



MMC Stockbroker (Private) Limited

Annual Financial Statements

31 December 2024

MMC Stockbrokers (Private) Limited

NATURE OF BUSINESS:

MMC Stockbrokers (Private) Limited core operations involve stockbroking services.

DIRECTORS:

Mhlanga N. Mr	(Chairman)
Mapokotera E. Mr	(Managing Director)
Chirume I. W. Mr	(Executive Director)
Munikwa T. Mr	(Non- Executive Director)
Tiyago- Jinjika N. R. Mrs	(Non-Executive Director)

SECRETARY:

Tawuyanango T. Ms

REGISTERED OFFICE:

22 Arundel Road
Alexandra Park
HARARE

BANKERS:

FBC Bank
Borrowdale Branch
Harare

AUDITORS:

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

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

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

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

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


The financial statements are prepared with the aim of complying fully with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB), which includes standards and interpretations approved by the IASB and Standing Interpretations Committee (SIC) interpretations issued under previous constitutions.

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

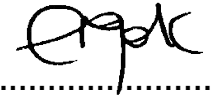
The Company's accounting and internal control systems are designed to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability of its assets. Such controls are based on established written policies and procedures and all employees are required to maintain the highest ethical standards in ensuring that the Company's business practices are conducted in a manner which in all reasonable circumstances is above reproach.

Issues that come to the attention of the Directors have been addressed and the Directors confirm that the system of accounting and internal control is operating in a satisfactory manner.

The Company's annual financial statements which are set out on pages **7 to 29** were, in accordance with their responsibilities, approved by the Directors on.....2025 and are signed on its behalf by:



.....
Mhlanga N.
Chairman



.....
Mapokotera E.
Managing Director

INDEPENDENT AUDITOR'S REPORT

To the members of MMC Stockbrokers (Private) Limited

Report on the Audit of the Financial Statements.

Adverse Opinion

We have audited the financial statements of MMC Stockbrokers (Private) Limited set out on pages **7 to 29**, which comprise the statement of profit or loss and other comprehensive income, statement of financial position as at 31 December 2024, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, because of the significance of the matters described in the *Basis for Adverse Opinion* section of our report, the financial position of MMC Stockbrokers (Private) Limited as at 31 December 2024, its financial performance, and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Adverse Opinion

Non-compliance with IAS 29 - Financial Reporting in Hyperinflationary Economies

MMC Stockbrokers (Private) Limited was operating in a hyperinflationary economy during year ended 31 December 2024. All information in the financial statements for the year then ended, and the notes to the financial statements have not been prepared in accordance with International Financial Reporting Standards in that the requirements of IAS 29 - *Financial Reporting in Hyperinflationary Economies* have not been complied with in converting the financial information into an applicable measurement base at the date of reporting. The non-

compliance with IAS 29 - *Financial Reporting in Hyperinflationary Economies* by MMC Stockbrokers (Private) Limited constitutes a departure from the requirements of International Financial Reporting Standards (IFRSs).

Had the financial statements been prepared in accordance with the requirements of IAS 29, multiple elements would have been materially adjusted. As a result, the impact of the MMC Stockbrokers (Private) Limited's inability to comply with IAS 29 has been determined as significant. The effects on the financial statements of the non-compliance with IAS 29 are considered material and pervasive to the financial statements, taken as a whole.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud

may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

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

Report on other legal and regulatory requirements

In our opinion, the financial statements have been properly prepared, in all material respects in accordance with the requirements of the Companies and Other Business Entities Act (Chapter 24:31).

The engagement partner on the audit resulting in this independent auditor's report is Edmore Chimhowa.

Edmore Chimhowa

Partner

Registered Public Auditor (PAAB No: 0470)

Grant Thornton 2025

Chartered Accountants (Zimbabwe)

Registered Public Auditors


HARARE

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

	Notes	2024 ZWG	2023 ZWG
Brokerage commission income-net	3	2 432 885	1 356 251
Other income	4	<u>1 219 442</u>	<u>1 965 452</u>
Total net income		3 652 327	3 321 703
Administrative costs		<u>(4 586 674)</u>	<u>(4 435 970)</u>
Operating loss		(934 347)	(1 114 267)
Finance costs		-	(916 331)
Monetary gain on conversion		46 578 603	2 822 433
Fair value gain on investment property	9	1 554 734	9 301 570
Fair value gain on financial assets	11	2 692 920	3 974
Fair value gain on investment in equity instruments		<u>-</u>	<u>2 139 099</u>
Profit before tax	5	49 891 910	12 236 478
Taxation	6	<u>(378 665)</u>	<u>(743 205)</u>
PROFIT FOR THE YEAR		<u>49 513 245</u>	<u>11 493 273</u>
Other comprehensive income:			
Revaluation (loss)/gain - property and equipment	7	(19 439)	165 436
Revaluation gain - intangible assets	8	-	273 785
Income tax relating to components of other comprehensive income	6.3	<u>5 006</u>	<u>(104 519)</u>
Other comprehensive (loss)/income for the year		<u>(14 434)</u>	<u>334 702</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>49 498 811</u></u>	<u><u>11 827 975</u></u>

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

ASSETS	Notes	2024 ZWG	2023 ZWG
Non-current assets			
Property and equipment	7	248 849	319 312
Intangible asset	8	148 194	152 758
Investment property	9	21 283 763	19 729 029
Other financial assets	11	2 699 520	6 600
Investment in unlisted equity instruments		4 166 579	4 166 579
		<u>28 546 905</u>	<u>24 374 278</u>
Current assets			
Trade and other receivables	12	4 027 656	185 156
Tax receivable		-	195
Related party receivables	13	1 473 205	207 332
Cash and cash equivalents	10	48 141 668	129 811
		<u>53 642 529</u>	<u>522 494</u>
Total assets		<u><u>82 189 434</u></u>	<u><u>24 896 772</u></u>
EQUITY, RESERVES AND LIABILITIES			
Capital and reserves			
Share capital	14.2	1 299	1 299
Share premium	14.3	65 388	65 388
Non distributable reserve		35 318	35 318
Revaluation reserve		399 630	414 064
Retained earnings		71 010 769	21 497 524
		<u>71 512 404</u>	<u>22 013 593</u>
Non-current liabilities			
Shareholders loan	13.4	1 566 407	1 387 743
Deferred tax liability	6.3	1 561 644	1 187 985
		<u>3 128 051</u>	<u>2 575 728</u>
Liabilities			
Trade and other payables	15	7 440 606	176 735
Provisions	16	108 373	130 716
		<u>7 548 979</u>	<u>307 451</u>
Total equity and liabilities		<u><u>82 189 434</u></u>	<u><u>24 896 772</u></u>



 Mhlanga N.
 Chairman



 Mapokotera E.
 Managing Director

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

	Share capital ZWG	Share premium ZWG	Non distributable reserve ZWG	Revaluation reserve ZWG	Retained earnings ZWG	Total ZWG
Balance as at 1 January 2023	1 299	65 388	35 318	79 362	10 004 251	10 185 618
Profit for the year	-	-	-	-	11 493 273	11 493 273
Total other comprehensive income	-	-	-	334 702	-	334 702
Balance as at 31 December 2023	<u>1 299</u>	<u>65 388</u>	<u>35 318</u>	<u>414 064</u>	<u>21 497 524</u>	<u>22 013 593</u>
Balance as at 1 January 2024						
Opening retained earnings adjustment	1 299	65 388	35 318	414 064	21 497 524	22 013 593
Profit for the year	-	-	-	-	49 513 245	49 513 245
Total other comprehensive loss	-	-	-	(14 434)	-	(14 434)
Balance as at 31 December 2024	<u>1 299</u>	<u>65 388</u>	<u>35 318</u>	<u>399 630</u>	<u>71 010 769</u>	<u>71 512 404</u>

Statement of cash flows
for the year ended 31 December 2024

		2024	2023
		ZWG	ZWG
CASH FLOWS FROM OPERATING ACTIVITIES	Notes		
Profit before income tax		49 891 910	12 236 478
Adjustment for non-cash items:			
Depreciation and amortisation		39 578	230 672
Gain on fair value measurement on financial asset	11	(2 692 920)	(3 974)
Effect of changes in functional currency		16 205	-
Gain on fair value measurement on unlisted equity instruments		-	(2 139 099)
Monetary gain		-	(1 778 794)
Fair value adjustment on investment property	9	<u>(1 554 734)</u>	<u>(9 301 570)</u>
Operating cash flows before changes in working capital		45 700 039	(756 287)
Net effect of working capital changes	17	<u>2 133 154</u>	<u>(305 107)</u>
Cash generated from/(utilised in) operations		<u>47 833 193</u>	<u>(1 061 394)</u>
Net cash generated from/(utilised in) operating activities		47 833 193	(1 061 394)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of intangible assets	8	<u>-</u>	<u>(17 553)</u>
Net cash utilised in from investing activities		<u>-</u>	<u>(17 553)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in shareholder loans		<u>178 664</u>	<u>682 128</u>
Net cash generated from financing activities		<u>178 664</u>	<u>682 128</u>
Net increase in cash and cash equivalents		48 011 857	(396 819)
Cash and cash equivalents at the beginning of the year		<u>129 811</u>	<u>526 630</u>
Cash and cash equivalents at the end of the year	10	<u><u>48 141 668</u></u>	<u><u>129 811</u></u>

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

1 General information

MMC Stockbrokers (Private) Limited is a limited liability company incorporated and domiciled in Zimbabwe. The Company is in stockbroking industry and is registered with the Securities and Exchange Commission of Zimbabwe. Its registered office and principle place of business is 22 Arundel Road, Alexandra Park, Harare, Zimbabwe.

1.1 Basis of preparation

The basis of preparation of financial statements is International Financial Reporting Standards, (IFRS).

Statement of compliance

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the accounting policies.

2 Summary of material accounting policies

2.1 New and Amended Standards and Interpretations

Amended standards and interpretations

Some accounting pronouncements which have become effective from 1 January 2024 and have therefore been adopted do not have a significant impact on the company's financial results or position.

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

In January 2020, the IASB published 'Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)' which clarify the Standard's guidance on whether a liability should be classified as either current or non-current.

The amendments:

The amendments elaborate on guidance set out in IAS 1 by:

- clarifying that the classification of a liability as either current or non-current is based on the entity's
- stating that management's expectations around whether they will defer settlement or not does not
- adding guidance about lending conditions and how these can impact classification
- including requirements for liabilities that can be settled using an entity's own instruments.

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

2 Summary of material accounting policies (continued)

2.1 New and Amended Standards and Interpretations (continued)

Non-current Liabilities with Covenants (Amendments to IAS 1)

In November 2022, the IASB issued some amendments to IAS 1 that aim to improve disclosures about long-term debt with covenants.

The amendments

The amendments set out in 'Non-current Liabilities with Covenants (Amendments to IAS 1)' state that at the reporting date, the entity does not consider covenants that will need to be complied with in the future when considering the classification of the debt as current or non-current. Instead, the entity should disclose information about these covenants in the notes to the financial statements. The amendments are applicable for reporting periods beginning on or after 1 January 2024.

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)

In September 2022, the IASB issued amendments to IFRS 16, adding requirements for accounting for a sale and leaseback after the date of the transaction.

The amendments

The IASB has now issued additional guidance in IFRS 16 on accounting for sale and leaseback transactions. Previously IFRS 16 only included guidance on how to account for sale and leaseback transactions at the date of the transaction itself. However, the Standard did not specify any subsequent accounting when reporting on the sale and lease back transaction after that date. As a result, without further requirements, when the payments include variable lease payments there is a risk that a modification or change in the leaseback term could result in the seller-lessee recognising a gain on the right of use they retained even though no transaction or event would have occurred to give rise to that gain. Consequently, the IASB decided to include subsequent measurement requirements for sale and leaseback transactions to IFRS 16. The amendments are applicable for annual reporting periods beginning on or after 1 January 2024, with early application permitted.

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

2 Summary of material accounting policies (continued)

2.1 New or revised Standards or Interpretation (continued)

Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

In May 2023, the IASB amended IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures' through the increase of disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments

The amendments require additional disclosure that complement the existing disclosures in these two Standards. They require entities to disclose:

- 'the amount of the liabilities that are part of the arrangements, breaking out the amount which the suppliers have already received payment from the finance providers, and stating where the liabilities are included on the statement of financial position.
- 'the terms and conditions of the arrangement.
- ranges of payment due dates.
- liquidity risk information.

2.2 New and revised IFRS Standards in issue but not yet effective

Lack of Exchangeability (Amendments to IAS 21)

In August 2023, the IASB amended IAS 21 'The Effects of Changes in Foreign Exchange Rates' to clarify the approach that should be taken by preparers of financial statements when they are reporting foreign currency transactions, translating foreign operations or presenting financial statements in a

2.3 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of stands the ordinary course of the Company's activities. Revenue is shown, net of value-added tax, estimated returns, rebates and discounts and after eliminating sales within the Company. Revenue is To determine whether to recognise revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer;
2. Identifying the performance obligations;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations; and
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

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

2 Summary of material accounting policies (continued)

2.3.1 Rendering of services

Fees and commissions are recognised when the service has been provided to a third party and all the formalities have been completed.

2.4 IFRS 16 - Leases

The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees are required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

2.5 Property and equipment

All property are stated at valuation less accumulated depreciation and impairment losses. Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. All other repairs and maintenance are charged to other operating expenses during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of motor vehicles, computer equipment, furniture and fittings are credited to capital reserves in shareholders' equity. Decreases that offset previous increases of the same asset are charged against capital reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation

2.5.1 Depreciation

Property and equipment are depreciated on a straight line basis at rates estimated to write-off the cost or valuation of such assets over their expected useful lives at the following rates

Computer equipment	20%
Motor vehicles	20%
Office furniture and fittings	10%

The assets residual values and useful lives are reviewed annually, and adjusted if appropriate at each reporting date.

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

2 Summary of material accounting policies (continued)

2.5 Property and equipment (continued)

2.5.1 Depreciation

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit. On disposal of revalued assets, amounts in capital reserves relating to that asset are transferred to retained earnings.

2.6 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less allowance for credit losses. Allowance for credit losses is recognised as soon as the financial asset is recognised when the debtor is expected to default.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income within "selling and marketing costs". When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against "selling and marketing costs" in the statement of comprehensive income.

2.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the reporting date.

2.8 Trade payables

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

2.9 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds net of transaction costs and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

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

2.9 Current and deferred income tax

Current income tax liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by reporting date.

Deferred income tax is provided using the full balance sheet liability method on temporary differences at year end between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences.

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

2.9 Provisions

Provisions are recognised when, the Company has a present legal or constructive obligation as a result of past events where it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of

2.9 Employee benefits

1.16.1 National Social Security

The scheme was promulgated under the National Social Security Act of 1989. The Company's obligation under the scheme is limited to specific contributions as legislated from time to time, which are presently three per cent of pensionable emoluments.

2.9 Investment property

Investment property are recognised as an asset when, and only when:

- (a) it is probable that the future economic benefits that are associated with the investment property will flow to the entity; and
- (b) the cost of the investment property can be measured reliably.

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

2.9 Investment property (continued)

Subsequent to recognition, investment property is are revalued annually with resulting gains and losses recognised in profit or loss, and are included in the statement of financial position at their fair values.

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

	2024	2023
	ZWG	ZWG
3 Brokerage commission net income		
Brokerage commission received	2 658 047	1 510 384
Non - member institutions rebate	<u>(225 162)</u>	<u>(154 133)</u>
	<u>2 432 885</u>	<u>1 356 251</u>
4 Other income		
Advisory fees	243 750	3 402
Interest income from staff loans	-	25
Rental income	933 779	1 046 345
Interest income	439	-
Credit interest	41 474	247
Gain on foreign exchange translation	<u>-</u>	<u>915 433</u>
	<u>1 219 442</u>	<u>1 965 452</u>
5 Profit before tax		
Profit before tax has been arrived at after charging the following:		
Audit fees	140 539	147 890
Research and development	40 494	6 579
Rent	310 609	342 505
Consultancy fees	585 856	293 645
Computer expenses	131 809	132 184
Depreciation	7 39 578	14 891
Directors' emoluments	5.1 322 069	457 252
Directors' fees	39 474	11 263
Fuel expense	149 988	466 766
Motor vehicle expenses	32 093	22 396
Premises repairs and maintenance	415 514	533 536
Bank charges	2 394	175 857
Licences and softwares	185 107	215 781
Other expenses	781 129	201 567
Clients entertainment	41 609	17 147
Staff costs	5.2 <u>1 368 412</u>	<u>1 396 711</u>
	<u>4 586 674</u>	<u>4 435 970</u>

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

	2024	2023
	ZWG	ZWG
5.1 Directors' emoluments		
Medical aid	-	74 114
National Social Security Authority	17 915	6 557
Other allowances	39 474	-
Pension	30 240	21 400
Salaries	234 440	355 181
	<u>322 069</u>	<u>457 252</u>
5.2 Staff costs		
Medical aid	48 798	109 277
Catering	77 689	35 367
Staff training	34 729	4 845
Leave provision	151 999	269 985
National Social Security Authority	13 639	20 772
Pension	29 381	34 295
Salaries	870 042	819 483
Staff welfare	113 871	74 539
Standard levy	5 113	5 410
Workers' Compensation Insurance Fund	11 324	10 588
Zimbabwe Manpower development Fund	11 827	12 150
	<u>1 368 412</u>	<u>1 396 711</u>
6 Income tax		
6.1 Zimbabwe normal tax		
Current tax	-	-
Deferred tax	378 665	743 205
	<u>378 665</u>	<u>743 205</u>
6.2 Reconciliation of tax charge		
Operating (loss)/profit	(934 347)	12 236 478
Notional tax	-	3 024 857
Tax effect of:		
Income not subject to tax	-	(4 543 697)
Expenses not deductible in determining tax	-	30 946
Taxable and non taxable differences	378 665	744 689
	<u>378 665</u>	<u>(743 205)</u>

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

6 Income tax (continued)

	2024	2023
	ZWG	ZWG
6.3 Deferred tax		
Opening balance as at 1 January 2023	(1 187 985)	(339 989)
Charge to profit or loss	(378 665)	(847 724)
Charge to other comprehensive income	5 006	(104 519)
Effects of changes in functional currency	-	104 247
	<u> </u>	<u> </u>
Deferred tax liability	<u>(1 561 644)</u>	<u>(1 187 985)</u>

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

7 Property and equipment

	Motor vehicles ZWG	Furniture and fittings ZWG	Computer equipment ZWG	Office equipment ZWG	Total ZWG
Year ended 31 December 2023					
Opening carrying amount	33 921	39 925	82 472	12 449	168 767
Revaluation gain	33 653	37 611	81 821	12 351	165 436
Current year depreciation	(3 394)	(1 998)	(8 253)	(1 246)	(14 891)
Closing carrying amount	<u>64 180</u>	<u>75 538</u>	<u>156 040</u>	<u>23 554</u>	<u>319 312</u>
As at 31 December 2023					
Cost	64 180	75 538	156 040	23 554	319 312
Accumulated depreciation	-	-	-	-	-
Closing carrying amount	<u>64 180</u>	<u>75 538</u>	<u>156 040</u>	<u>23 554</u>	<u>319 312</u>
Year ended 31 December 2024					
Opening carrying amount	64 180	75 538	156 040	23 554	319 312
Revaluation (loss)/gain	(7 456)	-	(18 299)	6 315	(19 439)
Current year depreciation	(9 627)	(4 778)	(23 406)	(1 767)	(39 578)
Disposal	-	(11 445)	-	-	(11 445)
Closing carrying amount	<u>47 097</u>	<u>59 315</u>	<u>114 335</u>	<u>28 102</u>	<u>248 849</u>
As at 31 December 2024					
Cost	56 724	64 093	137 741	29 869	288 427
Accumulated depreciation	(9 627)	(4 778)	(23 406)	(1 767)	(39 578)
Closing carrying amount	<u>47 097</u>	<u>59 315</u>	<u>114 335</u>	<u>28 102</u>	<u>248 849</u>

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

	2024	2023
	ZWG	ZWG
8 Intangible assets		
Gross carrying amount		
Balance as at 1 January	152 758	77 201
Accumulated amortisation before revaluation	-	(215 781)
Additions	-	17 553
Revaluation	-	273 785
Balance as at 31 December	<u>152 758</u>	<u>152 758</u>
Amortisation and impairment		
Current year amortisation	4 564	215 781
Derecognition of revaluation	-	(215 781)
Balance as at 31 December	<u>4 564</u>	<u>-</u>
Carrying amount	<u>148 194</u>	<u>152 758</u>

Intangible assets comprise of Falcon and Pastel software which are used for stock broking and accounting respectively. The software is being amortised over five years on a straight line method.

The Company's intangible assets were revalued by Directors valuation as at 31 December 2024. The market values were the estimated amount for which the software should be exchanged on the date of valuation between a willing buyer and a willing seller in an arms's length transaction.

9 Investment property

	2024	2023
	ZWG	ZWG
Balance as at 1 January	19 729 029	10 427 459
Change in fair value	<u>1 554 734</u>	<u>9 301 570</u>
Balance as at December	<u>21 283 763</u>	<u>19 729 029</u>

Investment property relates to five real estate properties in Harare and office building purchased for rental income and capital appreciation. The carrying amount is estimated to be a fair market value as at 31 December 2024.

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

	2024	2023
	ZWG	ZWG
10 Cash and bank		
For the purposes of statement of cash flows, cash and cash equivalents include cash, bank balances and investments in money market instruments, net of outstanding bank overdrafts which can be analysed as follows:		
Cash at bank	48 141 668	129 811
11 Other financial assets		
Balance at 1 January	6 600	2 626
Fair value gain	2 692 920	3 974
Balance as at 31 December	2 699 520	6 600
Financial assets are assets from Old Mutual and they are held at amortised cost.		
12 Trade and other receivables		
Trade	3 626 283	88 923
Other	401 373	96 217
Prepayments	-	16
	4 027 656	185 156

The company does not have credit loss allowance given that our debtors settle on T+3 (Trading day + three). All trades on Zimbabwe Stock Exchange settle T+3 and failure to conform to that results in penalties from the Depository Institution and suspension by the Regulator (SEC). Shares are mostly bought for individuals on cash upfront basis and institutions pay after a deal note is generated ie after a deal has been executed. Most of the Institutions are fund managers who are also regulated by SEC.

13 Related party transactions

Related party transactions include transactions between MMC Stockbrokers (Private) Limited and its fellow subsidiaries as well as key management personnel.

13.1 Related party relationships

Related party	Nature of relationship
Mapokotera E.	Shareholder and Managing Director
Chirume I.	Shareholder and Executive Director
Intellego Investments Consultants	Common shareholding
Executive Directors	Shareholders

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

13 Related party transactions (continued)

	2024	2023
	ZWG	ZWG
13.2 Transactions with key management personnel		
<u>Employee compensation:</u>		
Salaries and benefits	322 069	457 252
	<u>322 069</u>	<u>457 252</u>
13.3 Related party receivables		
Intellego Investment Consultants and MMC Capital	75 860	207 332
MMC Capital Holdings	1 397 345	-
	<u>1 473 205</u>	<u>207 332</u>
<p>These are funds receivable from Intellego Investments Consultants and MMC Capital Holdings as a result of intercompany transactions.</p>		

13.4 Shareholders loans	<u>1 566 407</u>	<u>1 387 743</u>
<p>The shareholders loan relates to funds extended by shareholders to boost working capital due to subdued trading which arose during the course of the year.</p>		

14 Share capital

14.1 Authorised:		
60 000 ordinary shares at ZWG 0.10 each	<u>2 106</u>	<u>2 106</u>
14.2 Issued and fully paid:		
37 000 ordinary shares at ZWG 0.10 each	<u>1 299</u>	<u>1 299</u>
<p>The unissued shares remain under the control of directors subject to the provisions of Section 98 of the Companies and Other Business Entities Act (Chapter 24:31).</p>		
14.3 Share Premium	<u>65 388</u>	<u>65 388</u>

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

	2024	2023
	ZWG	ZWG
15 Trade and other payables		
Trade payables	7 229 211	49 903
Other payables	211 395	126 832
	<u>7 440 606</u>	<u>176 735</u>
16 Provisions		
Carrying amount as at 1 January	130 716	17 049
(Decrease)/increase in provisions	(22 343)	113 667
	<u>108 373</u>	<u>130 716</u>
17 Net effect of working capital changes		
Increase in trade and other receivables	(3 842 500)	(30 439)
Increase in related party receivables	(1 265 873)	(187 300)
Increase in trade and other payables	7 263 871	(135 795)
Decrease in provisions	(22 344)	112 861
Decrease in related party payables	-	(64 434)
	<u>2 133 154</u>	<u>(305 107)</u>
18 Risk management in general		

The company's risk management is coordinated in close cooperation with the board of directors, and focuses on actively securing the company's short to medium-term cash flows by minimizing the exposure to financial risks.

The company does not actively engage in the trading of financial assets for speculative purposes. The most significant financial risks to which the company is exposed are listed below:

- a) Credit risk; and
- b) Liquidity risk.

MMC Stockbrokers is exposed to risks that arise from its use of financial instruments. This note describes MMC Stockbrokers' objectives, policies and processes for managing those risks and methods used to measure them. Further quantitative information in respect of these risks is presented in this note to the financial statements.

There have been no substantive changes in MMC Stockbrokers' exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from the previous periods unless otherwise stated in this note.

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

18 Risk management in general (continued)

Principal financial instruments

The principal financial instruments used by the company from which financial instrument risk arises, are as follows:

- a) Trade and other receivables;
- b) Short term financial assets;
- c) Cash and cash equivalents; and
- d) Trade and other payables.

General objectives, policies and processes

The Directors have overall responsibility for the determination of MMC Stockbrokers' risk management objectives and policies. The company's board also reviews the risk management policies and processes and report its findings to the executive management.

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

	At amortised cost	
	2024	2023
Financial assets	ZWG	ZWLG
Investment in equity instruments	4 166 579	4 166 579
Cash and cash equivalents	48 141 668	129 811
Financial asset	2 699 520	6 600
Trade and other receivables	4 027 656	185 156
	<u>59 035 423</u>	<u>4 488 146</u>
	At amortised cost	
	2024	2023
Financial liabilities	ZWG	ZWLG
Trade and other payables	7 440 606	176 735
	<u>7 440 606</u>	<u>176 735</u>

18.1 Credit risk

Financial assets which potentially subject MMC Stockbrokers to concentrations of credit risk consist principally of cash and cash equivalents and trade and other receivables. Trade and other receivables are presented net of allowances for credit losses. Credit risk in respect to trade and other receivables is limited due to the large number of customers comprising MMC Stockbrokers' customer base. Accordingly, the company has no significant concentration of credit risk. The company's cash and cash equivalents are placed with high quality financial institutions.

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

18 Risk management in general (continued)

Quantitative disclosures of the risk exposure in relation to financial assets are set below:

	2024		2023	
	Carrying value	Maximum exposure	Carrying value	Maximum exposure
Financial assets	ZWG	ZWG	ZWG	ZWG
Investment in equity instruments	4 166 579	4 166 579	4 166 579	4 166 579
Cash and cash equivalents	48 141 668	129 811	129 811	129 811
Financial asset	2 699 520	6 600	6 600	6 600
Trade and other receivables	4 027 656	185 156	185 156	185 156
	<u>59 035 423</u>	<u>4 488 146</u>	<u>4 488 146</u>	<u>4 488 146</u>

18.2 Liquidity risk

This is the risk of insufficient liquid funds being available to cover commitments. In order to mitigate any liquidity risk that MMC Stockbrokers faces, the company's policy has been to maintain substantial unutilised facilities throughout the year ended 31 December 2024. The liquidity risk exposure in relation to financial liabilities are set

Financial liabilities

	Up to 3 months		Between 3 and 12 months		Between 1 and 2 years	
	2024	2023	2024	2023	2024	2023
	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG
Trade and other payables	-	-	7 440 606	176 735	-	-

18.3 Capital Adequacy

MMC Stockbrokers, capital management framework is based on SEC Zim 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 ZWG70 247 761 (see table X) against minimum requirements of ZWG15 210 347 (see table Y) resulting in a surplus of ZWG55 037 414.

TABLE X	USD
Adjusted liquid capital USD	70 247 761
Ordinary share capital	1 299
Preference share capital	-
Share premium account	65 388
Audited retained earnings or accumulated losses	70 906 524
Unaudited profit or loss	-
Owners equity	70 973 211
Shareholders loans	1 566 407
Total capital resources	72 539 618
Less intangible assets + Guarantees provided (b)	-
Goodwill	-
Capitalised development costs	-
Licensees, softwares	152 758
Trademarks and similar rights	-
Guarantees provided	-
Available capital resources (c) = (a-b)	<u>72 386 860</u>

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

18. Liquidity risk (continued)

18.3 Capital adequacy (continued)

Available capital resources (c) = (a-b) (continued)	72 386 860
Less Illiquid assets (d)	-
Fixed Assets, net of related secured loans	-
Investments in unlisted securities	2 139 099
Adjusted liquid capital (c-d)	70 247 761

TABLE Y

Requirements	ZWG
13 weeks operational expenditure	1 146 669
Counterparty risk requirement (sum of receivables due more than 30 days and payables due more than 7 days)	10 855 494
Position risk requirement (sum of haircuts applied on proprietary positions -40% listed equity, 10% investment property and 40% bank/corporate debt)	3 208 184
	<u>15 210 347</u>

18.4 AML Disclosures

MMC Stockbrokers has implemented a comprehensive Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) framework to ensure compliance with regulatory requirements and international best practices. The framework is designed to identify, assess, and mitigate financial crime risks associated with various client categories and transactions. We use a risk-based approach to assess and manage money laundering and terrorist financing risks specific to our operations.

19 Contingent liabilities

No contingent liabilities existed as at the reporting date.

20 Environmental, Social, and Governance (ESG) Disclosure

At **MMC Stockbrokers**, we are an **ESG-engaged** firm, integrating **Environmental, Social, and Governance (ESG) principles** into our stockbroking services to enhance risk-adjusted returns and support sustainable economic growth. We help clients identify ESG-aligned investment opportunities that balance financial performance with positive environmental and social impact. Through ethical governance, responsible investment guidance, and active stakeholder engagement, we promote a resilient and equitable financial market.

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

20 Environmental, Social, and Governance (ESG) Disclosure (continued)

Our sustainability strategy is built on three key pillars:

Leadership & Governance

We uphold strong governance, ethical business practices, and full regulatory compliance to promote market integrity and investor confidence. Our Board ensures ESG commitments are embedded in operations, fostering transparency, trust, and long-term value for clients and society.

Our People

We cultivate an inclusive, diverse, and skilled workforce, partnering with institutions like Bindura University to expand career opportunities. We promote ethical labor standards, human rights, and environmental responsibility among suppliers while fulfilling tax obligations to support national development.

Environmental Stewardship

We minimize our environmental footprint through energy efficiency, water conservation, and waste reduction. Regular assessments guide best practices, and we continue expanding solar power and borehole water use to enhance sustainability.

20 Capital commitments

The company does not have any capital commitments and hence, no such provisions are included in these financial statements as at 31 December 2024.

21 Going concern assumption

The directors have assessed the ability of the company to continue as a going concern and believe that the preparation of these annual financial statements on a going concern basis is still appropriate.

22 Events after reporting period

There were no adjusting post reporting events.