



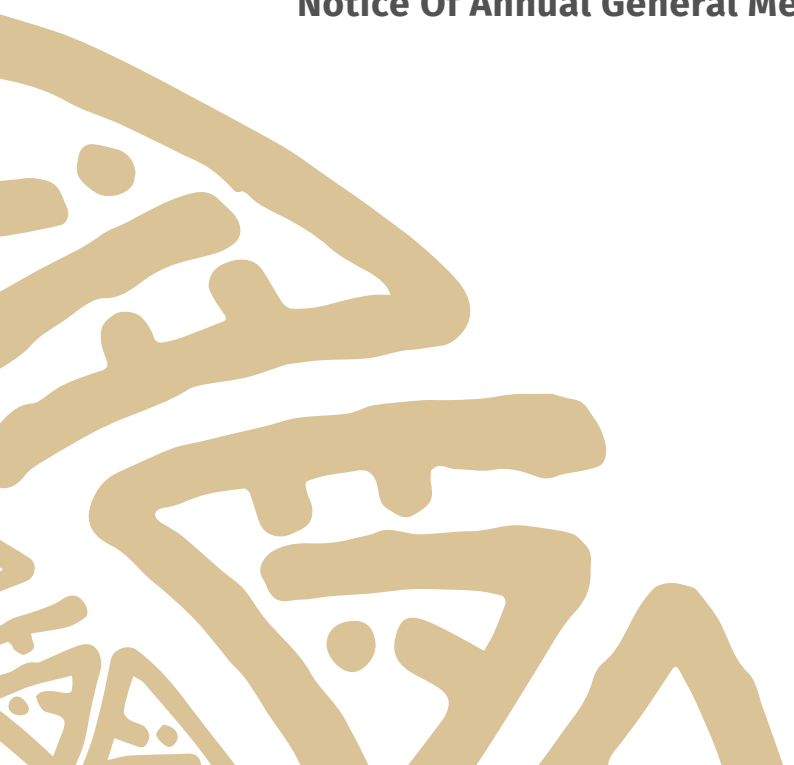
2023

ANNUAL REPORT



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About the Securities and Exchange Commission	02
Corporate Information	04
Governance	05
Management	08
Chairman’s Statement	09
Chief Executive Officer’s Report	12
Sustainability	17
SECZim Programmes	18
Annual Financial Statements	47
Notice Of Annual General Meeting	81



About the Securities and Exchange Commission of Zimbabwe

Organizational Overview

The Securities and Exchange Commission of Zimbabwe (SECZim) is an independent regulatory body that is responsible for overseeing and regulating the securities market in Zimbabwe. The SECZim was established in 2008 under the Securities and Exchange Act (Chapter 24:25) and operates under the oversight of the Ministry of Finance, Economic Development and Investment Promotion.

The primary goal of the SECZim is to promote transparency and fairness in the securities market, protect investors, and ensure that the market operates in a stable and efficient manner. To achieve these goals, the SECZim licenses and registers market participants, regulates public offers and listings, oversees the conduct of market participants, and enforces compliance with securities laws and regulations.

Our Vision, Our Mission & Our Values

Our Vision is to be:

A regulator of a diverse and efficient capital market anchored on robust institutions by 2030.

Our Mission is:

To protect investors through effective regulation of the capital market and promote innovation.

Our Values are:

Fairness:

Just, consistent, open, and impartial in all our actions and decisions.

Accountability:

Stewardship and transparency in the use of resources and powers entrusted to us.

Competence:

Continually upgrading our skills to keep abreast with market developments and best practice.

Integrity:

Upholding the highest standards of professionalism.

Teamwork:

Cohesive and high performing team that delivers its mandate.

Innovation:

Practical implementation of ideas that result in the introduction of new products and services in the capital market we regulate.

CORPORATE INFORMATION

REGISTERED OFFICE

20 York Avenue,
Newlands,
Harare.

CONTACT DETAILS

Ground Floor,
Block C Smatsatsa Office Park,
Borrowdale Road,
Borrowdale,
Harare.
E-mail: seczim@seczim.co.zw
Website: www.seczim.co.zw.

AUDITORS

Grant Thornton

Camelsa Business Park
135 Enterprise Road
Highlands
Harare.

STATUTORY AUDITORS

Office of the Auditor General,
5th Floor, Burroughs House,
Cnr. Fourth Street/
George Silundika Avenue,
Harare.

ATTORNEYS

Mawere Sibanda

Commercial Lawyers

10th Floor Chiedza House
Corner 1st Street/
Kwame Nkrumah Ave
Harare.

Coghlan, Welsh & Guest

Cecil House,
2 Central Ave,
Harare.

Scanlen & Holderness

CABS Centre,
74 Jason Moyo Ave,
Harare.

BANKERS

Stanbic Bank Zimbabwe Limited

Nelson Mandela Branch,
64 Nelson Mandela Ave,
Harare.

NMB Bank Limited

First Floor, Unity Court
Cnr Kwame Nkrumah Ave,
First Street,
Harare.

The People's Own Savings Bank

Causeway Branch,
Cnr. 3rd St. & Central Ave,
Harare.

CBZ Bank Limited

Kwame Nkrumah Branch,
60 Kwame Nkrumah Ave,
Harare.

Nedbank Limited

Jason Moyo Branch
99 Jason Moyo
Avenue,
Harare.

Central African Building Society

3 Northend Close,
Northridge Park,
Highlands,
Harare.

Governance

COMMITTEES & BOARD COMPOSITION AND NUMBER OF MEETINGS HELD

The Committees and Board Composition, new/ additional appointments and resignations, as well as the number of meetings held in 2023 are reflected in the table below:

Table 1: Committees and Board

Committee	Membership and Period Q1 & Q2	Membership and Period Q3 & Q4	Number of meetings held
Audit	Comm. E.R Chitanda – Chairman Comm. W.B. Manhimanzi Comm. Dr. P. Paradza	Comm. E.R. Chitanda Comm. Dr. P. Paradza	1 Special 4 Ordinary
Licensing, Litigation & Legislative	Comm. C. Mphambela- Chairman Comm. W.B. Manhimanzi- Comm. Dr. P. Paradza	Q3 Comm. C. Mphambela- Chairman Comm. W.B. Manhimanzi Comm. M. Mantiziba Q4 Comm. C. Mphambela- Chairman (to October 2023) Comm. W.B. Manhimanzi- Chairman Comm. M. Mantiziba Comm. C.R. Mudenda	4 Ordinary
Investor Education	Comm. Prof. M. Sibanda- Chairman Comm. E.R. Chitanda Comm. C. Mphambela Comm. Y. Banda Comm. Dr. P. Paradza	Comm. Prof. M. Sibanda- Chairman Comm. E.R. Chitanda Comm Y. Banda Comm. C. Mphambela (to October 2023) Comm. M. Mantiziba	4 Ordinary

Table 1: Board Committees (cont'd)

Human Resources	Comm. Dr. P. Paradza-Chairman Comm. C. Mphambela Comm. E.R. Chitanda Comm. Y. Banda	Comm. Dr. P. Paradza-Chairman Comm. E.R. Chitanda Comm. Y. Banda Comm. M. Mantiziba Comm. C. Mphambela (to October 2023)	4 Ordinary
Finance and Strategy	Comm. W.B. Manhimanzi-Chairman Comm. Y. Banda Comm. Prof. M. Sibanda	Comm W.B. Manhimanzi-Chairman Comm. Y. Banda Comm. Prof. M. Sibanda Comm. C. Mphambela (to October 2023)	4 Ordinary
Risk Management and Compliance	Comm. Dr. P. Paradza-Chairman Comm. W.B. Manhimanzi Comm. Prof. M. Sibanda	UNCHANGED	4 Ordinary
Board	Comm. Y. Banda-Chairman Comm. E.R. Chitanda – V/Chairman Comm. W.B. Manhimanzi Comm. C. Mphambela Comm. Dr.P. Paradza Comm. Prof. M. Sibanda	Comm. Y. Banda – Chairman Comm. E.R. Chitanda- V/Chairman Comm. W.B. Manhimanzi Comm. Dr. P. Paradza Comm. Prof. M. Sibanda Comm. C. Mphambela (to October 2023) Comm. M. Mantiziba (wef 01 September 2023) Comm. C.R. Mudenda (wef 01 December 2023)	1 Special 4 Ordinary

Training

The Board was trained in three (3) aspects during the year under review, being:

- Board Sensitisation Workshop on IRBM and Strategic Planning Formulation on 17 February 2023. 5 Commissioners were in attendance.
- Cyber Security training for Commissioners on 17 May 2023, with 2 Commissioners in attendance.
- CGU training on Board Induction & Corporate Governance on 23 to 24 October 2023, together with senior management. 4 Commissioners attended the training.

Governance (cont'd)

SECZim Commissioners



Board Chairperson
Y. Banda

Appointed November 2016



Vice Chairperson
E.R. Chitanda

Appointed November 2016



Commissioner
W. B. Manhimanzi

Appointed June 2022



Commissioner
Prof M. Sibanda

Appointed June 2022



Commissioner
C.R. Mudenda

Appointed December 2023



Commissioner
M. Mantiziba

Appointed September 2023



Commissioner
C. Mphambela

Resigned October 2023



Commissioner
Dr. P. Paradza

Resigned December 2023.

Management

SECZims day to day management is under the Chief Executive Officer and members of the Executive Committee.



Anymore Taruvinga
Chief Executive Officer



Cordelia Mutangadura
Corporate Secretary



Ferida Matambo
Director: Finance



Kundai Msemburi
Director: Corporate Finance & Market Development,



Farai Mpfu
Director Investor Education



Norman Maferefa
Director: LS&S



Lynah Madende
Director: Legal Affairs



Brian Gava
Director: ICT

CHAIRMAN'S STATEMENT



Yona Banda (Board Chairperson)

Introduction

I am pleased to present the Securities and Exchange Commission of Zimbabwe's annual report and audited financial statements for the year 2023.

Global Economic Developments

The global economy recovered in 2023 following the COVID-19 pandemic between 2020 and 2022, Russia's invasion of Ukraine in 2022, and the high inflation in 2022. According to the IMF inflation declined faster than expected from its 2022 peak, with a smaller-than-expected toll on employment and activity, reflecting favourable supply side developments and liquidity tightening by central banks. The global economy is estimated to have grown by 3.2% in 2023 (3% in 2022) with the Sub Sahara region estimated to have grown by 3.4% (3.8% in 2022).

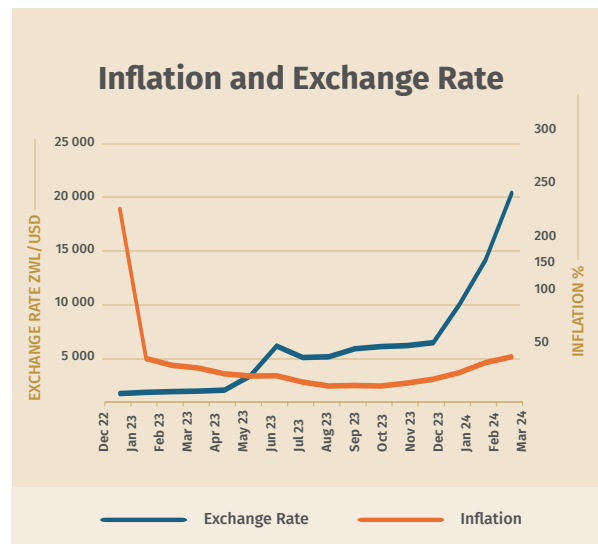
According to the IMF, to reduce inflation, major central banks raised policy interest rates to restrictive levels in 2023, resulting in high mortgage costs, challenges for firms refinancing

their debt, tighter credit availability, and weaker business and residential investment. In the outlook, high interest rates aimed at fighting inflation and a withdrawal of fiscal support amid high debt are expected to weigh on growth in 2024.

Domestic Economic Developments

Our economy continued to post positive growth with an estimated GDP growth of 5.5% in 2023 (6.5% in 2022) due to expansion in agriculture, mining and services. Macroeconomic volatility however continued, characterised by a volatile exchange rate and high inflation. Annual blended inflation closed the year 2023 at 26.5%, a decline from the 55.9% in 2022. The local currency however depreciated 89% in 2023 to close the year at ZWL6,104.72/USD.

Figure 1: Inflation and Exchange Rate
(December 2022-March 2024)



The local currency continued to depreciate post reporting period event, depreciating by 80% between January and April 2024, before the ZWL was converted to ZiG. Going forward weak commodity prices are expected to lead to reduced export receipts whilst the el-nino induced drought has increased demand for foreign currency. Economic growth is expected to slow down to around 3.3% in 2024 as a result.

Strategy Implementation

The Commission's strategy is focused on three programmes as follows:

Table 2: Strategy

Programme Name	Programme Outcome/s
Governance and Administration	1. Increased institutional capacity
Licensing, Supervision and Surveillance	2. Increased awareness and compliance
Corporate Finance and Market Development	3. Enhanced Capital Market product development

Limited financial resources hampered the achievement of the Commission's strategic objectives in 2023. The Commission however launched its innovation office in March 2023 to facilitate integration of fintech with existing intermediary infrastructure and inform improvements required on our regulatory and policy framework. In November 2023 the Commission also launched a Capital Market Awareness Index to assess the level of knowledge and participation by our citizenry in the capital market. An Investor Education Toolkit was also developed to facilitate ongoing investor education in schools.

The revised draft Securities and Exchange Act amendments are however yet to be approved by the Attorney General. The amendments are necessary to strengthen the regulatory functions of the Securities and Exchange Commission considering nascent threats posed by the sector to the overall financial sector stability. Staff retention was a challenge in 2023 with the Commission losing 30% of its human resources due to remuneration challenges. Engagements with the shareholder resulted in interim relief being sought and granted

Financial performance

The audited financial results of the Commission reflect the decreased trading activity on the market due to the vesting period and capital gains taxes which reduced trading activity on the ZSE and FINSEC. The Commission recorded an inflation adjusted surplus of ZWL 2 billion in 2023 compared to a deficit of ZWL256 million in 2022. Revenue increased by 104% to ZWL15 billion whilst expenditure increased by 71% to ZWL13 billion. The securities levy was up 14% to ZWL3.9 billion whilst licence fees were up 1,543% to ZWL4 billion. A revenue grant of ZWL950 million was received during the year to augment the Commission's resources. The balance sheet grew by 57% to ZWL7 billion driven by the 70% growth in the value of investment property to ZWL3.7 billion.

Directorate

In October 2023, Commissioner C. Mphambela was appointed the Secretary to the Ministry of Veterans of the Liberation Struggle. His appointment as a Commissioner of SECZim to the board was therefore terminated by operation of law. Commissioner Dr. P. Paradza resigned from the Board in December 2023, following his appointment to the ZB Bank Board, a licensee of the Commission.

The Board welcomed Commissioner M. Mantiziba, a Human Resources expert, whose appointment was effective from 01 September 2023. Another Commissioner appointed at the same time declined the appointment due to work commitments. Commissioner C.R. Mudenda, a legal practitioner was appointed to the Board, with effect from 01 December 2023.

The Board welcomed Mrs. F. Matambo, a chartered accountant as the Finance Director of the Commission in July 2023. I would like to welcome Commissioners Mantiziba and Mudenda as well as the Finance Director, Mrs Matambo, to the Commission.

Appreciation

I would like to acknowledge the continued unwavering support from the Hon. Minister of Finance, Economic Development and Investment Promotion and the Ministry officials in all aspects and in particular the grant of ZWL850 million (ZWL950 million inflation adjusted) extended to the Commission between October and December 2023.

I wish to extend my profound gratitude to my fellow Commissioners for their continued guidance and oversight on management, as well as management and staff for their resilience and dedication to duty in an increasingly tough operating environment.



Y. Banda
Chairman

CHIEF EXECUTIVE OFFICER'S REPORT



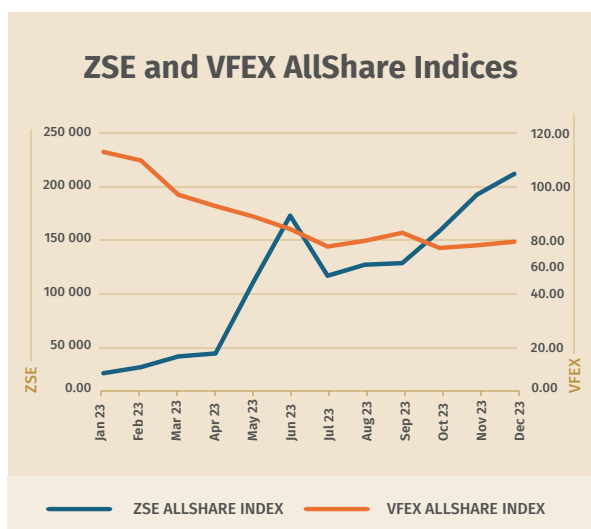
Anymore Taruvinga (CEO)

Operations

Market Performance

The ZSE All Share index registered a nominal YTD gain of 981.54% (21% in USD terms) as at the end of 2023. The disparity between a YTD nominal growth and the USD return is attributed to persistent currency depreciation.

Figure 2: ZSE and VFEX All Share Indices



Turnover

Trading activity remained subdued for the greater part of the year on the back of low liquidity from a tight monetary policy and the impact of the vesting period and higher capital gains taxes on the ZSE and FINSEC. Foreign investors maintained an exit stance from the ZSE with a net annual foreign sell off position of ZWL46.6 billion. The local currency platforms recorded a 320% growth in turnover as follows:

Table 3: ZWL Turnover

	2023	2022	Change
ZSE	555,528,228,006.75	132,045,677,240.90	321%
FINSEC	2,274,611,606.60	764,073,172.71	198%
Total	557,802,839,613.35	132,809,750,413.61	320%

In real terms however, there was a decline in turnover of 56% for the combined three exchanges, with VFEX however recording a 114% increase in turnover individually. While lower transaction costs on VFEX remain the main attraction, liquidity remains subdued owing to limited USD balances available for investment.

Table 4: USD Turnover

	2023	2022	Change
VFEX	26.28	12.30	114%
ZSE	171.38	436.22	-61%
FINSEC	0.66	1.28	-49%
Total	198.32	449.80	-56%

Listings

The ZSE continued to lose issuers to the VFEX, resulting in a 10% decline in its market capitalization in real terms in 2023.

Table 5: ZSE and VFEX Market Capitalisation (2022 -2023)

	2023	2022	Change
Market Capitalisation	USD Billion	USD Billion	%
ZSE	2.75	3.05	-10%
VFEX	1.21	0.57	113%
Finsec	0.02	0.03	-18%
Total	3.98	3.64	10%

A total of five (5) counters migrated from the ZSE to the VFEX in 2023 whilst Westprop holdings also listed on the VFEX through an initial public offer. Getbucks and Border Timbers were delisted from the ZSE in 2023 whilst the REVITUS REIT was listed on the ZSE in the 4th quarter of 2023 though an initial public offer.

Funds under management

The asset management industry's Funds Under Management (FUM) recorded a year-on-year growth of 975.6%% from the ZWL1.6 trillion reported as at 31 December 2022 to close the year at ZWL17.22 trillion. Total unitholders increased by 2.5% from 80,938 for the prior year to close at 82,968 on 31 December 2023. Collective investments schemes Funds Under Management grew by 1,076% to close at ZWL602.36 billion as at 31 December 2023.

Licenses Issued

The commission issued licences during the year 2023 as follows:

Table 6: Newly licenced Securities Market Intermediaries

Securities Investment Management Firms	<ul style="list-style-type: none"> > Cansly Africa Asset Management > Sublime Asset Management
Securities Investment Advisory Firms	<ul style="list-style-type: none"> > Cabs Advisory > NBS Advisory > Ingenium Advisory Services > MMC Capital Advisory > Genesis Global Finance

Table 6: Newly licenced Securities Market Intermediaries (cont'd)

Collective Investment Schemes	<ul style="list-style-type: none"> > Seeff Developments Hospitality and Tourism Property Fund > EFE International Exchange traded fund > EagleReal Estate Investment Trust > CAIPF Retail Income Real Estate Investment Trust Scheme > African Gold Exchange Traded Fund > Stratus Commodity Fund > Mosi-Oa-Tunya Real Estate Investment > CBZ Real Estate Investment Trust > Property X-Pay As You Go Property Acquisition Fund
Securities Trustee Firms	<ul style="list-style-type: none"> > First Capital Bank > Baker Tilly Trustee Services
Securities Custody Firm	<ul style="list-style-type: none"> > First Capital Bank
Securities Dealing Firms	<ul style="list-style-type: none"> > Viscapig Securities
Securities Dealer	<ul style="list-style-type: none"> > Precious Chagwedera

Licensed entities

Despite the depressed market activity, the Commission issued eight (8) additional licences as outlined in the summary year end profile below:

Table 7: Change in Licence Categories (2022-2023)

Licence Category	2022	2023	Change
Securities Dealing Firms	21	22	1
Securities Investment Advisers	63	66	3
Securities Investment Managers	30	32	2
Securities Exchanges	4	4	-
Central Securities Depositories (CSDs)	2	2	-
Securities Trustees	4	6	2
Securities Custodians	6	7	1
Securities Transfer Secretaries	3	3	-
Total Securities Market Intermediaries (SMIs)	133	142	9
Total Collective Investment Schemes (CIS)	64	81	17
Grand Total (SMIs & CIS)	197	223	26

The market closed the year with a total of 223 licenced entities representing an aggregate 13.2% growth from prior year.

Licences cancelled

Two advisory firms, namely Coronation Advisory Services and CEFE Group International licences were cancelled during the period under review.

AML Risk Assessment

The Commission is participating in the 3rd National Risk Assessment on money laundering which commenced in November 2023. The Commission is chairing two Modules:

Module 4 on securities sector and
Module 10 on virtual Assets and Virtual Assets Service Providers

Digital Transformation

The Commission maintained its stance toward ensuring that relevant systems are in place to align with the changing operating environment. In this regard, implementation of the Disaster Recovery site was completed during the year.

A Licencing Portal, developed internally, was undergoing final tests at the end of 2023 and will be officially launched in the second quarter of 2024. Going forward, the Commission will also take advantage of its internal human resources to develop risk-based supervision systems through leveraging on talent within our institutions of higher learning.

Financial Highlights

During the period, income grew by 786% in nominal terms whilst expenditure grew by 661% as costs continued to track real inflationary developments in the economy. A surplus of \$3.71 billion was recorded in nominal terms (inflation adjusted terms - \$2.04 billion).

A summary of the financial highlights for the year ended December 2023 is as shown below.

Inflation Adjusted (ZW\$)

Description	2023	2022	Growth
Revenue	11,781,018,577	5,437,419,910	117%
Fair value gain on investment property	3,242,357,173	1,922,212,190	69%
Total Expenditure	(12,987,142,931)	(7,616,054,118)	71%
Surplus/(Deficit)	2,036,232,819	(256,422,018)	

Inflation Adjusted (ZW\$) cont'd

Description	2023	2022	Growth
Non-Current Assets	6,076,424,596	4,147,708,873	47%
Current Assets	1,058,770,717	410,600,207	158%
Total Assets	7,135,195,313	4,558,309,080	
Equity	5,833,698,476	3,797,465,657	54%
Liabilities	1,301,496,837	760,843,423	71%
Total Equity and Liabilities	7,135,195,313	4,558,309,080	

Historical Figures (ZW\$)

Description	2023	2022	Growth
Revenue	7,038,357,847	761,015,271	825%
Fair value gain on investment property	3,242,357,173	400,013,000	711%
Total Expenditure	(6,573,795,699)	(863,804,448)	661%
Surplus/(Deficit)	3,706,919,321	297,223,823	
Non-Current Assets	4,438,116,757	576,515,703	670%
Current Assets	1,055,182,723	66,699,390	1482%
Total Assets	5,493,299,480	643,215,093	
Equity	4,191,802,643	484,883,322	764%
Liabilities	1,301,496,837	158,331,771	722%
Total Equity and Liabilities	5,493,299,480	643,215,093	

Outlook

The Commission has initiated the development of the Capital Market Development Master Plan and will leverage on ongoing efforts by the Ministry of Finance, Economic Development and Investment Promotion to come up with a Financial Sector Strategy. The capital market strategy will therefore be embedded in the overall Financial Sector Strategy and, if successfully developed, should ensure that there is a coordinated long term strategic road map for the development of the market. The Commission will also maintain its stance on automating its regulatory processes in line with ongoing technological developments for ease of doing business and enhanced efficiency. The Capital Market Awareness Index will be fully deployed to assess the impact of the various investor education campaigns being undertaken. A compliance index is also set to be launched in order to assess the compliance levels from time to time.

Sustainable Reporting

Sustainability remains a pressing concern to the Commission and core to its operation is the responsibility to minimise its environmental impact and contribute positively to society. The Commission is committed to environmental stewardship, social responsibility, and economic viability.

Environmental Sustainability:

By investing in renewable energy through the solar project commissioned in 2023 the Commission demonstrates this commitment to promoting energy efficiency and adopting sustainable mechanisms. The Commission's ongoing monthly programme of cleaning up areas surrounding its vicinity is bearing dividends as other organisations follow suit. Board and management training on IFRS S1 and S2 climate standards has been scheduled to ensure that the Commission applies the standards to its own operations and to better supervise licensees on the same.

Diversity and Inclusion:

The Commission has inculcated inclusivity in the workplace, promoting equal opportunities, and fostering a culture of respect and acceptance.

Employee Well-being:

Employee well-being is a priority, and the Commission implements wellness programmes, flexible work arrangements, and opportunities for professional development and growth. A staff Wellness Policy has been developed and adopted in the first quarter of 2024.

Economic Viability:

The Commission engages the Ministry of Finance and Economic Development and Investment Promotion quarterly on policy matters affecting the sector and its viability. There is anticipation that a review of the vesting period and capital gains tax will be considered in the year 2024.

Commission Programmes

1. Governance and Administration

1.1. Securities Legislative developments

There were several reviews to the securities rules during the year under review. The legislation provided for the continued sustenance of the Commission and the market. This was done to align with the economic environment and to ensure sufficient regulation of the market. The delays in getting approvals for the publishing of the laws greatly affected the Commission. There has not been traction on the Amendments to the Act and the Commission will continue to lobby for the publication of the amendments.

The following rules were published in 2023:

- > “Victoria Falls Stock Exchange (Levies, Fees and Charges) (Amendment) rules published on 04/08/2023 as S.I.141/2023.”
- > Exchange Control (Special provisions or securities listed on VFEX) Amendment regulations No. 1 published as SI 113/2023.
- > General Notice 398/2023 was published on 24/03/2023 -Correction of Error SI 217/2022.

In addition, the following SECZim rules were submitted to Ministry of Finance and Economic Development for approval:

- > Alignment of Collection of IPF levy.
- > Self-Listing Rules for Exchanges.

The following market rules were approved by the Commission and submitted to Ministry of Finance and Economic Development for approval and publishing:

- > Financial Securities Exchange Alternative Trading Platform Operational rules.
- > Chengetedzai Depository Company Central Securities Depositories and Securities Lending and Borrowing Rules.
- > Victoria Falls Stock Exchange Membership rules.
- > Zimbabwe Stock Exchange membership rules.
- > Victoria Falls Stock Exchange Contract for Difference Rules.

The Legal department Policy and Procedure Manual was approved by the Board in December 2023.

1.2. Litigation matters

i) Thomas Mabuzwe & 6 others vs SECZim & 12 others HC 5923-21

This matter begun in 2021 and judgment was heard on 26 June 2023, where the judgment was reserved. The Commission issued a Directive to the market providing guidance on the migration of share registers between Central Securities Depositories. Thomas Mabuzwe & 6 Others challenged the Directive through an urgent application. A judgment was handed down in 2021 that the matter was not urgent, and it was struck off the roll. Applicants then applied for set down and the matter was heard on 26 June 2023.

ii) CDC V SECZim & 2 Ors HH 161-23 (ref: HC7106-21)

Chengetedzai Depository Company Limited (“CDC”) filed an application for review of the Directive which was issued to the market on the migration of share registers between CSDs. The Commission was sued together with the Zimbabwe Stock Exchange and the Minister of Finance and Economic Development. The matter was heard on 11 July 2023 and the matter was dismissed with costs.



1.3. ICT

The Commission in its endeavour to fully implement digital technologies completed projects that have increased institutional capacity.

A reliable and sustainable power source is a core component of the Commission's data centre services in consideration of the enduring commercial energy challenges. Successful implementation of phase two (2) of the 45kVA hybrid solar system was done in 2023 and this enabled ICT infrastructure uptime exceeding ninety-nine-point five percent (99.5%). The eco-friendly solar system enhanced operational efficiency and effectiveness.

The Securities Market Intermediary (SMI) licensing module was developed making it possible for the commission's licensees to electronically apply for the different license categories. The SMI licensing portal is projected to reduce processing response times, minimise user errors and enhance user experience.

Process streamlining helps to reduce risks related to manual data capture; the Commission continues to improve data processing through systems integration. The integration between the Human Resources and the Enterprise Resource Planning systems was implemented during the period under review.

In the event of disruptive incidents, critical operations and services need to continue and a Business Continuity Management programme was developed and implemented during the period under review. Under the programme, the 2023 annual Disaster Recovery testing was conducted.

The year 2023 saw a notable increase in cyberattacks, resulting in more than three hundred and forty-three million (343 000 000) victims. Between 2021 and 2023, data breaches rose by seventy two percent (72%), surpassing the previous record. To mitigate cyber risks related to human error, the commission trained board members and staff on cybersecurity hygiene practices.

The protection of investors is at the heart of the Commission and is achievable through effective regulation of the capital market. The deployment of supervisory technologies is a means to effective market oversight. The Commission therefore crafted a concept note on how these technologies can be developed locally by partnering with tertiary educational institutions through a competition. We look forward to delivering homegrown solutions tailored for the Zimbabwean capital market.

2. Licensing Supervision and Surveillance

2.1 Licensed entities

The Securities Market architecture comprises Securities Market Infrastructures and Securities Market Intermediaries (SMIs). The securities market infrastructures consist of securities exchanges and central securities depositories (CSDs). Securities market intermediaries oversee securities dealing, investment management, custody, trading, clearing, and settlement of publicly traded securities. The number of SMIs per each licence category as at 31 December 2024 are indicated as follows:

Table 8: Number of Licenced Entities and Significance/Systemic Importance

	Licence Category	Significance/Systemic importance	# of SMIs 2022	# of SMIs 2023
1	Securities Exchanges	Critical	4	4
2	Central Securities Depositories	Critical	2	2
3	Securities Asset/Investment Management firms	Critical	30	32
4	Securities Stockbroking/Dealing firms	Critical	21	22
5	Securities Custodial Firms	Critical	6	7
6	Securities Trustee firms	Critical	4	6
7	Securities Transfer Secretarial firms	Medium	3	3
8	Securities Investment Advisory firms	Low	63	66
9	Collective Investment Schemes Funds	Critical	64	81
	Total		197	223

2.2 Review of the financial* condition for securities market infrastructures

Analysis is based on historical figures.

2.2.1 Zimbabwe Stock Exchange (ZSE)

Table 9: ZSE Financial Highlights

	31-Dec-23	31-Dec-22	% Change
	ZW\$	ZW\$	
Total Income	22,953,659,409	1,251,068,345	1734.72%
Profit/(Loss) for the period	8,927,231,495	274,973,586	3146.58%
Total operating expenditure	14,026,427,914	976,094,759	1336.99%
Staff Costs	8,640,122,582	545,507,154	1483.87%
Net Assets/ Shareholders funds	18,777,136,009	1,098,211,166	1609.79%

2.2.2 Earnings

ZSE's earnings were rated Satisfactory. The bourse reported an operating profit of ZWL 8.93 billion for the year ended 31 December 2023, realising an operating profit margin of 38.89%. The operating profit increased by 3146.58% from ZWL 274.97 million recorded for the year ended 31 December 2022. Total income amounted to ZWL 22.95 billion, an increase of 1734.72% from ZWL 1.25 billion recorded in the prior comparative period. Key income lines included annual listing fees (50.93%), ZSE trading Levy (4.93%) and other income (44.14%). Other income includes CSD levy, corporate action related fees, training services, exchange gains, fair value adjustments and sundry income. Total operating expenditure for the period rose by 1336.99% from ZWL 976.09 million to ZWL 14.03 billion with staff costs constituting 61.60%.

2.2.3 Capital

Capital adequacy was rated Strong. As at 31 December 2023, the exchange had a Net Asset Value (NAV) of ZWL18.78 billion, which was more than the minimum regulatory capital requirement of USD 1 million (equivalent to ZWL6.1 billion at interbank rate). The retained earnings (ZWL 8.93 billion) and revaluation reserve (ZWL 8.82 billion) remained the main sources of capital, constituting 47% and 48% of the Net Asset Value of the stock exchange respectively.

2.3 Victoria Falls Stock Exchange (VFEX)

Table 10: VFEX Financial Highlights

	31-Dec-23	31-Dec-22	Change %
	US\$	US\$	
Total Income	1,088,154	141,349	669.83%
Profit/(Loss) for the period	607,937	-277,877	318.80%
Total expenditure	480,217	419,226	14.55%
Net Assets/Shareholders funds	-138,271	-746,208	81.47%

2.3.1 Earnings

VFEX's earnings were rated Strong. The Exchange reported total income of USD 1,088,154 against total expenditure of USD 480,217 for the year ended 31 December 2023. Resultantly the institution recorded a net profit position of USD607,937, which was a 318.80% improvement from a net loss position of USD277,877 reported for the year ended 31 December 2022. The VFEX's major income lines included annual listing fees (76.99%), VFEX Levy (7.22%), membership income (1.93%) and other income (13.86%). Other income includes depository levy, NMI fees, pledges etc. The firm's major costs were software support fees which accounted for 25% of total expenditure while travelling and business conferences contributed 7% and the rest was mainly administration expenses.

2.3.2 Capital

Capital adequacy was rated Critical. As at 31 December 2023, the Exchange recorded a negative Net Asset Value (NAV) of USD 138,271 which was significantly lower than the minimum regulatory capital requirement of USD1,000,000. Additionally, the exchange had negative retained earnings of USD 153,271 and a short-term loan obligation of USD 1.41 million, which was provided by the parent company, the ZSE.

2.4 Financial Securities Exchange (FINSEC)

Table 11: FINSEC Financial Highlights

	31-Dec-23	31-Dec-22	% Change
	ZW\$	ZW\$	
Total Income	743,506,644	95,641,786	677.39%
Profit/(Loss) for the period	303,378,874	53,837,579	463.51%
Total expenditure	440,127,770	41,804,207	952.83%
Net Assets/Shareholders funds	307,220,122	158,539,916	93.78%

2.4.1 Earnings

FINSEC's earnings were rated fair. FINSEC's total income for the year ended 31 December 2023 stood at ZWL743.51 million which was a 677.39% growth from ZWL95.64 million recorded in the prior comparative year. Income from trading activities was 16% whilst the remaining 84% was from foreign exchange gain and other income which was largely ZMX management fees. The firm's total expenditure was ZWL 440.13 million which was a 952.83% increment from prior comparative period. The Exchange reported an operating profit of ZWL 303.38 million which was a 463.51% increase from the previous year's operating profit of ZWL53.84 million.

2.4.2 Capital

Capital adequacy was rated fair. As at 31 December 2023, FINSEC's total asset cover was 132% of total liabilities, with total assets amounting to ZWL1.26 billion against total liabilities of ZWL951.90 million. The firm's liquid asset position was above its three months operating costs, and it had a positive working capital position of ZWL464.18 million.

2.5 Chengetedzai Depository Company (CDC)

Table 12: CDC Financial Highlights

	31-Dec-23	31-Dec-22	% Change
	ZW\$	ZW\$	
Total Income	2,542,059,576	358,189,807	609.70%
Profit/(Loss) for the period	420,291,470	29,728,084	1313.79%
Total Operating Expenditure	2,121,768,106	328,461,723	545.97%
Staff Costs	1,052,706,536	190,570,248	452.40%
Net assets/Shareholders funds	22,250,663,608	2,404,206,150	825.49%

2.5.1 Earnings

Chengetedzai Depository Company's (CDC) earnings were rated Fair. The firm's revenue increased by 609.70% to close the 2023 financial year at ZWL2.54 billion from ZWL358.19 million reported in 2022. Total operating expenditure increased by 545.97% to ZWL2.12 billion from ZWL 328.46 million. The institution recorded a 1313.79% increase in operating profit from ZWL 29.73 million for the year ended 31 December 2022 to ZWL 420.29 million in 2023.

2.5.2 Capital

As at 31 December 2023, CDC's capital position was rated Satisfactory. The institution was adequately capitalised with a Net Assets Value (NAV) of ZWL22.25 billion. This was above the minimum regulatory threshold of US\$1 million (ZWL6.1 billion at interbank rate). The main source of capital was revaluation of assets which constituted 98.36% of NAV.

2.6 Securities dealing (stockbroking) firms

2.6.1 Brokerage

Platinum Securities recorded the highest brokerage commission of ZWL1.53 billion (14.71% market share), followed by Morgan & Co with ZWL1.28 billion (12.32% market share). Remo Stockbrokers was at the bottom of the table with ZWL 4.80 million (0.05% market share). The total market net brokerage increased from ZWL1.93 billion in 2022 to ZWL10.38 billion in 2023. While the total net brokerage increased due to increase in equity prices, the volume of shares traded dropped from 2.29 billion shares in 2022 to 1.94 billion shares in the year under review.

Table 13: Brokerage commission and market share

	Net Brokerage Commission	2023	Net Brokerage Commission	2022
	(ZWL) 2023	Market Share (%)	(ZWL) 2022	Market Share (%)
Platinum Securities	1,528,031,703	14.71%	10,053,965	0.52%
Morgan & Co	1,279,393,883	12.32%	199,482,172	10.28%
Jemina Capital	1,063,656,948	10.24%	106,646,056	5.49%
Imara Securities	1,020,794,326	9.83%	39,333,474	2.03%
IH Securities	1,012,517,737	9.75%	277,452,651	14.29%
Old Mutual Securities	684,213,226	6.59%	160,463,682	8.27%
Ingenium Capital	639,738,280	6.16%	106,613,563	5.49%
ABC Stockbrokers	477,831,581	4.60%	362,090,952	18.65%
FBC Securities	466,897,908	4.50%	154,084,835	7.94%
EFE Securities	355,271,318	3.42%	109,597,017	5.65%
Akribos Securities	332,494,589	3.20%	38,146,601	1.97%
Lynton-Edward securities	284,147,065	2.74%	89,245,611	4.60%
Wealth Access Securities	259,826,596	2.50%	49,329,541	2.54%
Sigma Capital	222,862,928	2.15%	7,127,953	0.37%
MMC Capital	214,128,072	2.06%	82,422,653	4.25%
Bethel Securities	153,642,662	1.48%	10,016,152	0.52%
Southern Trust Securities	129,478,486	1.25%	34,738,443	1.79%
MAST Stockbrokers	120,351,818	1.16%	15,042,001	0.77%
Invictus Securities	92,811,372	0.89%	64,187,913	3.31%
Fincent Securities	42,098,239	0.41%	21,644,579	1.12%
Remo Securities	4,795,236	0.05%	3,276,370	0.17%
Total Net Brokerage	10,384,983,976		1,940,996,184	

2.6.2 Earnings

The sector's earnings were rated Fair for the year ended 31 December 2023. Eighteen (18) out of twenty (20) operating securities dealing firms recorded positive earnings. MMC Capital reported the highest earnings of ZWL6.61 billion mainly driven by fair value gain on investment property. Old Mutual Securities had the lowest earnings due to an increment in operational expenditures reported in 2023.

Table 14: Profitability of Securities Dealing Firms (SDF)

Security Dealing firms	Operating Profit (Zw\$) 2023	Operating Profit (Zw\$)2022	% Change
ABC Stockbrokers	2,867,075,092	395,488,093	625%
Akribos Securities	218,653,615	28,244,853	674%
Bethel Securities	46,869,684	2,442,819	1819%
EFE Securities	775,491,062	(40,052,275)	2036%
FBC Securities	993,996,199	88,910,454	1018%
Fincent Securities	(101,983,246)	4,050,673	-2618%
IH Securities	1,514,876,711	117,579,791	1188%
Imara Securities*	-	-	-
Ingenium Capital	342,098,260	18,701,716	1729%
Invictus Securities	458,780,548	42,263,851	986%
Jemina Capital	84,901,534	14,972,855	467%
Lynton-Edwards Securities	737,424,551	101,243,182	628%
MAST Stockbrokers	39,397,325	(1,165,428)	3481%
MMC Capital	6,612,886,226	711,547,149	829%
Morgan & Co	269,905,905	(430,646,016)	163%
Old Mutual Securities	(372,098,425)	8,345,192	-4559%
Platinum Securities	789,251,748	(8,259,510)	9656%
Remo Securities	1,219,083,216	(8,860,341)	13859%
Sigma Capital	60,038,189	(5,034,064)	1293%
Southern Trust Securities	477,973,061	9,013,866	5203%
Wealth Access Securities	22,797,658	(10,728,847)	312%
Total	17,057,418,913	1,038,058,013	
Average	812,258,043	49,431,334	

*Imara Securities year end is on 30 June. As such the firm was not included in the analysis.

2.6.3 Capital

The sector's capital adequacy position as at 31 December 2023 was rated Fair. Total industry adjusted liquid capital for the period under review stood at 93% of the total requirement as per Capital Adequacy Requirements. Ten (10) out of twenty-one (21) dealing firms were inadequately capitalised, (i.e., Bethel, EFE, Fincent, IH Securities, Imara Securities, Ingenium Securities, Jemina Capital, Mast Stockbrokers, Sigma Capital, and Southern Trust). Four (4) institutions (Imara Edwards, IH Securities, Ingenium Securities and Mast Stockbrokers) managed to rectify their capital positions, whilst the remaining six (6) institutions (Bethel, EFE, Fincent, Jemina Capital, Sigma capital and Southern Trust) are still in the process of recapitalising the businesses.

Table 15: Capital Adequacy Status for Securities Dealing Firms

Securities Dealing Firms	Adjusted Liquid Capital	Total Requirement	CAR (FY23)
ABC Stockbrokers	2,705,817,426	1,750,242,262	1.55
Akribos Securities	475,950,308	465,109,211	1.02
Bethel Securities	80,474,287	460,235,508	0.17
EFE Securities	568,525,066	663,899,524	0.86
FBC Securities	2,356,099,613	2,271,407,097	1.04
Fincent Securities	30,104,906	480,497,329	0.06
IH Securities	822,382,534	930,223,182	0.88
Imara Securities	528,051,416	654,653,912	0.81
Ingenium Capital	446,320,608	632,170,279	0.71
Invictus Securities	674,385,826	584,072,178	1.15
Jemina Capital	245,286,983	500,247,121	0.49
Lynton-Edward securities	876,389,084	671,032,665	1.31
MAST Stockbrokers	99,199,522	487,880,011	0.20
MMC Capital	795,275,259	510,819,066	1.56
Morgan & Co	579,874,622	473,298,197	1.23
Old Mutual Securities	745,751,795	694,646,788	1.07
Platinum Securities	1,427,410,848	1,340,423,822	1.06
Remo Securities	1,503,326,667	1,092,854,195	1.38
Sigma Capital	136,930,624	473,009,677	0.29
Southern Trust Securities	468,846,894	632,152,364	0.74
Wealth Access Securities	1,118,564,808	590,243,223	1.90
Total	16,684,969,095	22,420,664,888	
Average	794,522,338	779,005,601	0.93

2.7 Investment (asset) management companies

2.7.1 Funds Under Management

Total Funds Under Management (FUM) as at 31 December 2023 stood at ZWL16.88 trillion, representing a 955% increase from ZWL1.60 trillion reported as at 31 December 2022. The industry average FUM for the period ended 31 December 2023 stood at ZWL733.84 billion. Figure 3 shows the FUM trend from Q1 2022 to Q4 2023.

Figure 3: Trend of Funds under Management (Q1-2022 to Q4-2023)

Funds under Management Trends (Billions)

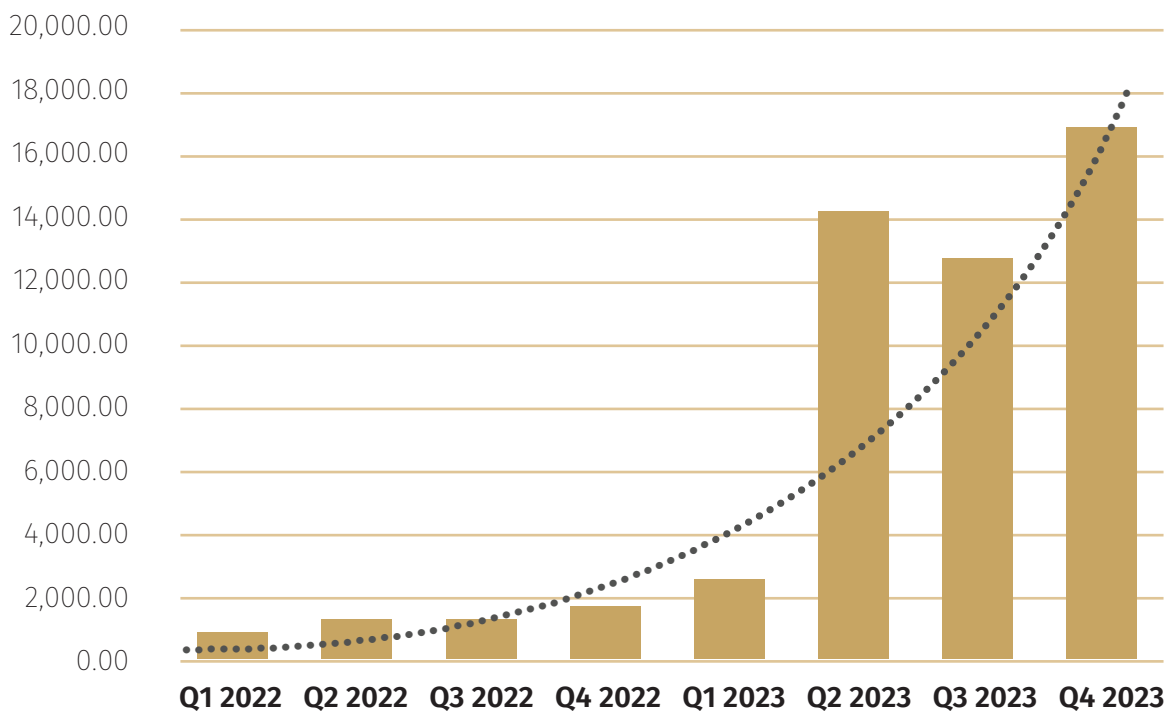


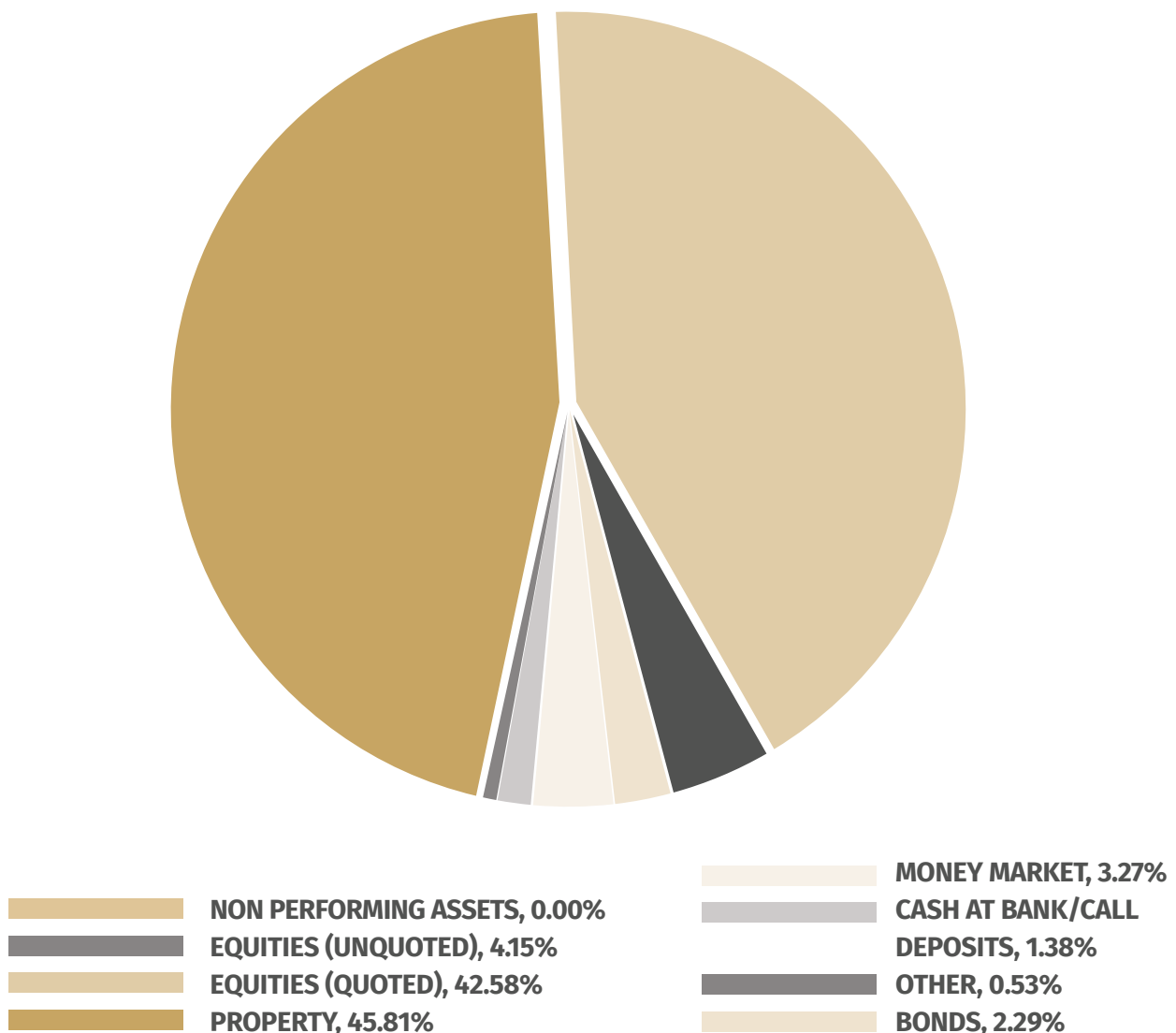
Table 16 below shows the top five asset managers based on FUM as at 31 December 2023

Table 16: Top Five Asset Managers by Funds Under Management (31 December 2023)

INSTITUTION	FUNDS UNDER MANAGEMENT (ZWL)	PERCENTAGE OF INDUSTRY FUM
Old Mutual Investment Group	7,798,475,191,190	46.20%
CBZ Asset Management t/a Datvest	1,702,352,605,792	10.09%
TN Asset Management	1,337,703,604,764	7.93%
First Mutual Wealth Management	1,200,855,308,191	7.11%
Platinum Investment Managers	848,245,433,336	5.03%

FUM is principally deployed in property, quoted equities, unquoted equities, money market, bonds, and cash/call deposits. As at 31 December 2023, the investment management industry exposure to the stock market stood at 42.58% from 46.08% recorded in December 2022. There was an increase in property investment exposures from 42.84% reported as at 31 December 2022 to 45.81% recorded as at 31 December 2023. Money market investments, private equity exposures, cash/call deposits, bonds, and other investments all account for the remaining 11.62% investment exposures for the asset management industry.

Figure 4: Distribution of Funds under Management as at 31 December 2023



2.7.2 Earnings

For the period under review, the sector’s earnings were rated **Satisfactory**. The aggregate industry operating profit stood at ZWL147 billion. However, the 1495% jump in operating profit from ZWL9.3 billion recorded in the previous year was largely headlined by unrealised income from securities revaluations (capital assets) due to inflationary pressure. **Table 17** below gives a detailed profitability analysis across the asset management industry.

Table 17: Profitability for Investment Management Companies as at 31 December 2023.

Investment Management Firms	Operating profit 2023 ZWL	Operating profit 2022 ZWL	Percentage Change (%)
TN Asset Management	44,691,547,278	39,256,429	113745.17%
ABC Asset Management	37,886,225,876	2,731,389,485	1287.07%
Old Mutual Investment Group	19,815,123,820	1,829,769,224	982.93%
Platinum Investment Managers	9,121,717,480	1,209,434,290	654.21%
Equivest Asset Management	9,081,198,718	26,377,832	34327.39%
CBZ Asset Management t/a Datvest	8,706,538,000	938,182,000	828.02%
Alpha Asset Management	5,086,718,141	401,307,813	1167.54%
Smartvest Investment Managers	2,387,584,247	309,624,475	671.12%
Fidelity Life Asset Management	2,241,573,152	231,541,865	868.11%
First Mutual Life Wealth	2,037,924,988	(32,167,340)	6435.39%
Imara Asset Management	1,323,131,025	141,348,095	836.08%
Switzview Asset Management	1,243,629,669	-	-
Purpose Asset Management	1,041,802,811	66,134,948	1475.27%
Sublime Asset Management	995,848,170	-	-
Terrace Africa Asset Management	798,084,152	-	-
Quant Africa Asset Management	576,393,826	206,585	278910.49%
Akribos Capital	477,130,977	14,069,868	3291.15%
Zimnat Asset Management	431,842,430	63,271,341	582.52%
Aramis Capital Asset Management	156,739,060	-	-
MHMK Capital Asset Management	90,555,904	19,837,796	356.48%
Invesci Asset Management	74,844,345	1,315,118,724	-94.31%
Nurture Asset Management	64,697,350	11,921,450	442.70%
Bard Santner Asset Management	37,195,289	(2,457,458)	1613.57%
Cass Saddle Asset Management	29,781,905	-	-
Nyaradzo Asset Management	(687,311,038)	(55,978,784)	-1127.81%
Total	147,710,519,598	9,258,190,660	1495%
Average	5,681,173,831	440,866,221	

** Switzview Wealth Managers, Sublime Asset Management, Aramis Capital Asset Management commenced operations in financial year 2023.

**Terrace Africa Asset Management and Cass Saddle Asset Management commenced operations in the second half of financial year 2022.



2.7.3 Capital Adequacy

The sector's capital was rated **Satisfactory** as at 31 December 2023 based on an average Capital Adequacy Ratio (CAR) of 1.39x for the industry. However, capital adequacy for six asset management institutions was rated **Critical** based on a CAR of less than 0.599 whilst one firm was rated **Weak** based on a CAR of between 0.6 and 0.799.

Total and average capital for the period under review stood at ZWL165.82 billion and ZWL6.14 billion against total and average requirements of ZWL 87.68 billion and ZWL3.25 billion. Sixteen (16) out of twenty-seven (27) operational asset managers were adequately capitalised. The remaining eleven (11) asset managers failed to register CAR which was greater than one (1). **Table 18** below shows the capital adequacy status for Investment Management firms as at 31 December 2023.

Table 18: Capital Adequacy Status for Investment Management Firms as at 31 December 2023.

Name of Institution	Adjusted Liquid Capital	Total Requirements	CAR Ratio
ABC Asset Management	35,900,246,425	10,338,697,843	3.47
Akribos Wealth Managers	843,365,231	1,202,330,435	0.70
Alpha Asset Management	11,972,144,480	3,402,515,249	3.52
Aramis Capital Asset Management	74,376,767	954,930,916	0.08
Bard Santner Investors	770,007,255	915,708,390	0.84
Cass Saddle Asset Management	82,565,509	933,200,953	0.09
CBZ Asset Management t/a Datvest	8,463,690,231	8,272,820,405	1.02
Equivest Asset Management	9,818,633,633	4,862,577,744	2.02
Fidelity Life Asset Management	2,013,184,188	1,413,812,047	1.42
First Mutual Wealth Asset Management	3,698,539,492	3,153,927,232	1.17
Imara Asset Management	1,181,664,532	1,298,532,453	0.91
Invesci Asset Management	7,666,254,402	3,792,489,735	2.02
MHMK Capital Asset Management	1,053,728,712	2,222,700,603	0.47
Nurture Asset Management	257,490,819	921,713,914	0.28
Nyaradzo Asset Management	2,526,937,218	1,456,030,305	1.74
Old Mutual Investment Group	14,765,184,717	10,010,522,133	1.47
Platinum Investment Managers	8,861,842,510	2,546,893,071	3.48
Purpose Asset Management	796,490,776	939,078,755	0.85
Quant Africa Wealth Management	468,928,052	1,145,916,677	0.47
Silverback Asset Management	42,592,291,016	19,034,301,739	2.24
Smartvest Wealth Managers	2,205,736,624	1,247,147,081	1.77
Southpeople Capital Asset Management	809,999,013	915,714,214	0.88
Stratus Capital Asset Management	(15,548,728)	915,708,390	(0.02)
Sublime Asset Management	2,413,124,977	1,068,968,413	2.26
Terrace Africa Asset Management	1,532,490,247	915,709,500	1.67
TN Asset Management	3,022,910,513	2,053,631,128	1.47
Zimnat Asset Management COMPANY	2,060,624,174	1,632,648,643	1.26
Total	165,852,448,967	87,678,243,492	
Average	6,142,683,295	3,247,342,352	1.39

**Simuka Asset Management and Cornerstone Asset Management were not part of the analysis as the firms were under supervisory corrective orders.

**Wealth Access Asset Management was not included in the analysis as the firm was undergoing shareholding and management changes during period under review.

2.8 Collective Investment Schemes (CIS)

2.8.1 Industry structure

As at 31 December 2023, the number of active registered collective investment schemes stood at fifty-three (53). The number of unitholders increased to 82,968 from 80,938 recorded in the prior year. Table 19 shows a breakdown of the active CIS funds by type.

Table 19: Collective Investment Schemes by Type

CIS TYPE	NUMBER OF FUNDS
Equity	19
Money Market	12
Hybrid	7
Exchange Traded Funds (ETFs)	5
Property	3
Bond	2
Gold Funds	2
Real Estate Investment Trust (REIT)	2
Livestock backed Unit Trust	1
TOTAL	53

2.8.2 CIS Funds Under Management

Collective Investment Schemes Funds Under Management increased by 766% from ZWL51.32 billion recorded in December 2022, to ZWL444.27 billion as at 31 December 2023. This is attributable to increase in the prices of securities held for investments given CIS exposure to equities.

Table 20: CIS funds under management as at 31 December 2023 (ZWL)

Asset Management Firm	2023 Funds Under management (ZWL)	2022 Funds under management (ZWL)
ABC Asset Management	589,180,982	75,392,893
Bard Santner Investors	27,230,603	-
Cornerstone Asset Management (formerly Atria)	3,451,662,772	138,490,572
Cass Saddle Asset Management	298,834,622	31,639,745
CBZ Asset Management t/a Datvest	3,174,143,923	508,428,114
Fidelity Life Asset Management	556,242,750	74,147,759
First Mutual Wealth	1,333,441,328	229,027,276
Old Mutual Investment Group	25,077,807,987	3,912,077,721
Platinum Investment Managers	282,327,968	36,315,672.
Terrace Africa Asset Management	136,676,387,600	15,005,095,547
TN Asset Management	17,479,336,839	2,617,375,987
Silverback Asset Management	32,427,667	3,305,954
Smartvest Wealth Managers	539,593,336	172,783,766
Zimnat Asset Management	254,754,036,327	28,517,898,015
TOTAL	444,272,654,704	51,321,979,021

The total funds under management (CIS funds) which are denominated in USD amounted to USD26.14 million as at 31 December 2023. The period under review registered an increase in USD denominated funds to seven (7) from one (1) recorded in the prior period (2022). **Table 21** shows a breakdown net fund values for CIS funds denominated in USD.

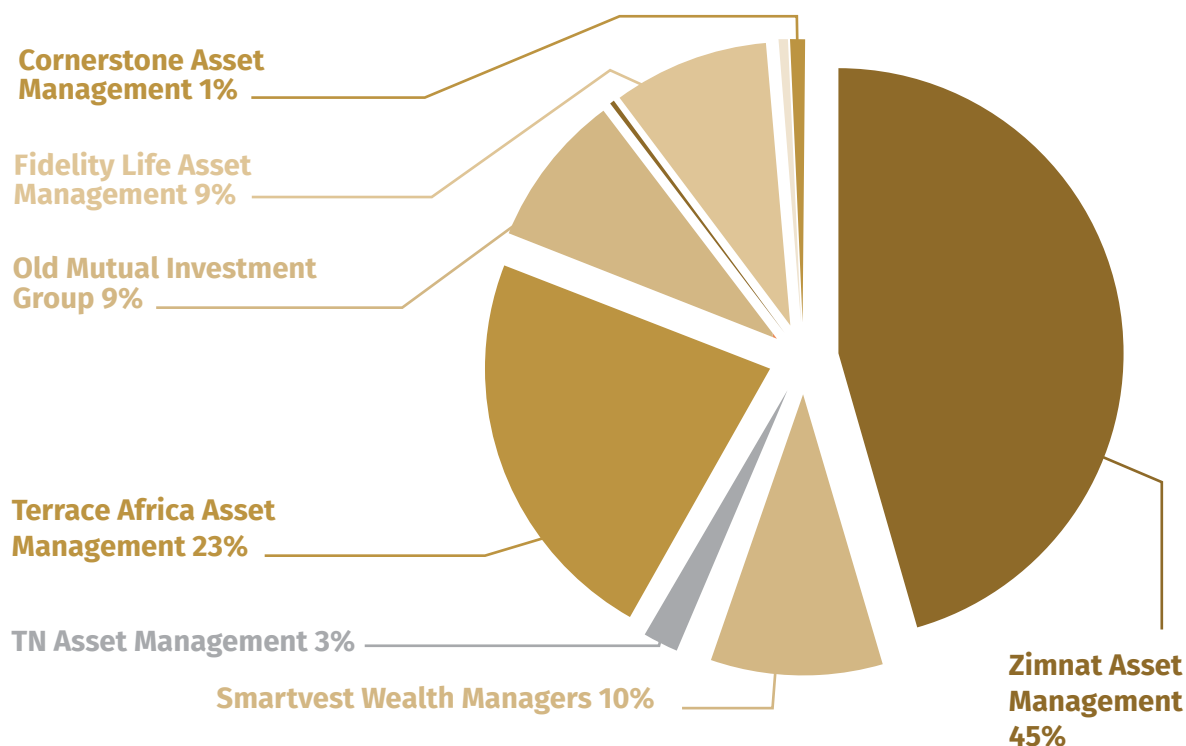
Table 21: CIS funds under management as at 31 December 2023 (USD)

Asset Management Firm	2023 Funds Under management (USD)	2022 Funds under management (USD)
Fidelity Life Asset Management (1 fund)	8,715,173	-
Old Mutual Investment Group (2 funds)	4,664,352	1,992,592
Smartvest Wealth Managers (2 funds)	9,510,166	-
Zimnat Asset Management (2 funds)	3,245,906	-
TOTAL	26,135,597	1,992,592

2.8.3 Analysis of CIS funds distribution by asset manager

Figure 5 shows the distribution of Collective Investment Schemes net fund values based on investment manager.

Figure 5: Collective Investments Schemes Fund Distribution



2.9 Securities Transfer Secretaries

2.9.1 Earnings

The sector's earnings were rated Strong. The sector reported an average operating profit of ZWL2.66 billion against an average of ZWL188.19 million that was recorded in the prior year. All the three firms reported positive earnings during the period under review. Corpserve had the highest operating profit of ZWL 4.26 billion followed by FTS operating profit of ZWL 2.30 billion and ZB Transfer secretaries ZWL 1.43 billion.

Table 22: Transfer Secretaries' Profitability Highlights for the year ended 31 December 2023.

Transfer Secretary firms	Operating Profit 2023 (ZW\$)	Operating Profit 2022 (ZW\$)	% Change
Corpserve	4,267,293,948	329,912,756	1193.46%
FTS	2,302,760.639	106,746,773	2057.21%
ZB	1,438,868,147	127,924,521.	1024.77 %
Industry Average	2,669,640,911	188,194,683	

2.9.2 Capital

The sector's capital position was rated Strong. As at 31 December 2023, all the three (3) Transfer Secretaries were adequately capitalised, with capital reserves above the minimum requirement of USD\$150,000 (ZWD 915,708,390). Corpserve recorded the highest capital adequacy of 4.09x followed by FTS 3.33x and ZB Transfer secretaries of 1.64x. Table 23 shows the capital adequacy status for Transfer Secretaries.

Table 23: Capital Adequacy Status for Transfer Secretaries as at 31 December 2023

	Shareholders' Funds (ZW\$)	Total Assets (ZW\$)	Minimum Requirement (ZWD)	Capital Adequacy Ratio
Corpserve Registrars	3,747,576,246	5,158,409,641	915,708,390	4.09
First Transfer Secretaries	3,054,247,557	4,689,764,110	915,708,390	3.33
ZB Transfer Secretaries	1,509,465,017	3,382,562,080	915,708,390	1.64
Average	2,770,429,666	4,410,245,277	915,708,390	

2.9.3 Value of share registers

As at 31 December 2023, the total value of securities administered by the transfer secretaries amounted to ZWL17.3 trillion and US\$1.23 billion. This represent a significant increase compared to ZWL1.85 trillion and US\$452.22million which was reported as at 31 December 2022. In terms of ZWL market share analysis, First Transfer Secretaries commands 49.15% market share, followed by Corpserve Registrars with 41.22% and 9.62% for ZB Transfer Secretaries. However, with respect to USD market share, Corpserve Registrars is the dominant player with 90.78 %, an indication of it being the favourite transfer secretary among listed companies on Victoria Falls Stock Exchange.

2.10 Anti-Money Laundering, Combating Terrorism Financing and Counter Proliferation Financing

The Commission established an AML Unit in 2023. As of the end of 2023, the unit had 4 examiners and with these examiners, the Commission actively supervises four (4) out of nine (9) subsectors of the securities sector for AML/CFT/CPF. Securities dealing businesses/stockbrokers, securities investment managers, securities custodians, and securities exchanges are the subsectors that are actively monitored and supervised, while the rest are passively supervised. The SECZim five-year examination priorities focus on ensuring that SMIs are: (1) appropriately tailoring their AML programs and obligations to their business model and understanding of their ML risks; (2) conducting independent testing; (3) establishing adequate customer identification programs, including for beneficial owners of legal entity customers; and (4) meeting their reporting obligations.

2.10.1 Annual AML/CFT/CPF supervisory activities

The Commission's supervisory actions for 2023 were based on FATF recommendations, immediate outcomes, and the NTF Compliance Subcommittee Strategy. In 2023, the AML/CFT/CPF Supervision team carried out the following activities:

2.10.1.1 AML/CFT/CPF onsite inspections

During the year that ended on 31 December 2023, the Commission AML/CFT/CPF Unit conducted and completed six (6) onsite inspections. The inspections were conducted on the following SMIs:

Purpose Asset Management (Private) Limited
Smartvest Wealth Managers (Private) Limited
Victoria Falls Stock Exchange Limited
EFE Securities (Private) Limited
Invictus Securities Zimbabwe (Private) Limited
ABC Stockbrokers (Private) Limited

2.10.1.2 AML/CFT/CPF offsite monitoring

For the year ended 31 December 2023, the Commission assessed 31 Securities Investment Management firms, 21 Securities Dealing Firms, 6 Securities Custodians, and 3 Securities Exchanges for ML/TF/PF risk. The outcomes of the ML/TF/PF risk assessment are summarized in **Table 24** and subsequent risk matrix.

Table 24: Overall Assessment Results for the Fourth Quarter of 2023

CATEGORY	RATING	SCORE	WEIGHTING	OVERALL
Securities Investment Managers	Medium	0.41	0.258	0.11
Securities Dealing Firms	Medium - Low	0.39	0.245	0.10
Securities Custodians	Medium	0.40	0.252	0.10
Securities Exchanges	Medium - Low	0.39	0.245	0.10
Overall			Medium	0.41

Table 25: Overall Assessment Results for the Fourth Quarter of 2023

SUB SECTOR	INHERENT RISKS MONEY LAUUNDERING RISK					TF risk	PF risk	AML/CFT/CPF Controls	Residual Risk
	The nature, diversity and complexity of its business, products, and target markets	Customer/ Investor Risk	Product/ Service/ Transactions risk	Distribution Channel Risk	Country / Geograp hy risk				
Securities Custodians	Medium High	Medium High	Medium	Medium Low	Medium Low	Low	Low	Strong	Medium
Securities Investment Managers	Medium High	Medium High	Medium	Medium Low	Medium Low	Low	Low	Satisfactory	Medium
Securities Dealing Firms	Medium	Medium	Medium Low	Medium Low	Medium Low	Low	Low	Strong	Medium Low
Securities Exchanges	Medium	Medium	Medium Low	Medium Low	Medium Low	Low	Low	Satisfactory	Medium Low
OVERALL SECURITIES SECTOR									Medium

The securities sector overall AML risk was rated **medium**, with a risk score of 0.41 for the year ended 31 December 2023, a 0.01-point improvement from a risk score of 0.42 reported in 2022. The rating indicates that the sector stood at 41% risk of ML/TF/PF after implementing all required controls. The Commission will continue to implement its supervisory actions to ensure improved compliance in the securities sector. **Figure 6** depicts a trend in the year-on-year overall risk scores for the securities sector from 31 December 2022 to 31 December 2023.

Figure 6: Quarterly ML/TF/PF Risk Scoring for Securities Sector

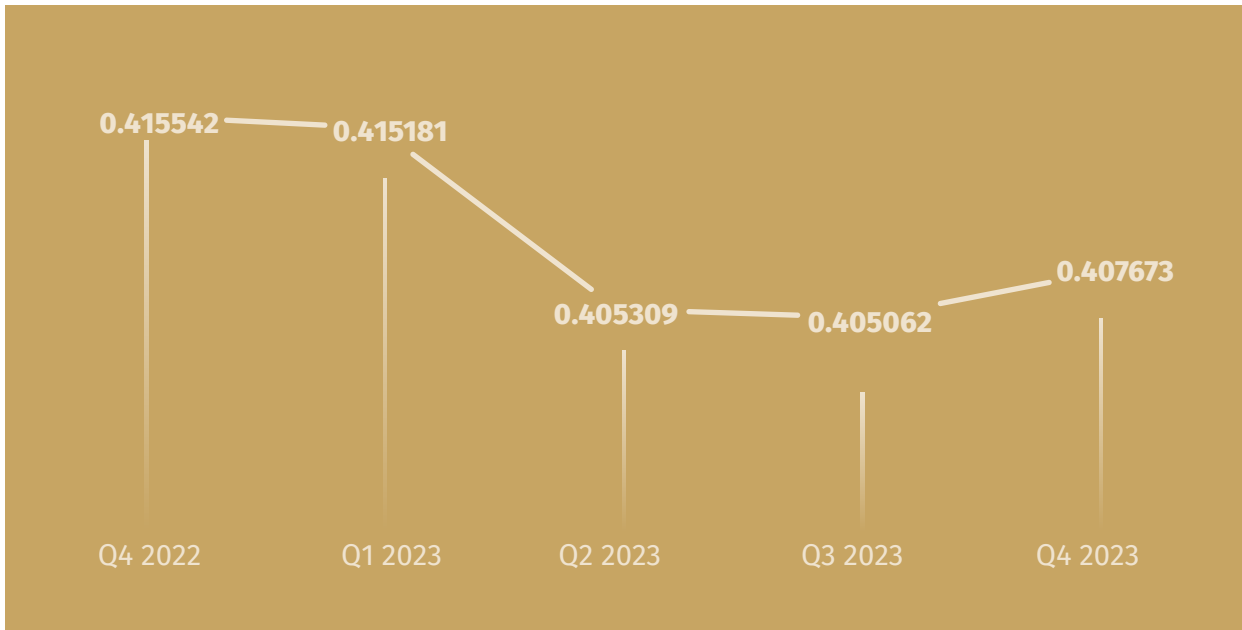
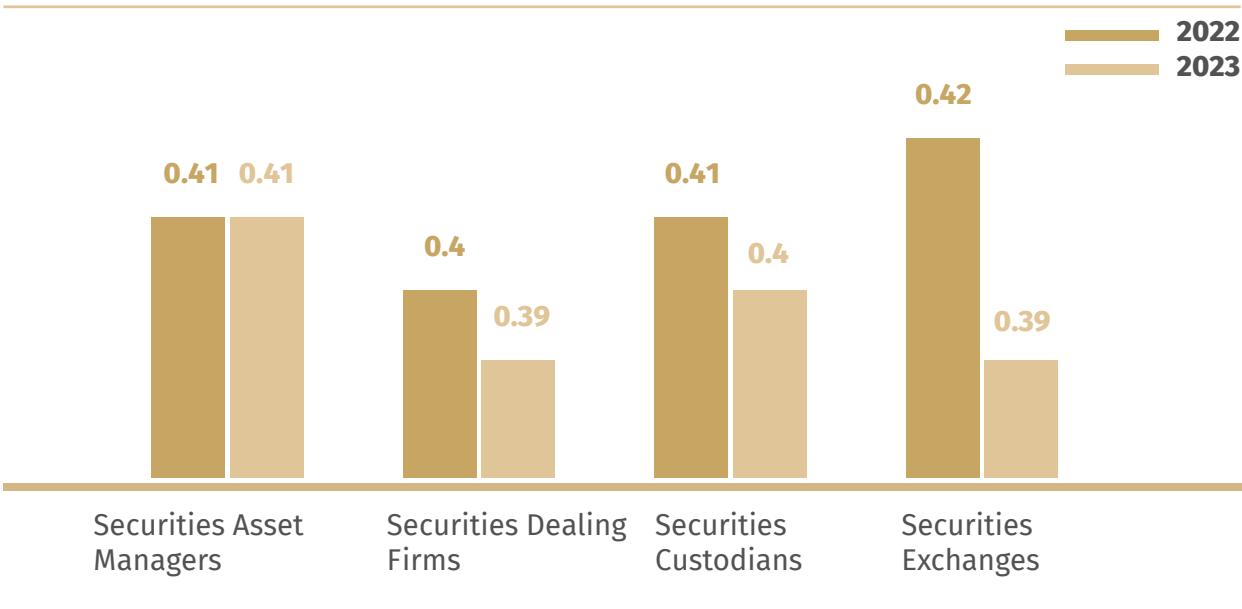


Figure 7: Comparison of the securities sector industries for 2022 and 2023



Securities Investment Managers faced the highest ML/TF/PF risk in the securities sector for the year ended 31 December 2023, with a risk score of 0.41, maintaining the same risk score recorded in 2022. Securities Custodians ranked second in terms of ML/TF/PF risk in the sector. The sub-sector's risk score was 0.40, an improvement by 0.01 point from 0.41 recorded in 2022. Securities Dealing Firms and Exchanges recorded the same risk score of 0.39. Securities Dealing Firms improved by 0.01 point, while Securities Exchanges improved by 0.03 points compared to 2022 score.

2.10.1.3 Training and Awareness

The Commission held two (2) physical AML/CFT training workshop for Securities Market Intermediaries. The trainings were conducted on 06 March and 01 November 2023. The training covered AML/CFT Compliance and Suspicious Transactions Monitoring and Reporting. Further, the Commission conducted a specialised training for Platinum Group on the 19th October 2023.

In terms of capacitating the examiners, the AML/CFT/CPF Unit team members attended the FIU-hosted FATF Standards Training Course held in Harare from April 24th to April 27th, 2023. The team also enrolled in FATF standards e-learning. Further, the team enrolled in Russia's AML/CFT Bilateral training course. These trainings and courses were very useful in helping the team to understand AML/CFT, Supervision, and FATF Standards.

2.10.1.4 Remedial actions on AML/CFT/CPF violations

The Commission continues to use remedial actions for AML/CFT/CPF violations. For the year ended 31 December 2023, the Commission imposed penalties amounted to USD 3,500.00 for late submission of returns. The Commission also imposed penalties amounting to USD 11,600.00 for violations of AML/CFT/CPF requirements. The Commission also issued corrective orders and recommended removal of persons on positions as remedial actions.

2.10.1.5 Guidelines Published to the Market

The Commission's AML/CFT/CPF Unit published the Anti-Money Laundering, Combating the Financing of Terrorism and Proliferation Financing (AML/CFT/CPF) Guidelines for Collective Investment Schemes (CIS) in Zimbabwe on the 19th April 2023. The Guidelines apply to all Collective Investment Schemes or funds registered in terms of the Collective Investment Schemes Act [Chapter 24:19]. The purpose of these guidelines is to provide:

1. A general background about money laundering, terrorist financing, and proliferation financing (ML/TF/PF) risks to CIS key persons; and
2. Practical standard to assist schemes in devising and implementing policies, procedures, and controls in relevant operational areas, taking into consideration their own circumstances to meet the relevant AML/CFT/CPF requirements as required by the legislation.

2.10.1.6 NTF Compliance and Supervision subcommittee strategy review and training

The Commission representatives, Messrs. N. Maferefa, D. Chiunye, and J. Gubwe, as well as Ms. P. Ndlovu, attended the National Task Force on AML/CFT compliance and supervision subcommittee strategy review and training workshop, which was held in Mutare from the 2nd to the 6th of October 2023. Some of key issues of interest resulting from the workshop include subsectors supervised for AML/CFT by the Commission, need for joint supervisory activities, suspicious transactions reporting, preparation for third round mutual evaluations, and monetary penalties being imposed by the Commission as remedial action for non-compliance.

2.10.1.7 AML Outlook

For the year 2024 the Commission looks forward to the following initiatives and activities:

- Implementation of SECZim 2024-2026 Strategy and NTF Compliance Subcommittee Mutare Strategy Review Resolutions;
- Continued technical training for the AML/CFT/CPF Unit members;
- Participation in the NRA under Modules 4 and 10;
- Continued awareness activities on STRs and CTRs; and

2.11 Investor Education

2.11.1 The following Investor Education and awareness activities were undertaken:

Table 26: Investor Education and awareness activities

CAMPAIGN	STAKE HOLDER	MEDIA	DETAILS
Global Money Week <i>“Plan your money, plant your future”</i>	Students Youth	Website Social Media Online	SECZim participated in GMW campaigns in March 2023 in 3 provinces. During the GMW outreach programme, 2004 students and 200 teachers were reached.
University Public Lectures	Students Lecturers	Physical	Public lectures for Bindura University of Science Education and Marondera University of Agricultural Sciences and Technology, SECZim reached 66 students and 10 faculty. The lectures were held on 30 May and 19 October 2023 respectively.
Schools Outreach	Students Teachers	Physical	SECZim conducted outreach at 6 schools reaching 720 learners using a combination of the capital market Ayoba Mkoba radio drama and Grain of Fortune video together with recently commissioned workbooks. This content is derived from the comprehensive capital market handbook called Investment 101 Handbook

CAMPAIGN	STAKE HOLDER	MEDIA	DETAILS
The Capital Markets High Schools Quiz	Government and Private Schools	Physical	The SECZim participated in the 2023 and 2 nd edition of the Capital Market High Schools quiz in September 2023 as adjudicator and capital market participation coordinator. Errymaple International school beat 20 other schools from and was awarded monetary and non-monetary prizes from quiz sponsors and partners.
Capital Market Toolkit	Students Teachers	Physical	<p>The SECZim developed a Toolkit for use in primary and secondary schools during lessons and in clubs for standardised ongoing financial literacy and capital market awareness education for deployment nationally, working with Ministry of Primary and Secondary Education (MoPSE). The same tool is relevant for use in universities and for community engagements.</p> <p>To make complex capital market information more accessible to the public, the SECZim commissioned translations of the comprehensive guide to investing in the Zimbabwe capital market, Investment 101, into two national languages, chiShona <u>Mhindu Pamari</u> and isiNdebele <u>Inzalo Yemali</u></p>
Capital Market Awareness Index	Public	Physical Online	The Commission developed a capital market awareness index to create a baseline for the Zimbabwe capital market and to enable impact measurement of awareness activities with a focus on the levels of knowledge, attitude and participation of the public in relation to the sector. Both the toolkit and index were officially launched by the Minister of Finance, Economic Development and Investment Promotion on 23 November 2023.
Annual Financial Inclusion Conference	Regulators and regulated entities	Physical	In December 2023 the SECZim participated at the inaugural Annual Financial Inclusion Conference hosted by the National Financial Inclusion Strategy Secretariat, Reserve Bank of Zimbabwe.

CAMPAIGN	STAKE HOLDER	MEDIA	DETAILS																														
Stakeholder Engagements (Women, SMI, Partners, General public)		Physical Online	Stakeholders engaged include: Women savings groups, Securities Market Intermediaries, the TIMB and sector players, the Media and the public through workshops, training, meetings, webinars, and social media.																														
Social Media Engagements	Investors Public	Online	<p>SECZim engaged with the social media community and steady organic growth was recorded across all platforms.</p> <table border="1"> <thead> <tr> <th>Platform</th> <th>Q1</th> <th>Q2</th> <th>Q3.</th> <th>Q4</th> <th>Growth</th> </tr> </thead> <tbody> <tr> <td>Facebook</td> <td>9980</td> <td>10060</td> <td>10069.</td> <td>10095</td> <td>+115</td> </tr> <tr> <td>LinkedIn.</td> <td>605.</td> <td>640</td> <td>648</td> <td>650</td> <td>+45.</td> </tr> <tr> <td>Twitter</td> <td>7348</td> <td>7890.</td> <td>8035.</td> <td>8221</td> <td>+873</td> </tr> <tr> <td>Instagram</td> <td>1808.</td> <td>1866</td> <td>1897.</td> <td>1893</td> <td>+85</td> </tr> </tbody> </table>	Platform	Q1	Q2	Q3.	Q4	Growth	Facebook	9980	10060	10069.	10095	+115	LinkedIn.	605.	640	648	650	+45.	Twitter	7348	7890.	8035.	8221	+873	Instagram	1808.	1866	1897.	1893	+85
Platform	Q1	Q2	Q3.	Q4	Growth																												
Facebook	9980	10060	10069.	10095	+115																												
LinkedIn.	605.	640	648	650	+45.																												
Twitter	7348	7890.	8035.	8221	+873																												
Instagram	1808.	1866	1897.	1893	+85																												
Corporate Social Responsibility	Public	Physical	The commission participated in monthly clean up campaigns.																														
Webinars	Investors Public	Online	Quarterly webinar topics were Derivatives, Real Estate Investment Trusts (REITS), Collective Investment Schemes (CIS) and Small to Medium Enterprises (SMEs).																														
Brand management	Staff members	Physical	Staff were trained on the purpose and use of the SECZim brand manual and email signatures and PowerPoint templates were shared for adoption.																														
Media Engagement Publicity	Media / Public	Online and physical	A one-day workshop was held on Friday 15 December 2023 for 15 media practitioners to continue to raise their awareness of and build their capacity to report on the capital market.																														

CAMPAIGN	STAKE HOLDER	MEDIA	DETAILS
Publications	Public		The 2022 Annual report and quarterly newsletters were produced
Stakeholder Cocktail	All stake holders	Physical	75 guests were hosted at this event on 23 November 2023, where the capital market awareness index and investor education toolkit were launched.
Client Satisfaction Survey.	Public	Online	Client satisfaction for 2023 was 55.46%, against a target of 60%.

3. Corporate Finance and Market Development

3.1 Research and Collaboration

The Commission maintains its stance on researching on new products and services before they are introduced into the market to provide for informed regulatory decisions. In this regard, research papers were done on:

- (i) Virtual Assets,
- (ii) Commodities market and
- (iii) Resuscitation of the secondary bond market

Going forward the focus will be on the following:

- (iv) SME participation on Capital Market (Private equity and Crowdfunding),
- (v) Contract for Differences,
- (vi) Carbon Credit Trading and
- (vii) The establishment of a Capital Market Institute

3.2 Fintech

The Commission launched its Innovation office on 31 March 2023, a tool that is meant for engaging, guiding and embracing innovators in line with ongoing technological developments. The tool is slowly gaining traction registering four (4) engagements during the year. SECZim is developing regulatory sandbox guidelines aimed at testing potential innovators for possible onboarding onto the market upon successful testing.

3.3 Engagements during the year are summarised in the following product categories:

Nature of Product Deployment	Target Market	Product / Service
1. Stable coin issuance and trading	Retail investors	Web and mobile app
2 Credit notes issuance	Retail Investor	Web and mobile app
3 CFDs	SMEs	Web app

3.4 Market Development Technical Committee

The Market development Technical Committee was operationalised during the year with representation from all market constituencies, including the academia and investment professionals.

3.5 Capital Market Training Institute

There is ongoing effort to establish a Capital Market Training Institute aimed at ensuring continuous professional development of market players. The Institute is meant to introduce locally set standard acceptable as the minimum qualification for one to participate in Zimbabwe's capital market. This development should address the professional gap that exists between academic training from universities and the practical skills requirements of the capital market.

3.6 Corporate Actions

The Commission approved the following corporate actions in 2023:

Table 26: Approved Corporate Actions

Counter	Approval	Date
Lafarge Holdings	Suspension from trading on the ZSE	13 January
Innscor Africa	Delisting from the ZSE	24 February
Axia Corporation	Delisting from the ZSE	28 February
Axia Corporation	Listing on VFEX	3 March
Innscor Africa	Listing on VFEX	24 March
African Sun	Delisting from the ZSE	6 April
African Sun	Listing on the ZSE	14 April
Westprop Holdings	Listing by introduction on the VFEX	5 May
First Capital Bank	Delisting from the ZSE	17 May
First Capital Bank	Listing on the VFEX	19 May
Zimplow	Delisting from the ZSE	12 July
Zimplow	Listing on VFEX	14 July
Stratus Commodity Fund's units	Listing on FINSEC	20 July
Getbucks Microfinance Bank Limited	Delisting from the ZSE	5 September
Revitus REIT	Listing on the ZSE	18 December



SECURITIES AND EXCHANGE
COMMISSION OF ZIMBABWE

**Securities and Exchange
Commission of Zimbabwe
Annual Financial Statements
31 December 2023**



NATURE OF BUSINESS:

The Securities and Exchange Commission of Zimbabwe was established through enactment of the Securities Act (Chapter 24:25). Section 3 of the Act provides for the establishment of the Securities and Exchange Commission, which is the regulatory body for the securities and capital markets in Zimbabwe. The Commission's sources of income are levies of the value traded on the Zimbabwe Stock Exchange (ZSE), Victoria Falls Stock Exchange (VFEX) and Financial Securities Exchange (FINSEC) stock markets, other levies, annual license fees and annual registration fees from licenses as set by statutory instrument 100 of 2010, statutory instrument 108 of 2014, statutory instrument 62 of 2017 and statutory instrument 106 of 2017.

BOARD OF COMMISSIONERS:

Yona Banda	[Chairperson]
Ethel Rumbidzai Chitanda	[Vice-Chairperson]
William Manhimanzi	[Commissioner]
Mabutho Sibanda	[Commissioner]
Margaret Mantiziba (appointed 1 September 2023)	[Commissioner]
Caroline Mudenda (appointed 1 December 2023)	[Commissioner]
Clive Mphambela (resigned 31 October 2023)	[Commissioner]
Paradza Paradza (resigned 28 December 2023)	[Commissioner]

COMMISSION SECRETARY:

Cordelia Mutangadura

REGISTERED OFFICE:

Ground Floor, Block C
Smatsatsa Office Park
Borrowdale Road
Borrowdale
HARARE

AUDITORS:

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

Contents

	Page
Responsibilities of Management and those Charged with Governance for the Financial Statements _____	50
Independent Auditor's Report _____	52
Statement of Profit or Loss and Comprehensive Income _____	57
Statement of Financial Position _____	58
Statement of Changes in Equity _____	59
Statement of Cash Flows _____	60
Statement of Accounting Policies _____	61
Notes to the Financial Statements _____	81

These financial statements are expressed in Zimbabwe Dollars (ZWL).

Responsibilities of Management and Those Charged with Governance for the financial statements for the year ended 31 December 2023

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

The Commissioners have assessed the ability of the Commission to continue as a going concern and believe that the preparation of these financial statements on a going concern basis is still appropriate. However, the Commissioners believe that under the current economic environment a continuous assessment of the ability of the Commission 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 financial statements are prepared with the aim of complying fully with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB), which includes standards and interpretations approved by the IASB and Standing Interpretations Committee (SIC) interpretations issued under previous constitutions.

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

The requirement to comply with Statutory Instrument (S.I) 33 of 2019 as enacted by the Finance Act Number 2 of 2019 created inconsistencies with IAS 21, as well as the principles embedded in the IFRS Conceptual Framework for financial reporting. This has resulted in the adoption of accounting treatment in the prior years' financial statements, which deviates from that which would have been applied if the Commission had been able to fully comply with IFRSs.

The Commission's accounting and internal control systems are designed to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability of its assets. Such controls are based on the established written policies and procedures which are monitored throughout the Commission and all employees are required to maintain the highest ethical standards in ensuring that the

Commission's practices are conducted in a manner which in all reasonable circumstances is above reproach. Issues that come to the attention of the Commissioners have been addressed and the Commissioners confirm that the system of accounting and internal controls is operating in a satisfactory manner.

The Commission's financial statements which are set out on pages 8 to 32 were, in accordance with their responsibilities, approved by the Commissioners on 2024 and are signed on its behalf by:



Yona Banda
Chairperson



Ethel Chitanda
Audit Committee Chairperson



Anymore Taruvinga
Chief Executive Officer

These financial statements were prepared under the supervision of:



Ferida Matambo
Finance Director
(PAAB No. 03347)

INDEPENDENT AUDITOR'S REPORT

To the members of Securities and Exchange Commission of Zimbabwe

Report on the Audit of the Inflation Adjusted Financial Statements

Opinion

We have audited the inflation adjusted financial statements of Securities and Exchange Commission of Zimbabwe set out on pages 8 to 32, which comprise the inflation adjusted statement of financial position as at 31 December 2023, and the inflation adjusted statement of profit or loss and other comprehensive income, the inflation adjusted statement of changes in equity and the inflation adjusted statement of cash flows for the year then ended, and the notes to the inflation adjusted financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying inflation adjusted financial statements present fairly, in all material respects, the inflation adjusted financial position of Securities and Exchange Commission of Zimbabwe as at 31 December 2023, and its inflation adjusted financial performance and its inflation adjusted cashflows for the year then ended, in accordance with the International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Commission 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.

Material Uncertainty Related to Going Concern

We draw attention to note 24 of the financial statements which describes that during the year ended 31 December 2023, the Commission experienced cashflow difficulties despite recording a surplus of ZWL 2 036 232 819 (2022: [ZWL 256 422 018]). As at 31 December 2023, the Commission's current liabilities exceeded its current assets by ZWL 242 726 120 (2022: ZWL 168 532 067). This indicates that a material uncertainty exists that may cast significant doubt on the Commission's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters noted below relate to the financial statements:

Areas of focus	How our audit addressed the key audit matter
<p>Revenue recognition</p> <p>There is a presumed fraud risk with regards revenue recognition as guided by International Standard on Auditing (ISA 240 Revised: Auditors responsibilities to fraud). There is a risk that revenue is presented at amounts higher than what has been actually generated by the Commission. This is a significant risk and accordingly a key audit matter.</p>	<p>Our audit procedures incorporated a combination of tests of the Commission's controls relating to revenue recognition and the appropriateness of revenue recognition policies as well as substantive procedures in respect of testing the occurrence assertion. Our substantive procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> • Reviewed that revenue recognition criteria is appropriate and in line with the requirements of IFRS 15. • Identified key controls and tested these controls to obtain satisfaction that they were operating effectively for the year under review. • Tested the design and operating effectiveness of internal controls implemented as well as test of details to ensure accurate processing of revenue transactions. • The results of our controls testing have been the basis for the nature and scoping of the additional test of details, which mainly

	<p>consisted of testing individual transactions by reconciling them to external sources (supporting documentation).</p> <ul style="list-style-type: none"> • Performed cut-off tests on year end balances to ensure revenue is recognised in the correct period. • Analytical procedures and assessed the reasonableness of explanations provided by management. <p>We satisfied ourselves that the recognition of revenue is appropriate.</p>
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Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission'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 Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Commission to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the Commission'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 control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the Companies and Other Business Entities Act (Chapter 24:31) and the Securities Act (Chapter 24:25).

The Engagement Partner on the audit resulting in this independent auditors' report is Farai Chibisa.



Farai Chibisa
Partner

Registered Public Auditor (PAAB No: 0547)

Grant Thornton
Chartered Accountants (Zimbabwe)
Registered Public Auditors

9 APRIL 2024

HARARE

**Statement of profit or loss and other comprehensive income
for the year ended 31 December 2023**

	Notes	INFLATION ADJUSTED		HISTORICAL COST	
		2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
Income					
Securities levy	4	3 856 293 248	3 392 953 789	2 156 195 221	435 526 319
Other levies	5	1 834 531 434	617 362 424	1 180 230 955	81 059 787
License fees	6	3 962 982 985	241 241 150	2 131 923 430	22 123 192
Interest income	7	46 949 580	98 497 636	13 627 221	12 815 353
Foreign exchange gain		219 258 294	31 319 628	186 474 028	4 131 603
Other income	8	1 861 003 036	884 574 007	1 369 906 992	169 675 787
Fair value gain on investment property	15	3 242 357 173	1 922 212 190	3 242 357 173	400 013 000
Fair value adjustment on financial assets	16	-	171 471 276	-	35 683 230
		15 023 375 750	7 359 632 100	10 280 715 020	1 161 028 271
Expenditure					
Staff costs	9	(6 880 065 622)	(3 724 855 596)	(4 051 878 082)	(538 193 981)
Commissioner costs	10	(243 693 133)	(59 668 135)	(148 317 607)	(9 972 118)
Administration costs	11	(3 208 740 474)	(1 869 964 753)	(2 020 959 418)	(262 212 535)
Net monetary loss		(1 766 062 112)	(1 591 463 963)	-	-
Depreciation	13	(519 978 766)	(203 121 882)	(128 567 713)	(28 574 667)
Impairment losses on receivables		(54 587 762)	(2 510 760)	(54 587 762)	(522 490)
Lease finance charges	21.2	(314 015 062)	(164 469 029)	(169 485 117)	(24 328 657)
		(12 987 142 931)	(7 616 054 118)	(6 573 795 699)	(863 804 448)
Surplus/(deficit) for the year before tax		2 036 232 819	(256 422 018)	3 706 919 321	297 223 823
Taxation		-	-	-	-
Surplus/(deficit) for the year after tax		2 036 232 819	(256 422 018)	3 706 919 321	297 223 823
Other comprehensive income					
Gain on property revaluation		-	-	-	-
Tax effect on property revaluation		-	-	-	-
Other comprehensive (loss)/income for the year net of tax		-	-	-	-
Total comprehensive income/(loss) for the year		2 036 232 819	(256 422 018)	3 706 919 321	297 223 823

**Statement of financial position
for the year ended 31 December 2023**

		INFLATION ADJUSTED		HISTORICAL COST	
		2023	2022	2023	2022
		ZWL	ZWL	ZWL	ZWL
Assets					
Non-current assets					
Property and equipment	13	2 298 041 592	1 782 006 145	738 270 948	97 984 275
Intangible assets	14	81 784 469	81 784 469	3 247 274	3 247 274
Investment property	15	3 693 357 173	2 167 223 809	3 693 357 173	451 000 000
Long term receivables	17	3 241 362	116 694 450	3 241 362	24 284 154
		6 076 424 596	4 147 708 873	4 438 116 757	576 515 703
Current assets					
Bank and cash balances	19	594 776 088	81 441 393	594 776 088	16 947 981
Financial assets at fair value through profit or loss	16	-	274	-	57
Accounts receivables	18	396 449 829	142 577 992	396 449 829	29 670 528
Prepayments		67 544 800	186 580 548	63 956 806	20 080 824
		1 058 770 717	410 600 207	1 055 182 723	66 699 390
Total assets		7 135 195 313	4 558 309 080	5 493 299 480	643 215 093
Accumulated fund and liabilities					
Reserves					
Accumulated fund		5 760 702 664	3 724 469 845	4 188 484 819	481 565 498
Revaluation reserve		72 995 812	72 995 812	3 317 824	3 317 824
		5 833 698 476	3 797 465 657	4 191 802 643	484 883 322
Non-current liabilities					
Lease Liability	21.2	-	181 711 149	-	37 814 151
Current liabilities					
Accounts payables	20	994 779 058	388 327 641	994 779 058	80 811 112
Lease liability current portion	21.2	306 717 779	190 804 633	306 717 779	39 706 508
		1 301 496 837	579 132 274	1 301 496 837	120 517 620
Total accumulated fund and liabilities		7 135 195 313	4 558 309 080	5 493 299 480	643 215 093


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Yona Banda
Chairperson


.....
Ethel Chitanda
Audit Committee Chairperson


.....
Anymore Taruyinga
Chief Executive Officer

**Statement of changes in equity
for the year ended 31 December 2023**

	INFLATION ADJUSTED		
	Accumulated fund ZWL	Revaluation reserve ZWL	Total ZWL
Balances at 1 January 2022	3 980 891 863	72 995 812	4 053 887 675
Deficit for the year	(256 422 018)	-	(256 422 018)
Balances at 31 December 2022	3 724 469 845	72 995 812	3 797 465 657
Balances at 1 January 2023	3 724 469 845	72 995 812	3 797 465 657
Surplus for the year	2 036 232 819	-	2 036 232 819
Balances at 31 December 2023	5 760 702 664	72 995 812	5 833 698 476

	HISTORICAL COST		
	Accumulated fund ZWL	Revaluation reserve ZWL	Total ZWL
Balances at 1 January 2022	184 341 675	3 317 824	187 659 499
Surplus for the year	297 223 823	-	297 223 823
Balances at 31 December 2022	481 565 498	3 317 824	484 883 322
Balances at 1 January 2023	481 565 498	3 317 824	484 883 322
Surplus for the year	3 706 919 321	-	3 706 919 321
Balances at 31 December 2023	4 188 484 819	3 317 824	4 191 802 643

Statement of cashflows for the year ended 31 December 2023

	Notes	INFLATION ADJUSTED		HISTORICAL COST	
		2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
Cash flows from operating activities					
Surplus/(Deficit) from operations		2 036 232 819	(256 422 018)	3 706 919 321	297 223 823
Adjusted for:					
Effects of changes in monetary value		1 497 035 230	390 481 172	-	-
Depreciation	13	519 978 766	203 121 882	128 567 713	28 574 667
Profit on disposal of non-current assets		(63 674 868)	-	(59 101 934)	-
Lease finance charges		314 015 062	164 469 029	169 485 117	24 328 657
Interest income		(46 949 580)	(98 497 636)	(13 627 221)	(12 815 353)
Fair value gains on investment property		(3 242 357 173)	(1 922 212 190)	(3 242 357 173)	(400 013 000)
Fair value adjustment on financial assets		-	(171 471 276)	-	(35 683 230)
Operating cash flows before changes in working capital		1014 280 256	(1 690 531 037)	689 885 823	(98 384 436)
Changes in working capital					
(Increase)/decrease in accounts receivables		(253 871 837)	52 319 953	(366 779 301)	(17 872 085)
Decrease/(increase) in prepayments		119 035 748	(146 393 252)	(43 875 982)	(18 016 391)
(Decrease)/increase in accounts payable		606 451 417	215 870 080	913 967 946	70 371 130
		1 485 895 584	(1 568 734 256)	1 193 198 486	(63 901 782)
Cash flows from investing activities					
Interest income		46 949 580	98 497 636	13 627 221	12 815 353
Disposal of financial assets	16	274	1 401 325 406	57	110 134 303
Long term receivables		113 453 088	60 171 008	21 042 792	(13 577 335)
Lease finance charges		(314 015 062)	(164 469 029)	(169 485 117)	(24 328 657)
Proceeds from sale of property and equipment		65 715 510	-	59 600 016	-
Aquisition of property and equipment	13	(513 360 637)	(260 166 564)	(309 068 087)	(28 447 376)
		(601 257 247)	1 135 358 457	(384 283 118)	56 596 288
Cash flows from financing activities					
Lease principal liability paid	21.2	(371 303 642)	(68 085 479)	(231 087 261)	(11 033 423)
Net (decrease)/increase in cash and cash equivalents		513 334 695	(501 461 278)	577 828 107	(18 338 917)
Cash and cash equivalents at 1 January 2023		81 441 393	582 902 671	16 947 981	35 286 898
Cash and cash equivalents at 31 December 2023	19	594 776 088	81 441 393	594 776 088	16 947 981

Statement of accounting policies for the year ended 31 December 2023

1 General information

1.1 Nature of business and incorporation

The Securities and Exchange Commission of Zimbabwe (the Commission) was established through enactment of the Securities Act (Chapter 24:25). Section 3 of the Act provides for the establishment of the Securities and Exchange Commission, which is the regulatory body for the securities and capital markets in Zimbabwe. The Commission's sources of income are a levy of the value traded on the Zimbabwe Stock Exchange (ZSE), Victoria Falls Stock Exchange (VFEX) and Financial Securities Exchange (FINSEC) stock markets, other levies, annual license fees and annual registration fees from licenses as set by statutory instrument 100 of 2020, statutory instrument 108 of 2014, statutory instrument 67 of 2017 and statutory instrument 106 of 2017. The registered office of the Commission is first floor, Smatsatsa Office Park,

2 Significant accounting policies

2.1 Basis of preparation

Statement of compliance

The Commission's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and in the manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31).

The financial statements of the commission are prepared under the historical cost conversion. For the purpose of fair presentation in accordance with International Accounting Standard (IAS) 29- Financial Reporting In *Hyperinflationary Economies*, this historical cost information has been restated for changes in the general purchasing power of the ZWL and appropriate adjustments and reclassifications have been made. Accordingly, the inflation adjusted financial statement represent the primary financial statements of the Commission.

The Consumer Price Indices (CPIs) were an estimation that was made based on the Total Consumption Poverty Line (TCPL) statistics published by ZimStat. The Consumer Price Indices adopted are as follows:-

Year ended	Conversion factor
31 December 2023	1.000
31 December 2022	4.805

2.2 Functional and presentation currency

These financial statements are presented in Zimbabwe Dollars (ZWL), being the functional and reporting currency of the primary economic environment in which the Commission

Statement of accounting policies for the year ended 31 December 2023 (continued)

2.3 Changes in accounting policy and disclosures

(a) New standards, amendments and interpretations effective for the first time for 31 December 2023 year end that are relevant to the Commission

IAS 8: Accounting Policies, Change in Accounting Estimates and Errors

- The amendments clarify the guidance in IAS 8 by:
 - Aligning the definition of “material” across the standards and to clarify certain aspects of the definition.
 - The new definition states that, “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity”.
 - The amendments to the definition of material are not expected to have a significant impact on the Commission's financial statements.
- The amendments are effective for reporting periods beginning on or after 1 January 2023.

Disclosure of Accounting Policies (Amendments to IAS 1 and Practice Statement 2)

- The amendments to IAS 1 require reporting entities to disclose their material accounting policy information rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures.
 - These amendments were issued as a result of feedback received indicating that reporting entities needed more guidance when determining what accounting policy information should be disclosed.
 - These amendments impact what accounting policies are disclosed which could affect investors decisions.
- The amendments are effective for reporting periods beginning on or after 1 January 2023.

(b) New standards, amendments and interpretations issued but not effective for 31 December 2023 year end that are relevant to the Company but have not been early adopted

IAS 1: Presentation of Financial Statements

- The amendments clarify the guidance in IAS 1 by:
 - Specifying that the classification of a liability as either current or non-current is based on the entity's rights at the end of the reporting period;
 - Stating that management's expectations around whether they will defer settlement or not does not impact the classification of the liability;
 - Adding guidance about lending conditions and how these can impact classification; and
 - Including requirements for liabilities that can be settled using an entity's own instruments.
- The amendments are effective for reporting periods beginning on or after 1 January 2024.

Statement of accounting policies for the year ended 31 December 2023 (continued)

2.4 Property and equipment

Recognition and measurement

All items of property and equipment are shown at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Commission and the cost can be measured reliably. Repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred. Depreciation commences when the asset is available for use. Assets are depreciated using the straight line method to allocate the cost over the assets' estimated useful lives. The estimated useful lives are as follows:

Buildings	40 years
Furniture, fittings and equipment	5 years
Computer equipment	2.5 years
Motor vehicles	5 years
Lease	3 years
Solar plant	10 years

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of equipment are determined as the difference between the sales proceeds and the carrying amount of the asset at the date of disposal and taken into account in determining operating profit.

2.5 Revaluation policy

The directors also apply significant judgment, estimates and assumptions on carrying out the revaluation of property, plant and equipment and intangible assets in line with the policy on revaluation. The directors engage a professional valuer to perform an independent valuation. In the current year, due to the distortions in the property market and lack of market trends, the valuers have provided a caveat around the use of the valuation.

2.6 Intangible assets

Intangible assets acquired separately are initially measured and recognised at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is charged to profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over their useful economic lives and are assessed for impairment whenever there is an indication that the intangible assets are impaired. The amortisation expense and impairment losses on intangible assets are recognised in profit or loss in the period in which they occur.

Statement of accounting policies for the year ended 31 December 2023 (continued)

2.6 Intangible assets (continued)

Intangible assets are amortised over a period of 5 years, but are tested for impairment annually. Gains or losses arising from de-recognition or disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss.

2.7 Lease

A lease is recognized when an agreement is reached to convey the right of use of an asset to or from the Commission in return for a payment or a series of payments. A lease is derecognized upon cancellation or expiry of the lease agreement. IFRS 16 leases replaced IAS 17 for reporting periods after 1 January 2019 with an option for early adoption. The Commission opted not to early adopt IFRS 16. The contract for use of Ground Floor right wing and 2nd floor office space at Smatsatsa Office Park between the Commission and Matay Investments confers a right of use of that space to the Commission for three years in exchange for a consideration. The right of use is recognised as a non-current asset of the Commission while it is depreciated over the lease period. The statement of financial position presents a lease liability on the non-current liabilities and current liabilities section. Depreciation expense for the right of use asset and interest expense for the lease liability is expensed in the statement of profit or loss and other comprehensive income.

2.8 Investment property

Investment property is measured using the fair value model. Under this model the property is fair valued at the end of each reporting period or earlier. Fair value is 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. Gains or losses on fair valuation of the investment property are recognised directly in the profit and loss in that reporting period. Transfers to or from investment property are done as and when there is a change of use.

2.9 Revenue

Revenue is recognized on an accruals basis. Securities levy is determined as 0.16% of the value traded on the Zimbabwe Stock Exchange and Financial Securities Exchange stock markets by each stockbroker. Investment advisor levy is 0.35% of the investment advisor's gross income. Corporate action levy is 0.1% of the value of new shares listed by an issuer. Investment manager's levy is 0.5% of the investment managers' gross income. Central Securities Depository (CSD) levy is 0.5% of the CSD's gross income, securities custody levy is 0.5% of the custodian's gross income and securities transfer levy is 0.35% of the transfer secretary's gross income. Asset manager levy is 0.5% of the gross income of asset managers. License fees for stockbrokers, dealers and stock broking firms are set according to Statutory Instrument 100 of 2010 and Statutory Instrument 108 of 2014, statutory instrument 62 of 2017 and statutory instrument 106 of 2017.

License renewal fees are due on the 1st of January of each year and are recognized as revenue in the year of licensing.

Statement of accounting policies for the year ended 31 December 2023 (continued)

2.9 Revenue (continued)

Application fees are recognized when the applicant has been issued with a license. Unsuccessful applicants are refunded 75% of the application fees while 25% is withheld as administration fees. The amount withheld is classified in other income on the statement of comprehensive income. Late payment penalty fees are classified under other income.

Levies

The levies income is derived from securities levy, securities exchange levy, corporate action levy, investment advisor levy, investment manager levy, custody levy, central securities depository levy and transfer secretary levy.

Securities levy

Securities levy was 0.16% of the value traded on the Zimbabwe Stock Exchange (ZSE) and FINSEC Bourse. This is collected on a weekly basis. Securities Exchange levy due from ZSE and FINSEC were 0.5% of gross income. These are collected on a monthly basis.

Other Levies

Corporate action levy is 0.1% of the value of new shares listed on the Zimbabwe Stock Exchange as and when they are issued. Levies due on a monthly basis are, investment advisor levy at 0.35% of the gross income of investment advisors. Investment manager's levy at 0.5% of the investment managers' gross income. Central Securities Depository (CSD) levy at 0.5% of the CSD's gross income, securities custody levy at 0.5% of the custodians' gross income and the securities transfer levy at 0.35% of the transfer secretaries' gross income. Investment manager levy is 0.5% of the gross income of asset managers.

Grants

Government grants are recognized in the statement of comprehensive income on a systematic basis over the periods in which the Commission recognizes expenses or related costs for which the grants are intended to compensate.

2.10 Employee benefits

Employee benefits are the consideration given by the Commission in exchange for services rendered by employees. In summary such benefits are:

Short term benefits

Benefits earned by employees under normal employment terms including salaries, wages, bonuses and leave pay. These are expensed as they are incurred and accordingly, provisions are made for unpaid bonuses and leave pay.

Post-employment benefits

As required by legislation, all employees are members of the National Social Security Scheme to which both the employees and the Commission contribute. The National Social Security Scheme is a defined contribution fund. All employees are also members of the Commission's defined contribution pension scheme with Old Mutual.

Statement of accounting policies for the year ended 31 December 2023 (continued)

2.10 Employee benefits (continued)

Post-employment benefits (continued)

The employer's obligations for contributions to defined contribution pension plans are

2.11 Financial Instruments

Classification and measurement of financial instruments

The IASB developed the IFRS 9 Expected Credit Loss (ECL) impairment model with the objective of transitioning from an incurred loss approach to an expected loss model which requires entities to recognize impairment losses in advance of an exposure having objective evidence of impairment. The Commission's ECLs are measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1);
- or
- Full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

Exposures are generally considered to have a low credit risk where there is a low risk of default, the exposure has a strong capacity to meet its contractual cash flow obligations and adverse changes in economic and business conditions are unlikely to reduce the exposure's ability to fulfil its contractual obligations.

The Commission recognises ECLs on the following financial instruments: trade debtors, staff loans and savings bonds. The assessment of significant increase in credit risk for the Commission's trade debtors, staff loans and savings bonds exposures is based on changes in prospects of collecting contractual cashflows due from them. The determination of significant increase in probability of default includes consideration of all reasonable and supportable forward-looking information available without undue cost or effort. The forward-looking information is based on the Commission's economic expectations, industry and sub-sector-specific expectations, as well as expert management judgement and is hence expected to increase the volatility of impairment provisions as a result of continuous changes in future expectations.

Fair value measurement considerations

The fair values of quoted financial assets are based on quoted bid prices. If the market for a financial asset is not active, the Commission establishes fair value using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models. Based on forward looking information which includes the economic outlook, sector analysis and future prospects, the Commission makes assumptions and calculates the probability of default at the reporting date. These judgements result in an expected credit loss for each financial asset which is impaired through the statement of profit or loss and other comprehensive income.

Statement of accounting policies for the year ended 31 December 2023 (continued)

2.11 Financial Instruments (continued)

Financial assets at amortized cost

Financial assets classified under amortized cost are measured at their initial acquisition amount less principal repayment plus/minus amortization of discount and less impairment losses. Financial assets measured at amortized cost classification meet the following criteria: The Commission's business model is to hold those financial assets in order to collect the contractual cash flows rather than to sell the asset to realize any capital gains. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, a dealer, broker, pricing service, or regulatory agency and those prices represents actual and regulatory occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Commission is the current bid price and fall under level 1 of the fair value hierarchy.

Financial assets at fair value through other comprehensive income

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

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

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

The company made an irrevocable election to measure unquoted investments at fair value through other comprehensive income on initial recognition.

2.12 Trade and other receivables

Trade and other receivables are measured at amortised cost using the effective interest rate method. A provision for expected credit loss on trade receivables is established and measured when the debtor is recognized. Factors considered in calculating the expected credit loss include forward looking information regarding financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization and all future indicators affecting the debtor's probability of default. Expected credit losses are expensed in the statement of profit or loss. Subsequent recoveries of amounts previously impaired are credited against the trade receivables expected credit loss impairment provision.

Statement of accounting policies for the year ended 31 December 2023 (continued)

2.13 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held on call with banks, and investments in money market instruments. Cash and cash equivalents are measured at fair value, with any impairment or appreciation in value of foreign currency denominated balances arising from changes in exchange rates, being written off or credited against the exchange gains and losses account in profit or loss. In the statement of financial position, bank overdrafts are shown under current liabilities.

2.14 Loans, borrowings and trade and other payables

These financial liabilities are measured at amortised cost using the effective interest rate method.

2.15 Offsetting

If a legally enforceable right exists to set-off recognised amounts of financial assets and liabilities, which are in determinable monetary amounts and the Commission intends to settle on a net basis, the relevant financial assets and liabilities are offset.

2.16 Capital exposure

The Commission is not subjected to any externally imposed capital requirements

2.17 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Commission has related party relationships with its key management, commissioners and the Government of Zimbabwe.

The preparation of financial statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revision to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Management exercised its judgment in determining the functional currency, appropriateness of the expected credit loss and the useful lives of property and equipment.

2.18 Measurement of fair values

A number of the Commission's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring the fair value of an asset or liability, the Commission uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Statement of accounting policies for the year ended 31 December 2023 (continued)

2.18 Measurement of fair values (continued)

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The Commission recognises transfers between levels of the fair value hierarchy at the end of each reporting period during which the change occurred.

2.19 Share capital

Ordinary shares are classified as equity.

2.20 Foreign currency transactions

Transactions in foreign currencies are translated to their respective presentation currency using spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate at the reporting date.

All differences arising on settlement or translation of monetary items are taken to profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

Notes to the financial statements
for the year ended 31 December 2023

	INFLATION ADJUSTED		HISTORICAL COST	
	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
4 Securities levy	3 856 293 248	3 392 953 789	2 156 195 221	435 526 319
5 Other levies				
Corporate action levy	522 506 699	33 577 327	386 936 192	6 822 138
Investment advisor levy	83 947 050	26 288 122	49 360 356	3 788 713
CSD levy	13 177 861	9 456 357	7 158 762	1 232 400
Investment management levy	1 094 567 544	479 396 985	660 859 928	59 990 746
Custody levy	63 871 790	47 711 624	40 003 961	6 246 497
Transfer secretary levy	56 460 490	20 932 009	35 911 756	2 979 293
	1 834 531 434	617 362 424	1 180 230 955	81 059 787
6 License fees				
Dealing firms	358 779 218	45 023 695	192 991 108	3 945 000
Stock brokers	367 731 996	24 147 645	203 211 680	2 174 500
Transfer Secretaries	75 145 001	3 758 153	39 724 564	315 000
Custodians	378 661 992	27 027 304	212 717 829	2 581 000
Zimbabwe Stock Exchange	324 858 091	13 420 267	175 478 667	1 365 000
Investment advisor	726 118 445	42 409 091	400 898 991	3 704 086
Investment Management Licence	1 298 592 209	69 335 463	699 268 482	6 651 956
CSD licence	53 315 747	8 112 841	23 551 219	680 000
Collective Investment schemes	322 728 737	8 006 691	152 043 956	706 650
ATP Licence	57 051 549	-	32 036 934	-
	3 962 982 985	241 241 150	2 131 923 430	22 123 192
7 Interest income				
Interest on short term investments	32 539 007	78 843 564	8 655 207	10 299 036
Interest on staff loans	14 410 573	19 654 072	4 972 014	2 516 317
	46 949 580	98 497 636	13 627 221	12 815 353
8 Other income				
Late payment surcharge	559 374 917	85 547 892	294 045 740	15 961 663
Rent received	7 529 675	9 493 935	3 350 035	1 408 929
Sundry income	340 319 215	14 308 261	220 125 891	2 305 195
Tender Fees	3 332 066	-	2 385 326	-
Government Grant	950 447 163	775 223 919	850 000 000	150 000 000
	1 861 003 036	884 574 007	1 369 906 992	169 675 787

Notes to the financial statements
for the year ended 31 December 2023 (continued)

	INFLATION ADJUSTED		HISTORICAL COST	
	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
9 Staff costs				
Salaries	4 829 171 546	3 072 668 682	2 801 513 954	442 907 637
Bonuses	337 817 591	92 041 207	276 681 256	10 191 364
Pension	71 280 596	5 345 349	32 924 593	775 946
Leave pay	367 138 573	1 417 806	165 794 004	249 880
Other staff costs	388 485 212	233 536 506	248 726 960	34 371 497
Staff training	305 561 418	65 812 057	214 987 028	7 407 115
Staff recruitment	14 025 043	1 998 911	3 066 114	145 000
Medical aid	566 585 643	252 035 078	308 184 173	42 145 542
	<u>6 880 065 622</u>	<u>3 724 855 596</u>	<u>4 051 878 082</u>	<u>538 193 981</u>
10 Commissioner costs				
Retainer	83 697 899	29 069 016	44 509 640	4 765 580
Sitting fees	159 995 234	30 599 119	103 807 967	5 206 538
	<u>243 693 133</u>	<u>59 668 135</u>	<u>148 317 607</u>	<u>9 972 118</u>
11 Administration costs				
Travel	805 019 311	615 475 012	543 776 655	84 252 157
Consultancy	203 909 603	26 134 696	132 289 515	4 558 260
Repairs and maintenance	502 141 643	150 145 645	318 909 638	23 633 064
Advertising and promotions	144 596 864	217 357 675	70 582 883	26 253 197
Audit fees external	136 445 873	87 706 039	122 094 452	18 251 656
Audit fees internal	89 647 867	69 673 319	87 926 895	14 156 011
Legal fees	195 395 906	71 859 442	115 787 030	8 323 308
Donations and gifts	16 058 689	-	14 344 245	-
Other operational expenses	1 115 524 718	631 612 925	615 248 105	82 784 882
	<u>3 208 740 474</u>	<u>1 869 964 753</u>	<u>2 020 959 418</u>	<u>262 212 535</u>
12 Donations				
Farewell gifts	16 058 689	-	14 344 245	-

Notes to the financial statements
for the year ended 31 December 2023 (continued)

	INFLATION ADJUSTED				
13 Property and equipment	Right of use asset 2023 ZWL	Motor vehicles 2023 ZWL	Computer equipment 2023 ZWL	Furniture, equipment and fittings 2023 ZWL	Total 2023 ZWL
Cost/valuation					
At 1 January 2023	1 048 663 253	337 404 877	799 016 783	555 267 065	2 740 351 978
Additions	-	-	139 379 374	373 981 263	513 360 637
Disposals	-	(1 022 010)	(1 429 117)	(50 163)	(2 501 290)
Lease remeasurement	523 318 425	-	-	-	523 318 425
Cost/valuation 31 December 2023	1 571 981 678	336 382 867	936 967 040	929 198 165	3 774 529 750
Depreciation and impairment					
At 1 January 2023	311 605 539	127 076 941	324 126 518	195 536 835	958 345 833
Depreciation for the year	462 046 170	16 520 284	32 478 201	8 934 111	519 978 766
Disposals	-	(538 318)	(1 247 960)	(50 163)	(1 836 441)
Balance at 31 December 2023	773 651 709	143 058 907	355 356 759	204 420 783	1 476 488 158
Carrying amount at 31 December 2023	798 329 969	193 323 960	581 610 281	724 777 382	2 298 041 592

13 Property and equipment
(continued)

	Right of use asset 2022 ZWL	Motor vehicles 2022 ZWL	Computer equipment 2022 ZWL	Furniture, equipment and fittings 2022 ZWL	Total 2022 ZWL
Cost/valuation					
At 1 January 2022	514 559 206	174 041 584	708 802 829	548 677 748	1 946 081 367
Additions	-	163 363 293	90 213 954	6 589 317	260 166 564
Lease remeasurement	534 104 047	-	-	-	534 104 047
Cost/valuation 31 December 2022	1 048 663 253	337 404 877	799 016 783	555 267 065	2 740 351 978
Depreciation and impairment					
At 1 January 2022	187 972 528	107 449 707	274 586 425	185 215 291	755 223 951
Depreciation for the year	123 633 011	19 627 234	49 540 093	10 321 544	203 121 882
Balance at 31 December 2022	311 605 539	127 076 941	324 126 518	195 536 835	958 345 833
Carrying amount at 31 December 2022	737 057 714	210 327 936	474 890 265	359 730 230	1 782 006 145

Notes to the financial statements
for the year ended 31 December 2023 (continued)

13 Property and equipment
(continued)

	HISTORICAL COST				
	Right of use asset 2023 ZWL	Motor vehicle 2023 ZWL	Computer equipment 2023 ZWL	Furniture, equipment and fittings 2023 ZWL	Total 2023 ZWL
Cost/Valuation					
At 1 January 2023	93 579 819	25 066 107	15 111 148	1 969 324	135 726 398
Additions	-	-	67 111 018	241 957 069	309 068 087
Disposals	-	(765 652)	(1 070 641)	(37 580)	(1 873 873)
Lease remeasurement	460 284 381	-	-	-	460 284 381
Closing balance at 31 December 2023	553 864 200	24 300 455	81 151 525	243 888 813	903 204 993
Accumulated depreciation					
At 1 January 2023	25 118 682	3 603 294	8 245 999	774 148	37 742 123
Depreciation for the year	97 664 941	5 687 217	16 804 760	8 410 795	128 567 713
Disposal	-	(403 287)	(934 924)	(37 580)	(1 375 791)
Closing balance at 31 December 2023	122 783 623	8 887 224	24 115 835	9 147 363	164 934 045
Carrying amount at 31 December 2023	431 080 577	15 413 231	57 035 690	234 741 450	738 270 948

13 Property and equipment
(continued)

	Right of use asset 2022 ZWL	Motor vehicles 2022 ZWL	Computer equipment 2022 ZWL	Furniture, equipment and fittings 2022 ZWL	Total 2022 ZWL
	Cost/Valuation				
At 1 January 2022	15 040 971	3 416 381	8 915 998	1 366 824	28 740 174
Additions	-	21 649 726	6 195 150	602 500	28 447 376
Lease remeasurement	78 538 848	-	-	-	78 538 848
At 31 December 2022	93 579 819	25 066 107	15 111 148	1 969 324	135 726 398
Accumulated depreciation					
At 1 January 2022	5 853 514	433 066	2 382 662	498 214	9 167 456
Depreciation for the year	19 265 168	3 170 228	5 863 337	275 934	28 574 667
Balance at 31 December 2022	25 118 682	3 603 294	8 245 999	774 148	37 742 123
Carrying amount at 31 December 2022	68 461 137	21 462 813	6 865 149	1 195 176	97 984 275

Notes to the financial statements
for the year ended 31 December 2023 (continued)

	INFLATION ADJUSTED		HISTORICAL COST	
	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
14 Intangible assets	81 784 469	81 784 469	3 247 274	3 247 274
<p>The Commission purchased a SharePoint Licence during the year ended 31 December 2021. The license has an indefinite life span and therefore it is not being amortised. The sharepoint is however tested for impairment in accordance with IAS 36 annually and whenever there is an indication that it may be impaired. During the year, there were no indicators of impairment.</p>				
15 Investment Property				
Opening balance	2 167 223 809	842 251 644	451 000 000	50 987 000
Fair value adjustments on investments	3 242 357 173	1 922 212 190	3 242 357 173	400 013 000
Effects of inflation	(1 716 223 809)	(597 240 025)	-	-
Closing balance	3 693 357 173	2 167 223 809	3 693 357 173	451 000 000
<p>The Investment property is a one storey building on 7 536 square meters in Newlands Harare which the Commission had been letting out. A market review was carried out by an independent valuer, Bard Real Estate at the end of 2023. The result of this market review was an increase in fair value.</p>				
16 Financial Assets at fair value through profit or loss				
Opening balance	274	1 229 854 404	57	74 451 130
Net gains from fair value adjustments	-	171 471 276	-	35 683 230
Disposal	(274)	(1 401 325 406)	(57)	(110 134 303)
Additions	-	-	-	-
Closing balance	-	274	-	57
17 Long term receivables				
Staff loans - non-current portion	3 241 362	116 694 450	3 241 362	24 284 154

Notes to the financial statements
for the year ended 31 December 2023 (continued)

	INFLATION ADJUSTED		HISTORICAL COST	
	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
18 Accounts receivable				
Trade receivables	391 288 013	124 306 753	391 288 013	25 868 277
Impairment of trade receivables	(56 524 504)	(9 337 707)	(56 524 504)	(1 943 180)
Loans to staff	22 924 099	18 402 349	22 924 099	3 829 535
Impairment of staff loans	(11 556)	(24 594)	(11 556)	(5 118)
Sundry receivables	38 773 777	9 231 191	38 773 777	1 921 014
	396 449 829	142 577 992	396 449 829	29 670 528
19 Bank and cash balances				
Money market investments	-	-	-	-
Cash at bank	424 574 949	63 019 875	424 574 949	13 114 457
USD FCA Nostro	164 956 869	12 337 131	164 956 869	2 567 361
Cash on hand bond	8	38	8	8
Cash on hand USD	5 244 262	6 084 349	5 244 262	1 266 155
	594 776 088	81 441 393	594 776 088	16 947 981
20 Accounts payables				
Licence fees received in advance	6 912 671	3 077 150	6 912 671	640 356
Trade payables	332 797 065	165 428 437	332 797 065	34 425 713
Payroll payables	433 580 388	86 054 235	433 580 388	17 907 915
Provisions and accruals	221 488 934	133 767 819	221 488 934	27 837 128
	994 779 058	388 327 641	994 779 058	80 811 112

Notes to the financial statements
for the year ended 31 December 2023 (continued)

	INFLATION ADJUSTED		HISTORICAL COST	
	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
21 Lease				
21.1 Right of use assets				
Balance at beginning of year	331 050 501	305 570 830	68 461 137	9 187 456
Addition			-	-
Depreciation	(308 701 717)	(123 633 011)	(97 664 941)	(19 265 167)
Lease remeasurement	523 318 425	534 104 047	460 284 381	78 538 848
Effects of inflation	66 222 268	(384 991 365)	-	-
	<u>611 889 477</u>	<u>331 050 501</u>	<u>431 080 577</u>	<u>68 461 137</u>
Balance at beginning of year	372 515 782	165 441 132	77 520 659	10 015 234
Addition	-	-	-	-
Add accrued interest posted to profit or loss less lease commitments paid during the year	314 015 062 (685 318 704)	164 469 029 (232 554 508)	169 485 117 (400 572 378)	24 328 657 (35 362 080)
Lease remeasurement	523 318 425	53 566 617	460 284 381	78 538 848
Arising from monetary adjustments	(217 812 786)	221 593 512	-	-
	<u>306 717 779</u>	<u>372 515 782</u>	<u>306 717 779</u>	<u>77 520 659</u>
Current lease liability	306 717 779	190 804 633	306 717 779	39 706 508
Non-current lease liability	-	181 711 149	-	37 814 151
	<u>306 717 779</u>	<u>372 515 782</u>	<u>306 717 779</u>	<u>77 520 659</u>

22 Related party transactions
Key Management Personnel

Name	HISTORICAL COST				
	Loan Taken ZWL	Period in Months	Interest per annum	Repayment per month ZWL	Loan balance 31-Dec-23 ZWL
N. Maferefa	12 464 271	3 months	12%	4 154 757	1 564 791
K. Msemburi	13 642 360	3 months	12%	4 547 453	994 046
L. Madende	1 300 000	34 months	12%	36 111	984 401
B. Gava	1 450 000	3 months	12%	483 333	597 967
C. Mutangadura	5 912 249	24 months	12%	246 344	5 788 153
F. Mpofo	1 300 000	36 months	12%	36 111	1 078 591
A. Taruvinga	1 300 000	36 months	12%	36 111	962 464
	<u>37 368 880</u>			<u>9 540 220</u>	<u>11 970 413</u>

Notes to the financial statements
for the year ended 31 December 2023 (continued)

	HISTORICAL COST				
	Loan Taken	Period in	Interest per	Repayment per	Loan balance
	ZWL			ZWL	31-Dec-22 ZWL
N. Maferefa	3 500 000	36 months	15%	93 274	2 984 760
K. Msemburi	2 460 000	36 months	15%	66 810	2 137 906
L. Madende	900 000	36 months	15%	28 920	867 589
B. Gava	900 000	36 months	15%	30 200	966 403
	<u>7 760 000</u>			<u>219 204</u>	<u>6 956 658</u>

23 Related party transactions
Commissioners Fees

	INFLATION ADJUSTED		
	Retainer	Sitting	Total
	2023 ZWL	2023 ZWL	2023 ZWL
Y. Banda	18 403 100	30 534 044	48 937 144
E. R. Chitanda	14 696 090	24 355 351	39 051 441
P. Paradza	12 073 094	28 332 248	40 405 342
C. Mphambela	12 841 872	16 270 686	29 112 558
W. Manhimanzi	12 841 872	20 897 167	33 739 039
M. Sibanda	12 841 872	22 275 046	35 116 918
M. Mantiziba	-	16 243 363	16 243 363
J. N. Mupamhanga	-	53 685	53 685
C. Mudenda	-	1 033 644	1 033 644
	<u>83 697 900</u>	<u>159 995 234</u>	<u>243 693 134</u>

	HISTORICAL COST		
	Retainer	Sitting	Total
	2023 ZWL	2023 ZWL	2023 ZWL
Y. Banda	9 734 734	19 783 830	29 518 564
E. R. Chitanda	7 772 382	16 025 962	23 798 344
P. Paradza	6 629 356	17 625 028	24 254 384
C. Mphambela	6 791 056	9 604 980	16 396 036
W. Manhimanzi	6 791 056	13 296 230	20 087 286
M. Sibanda	6 791 057	14 357 515	21 148 572
M. Mantiziba	-	12 044 238	12 044 238
J. N. Mupamhanga	-	36 541	36 541
C. Mudenda	-	1 033 644	1 033 644
	<u>44 509 641</u>	<u>103 807 968</u>	<u>148 317 609</u>

Notes to the financial statements
for the year ended 31 December 2023 (continued)

	INFLATION ADJUSTED		
	Retainer	Sitting	Total
	2022	2022	2022
	ZWL	ZWL	ZWL
W. Manhimanzi	688 388	640 272	1 328 660
C. Mphambela	1 042 735	1 003 240	2 045 975
E. R. Chitanda	1 400 095	1 173 111	2 573 206
Y. Banda	1 042 735	1 265 698	2 308 433
P. Paradza	1 186 930	1 865 361	3 052 291
M. Sibanda	688 388	420 005	1 108 393
	<u>6 049 271</u>	<u>6 367 687</u>	<u>12 416 958</u>

	HISTORICAL COST		
	Retainer	Sitting	Total
	2022	2022	2022
	ZWL	ZWL	ZWL
W. Manhimanzi	646 200	605 140	1 251 340
C. Mphambela	773 440	831 849	1 605 289
E. R. Chitanda	1 014 560	872 142	1 886 702
Y. Banda	773 440	991 381	1 764 821
P. Paradza	911 740	1 502 826	2 414 566
M. Sibanda	646 200	403 200	1 049 400
	<u>4 765 580</u>	<u>5 206 538</u>	<u>9 972 118</u>

24 **Going Concern**

During the year under review, the Commission experienced cashflow difficulties despite recording a surplus of ZWL 2 036 232 819 for the year ended 31 December 2023. As at 31 December 2023, the Commission's current liabilities exceeded current assets by ZWL 242 726 120. This was due to depressed revenues as evidenced by the support received from the Ministry of Finance and Investment Promotion (parent ministry) which disbursed a grant of ZWL 850 000 000 for operational expenditure. The parent ministry has approved the 2024 revenue and capital expenditure budget in which a grant of ZWL 24 500 000 000 is included. The parent ministry has approved the increase in license fees. After assessing all the relevant information about the future for at least twelve months, management is satisfied that the Commission will continue to be a going concern for the foreseeable future.

25 **Functional Currency**

The Commissioners' considered the following key attributes of a functional currency as guided by the provisions of International Accounting Standard (IAS) 21: Effects of Changes in Exchange Rates:

- The currency that mainly influences sales prices for goods and services;
- The currency of the competitive forces and regulations that mainly determine the sales prices of goods and services;
- The currency that mainly influences labour, material and other costs of providing goods and services;
- The currency in which funds from financing activities are generated; and
- The currency in which receipts from operating activities are usually retained.

Having considered the above attributes, the Commissioners' concluded that the Zimbabwe Dollar (ZWL) is the functional currency of the Commission. Management will continue to assess the functional currency in line with the provisions of IAS 21.

Notes to the financial statements
for the year ended 31 December 2023 (continued)

26 Contingent liabilities

There were no contingent liabilities.

27 Events after the reporting period

There were no events after the reporting period.



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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 6th Annual General Meeting of the Securities and Exchange Commission of Zimbabwe (SECZim) will be held on 28th June 2024 at 09.00 hours at the SECZim Office in the Training Room, Ground Floor Block C, Smatsatsa Office Park Borrowdale Harare and virtually.

AGENDA

1. To receive, consider and adopt the Audited Financial Statements and Reports of the Commissioners and Auditors for the year ended 31 December 2023.
2. To confirm the Commissioners' fees and remuneration for the year ended 31 December 2023, in the amount of ZWL243,693,133.
3. To approve the remuneration of the External Auditors for the year ended 31 December 2023, in the amount of ZWL136,445,873.
4. To note an update from the Office of the Auditor General regarding the reappointment of Grant Thornton Chartered Accountants (Zimbabwe) as the auditors of the Securities and Exchange Commission of Zimbabwe for the year ending 31 December 2024.
5. To note the appointment to the membership of the Commission of Commissioners M. Mantiziba, C.R. Mudenda and G. Muzondo, with effect from 01 September 2023, 01 December 2023 and 01 February 2024, respectively.
6. To note the resignation of Commissioners C. Mphambela and Dr. P. Paradza from the membership of the Commission with effect from the 31st October 2023 and the 28th December 2023, respectively.
7. To receive the Chief Executive Officer's update on the SECZim's operations for the year ended 31 December 2023 and its plans for 2024.

REGISTRATION FOR THE AGM - Stakeholders are required to register on the following link **SECZIM 6th AGM 2024** which is also available on the SECZim website: www.seczim.co.zw.

You may contact cordeliam@seczim.co.zw for further information.

By Order of the Board

Mrs. Cordelia Mutangadura
Corporate Secretary.

28 May 2024.





CONTACT DETAILS

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