



ABC Asset Management (Private) Limited  
Audited Financial Statements  
For the year ended 31 December 2025



**Grant Thornton**

**ABC Asset Management Private (Limited)**

**Annual Financial Statements**

**31 December 2025**

ABC Asset Management (Private) Limited

**NATURE OF BUSINESS:**

ABC Asset Management (Private) Limited (the "Company"), incorporated and domiciled in Zimbabwe is registered as an investment manager by the Securities and Exchange Commission of Zimbabwe under the Securities and Exchange Act (Chapter 24:25). The Company provides fund management services in Zimbabwe. The Company is a subsidiary of ABC Holdings (Zimbabwe) Limited which is owned by ABC Holdings Limited (incorporated and domiciled in Botswana) which is in turn owned by Atlas Mara Limited.

**DIRECTORS:**

Robin Powles	[Chairperson]
Philani Ndlovu	[Chairperson] [Resigned 31 August 2025]
Willem Johannes Van Heerden	[Non-Executive Director]
Lina Fumiso Mushanguri	[Independent Non-Executive Director]
Bright Ndlovu	[Independent Non-Executive Director] [Appointed 1 June 2025]
Sam Muzondo	[Managing Director]

**SECRETARY:**

Rujeko Natalya Makamure

**REGISTERED OFFICE:**

1 Endeavour Crescent  
Mount Pleasant Business Park  
HARARE

**AUDITORS:**

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

ABC Asset Management (Private) Limited

**LAWYERS:**

Sawyer and Mkushi Legal Practitioners  
11<sup>th</sup> Floor Social Security Centre House  
Corner Sam Nujoma Street and Julius Nyerere Way  
HARARE

**MAIN BANKERS:**

African Banking Corporation of Zimbabwe Limited  
1 Endeavour Crescent  
Mount Pleasant Business Park  
Golden Stairs Road  
Mount Pleasant  
HARARE

Central Africa Building Society  
Northend Close  
Northridge Park  
Borrowdale  
HARARE

ABC Asset Management (Private) Limited

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**These annual financial statements are expressed in United States Dollars (USD).**

**Responsibilities of Management and Those Charged with Governance for the Annual financial statements for the year ended 31 December 2025**

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

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

The annual financial statements set out in this report have been prepared by management in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), which include standards and interpretations approved by the IASB and Standing Interpretations Committee (SIC) interpretations issued under previous constitutions.

The Company's accounting and internal controls 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 controls is operating in a satisfactory manner.

The Company's annual financial statements which are set out on pages 7 to 71 pages were, in accordance with their responsibilities, approved by the Board of Directors on ...1... April 2026 and are signed on its behalf by:



Muzondo S.  
Managing Director



Powles R.  
Chairman

These annual financial statements were prepared under the supervision of:

A handwritten signature in black ink, appearing to read 'Mungoni E.', written over a horizontal dotted line.

Mungoni E.

Group Chief Finance Officer PAAB Number (3583)

## INDEPENDENT AUDITOR'S REPORT

**Grant Thornton**

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To the members of ABC Asset Management (Private) Limited

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

#### Opinion

We have audited the annual financial statements of ABC Asset Management (Private) Limited (the Company) set out on 7 to 71 pages, which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including material accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of ABC Asset Management (Private) Limited as at 31 December 2025, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board (IASB).

#### 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 Annual Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the annual financial statements in accordance with IFRS Accounting Standards, and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31), and the Securities and Exchange Act (Chapter 24:25) and for such internal controls as is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

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

The Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Annual Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls 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 controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of

accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls 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 annual 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) and the Securities and Exchange Act (Chapter 24:25).

The engagement partner on the audit resulting in this Independent Auditor's Report is Farai Chibisa.

*Grant Thornton*

Farai Chibisa

**Partner**

Registered Public Auditor (PAAB No: 0547)

**Grant Thornton**

Chartered Accountants (Zimbabwe)

Registered Public Auditors

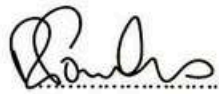
HARARE

*09 April*.....2026

**Statement of financial position  
as at 31 December 2025**

<b>ASSETS</b>	<b>Notes</b>	<b>2025 USD</b>	<b>2024 USD</b>
Amounts due from group companies	15.2	1 371	1 261
Cash and cash equivalents	5	252 362	95 698
Trade and other receivables	6	2 544 734	101 833
Gold coins	8	-	49 312
Investment property	9	4 210 606	-
Financial assets at fair value through profit or loss	7	677 552	8 231 764
Current tax asset	11.2	53 921	55 196
Property and equipment	10	12 534	5 930
<b>Total assets</b>		<b><u>7 753 080</u></b>	<b><u>8 540 994</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	12.2	421	421
Share premium	12.3	39 808	39 808
Retained earnings		4 906 588	6 568 602
<b>Total equity</b>		<b><u>4 946 817</u></b>	<b><u>6 608 831</u></b>
<b>LIABILITIES</b>			
Amounts due to group companies	15.3	485 423	376 824
Trade and other payables	13	663 548	93 107
Borrowings	16	864 253	-
Provisions	14	110 530	173 647
Deferred tax liabilities	11.3	682 509	1 288 585
<b>Total liabilities</b>		<b><u>2 806 263</u></b>	<b><u>1 932 163</u></b>
<b>Total equity and liabilities</b>		<b><u>7 753 080</u></b>	<b><u>8 540 994</u></b>

  
Muzondo S.  
Managing Director

  
Powles R.  
Chairman

**Statement of profit or loss and other comprehensive income  
for the year ended 31 December 2025**

	Notes	2025 USD	2024 USD
Fees and commission income	19	641 053	627 886
Fair value adjustments on listed equities	7.1	90 027	(1 645 109)
Fair value adjustments on unlisted equities	7.2	6 310	(13 805)
Fair value adjustments on unquoted property units	7.3	-	(2 693 612)
Fair value adjustments on gold coin investments	8	505	(19 027)
Fair value gains on investment property	9	545 267	-
Foreign exchange gains		176 082	585 127
Dividend income from financial assets at fair value through profit or loss		35 283	79 443
Rental income		546	361
<b>Operating income/(loss)</b>		<b>1 495 073</b>	<b>(3 078 736)</b>
Other income	20	462 310	44 802
Operating expenses	21	(967 010)	(987 064)
<b>Operating profit/(loss)</b>		<b>990 373</b>	<b>(4 020 998)</b>
Finance income	22	-	6 667
Finance costs	23	(101 843)	(2 907)
Gain on net monetary position		-	1 359 061
<b>Profit/(loss) before income tax</b>		<b>888 530</b>	<b>(2 658 177)</b>
Income tax expense	11.1	607 351	128 391
<b>Profit/(loss) for the year</b>		<b>1 495 881</b>	<b>(2 529 786)</b>
<b>Other comprehensive income</b>			
Other comprehensive income		-	-
<b>Total comprehensive income/(loss) for the year</b>		<b>1 495 881</b>	<b>(2 529 786)</b>

**Statement of changes in equity  
for the year ended 31 December 2025 (continued)**

	Share capital USD	Share premium USD	Retained earnings USD	Total USD
<b>Year ended 31 December 2024</b>				
Balance as at 1 January 2024	421	39 808	9 098 388	9 138 617
Total comprehensive loss for the year	-	-	(2 529 786)	(2 529 786)
<b>Balance as at 31 December 2024</b>	<b>421</b>	<b>39 808</b>	<b>6 568 602</b>	<b>6 608 831</b>
<b>Year ended 31 December 2025</b>				
Balance as at 1 January 2025	421	39 808	6 568 602	6 608 831
Total comprehensive income for the year	-	-	1 495 881	1 495 881
Dividend paid during the year	-	-	(3 157 895)	(3 157 895)
<b>Balance as at 31 December 2025</b>	<b>421</b>	<b>39 808</b>	<b>4 906 588</b>	<b>4 946 817</b>

**Statement of cash flows**  
**for the year ended 31 December 2025**

<b>Cash flows from operating activities</b>	<b>Notes</b>	<b>2025 USD</b>	<b>2024 USD</b>
Profit/(loss) before tax		888 530	(2 658 177)
<b>Adjustment for:</b>			
Fair value adjustments on listed equities	7.1	(90 027)	1 645 109
Fair value adjustments on unlisted equities	7.2	(6 310)	13 805
Fair value adjustments on property units	7.3	-	2 693 612
Fair value adjustments on gold coin investments	8	(505)	19 027
Fair value gain on investment property	9	(545 267)	-
Depreciation charge	10	2 907	953
Profit on disposal of investment property	20	(462 310)	-
Scheme of reconstruction	20	-	(44 802)
Finance income	22	-	(6 667)
Finance costs accrued but not paid	23	101 843	2 907
Dividend income		(35 283)	(79 443)
Foreign exchange gains		(176 082)	(585 127)
<b>Cash inflows from operating activities before working capital changes</b>		<b>(322 504)</b>	<b>1 001 197</b>
<b>Working capital changes:</b>			
(Increase)/decrease in amounts due from group companies		(110)	1 184
(Increase)/decrease in trade and other receivables		(2 443 011)	17 335
Increase/(decrease) in trade and other payables		570 441	(9 044)
Decrease in provisions		(63 117)	(1 164 806)
Increase in amounts due to group companies		108 599	184 521
<b>Cash generated from operations</b>		<b>(2 149 702)</b>	<b>30 387</b>
Dividends received		35 283	79 443
Interest received	22.1	-	6 667
Interest paid	23.1	-	(2 907)
<b>Net cash (utilised in)/generated from operating activities</b>		<b>(2 114 419)</b>	<b>113 590</b>
<b>Cash flows from investing activities</b>			
Purchase of listed equities	7.1	-	(858 412)
Proceeds from sale of listed equities	7.1	854 083	771 863
Purchase of property units	7.3	-	(407 340)
Proceeds from sale of investment property	9	412 105	-
Proceeds from sale of gold coin investments	8	49 817	-
Acquisition of equipment	10	(9 511)	(4 831)
<b>Net cash generated from/(utilised in) investing activities</b>		<b>1 306 494</b>	<b>(498 720)</b>

**Statement of cash flows  
for the year ended 31 December 2025 (continued)**

**Cash flows from financing activities**

Proceeds from borrowings	16	762 410	-
Repayment of shareholders' loan	17	-	(14 677)
Repayment of interest on shareholders' loan	17	-	(3 915)
		<hr/>	<hr/>
<b>Net cash generated from/(utilised in) financing activities</b>		762 410	(18 592)
		<hr/>	<hr/>
<b>Net increase / (decrease) in cash and cash equivalents</b>		879 104	(403 722)
Effects of foreign exchange movements on cash		(722 440)	300 408
Inflation effect on cash		-	(351 176)
Cash and cash equivalents at the beginning of the year		95 698	550 188
		<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>	5	252 362	95 698
		<hr/>	<hr/>

**Notes to the financial statements  
for the year ended 31 December 2025**

**1 General information**

ABC Asset Management (Private) Limited (the "Company"), incorporated and domiciled in Zimbabwe is registered as an investment manager by the Securities and Exchange Commission of Zimbabwe under the Securities and Exchange Act (Chapter 24:25). The Company provides fund management services in Zimbabwe. The Company aims to create a financial institution that provides leadership, liquidity, access to investors, product innovation and technology to support economic growth and strengthen financial systems. The Company is a subsidiary of ABC Holdings (Zimbabwe) Limited which is owned by ABC Holdings Limited (incorporated and domiciled in Botswana) which is in turn owned by Atlas Mara Limited.

**2 Material accounting policies**

This note provides the principal accounting policies applied in the preparation of these financial statements to the extent that they have not already been disclosed in other notes. These policies have been consistently applied to all the years presented, unless otherwise stated.

**2.1 Basis of preparation**

The financial statements of ABC Asset Management (Private) Limited ("the Company") have been prepared in accordance with IFRS Accounting Standards as issued by the IASB, and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31). The financial statements for the year ended 31 December 2025 are presented in United States Dollars (USD), which became the Company's functional and presentation currency with effect from 1 January 2025, as further explained in Note 2.1.3.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions. It also requires management to exercise judgement in applying the Company's accounting policies. Areas involving significant judgement and estimation are set out in Note 3.

Comparative information for the year ended 31 December 2024, which was previously prepared in ZWG and adjusted for hyperinflation in accordance with IAS 29, has been translated into USD for presentation in these financial statements using the 31 December 2024 closing USD/ZWG exchange rate of 25.7985.

**2.1.1 Inflation adjustment (comparative period only - IAS 29)**

In line with the Public Accountants and Auditors Board pronouncement of 11 October 2019, Zimbabwe continued to meet the criteria for classification as a hyperinflationary economy during the comparative period. Accordingly, the Company applied IAS 29 Financial Reporting in Hyperinflationary Economies to its 2024 financial information, restating the historical ZWG amounts to the measuring unit current at 31 December 2024 using the published ZIMSTAT Consumer Price Index.

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

**2 Material accounting policies (continued)**

**2.1 Basis of preparation (continued)**

**2.1.1 Inflation adjustment (comparative period only – IAS 29) (continued)**

**Key principles applied during restatement included:**

- Monetary assets and liabilities were not restated, as they were already expressed in terms of the measuring unit current at reporting date.
- Non-monetary items were restated using conversion factors from the date of the underlying transactions.
- Income-statement items were restated monthly to reflect inflation-adjusted amounts.
- Gains and losses on the net monetary position were recognised in profit or loss.

Following IAS 29 restatement, the entire 2024 inflation-adjusted financial information was translated into USD using the closing USD/ZWG rate at 31 December 2024, exclusively for comparative presentation purposes in these 2025 financial statements.

**2.1.2 Foreign currency translation**

Foreign currency transactions are recorded on initial recognition at the spot exchange rate between USD and the foreign currency on the transaction date.

**At year-end:**

- Monetary items are translated at the closing rate.
- Non-monetary items at historical cost are translated at the transaction-date exchange rate.
- Non-monetary items measured at fair value are translated at the exchange rate on the date the fair value was determined.

Exchange differences on monetary items are recognised in profit or loss unless they relate to equity items recognised in OCI, in which case the exchange component follows the underlying item.

**2.1.3 Functional and presentation currency**

With effect from 1 January 2025, the Company changed its functional currency from ZWG to the USD in accordance with IAS 21.35–37, having concluded that USD is the currency of the primary economic environment in which it operates.

**This conclusion was based on:**

- The predominance of USD-denominated revenue drivers, including fees linked to USD asset portfolios and USD stand-sale proceeds.
- Operating costs—including staff salaries, levies and regulatory fees—being largely settled in USD.
- The Company's financing activities (including a USD 770 000 Datvest loan) being USD-denominated.
- Dividends declared during the year being USD-denominated.
- Retention of operational funds and working capital primarily in USD bank accounts.

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

**2 Material accounting policies (continued)**

**2.1 Basis of preparation (continued)**

**2.1.3 Functional and presentation currency (continued)**

**Prospective application**

The change in functional currency was accounted for prospectively from 1 January 2025. All assets, liabilities and equity balances previously measured in ZWG were translated into USD at the closing exchange rate on that date, being:

USD 1 : ZWG 25.79 (RBZ Auction Rate as at 31 December 2024).

- The translated amounts of non-monetary items became their deemed USD historical cost.
- No exchange differences were recognised on transition, consistent with IAS 21 requirements.

**Comparatives**

Comparative figures for 2024, previously restated in ZWG for hyperinflation (IAS 29), have been translated to USD using the closing rate at 31 December 2024 for presentation in these financial statements. This translation does not constitute a retrospective restatement of amounts previously reported.

**Significant judgement**

Management exercised significant judgement in determining that USD is the functional currency, based on evaluation of the primary and secondary indicators outlined in IAS 21. The judgement materially affects the basis of preparation and is therefore disclosed in Note 3.

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

**2 Material accounting policies (continued)**

**2.1 Basis of preparation (continued)**

**2.1.4 New or revised Standards or Interpretations**

**New Standards adopted as at 1 January 2025**

Several IFRS amendments and interpretations apply for the first time in 2025, but do not have an impact on the financial statements of the Company. The Company has not early adopted any other standard, interpretation or amendment that has been issued.

**(a) New Standards adopted as at 1 January 2025**

<b>Number</b>	<b>Effective date</b>	<b>Executive summary</b>
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	1 January 2025	IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.
IFRS S2 Climate-related Disclosures	1 January 2025	IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating providing resources to the entity.
Classification of liabilities as Current or Non-current (Amendments to IAS 1)	1 January 2025	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.
Lease liability in a Sale and Leaseback (Amendments to IFRS 16)	1 January 2025	The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

**2 Material accounting policies (continued)**

**2.1 Basis of preparation (continued)**

**2.1.4 New or revised Standards or Interpretations (continued)**

**(a) New Standards adopted as at 1 January 2025 (continued)**

<b>Number</b>	<b>Effective date</b>	<b>Executive summary</b>
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	1 January 2025	The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	1 January 2025	The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.
Lack of Exchangeability (Amendments to IAS 21)	1 January 2025	The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

**(b) Standards, amendments and interpretations to existing Standards that are not yet effective and have not been adopted early by the Company**

<b>Number</b>	<b>Effective date</b>	<b>Executive summary</b>
IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	1 January 2026	The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9.
IFRS 18 Presentation and Disclosures in Financial Statements	1 January 2027	IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information, in financial statements.
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027	IFRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.

There are no other standards, amendments and interpretations that are not yet effective that are likely to have a material impact on the Company.

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

**2 Material accounting policies (continued)**

**2.1 Basis of preparation (continued)**

**2.2 Financial assets**

**(i) Classification**

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

The Company reclassifies debt securities investments when and only when its business model for managing those assets changes.

**Business model assessment**

In making an assessment of the objective of the business model in which a financial asset is held, the Company considers all of the relevant information about how the business is managed, including:

- the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how the investment manager is compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for de-recognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets. The Company has determined that it has two business models:

- Held-to-collect business model: These financial assets are held to collect contractual cash flows.
- Other business model: These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

**2 Material accounting policies (continued)**

**2.2 Financial assets (continued)**

**(i) Classification (continued)**

**Assessment of whether contractual cash flows are solely payments of principal and interest**

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

- contingent events that would change the amount or timing of cash flows;
- leverage features;
- prepayment and extension features;
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

**(ii) Recognition and derecognition**

Regular way purchases and sales of financial assets are recognised on trade-date, being the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

**(iii) Measurement**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at Fair Value through Profit or Loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

**Debt instruments**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Company classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in profit or loss using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in profit or loss.

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

**2 Material accounting policies (continued)**

**2.2 Financial assets (continued)**

**(iii) Measurement (continued)**

**Debt instruments (continued)**

• Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss in the period in which it arises.

**Equity instruments**

The Company subsequently measures equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in profit or loss as applicable.

**(iv) Impairment**

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Refer to note 4.1 for further details on impairment and risk exposure.

The Company measures allowance for expected credit losses at an amount equal to lifetime expected credit losses, except for the following which are measured at 12-month expected credit losses:

- financial assets that are determined to have low credit risk at the reporting date; and
- other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort.

This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information. The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

**2 Material accounting policies (continued)**

**2.2 Financial assets (continued)**

**(iv) Impairment (continued)**

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company ; or
- the financial asset is more than 90 days past due.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Expected credit losses are discounted using the effective interest rate of the financial asset.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

**Offsetting of financial instruments**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and not in the event of default, insolvency or bankruptcy of the Company or the counter-party.

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

**2 Material accounting policies (continued)**

**2.3 Trade and other receivables**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest rate method less allowance for expected credit losses. Details about the Company's impairment policies and the calculation of the loss allowance are provided in note 4.1(a).

Other receivables generally arise from transactions outside the usual operating activities of the Company. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained.

**2.4 Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in their fair value.

**2.5 Property units**

Property units are a form of a collective investment, pooling investors' money into a property which is managed by a fund manager, and allocating units to different participants, derived based on an independent professional valuations of an underlying property. The property units are held either to earn rentals or for capital appreciation or for both. Property units are stated at fair value at the reporting date. Fair value is based on open market value of the underlying property and any gain or loss arising is recognised in profit or loss.

**2.6 Gold coins**

The Company holds gold coins which are classified as financial assets at fair value through profit or loss as they fail the SPPI test, which is a prerequisite for financial instruments to be classified at amortised cost or FVOCI.

Gold coins are initially measured at cost and subsequently at fair value, with any change therein recognised in profit or loss. Gains or losses arising from changes in the fair values of gold coins are included in profit or loss in the year in which they arise. The fair value is determined according to the global gold market price per ounce at the reporting date.

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

**2 Material accounting policies (continued)**

**2.6 Gold coins (continued)**

The gold coins have the following qualities;

- i. Liquid asset status
- ii. Prescribed asset status
- iii. Collateral acceptability
- iv. Tradable
- v. Serial numbering
- vi. Central bank buy-back when required by the holder of the gold coin.

**2.7 Property and equipment**

Equipment comprises computer hardware, furniture and fittings, office equipment and leasehold improvements.

Equipment is stated at historical cost less accumulated depreciation and impairment losses in the statutory records. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are either 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 of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance costs are charged to profit or loss in the financial period in which they are incurred.

Depreciation is calculated on a straight line basis so as to allocate the cost of the assets less their residual values over their estimated useful lives, as follows:

Office equipment	10 years
Furniture and fittings	5 - 10 years
Computer equipment	3 - 5 years
Leasehold improvements	10 years

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

The carrying amounts are reviewed at each reporting date to assess whether there is any indication of impairment and an assets carrying amounts is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An asset is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in profit or loss in the period the asset is derecognised.

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

**2 Material accounting policies (continued)**

**2.8 Impairment of non-financial assets**

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets ("cash-generating units"). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**2.9 Current income and deferred tax**

The income tax expense or credit for the year is the tax payable or tax recoverable on the current year's taxable income, based on the applicable income tax rate assessable in Zimbabwe, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current income tax and deferred tax is included in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also included in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted in Zimbabwe at the reporting date. Management periodically evaluates the position taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred tax is recognised in full using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, or an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

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

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

**2 Material accounting policies (continued)**

**2.9 Current income and deferred tax (continued)**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and where the deferred tax balances relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis, or realise the asset and settle the liability simultaneously. Current income tax assets and income tax liabilities are offset where the entity has a legally enforceable right to offset.

**2.10 Share capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds, net of tax.

**2.11 Dividends**

Dividend distributions to the Company's shareholders are recognised as a liability and a deduction in equity in the period in which the dividends are declared by the Company's directors.

A liability is recognised for the amount of any dividend declared, being appropriately authorised by the directors of the Company and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

**2.12 Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method.

**2.13 Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are not recognised for future operating losses.

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

**2 Material accounting policies (continued)**

**2.13 Provisions**

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 obligations is minimal.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present value at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

**2.14 Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest rate method. Any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest rate method.

Fees paid on the establishment of borrowings are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are derecognised when the obligation specified in the contract is discharged, cancelled or has expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the Company issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liabilities for at least twelve months after the end of the reporting period.

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

**2 Material accounting policies (continued)**

**2.15 Revenue recognition**

The Company applies IFRS 15, Revenue from contracts with customers, to all revenue arising from contracts with clients, unless the contracts are in the scope of the standards on leases, insurance contracts and financial instruments. The Company recognises revenues to depict the transfer of promised service to customers in an amount that reflects the consideration the Company expects to be entitled in exchange for the service, basing on the following five-step model whereby the Company:

- Identifies the contract(s) with a customer
- Identifies the performance obligations in the contract
- Determines the transaction price
- Allocates the transaction price to the performance obligations in the contract
- Recognises revenue when (or as) the entity satisfies a performance obligation.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services rendered in the course of business. Revenue is derived substantially from the business of asset management and related activities and comprises fee and commission income.

**Fee and commission income**

Fees and commissions are generally recognised on an accrual basis when the service has been provided and receipt of the fee is probable.

**2.16 Other income**

**(a) Dividend income**

Dividend income is recognised when a contractual right exists to receive the dividend. This occurs when dividends have been declared by the directors of the investee company.

**(b) Finance income**

Finance income is included in profit or loss on all interest bearing financial instruments on an accruals basis using the effective interest rate method.

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

**2 Material accounting policies (continued)**

**2.16 Other income (continued)**

**(b) Finance income (continued)**

The effective interest rate method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the gross carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options). The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cashflows for the purposes of measuring the impairment loss.

**2.17 Managed funds and trust activities**

The Company acts as a trustee and in other fiduciary capacities that result in the holding or placement of assets on behalf of individuals, trusts, retirement benefit plans and other institutions and receives a management fee for providing these services. The assets and income generated by these assets, are excluded from these financial statements because they are not owned by the Company. The managed funds are recorded off statement of financial position in accordance with paragraph 21 of the First Schedule, of the Securities and Exchange Act [Chapter 24:25] and are disclosed in Note 25.

**2.18 Unclaimed shares**

As part of the process of automation of listed shares on the Zimbabwe Stock Exchange ("ZSE"), reconciliations were done by transfer secretaries in 2014 to determine ownership of the shares. All administrative weaknesses of the manual system were corrected since the introduction of the Automated Trading System ("ATS") in 2014. There were shares that were identified by the transfer secretary as belonging to ABC Asset Management during the reconciliation process. These shares were transferred to the Excess Shares Account as 'unclaimed shares' and subsequently transferred from the Excess Shares Account to the proprietary account of the Company after the lapse of five years in accordance with the Securities and Exchange Commission of Zimbabwe's guidelines.

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

**2 Material accounting policies (continued)**

**2.19 Employee benefits**

**(a) Short-term benefits**

These benefits include salaries and related payments, leave pay, medical scheme payments and other employee payments related to employment conditions. The Company provides other benefits which include education facilities, low interest loans for vehicles and housing plans and other plans approved by the Board.

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Company's obligation in respect of accumulated leave days is recognised in full in the financial statements on an undiscounted basis and is expensed as the related services are provided.

**(b) Profit sharing and bonus plans**

The Company recognises a liability and an expense for profit-sharing, based on a formula which takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Company recognises a liability where there is a past practice that has created a constructive obligation.

**(c) Pension obligations**

The Company operates a defined contribution plan for all permanent employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity that is privately administered. The Company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The pension plan is funded by payments from employees and the Company and by taking into account the recommendations of independent actuaries. Contributions to this fund are recognised in profit or loss as incurred. The Company has no further obligations once the contributions have been paid.

**(d) National Social Security Authority Fund**

The Company and its employees contribute to the National Social Security Authority Scheme. This is a social security scheme which was promulgated under the National Social Security Act (Chapter 17:04). The Company's obligations under the scheme are limited to specific contributions legislated from time to time.

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

**2 Material accounting policies (continued)**

**2.19 Employee benefits (continued)**

**(d) National Social Security Authority Fund (continued)**

The Company's contributions to the pension plans are included in profit or loss in the period to which the contributions relate.

**2.20 Going concern**

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

**3 Critical accounting estimates and judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Critical accounting estimates and assumptions**

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

**(a) Measurement of fair value**

The Company measures a number of its financial assets at fair value, being the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market between market participants at the measurement date. The Company may rely on independent opinions of experts in the related fields. Fair value is a market based measurement and uses the assumptions that market participants would use when pricing an asset or liability under current market conditions. When determining fair value it is presumed that the Company is a going concern and is not an amount that represents a forced transaction, involuntary liquidation or a distressed sale. The existence of quoted prices in an active market represents the best evidence of fair value. Where such prices exist, they are used in determining the fair value of financial assets and financial liabilities.

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

**3 Critical accounting estimates and judgements (continued)**

**Critical accounting estimates and assumptions (continued)**

**(a) Measurement of fair value (continued)**

Where quoted market prices are unavailable, the Company establishes fair value using valuation techniques that incorporate observable inputs, either directly, such as quoted prices, or indirectly, such as those derived from quoted prices, for such assets and liabilities. Where such inputs are not available, the Company makes use of theoretical inputs in establishing fair value (unobservable inputs). Such inputs are based on other relevant input sources of information and incorporate assumptions that include prices for similar transactions, historical data, economic fundamentals, and research information, with appropriate adjustments to reflect the terms of the actual instrument being valued and current market conditions. Changes in these assumptions would affect the reported fair values of these financial instruments. Valuation techniques used for financial instruments include the use of financial models that are populated using market parameters that are corroborated by reference to independent market data, where possible, or alternative sources, such as, third-party quotes, recent transaction prices or suitable proxies. The fair value of certain financial instruments is determined using industry standard models such as, discounted cash flow analysis. These models are generally used to estimate future cash flows and discount these back to the valuation date. For complex or unique instruments, more sophisticated modelling techniques may be required, which require assumptions or more complex parameters.

The Company holds investments in property units, unquoted equities and quoted equities, note 7. The fair value of property units is derived from an allocation of the valuation of the underlying properties as determined by independent professional valuers at the reporting date, based on each property unit owner's shareholding. The fair value of unquoted equities is determined at each reporting date by an independent valuation by a professional firm.

Fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of judgement (i.e. interest rates, volatility and estimated cash flows) and therefore cannot be determined with precision.

The users of the financial statements must therefore note that whilst management has taken the necessary steps in coming up with the fair valuation, significant judgements were applied in the current year as a result of the uncertainties resulting from the volatile economic environment and currency shifts.

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

**3 Critical accounting estimates and judgements (continued)**

**Critical accounting estimates and assumptions (continued)**

**(b) Income taxes**

Determining the Company's tax charge for the year involves estimation and judgement, which includes interpretation of local tax laws and an assessment of whether the tax authorities will accept the position taken. These judgements take account of external advice where appropriate, and the Company's view on settling with the tax authorities.

The Company is subject to income taxes under the Zimbabwean tax jurisdiction. Significant estimates are required in determining the liability for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded such differences will impact the income tax and deferred tax liabilities in the period in which such determination is made.

**Notes to the financial statements  
for the year ended 31 December 2025**

**4 Financial risk management**

**4.1 Financial risk factors**

The Company's business involves taking on risks in a targeted manner and managing them professionally. Taking risk is core to the financial services business, and the operational risks are an inevitable consequence of being in business. The Company's aim is to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Company's financial performance. The Company's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Company regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The most significant types of risk are credit risk, liquidity risk and market risk. Market risk includes foreign exchange risk, fair value and cash flow interest rate risk and price risk.

**(a) Credit risk**

The Company takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss to the Company by failing to discharge an obligation. Significant changes in the economy, or in the financial health of a particular industry segment that represents a concentration in the Company's portfolio, could result in losses that are different from those provided for at the statement of financial position date. Country (or sovereign) risk is part of overall credit risk and is managed as part of the credit risk management function as it has a major impact on individual counterparties' ability to perform. Management therefore carefully manages its exposure to credit risk. Credit exposures arise principally from balances with banks and financial institutions and trade and other receivables. ABC Holdings (Zimbabwe) Limited Group Risk Department ("Risk Department") reviews the Company's risk exposures regularly and reports to the Board.

The Board has defined and documented a credit policy for the Company which forms the basis of credit decisions. This policy includes a framework of limits and delegation of credit approval authority which are strictly adhered to. No single individual has the power to authorise credit exposures.

The Group Risk Department regularly reviews adherence to required standards. The ABC Holdings (Zimbabwe) Limited Group Risk Committee reports to the Board and is responsible for approval of credit decisions that are above trading limits, recommendations on exposure limits and provisioning policies.

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

**4 Financial risk management (continued)**

**4.1 Financial risk factors (continued)**

**(a) Credit risk (continued)**

**Risk limit control and mitigation policies**

The Company manages, limits and controls concentrations of credit risk in respect of individual counterparties and groups. The Company structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one counterparty, or groups of counterparties. Such risks are on a revolving basis and subject to an annual or more frequent review, when considered necessary. Limits on the level of credit risk are approved by the Board of Directors and reviewed regularly.

Exposure to credit risk is also managed through regular analysis of the ability of debtors to settle amounts due to the Company for asset management services provided.

The following table presents the maximum exposure to credit risk of recognised statement of financial position and unrecognised off - statement of financial position financial instruments.

Credit risk exposures relating to unrecognised financial assets are as follows:

	2025 USD	2024 USD
Cash and cash equivalents	3 237 123	3 145 619
Money market investments	4 173 719	748 183
<b>Total funds under management</b>	<b>7 410 842</b>	<b>3 893 802</b>

Total maximum exposure derived from each unrecognised financial asset is as follows:

	2025 USD	2024 USD
Cash and cash equivalents	44%	34%
Money market investments	56%	66%
	<b>100%</b>	<b>100%</b>

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

**4 Financial risk management (continued)**

**4.1 Financial risk factors (continued)**

**(a) Credit risk (continued)**

As at 31 December credit risk exposures relating to recognised financial assets are as follows:

	2025 USD	2024 USD
Cash and cash equivalents	252 362	95 698
Amounts due from group companies	1 371	1 261
Trade and other receivables (excluding prepayments and statutory receivables)	170 674	79 510
	<u>424 407</u>	<u>176 469</u>

For recognised assets, the exposures set out above are based on net carrying amounts as reported in the statement of financial position.

Total maximum exposure derived from each recognised financial asset is as follows:

	2025 USD	2024 USD
Cash and cash equivalents	60%	54%
Trade and other receivables	40%	46%
	<u>100%</u>	<u>100%</u>

Management is confident in their ability to continue to control and sustain minimal exposure of credit risk to the Company through continuous improvement in credit selection and monitoring processes.

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

**4 Financial risk management (continued)**

**4.1 Financial risk factors (continued)**

**(a) Credit risk (continued)**

**(i) Cash and cash equivalents**

The Company limits its exposure to credit risk through dealing with well-established financial institutions with high credit standing, and thus management does not expect any counterparty to fail to meet its obligations. The Company does not consider there to be any significant concentration of credit risk.

The financial institutions holding the Company's cash and cash equivalents have the following credit ratings according to the Global Credit Rating Company:

	BBB+ USD	BB+ USD	BB- USD	AA- USD	A+ USD	Total USD
<b>As at 31 December 2025</b>						
Funds Under Management	-	-	38 805	42 039	41 233	122 077
<b>As at 31 December 2024</b>						
Balances with banks	-	305	-	-	-	305
Term deposits	5	-	12	-	-	17
Funds Under Management	5	305	12	-	-	322
Funds Under Management	-	-	10 199	25 062	34 615	69 876

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

**4 Financial risk management (continued)**

**4.1 Financial risk factors (continued)**

**(a) Credit risk (continued)**

**(ii) Impairment of financial assets**

The Company has four types of financial assets that are subject to the expected credit loss model:

- trade and other receivables;
- debt securities at amortised cost;
- debt securities; and
- other financial assets at amortised cost

**Trade and other receivables**

The Company applies the IFRS 9 simplified approach to measuring lifetime allowance from expected credit losses on all trade receivables.

The expected loss rates are based on the payment profiles of debtors over a period of 12 months before 31 December 2024 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the debtors to settle the receivables. Macroeconomic conditions prevailing in the economy such as inflation, interest rates and other relevant factors accordingly adjust the historical loss rates based on expected changes in these factors.

The Company establishes an allowance for expected credit losses that represents its estimate of expected credit losses in respect of other receivables. The Company does not consider there to be any significant concentration of credit risk in respect of which adequate impairment has not been raised.

All financial instruments are carried at amounts not materially different from their fair value as at 31 December 2025 and 31 December 2024 because of the short term nature of the financial instruments.

**Debt securities at amortised cost**

All of the Company's debt investments at amortised cost are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months' expected losses. Management consider 'low credit risk' risk where instruments have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

**4 Financial risk management (continued)**

**4.1 Financial risk factors (continued)**

**(a) Credit risk (continued)**

**(ii) Impairment of financial assets (continued)**

**Other financial assets at amortised cost**

Other financial assets at amortised cost include amounts due from group companies and other receivables. All of the Company's other financial assets at amortised cost are considered to have low credit risk.

**Analysis of allowance for expected credit losses**

On that basis, the allowance for expected credit losses as at 31 December 2025 and 31 December 2024 were determined as follows:

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

**4 Financial risk management (continued)**

**4.1 Financial risk factors (continued)**

**(a) Credit risk (continued)**

**Analysis of allowance for expected credit losses (continued)**

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>31 December 2025</b>					
Expected loss rate	0.08%	0%	0%	0%	0.08%
Gross carrying amount - trade and other receivables	170 674	-	-	-	170 674
Allowance for expected credit losses (note 6)	(140)	-	-	-	(140)
Expected loss rate	0.18%	0%	0%	0%	0.18%
Gross carrying amount - trade and other receivables	79 510	-	-	-	79 510
Allowance for expected credit losses (note 6)	(141)	-	-	-	(141)

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

**4 Financial risk management (continued)**

**4.1 Financial risk factors (continued)**

**(b) Liquidity risk**

Liquidity risk is the risk that the Company may fail to meet its payment obligations when they fall due. Prudent liquidity management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Company identifies this risk through periodic liquidity gap analysis and the maturing profile of assets and liabilities. Where major gaps appear, action is taken in advance to close or minimise the gaps.

The liquidity of the Company is managed by Finance. Surplus cash held by the Company over and above the balance required for working capital management is invested in interest bearing instruments with appropriate maturities taking into consideration the Company's operational needs.

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

**4 Financial risk management (continued)**

**4.1 Financial risk factors (continued)**

**(b) Liquidity risk (continued)**

**As at 31 December 2025**

<b>Assets</b>	<b>Up to 1 month USD</b>	<b>1 month to 3 months USD</b>	<b>3 months to 12 months USD</b>	<b>Greater than 1 year USD</b>	<b>Total USD</b>
Amounts due from group companies	1 371	-	-	-	1 371
Cash and cash equivalents	252 362	-	-	-	252 362
Trade and other receivables (excluding prepayments)	69 976	39 255	59 736	-	168 967
Financial assets at fair value through profit or loss	-	-	-	677 552	677 552
	<b>323 709</b>	<b>39 255</b>	<b>59 736</b>	<b>677 552</b>	<b>1 100 252</b>
<b>Liabilities</b>					
Amounts due to group companies	-	485 423	-	-	485 423
Trade and other payables (excluding statutory liabilities)	70 020	-	-	453 926	523 946
Borrowings	-	864 253	-	-	864 253
Total financial liabilities	<b>70 020</b>	<b>1 349 676</b>	<b>-</b>	<b>453 926</b>	<b>1 873 622</b>
<b>Liquidity gap</b>	<b>253 689</b>	<b>( 1 310 421)</b>	<b>59 736</b>	<b>223 626</b>	<b>(773 370)</b>
<b>Cumulative liquidity gap</b>	<b>253 689</b>	<b>(1 056 732)</b>	<b>( 996 996)</b>	<b>(773 370)</b>	<b>-</b>

Notes to the financial statements  
for the year ended 31 December 2025 (continued)

4 Financial risk management (continued)

4.1 Financial risk factors (continued)

(b) Liquidity risk (continued)

As at 31 December 2024	Up to 1 month USD	1 month to 3 months USD	3 months to 12 months USD	Greater than 1 year USD	Total USD
<b>Assets</b>					
Amounts due from group companies	1 261	-	-	-	1 261
Cash and cash equivalents	95 698	-	-	-	95 698
Trade and other receivables (excluding prepayments)	79 510	-	-	-	79 510
Financial assets at fair value through profit or loss	1 443 076	-	6 788 688	-	8 231 764
Gold coins	-	49 312	-	-	49 312
<b>Total financial assets</b>	<b>1 619 545</b>	<b>49 312</b>	<b>6 788 688</b>	<b>-</b>	<b>8 457 545</b>
<b>Liabilities</b>					
Amounts due to group companies	376 824	-	-	-	376 824
Trade and other payables (excluding statutory liabilities)	79 792	3 306	-	-	83 098
<b>Total financial liabilities</b>	<b>456 616</b>	<b>3 306</b>	<b>-</b>	<b>-</b>	<b>459 922</b>
<b>Liquidity gap</b>	<b>1 162 929</b>	<b>46 006</b>	<b>6 788 688</b>	<b>-</b>	<b>7 997 623</b>
<b>Cumulative liquidity gap</b>	<b>1 162 929</b>	<b>1 208 935</b>	<b>7 997 623</b>	<b>7 997 623</b>	<b>-</b>

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

**4 Financial risk management (continued)**

**4.1 Financial risk factors (continued)**

**(c) Market risk**

The Company takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in foreign currencies, equities and interest bearing assets and liabilities to the extent that these are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices.

**Market risk measurement techniques**

**(i) Price risk**

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate and foreign exchange risk, whether those changes are caused by factors specific to the individual financial instrument to its issuer or factors affecting all financial instruments traded in the market.

The Company is exposed to equity securities price risk because of investments held by the Company and classified on the statement of financial position as financial assets at fair value through profit or loss. The Company is not exposed to commodity price risk as it had no assets nor obligations that expose it to that risk at the reporting date. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Board. A significant component of the Company's investments in equity of other entities are publicly traded on the Zimbabwe Stock Exchange and the Victoria Falls Stock Exchange.

The table below summarises the impact of increases / (decreases) of the Zimbabwe Stock Exchange and Victoria Falls Stock Exchange equity index on the Company's post-tax profit for the year and on equity. The analysis is based on the assumption that the equity index increases / (decreases) by 5% with all other variables held constant and all the Company's equity instruments move according to the historical correlation with the index:

<b>Impact on post-tax profit</b>	<b>2025 USD</b>	<b>2024 USD</b>
Increase in market price (+5%)	<u>74 794</u>	<u>362</u>
Decrease in market price (-5%)	<u>(74 794)</u>	<u>(362)</u>

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

**4 Financial risk management (continued)**

**4.1 Financial risk factors (continued)**

**(c) Market risk**

**Market risk measurement techniques (continued)**

**(i) Price risk (continued)**

Post-tax profit for the year would increase/(decrease) as a result of gains/(losses) on equity securities classified as financial assets at fair value through profit or loss.

**(ii) Cash flow and fair value interest rate risk**

Cash flow interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates.

The Company takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce losses in the event that unexpected movements arise. The Board sets limits on the level of mismatch of interest rate repricing that may be undertaken, which is monitored daily by Finance. The Company analyses its interest rate exposure on a dynamic basis and various scenarios are simulated.

The Company is exposed to various risks with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

The table below summarises the Company's exposure to interest rate risk. Included in the table are the Company's financial assets and financial liabilities at carrying amounts categorised by the earlier of contractual repricing or maturity dates.

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

**4 Financial risk management (continued)**

**4.1 Financial risk factors (continued)**

**(b) Market risk (continued)**

**(ii) Cash flow and fair value interest rate risk (continued)**

<b>As at 31 December 2025</b>	<b>Up to 1 month USD</b>	<b>1 month to 3 months USD</b>	<b>3 months to 12 months USD</b>	<b>Greater than 1 year USD</b>	<b>Non interest bearing USD</b>	<b>Total USD</b>
<b>Assets</b>						
Amounts due from group companies	-	-	-	-	1 371	1 371
Cash and cash equivalents	-	-	-	-	252 362	252 361
Trade and other receivables	-	-	-	-	2 544 734	2 544 734
Financial assets at fair value through profit or loss	-	-	-	-	677 552	677 552
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 476 019</b>	<b>3 476 018</b>
<b>Liabilities</b>						
Amounts due to group companies	-	-	-	-	485 423	485 423
Trade and other payables	-	-	-	-	663 548	663 548
Borrowings	-	864 253	-	-	-	864 253
<b>Total financial liabilities</b>	<b>-</b>	<b>864 253</b>	<b>-</b>	<b>-</b>	<b>1 148 971</b>	<b>2 013 224</b>
<b>Interest rate repricing gap</b>	<b>-</b>	<b>(864 253)</b>	<b>-</b>	<b>-</b>	<b>2 327 048</b>	<b>1 462 795</b>
<b>Cumulative interest rate repricing gap</b>	<b>-</b>	<b>(864 253)</b>	<b>(864 253)</b>	<b>(864 253)</b>	<b>1 462 795</b>	<b>-</b>

Notes to the financial statements  
for the year ended 31 December 2025 (continued)

4 Financial risk management (continued)

4.1 Financial risk factors (continued)

(b) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

As at 31 December 2024	Up to 1 month USD	1 month to 3 months USD	3 months to 12 months USD	Greater than 1 year USD	Non interest bearing USD	Total USD
<b>Assets</b>						
Amounts due from group companies	-	-	-	-	1 261	1 261
Cash and cash equivalents	-	7	-	-	95 691	95 698
Trade and other receivables	-	-	-	-	101 833	101 833
Gold coins	-	-	-	-	49 312	49 312
Financial assets at fair value through profit or loss	-	-	-	-	8 231 764	8 231 764
<b>Total financial assets</b>	-	7	-	-	8 479 861	8 479 868
<b>Liabilities</b>						
Amounts due to group companies	-	-	-	-	376 824	376 824
Trade and other payables	-	-	-	-	93 107	93 107
<b>Total financial liabilities</b>	-	-	-	-	469 931	469 931
<b>Interest rate repricing gap</b>	-	7	-	-	8 009 930	8 009 937
<b>Cumulative interest rate repricing gap</b>	-	7	7	7	8 009 937	-

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

**4 Financial risk management (continued)**

**4.1 Financial risk factors (continued)**

**(ii) Cash flow and fair value interest rate risk (continued)**

**Interest rate sensitivity analysis**

The table below illustrates the impact of a possible 50 basis points interest rate movement:

	2025 USD	2024 USD
Shift in yield curves of +50 basis points	(4 321)	(9 020)
Percentage of shareholders equity (+50 basis points)	-0.09%	-0.14%
Shift in yield curves of -50 basis points	4 321	9 020
	0.09%	0.14%

**(iii) Foreign exchange risk**

Foreign exchange risk is the risk arising from fluctuations in foreign exchange rates and their effect on future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency.

The Group Risk Department sets limits on the level of exposure by currency and in aggregate.

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US\$.

The following table details the Company's sensitivity to an increase or decrease of 0.5% (+50 basis points) in the Zimbabwe dollar against the US\$ with all other variables held constant. 0.5% (+50 basis points) represents management's assessment of the reasonable possible change in foreign exchange rates. The sensitivity analysis includes only outstanding monetary items impacted by movements in foreign currency exchange rates and is calculated by adjusting the translation of foreign currency amounts at the period end for a 10% change in foreign currency exchange rates.

	2025 10% increase USD	2025 10% decrease USD
Impact of profit before income tax	(215)	2 098

This method used for deriving sensitivity information and significant variables did not change from previous year.

The following table details the Company's ZWG assets and liabilities:

Balances with banks	87 012	502 498
Provisions	44 019	82 909
Net position	<u>42 993</u>	<u>419 589</u>

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

**4.2 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 to 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 where relevant.

The Company strives to comply with the regulatory capital requirements set by the Securities Exchange Commission of Zimbabwe. As at 31 December 2025, the Company complied with the risk adjusted capital requirement of USD 2 781 925 and liquid capital requirement of USD 75 000 or thirteen weeks operating expenses cover whichever is higher. The risk-based approach covers a wide spectrum of risks which include price, credit, liquidity amongst other risks.

	2025 USD	2024 USD
Shareholders' equity	<u>4 946 817</u>	<u>6 608 831</u>
Minimum risk adjusted capital requirement	<u>2 781 925</u>	<u>500 000</u>

The Company's capital is above the minimum capital requirement.

**4.3 Fair value of financial assets**

Observable inputs reflect market data obtained from independent sources and unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair value hierarchy:

**Level 1:** The fair value of financial instruments traded in active markets (equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

The hierarchy requires the use of observable market data when available. The Company considers relevant and observable market prices in its valuations where possible.

The Company's financial assets are carried at fair value. None of the Company's financial liabilities were carried at fair value.

The following table presents the Company's assets that are measured at fair value at 31 December. Included under level 3 are unquoted equities and unquoted property units. A reconciliation of these level 3 financial assets has been provided under notes 7.2 and 7.3 respectively.

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

**4 Financial risk management (continued)**

**4.3 Fair value of financial assets (continued)**

	Level 1 USD	Level 3 USD	Total USD
Financial assets at fair value through profit or loss			
<b>As at 31 December 2025</b>			
Listed equities	487 333	-	487 333
Unlisted equities	-	174 560	174 560
Unquoted property units	-	15 659	15 659
	<u>487 333</u>	<u>190 219</u>	<u>677 552</u>
Financial assets at fair value through profit or loss			
<b>As at 31 December 2024</b>			
Listed equities	1 430 766	-	1 430 766
Unlisted equities	-	12 310	12 310
Unquoted property units	-	6 788 688	6 788 688
Gold coins	49 312	-	49 312
	<u>1 480 078</u>	<u>6 800 998</u>	<u>8 281 076</u>

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily Zimbabwe Stock Exchange and Victoria Falls Stock Exchange listed equity securities classified as financial assets at fair value through profit or loss.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The following table shows the valuation techniques used in measuring level 3 category fair values for financial instruments as well as significant unobservable inputs used.

Notes to the financial statements  
for the year ended 31 December 2025 (continued)

4 Financial risk management (continued)

4.3 Fair value of financial assets (continued)

Financial instrument	Valuation technique	Level 3 - Significant unobservable inputs	Range of estimates of cash flow factors 2025	Range of estimates of cash flow factors 2024	Interrelationship between significant unobservable inputs and fair value measurement
Unlisted equities	EV/EBIDTA multiples	Marketability discount	Marketability discount	Marketability	The estimated fair value would increase/(decrease) if: The marketability
		Minority discount factor	Minority discount factor 16.9%	Minority discount factor 16.9%	The minority discount factor was lower/(higher)
		Comparable size factor	Comparable size factor 0% - 15%	Comparable size factor 0% - 15%	The comparable size factor was lower/(higher)
		Country risk	A discount / premium to each peer company was applied using Aswath Damodaran	A discount / premium to each peer company was applied using Aswath Damodaran	The country risk factor was lower/(higher)

Notes to the financial statements  
for the year ended 31 December 2025 (continued)

4 Financial risk management (continued)

4.3 Fair value of financial assets (continued)

Financial instrument	Valuation technique	Level 3 - Significant unobservable inputs	Range of estimates of cash flow factors 2025	Range of estimates of cash flow factors 2024	Interrelationship between significant unobservable inputs and fair value measurement
Property units	Market comparison approach	Rate per square metre	USD 5.13 - USD 53.28		The estimated fair value would increase/(decrease) if: The rate per square was higher/(lower)
	Income capitalisation approach	Capitalisation rate Void rates Rental per square metre	10% - 12% 0% USD 0.46 - USD 2.66	8% - 12% 0%	

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

**4 Financial risk management (continued)**

**4.3 Fair value of financial assets (continued)**

**Comparison of carrying amounts and fair values for assets and liabilities not held at fair value**

The fair value is an estimate of the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of assets and liabilities not measured at fair value on the entity's statement of financial position are summarised as follows.

**Financial assets**

The carrying amounts of trade and other receivables, financial assets at amortised cost and cash and cash equivalents closely approximates their fair value as the instruments are short term in nature and the impact of discounting is not significant.

**Financial liabilities**

The carrying amounts of financial liabilities closely approximate their fair values. The impact of discounting is not significant due to the market terms (rates and tenure) available and because the instruments are short term in nature.

<b>5 Cash and cash equivalents</b>	<b>2025 USD</b>	<b>2024 USD</b>
Balances with banks	252 362	95 691
Term deposits	-	7
	<u>252 362</u>	<u>95 698</u>

Term deposits mature within 90 days from origination date and earn interest at rates ranging between 80% and 86% (2024: 80% and 85%).

<b>6 Trade and other receivables</b>	<b>2025 USD</b>	<b>2024 USD</b>
Fee and commission income receivable	170 674	79 510
Less: allowance for expected credit losses	(140)	(141)
Net fee and commission income receivable	<u>170 534</u>	<u>79 369</u>
Prepayments	2 374 200	9 230
Other receivables	-	13 234
	<u>2 544 734</u>	<u>101 833</u>
Due within 1 month	170 534	92 603
Due between 1 month and 3	<u>2 374 200</u>	<u>9 230</u>
	<u>2 544 734</u>	<u>101 833</u>

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

**6 Trade and other receivables (continued)**

<b>Maturity profile</b>	<b>2025 USD</b>	<b>2024 USD</b>
<b>Allowance for expected credit losses</b>		
As at 1 January	140	2 349
Effects of inflation	-	(2 209)
	<hr/>	<hr/>
As at 31 December	<u>140</u>	<u>140</u>

The Company does not hold any collateral as security for the trade receivables balances.

The other classes within trade and other receivables do not contain impaired balances.

**Allowances for expected credit losses**

Expected credit losses allowances	-	-
	<hr/>	<hr/>
As at 31 December	<u>-</u>	<u>-</u>

**7 Financial assets at fair value through profit or loss**

Equities	661 893	1 443 076
Listed equities (Note 7.1)	487 333	1 430 766
Unlisted equities (Note 7.2)	174 560	12 310
	<hr/>	<hr/>
Unquoted property units (Note 7.3)	15 659	6 788 688
	<hr/>	<hr/>
	<u>677 552</u>	<u>8 231 764</u>

**7.1 Investment in listed equities**

As at 1 January	1 430 766	2 676 287
Additions	-	858 412
Disposals	(854 083)	(771 863)
Transfer to unlisted equities	(162 000)	-
Fair value adjustments	90 027	(1 645 109)
- Realised fair value adjustments	13 477	261 952
- Unrealised fair value adjustments	76 550	(1 907 061)
Foreign exchange gains	(17 377)	313 039
	<hr/>	<hr/>
As at 31 December	<u>487 333</u>	<u>1 430 766</u>

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

**7 Financial assets at fair value through profit or loss (continued)**

<b>7.2 Investment in unlisted equities</b>	<b>2025 USD</b>	<b>2024 USD</b>
As at 1 January	12 310	26 115
Transfer from listed equities	162 000	-
Unrealised fair value adjustments	6 310	(13 805)
Foreign exchange gains	(6060)	-
	<hr/>	<hr/>
As at 31 December	<u>174 560</u>	<u>12 310</u>

Investment in unlisted equities comprises of Powerspeed Electrical Limited and Astra Industries Limited. Fair value of the 0.27% holding in Powerspeed Electrical Limited was determined by Over-the-Counter (OTC) method and the 6.24% equity shareholding in Astra Industries Limited has been determined by an independent valuation by a professional service firm.

**7.3 Investment in unquoted property units**

As at 1 January	6 788 688	9 074 960
Additions	-	407 340
Transfer to Investment property	(6 773 029)	-
Fair value adjustments	-	(2 693 612)
- Unrealised fair value adjustments	<span style="border: 1px solid black;">-</span>	<span style="border: 1px solid black;">(2 693 612)</span>
	<hr/>	<hr/>
As at 31 December	<u>15 659</u>	<u>6 788 688</u>

The fair value of unquoted property units is derived from an allocation of the valuation of the underlying properties as determined by independent professional valuers at the reporting date, based on each property unit owner's holding.

Financial assets at fair value through profit or loss are presented within 'investing activities' in the statement of cash flows.

The fair value of all listed equity securities is based on their current bid prices in an active market. The underlying properties from which the property units values are derived, are based on valuations performed by independent professional valuers.

The above equity securities and property units are managed and their performance evaluated on a fair value basis in accordance with the Company's risk management strategy and information about the classes of financial instruments is reported on that basis.

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

<b>8</b>	<b>Gold coins</b>	<b>2025 USD</b>	<b>2024 USD</b>
	As at 1 January	49 312	68 339
	Disposal	(49 817)	-
	Fair value adjustments	505	(19 027)
		<u>-</u>	<u>49 312</u>
	As at 31 December	<u>-</u>	<u>49 312</u>
<b>9</b>	<b>Investment property</b>	<b>2025 USD</b>	<b>2024 USD</b>
	As at 1 January	-	-
	Transfer from unquoted property units	6 773 029	-
	Profit on disposal	462 310	-
	Cash disposal	(412 105)	-
	Non-cash disposal	(3 157 895)	-
	Fair value gains	545 267	-
		<u>4 210 606</u>	<u>-</u>
	As at 31 December	<u>4 210 606</u>	<u>-</u>

During the year, the Company's investment in the The Brick & Mortar Property Fund was settled through the allocation of specific Tynwald stands following the closure of the Fund's unit register on 31 March 2025. The Company derecognised its investment units, previously classified as a financial asset under IFRS 9, and recognised the allocated stands at fair value on the allocation date.

The stands have been incorporated into the Company's investment portfolio, as ABCAM is not a property developer and sales of land are not undertaken in the ordinary course of business. Accordingly, the stands are classified as investment property in accordance with IAS 40, and are subsequently measured at fair value, with changes in fair value recognised in profit or loss.

Stands sold under agreements of sale remain recognised as investment property until control transfers to the customer. In line with IFRS 15, revenue is recognised only when the Company transfers control, which occurs upon full settlement and transfer of legal title. Instalments received before transfer are recorded as contract liabilities. Management concluded that the instalment terms do not constitute a significant financing component.

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

10 Property and equipment	Leasehold improvements USD	Computer equipment USD	Office equipment USD	Furniture and fittings USD	Total USD
<b>Year ended 31 December 2025</b>					
Opening net carrying amount	337	2 560	-	3 033	5 930
Additions	-	9 511	-	-	9 511
Depreciation charge	(34)	(2 139)	-	(734)	(2 907)
<b>Closing net carrying amount</b>	<b>303</b>	<b>9 932</b>	<b>-</b>	<b>2 299</b>	<b>12 534</b>
<b>As at 31 December 2025</b>					
Cost	1 011	27 087	1 187	7 339	36 624
Accumulated depreciation	(708)	(17 155)	(1 187)	(5 040)	(24 090)
	-	9 932	-	2 299	12 534
<b>Year ended 31 December 2024</b>					
Opening net carrying amount	438	146	-	1 468	2 052
Additions	-	3 052	-	1 779	4 831
Depreciation charge	(101)	(638)	-	(214)	(953)
<b>Closing net carrying amount</b>	<b>337</b>	<b>2 560</b>	<b>-</b>	<b>3 033</b>	<b>5 930</b>
<b>As at 31 December 2024</b>					
Cost	1 011	17 576	1 187	7 339	27 113
Accumulated depreciation	(674)	(15 016)	(1 187)	(4 306)	(21 183)
<b>Net carrying amount</b>	<b>337</b>	<b>2 560</b>	<b>-</b>	<b>3 033</b>	<b>5 930</b>

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

**11 Income tax**

<b>11.1 Income tax expense</b>	<b>2025 USD</b>	<b>2024 USD</b>
Current tax expense (Note 11.2)	(1 275)	64 233
Deferred tax expense (Note 11.3)	(606 076)	(192 624)
Income tax expense	<u>(607 351)</u>	<u>(128 391)</u>

The income tax on the Company's profit before income tax differs from the theoretical amount that would arise using the basic tax rate as follows:

Profit/(loss) before income tax	<u>888 530</u>	<u>(2 658 177)</u>
Items taxed at different rates	228 797	(684 480)
Expenses not deductible for tax purposes	(8 281 920)	(1 006 297)
Permanent differences as a result of IAS 29 application	7 445 772	288 613
	-	1 273 773
Income tax expense	<u>(607 351)</u>	<u>(128 391)</u>
Effective tax rate	<u>-68.35%</u>	<u>18.64%</u>

**11.2 Current tax liabilities**

As at 1 January	(55 196)	96 056
Current tax expense for the year (Note 11.1)	1 275	64 233
Effects of changes in foreign exchange	-	(4 658)
Effects of IAS 29 application	-	(210 827)
As at 31 December	<u>(53 921)</u>	<u>(55 196)</u>

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

**11 Income tax (continued)**

**11.3 Deferred taxes**

The analysis of deferred tax assets and liabilities is as follows:

**Deferred tax assets**

- Deferred tax assets to be recovered within twelve months	28 455	17 393
	<u>28 455</u>	<u>17 393</u>

**Deferred tax liabilities**

- Deferred tax liabilities to be recovered after more than twelve months	(710 964)	(1 305 978)
	<u>(710 964)</u>	<u>(1 305 978)</u>
Deferred tax liabilities (net)	<u>(682 509)</u>	<u>(1 288 585)</u>

The movement on the deferred tax account is as follows:

As at 1 January	(1 288 585)	(1 481 209)
Charged to profit or loss (Note 11.1)	606 076	192 624
As at 31 December	<u>(682 509)</u>	<u>(1 288 585)</u>

The deferred tax expense included in profit or loss comprises the following temporary differences:

Accelerated tax depreciation	(1 830)	(835)
Fair value adjustments on financial assets at fair value through profit or loss	584 212	510 495
Unrealised foreign exchange gains	12 632	3 202
Profit share provision	5 161	(289 187)
Shared services costs provision	5 901	(31 051)
	<u>606 076</u>	<u>192 624</u>

## ABC Asset Management (Private) Limited

Notes to the financial statements  
for the year ended 31 December 2025 (continued)

## 11 Income tax (continued)

## 11.3 Deferred taxes (continued)

## Deferred tax liabilities

	Accelerated tax depreciation on equipment	Unrealised foreign exchange gains	financial assets	Total
	USD	USD	USD	USD
<b>Year ended 31 December 2024</b>				
As at 1 January 2024	(114)	(15 834)	(1 802 892)	(1 818 840)
Charged to profit or loss	(835)	3 202	510 495	512 862
As at 31 December 2024	<u>(949)</u>	<u>(12 632)</u>	<u>(1 292 397)</u>	<u>(1 305 978)</u>
<b>Year ended 31 December 2025</b>				
Charged to profit or loss	( 949)	(12 632)	(1 292 397)	(1 305 978)
As at 31 December 2025	<u>(1 830)</u>	<u>12 632</u>	<u>584 212</u>	<u>595 014</u>
	<u>(2 779)</u>	<u>-</u>	<u>(708 185)</u>	<u>(710 964)</u>

Notes to the financial statements  
for the year ended 31 December 2025 (continued)

11 Income tax (continued)

11.3 Deferred taxes (continued)

Deferred tax assets

Year ended 31 December 2024

As at 1 January 2024

Credited to profit or loss

As at 31 December 2024

Year ended 31 December 2025

As at 1 January 2025

Credited to profit or loss

As at 31 December 2025

	Profit share provision USD	Shared services costs provision USD	Total USD
As at 1 January 2024	297 153	40 479	337 632
Credited to profit or loss	(289 187)	(31 051)	(320 238)
As at 31 December 2024	7 966	9 428	17 394
As at 1 January 2025	7 966	9 428	17 394
Credited to profit or loss	5 161	5 901	11 062
As at 31 December 2025	13 127	15 329	28 456

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

<b>12</b>	<b>Share capital</b>		
<b>12.1</b>	<b>Authorised share capital</b>	<b>2025 USD</b>	<b>2024 USD</b>
	4 000 ordinary shares	4 000	4 000
<b>12.2</b>	<b>Issued and fully paid</b>		
	2 198 ordinary shares	421	421
	The unissued share capital is under the control of the directors subject to the limitations imposed by the Companies and Other Business Entities Act (Chapter 24:31) and the Articles of Association of the Company.		
<b>12.3</b>	<b>Share premium</b>	<b>2025 USD</b>	<b>2024 USD</b>
	Share premium	39 808	39 808
<b>13</b>	<b>Trade and other payables</b>	<b>2025 USD</b>	<b>2024 USD</b>
	Value-added-tax	9 113	10 009
	Amounts due on property units purchases	-	64 994
	Amounts due on property units development	3 283	3 306
	Trustee tax liability	130 489	-
	Contract liability	453 926	-
	Other payables	66 737	14 798
		<u>663 548</u>	<u>93 107</u>
	<b>Maturity profile</b>		
	Due within 1 month	660 265	89 801
	Due between 1 month and 3 months	3 283	3 306
		<u>663 548</u>	<u>93 107</u>

Amounts due on property units development relate to outstanding payments on the development of the underlying property as at reporting date. The development costs are allocated to the holders of the property units and invoiced pro-rata to the unit holding. The underlying property to which the development costs relate was 99% complete according to the developers certification at the reporting date. The corresponding entry is recorded as fair value gains in profit or loss.

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

<b>14 Provisions</b>	<b>2025 USD</b>	<b>2024 USD</b>
Audit fees provision (Note 14.1)	15 520	22 910
Shared services costs provision (Note 14.2)	11	83 190
Profit share provision (Note 14.3)	50 980	30 936
Leave pay provision (Note 14.4)	44 019	36 611
	<u>110 530</u>	<u>173 647</u>
<b>14.1</b> The movement in the audit fees provision is as follows:		
As at 1 January	22 910	42 179
Arising during the year	29 103	15 771 770
Utilised during the year	(36 493)	-
Effects of IAS 29	-	(15 791 039)
	<u>15 520</u>	<u>22 910</u>

The Company recognises a provision for audit fees as a present legal obligation arising from a statutory requirement to have an audit performed by independent auditors in accordance with the Companies and Other Business Entities Act (Chapter 24:31) and the Securities and Exchange Act (Chapter 24:25). The accrual is done monthly and is based on an estimated audit fee determined by fees billed in previous financial years, changes in business operations and other economic factors.

<b>14.2</b> The movement in the shared services costs provision is as follows:	<b>2025 USD</b>	<b>2024 USD</b>
As at 1 January	83 190	72 204
Arising during the year	(83 179)	28 336 301
Effects of IAS 29	-	(28 325 315)
	<u>11</u>	<u>83 190</u>

The Company recognises a provision for shared services costs rendered by the Group which include the support of information technology systems and hardware, utilities such as water, electricity and office space amongst others. The provision is measured at the present value of management's best estimate of the expenditure which is subsequently recognised through intercompany transactions at a later date and transferred to "amounts due to group companies" for settlement.

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

**14 Provisions (continued)**

	2025 USD	2024 USD
<b>14.3</b> The movement in the profit share provision is as follows:		
As at 1 January	30 936	1 202 074
Arising during the year	50 980	(41 042)
Paid during the year	(30 936)	-
Effects of IAS 29	-	(1 130 096)
	<u>50 980</u>	<u>30 936</u>
As at 31 December	<u>50 980</u>	<u>30 936</u>

The Company recognises a provision for profit-share based on 10% of net profit attributable to the Company's shareholders. The provision is recognised because of past practice that has created a constructive obligation.

	2025 USD	2024 USD
<b>14.4</b> The movement in the leave pay provision is as follows:		
As at 1 January	36 611	21 997
Arising during the year	30 246	7 954 629
Paid during the year	(22 838)	(6 038)
Effects of IAS 29	-	(7 933 977)
	<u>44 019</u>	<u>36 611</u>
As at 31 December	<u>44 019</u>	<u>36 611</u>

The Company recognises a provision for short-term employment benefits such as annual leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services and are measured at the amounts expected to be paid when the obligations are settled. Leave is earned and accrued on a monthly basis at a rate of one twelfth of one's annual leave entitlement. Accrued or accumulated annual leave will only be encashed and paid to employees upon the termination of employment. In case of resignation or termination, the employee shall be entitled to be paid for all leave days outstanding to the employee's credit as at the effective date of such resignation or termination.

**15 Related party transactions**

The Company is controlled by ABC Holdings (Zimbabwe) Limited (incorporated in Zimbabwe), which owns 100% of the ordinary shares. The ultimate parent company is Atlas Mara Limited through ABC Holdings Limited (incorporated in Botswana), which owns 100% of the ordinary shares of ABC Holdings (Zimbabwe) Limited.

A number of transactions are entered into with related parties in the normal course of business. These include loans, funds management and investment transactions.

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

**15 Related party transactions (continued)**

**15.1 Investment management services**

ABC Asset Management (Private) Limited entered into several investment management agreements with related parties on an arms length basis, under terms and conditions similar to those granted to external clients. There was no allowance for expected credit losses against any related party balances for the year ended 31 December 2025 (2024: USD nil). Investments placed on behalf of related parties and the requisite management fees earned during the year were as follows:

**15.1.1 Associated entities**

Funds under management

ABC Pension Fund	6 478 986	4 753 341
ABC Holdings Zimbabwe	308 462	191 614
ABC Easy Loans	51	52
ABC Stockbrokers	144 250	135 676
	<u>6 931 749</u>	<u>5 080 683</u>

Management fees earned

ABC Pension Fund	29 250	107 202
ABC Holdings Zimbabwe	3 196	16 505
ABC Easy Loans	1	346
ABC Stockbrokers	2 011	6 163
	<u>34 458</u>	<u>130 216</u>

**15.1.2 Transactions with related parties**

**Income**

Non-member institution rebates	<u>5 259</u>	<u>3 851</u>
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The income relates to commissions received from ABC Stockbrokers (Private) Limited in the form of non-member institution rebates for equity trades. The expenses represent transaction costs incurred as a result of ABC Stockbrokers (Private) Limited providing brokerage services to the entity. These transactions occurred in the normal course of business and are entered at arms length.

**Notes to the financial statements**  
for the year ended 31 December 2025 (continued)

**15 Related party transactions (continued)**

<b>15.2 Amounts due from group companies</b>	<b>2025 USD</b>	<b>2024 USD</b>
ABC Stockbrokers (Private) Limited	1 371	1 261

The balances due from group companies relate to outstanding management fees and non-member institution rebates from equity trades with ABC Stockbrokers (Private) Limited. There are no stipulated payment terms and the balance is classified as current.

The movement in the amounts due from group companies is analysed as follows:	<b>2025 USD</b>	<b>2024 USD</b>
As at 1 January	1 261	2 445
Non-member institution rebates	5 259	3 851
Repayments	(5 149)	(886)
Effects of IAS 29	-	(4 149)
	<u>1 371</u>	<u>1 261</u>

**15.3 Amounts due to group companies**

African Banking Corporation of Zimbabwe Limited	<b>2025 USD</b>	<b>2024 USD</b>
	485 423	376 824

The balance is denominated in both USD and ZWG with no interest charged and payable on demand.

The movement in the amounts due to group companies is analysed as follows:

As at 1 January	376 824	192 303
Funds utilised	4 575 800	1 410 782
Repayments	(4 467 201)	(453 672)
Effects of IAS 29	-	(772 589)
	<u>485 423</u>	<u>376 824</u>

The balances due to group companies arise from bridging finance for short term business opportunities and for bridging funding gaps that may arise due to delays in receipt of management fees from clients.

**15.4 Key management compensation**

Key management includes the executive directors and senior management. The compensation paid or payable to key management for employee services is shown below:

	<b>2025 USD</b>	<b>2024 USD</b>
Salaries and other short-term employee benefits	211 846	210 726

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

16	Borrowings	2025 USD	2024 USD
	Current	864 253	-
		<u>864 253</u>	<u>-</u>
	The movement in borrowings is as follows:		
	As at 1 January	-	-
	Loans advanced	762 410	-
	Interest charged (Note 22)	101 843	-
	As at 31 December	<u>864 253</u>	<u>-</u>

Borrowings relate to commercial paper issued to Datvest for the purpose of meeting the Company's short-term working capital requirements. The commercial paper was initially issued on 3 March 2025 for a tenure of 91 days with a face value of USD 770 000. The instrument carries a fixed interest rate of 14% per annum, based on an Actual/365 day-count convention. An upfront arrangement fee of 1% was charged on the initial issuance, which has been accounted for as a transaction cost under the amortised cost model in accordance with IFRS 9.

Upon maturity on 2 June 2025, the commercial paper was rolled over for a further 91 days at the same interest rate. A second rollover was executed on 1 September 2025 for 182 days, extending the final maturity to 2 March 2026, also at a fixed coupon rate of 14% per annum.

The borrowing is measured at amortised cost, with the upfront fee reducing the initial carrying amount and being amortised using the effective interest rate (EIR) method. The effective interest rate on the initial issuance is 18.39% per annum, reflecting the impact of the arrangement fee relative to the contractual cash flows.

As at 31 December 2025, the outstanding balance relates entirely to the second rollover period. Interest accrued to year-end amounted to USD 38 789.74, resulting in an amortised cost carrying amount of USD 864 305 (2024: USD nil). The commercial paper remains a current liability, with settlement due on 2 March 2026.

Borrowings are analysed as follows:	2025 USD	2024 USD
Due between 3 months and 12 months	864 253	-
	<u>864 253</u>	<u>-</u>

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

<b>17 Shareholder's loan</b>	<b>2025 USD</b>	<b>2024 USD</b>
As at 1 January	-	169 583
Loans capital repayment	-	(14 677)
Interest repayment	-	(3 915)
Interest charged (Note 22)	-	2 907
Effects of IAS 29	-	(153 898)
	<hr/>	<hr/>
As at 31 December	<hr/>	<hr/>

The shareholder's loan was extended to the Company by ABC Holdings (Zimbabwe) Limited to support working capital requirements and to enhance investment returns and performance of both the Company and the Group. The loan was for a period of 24 months from the date of drawdown and accrued interest at a rate of 25% per annum. The loan was unsecured and settled in 2024.

**18 Non-cash settlement of dividend and transfer of investment property**

On 8 October 2025, ABC Asset Management ("the Company") declared a dividend of USD 3 157 895 to its parent, ABC Holdings. The dividend became appropriately authorised on the date of approval of the Board resolution, in accordance with IAS 1 and IFRIC 17 guidance on the recognition of dividends once no longer at the discretion of the entity.

The dividend was not settled in cash. Instead, African Banking Corporation of Zimbabwe, a fellow subsidiary within the Group, remitted the dividend amount directly to ABC Holdings on behalf of the Company. In settlement of this obligation, the Company transferred the rights and rewards of ownership of 95 stands classified as investment property to the Company. As a result, no cash was received or paid by the Company, and the transaction is presented as a non cash investing and financing activity in accordance with IAS 7.

In addition to the settlement of the declared dividend, the Company also transferred additional 3 stands equivalent to USD 157,895 to African Banking Corporation of Zimbabwe. This transfer was made to cater for potential capital gains tax (CGT) in the event that the Bank elects to sell the stands in the future as part of its recovery of the settlement advanced on behalf of the Company. The settlement was effected through an intercompany transaction.

In accordance with IAS 40, the Company derecognised the investment property upon the transfer of control, risks and rewards to African Banking Corporation of Zimbabwe. The total profit on disposal arising from the transfer of the 95 stands amounted to USD 430 583, representing the difference between the fair value of the consideration transferred and the carrying amount of the investment property derecognised. Further details, including carrying amounts, valuation basis and fair value hierarchy disclosures, are presented in Note 9 - Investment property and Note 4 - Fair value of assets.

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

**18 Non-cash settlement of dividend and transfer of investment property (continued)**

The dividend payable was measured at the fair value of the settlement amount, consistent with the IFRIC 17 requirement to measure non cash distributions at fair value, and the derecognition of the dividend obligation was recognised directly in equity in accordance with IAS 1.

**Related party disclosure**

African Banking Corporation of Zimbabwe and ABC Holdings are related parties within the ABC Group. The nature of the transactions, the settlement arrangements, and the amounts involved are disclosed to enable users to understand the effect of related party relationships on the financial statements, in accordance with IAS 24. Additional details on related party transactions and any outstanding balances arising from these arrangements are provided in Note 15 – Related Parties.

As the settlement of the dividend and the disposal of investment property were executed entirely through non-cash means, there is:

- No investing cash inflow relating to “proceeds from disposal of investment property”;
- No financing cash outflow for “dividends paid”; and
- A requirement to disclose the transaction separately in the notes as a material non cash investing and financing transaction, in accordance with IAS 7.

<b>19 Fees and commission income</b>	<b>2025 USD</b>	<b>2024 USD</b>
Management fees	632 936	621 466
Non-member institution ("NMI")	8 117	6 420
	<u>641 053</u>	<u>627 886</u>

The Company provides investment management services to third parties, which involves the Company making allocation, purchase and sale decisions in relation to a wide range of financial instruments. Assets held in a fiduciary capacity are not included in these financial statements. The Company recognises management fees over time as the services are provided. Non-member institution ("NMI") rebates are earned from trading transactions and are recognised at a point in time.

<b>20 Other income</b>	<b>2025 USD</b>	<b>2024 USD</b>
Scheme of reconstruction	-	44 802
Profit on disposal of Tynwald stands (Note 9)	462 310	-
	<u>462 310</u>	<u>44 802</u>

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

	2025 USD	2024 USD
<b>21 Operating expenses</b>		
Administrative expenses	246 629	302 912
Advertising and marketing	25 927	10 751
Audit fees	29 189	41 760
Consultancy fees	16 971	88 671
Depreciation charge (Note 10)	2 907	953
Staff costs (Note 21.1)	524 882	431 005
Directors' remuneration (Note 21.2)	120 505	111 012
	<u>967 010</u>	<u>987 064</u>
<b>21.1 Staff costs</b>		
Salaries and wages	338 961	350 925
National Social Security Authority Scheme costs (Note 21.3)	2 919	1 205
Pension costs (Note 21.3)	30 220	7 810
Profit share and bonus	50 980	11 970
Medical aid costs	20 753	7 626
Leave pay	30 725	34 540
School fees allowances	24 236	6 541
Other	26 088	10 388
	<u>524 882</u>	<u>431 005</u>
<b>21.2 Director's remuneration</b>		
Non-executive directors fees	<u>120 505</u>	<u>111 012</u>
<b>21.3 Post employment benefits</b>		

The Company and its employees contribute to the National Social Security Authority Scheme. This is a social security scheme which was promulgated under the National Social Security Act [Chapter 17:04]. The Company's obligations under the scheme are limited to specific contributions legislated from time to time. Included in profit or loss are the Company's contributions for the year.

The Company makes contributions to a defined contribution plan which is administered externally and for which both the employee and employer contribute. All employees of the Company are members of the ABC Pension Fund. Total employer contributions during the year were as follows:

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

**21 Operating expenses (continued)**

**21.3 Post employment benefits (continued)**

	2025 USD	2024 USD
National Social Security Authority Scheme costs	2 919	1 205
Pension costs	30 220	7 810
	<u>33 139</u>	<u>9 015</u>

	2025 USD	2024 USD
<b>22 Finance income</b>		
Interest on term deposits	-	6 667
	<u>-</u>	<u>6 667</u>

**22.1** For the statement of cashflows the interest received is analysed as follows:

Interest on term deposits	-	6 667
	<u>-</u>	<u>6 667</u>

	2025 USD	2024 USD
<b>23 Finance costs</b>		
Interest on borrowings (Note 16)	101 843	-
Interest on shareholder's loan (Note 17)	-	2 907
	<u>101 843</u>	<u>2 907</u>

**23.1** For the statement of cashflows the finance costs are analysed as follows:

Interest paid on amounts due to group companies (Note 15.3)	-	2 907
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**24 Contingencies and capital commitments**

The Company had no significant contingencies as at 31 December 2025 (2024 : USD nil).

The Company had no significant capital commitments as at 31 December 2025 (2024 : USD nil).

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

<b>25 Asset management and unit trusts activities</b>	<b>2025 USD</b>	<b>2024 USD</b>
Funds under management	<u>100 168 842</u>	<u>76 797 806</u>
Analysis of the funds under management portfolio:		
Equities	51 098 611	41 290 034
Property units	41 659 389	31 613 970
Cash and cash equivalents	3 237 123	3 145 619
Money market investments	<u>4 173 719</u>	<u>748 183</u>
Total funds under management	<u>100 168 842</u>	<u>76 797 806</u>

The Company provides asset management and unit trust services to pension funds, individuals, trusts and other institutions, whereby it holds and manages their assets and receives a management fee for providing these services.

These assets are recorded off-statement of financial position in accordance with paragraph 21 of the First Schedule of the Securities and Exchange Act (Chapter 24:25).

In conducting the fund management business, the investments below were made with fellow group companies:

	<b>2025 USD</b>	<b>2024 USD</b>
Cash and cash equivalents deposits	<u>9 282</u>	<u>2 282</u>

**26 Events after the reporting date**

There were no material events, after the statement of financial position date that have a bearing on the understanding of these financial statements.

**27 Environmental, social and governance**

ABC Asset Management (Private) Limited integrates Environmental, Social, and Governance (ESG) considerations into its business strategy and risk management framework, recognising their potential impact on financial performance and long-term value creation. The Company adopts a structured approach to identifying, assessing, and managing ESG-related risks and opportunities, including climate-related risks, in line with internationally recognised frameworks such as the UN Sustainable Development Goals, UN Global Compact Principles, the Paris Agreement, and IFRS Sustainability Disclosure Standards. Key focus areas include client protection, data privacy, ethical business conduct, and market integrity, supported by strong Board oversight and governance structures. ESG risks, including transition and physical climate risks, are monitored alongside emerging opportunities such as sustainable investment products, and are integrated into the Company's enterprise risk management processes with ongoing reporting to management and the Board.

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

**28 Money laundering and terrorist financing**

**Programme effectiveness statement**

ABC Asset Management confirms that its Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT) programme remains compliant with the requirements of the Money Laundering and Proceeds of Crime Act [Chapter 9:24], as well as regulatory guidance from the SECZ and the Financial Intelligence Unit.

The Company's policies, procedures, and internal controls are based on a comprehensive AML/CFT risk assessment and are tailored to the specific risks associated with the Company's operations. These measures have remained adequate and responsive to changes in the risk landscape.

Throughout the reporting period, the AML/CFT framework operated effectively. Monitoring systems functioned as intended, staff received appropriate training, and no significant control breaches were identified. Internal reviews confirmed the ongoing effectiveness and adequacy of the programme.

**Risk assessment process**

In line with regulatory requirements, ABC Asset Management has established a comprehensive risk assessment framework to identify and evaluate the risks related to money laundering (ML) and terrorist financing (TF) specific to its operations. This framework ensures that the Company can effectively identify, mitigate, and manage potential ML/TF risks across all areas of its business. Internal controls and procedures are routinely reviewed and updated to address emerging ML/TF risks and to remain compliant with applicable laws and regulations.

As part of the audit process, the effectiveness of the risk assessment framework is evaluated, including whether the Company has implemented appropriate and adequate policies, procedures, and controls to manage ML/TF risks. The assessment also determines whether these measures have operated effectively throughout the reporting period.

The Company's strong commitment to sound risk management underpins its compliance with anti-money laundering and counter-terrorism financing regulations, thereby supporting the integrity of its operations and financial reporting.

**Notes to the financial statements  
for the year ended 31 December 2025 (continued)**

**29 Capital narrations**

ABC Asset Management framework is based on the Securities and Exchange Commission of Zimbabwe's risk-based capital adequacy approach as provided in the Capital Adequacy Directive for Securities Market Intermediaries of December 2025. As at 31 December 2025 the adjusted liquid capital stood at USD 3 651 517 against total capital requirements of USD 2 781 925 resulting in a surplus of USD 869 592.

	USD 2025
<b>ADJUSTED LIQUID CAPITAL</b>	
Ordinary share capital	421
Preference share capital	-
Share premium account	39 808
Audited retained earnings	4 906 588
Unaudited profit or loss	-
Other distributable reserves	-
Shareholders loan	-
<b>Total capital resources</b>	<u>4 946 817</u>
Less Goodwill	-
Less Fixed Assets	<u>(12 534)</u>
<b>Available capital resources after fixed assets adjustment</b>	4 934 283
<b>Adjustment on investment assets</b>	1 227 466
<b>Adjustment on Receivables</b>	55 299
<b>ADJUSTED LIQUID CAPITAL</b>	<u><u>3 651 517</u></u>
<b>TOTAL CAPITAL REQUIREMENT</b>	
13 WEEKS OPERATIONAL EXPENDITURE/ REQUIREMENT SPECIFIED IN THE DIRECTIVE (WHICHEVER IS HIGHER)	237 191
COUNTERPARTY RISK REQUIREMENT	2 544 734
<b>TOTAL CAPITAL REQUIREMENT</b>	<u><u>2 781 925</u></u>