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ERNST & YOUNG ASSOCIATES (PRIVATE) LIMITED

FINANCIAL STATEMENTS

30 JUNE 2025

Ernst & Young Associates (Private) Limited
Annual Financial Statements for the year ended 30 June 2025

General Information

COUNTRY OF INCORPORATION AND DOMICILE	Zimbabwe
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	To provide consultancy services.
DIRECTORS	N Mkwanzanji (Chairman) WTT Mupanguri N J Mudzamiri M H Khalpey
BUSINESS ADDRESS	Angwa City Building
POSTAL ADDRESS	P.O. Box 62 or 702 Harare
BANKERS	First Capital Bank Of Zimbabwe Limited, FCDA Centre Harare
AUDITOR	Ballim Chartered Accountants 75 Bishop Gaul Avenue Milton Park
SECRETARY	Ernst & Young Chartered Accountants
COMPANY REGISTRATION NUMBER	23/83

Ernst & Young Associates (Private) Limited

Annual Financial Statements for the year ended 30 June 2025

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Directors' Responsibilities and Approval.

Accounting records and financial statements

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

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

Systems of internal control

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

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

Risk Management

The company maintains a structured risk governance framework, integrating enterprise-wide risk processes, oversight committees, and escalation protocols to ensure timely identification and mitigation of risks. Key risks assessed include regulatory compliance, financial stability, and reputational risks. These risks are monitored and managed by management which includes the Executive Director and Members of the Board. Risk assessments are conducted periodically using scenario analysis and rating models. Regular updates are shared with governance bodies and stakeholders.

Anti-Money Laundering (AML)

As part of our regulatory obligations under the Money Laundering and Proceeds of Crime Act [Chapter 9:24] and accompanying regulations, the company has implemented a structured ML/TF Risk Management Process. This process is designed to identify, assess, and mitigate risks specific to our operations, clients, and service offerings. The company applies a risk-based approach (RBA) to determine the adequacy and proportionality of controls. The company maintains documentation of all assessments and makes them available to supervisory authorities upon request. This disclosure reflects our commitment to transparency and regulatory compliance.

Directors' Responsibilities

Effectiveness of AML/CFT Programme

The AML/CFT programme in place

- Complies with sections of Money Laundering and Proceeds of Crime Act;
- Policies, procedures and controls are based on AML/CFT risk assessment;
- Policies, procedures and controls are adequate; and

and Approval Policies.

- Procedures and controls have operated effectively throughout the reporting period.

Going concern

The Management Committee has reviewed the company's cash flow forecast for the 12 months from the date of approval of the annual financial statements and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

External auditors' role

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external

auditors and their report is presented on page 3 to 5.

The annual financial statements set out on pages 6 to 15, which have been prepared on the going concern

basis, were approved by the directors on 30 September 2025 and were signed on its behalf by:



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Nqaba Mkwanzan (Chairman)



BALLIM

Tax • Audit • Advisory

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Ernst & Young Associates (Private) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ernst & Young Associates (Private) Limited ("the Company"), which comprise the statement of financial position as at June 30, 2025, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements present fairly, in all material respects, the financial position of Ernst & Young Associates (Private) Limited as at 30 June 2025, and its financial performance and separate cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis of 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 Independent Regulatory Board of Auditors Code of Professional Conduct for Registered Auditors ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Directors' Responsibilities for the Financial Statements

The directors of the company are responsible for the preparation and fair presentation of the financial statements of the company in accordance with IFRS, and for such internal control as the directors determine 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 directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to including whether the use of the going concern basis of accounting is appropriate. The use of the going concern and using the going concern basis of accounting is appropriate unless the directors either intend to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors of the company 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 directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory Requirements

In our opinion, the financial statements have been properly prepared, in all material respects, in compliance with the disclosure requirements of the Companies Act (Chapter 24:31).



Ballim Chartered Accountants (Zimbabwe)

Registered Accountants and Auditors

Per:

Mohmed Hanief Nanabawa

Partner

Registered Auditor

PAAB Practising Certificate Number 88

29 September 2025

for and on behalf of, Ballim Chartered Accountants (Zimbabwe), Reporting Auditors

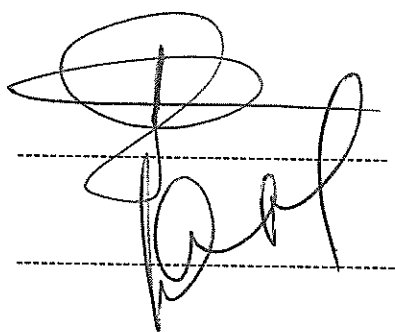
75 Bishop Gaul

Milton Park

HARARE

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

ASSETS	Notes	2025 ZWG	2024 ZWG
CURRENT ASSETS			
Due from related parties	3	458 584	483 960
Total Assets		<u>458 584</u>	<u>483 960</u>
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Share capital	5	674 596	674 596
Accumulated loss		(225 399)	(192 588)
Total equity		<u>449 197</u>	<u>482 008</u>
LIABILITIES			
Bank overdraft		8 459	-
Trade payables	4	928	1 818
Current Income Tax Liabilities		-	135
Total Current Liabilities		<u>9 387</u>	<u>1 953</u>
Total Equity and Liabilities		<u>458 584</u>	<u>483 960</u>




Directors

Ernst & Young Associates (Private) Limited

Annual Financial Statements for the year ended 30 June 2025

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025 ZWG	2024 ZWG
REVENUE			
Fees earned		185 205	-
EXPENDITURE			
Other costs	7	(218 017)	(46 354)
(Loss) before monetary adjustments and tax		(32 812)	(46 354)
Monetary adjustments		-	24 607
(LOSS) BEFORE TAXATION		<u>(32 812)</u>	<u>(21 747)</u>
TAXATION		-	-
(LOSS) AFTER TAXATION		(32 812)	(21 747)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO SHAREHOLDER		<u>(32 812)</u>	<u>(21 747)</u>

Ernst & Young Associates (Private) Limited

Annual Financial Statements for the year ended 30 June 2025

STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2025

	(Accumulated loss)	Share Capital & Premium	Total
Balance at 30 June 2023	(170 842)	174 596	3 755
Total comprehensive loss for the year	(21 747)	-	(21 747)
Issued during the year	-	500 000	500 000
Balance at 30 June 2024	<u>(192 589)</u>	<u>674 596</u>	<u>482 008</u>
Total comprehensive loss for the year	(32 812)	-	(32 812)
Balance at 30 June 2025	<u>(225 401)</u>	<u>674 596</u>	<u>449 197</u>

Ernst & Young Associates (Private) Limited

Annual Financial Statements for the year ended 30 June 2025

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED

30 JUNE 2025

OPERATING ACTIVITIES	Notes	2025 ZWG	2025 ZWG
(Loss)/before taxation		(32 812)	(21 747)
Working capital adjustments:			
Decrease /(Increase)in amount due to related party		25 376	(477 033)
(Decrease) in trade payables		(889)	-
Cash flow from operating activities		<u>(8 325)</u>	<u>(498 780)</u>
Taxation paid		(135)	(1 220)
Net cash flows from operating activities		<u>(8 460)</u>	<u>(500 000)</u>
FINANCING ACTIVITIES			
Issue share capital		-	500 000
Closing cash at bank		<u>(8 460)</u>	<u>-</u>

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

1 CORPORATE INFORMATION

The company is incorporated in Zimbabwe. The principal activity is providing advice on corporate structures and financial advice on specific transactions and acting as independent valuers. These services are rendered to companies listed on the Zimbabwe Stock Exchange and their subsidiaries.

2 ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with, and comply with, the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) as issued by the IASB. The financial statements have been prepared on a historical cost basis except where otherwise stated at fair value. The financial statements are presented in United States Dollars (USD) which is the functional currency. The financial statements have been prepared upon appropriate accounting policies consistently applied from year to year unless otherwise stated.

2.2 FUNCTIONAL AND PRESENTATION CURRENCY

The company's functional and presentation currency is the United States Dollars (USD). However, for compliance with the Monetary Policy Statement (MPS) of 6 February 2025, these special purpose financial statements are presented in (Zimbabwe Gold) ZWG. All amounts are rounded to the nearest ZWG.

On 28 September 2024, the Directors conducted a thorough assessment of the factors influencing the determination of the company's functional currency. The assessment considered factors such as primary economic activities, currency of transactions, cash flow patterns, the regulatory environment and long term stability. The Directors concluded that the United States Dollars (USD) is the appropriate functional currency considering income and expense distribution.

The company changed its functional and presentation currency from ZWG to USD effective 01 October 2024. For all line items ZWG inflation adjusted amounts for the previous financial statements were translated to USD at the 28 June 2025 closing rate.

Property and equipment

The company did not revalue its assets, the converted ZWG balances to USD were insignificant that the balances were written off as most of the assets had reached end of their useful life.

Share Capital

The company valued its shares at USD 0.01 per share, basing on 2019 market value, prior to enactment of Statutory Instrument 33 of 2019, issued by the Government of Zimbabwe on 22 February 2019 that introduced Real Time Gross Settlement dollar as legal tender which required all assets and liabilities previous denominated in USD to be valued in RTGS\$ at one-to-one effective 22 February 2019. Subsequently the exchange rate between RTGS\$ and other currencies was to be determined based on willing buyer – willing seller model. Management elected to continue using the pre S.I 33 valuation of USD 0.01 per share.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rate prevailing at the date of the transaction or valuation where items are re-measured. Foreign exchange gains and losses resulting from settling such transaction and from the transaction at year end exchange rates of monetary assets and liabilities denominated in foreign currency are recognised in profit or loss. Gains and losses emanating from exchange rate movement are presented in profit or loss on a net basis within other gains/losses.

2 ACCOUNT POLICIES (Continued)

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or (loss).

Translation to ZWG presentation currency

The entity's ZWG numbers are based on the USD financial statement translated by applying closing official bank rate as at 27 June 2025. This translation process follows the guideline in the (IASB (Translation to a Hyperinflationary Presentation Currency)). Per this guidance, all line items (assets, liabilities, equity, income and expenses) from a non-hyperinflationary currency to a hyperinflationary currency presentation are translated at the closing rate of the date of the most recently statement of financial position, hence these financial statements are following (MPS) of 06 February 2025.

2.3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. and their subsidiaries.

Judgements, estimates and assumptions

Management considers that there are no key assumptions and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2.4 FINANCIAL ASSETS

Financial assets are recognised only when the company becomes a party to the contractual provisions of the instrument. When financial assets are recognised initially, they are measured at fair value, plus directly attributable transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss unless the arrangement constitutes, in effect, a financing transaction.

2.5 IMPAIRMENT OF FINANCIAL ASSETS

The company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset, or a group of financial assets, is deemed to be impaired if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset, or group of financial assets, that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as charges in arrears, or economic conditions that correlate with defaults.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the Statement of Comprehensive Income, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

2.6 FINANCIAL LIABILITIES

Financial liabilities are classified using sections 11 and 12 of IFRS for SMEs as loans and borrowings, or as derivatives. The company recognises a financial liability only when the company becomes a party to the contractual provisions of the instrument. The company determines the classification of its financial liabilities at initial recognition. Financial liabilities are recognised initially at fair value and in case of loans and borrowings, directly attributable transaction costs. The company's financial liabilities include trade and other payables.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.

Gains and losses are recognised in the Statement of Comprehensive Income when the liabilities are derecognised as well as through the amortisation process.

2.7 DERECOGNITION OF FINANCIAL INSTRUMENTS

Financial assets

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired;
- The entity retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass through" arrangement, or
- The company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

2.8 TAXATION

Current income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by reporting date.

Deferred income tax

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and the net carrying amount is adjusted to the amount that is considered to be recoverable based on current or future taxable profit.

2.9 PROVISIONS

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation

2.10 REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts and rebates, and value added tax.

	2025 ZWG	2024 ZWG
3 DUE FROM RELATED PARTY		
Ernst & Young Advisory Services (Private) Limited	47 224	1 307
Ernst & Young (Zimbabwe)	<u>411 360</u>	<u>482 654</u>
Total	<u>458 584</u>	<u>483 960</u>
4 TRADE AND OTHER RECEIVABLES		
-Tax Refundable	-	(135)
Total	<u>-</u>	<u>(135)</u>
5 SHARE CAPITAL		
Authorised 32 000 ordinary shares	-	-
Issued and duly paid 3(2020 – 2) ordinary shares	<u>-</u>	<u>674 596</u>

The unissued share capital is under the control of the directors. They are authorised to allot or dispose of unissued shares under their control at their discretion in accordance with the provisions of the Articles of Association of the company and the Companies and Other Business Entities Act (Chapter 24:31). The entity is required to have a minimum capital of ZWG 250 000

5.1 SHARE PREMIUM

	Share Capital	Share Premium	Total
At 01 July 2024	1	499 999	500 000
At 30 June 2025	1	499 999	500 000

	2025 ZWG	2024 ZWG
6 TRADE PAYABLES		
Trade payables	930	1 818
Total	<u>930</u>	<u>1 818</u>

Ernst & Young Associates (Private) Limited

Annual Financial Statements for the year ended 30 June 2025

7 OTHER COSTS	2025 ZWG	2024 ZWG
Audit fees	282	-
Bank Charges	9 321	30
Consultancy	137 065	-
Education	4 000	-
Foreign exchange movement.	(862)	9 613
Lodging fees – company returns	-	7 468
Securities and Exchange Commission of Zimbabwe Licence	68 212	29 243
Total	<u>218 017</u>	<u>46 354</u>
8 INCOME TAX LOSS		
Opening balance	1 355	1 355
Monetary adjustment	(1 355)	-
Total	<u>-</u>	<u>1 355</u>
9 RELATED PARTY TRANSACTIONS AND BALANCES		
Transactions		
Expenditure paid to Ernst & Young Advisory Services (Private) Limited		
- administraton fees	-	7 468
EY Advisory Svc support services:		
- Consultancy Fees	137 065	-
Total	<u>137 065</u>	<u>7 468</u>
Balances		
Due to Ernst & Young Advisory Services (Private)	47 224	1 307
Due to Ernst & Young, Zimbabwe	411 360	482 654
Total	<u>458 584</u>	<u>483 960</u>

Ernst & Young, Zimbabwe is the sole shareholder of the company. Ernst & Young Advisory Services (Private) Limited is also wholly owned by Ernst & Young, Zimbabwe.

Expenditure charged by Ernst & Young, Zimbabwe to the company is charged on the following basis:

Administrative fees and other costs: total applicable costs to Ernst & Young, Zimbabwe's three operating entities allocated based on each entities' total net revenue. Advisory support services: at standard hourly rates for personnel on an engagement.

Office occupancy: total occupancy costs for the three operating entities allocated to them based on floor area utilised and total net revenue.

10 GOING CONCERN

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligation and commitments will occur in the ordinary course of business.