

**MORGAN & CO (PRIVATE) LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31 DECEMBER 2025**

MORGAN & CO (PRIVATE) LIMITED  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2025

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INDEX TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

Content	Page
General information	1
Directors' responsibility statement	2
Report of the independent auditors	3-6
Statement of financial position	7
Statement of profit or loss and other comprehensive income	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to the financial statements	11-30

General Information

**Nature of business**

The main business of the company is buying and selling of shares on the Zimbabwe Stock Exchange and Victoria Falls Securities Exchange on behalf of clients.

**Registered office**

44 King George Road  
Avondale  
Harare

**Directors**

Mr D Muchengi

Executive Director

Mr L Nyamazana

Executive Director

**Independent auditors**

Kreston Zimbabwe Chartered Accountants  
Block A, Smatsatsa Office Park  
Borrowdale  
Harare

**Principal bankers**

CBZ  
Custodial Service Branch  
Harare

ZB Bank  
Natal Branch  
Harare

**Lawyers**

Coglan, Welsh & Guest  
Cecil House 2 Central Avenue  
Corner Second Street  
Harare

**MORGAN & CO (PVT) LTD**

**DIRECTORS' RESPONSIBILITY AND APPROVAL OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

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

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

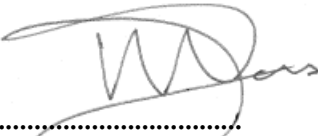
The financial statements set out in this report have been prepared by directors in accordance with International Financial Reporting Standards (IFRS). The statements are based on the appropriate accounting policies which were supported by reasonable and prudent judgements and estimates.

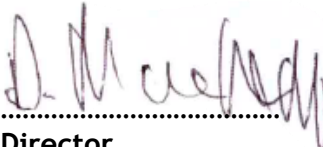
The company's accounting and internal control systems are designed to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability of its assets. Such controls are based on established written policies and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

In light of the current financial position, directors are satisfied that Morgan & Co (Pvt) Ltd is a going concern and has continued to adopt the going concern basis in preparing the financial statements.

The external auditors are responsible for independently reviewing and reporting on the company's financial statements. The financial statements have been audited by the company's external auditors, and their report is presented on pages 3 to 6.

The company's financial statements which are set out on pages 7 to 30 were in accordance with their responsibilities, approved by the company executives on 31 March 2026 and are signed on their behalf by:

  
.....  
**Director**

  
.....  
**Director**

**INDEPENDENT AUDITOR'S REPORT  
TO THE MANAGEMENT OF MORGAN & CO (PVT) LTD*****Unqualified Opinion***

We have audited the financial statements of Morgan & Co (Private) Limited set out on pages 7 to 30, which comprise the statement of financial position as at 31 December 2025, the statement of comprehensive income, the statement of changes in reserve, and the statement of cash flows for the year ended, and the notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly the financial position of Morgan & Co (Private) Limited as at 31 December 2025, and its financial performance and its cash flows for the year that ended in accordance with International Financial Reporting Standards and the manner required by the Companies and Other Business Entities Act [Chapter 24:31] of Zimbabwe and the Securities and Exchange Act [Chapter 24:25]

***Basis for Unqualified Opinion***

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) and other independence requirements applicable to performing audits of the financial statements in Zimbabwe. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified opinion except for the matter below.

***Material Uncertainty Related to Going Concern***

Our review of the director's responsibility statement set on page 2, relating to going concerns, we have nothing to report having performed our review. As noted within the director's responsibility statement on page 2, the directors have concluded that it is appropriate to prepare financial statements using the going-concern basis of accounting. The going-concern basis presumes that the company has adequate resources to remain in operation and that the directors intend it to do so for at least one year from the date the financial statements were signed. As part of our audit, we have assessed that the board of directors' use of a going concern basis is appropriate. However, because not all future events or conditions can be predicted, these statements are not guaranteed as to the company's ability to continue as a going concern.

### ***Key Audit Matters***

Key audit matters are those matters that, in our professional judgment, were of the 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, we do not provide a separate opinion on these matters. However, there are no key audit matters.

### ***Other Information***

Other information consists of the director's responsibility statement included in the financial statements, other than the company's financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the company's financial statements does not cover the other information, and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the company's financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report on in this regard.

### ***Director's Responsibilities for the Financial Statements***

The management of Morgan & Co (Private) Limited are responsible for the preparation and fair presentation of the company's financial statements in accordance with IFRS and for such internal

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

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

Our objectives are to obtain reasonable assurance about whether the company's 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 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 based on the company's financial statements.

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

- Identify and assess the risk of material misstatement of the company's 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 omission, misrepresentations, or override of internal control.
- Obtain an understanding of internal controls relevant to the audit to design audit procedures that are appropriate in the circumstance, but not to express an opinion on the effectiveness of the company's internal controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members.
- Conclude on the appropriateness of the company'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 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 disclosure 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 date in our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosure, 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 company's activities within the company to express an opinion on the financial statements. We remain solely responsible for our Audit opinion.

We communicate with the members 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 the company with a statement that we have complied with the relevant ethical requirement 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 the company, we determined those matters that were of the 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 regulations preclude 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 the other Legal and Regulatory Requirements**

In our opinion, the financial statements have been properly prepared in accordance with the accounting policies set out on pages 11 to 18, Securities and Exchange Act [Chapter 24:25] and the Companies and Other Business Entities Act [Chapter 24:31] of Zimbabwe.

The engagement partner on the audit resulting in this independent auditor's report is Mr Modern Mutumwa (PAAB Practicing Certificate Number: 0540).

*Kreston (Z)*

31/03/2026

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**KRESTON ZIMBABWE CHARTERED ACCOUNTANTS  
DATE REGISTERED PUBLIC AUDITORS  
HARARE**

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**DATE**

**MORGAN & CO (PRIVATE) LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2025**

	Note	Inflation adjusted		Historical	
		2025 ZWG	2024 ZWG	2025 ZWG	2024 ZWG
<b>ASSETS</b>					
<b>Non current assets</b>		<b>12,992,941</b>	<b>12,834,010</b>	<b>12,894,469</b>	<b>12,766,500</b>
Property and equipment	4	236,960	145,725	138,488	78,215
Investment property	5	12,687,795	12,687,795	12,687,795	12,687,795
Right of use asset	6	-	490	-	490
Deferred tax asset	10	68,186	-	68,186	-
<b>Current assets</b>		<b>1,925,693</b>	<b>4,147,796</b>	<b>1,925,693</b>	<b>2,088,198</b>
Trade and other receivables	7	495,187	767,396	495,187	767,396
Financial Assets at Fair Value Through Profit and Loss	8	69,856	2,218,478	69,856	158,879
Cash and cash equivalents	9	1,360,650	1,161,922	1,360,650	1,161,922
<b>Total assets</b>		<b>14,918,635</b>	<b>16,981,807</b>	<b>14,820,162</b>	<b>14,854,698</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>		<b>13,810,811</b>	<b>15,592,925</b>	<b>13,712,339</b>	<b>13,516,151</b>
Ordinary Shares		4,055	4,055	2,278	2,278
Capital contribution		14,590,964	14,590,964	12,687,795	12,687,795
Treasury shares		104	104	58	58
Revaluation reserve		59,724	59,724	33,553	33,553
Retained Earnings		(844,036)	938,079	988,655	792,467
<b>Non current liabilities</b>		<b>-</b>	<b>83,135</b>	<b>-</b>	<b>83,135</b>
Deferred Tax	10	-	83,135	-	83,135
<b>Current liabilities</b>		<b>1,107,823</b>	<b>1,305,746</b>	<b>1,107,823</b>	<b>1,255,412</b>
Trade and other payables	13	624,333	911,879	624,333	911,879
Provisions	14	344,992	280,769	344,992	244,147
Lease liability	6	-	31,899	-	31,899
Taxation Payable	11.1	138,498	78,887	138,498	66,188
5% Preference Shares	12	-	2,312	-	1,299
<b>Total liabilities</b>		<b>1,107,823</b>	<b>1,388,881</b>	<b>1,107,823</b>	<b>1,338,547</b>
<b>Total equity and liabilities</b>		<b>14,918,635</b>	<b>16,981,807</b>	<b>14,820,162</b>	<b>14,854,698</b>

Signed on behalf of the board by:



.....  
Executive Director

31-Mar-26

.....  
Date



.....  
Executive Director

31-Mar-26

.....  
Date

**MORGAN & CO (PRIVATE) LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

	Note	Inflation adjusted		Historical	
		2025 ZWG	2024 ZWG	2025 ZWG	2024 ZWG
Income		13,745,466	14,405,588	13,482,234	9,266,717
Net Brokerage commission		13,378,222	13,852,175	13,199,945	8,673,126
Other income	15	367,244	553,413	282,290	593,592
<b>Total Expenditure</b>		<b>(13,410,195)</b>	<b>(13,729,624)</b>	<b>(13,082,525)</b>	<b>(7,648,782)</b>
Administrative expenses	16	9,713,967	9,169,069	9,438,332	5,656,290
Staff Costs	17	3,696,228	4,560,554	3,644,193	1,992,492
Foreign exchange gain/(loss)		(56,757)	(88,073)	(53,900)	(542,891)
Fair value (loss)/gain	18	(204,831)	404,810	(194,521)	260,937
<b>Operating profit before interest and tax</b>		<b>73,684</b>	<b>992,701</b>	<b>151,289</b>	<b>1,335,981</b>
Finance Costs	19	(301)	(31,052)	(289)	(15,806)
<b>Profit after interest</b>		<b>73,383</b>	<b>961,649</b>	<b>151,000</b>	<b>1,320,175</b>
Net Monetary loss		(1,917,115)	(1,745,021)	-	(1,627,659)
Taxation	11.1	61,618	170,435	45,188	141,669
<b>(Loss)/profit for the year</b>		<b>(1,782,115)</b>	<b>(612,937)</b>	<b>196,187</b>	<b>(165,816)</b>

**MORGAN & CO (PRIVATE) LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

Inflation adjusted	Share capital ZWG	Capital contribution ZWG	Treasury shares ZWG	Revaluation reserve ZWG	Retained earnings ZWG	Total ZWG
Balance as at 1 January 2024	4,055	-	104	59,724	1,551,016	1,614,898
Shareholder capital injection	-	14,590,964	-	-	-	14,590,964
Loss for the year	-	-	-	-	(612,937)	(612,937)
Balance as at 31 December 2024	4,055	14,590,964	104	59,724	938,079	15,592,925
Loss for the year	-	-	-	-	(1,782,115)	(1,782,115)
Balance as at 31 December 2025	4,055	14,590,964	104	59,724	(844,036)	13,810,811
Historical	Share capital ZWG	Capital contribution ZWG	Treasury shares ZWG	Revaluation reserve ZWG	Retained earnings ZWG	Total ZWG
Balance as at 1 January 2024	2,278	-	58	33,553	958,283	994,173
Shareholder capital injection	-	12,687,795	-	-	-	12,687,795
Loss for the year	-	-	-	-	(165,816)	(165,816)
Balance as at 31 December 2024	2,278	12,687,795	58	33,553	792,467	13,516,152
Profit for the year	-	-	-	-	196,187	196,187
Balance as at 31 December 2025	2,278	12,687,795	58	33,553	988,655	13,712,339

MORGAN & CO (PRIVATE) LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Inflation adjusted		Historical	
	2025 ZWG	2024 ZWG	2025 ZWG	2024 ZWG
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating profit before interest and tax	73,383	961,649	151,000	1,320,175
<b>Adjustments for:</b>				
Fair value adjustment	204,831	404,810	194,521	(260,937)
Gains on disposal	-	(62,180)	-	(39,605)
Depreciation charge for the year	38,437	59,458	33,103	36,842
Leave pay provisions	106,189	276,411	100,845	240,357
Foreign exchange (gain)/loss	(52,731)	38,248	(110,864)	75,279
<b>Operating profit/(loss) before working capital changes</b>	<b>370,109</b>	<b>1,678,395</b>	<b>368,604</b>	<b>1,372,110</b>
<b>Working capital changes</b>				
(Increase)/decrease in trade and other receivables	272,209	188,517	272,209	(230,367)
Increase/(decrease) in trade and other payables	(287,546)	(3,317,205)	(287,546)	(1,464,011)
<b>Net cash flow from operating activities</b>	<b>354,772</b>	<b>(1,450,293)</b>	<b>353,267</b>	<b>(322,268)</b>
Taxation paid	(33,823)	(28,613)	(33,823)	(18,225)
<b>Net cash flow from operating activities</b>	<b>320,949</b>	<b>(1,478,906)</b>	<b>319,444</b>	<b>(340,492)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Acquisition of equipment	(91,235)	-	(91,235)	-
Acquisition of trade investments	-	(778,310)	-	297,065
Disposal of trade investments	-	(454,380)	-	(173,428)
<b>Net cash flow from investing activities</b>	<b>(91,235)</b>	<b>(1,232,690)</b>	<b>(91,235)</b>	<b>123,638</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Lease payments	(31,899)	(384,925)	(29,480)	(252,763)
<b>Net cash outflow from financing activities</b>	<b>(31,899)</b>	<b>(384,925)</b>	<b>(29,480)</b>	<b>(252,763)</b>
<b>Net Increase In Cash and Cash Equivalents</b>	<b>197,815</b>	<b>(3,096,522)</b>	<b>198,729</b>	<b>(469,618)</b>
Effects of IAS 29 on cash and cash equivalents	913	3,926,755	-	1,445,198
Cash and cash equivalents at the beginning of the year	1,161,922	331,689	1,161,922	186,342
<b>Cash and cash equivalents at the end of the year</b>	<b>1,360,650</b>	<b>1,161,922</b>	<b>1,360,650</b>	<b>1,161,922</b>
<b>Represented by:</b>	<b>1,360,650</b>	<b>1,161,922</b>	<b>1,360,650</b>	<b>1,161,922</b>
Cash at bank	9 1,360,650	1,161,922	1,360,650	1,161,922

## **1. General information**

### **1.1 Nature of Business**

The company is incorporated in Zimbabwe (Registration number: 24765/2007), its main business is buying and selling of shares on behalf of its clients on the Zimbabwe Stock Exchange and Victoria Falls Securities Exchange.

### **1.2 Currency**

The company's functional and presentation currency is the Zimbabwean Dollar (ZWG).

## **2. Accounting policies**

### **2.1 Basis of Preparation**

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRSs) issued by the International Accounting Standards Board (IASB). The financial statements are based on statutory records that are maintained under the historical cost convention, except for available for sale investments which are carried at fair value.

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 3.

#### **2.1.1 Determination of the functional currency**

Over the past few years, there have been notable changes in monetary policy and exchange control measures that have had a positive impact on company's operations. In March 2020, SI 185 of 2020 "Exchange Control (Exclusive Use of Zimbabwe Dollar for Domestic Transactions) (Amendment) Regulations was pronounced, introducing dual pricing and displaying, quoting, and offering of prices for goods and services in both local and foreign currency. In June 2022, SI 118A of 2022 "Presidential Powers (Temporary Measures) (Amendment of Exchange Control Act) Regulations, 2022" was entrenched into law, allowing the multicurrency regime to continue till December 2025. In addition, on 27 October 2023, Statutory Instrument 218 of 2023 (SI 218/23) extended the settlement of transactions in foreign currency until 31 December 2030, providing much-needed policy clarity on the continuation of the multi-currency regime.

As a result of the above monetary and fiscal measures, the economy witnessed a substantial increase in foreign currency transactions. Management assessed as required by International Accounting Standard (IAS) 21, The Effects of Changes in Foreign Exchange Rates whether use of the Zimbabwean Dollar as the functional remained appropriate. In assessing the functional currency, the Directors considered the parameters set in IAS 21 as follows:

**MORGAN & CO (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

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

In light of the developments summarised above and guidance from IAS 21, the management concluded that company’s functional currency remains the Zimbabwe dollar (ZWG\$), and values are rounded to the nearest ZWG\$ except when otherwise indicated.

• **2.1.2 Application of International Accounting Standards 29, Financial Reporting in Hyperinflationary Economies (“IAS 29”)**

These financial results have been prepared in accordance with IAS 29 and requires that the financial statements of any entity whose functional currency is the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the reporting date and that corresponding figures for the previous period also be restated in terms of the same measuring unit.

Following the pronouncement of SI 27 of 2023, Census and Statistics (General) Notice, 2023 which introduced blended inflation rates replacing the ZWG\$ inflation rates and Consumer Price Index (CPI) effective February 2023, the company used a combination of the Zimbabwe consumer price index (CPI) compiled by Zimbabwe National Statistics.

The indices and conversion factors used to restate these financials are given below.

<b>Date</b>	<b>Currency</b>	<b>Closing CPI</b>	<b>Conversion Factors</b>
31-Dec-24	ZWL	166.30	1.150000
31-Dec 25	ZWL	191.31	1.000000

The procedures applied in the above restatement of transactions and balances are as follows:

- Non-monetary assets, liabilities, equity items, income, and expenses have been restated using the above indices to reflect current purchasing power.
- Monetary items are not restated as they are already expressed in current monetary units.
- Comparative figures have been restated to the measuring unit current at 31 December 2025.

**2.2 Motor Vehicles and Equipment**

**MORGAN & CO (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

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Motor vehicles and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amounts or recognised as separate assets, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the entity and the costs can be measured reliably. All other repairs and maintenance costs are charged to the statement of profit or loss and other comprehensive income during the period in which they are incurred. Subsequent to initial measurement, motor vehicles and equipment is measured at cost less accumulated depreciation and accumulated impairment losses. Their useful lives and residual values are assessed annually. Annual depreciation is charged proportionately over the remaining useful life of an asset where its carrying amount is higher than its residual value. If the carrying amount is lower than the residual value, no depreciation is charged. The Company acquires its motor vehicles and equipment with the intention to use them for their entire useful lives. Hence their residual values were assessed as \$ nil.

Subject to the above motor vehicles and equipment are depreciated on a straight-line basis over the remaining useful lives as follows:

<b>Asset Class</b>	<b>Depreciation Method</b>	<b>Useful Life (Years)</b>
Motor Vehicles	Straight Line	5
Computer Equipment	Straight Line	5
Furniture and Fittings	Straight Line	5
Office Equipment	Straight Line	5
Leasehold improvements	Straight Line	5

**i) Impairment of Equipment and Motor Vehicles**

The carrying amount of equipment and motor vehicles is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. Any impairment loss is recognized through profit or loss whenever the carrying amount of an asset exceeds its recoverable amount.

**ii) Derecognition of Motor Vehicle and Equipment**

An item of motor vehicle and equipment is derecognized upon disposal or when no future economic benefits are expected from use or disposal.

**2.3 Financial Instruments**

**2.3.1 Loans and Receivables**

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of services to customers. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

**2.3.2 Available for Sale Financial Assets**

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. Available-for-sale financial assets are subsequently carried at fair value and where it is difficult to estimate fair value,

unquoted equity investments are measured at cost. Changes in the fair value are recognized in other comprehensive income and accumulated in the available for sale reserve; exchange differences on corporate bonds denominated in a foreign currency and interest calculated using effective interest rate method is recognized in profit or loss. Where there is significant or prolonged decline in the fair value of an available for sale financial asset (which constitute objective evidence of impairment), the full amount of impairment, including any amount previously recognized in other comprehensive income, is recognized in profit or loss. Purchases and sales of available for sale financial assets are recognized on settlement date with any changes in fair value between trade date and settlement date being recognized in the available for sale reserve.

On sale, the cumulative gain or loss recognized in other comprehensive income is reclassified from available for sale reserve to profit or loss.

### **2.3.3 Financial Liabilities**

The company's financial liabilities comprise trade and other payables and related party payables. Trade payables and other short-term monetary liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

### **2.3.4 Derecognition of Financial Assets**

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or where they have been transferred and the company has also transferred substantially all risks and rewards of ownership. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the financial assets are derecognized or impaired, as well as through the amortization process.

### **2.3.5 Impairment of Financial Assets**

A financial asset is deemed to be impaired when its carrying amount is greater than its estimated receivable amount, and there is evidence to suggest that the impairment occurred subsequent to the initial recognition of the asset in the financial statements.

### **2.3.6 Fair Value Measurement Hierarchy**

IFRS 7 requires certain disclosures which require the classification of financial assets and financial liabilities measured at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the fair value measurement (see note 3). The fair value hierarchy has the following levels:

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

The level in the fair value hierarchy within which the financial asset or financial liability is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement. Financial assets and financial liabilities are classified in their entirety into only one of the three levels.

#### **2.4 Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held on call with banks, other short term highly liquid investments readily convertible to known amounts of cash with original maturities of three months or less.

#### **2.5 Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

##### **2.5.1 Commission Received**

Revenue from commission is recognised when the service has been rendered and the deal is complete.

##### **2.5.2 Interest Received**

Interest is recognized on a time proportion basis taking account of the principal outstanding and effective rate over the period to maturity.

#### **2.6 Post Employment Benefits**

Contributions to defined contribution pension schemes are charged to profit or loss in the year to which they relate.

#### **2.7 Income Tax**

##### **a. Current Tax**

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the statement of financial position date.

##### **b. Deferred Tax**

Deferred income tax is provided using the liability method on temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences except: Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither the accounting profit nor taxable profit or loss; and in respect of taxable temporary

differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary differences can be controlled and it is probable that reversal of the temporal differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized except: “where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither the accounting profit nor taxable profit or loss; and in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures. Deferred tax assets are recognised only to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets at each reporting date are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised, or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss and other comprehensive income. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax relate to the same taxable entity and the same taxation authority. Deferred capital gains tax arises on the revalued property. The capital gains tax liability is computed on the revaluation adjustment based on rates ruling on the reporting date.

## **2.8 Provisions**

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation because of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

**3. Critical judgements in applying the company's accounting policies**

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts presented in the financial statements and related disclosures. Use of available information and the application of judgment is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgments include:

**(a) Trade and Other Receivables**

The company assesses its trade and other receivables for impairment at each statement of financial position date. In determining whether an impairment loss should be recorded in the statement of profit or loss, the company makes judgments as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

**(b) Impairment Testing on Motor Vehicles and Equipment**

The Company is required to test, on an annual basis, whether an asset has suffered any impairment. Impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. The determination of value in use requires the estimation of future cash flows and of a discount rate.

**(c) Residual Values and Useful Lives**

The Company is required to assess residual values and the remaining useful lives of its motor vehicles and equipment on an annual basis. This affects the amount of depreciation that is recognized in the statement of income and expenditure. Management assessed residual values at nil for all assets as it intends to use the assets until the end of their economic useful lives.

MORGAN & CO (PVT) LTD  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025

4 Property and Equipment

Inflation adjusted	LEASEHOLD ZWG	OFFICE & COMPUTER ZWG	FURNITURE & FITTINGS ZWG	LOW VALUE ASSETS ZWG	MOTOR VEHICLE ZWG	TOTAL ZWG
<b>Carrying amount 01 January 2024</b>	-	<b>114,984</b>	<b>40,504</b>	<b>311</b>	<b>38,537</b>	<b>194,336</b>
Cost	557	179,070	71,248	581	60,287	311,743
Accumulated depreciation	(557)	(64,086)	(30,744)	(270)	(21,749)	(117,407)
Charge for the year	-	(31,589)	(6,284)	(102)	(10,635)	(48,610)
<b>Carrying amount 31 December 2024</b>	-	<b>83,395</b>	<b>34,219</b>	<b>208</b>	<b>27,902</b>	<b>145,725</b>
Cost	557	179,070	71,248	581	60,287	311,743
Accumulated depreciation	(557)	(95,675)	(37,029)	(372)	(32,384)	(166,017)
Additions	-	83,835	7,400	-	-	91,235
Charge for the year	-	(21,526)	(4,738)	(116)	(12,057)	(38,437)
<b>Carrying amount 31 December 2025</b>	-	<b>145,704</b>	<b>36,882</b>	<b>92</b>	<b>15,845</b>	<b>236,960</b>
Cost	557	262,905	78,648	581	60,287	402,977
Accumulated depreciation	(557)	(117,201)	(41,766)	(488)	(44,442)	(166,017)
Historical	LEASEHOLD ZWG	OFFICE & COMPUTER ZWG	FURNITURE & FITTINGS ZWG	LOW VALUE ASSETS ZWG	MOTOR VEHICLE ZWG	TOTAL ZWG
<b>Carrying amount 01 January 2024</b>	-	<b>64,598</b>	<b>22,755</b>	<b>175</b>	<b>21,650</b>	<b>109,177</b>
Cost	313	100,601	40,027	326	33,869	175,136
Accumulated depreciation	(313)	(36,004)	(17,272)	(152)	(12,219)	(65,959)
Charge for the year	-	(20,120)	(4,003)	(65)	(6,774)	(30,962)
<b>Carrying amount 31 December 2024</b>	-	<b>44,477</b>	<b>18,752</b>	<b>109</b>	<b>14,876</b>	<b>78,215</b>
Cost	313	100,601	40,027	326	33,869	175,136
Accumulated depreciation	(313)	(56,124)	(21,275)	(217)	(18,993)	(96,921)
Additions	-	83,835	7,400	-	-	91,235
Charge for the year	-	(21,526)	(4,738)	(65)	(6,774)	(33,103)
<b>Carrying amount 31 December 2025</b>	-	<b>108,192</b>	<b>22,149</b>	<b>44</b>	<b>8,103</b>	<b>138,488</b>
Cost	313	184,436	47,427	326	33,869	266,371
Accumulated depreciation	(313)	(76,244)	(25,278)	(282)	(25,766)	(127,883)

MORGAN & CO (PVT) LTD  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025

Inflation adjusted		Historical	
2025 ZWG	2024 ZWG	2025 ZWG	2024 ZWG

### 5 Investment Property

The company holds investment property comprising 8,005 square metres of land located at Lot 78, Greendale, Harare. The land is measured at fair value in accordance IAS 40. As at 31 December 2025, the fair value of the land was determined as follows:

Opening Balance	12,687,795	-	12,687,795	-
Additions	-	12,687,795	-	12,687,795
Closing Balance	<u>12,687,795</u>	<u>12,687,795</u>	<u>12,687,795</u>	<u>12,687,795</u>

### 6 Lease

The company leases buildings under finance lease expiring in three years.

#### 6.1 Right of use Asset

The company is in a lease agreement where it obtained the right to use office premises. The right of use assets is amortized over 3 years.

##### Right of Use Asset at Cost

Opening Balance	29,834	29,834	16,761	16,761
	<u>29,834</u>	<u>29,834</u>	<u>16,761</u>	<u>16,761</u>
<b>Depreciation</b>				
Opening Balance	29,344	18,496	16,271	10,391
Charge for the year	490	10,848	490	5,880
	<u>29,834</u>	<u>29,344</u>	<u>16,761</u>	<u>16,271</u>
<b>Carrying Amount</b>	-	490	-	490

#### 6.2 Lease liability

The lease liability is resulting from obligatory lease payments that will be paid throughout the lease period. The lease liability is measured at amortized cost as per IFRS 9. The present value was determined and amortized using the 35% which was the interest rate implicit in the lease.

Lease liability assumed	31,899	344,569	31,899	193,578
Adjustment for change in lease agreement				
Finance cost	-	31,052	-	15,806
Lease payments	(29,480)	(384,925)	(29,480)	(252,763)
Foreign exchange (loss)/ gain	(2,419)	41,203	(2,419)	75,279
Carrying amount	<u>-</u>	<u>31,899</u>	<u>-</u>	<u>31,899</u>
Current Portion	-	31,899	-	31,899
Total lease liability	<u>-</u>	<u>31,899</u>	<u>-</u>	<u>31,899</u>

**MORGAN & CO (PVT) LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

	Inflation adjusted		Historical	
	2025 ZWG	2024 ZWG	2025 ZWG	2024 ZWG
<b>7 Trade and other receivables</b>				
Trade receivables	454,664	417,819	454,664	417,819
<b>Other Receivables</b>				
Prepayments	40,524	141,992	40,524	141,992
Custodial	-	160,989	-	160,989
Receivables Control	-	46,596	-	46,596
	<u>40,524</u>	<u>349,577</u>	<u>40,524</u>	<u>349,577</u>
<b>Total financial assets other than cash and cash equivalents classified as loans and receivables</b>	<u>495,187</u>	<u>767,396</u>	<u>495,187</u>	<u>767,396</u>
The carrying value of trade and other receivables approximates the fair value.				
Up to 3 months	495,187	767,396	495,187	767,396
	<u>495,187</u>	<u>767,396</u>	<u>495,187</u>	<u>767,396</u>

The accounts receivable have been assessed for impairment as at year end and the balances are not impaired.

<b>8 Investments</b>				
Listed equity securities	2,129,454	2,218,478	69,856	158,879
<b>Reconciliation of Listed Equity Securities</b>				
Opening balance	2,218,478	4,942,430	158,879	2,776,646
Purchases	-	778,310	-	297,065
Disposals	-	(454,380)	-	(173,428)
Effects of currency changes	-	(3,452,692)	-	(3,002,341)
Fair value (loss)/gain on available for sale financial assets	(89,024)	404,810	(89,024)	260,937
<b>Closing balance - Available for sale investments</b>	<u>2,129,454</u>	<u>2,218,478</u>	<u>69,856</u>	<u>158,879</u>
<b>9 Cash and cash equivalents comprises the following:</b>				
Cash at bank	1,360,650	1,161,922	1,360,650	1,161,922

MORGAN & CO (PVT) LTD  
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)  
FOR THE YEAR ENDED 31 DECEMBER 2025

	Inflation adjusted		Historical	
	2025 ZWG	2024 ZWG	2025 ZWG	2024 ZWG
<b>10 Deferred Tax</b>				
Property and Equipment	20,649	23,307	20,649	20,267
Leave pay provision	(88,835)	72,298	(88,835)	62,868
<b>Closing deferred tax (asset)/ liability</b>	<b>(68,186)</b>	<b>95,605</b>	<b>(68,186)</b>	<b>83,135</b>
Deferred tax liability at the beginning of the year	83,135	25,181	83,135	21,897
Deferred tax movement	<b>(151,321)</b>	<b>70,424</b>	<b>(151,321)</b>	<b>61,238</b>
<b>11 Taxation</b>				
<b>11.1 Income tax expense</b>				
Current taxation	89,703	92,496	106,133	80,431
Deferred tax	(151,321)	70,424	(151,321)	61,238
<b>Tax expense</b>	<b>(61,618)</b>	<b>162,919</b>	<b>(45,188)</b>	<b>141,669</b>
<b>11.2 Reconciliation of income tax charge</b>				
Profit/ (loss) from continuing operations	73,684	992,701	151,289	1,335,981
Tax at the Zimbabwe Tax rate (25.75%)	18,974	255,620	38,957	344,015
Tax effect of amounts which are not deductible	98,529	496,444	93,576	316,207
Tax effect of amounts which are not taxable	(21,035)	-	(19,976)	-
Capital allowances	(6,764)	(31,557)	(6,423)	(20,100)
Movement in temporary differences	(151,321)	44,158	(151,321)	61,238
Assessed loss	-	(601,747)	-	(559,690)
	<b>(61,618)</b>	<b>162,919</b>	<b>(45,188)</b>	<b>141,669</b>
<b>11.3 Tax Payable</b>				
Opening Balance	78,887	7,087	66,188	3,981
Current year charge	89,703	126,277	106,133	80,431
Effects of IAS 29	(10,906)	(25,864)	-	(24,563)
Tax paid	(35,616)	(28,613)	(33,823)	(18,225)
<b>Closing Balance</b>	<b>122,068</b>	<b>78,887</b>	<b>138,498</b>	<b>66,188</b>

**MORGAN & CO (PVT) LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

	Inflation adjusted		Historical	
	2025 ZWG	2024 ZWG	2025 ZWG	2024 ZWG
<b>12 Borrowings</b>				
<b>Preference shares</b>				
The shareholders issued 5% 100 000 non-convertible preference shares. The loan is repayable on 1 November 2023. The preference shares are presented in the balance sheet as follows:				
1. The preference shares are a debt instrument as they are not convertible, rather, redeemable after 5 years. The liability is measured at amortized cost as per IFRS 9				
2. The present value was determined discounting, and amortized (level 3) using the 9.2% which was the average market rate during the year .				
3. The difference between the present value of the liability and cash received is recognised as day				
Cash received	-	2,312	-	1,299
Day 1 gain	-	-	-	-
Present Value	-	2,312	-	1,299
Write to present value	-	-	-	-
Carrying amount as at year end	-	2,312	-	1,299
Current Portion	-	2,312	-	1,299
	-	2,312	-	1,299
<b>13 Trade and other payables</b>	<b>624,333</b>	<b>1,048,661</b>	<b>624,333</b>	<b>911,879</b>
Trade payables	(431,500)	810,650	(431,500)	704,913
Levies Payable	444,050	134,710	444,050	117,139
Salaries control	611,783	103,301	611,783	89,827
<b>14 Provisions</b>				
Leave pay provision	344,992	280,769	344,992	244,147
<b>15 Other Income</b>	<b>287,336</b>	<b>699,265</b>	<b>282,290</b>	<b>593,592</b>
Interest income	1,418	-	1,412	-
Advisory fees	285,917	637,084	280,878	553,986
Gain on disposal	-	62,180	-	39,605

**MORGAN & CO (PVT) LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

	Inflation adjusted		Historical	
	2025 ZWG	2024 ZWG	2025 ZWG	2024 ZWG
<b>16 Administrative expenses</b>	<b>9,713,967</b>	<b>9,169,069</b>	<b>9,438,332</b>	<b>5,656,290</b>
Audit Fees	151,183	357,972	145,286	165,196
Depreciation - Property & Equipment	38,437	48,610	33,103	30,962
Depreciation - Right of Use	490	10,848	490	5,880
Marketing and Promotional	130,315	13,784	123,756	4,833
Business development	1,099,738	743,456	1,067,607	344,193
IT Service Level	55,774	21,576	54,976	15,575
Consultancy Services	1,881,266	2,264,239	1,852,511	1,561,258
Staff Training	223,265	111,004	212,028	65,629
Parking Fees	1,942	1,754	1,908	1,087
Repairs and maintenance	406,366	545,643	385,913	252,612
Security Alarm Rental	127,502	74,619	121,084	36,978
Subscriptions	138,478	667,194	131,508	308,886
Telecommunication Costs	281,742	804,182	267,561	653,983
Licences	686,538	496,065	651,983	390,741
Cleaning Costs	135,685	43,637	128,856	26,402
Fuel & Oils	133,395	80,632	126,681	45,432
Uniforms	143,885	1,423	136,643	778
Printing and Stationery	184,594	553,580	175,303	256,287
Transport and Courier	67,301	1,455	63,914	795
Bank Charges	303,419	197,678	299,590	125,656
IMT Tax	90,928	130,170	88,703	79,566
Electricity & Water	282,651	82,577	268,425	55,104
Travel and Accommodation	69,718	41,461	67,591	22,416
Insurance	237,083	45,942	225,150	27,265
NMI	2,038,084	1,366,525	2,014,309	873,411
Motor Vehicle licenses	14,773	9,904	14,460	6,838
Fees and commission	168,778	48,222	167,083	39,030
Penalties	16,668	-	16,231	-
Rentals	272,732	57,819	269,159	26,768
Teas & Refreshments	331,234	347,099	326,520	232,730

MORGAN & CO (PVT) LTD  
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)  
FOR THE YEAR ENDED 31 DECEMBER 2025

	Inflation adjusted		Historical	
	2025 ZWG	2024 ZWG	2025 ZWG	2024 ZWG
<b>17 Staff costs</b>	<b>3,696,228</b>	<b>4,560,554</b>	<b>3,644,193</b>	<b>1,992,492</b>
Salaries	2,954,354	3,607,811	2,916,041	1,346,937
Medical Aid	360,676	461,671	355,804	277,952
WCIF	44,877	23,585	44,360	13,787
NSSA	64,710	48,543	63,698	31,721
Funeral Employer	103,056	61,136	101,678	38,997
Staff Welfare	-	47,875	-	22,220
Manpower development fund	47,135	22,509	46,726	13,787
Standards Development Levy	15,231	11,012	15,042	6,735
Leave Pay provision	106,189	276,411	100,845	240,357
<b>18 Other Gains or Losses</b>	<b>(204,831)</b>	<b>404,810</b>	<b>(194,521)</b>	<b>260,937</b>
Net fair value gains/(losses) on financial assets at fair value through profit or loss	(204,831)	404,810	(194,521)	260,937
<b>19 Finance Costs</b>	<b>301</b>	<b>31,052</b>	<b>289</b>	<b>15,806</b>
Interest	301	-	289	-
Lease finance cost	-	31,052	-	15,806
<b>20 Related parties</b>				
<b>Related party</b>				
Morgan & Co International (Pvt) Ltd				
Mr D Muchengi				
Mr L Nyamazana				
Ms I Mhlandhla				
Ms P Chagwadera				
	<b>Nature of relationship</b>			<b>Status</b>
	Subsidiary			Active
	Director			Active
	Director			Active
	Finance Executive			Active
	Stock Broker			Active
<b>20.1 Balances with related parties</b>				
<b>Payables</b>				
Morgan & Co International (Pvt) Ltd	372,150	154,056	372,150	133,962
<b>20.2 Compensation to key management</b>				
Key management personnel are employees who have authority and are responsible for planning, directing and controlling the activities of the company.				
Salaries	1,265,952	508,204	1,202,234	482,625
Consultancy fees	1,856,807	2,264,239	1,763,349	1,561,258

**21 Financial risk management**

**Financial instruments risk**

The company is exposed through its operations to the following financial risks:

1. Credit risk
2. Liquidity risk
3. Interest risk

In common with all other businesses, the company is exposed to risks that arise from its use of financial instruments. This note describes the company's objectives, policies and processes for managing those risks and methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

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

**Principal financial instruments**

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

- a) Trade and other receivables
- b) Cash at bank
- c) Financial Assets at Fair Value Through Profit and Loss
- d) Trade and other payables

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

**Financial assets**

**Loans and receivables**

	Inflation Adjusted		Historical	
	2025 ZWG	2024 ZWG	2025 ZWG	2024 ZWG
Cash and cash equivalents	1,360,650	1,161,922	1,360,650	1,161,922
Trade and other receivables	495,187	767,396	495,187	767,396
Financial Assets at Fair Value Through Profit/Loss	69,856	2,218,478	69,856	158,879
<b>Total financial assets</b>	<b>1,925,693</b>	<b>4,147,796</b>	<b>1,925,693</b>	<b>2,088,198</b>
<b>Financial liabilities</b>				
Trade and other payables	2,483,136	911,879	624,333	911,879
<b>Total financial liabilities</b>	<b>2,483,136</b>	<b>911,879</b>	<b>624,333</b>	<b>911,879</b>

**General objectives, policies and processes**

The Board has overall responsibility for the determination of the company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the company's finance function.

**Credit risk**

Credit risk is the risk of financial loss to the company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. Financial assets which potentially subject the company to concentrations of credit risk consist primarily of cash and trade receivables. The company's cash and cash equivalents are placed with high quality financial institutions. The credit risk with respect to trade receivables is limited to contractual obligations by debtors. The carrying amount of the trade and other receivables is the same as the maximum exposure.

**MORGAN & CO (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**21 Financial risk management (Cont'd)**

**Liquidity risk**

This is the risk of insufficient liquid funds being available to cover commitments. In order to mitigate any liquidity risk that the company faces, the company's policy has been throughout the year ended 31 December 2025, to maintain significant liquid resources.

	TOTAL	Up to 3 months	Between 3 and 12 months	Between 1 and 2 years	Over 2 years
	ZWG	ZWG	ZWG	ZWG	ZWG
<b>At 31 December 2025</b>					
Trade and other payables	444,459	293,529	150,930	-	-

**Interest rate risk**

This is the risk that arises from the adverse movement in the value of future interest receipts resulting from movements in interest rates. The interest rates for interest receivable from local financial institutions are generally pegged against the Reserve Bank of Zimbabwe rates.

**22 National Social Security Authority Scheme**

All eligible employees are members of the National Social Security Scheme to which the employees and the Company contribute. The scheme was promulgated under the National Social Security Authority Act 1989. The Company's obligations under this scheme are limited to specific contributions legislated from time to time. Contributions by the Company amount to 4.5% of basic salary per employee per month.

	Inflation Adjusted		Historical Cost	
	2025	2024	2025	2024
	ZWG	ZWG	ZWG	ZWG
Contributions for the year	64,710	48,543	63,698	39,654

### **23 . Environmental, Social and Governance Policy**

#### **Policy**

This Environmental, Social and Governance (“ESG”) Policy outlines Morgan & Co (Private) Limited’s approach to assessing ESG risks and value creation opportunities in the context of stockbroking services offered to corporate, institutional, and private clients. Morgan & Co (Private) Limited prioritizes material ESG considerations in its due diligence processes and ongoing management of client investments, when reasonably practical. For the purpose of this policy, material ESG issues are defined as those that Morgan & Co (Private) Limited determined significantly impact an organization’s ability to generate or maintain economic, environmental, and social value for itself, its communities, and stakeholders.

Examples of ESG matters include:

- **Environmental: energy use, carbon emissions, pollution, waste, and water management.**
- **Social: human rights, equality, health and safety, community impacts.**
- **Governance: management structure, compliance with regulations, and conflict of interest policies.**

As a long-term investor, we believe we have a fiduciary obligation to proactively address ESG risks and opportunities as part of our investment strategy to create long-term sustainable value for the company’s limited partners. The company is a signatory to the Principles for Responsible Investment (“PRI”), an initiative supported by the United Nations that provides a voluntary framework to help institutional investors incorporate environmental, social and corporate governance issues into investment analysis, decision-making and ownership practices.

#### **Objectives**

The company seeks to:

- a) Evaluate environmental, governance, safety, and social issues associated with potential investment opportunities.
- b) Engage with stakeholders, including local communities and government entities, to communicate ESG priorities.
- c) Develop and enhance the long-term sustainability of client investments for diverse stakeholders.
- d) Collaborate with portfolio companies and stakeholders to advance ESG initiatives.
- e) Ensure transparency and timely communication regarding ESG matters with clients.
- f) Adhere to strict anti-bribery and anti-money laundering regulations.

#### **ESG When making an investment**

During the investment evaluation process, the company will:

- a) Assess the type, geography, and control of investments, reviewing relevant ESG elements and engaging external advisors for formal reports addressing transaction merits and risks.
- b) Avoid investments in companies or projects that violate human rights, including child or forced labor and discriminatory practices.
- c) Identify strategies to mitigate potential ESG risks and leverage opportunities for value enhancement post-acquisition.

#### **ESG as Part of Morgan & Co (Private) Limited.**

Morgan & Co (Private) Limited incorporates ESG risks and opportunities into its evaluation of investment prospects and ongoing management of client portfolios. The extent of management and monitoring will depend on the level of influence Morgan & Co (Private) Limited has over the client’s portfolio. Effective handling of ESG risks and opportunities is viewed as a means to enhance investment value, leading to sustainable practices.

**MORGAN & CO (PRIVATE) LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS (Cont'd)  
 FOR THE YEAR ENDED 31 DECEMBER 2025**

- a) Integrates ESG risks and opportunities identified during due diligence into post-acquisition action plans.
- b) Requires ongoing disclosure from project companies, in the form of quarterly reporting and regular key performance indicators.
- c) Where appropriate, considers ESG matters as part of a portfolio company’s incentive program.
- d) Complies with applicable local, state, provincial, national and international labor laws and standards applicable to the jurisdictions in which it invests. The company strives to provide a safe, healthy and supportive work environment at all of its portfolio investments and supports competitive wages and benefits for its employees.

**Reporting and Transparency**

Morgan & Co (Private) Limited partners integrate ESG factors into its internal reporting.

**Scope and Responsibilities**

Senior professionals within Morgan & Co (Private) Limited’s investment team are accountable for ESG-related matters in collaboration with stakeholder relations and legal teams. The Managing Director oversees the ESG policy’s implementation, ensuring periodic reviews and necessary updates. Continuous training on ESG is provided throughout the organization.

**Authority**

The Board of Directors has approved this policy, which will be reviewed and updated annually. Significant changes will require prior approval before implementation.

**24. Capital Adequacy**

Morgan & Co (Private) Limited capital management framework is based on SECZim risk-based capital adequacy approach as provided in the *Capital Adequacy Directive for Securities Market Intermediaries of July 2017*. As at 31 December 2025 the adjusted liquid capital stood at ZWG10,984,933. (see *Adjusted liquid capital table*) against minimum requirements of ZWG3,270,631 (see *Total requirement table*) resulting in a surplus of ZWG 7,714,302.

<b>Table 1</b>		
<b>Total Capital Requirements</b>		
13 weeks Operational expenditure Requirement (OER) or the prescribed fixed minimum amount (whichever is higher)	a	3,270,631.25
Counter party risk requirement (CRR): <b>Table 2</b>	b	-
<b>Total Requirement (TR) (a+b)</b>		<b>3,270,631.25</b>
Adjusted liquid Capital (ALC): <b>Table 3</b>		10,984,933.31
<b>Capital Surplus (shortfall)</b>	<b>ALC less TR</b>	<b>7,714,302.06</b>

**MORGAN & CO (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

<b>Table 3</b>	
Ordinary share capital	2,278.00
Preference share capital	-
Share premium account	12,687,795.00
Audited retained earnings or accumulated losses	988,655.00
Unaudited profit or loss	-
Other Distributable Reserves	-
<b>Owners equity</b>	<b>13,678,728.00</b>
+ Shareholders loans	-
<b>Total capital resources (a)</b>	<b>13,678,728.00</b>
<b>Less intangible assets (b)</b>	<b>-</b>
Goodwill	-
Licensees, softwares	-
Trademarks and similar rights	-
<b>Available capital resources (c) = (a-b)</b>	<b>13,678,728.00</b>
<b>Less Illiquid assets (d)</b>	<b>138,488.00</b>
Fixed Assets (Held for own use)	138,488.00
<b>Available capital resources after fixed assets adjustment (e) = (c-d)</b>	<b>13,540,240.00</b>
<b>Less Adjustments (Haircuts) on Investment Assets (Table 3a) (f)</b>	<b>2,555,306.69</b>
<b>Less overdue Receivables (Table 3b) (g)</b>	<b>-</b>
<b>Adjusted liquid capital (ALC) (h) =e-(f+g)</b>	<b>10,984,933.31</b>

**25. Disclosure for Audited Financial Statements - Risk Assessment Process**

As part of our commitment to transparency and effective risk management, the company discloses its risk assessment processes, internal controls, and practices. These processes are designed to identify, assess, and manage the risks specific to our operations. These risks include, but are not limited to, operational risk, market risk, strategic risk, liquidity risk, and legal and compliance risk.

The company regularly reviews and updates its risk management framework to ensure the effectiveness of its internal controls and policies. The audit process will assess the application of these risk assessments, evaluating whether the policies, procedures, and controls in place are adequate and whether they have been operated effectively throughout the reporting period.

This ongoing evaluation is vital to maintaining the integrity of our operations and ensuring the company's resilience in managing various risk factors that may impact our financial position and overall performance.

**26. ML/TF Risk Assessment Process**

In accordance with regulatory requirements, the company has implemented a comprehensive risk assessment process to identify and assess the risks associated with money laundering (ML) and terrorist financing (TF) specific to our operations. This process is designed to ensure that the company effectively identifies, mitigates, and manages potential ML/TF risks within its

operations.

The company's internal controls and procedures are regularly reviewed and updated to address evolving ML/TF risks and comply with applicable laws and regulations. The audit will assess the application of the risk assessment process, evaluating whether the company has implemented adequate policies, procedures, and controls to mitigate ML/TF risks and whether these measures have operated effectively throughout the reporting period.

The company's commitment to robust risk management practices helps ensure compliance with anti-money laundering and anti-terrorist financing regulations, safeguarding the integrity of our operations and financial reporting.

## **27. Disclosure for Audited Financial Statements - Effectiveness of AML/CFT Programme**

As part of our commitment to ensuring compliance with anti-money laundering (AML) and countering the financing of terrorism (CFT) regulations, the company has conducted an independent assessment of its AML/CFT programme. The assessment covers the following key areas:

- i. **Compliance with Relevant Legislation:** The AML/CFT programme is designed to comply with the relevant sections of the Money Laundering and Proceeds of Crime Act, ensuring that the company adheres to all applicable legal requirements.
- ii. **Risk-Based Policies, Procedures, and Controls:** The company's AML/CFT policies, procedures, and controls are based on the results of a comprehensive AML/CFT risk assessment, ensuring they are tailored to address the specific risks identified within our operations.
- iii. **Adequacy of Policies, Procedures, and Controls:** The independent assessment has confirmed that the company's AML/CFT policies, procedures, and controls are adequate to mitigate the risks associated with money laundering and terrorist financing.
- iv. **Effectiveness of Policies, Procedures, and Controls:** The assessment further confirms that the company's AML/CFT policies, procedures, and controls have been effectively implemented and have operated as intended throughout the reporting period.

## **28. Trust account**

The trust account has been audited, the total funds kept by the company in its Trust accounts together with trust funds on cash in hand or in form of unrepresented or uncleared cheques on the 31<sup>st</sup> of December 2025 did not fall short of the balances shown on Trust account of the company on those according to the said list.

## **29. Going Concern**

The ability of Morgan & Co (Pvt) Ltd to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations of the entity. The Directors have assessed the entity's forecasts and projections, taking into account of reasonably possible changes in trading performance. The Directors have a reasonable expectation that Morgan & Co (Pvt) Ltd has adequate resources as well as support from the shareholders to continue in operational existence for the foreseeable future. Morgan & Co (Pvt) Ltd therefore continues to adopt the going concern basis in preparing its financial statements.

## **30. Events After The Reporting Date**

Subsequent events are events that occur after a company's year-end period but before the release of the financial statements. There were no subsequent events.