u>2,585,681</u>	<u>541,765</u>
Total Liabilities		<u>4,044,431</u>	<u>1,517,327</u>
Total Equity and Liabilities		<u>16,417,602</u>	<u>2,883,860</u>

The accounting policies on pages 12 to 16 and the notes on pages 17 to 23 form an intergral part of the Financial statements. The Financial statements and the notes on pages 8 to 23 were approved by directors on...../...../..... and were signed on their behalf by:



Mr. E. T. Tsanga
Director



Mr. M. S. Tsanga
Director

EFE Securities (Private) Limited

Financial Statements for the year ended 31 December 2024

Statement of Profit and Loss and Other Comprehensive Income

	Note(s)	2024 ZWG	2023 ZWG Translated
Net Commission income		1,459,614	1,820,074
Foreign exchange gain		168,473	1,205,531
Interest and similar expenses			
Expenses (refer to page 10)		(1,476,064)	(2,172,930)
Monetary gain/ (loss) adjustment		-	(2,393,828)
		152,023	(1,541,153)
Net Finance costs		(22,746)	-
Fair value gain/ (losses)	11	1,506,610	2,512,405
Profit before taxation		1,635,887	971,252
Taxation	12	(506,389)	(975,919)
Profi/(Loss) for the year		1,129,498	(4,667)

EFE Securities (Private) Limited

Financial Statements for the year ended 31 December 2024

Statement of Profit and Loss and Other Comprehensive Income (continued)

	Note(s)	2024 ZWG	2023 ZWG Translated
Other Operating expenses			
Bank charges		62,930	95,923
Computer expenses		295,983	239,579
Consulting and professional fees		21,894	160,155
Depreciation, amortisation and impairments		145,330	29,902
Directors expenses		272,005	378,878
Employee costs		166,229	300,401
Entertainment Expenses		9,787	11,434
Cleaning		1,006	-
Marketing Expenses		26,283	31,485
Motor Vehicle Expenses		52,163	79,432
Office Expenses		227,992	242,009
Loss on disposal		13	-
General expense-gifts		63	73
Corporate social responsibility		1,503	78,435
Electricity and water		71,707	66,499
Staff Welfare		51,136	334,751
Subscriptions		11,789	51,447
Telephone and fax		21,077	41,548
Training		6,900	2,428
Printing and stationery		30,209	28,553
Travel expenses		67	-
		1,476,064	2,172,930

EFE Securities (Private) Limited

Financial Statements for the year ended 31 December 2024

Statement of Changes in Equity

	Share capital ZWG	Shareholders Contribution ZWG	Currency Reserve ZWG	Distributable Reserve ZWG	Total reserves ZWG	Retained Income ZWG	Total equity ZWG
Balance at 01 January 2023	38,688	760,494		68,646	829,140	503,372	1,371,200
Loss for the year	-	-	-	-	-	(4,667)	(4,667)
Total comprehensive income for the year	-	-	-	-	-	(4,667)	(4,667)
Balance at 31 December 2023	38,688	760,494	-	68,646	829,140	498,705	1,366,533
Balance at 01 January 2024	38,688	760,494	-	68,646	829,140	498,705	1,366,533
Profit for the year	-	-	-	-	-	1,129,498	1,129,498
Movement in other reserves	-	10,975,764	(1,453,874)	355,250	9,877,140	-	9,877,140
Total comprehensive income for the year	-	10,975,764	(1,453,874)	355,250	9,877,140	1,129,498	11,006,638
Balance at 31 December 2024	38,688	11,736,258	(1,453,874)	423,896	10,706,280	1,628,203	12,373,171

EFE Securities (Private) Limited

Financial Statements for the year ended 31 December 2024

Statement of Cash flows

		2024	2023
		ZWG	ZWG
			Translated
Cash flows from operating activities			
Cash generated from operations	13	731,404	(1,415,420)
Income taxes paid		(10,094)	(42,398)
Net Finance costs		(22,746)	-
Net cash generated from operating activities		698,564	(1,457,818)
Cash flows from investing activities			
Purchase of property and equipment	3	(11,104)	(12,910)
Movement in financial assets		1,346,718	2,085,740
Net cash used in investing activities		1,335,614	2,072,830
Cash flows from financing activities			
Proceeds from/(Repayment) of shareholders loans		1,369,608	127,324
Net cash used in financing activities		1,369,608	127,324
Total Cash movement for the year		3,403,786	742,336
Cash at the beginning of the year		1,319,750	577,414
Total Cash at end of the year	8	4,723,536	1,319,750

EFE Securities (Private) Limited

Financial Statements for the year ended 31 December 2024

Accounting Policies

1. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

1.1 Basis of preparation

The financial statements are based on statutory records that are maintained under the historical cost convention.

1.1.2 Functional Currency

The financial statements are expressed in Zimbabwean Gold ("ZWG") which was the functional and presentation currency of the company for the year ended 31 December 2024.

1.2 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for the Company's activity described below.

Fees and commissions are recognised on an accrual basis when the service has been provided.

1.3 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.

An item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the company, and
- the cost of the item can be measured reliably

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred. Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	10 years
Motor Vehicles	Straight line	5 years
IT equipment	Straight line	5 years

The residual value, useful life and depreciation method of each asset are 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 of 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.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

Accounting Policies

1.3 Property, plant and equipment (continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any 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.

1.4 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

1.5 Financial instruments

1.5.1 Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

1.5.2 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.5.3 Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the company's accounting policy for borrowing costs.

1.6 Tax

1.6.1 Current tax assets and liabilities

Current tax for current and prior periods is, 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.

1.6.2 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).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Accounting Policies

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.

1.6.3 Tax expenses

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, to other comprehensive income,
- or a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to 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.

1.7 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

1.8 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.

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 year in which they are declared.

1.9 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.10 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.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Provisions are not recognised for future operating losses.

EFE Securities (Private) Limited

Financial Statements for the year ended 31 December 2024

Accounting Policies

1.11 Significant judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2. New Standards and interpretations

The company did not adopt any new standards in the current year that affects its operations.

EFE Securities (Private) Limited

Financial Statements for the year ended 31 December 2024

Notes to the Financial Statements

3 Property and Equipment

	2024			2023		
	Cost or Revaluation	Accumulated Depreciation	Carrying Value	Cost or Revaluation	Accumulated Depreciation	Carrying Value
Buildings	8,722,350	-	8,722,350	-	-	-
Motor Vehicles	1,527,390	(401,707)	1,125,682	301,396	(277,600)	23,796
Furniture and fittings	297,633	(179,871)	117,762	174,127	(172,664)	1,463
Office equipment	72,162	(5,086)	67,076	3,937	(1,281)	2,656
IT Equipment	240,177	(137,731)	102,446	154,367	(127,521)	26,846
Total	10,859,711	(724,395)	10,135,316	633,825	(579,064)	54,761

Reconciliation of Property and equipment -2024

	Opening Balance	Additions	Adjustments	Disposals	Depreciation	Total
Buildings	-	-	8,722,350	-	-	8,722,350
Motor Vehicles	23,796	-	1,226,007	(13)	(124,108)	1,125,682
Furniture and fittings	1,463	-	123,506	-	(7,207)	117,762
Office equipment	2,656	10,668	57,557	-	(3,805)	67,076
IT Equipment	26,846	436	85,374	-	(10,210)	102,446
Total	54,761	11,104	10,214,794	(13)	(145,330)	10,135,316

Reconciliation of Property and equipment -2023

	Opening Balance	Additions	Adjustments	Disposals	Depreciation	Total
Motor Vehicles	47,995	-	-	(11,989)	(12,210)	23,796
Furniture and fittings	11,354	-	-	-	(9,891)	1,463
Office equipment	2,078	970	-	-	(392)	2,656
IT Equipment	22,315	11,940	-	-	(7,409)	26,846
Total	83,742	12,910	-	(11,989)	(29,902)	54,761

EFE Securities (Private) Limited

Financial Statements for the year ended 31 December 2024

Notes to the Financial Statements

4 Intangible assets

	2024			2023		
	Cost or Revaluation	Accumulated Amortisation	Carrying Value	Cost or Revaluation	Accumulated Amortisation	Carrying Value
Intangible assets	4,256	-	4,256	4,256	-	4,256

Reconciliation of Property and equipment -2024

	Opening Balance	Total
Other Intangible assets	4,256	4,256

Reconciliation of Property and equipment -2023

	Opening Balance	Total
Other Intangible assets	4,256	4,256

EFE Securities (Private) Limited

Financial Statements for the year ended 31 December 2024

Notes to the Financial statements

	2024	2023
	ZWG	ZWG
		Translated
5 Deferred Tax		
Deferred tax		
Accelerated capital allowances for tax purposes	<u>(1,458,750)</u>	<u>(975,562)</u>
Deferred Tax liability	<u>(1,458,750)</u>	<u>(975,562)</u>
Reconciliation of deferred tax asset/ (liability)		
At the beginning of year	(975,562)	(11,745)
Plant Property and equipment deferred tax liability	<u>(483,188)</u>	<u>(963,817)</u>
	<u>(1,458,750)</u>	<u>(975,562)</u>
6 Trade and other Receivables		
Trade receivables	745	23,532
Staff loans	-	395
Chengetedzai receivables	47,139	63,998
Other receivables	-	66,105
	<u>47,884</u>	<u>154,030</u>
7 Other financial assets		
At fair value through profit and loss-designated		
Listed shares	<u>1,506,610</u>	<u>1,346,718</u>
Current assets		
Designated as at FV through profit (loss) (FV through income)	<u>1,506,610</u>	<u>1,346,718</u>
Financial assets at fair value through profit or loss are recognised at fair value, which is therefore equal to their carrying amounts.		
8 Cash and Cash equivalents		
Bank balances	<u>4,723,536</u>	<u>1,319,750</u>
	<u>4,723,536</u>	<u>1,319,750</u>
9 Share Capital		
Authorised		
20,000 Ordinary shares of \$1 each	20,000	20,000
Unissued ordinary shares are under the control of the directors in terms of the articles of association for an unlimited period of time.		
Issued		
20,000 Ordinary shares of \$1 each	<u>38,636</u>	<u>38,636</u>
	<u>38,636</u>	<u>38,636</u>

EFE Securities (Private) Limited

Financial Statements for the year ended 31 December 2024

Notes to the Financial Statements

	2024	2023
	ZWG	ZWG
		Translated
10 Trade and other payables		
Trade payables	166,304	244,919
Other payables	698,979	7,966
Withholding Tax	68,162	41,389
Accruals	30,859	10,939
	964,304	305,213
11 Other non- operating gains (losses)		
Fair value gains (losses)		
Financial instruments at fair value through profit or loss:		
Designated as such at initial recognition	1,506,610	2,512,405
12 Taxation		
Major components of the tax (income) expense		
Current		
Company tax-current tax	23,201	12,102
Deferred		
Originating and reversing temporary differences	483,188	963,817
	506,389	975,919
13 Cash generated from operations		
Profit/ (loss) before taxation	1,635,887	971,252
Adjustments for:		
Depreciation and amortisation	145,330	29,902
Net finance costs	22,746	-
Other non cash items	(331,197)	-
Loss on disposal	13	11,989
Fair value losses/gains	(1,506,610)	(2,512,405)
Changes in working capital:		
Trade and other receivables	106,146	123,625
Trade and other payables	659,092	(39,783)
	731,404	(1,415,420)

EFE Securities (Private) Limited

Financial Statements for the year ended 31 December 2024

Notes to the financial statements

14. Risk management

Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

The company is required by the Securities Act [Chapter 24:25] and the Securities Exchange Commission of Zimbabwe Rules to maintain equity amounting to at least \$150,000. The company's equity exceed the required \$150,000.

Financial risk management

The company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance. The company uses derivative financial instruments to hedge certain risk exposures.

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.

15. 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.

16. Basis of accounting

Effective 5 April 2024, the Reserve Bank of Zimbabwe (RBZ) introduced the Zimbabwe Gold (ZWG) as a new currency, replacing the Zimbabwe dollar (ZWL). The Zimbabwe Gold (ZWG) is backed by a composite basket of foreign currencies and precious metals held by the RBZ. During the financial year ended 31 December 2024, the Council adopted Zimbabwe Gold (ZWG) as the functional and presentation currency. Due to change of currency the company translated the prior year inflation adjusted figures to the new currency by readjusting them to 31 March 2024 and then converting by 2,498.72.

17. Trust accounts

We Baker Tilly Chartered Accountants (Zimbabwe), registered in terms of the Chartered Accountants Act [Chapter 27:07] and the Public Accountants and Auditors Act [Chapter 27:12] certify that we have audited the trust accounts of EFE Securities and confirm that the total funds kept by the firm in its trust accounts together with trust funds on hand and in the form of unrepresented or uncleared cheques on each of the said dates did not fall short of the total balances.

EFE Securities (Private) Limited

Financial Statements for the year ended 31 December 2024

Notes to the Financial Statements**18. Capital Adequacy**

The company capital management framework is based on SECZim risk-based capital adequacy approach as provided in the Capital Adequacy Directive for Securities Market Intermediaries of July 2017. As at 31 December 2024 the adjusted liquid capital stood at 6,258,613.22 ZWG (see table 4) against minimum requirements of 2,537,531.50 ZWG (see table 1) resulting in a surplus/shortfall of 3,721,081.72 ZWG.

Table 1

Requirements		
Operational expenditure/ Fixed Expenditure Base Requirement (13 Weeks) or Fixed Technology Expenditure requirement (FTER) (annual)	a	1,934,887.50
Counter party risk requirement (CRR): Table 2	b	47,884.00
Position Risk requirement (PRR) Table 3	c	602,644.00
Settlement Risk Requirement (SRR)	d	-
Other risks	e	-
Total Requirement (TR) (a+b+c+d+e)		2,537,531.50
Adjusted liquid Capital (ALC): Table 4		6,258,613.22
Capital Surplus (shortfall)	ALC less TR	3,721,081.72

Table 2

Type of transaction	Risk Factor	CRR Value
Unsettled securities transactions traded on securities exchange in Zimbabwe Government Quasi Government and Corporate bonds		
	0 to 30 days after settlement date	50% of potential loss
	More than 30 days after settlement date	100% of potential loss
Amounts due for payment or owned on closed positions 30 days due and above	100% of potential loss	-
Other receivables outstanding for more than 30 days		
Commissions and fees earned	100% of potential loss	-
Marketable securities at maturity date or call	100% of potential loss	-
Scrip issues and rights issues	100% of potential loss	-
Any other receivables	100% of potential loss	47,884.00
Total to table 1		47,884.00

EFE Securities (Private) Limited

Financial Statements for the year ended 31 December 2024

Notes to the Financial Statements**Table 3**

	Market Value	Risk Factor	PRR
Listed shares on securities exchange	1,506,610.00	40%	602,644.00
Debt securities			
Issued or guaranteed by Government	-	0%	-
Issued or accepted by bank	-	40%	-
Corporate and other listed debt securities	0	40%	-
Property Investments	0	10%	-
Total to table 1			602,644.00

Table 4

Ordinary share capital	38,688
Preference share capital	-
Share premium account	2,496,331
Revaluation	-
Audited retained earnings or accumulated losses	498,705
Unaudited profit or loss	1,628,203
Owners equity	4,661,927
+ Shareholders loans/ Contribution	11,736,258
+ Gaurantes received	-
Total capital resources (a)	16,398,185
Less intangible assets + Guarantees provided (b)	-
Goodwill	-
Capitalised development costs	-
Licensees, softwares	-
Trademarks and similar rights	-
Guarantees provided	-
Available capital resources (c) = (a-b)	16,398,185
Less Illiquid assets (d)	10,139,572
Fixed Assets, net of related secured loans	10,139,572
Investments in unlisted securities	-
Adjusted Liquid Capital (c-d)	6,258,613