



**Grant Thornton**

**Purpose Asset Management (Private) Limited**  
**Annual Financial Statements**  
**31 December 2025**

---

Purpose Asset Management (Private) Limited

**NATURE OF BUSINESS:**

Portfolio management.

**DIRECTORS:**

Thorne P. B.	(Chairman)
Gilbert K. R. J.	(Chief Executive Officer)
Bigam S. T.	(Independent Non-Executive Director)
Ncube N.	(Independent Non-Executive Director)
Dube E.	(Non-Executive Director)
Kuona P.	(Managing Director)
Murphy B.	(Independent Non-Executive Director)

**SECRETARY:**

Chipote S.

**REGISTERED OFFICE:**

7 Cambridge Road  
Avondale  
HARARE

**AUDITORS:**

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

## Contents

	<b>Page</b>
Responsibilities of Management and Those Charged with Governance for the annual financial statements	1-2
Chairman's Statement	3-4
Independent Auditor's Report	5-8
Statement of profit or loss and other comprehensive income	9
Statement of financial position	10
Statement of changes in equity	11
Statement of cash flows	12
Notes to the annual financial statements	13-37

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

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

It is the Directors' responsibility to ensure that the annual financial statements fairly present the state of affairs of Purpose Asset Management (Private) Limited. The external auditors are responsible for independently reviewing the annual financial statements.

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

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

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

Purpose Asset Management (Private) Limited

The Company's annual financial statements which are set out on pages **9 to 37** were, in accordance with their responsibilities, approved by the Board of Directors on **31 MARCH** ..... 2026 and are signed on its behalf by:

  
.....

Thorne P.B.  
**Chairman**

  
.....

Gilbert K.R.J.  
**Chief Executive Officer**

These annual financial statements were prepared under the supervision of:

  
.....

Stanley Chipote  
**Accountant**  
Purpose Asset Management (Private) Limited

**Chairman's Statement****Operating Environment**

The year under review was characterised by continued monetary and economic adjustments in Zimbabwe. These conditions reinforced the importance of capital preservation, portfolio diversification, and access to foreign-currency-denominated investment instruments. During the year, the Company's functional currency was changed to USD in accordance with IAS 21.

**Company Performance**

Despite the challenging macroeconomic environment, the Company delivered a resilient performance. Assets under management remained stable, supported by sustained client confidence and the diversification of our investment offerings.

Management continued to apply a disciplined investment approach centered on capital preservation, risk management, and long-term value creation. Portfolio strategies were regularly refined in response to market developments, currency movements, and evolving investor preferences.

**Tribute to a Former Director**

During the year, the Board was deeply saddened by the passing of Mr. Brian Murphy, who served as a Non-Executive Director and Chairman of the Audit Committee. Mr. Murphy made an outstanding contribution to the Company through his commitment to strong governance, financial oversight, and ethical leadership.

His dedication and service will be remembered with deep respect and gratitude.

**Outlook**

The Zimbabwean investment landscape is expected to remain dynamic as the economy continues to adjust to evolving monetary and regulatory frameworks. The Company will continue to prioritise disciplined investment management, innovation in product development, and the strengthening of client relationships.

**Appreciation**

On behalf of the Board and shareholders, I would like to express my sincere appreciation to our valued clients and all stakeholders for their continued support. I also wish to thank the Securities and Exchange Commission of Zimbabwe and other regulatory bodies for their ongoing guidance and oversight of the financial services sector.

Finally, I commend the Board, management, and staff for their professionalism, resilience, and unwavering commitment throughout the year.

## **INDEPENDENT AUDITOR'S REPORT**

**Grant Thornton**

Camelsa Business Park  
135 E.D. Mnangagwa Road  
PO Box CY 2619  
Causeway, Harare  
Zimbabwe

T +263 (242) 442511-4 / +263 8677009063

F +263 (242) 442517 / 496985

E [info@zw.gt.com](mailto:info@zw.gt.com)

[www.grantthornton.co.zw](http://www.grantthornton.co.zw)

To the members of Purpose Asset Management (Private) Limited

Report on the Audit of the Annual Financial Statements

### **Opinion**

We have audited the financial statements of Purpose Asset Management (Private) Limited set out on pages **9 to 37**, which comprise of statement of financial position as at 31 December 2025, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

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

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our responsibility in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Emphasis of matter**

### **Basis of Accounting and Restriction on Distribution and Use**

We draw attention to **Note 2.1** of the financial statements which describes the basis of accounting. These financial statements have been prepared in Zimbabwe Gold (ZWG), for the purposes of providing information to the Securities and Exchange Commission (SEC). Consequently, these special purpose financial statements and related Independent Auditor's Report may not be suitable for any other purposes. Our opinion is not modified in respect of this matter.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and

obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

### **Report on other legal and regulatory requirements**

In our opinion, except for the possible effects of the matters described in the *Basis for Opinion* paragraph, the financial statements have been prepared in compliance with the requirements of the Companies and Other Business Entities Act (Chapter 24:31).

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

*Grant Thornton*

Edmore Chimhowa

**Partner**

Registered Public Auditor (PAAB No: 0470)

**Grant Thornton**

Chartered Accountants (Zimbabwe)

Registered Public Auditor

HARARE

*31 March* ..... 2026

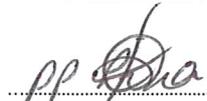
**Statement of profit or loss and other comprehensive income  
for the year ended 31 December 2025**

	Notes	2025 ZWG	2024 ZWG
Net fee and commission income	3	15 204 912	8 098 031
Gain from fair value adjustment of listed securities	8	37 306	271 490
Other operating income	4	<u>21 712</u>	<u>1 972 264</u>
Total income		15 263 930	10 341 785
Operating expenditure	5.1	<u>(7 698 247)</u>	<u>(5 835 356)</u>
Profit before taxation	5	7 565 683	4 506 429
Income tax expense	6	<u>(2 281 253)</u>	<u>(1 297 378)</u>
Profit for the year		5 284 430	3 209 051
Other comprehensive income		-	-
Total comprehensive income for the year		<u><u>5 284 430</u></u>	<u><u>3 209 051</u></u>

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

	Notes	2025 ZWG	2024 ZWG
<b>ASSETS</b>			
<b>Non current assets</b>			
Property and equipment	7	506 666	635 287
Financial assets designated at fair value through profit or loss	8	273 911	236 605
Other Investments	11	3 117 684	3 117 684
Deferred tax asset	16	-	11 908
		<u>3 898 261</u>	<u>4 001 484</u>
<b>Current assets</b>			
Prepayments	9	380 384	359 297
Short term investments	10	7 284 526	2 589 662
Cash and cash equivalents	12	107 127	69 791
		<u>7 772 037</u>	<u>3 018 750</u>
<b>Total assets</b>		<u><u>11 670 298</u></u>	<u><u>7 020 234</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	13	4 369	4 369
Share premium		356 707	356 707
Non-distributable reserve	14	38 991	38 991
Other reserves	15	192 766	192 766
Foreign currency translation reserve		(3 995 365)	(3 995 365)
Retained earnings		10 762 661	6 267 048
<b>Total equity</b>		<u>7 360 129</u>	<u>2 864 516</u>
<b>Non Current Liabilities</b>			
Shareholder's Loan	11	3 117 684	3 117 684
Deferred tax liability	16	192 924	-
		<u>3 310 608</u>	<u>3 117 684</u>
<b>Current Liabilities</b>			
Current tax liability	6.2	605 404	688 057
Trade and other payables	17	394 157	349 977
		<u>999 561</u>	<u>1 038 034</u>
<b>Total liabilities</b>		<u>4 310 169</u>	<u>4 155 718</u>
<b>Total equity and liabilities</b>		<u><u>11 670 298</u></u>	<u><u>7 020 234</u></u>

  
.....  
Thorne P.B.  
Chairman

  
.....  
Gilbert K. R. J.  
Chief Executive Officer

Statement of changes in equity  
for the year ended 31 December 2025

	Share capital	Share premium	Non-distributable reserve	Other reserve	Foreign currency translation reserve	Retained earnings	Total
	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG
Balance as at 1 January 2024	4 369	356 707	38 991	192 766	-	3 377 101	3 969 934
Dividend paid	-	-	-	-	-	(319 104)	(319 104)
Effects of changes in functional currency	-	-	-	-	(3 995 365)	-	(3 995 365)
Profit for the year	-	-	-	-	-	3 209 051	3 209 051
Balance as at 31 December 2024	4 369	356 707	38 991	192 766	(3 995 365)	6 267 048	2 864 516
Balance as at 1 January 2025	4 369	356 707	38 991	192 766	(3 995 365)	6 267 048	2 864 516
Dividend paid	-	-	-	-	-	(788 817)	(788 817)
Profit for the year	-	-	-	-	-	5 284 430	5 284 430
Balance as at 31 December 2025	4 369	356 707	38 991	192 766	(3 995 365)	10 762 661	7 360 129

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

	Notes	2025 ZWG	2024 ZWG
<b>Net cash flows from operating activities</b>			
Profit before taxation		7 565 683	4 506 429
Adjustment for non cash items:			
Loss on disposal of fixed asset		690	-
Depreciation	7	167 546	86 656
Unrealised gains on listed securities	8	<u>(37 306)</u>	<u>(271 490)</u>
Net operating cash flows before working capital changes		7 696 613	4 321 595
Net effect of changes in working capital	18	<u>(4 671 771)</u>	<u>(272 125)</u>
Cash flows generated from operations		3 024 842	4 049 470
Tax paid	6.2	<u>(2 159 074)</u>	<u>( 992 549)</u>
Net cash flows generated from operating activities		<u>865 768</u>	<u>3 056 921</u>
<b>Cashflows from investing activities</b>			
Purchase of property & equipment	7	<u>(39 621)</u>	<u>(243 399)</u>
Cash flows used in investing activities		<u>(39 621)</u>	<u>(243 399)</u>
<b>Cashflows from financing activities</b>			
Dividends paid		<u>(788 817)</u>	<u>(319 104)</u>
Net cashflows utilised in financing activities		<u>(788 817)</u>	<u>(319 104)</u>
<b>Net increase in cash and cash equivalents</b>		37 330	2 494 418
Cash and cash equivalents at the beginning of the year		69 791	1 842
Effects of foreign currency translation		<u>6</u>	<u>(2 426 469)</u>
<b>Cash and cash equivalents at end of the year</b>	12	<u><u>107 127</u></u>	<u><u>69 791</u></u>

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

**1 Nature of Operations**

Purpose Asset Management (Private) Limited is a asset management company. The address of its registered office and place of principal business is 7 Cambridge Road Avondale.

**1.1 Background**

**Functional and Presentation Currency**

Effective 31 December 2024, Purpose Asset Management changed its functional and presentation currency from the Zimbabwe Gold (ZWG) to the United States Dollar (USD). This change was implemented in accordance with IAS 21 – The Effects of Changes in Foreign Exchange Rates, which requires entities to adopt the currency of the primary economic environment in which they operate.

This change followed a period of significant monetary and economic transformation in Zimbabwe. On 5 April 2024, the Zimbabwean government replaced the Zimbabwean Dollar (ZWL) with the Zimbabwe Gold (ZiG/ZWG) via Statutory Instrument 60 of 2024. As part of this transition, all ZWL balances were converted to ZWG at a fixed rate of ZWL 2,498.7242 per ZWG 1. Subsequently, on 25 June 2024, the World Bank ISO 4217 Committee formally approved the change in currency code from ZWL to ZWG.

Despite this transition, management observed that the operating environment continued to favour the use of foreign currency, particularly the USD. In line with IAS 21, Purpose Asset Management assessed the economic substance of its operations and determined that USD most faithfully represented the underlying transactions and events. The following steps were taken:

**Step 1: IAS29 Restatement**

IAS 29 requires that amounts in the Statement of Financial Position that are not already expressed in terms of the measuring unit current at the end of the reporting period, are restated by applying a general price index.

In summary the following restatement principles were applied :

- o Non-monetary assets and liabilities are restated by applying the change in the index from the date of acquisition.
- o Prepayments shall be restated by applying the change in the general price indexes from date of prepayment.
- o Monetary items are not restated because they are already expressed in terms of the monetary unit current at the end of the reporting period. Monetary items are money held and items to be received or paid in money.
- o All items in the statement of comprehensive income shall be expressed in terms of the measuring unit current at the period ended 31 December 2024 by restating all amounts on a month on month basis.
- o A gain or loss on the net monetary position is included in profit or loss. The gain or loss on the net monetary position may be derived as the difference resulting from the restatement of non-monetary assets, owners' equity and items in the statement of comprehensive income and the adjustment of index linked assets and liabilities.
- o Deferred tax computation was restated by applying the change in the index from the last audited financial statements (inflation adjusted) as at 31 December 2024.

**Step 2: Conversion of ZWG Balances to USD**

The restated amounts were converted to USD at the closing rate of USD \$1: ZWG \$25.7985

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

**2 Summary of material accounting policies**

**2.1 Basis of preparation**

The financial statements for the year ended 31 December 2025 have been prepared in accordance with IFRS Accounting Standards and interpretations issued by the IFRS Interpretations Committee ("IFRIC"), applicable to companies reporting under IFRS Accounting Standards and in the manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31).

The financial statements are based on the statutory records that are maintained under the historical cost basis. These financial statements are presented in Zimbabwe Gold (ZWG) in order to meet the requirements of the Securities and Exchange Commission (SEC) and may not be suitable for any other purpose.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management and the board of directors to exercise their judgement in the process of applying the Company's accounting policies. The estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experience and other factors that are considered relevant, including current and expected economic conditions, expectations of future events that are believed to be reasonable under the circumstances. These estimates will seldom equal the actual results exactly. Revisions to accounting estimates are recognised in the period in which the estimates are reviewed and in future periods.

The principal accounting policies applied in the preparation of these financial statements to the extent that they have not already been disclosed in the other notes above, are set out below. These policies have been consistently applied to all years presented, unless otherwise stated. The financial statements have been prepared on a going concern basis, which assumes that the Company will continue in existence for the foreseeable future.

**2.2 Foreign currency translation**

**2.2.1 Functional and presentation currency**

The Company's functional currency is the United States Dollar (USD) and the presentation currency is the Zimbabwe Gold (ZWG). All amounts presented are rounded to the nearest ZWG.

**2.2.2 Foreign currency transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions or valuation where items are re-measured. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Foreign exchange gains and losses are presented in profit or loss on a net basis within other gains/(losses).

**2.2.3 Translation from functional currency to presentation currency**

The translation from functional currency to presentation currency is carried out by applying the closing exchange rate prevailing at the reporting date to all assets, liabilities, income and expenses. The Company has taken early adoption of the IAS 21 amendment.

This translation methodology ensures compliance with IFRS and provides a consistent and fair presentation of the financial position and performance of the entity in its chosen reporting currency.

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

2 Summary of material accounting policies (continued)

2.3 New standards, amendments and interpretations

New standards, amendments and interpretations adopted as at 1 January 2025:

Some accounting pronouncements which have become effective from 1 January 2025 and have therefore been adopted do not have a significant impact on the Company's financial position.

2.3.1 Lack of Exchangeability IAS 21

Lack of Exchangeability amends IAS 21 The Effects of Changes in Foreign Exchange Rates to require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determine the exchange rate to use and the disclosure to provide.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company.

2.4

At the date of authorisation of these financial statements, several new, but not yet effective standards and amendments to existing standards, and interpretations have been published by IASB. None of these standards or amendments to existing standards have been adopted early by the Company.

2.4.1 Presentation and Disclosure in Financial Statements IFRS 18

The adoption of IFRS 18 'Presentation and Disclosure in Financial Statements', effective for periods commencing on or after 1 January 2027, is expected to have a material impact on the presentation of these Financial Statements.

2.5 Interest income

Interest income is accrued on time basis, by reference to the principal outstanding and at effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

2.6 Fee and commission income

Fee and commission income arise on financial services provided by the Company including cash management services, brokerage services, investment advice and financial planning, investment banking services, project and structured finance transactions.

2.7 Net operating income

Net operating income includes gains and losses arising from disposal and changes in the fair value of financial assets and liabilities held for trading.

2.8 Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment has been established, normally the ex-dividend date.

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

2 Summary of material accounting policies (continued)

2.9 Taxation

Income tax on the accounting profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement.

2.9.1 Current tax

Current tax is the expected tax payable on the taxable income for the year, using rates enacted or substantially enacted at the statement of financial position date and any adjustments to tax payable in respect of previous years.

2.9.2 Deferred taxation

Deferred income tax is provided for, using the balance sheet approach, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax asset or liability.

Under this method the Company is required to make provision for deferred income taxes on the revaluation of certain non-current and, in relation to an acquisition, on the difference between the fair values of the net assets acquired and their tax base. Provision for taxes, mainly withholding taxes, which could arise on remittance of retained earnings, principally to subsidiaries, is only made where there is a current intention to remit such earnings. The principal temporary differences arise from depreciation on property and equipment, revaluations of certain non-current assets, provisions for pensions and other post retirement benefits and tax losses carried forward. Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be made against which the unused tax losses can be utilised.

2.10 Property and equipment

Property and equipment is initially recorded at cost. Land and buildings are subsequently shown at fair value, based on valuations by external independent values, less subsequent depreciation for property. All other property and equipment is stated at Historical cost or valuation less accumulated depreciation.

2.10.1 Depreciation

The depreciation rate are as follows:

Asset	Rate
Furniture and fittings	20%
Motor vehicles	20%
Computers	20%
Software	10%
Office equipment	10%
Property	2.5%

2.10.2 Impairment

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. An impairment loss is recognised in the statement of comprehensive income.

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

2 Summary of material accounting policies (continued)

2.11 Financial instruments

2.11.1 Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

2.11.2 Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable). Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

In the periods presented the corporation does not have any financial assets categorised as FVOCI.

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

2.11.3 Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as listed bonds that were previously classified as held-to-maturity under IAS 39.

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

2 Summary of material accounting policies (continued)

2.11 Financial instruments (continued)

2.11.3 Subsequent measurement of financial assets (continued)

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial assets at fair value through other comprehensive income (FVOCI)

The company accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective it is "hold to collect" the associated cash flows and sell and;
  - the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Any gains or losses recognised in other comprehensive income (OCI) will be recycled upon derecognition of the asset.

2.11.4 Financial assets classified as available for sale (AFS) under IAS 39 (comparative periods)

AFS financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets (FVTPL or held to maturity and loans and receivables). The Company's AFS financial assets include listed equity securities and debentures.

All AFS financial assets were measured at fair value. Gains and losses were recognised in other comprehensive income and reported within the AFS reserve within equity, except for interest and dividend income, impairment losses and foreign exchange differences on monetary assets, which are recognised in profit or loss. When the asset was disposed of or was determined to be impaired, the cumulative gain or loss recognised in other comprehensive income was reclassified from the equity reserve to profit or loss. Interest calculated using the effective interest method and dividends were recognised in profit or loss within finance income.

2.11.5 Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses - the 'expected credit loss (ECL) model'. This replaces IAS 39's 'incurred loss model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the company first identifying a credit loss event. Instead the company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

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

2 Summary of material accounting policies (continued)

2.11 Financial instruments (continued)

2.11.5 Impairment of financial assets (continued)

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').
- 'Stage 3' would cover financial assets that have objective evidence of impairment '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

2.11.6 Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely the same under IFRS 9 compared to IAS 39, the Company's financial liabilities were not impacted by the adoption of IFRS 9. However, for completeness, the accounting policy is disclosed below:

The Company's financial liabilities include borrowings, trade and other payables and derivative financial instruments. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments). All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

2.11.7 Trade and other receivables

The company makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses.

These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The company makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. The company assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

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

2 Summary of material accounting policies (continued)

2.11 Financial instruments (continued)

2.11.8 Repurchase agreements

The Company enters into purchases (sales) of the investments under agreements to resell (repurchase) identical investments at a certain date in the future at a fixed price. Investments purchased subject to commitments to resell them at future dates are not recognised. The amounts paid are recognised in loans to either banks or customers. The receivables are shown as collateralised by the underlying security. Investments sold under repurchase agreements continue to be recognised in the statement of financial position and are measured in accordance with the accounting policy for either assets held for trading or available-for-sale as appropriate. The proceeds from the sale of the investments are reported as liabilities to either banks or customers. The difference between the sale and repurchase considerations is recognised on an accrual basis over the period of the transaction and is included in interest.

Interest rate risk

The Company's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets and interest bearing liabilities mature or re-price at different times or in differing amounts. Risk management activities are aimed at optimizing net interest income, given market interest rate levels consistent with the Company's business strategies.

Credit risk

The Company's credit exposure, at the reporting date, from financial instruments held or issued for trading purposes is represented by the fair value of instruments with a positive fair value at that date, as reported on the statement of financial position date. The credit risk on liquid funds and derivative financial instruments is limited because counterparties are banks with high credit-ratings. The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties.

Fair values

The carrying amount of accounts receivable, cash and short term deposits, accounts payable and short term loans approximate to their fair values due to the short term nature of these assets and liabilities.

2.12 Related parties

For the purposes of these financial statements, a party is considered to be related to the Company if:

- The party has the ability, directly or indirectly through one or more intermediaries, to control the Company or exercise significant influence over the Company in making financial and operating policy decisions, or has joint control over the Company;
  - The Company and the party are subject to common control;
  - The party is an associate of the Company or a joint venture in which the Company is a venturer;
  - The party is a member of key management personnel of the Company or the Company's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
  - The party is a close family member of a party referred to in 1.8.1 or is an entity under the control, joint control or significant influence of such individuals; or
  - The party is a post-employment benefit plan which is for the benefit of employees of the Company or of any entity that is a related party of the Company.
- Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

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

2 Summary of material accounting policies (continued)

2.13 Employee benefits

2.13.1 National Social Security Authority Scheme

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

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

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the reporting date.

2.14 Investments

Marketable securities are carried at market value. Market value is calculated by reference to Stock Exchange quoted selling prices at the close of business on the statement of financial position date.

Fixed asset investments excluding marketable securities are shown at cost and provision is only made where, in the opinion of the directors, there is a permanent diminution in value. Where there has been a permanent diminution in the value of an investment, it is recognised as an expense in the period in which the diminution is identified.

Increases in the carrying amount of marketable securities classified as long-term assets are credited to revaluation and other reserves in shareholders' equity. Decreases that offset previous increases of the same marketable security are charged against revaluation and other reserves; all other decreases are charged to the income statement. Increases in the carrying amount of marketable securities classified as current assets are recognised through the statement of profit or loss and other comprehensive income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is recognised through the statement of comprehensive income. On disposal of a marketable security classified as long term asset, amounts in revaluation and other reserves relating to that marketable security are transferred to retained earnings.

2.15 Provisions

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

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

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

**2 Summary of material accounting policies (continued)**

**2.16 Accounting estimates and assumptions**

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

**Critical accounting estimates and judgements**

**2.16.1 Current and deferred tax**

The Company is subject to income tax; significant judgement is required in determining the provision. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax assessment based on estimates of whether additional taxes will be due. Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Where the actual final outcome (on the judgement areas) differs from management estimates, the Company will need to increase the income and deferred tax liability if unfavourable or decrease the income and deferred tax liability if favourable.

**2.16.2 Property and equipment**

Items of property and equipment are depreciated over their estimated useful lives taking into account residual values where appropriate. The useful lives and the residual values are re-assessed annually and may vary due to factors such as technological innovation and maintenance programmes in place.

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

	2025	2024
	ZWG	ZWG
<b>3 Net fee and commission income</b>		
Management fees	1 023 548	102 148
Interest income	<u>14 181 364</u>	<u>7 995 883</u>
	<u>15 204 912</u>	<u>8 098 031</u>
<b>4 Other operating income</b>		
Other income	<u>21 712</u>	<u>1 972 264</u>
Other operating income is derived from advisory fees and commission earned on pension fund portfolios held.		
<b>5 Operating expenditure</b>		
	2025	2024
	ZWG	ZWG
<b>5.1 Operating expenses</b>		
Accounting and audit fees	176 669	176 776
Business promotion	663 061	426 017
Directors' remuneration	155 338	161 347
Depreciation	167 546	86 656
Staff costs (see note 5.2)	3 338 191	2 472 630
Subscriptions	263 592	115 168
Other operating expenses	<u>2 933 850</u>	<u>2 396 762</u>
	<u>7 698 247</u>	<u>5 835 356</u>
<b>5.2 Staff costs</b>		
Salaries and allowances	847 371	468 120
Staff bonus	126 270	135 680
Medical aid contributions	898 153	631 960
Profit share	295 180	224 343
NSSA	83 387	37 576
Zimbabwe development fund	17 817	12 450
Hardship allowance	621 773	398 987
Leave pay expense	(907)	212 116
Standard development levy	8 476	5 436
Staff welfare	3 079	1 421
Staff meals	<u>437 592</u>	<u>344 541</u>
	<u>3 338 191</u>	<u>2 472 630</u>

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

	2025 ZWG	2024 ZWG
<b>6 Income tax</b>		
Current tax	2 076 421	1 275 372
Deferred tax	204 832	22 006
	<u>2 281 253</u>	<u>1 297 378</u>
Gross revaluation adjustment		
<b>6.1 Tax reconciliation:</b>		
Profit before tax	7 565 683	4 506 429
Notional tax charge on profit before tax	1 948 163	1 160 405
Tax effect of:		
Non deductible expenses	581 994	846 165
Non taxable income	(248 904)	(709 192)
	<u>2 281 253</u>	<u>1 297 378</u>
<b>6.2 Tax payable</b>		
Opening balance	688 057	405 234
Tax due	2 076 421	1 275 372
Tax paid	(2 159 074)	(992 549)
Closing balance	<u>605 404</u>	<u>688 057</u>

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

7 Property and equipment

Cost or valuation	Motor equipment ZWG	Computer equipment ZWG	Office equipment ZWG	Software ZWG	Total ZWG
Year ended 31 December 2024					
As at 1 January 2024	145 972	438 418	18 067	80	602 537
Additions	-	243 399	-	-	243 399
Disposals	-	(203)	(9 071)	-	(9 274)
As at 31 December 2024	145 972	681 614	8 996	80	836 662
Accumulated depreciation and impairment					
Year ended 31 December 2024					
As at 1 January 2024	30 287	79 335	14 356	15	123 993
Depreciation	18 890	67 164	597	5	86 656
Disposals	-	(203)	(9 071)	-	(9 274)
As at 31 December 2024	49 177	146 296	5 882	20	201 375
Carrying amount					
Year ended 31 December 2024					
Cost	145 972	681 614	8 996	80	836 662
Accumulated depreciation	(49 177)	(146 296)	(5 882)	(20)	(201 375)
As at 31 December 2024	96 795	535 318	3 114	60	635 287

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

7 Property and equipment (continued)

Cost or valuation	Motor vehicles ZWG	Computer equipment ZWG	Office equipment ZWG	Software ZWG	Total ZWG
<b>Year ended 31 December 2025</b>					
As at 1 January 2025	145 972	681 614	8 996	80	836 662
Additions	-	20 265	-	19 356	39 621
Disposals	-	(9 866)	(1 920)	-	(11 786)
<b>As at 31 December 2025</b>	<b>145 972</b>	<b>692 013</b>	<b>7 076</b>	<b>19 436</b>	<b>864 497</b>
<b>Accumulated depreciation and impairment</b>					
<b>Year ended 31 December 2025</b>					
As at 1 January 2025	49 177	146 296	5 882	20	201 375
Depreciation	28 468	137 296	968	814	167 546
Disposals	-	(9 170)	(1 920)	-	(11 090)
<b>As at 31 December 2025</b>	<b>77 645</b>	<b>274 422</b>	<b>4 930</b>	<b>834</b>	<b>357 831</b>
<b>Carrying amount</b>					
<b>Year ended 31 December 2025</b>					
Cost	145 972	692 013	7 076	19 436	864 497
Accumulated depreciation	(77 645)	(274 422)	(4 930)	(834)	(357 831)
<b>As at 31 December 2025</b>	<b>68 327</b>	<b>417 591</b>	<b>2 146</b>	<b>18 602</b>	<b>506 666</b>

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

	2025 ZWG	2024 ZWG
<b>8 Financial assets designated at fair value through profit or loss</b>		
Opening balance	236 605	(34 885)
Fair value gain	<u>37 306</u>	<u>271 490</u>
Closing balance	<u><u>273 911</u></u>	<u><u>236 605</u></u>

Financial assets are made up of listed securities held by the entity. Fair value gain/loss is determined by the movement in share price throughout the year.

**9 Prepayments**

Prepayments	<u>380 384</u>	<u>359 297</u>
-------------	----------------	----------------

Prepayments include amounts paid for medical aid, subscriptions and insurance.

**10 Short term investments**

Money market placements	<u>7 284 526</u>	<u>2 589 662</u>
-------------------------	------------------	------------------

Short term investments are mostly money market placements made for cash flow management .

**11 Other investments**

Treasury bill	<u>3 117 684</u>	<u>3 117 684</u>
---------------	------------------	------------------

Other investments was undertaken to guarantee financial assistance to the company by one of the shareholders in the form of a Treasury Bill in the event of the company's failure to meet capital requirements prescribed by the regulator SEC. The Treasury Bill of identification number FCTB1095 20220620A was deposited into Purpose Asset Management custodial account at CBZ on 20 March 2024. The treasury bill matures on 31 March 2031.

**12 Cash and cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents comprise of the following:

Cash on hand	33 047	15 923
Cash at bank	<u>74 080</u>	<u>53 868</u>
	<u><u>107 127</u></u>	<u><u>69 791</u></u>

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

	2025	2024
	ZWG	ZWG
<b>13 Share capital</b>		
<b>Issued and fully paid</b>		
60 500 ordinary shares of ZWG 0.0722149 each	<u>4 369</u>	<u>4 369</u>
The unissued shares are under the control of directors for an indefinite period subject to the limitations imposed by the Companies and Other Business Act (Chapter 24:31).		
<b>14 Non distributable reserve</b>	<u>38 991</u>	<u>38 991</u>
A non distributable reserve was created to account for the change in functional currency. The reserve is essentially derived from the net valuation of assets and liabilities at the date of change.		
<b>15 Other reserves</b>	<u>192 766</u>	<u>192 766</u>
The shareholder's injected funds into the company in order to comply with the minimum requirements for liquid capital set by the regulator Securities and Exchange Commission of Zimbabwe.		
	2025	2024
	ZWG	ZWG
<b>16 Deferred tax</b>		
The gross movement on the deferred income tax account is as follows:		
At the beginning of the year	11 908	(10 097)
Amount charged to profit or loss	<u>(204 832)</u>	<u>22 005</u>
At 31 December	<u>(192 924)</u>	<u>11 908</u>
<b>17 Trade and other payables</b>		
Other payables	<u>394 157</u>	<u>349 977</u>
Other payables includes leave pay provision and profit share provision.		
<b>18 Working Capital changes</b>		
(Increase) in short term investments	(4 694 864)	(271 556)
(Increase) in prepayments	(21 087)	(245 594)
Increase in trade and other payables	<u>44 180</u>	<u>245 025</u>
	<u>(4 671 771)</u>	<u>(272 125)</u>

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

19 Borrowing powers

The articles of association provide that the directors of the Company may exercise all the powers of the Company to borrow money and to mortgage or change its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or for any third party.

20 Related party transactions

Related party transactions include transactions between Purpose Asset Management (Private) Limited and its related company as well as key management personnel.

20.1 Related party relationships

Entity	Nature of relationship	Nature of transactions
Senior management	Management	Short-term employee benefits
Vunani Capital Limited	Parent	Investments

There were no related party balances for the year under review.

21 Money Market Investment

Off balance sheet events

In compliance with the Securities and Exchange Commission of Zimbabwe regulations, client funds are kept off balance sheet and are therefore not included in these financial statements.

	2025 ZWG	2024 ZWG
<b>Assets</b>		
Cash and cash equivalents	69 304 823	14 030 517
Securities held for dealing purposes	205 162 007	127 964 067
Placements with other banks	347 524 716	109 171 966
	<u>621 991 546</u>	<u>251 166 550</u>
<b>Liabilities</b>		
Client deposits	<u>621 991 546</u>	<u>251 166 550</u>

22 Risk Management

Overview

Effective risk management is fundamental to the business activities of Purpose Asset Management. Whilst we remain committed to the objective of increasing shareholder value by developing and growing our business in a way that is consistent with our Board determined risk appetite, we are also cognisant of the need to balance this objective with the interests of both our clients and regulators. We seek to achieve an appropriate balance between risk and reward in our business and continue to build and enhance the risk management capabilities that assist in delivering our growth plans in a controlled environment.

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

22 Risk Management (continued)

**Risk appetite**

Risk appetite is an expression of the maximum level of residual risk that the Bank is prepared to accept to deliver its business objectives. The Board establishes the Bank's parameters for risk appetite by:

- providing strategic leadership and guidance.
- reviewing and approving annual budgets and forecasts for the Bank and
- regularly reviewing and monitoring the Bank's performance in relation to risk through quarterly Board reports.

**Methodology**

Purpose Asset Management (Private) Ltd uses semi quantitative risk assessment method to calculate its inherent risk, effectiveness of controls, and the resultant residual risk. Data used to calculate the risks is obtained from various departments. The risk assessment process is a continuous process, and it involves:

- Risk Identification.
- Assessment, using the 'risk matrix'
- Response, to bring the risk to an acceptable level
- Follow up, to ensure the necessary actions have been completed.
- Periodic Review, to ensure that changes in the exposure are detected and corrected where necessary.

The bank's activities and operations result in exposure to the following risks:

1. Investment risk
2. Liquidity risk
3. Market risk
4. Reputational risk
5. Compliance risk
6. Operational risk
7. Capital risk

20.1 Risk Categories and Mitigation

Risk Category	Description	Mitigation
Investment risk	The risk of failure to meet client's investment performance objectives, risk constraints and other mandate requirements. Trading or pricing clients at non-current or off market rates.	Daily basis market analysis guided as per detailed and documented procedure. Robust segregation of duties; maker checker system in place.
Liquidity risk	Risk of not being able to generate sufficient funds to meet financial commitments to meet deposit maturities, settle claims and other unexpected demands for funds.	Continuous matching of assets and liabilities carried out.
Market risk	The risk of losses due to adverse movements in market prices, including interest rates, foreign exchange rates, and equity prices.	Implementing hedging strategies. Setting and monitoring market risk limits.
Reputational risk	The risk of damage to the bank's reputation, potentially leading to loss of customers, revenue and market value.	Swift response to any incidents that could harm reputation. Strong corporate governance and ethical practices.

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

22 Risk Management (continued)

20.1 Risk Categories and Mitigation (continued)

Risk Category	Description	Mitigation
Compliance risk	The risk of failure to meet client's investment performance objectives, risk constraints and other mandate requirements. Trading or pricing clients at non-current or off market rates.	Regular compliance training for employees. Maintaining a robust compliance program. Continuous monitoring of regulatory changes.
Operational risk	The risk of loss resulting from inadequate or failed internal processes, people, and systems, or external events.	Implementing strong internal controls and procedures. Regular internal audits and risk assessments. Employee training and development.
Capital risk	The risk of the Banks own capital resources being adversely affected by unfavourable external developments.	Capital adequacy and the use of regulatory capital are monitored. The required information is filed with the Securities and Exchange Commission of Zimbabwe on a quarterly basis.

22.2 Summary risk matrix

Risk Category	Level of inherent risk	Overall inherent	
			risk score %
Investment Risk	Low	Good	7.60%
Liquidity Risk	Moderate	Good	10.00%
Market Risk	Moderate	Good	12.00%
Reputational Risk	Low	Good	6.00%
Compliance Risk	Moderate	Good	10.00%
Operational Risk	Moderate	Good	9.25%
Capital Risk	Moderate	Good	10.00%
Overall Risk	Moderate	Good	9.26%

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

22 Risk Management (continued)

22.3 Key Perceived control effectiveness

Effectiveness	Category definition	Factor %
Very good	Risk exposure is effectively controlled and managed.	90%
Good	Majority of risk exposure is effectively controlled and managed.	80%
Satisfactory	There is room for some improvement.	65%
Weak	Some of the risk exposure appears to be controlled, but there are major deficiencies.	40%
Unsatisfactory	Control measures are ineffective	20%

22.4 Inherent risk exposure

Inherent risk exposure	Factor %
Extreme	20%
High	15% < 20%
Moderate	10% < 15%
Low	5% < 10%
Insignificant	< 5%

23 Anti Money Laundering/Countering of Financing Terrorism (AML/CPF)

23.1 Introduction

Purpose Asset Management is a designated financial institution in terms of the Money Laundering and Proceeds of Crime act (MLPC act). Purpose Asset Management remains committed to combatting financial crime. We continue to abide by Anti-Money Laundering, Counter Terrorist Financing and Counter Proliferation Financing ("AML/CFT/CPF") regulations. We are guided by any relevant market developments, directives and global standards to enhance our financial crime control framework.

As part of effectively managing its exposure to Money Laundering/Terrorist Financing/Proliferation Financing (ML/TF/PF) risks and fulfilling provisions of the MLPC Act, Purpose Asset Management (Pvt) Ltd annually undertakes an Institutional Risk Assessment (IRA) that will enable it to identify, assess and understand its exposure to ML/TF/PF risks, and put in place preventive and detective AML/CFT/CPF controls that will be commensurate with the levels of risks identified. Findings of the IRA guide the company in applying a risk-based approach when implementing AML/CFT/CPF controls.

23.2 Methodology

In conducting the IRA, Purpose Asset Management (Pvt) Ltd uses a 3-tier risk rating tool to calculate the inherent risk, adequacy of AML/CFT/CPF controls, and the resultant residual risk. Quantitative and qualitative analysis is used in the data analysis. Data used to calculate the risks is obtained internally and externally. Provisions of the AML/CFT/CPF laws which outline what, how, and when to carry out certain AML/CFT/CPF controls are factored in, and their levels of implementation assessed.

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

23 Anti Money Laundering/Countering of Financing Terrorism (AML/CPF) (continued)

23.2 Methodology (continued)

The risk assessment is carried out in three phases:

**Phase 1: Inherent ML/TF/PF Risk Assessment**

This involves assessing and quantifying the exposure of Purpose Asset Management (Pvt) Ltd to ML/TF/PF risks in the absence of any AML/CFT/CPF controls. Inherent risk exposure varies, depending on the size and scope of risk factors.

**Phase 2: Assessing Availability & Adequacy of AML/CFT/CPF Controls.**

This phase involves the assessment of AML/CFT/CPF controls the Securities Provider has in place and determining how effective they are being implemented to reduce the inherent ML/TF/PF risks. AML/CFT/CPF controls are the programmes, policies, procedures, and activities the company has in place to protect itself against the ML/TF/PF risk or to ensure that the potential risks are promptly prevented, identified and reported.

**Phase 3: Assessment of Residual ML/TF/PF Risk**

Once the inherent ML/TF/PF risk and the effectiveness of the AML/CFT/CPF controls are assessed, the residual ML/TF/PF risk is then calculated. Residual risk is the risk that remains after AML/CFT/CPF controls are applied to the inherent ML/TF/PF risks.

The IRA carried out also conforms with the international AML/CFT/CPF standards of the Financial Action Task Force (FATF) Recommendation 1, which requires countries to identify, assess, and understand their exposure to ML/TF/PF risk.

23.3 Inherent risk assessment

Risk Factors	Overall Inherent Risk Score
1. Customer/Investor type	5.2
2. Delivery/Distribution Channels	3.8
3. Products, transactions and services	5.1
4. Geographic locations-Branch Network	4.7
<b>Inherent ML/TF/PF Risk Score (Average)</b>	<b>4.7</b>
<b>Inherent ML/TF/PF Risk Rating</b>	<b>Medium</b>

Key	Numerical Value
<b>Inherent Risk Rating</b>	
Low	1-3
Medium	4-6
High	7-9

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

24 Capital Adequacy

Purpose Asset Management capital management framework is based on SECZim risk-based capital adequacy approach as provided in the Capital Adequacy Directive for Securities Market Intermediaries of December 2025. As at 31 December 2025 the Adjusted Liquid Capital(ALC) stood at ZWG 10 681 454 (USD 411 130) (see table 1) against minimum requirements of ZWG 2 913 917 (USD 112 157) (see table 2), resulting in a surplus of ZWG 7 767 537 (USD 298 973).

	USD	ZWG
<b>24.1 Table 1-Adjusted Liquid Capital</b>		
Ordinary share capital	168	4 365
Preference share capital	-	-
Share premium	13 730	356 715
Audited retained earnings/ losses (previous financial year)	241 219	6 267 038
Unaudited profits/ losses(current financial year)	211 392	5 492 112
Monetary loss	(153 782)	(3 995 364)
Owners Equity	312 727	8 124 866
Shareholder's Loans	120 000	3 117 684
Guaranteed received	-	-
<b>Total Capital Resources (a)</b>	<b>432 727</b>	<b>11 242 550</b>
Less : Intangible Assets + Guarantees Provided (b)	-	-
<b>Available Capital Resources ( c ) = a - b</b>	<b>432 727</b>	<b>11 242 550</b>
Less Illiquid Assets - fixed assets (d)	19 502	506 674
<b>Available capital resources after fixed assets adjustment ( e ) = (c-d)</b>	<b>413 225</b>	<b>10 735 876</b>
Less Adjustments (Haircuts) on Investments Assets (Table 3)	2 095	54 422
<b>Adjusted Liquid Capital (ALC) (h) =e- ( f+g)</b>	<b>411 130</b>	<b>10 681 454</b>
<b>24.2 Table 2 - Total Capital Requirements</b>		
	2025	2025
	USD	ZWG
13 weeks Operational expenditure Requirements (OER) or the prescribed fixed minimum amount (whichever is higher) (a)	73 684	1 914 362
Counterparty (settlement) Risk Requirement (CRR) (b)	38 473	999 555
<b>Total Capital Requirement (TCR) (a + b)</b>	<b>112 157</b>	<b>2 913 917</b>
<b>24.3 Table 3 - Adjustments (Haircuts) on Investments Assets</b>		
Listed Shares	Market Capitalization	Haircut
Top 20 by Market Capitalization	7 980	798
Top 21-20 by Market Capitalization	793	159
Top 30 and above by Market Capitalization	1 053	421
Suspended counters	717	717
	<b>10 543</b>	<b>2 095</b>

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

25 Funds under Management (FUM)

25.1 Table 1-Investment Instrument

	USD	ZWG
Equity	7 896 708	59 339 526
Money market	5 479 556	288 185 189
Total	<u>13 376 264</u>	<u>347 524 715</u>

26 Environmental Sustainability and Governance (ESG)

Executive summary

This Environmental, Social, and Governance (ESG) Report outlines the commitment of Purpose Asset Management to responsible investment, sustainable operations, and ethical governance.

26.1 Environmental initiatives

PAM uses solar as primary source of power which reduces electricity costs and reliance on generator. PAM takes pride in maintaining a clean, eco-friendly environment, with well-kept green spaces, and a beautifully maintained garden that reflects the company's commitment to sustainability and natural beauty.

26.2 Social Responsibility

As part of its Corporate Social Responsibility initiatives during the period under review, the company provided medical assistance, through the Pioneering Health Group, to a patient requiring an umbilical hernia repair procedure. In addition, the company sponsored the Chief Executive Officer's membership subscriptions to the Rotary Club. PAM further supported the Harare Institute of Technology Portfolio Engineering Challenge, an initiative aimed at inspiring learners to cultivate a culture of investment. The company also contributed to the participation of the Zimbabwe team in the Zimbabwe Ladies International Fishing Tournament.

26.3 Corporate Governance

The Company consistently upholds exemplary corporate governance standards. It remains compliant with regulatory and corporate governance obligations. Throughout the reporting year, there was adherence to all significant regulatory requirements.

There were no changes to the Board composition during the year under review. The Board continues to play its oversight role over the strategic direction of the Company while ensuring that effective risk management is in place for business continuity.

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

26 Environmental Sustainability and Governance (ESG) (continued)

26.3 Corporate Governance

26.3.1 Governance Structure

Board Members

Peter Thorne	-	Independent non-executive director (chairman)
Kathleen Gilbert	-	Chief Executive Officer
Patrick Kuona	-	Executive Director
Ethan Dube	-	Non-executive Director
Brian Murphy	-	Independent non-executive director
Sij Biyam	-	Independent non-executive director
Nick Ncube	-	Independent non-executive director

\*\*Brian Murphy passed away in 2025

26.3.2 Board Committees

The Board Audit Committee

The committee meets four times a year. It comprises of three non-executive directors.

The committee's primary function is to independently assess the effectiveness and efficiency of internal control systems, accounting practices, information systems, and auditing procedures.

Risk and Compliance Committee

The committee meets four times a year. Members of the committee are -Sij Biyam (Chairman), Ethan Dube, Nick Ncube, Patrick Kuona, Kathleen Gilbert and Peter Thorne.

The risk and compliance committee ensures that the company effectively identifies, assesses, and mitigates risks while maintaining compliance with legal and regulatory standards. The committee is also dedicated to combating financial crime and continues to comply with Anti-Money Laundering, Counter Terrorist Financing, and Counter Proliferation Financing (AML/CFT/CPF) regulations.

26.3.3 Meetings Attendance

Director	Board 4 Meetings	Audit & Risk Committee 4 Meetings	Risk & Compliance Committee 4 Meetings	Annual General Meeting 1 Meeting
Peter Thorne	4	4*	4	1
Kathleen Gilbert	3	3	3	1
Patrick Kuona	4	4*	4	1
Ethan Dube	4	4	4	1
Brian Murphy	2	2	2	1
Sij Biyam	4	4	4	1
Nick Ncube	4	4	4	1

\*Invitee

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

**27 Contingent liabilities**

There were no contingent liabilities as at 31 December 2025.

**28 Capital commitments**

There were no capital commitments as at 31 December 2025.

**29 Going concern**

Management has assessed and concluded that the Company will continue operating as a going concern for the foreseeable future.

**30 Events after reporting date**

There were no events after reporting period.