

**SUBLIME ASSET MANAGEMENT (PVT) LTD**  
**TRANSLATED FINANCIAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**



# **Sublime Asset Management (Pvt) Ltd**

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**For the Year ended 31 December 2024**

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# Sublime Asset Management (Pvt) Ltd

## Financial Statements For the year ended 31 December 2024

### General Information

Sublime Asset Management (Private) Limited is a licensed Investment Manager registered in terms of section 38(1)(c) of the Securities Act and the Asset Management Act (Chapter 24:26). The company is registered under the Companies and other business Entities Act (Chapter 24:31) as an asset management company.

The Company is domiciled in Zimbabwe.

The Company's registered office is 11 Orkney Road, Eastlea, Harare

<b>Directors:</b>	Simbarashe Muchena	- Chairman
	Honoured Mamvura	- Non Executive Director
	Alexander Gonese	- Non Executive Director
	Caleb Mutandwa	- Non Executive Director
	Isabel Zemura	- Managing Director
	Dr Kuziva Mamvura	- Executive Director

<b>Bankers:</b>	CBZ Bank Limited
	ZB Bank
	CABS
	Stanbic Bank
	NMB Bank

**Company Secretary:** Theode Masheedze

**Auditors:** EAS Chartered Accountants  
80A Broadlands Road,  
Emerald Hill,  
Harare,  
Zimbabwe

## **CHAIRPERSON'S STATEMENT**

### **INTRODUCTION**

To our esteemed stakeholders, it is my pleasure to present to you the 2024 full year financial results for Sublime Asset Management.

### **OPERATING ENVIRONMENT**

The global and regional environment was characterised by key events that could potential shift our economies in the long term. These included, among others, escalating geopolitical tensions in the Middle East, elections in major economies such as South Africa, the United Kingdom and India.

In Zimbabwe the economic performance was marked by a blend of challenges and cautious optimism. The El Niño-induced drought severely impacted food security, energy, and inflation, exacerbating vulnerabilities across key sectors. The overall business environment remained under a stringent regulatory framework aimed at safeguarding monetary stability and curbing inflationary pressures. The Reserve Bank of Zimbabwe (RBZ) adopted a resolutely tight monetary policy, with emphasis on controlling liquidity, fine-tuning interest rates, and intervening in the foreign exchange market to stabilize the local currency.

The broad money supply (M3) recorded a substantial increase of 16.8%, rising from Z\$75.01 billion in October 2024 to Z\$87.82 billion by the end of November 2024. This marked a slowdown in the growth rate when compared to the 61.04% expansion seen in September 2024. On a year-on-year basis, M3 surged by an astounding 1,203% in November 2024. Despite this sharp rise, the RBZ effectively managed liquidity, maintaining it within an optimal range to mitigate inflationary risks.

### **CORPORATE GOVERNANCE**

The Board comprises of six (4) Non-Executive Directors and two (2) Executive Directors, namely the Managing Director and an Executive Director.

The role of the Board includes the following;

- a) Overseeing the corporate governance framework;
- b) Adoption of strategic plans and policies, monitoring the operational performance, establishing policies and processes that ensure integrity of the firm's internal controls, sustainability and enterprise-wide risk management;
- c) Ensuring that management actively cultivates a culture of ethical conduct and sets the values to which the institution
- d) The Board also establishes appropriate staffing and remuneration policies for all employees.

The Board remains committed to the maintenance of the highest standards of corporate governance across all its business areas by fostering transparency, accountability, and trust among our stakeholders. The Board has an unwavering dedication is reflected by the 100% attendance for all the board committees and Main board meetings.

**CHAIRPERSON'S STATEMENT (continued)**

**BOARD AND COMMITTEES ATTENDANCE**

Board Member	Human Resources Committee	Investment Committee	Finance, Audit & Risk Committee	Main Board Attendance
Meetings held	4	4	4	4
Simbarashe Muchena (Chairman)	4	4	NAM	4
Honoured Mamvura	NAM	4	4	4
Alexander Gonese	NAM	4	4	4
Caleb Mutandwa	4	NAM	4	4
Dr Kuziva Mamvura	4	4	4	4
Isabel Zemura	4	4	4	4

NAM - Not a member

The Board held all the statutory quarterly meetings during the year under review. The Board shall undertake comprehensive evaluations of its governance structures, training and performance evaluation in the first half of 2025 to prepare for greater performance in 2025.

**Financial Performance**

The Company delivered a strong set of financial results considering the company has only been operating for less than two years, demonstrating the strength of our robust strategy and dedicated team. During the period under review income increased by 42% compared to the prior year. The business achieved a net profit margin of 28% which is higher than the industry average of 10.6%.

We are determined to continue to focus on innovation, our strong dedication to ensuring customer satisfaction, and our solid market position to maintain our competitive edge in the industry.

**Environmental, Social and Governance Issues**

**Board Oversight:**

The Board of Directors, through the Risk & Compliance Committee, oversees the integration of ESG factors into the firm's investment strategies and business operations. Given Zimbabwe's evolving sustainability landscape, the Board ensures alignment with:

1. Securities and Exchange Commission of Zimbabwe (SECZ)
2. International Financial Reporting Standards
3. National Development Strategy 1 (NDS1) sustainability goals

**Sublime Management's Role:**

Senior management, including Portfolio Manager and Risk & Compliance Committee is responsible for:

1. Decision-Making – Prioritizing sustainable industries (e.g., renewable energy, agriculture, infrastructure).
2. Compliance with Local & Global ESG Standards – Ensuring investment portfolios align with the Zimbabwe Green Finance Framework.
3. Stakeholder Engagement – Working with regulators, investors, and investee companies to enhance ESG disclosures

Sublime Asset Management Pvt Ltd engages in clean ups and grass cutting initiatives along the island in Samora Machel Avenue opposite Eastlea Apartments, Orkney road, Cumberland road and areas around the Pennywise shopping centre

Sublime is also promoting the use on renewable energy through the use of solar energy in its projects and at the Head office. In the year 2025 Sublime aims to participate in the Presidential monthly clean up campaigns.

On the Social issues, Sublime always gives university students an opportunity to do an on-the-job training so as to give them practical experience which enhances their future employment prospects and reduces unemployment.

**CHAIRPERSON’S STATEMENT (continued)**

**Outlook**

Sublime Asset is upbeat about the future despite the myriad of drought induced challenges previously faced in the macroeconomic environment. With the prospects of a better harvest for the 2024/25 season, we are positive that the boost in the agricultural and related sectors, will also impact positively on our business thereby continue in the growth trajectory.

The company will continue to work tirelessly to mobilise enough financial resources to position its business model towards unlocking long term value for its stakeholders.

**Appreciation**

On behalf of the Board of Directors, I wish to express our heartfelt appreciation to our shareholders, staff, management and clients for their unwavering support throughout the year in our journey to continue to be the leading asset manager and providing a safe home for our investors. The Company’s continued growth trajectory would not have been possible without your hard work, support, commitment and dedication.

Together we will reach greater heights.



.....  
**SIMBARASHE      MUCHENA      (BOARD  
CHAIRPERSON)**

**Sublime Asset Management (Pvt) Ltd**

**Financial Statements for the year ended 31 December 2024**

**Directors’ Responsibility and approval of the financial statements**

The directors are required, in terms of the Companies & Other Business Entities Act [Chapter 24:31], to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the 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 year then ended, in conformity with International Financial Reporting Standards (IFRSs).

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

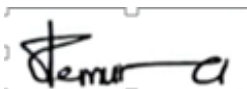
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards 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 is reasonably 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 policies and procedures. 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 financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Directors have assessed the ability of the Company to continue to operate as a going concern and believe the preparation of these financial statements on a going concern basis is appropriate. The Directors have engaged themselves to continuously assess the ability of the Company to continue to operate as a going concern and to determine the appropriateness of the going concern assumption that has been applied in the preparation of these financial statements.

The external auditors are responsible for independently auditing and reporting on the Company's financial statements. The financial statements have been examined by the Company's external auditors and their report is presented on pages 3 to 6.

The financial statements set out on pages 6 to 16, which have been prepared on the going concern basis, were approved by the board of directors on ...31.../.....03.../.....2025... and were signed on their behalf by:



.....  
Director



.....  
Director



## EAS CHARTERED ACCOUNTANTS

80A Broadlands, Emerald Hill, Harare, Zimbabwe  
+263 8677 009 052  
info@easzim.co.zw  
www.easzim.co.zw

### Independent Auditor's Report

#### To the Members of Sublime Asset Management (Private) Limited

#### Report on the Audit of the Translated Financial Report

#### Opinion

We have audited the translated financial report of Sublime Asset Management (Pvt) Ltd set out on pages 7 to 16 which comprise the statement of financial position as at 31 December 2024, 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 statement of accounting policies and the notes to the translated financial report.

In our opinion, the translated financial report of the Company as at 31 December 2024, is prepared, in all material respects, in accordance with the financial reporting provisions established by the Monetary Policy (MPS) of 6 February 2025.

We are the auditors of the Company and rendered our opinion of the underlying annual financial statements that were used to prepare the translated financial report on 13 March 2025. Our opinion thereon was as follows:

In our opinion, the financial statements give a true and fair view of the Company's financial position as at 31 December 2024 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies & Other Business Entities Act (Chapter 24:31).

#### Basis for Opinion

We conducted the audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under these standards are further described in the **Auditor's Responsibilities for the Audit of the Financial Report** section of our report. We are independent of Sublime Asset Management (Pvt) Ltd in accordance with the ethical requirements that are relevant to our audit of the translated financial report in Zimbabwe, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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**

We draw attention to Note 1.2 to the translated financial report, which describes the basis of accounting. The translated financial report is prepared to assist the company to meet the requirements of the Monetary Policy Statement of 6 February 2025. Our opinion is not modified in respect of this matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period.

There were no key audit matters in this audit.

**Responsibilities of Management and Directors**

Management and Directors are responsible for the preparation and fair presentation of the translated financial report in accordance with IFRSs, and for such internal control as they 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 translated financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Translated Financial Report**

Our objectives are to obtain reasonable assurance about whether the translated financial report is 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 aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

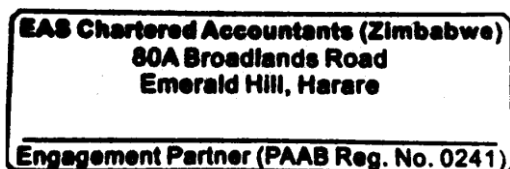
- Identify and assess the risks of material misstatements of the translated financial report, whether due to fraud or error, design and perform audit procedures responsive to these risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from errors, 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 organization'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 to this fact in our auditor's report to the related disclosures in the financial report 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 represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entity or business activities within the organization to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the organization's audit. We remain solely responsible for our audit opinion.

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

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

In our opinion, the translated financial statements have been properly prepared in compliance with the requirements of the Monetary Policy Statement of 6 February 2025 and the Companies and Other Business Entities Act (Chapter 24:31) and the Asset Management Act (Chapter 24:26).



*EAS*

**EAS Chartered Accountants (Zimbabwe)**

Engagement Partner: Takafara Bere

Registered Public Auditor

PAAB Practicing Certificate Number: 0388

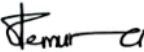

31 March 2025

Harare

## Sublime Asset Management (Pvt) Ltd

### Statement of Financial Position

As at 31 December 2024

	Notes	2024 ZWG	2023 ZWG
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	6	1 343 746	403 438
<b>Current assets</b>			
Money Market assets	12	13 706 435	5 921 031
Treasury Bills		2 555 085	-
Other receivables		116 452	40 812
Equity Investments	11	853 600	1 182 191
Cash and cash equivalents	2	113 554	1 317 852
		<u>17 345 126</u>	<u>8 461 886</u>
<b>Total assets</b>		<b><u>18 688 872</u></b>	<b><u>8 865 324</u></b>
<b>Equity and liabilities</b>			
<b>Shareholders' equity</b>			
Ordinary share capital		135 700	135 700
Share premium		5 639 442	5 639 442
Fair Value Reserve		964 472	646 944
Translation reserve		6 511 301	(151 839)
Retained earnings		<u>4 948 265</u>	<u>1 407 689</u>
<b>Total equity</b>		<b><u>18 199 180</u></b>	<b><u>7 677 936</u></b>
<b>Non-current liabilities</b>			
Deferred tax liability	5	4 422	9 891
<b>Current liabilities</b>			
Other payables	3	166 749	793 554
Corporate Tax payable	4	<u>318 521</u>	<u>383 943</u>
<b>Total liabilities</b>		<b><u>485 270</u></b>	<b><u>1 177 497</u></b>
<b>Total equity and liabilities</b>		<b><u>18 688 872</u></b>	<b><u>8 865 324</u></b>
		-	-
Director			
			
Director			

**Sublime Asset Management (Pvt) Ltd**

**Statement of Financial Position**  
**As at 31 December 2024**

	Notes	2024 ZWG	2023 ZWG
Management fees		33 409	167 449
Gain on trading		6 052 070	1 006 934
Other income	7	<u>2 312 603</u>	<u>1 187 497</u>
<b>Total income</b>		<b><u>8 398 082</u></b>	<b><u>2 361 880</u></b>
Administration expenses	8	3 294 957	386 783
Staff expenses	9	584 815	118 122
Depreciation charge	6	<u>256 205</u>	<u>35 887</u>
<b>Total expenses</b>		<b><u>4 135 977</u></b>	<b><u>540 792</u></b>
<b>Profit before taxation</b>		<b>4 262 105</b>	<b>1 821 088</b>
Income tax charge	10	(721 529)	(413 399)
<b>Profit after taxation</b>		<b><u>3 540 576</u></b>	<b><u>1 407 689</u></b>
<b>Other comprehensive income</b>			
Gains on equity instruments at Fair value		317 528	646 944
Deffered tax on equity instruments		-	-
Unrealised currency translation gain		<u>6 663 140</u>	<u>(151 839)</u>
<b>Total Compehensive Income for the period</b>		<b><u>10 521 244</u></b>	<b><u>1 902 794</u></b>

## Sublime Asset Management (Pvt) Ltd

### Statement of Changes in Equity For the Year ended 31 December 2024

	Share capital ZWG	Share premium ZWG	Translation reserve ZWG	Fair Value reserve ZWG	Retained earnings ZWG	Total ZWG
<b>Balance at 01 January 2023</b>	-	-	-	-	-	-
Issue of shares	135 700	5 639 442	-	-	-	5 775 142
Profit for the year	-	-	-	-	1 407 689	1 407 689
Other comprehensive income	-	-	(151 839)	646 944	-	495 105
<b>Balance at 31 December 2023</b>	<b>135 700</b>	<b>5 639 442</b>	<b>(151 839)</b>	<b>646 944</b>	<b>1 407 689</b>	<b>7 677 936</b>
<b>Balance at 01 January 2024</b>	<b>135 700</b>	<b>5 639 442</b>	<b>(151 839)</b>	<b>646 944</b>	<b>1 407 689</b>	<b>7 677 936</b>
Issue of shares	-	-	-	-	-	-
Profit for the year	-	-	-	-	3 540 576	3 540 576
Other comprehensive income	-	-	6 663 140	317 528	-	6 980 668
<b>Balance at 31 December 2024</b>	<b>135 700</b>	<b>5 639 442</b>	<b>6 511 301</b>	<b>964 472</b>	<b>4 948 265</b>	<b>18 199 180</b>

# Sublime Asset Management (Pvt) Ltd

## Statement of Cash Flows

For the year ended 31 December 2024

	Notes	2024 ZWG	2023 ZWG
<b>Operating activities</b>			
Profit before taxation		4 262 105	1 821 088
<b>Adjust for non-cash items</b>			
Depreciation charge	8	256 205	35 887
Provision for Leave Pay		23 696	11 399
Loss on sale of Property and Equipment		-	286
<b>Operating cash before working capital changes</b>		<b>4 542 006</b>	<b>1 868 660</b>
<b>Changes in Working Capital</b>			
Increase in Money Market Assets		(627 425)	(6 083 654)
Increase in Treasury Bills		(2 555 085)	-
Increase in other assets		75 640	(40 812)
Increase in other payables		(650 501)	793 554
		<b>784 635</b>	<b>(3 462 252)</b>
Income tax paid		(792 420)	(19 565)
<b>Net cash (used in)/from operating activities</b>		<b>(7 785)</b>	<b>(3 481 817)</b>
<b>Cash flows from investing activities</b>			
Acquisition of property and equipment	8	(1 196 513)	(440 226)
Investment in Equities		-	(535 247)
<b>Net cash used in investing activities</b>		<b>(1 196 513)</b>	<b>(975 473)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		-	5 775 142
<b>Cash flow from financing activities</b>		<b>-</b>	<b>5 775 142</b>
<b>Net increase in cash and cash equivalents for the</b>		<b>(1 204 298)</b>	<b>1 317 852</b>
Cash and cash equivalents at the beginning of the year	2	1 317 852	-
Closing cash and cash equivalents		<b>113 554</b>	<b>1 317 852</b>
<b>Represented by cash and bank balances</b>			
Cash at hand		15 299	3 243
Bank		98 255	1 314 609
<b>Closing cash and cash equivalents</b>	2	<b>113 554</b>	<b>1 317 852</b>

# **Sublime Asset Management (Pvt) Ltd**

## **Notes to the Financial Statements**

**For the Year ended 31 December 2024**

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### **1. Significant Accounting Policies**

The principal accounting policies applied in the preparation of the financial statements are set out below.

#### **1.1. Basis of preparation**

The financial statements have been prepared under historical cost convention in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies & Other Business Entities Act (Chapter 24:31). Carrying values of investments are based on fair value, usually ZSE closing prices.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

#### **1.2. Currencies**

This financial report is presented in Zimbabwe Gold (ZWG) and was derived from financial statements which were prepared in United States dollars (USD) which is the functional currency of the company. The Zimbabwe Gold (ZWG) is the statutory reporting currency for the year ended 31 December 2024.

Transactions and balances in other currencies are converted to Zimbabwean Gold (ZWG) using the Interbank rates. The translated financial report has been prepared to comply with the financial reporting provisions established by the Reserve Bank of Zimbabwe Monetary Policy Statement (MPS) of 6 February 2025.

#### **1.3. Cash and cash equivalents**

Cash and cash equivalents include cash on hand, other short-term highly liquid investments with original maturities of three months and less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and bank overdrafts.

**Sublime Asset Management (Pvt) Ltd**

**Notes to the Financial Statements**

**For the Year ended 31 December 2024**

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**1.4. Property and equipment**

The cost of an item of property and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

**1.4. 1 Property and equipment (continued)**

Initially, an item of property and equipment is measured at cost. Subsequently, property and equipment are stated at cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributed to the acquisition of the items and any other costs directly attributable to bringing each asset to its working condition for its intended purpose.

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

<b>Items</b>	
Motor Vehicles	5 years
Furniture and Fittings	10 years
Computer Equipment	3 years

Depreciation methods, useful lives and residual values are reassessed at each reporting date.



**1.5. Current income tax**

1.5.1. The current income tax expense for the year is made up of current corporate tax charge and the movement in deferred tax.

1.5.2. Income tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity.

1.5.3. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in Zimbabwe.

**1.6. Deferred tax**

Deferred tax is recognised, using the liability method on temporary differences arising between assets and liabilities and their carrying amounts in the financial statements.

Deferred tax is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

**1.7. Interest income**

Interest income is accrued on a time proportion basis using the effective interest rate method.

**1.8. Fees, commission and other income**

Administration fees and commission are recognized as and when the services are provided.

**1.9. Pension obligations**

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

# Sublime Asset Management (Pvt) Ltd

## Notes to the Financial Statements

For the Year ended 31 December 2024

	2024 ZWG	2023 ZWG
<b>2 Bank and cash balances</b>		
Cash on hand	15 299	3 243
Bank balances	<u>98 255</u>	<u>1 314 609</u>
	<b><u>113 554</u></b>	<b><u>1 317 852</u></b>
<b>3 Other payables</b>		
Trade payables	-	745 883
Other payables	25 541	-
Payroll payables	35 086	11 399
Accruals and provisions	<u>106 122</u>	<u>36 272</u>
	<b><u>166 749</u></b>	<b><u>793 554</u></b>
<b>4 Tax liability</b>		
Opening balance as at 1 January	383 943	-
Income tax charge for the year	<u>708 195</u>	<u>413 399</u>
Tax liability	1 092 138	413 399
Less: Corporate tax payments	<u>(773 617)</u>	<u>(29 456)</u>
Tax liability as at 31 December	<b><u>318 521</u></b>	<b><u>383 943</u></b>
<b>5 Deferred tax</b>		
Opening balance as at 1 January	9 891	-
Deferred tax movement for the year	<u>(5 469)</u>	<u>9 891</u>
Tax liability as at 31 December	<b><u>4 422</u></b>	<b><u>9 891</u></b>

## Sublime Asset Management (Pvt) Ltd

### Notes to the Financial Statements

For the Year ended 31 December 2024

6

	Motor Vehicles	Computer Equipment	Furniture & Fittings	Power Equipment	Total
<b>Cost / Valuation</b>	<b>ZWG</b>	<b>ZWG</b>	<b>ZWG</b>	<b>ZWG</b>	<b>ZWG</b>
As at 01-Jan-2024	264 615	117 584	56 655	-	438 854
Additions	935 015	180 776	51 054	29 668	1 196 513
Disposals	-	-	-	-	-
As at 31-Dec-2024	<b>1 199 630</b>	<b>298 360</b>	<b>107 709</b>	<b>29 668</b>	<b>1 635 367</b>
<b>Accumulated Depreciation</b>					
As at 01-Jan-2024	23 374	8 715	3 327	-	35 416
Charge for year	182 116	58 652	10 921	4 516	256 205
Disposals	-	-	-	-	-
As at 31-Dec-2024	<b>205 490</b>	<b>67 367</b>	<b>14 248</b>	<b>4 516</b>	<b>291 621</b>
<b>Net Book Value</b>	<b><u>994 140</u></b>	<b><u>230 993</u></b>	<b><u>93 461</u></b>	<b><u>25 152</u></b>	<b><u>1 343 746</u></b>
<b>Cost / Valuation</b>	<b>ZWG</b>	<b>ZWG</b>	<b>ZWG</b>	<b>ZWG</b>	<b>ZWG</b>
As at 01-Jan-2023	-	-	-	-	-
Additions	264 615	118 956	56 655	-	440 226
Disposals	-	(1 372)	-	-	(1 372)
As at 31-Dec-2023	<b>264 615</b>	<b>117 584</b>	<b>56 655</b>	<b>-</b>	<b>438 854</b>
<b>Accumulated Depreciation</b>					
As at 01-Jan-2023	-	-	-	-	-
Charge for year	23 374	9 186	3 327	-	35 887
Disposals	-	(471)	-	-	(471)
As at 31-Dec-2023	<b>23 374</b>	<b>8 715</b>	<b>3 327</b>	<b>-</b>	<b>35 416</b>
<b>Net Book Value</b>	<b><u>241 241</u></b>	<b><u>108 869</u></b>	<b><u>53 328</u></b>	<b><u>-</u></b>	<b><u>403 438</u></b>

## Sublime Asset Management (Pvt) Ltd

### Notes to the Financial Statements

For the Year ended 31 December 2024

	2024 ZWG	2023 ZWG
<b>7 Other income</b>		
Interest Income	2 312 603	1 187 783
Loss on Disposal of fixed assets	-	(286)
	<b>2 312 603</b>	<b>1 187 497</b>
<b>8 Administration expenses</b>		
Advertising and promotions	327 845	38 088
Audit fees	77 396	31 212
Bank charges	284 209	30 272
IMTT Tax	71 243	-
Business development expenses	691 761	101 680
Directors fees	325 061	44 344
Directors Expenses	158 790	-
Fees and Commisions	460 735	17 306
Computer expenses	61 271	19 096
Insurance	35 499	3 054
Insurance Professional Indemnity	54 177	10 064
Motor vehicle expenses	382 334	32 504
Printing and stationery	41 536	12 552
Subscriptions	87 662	45 839
Travel expenses	-	772
Repairs and Maintenance	27 785	-
Consultancy Fees	9 029	-
Electricity	8 514	-
Office Expenses	164 311	-
Administration Fees	23 219	-
Rates	2 580	-
	<b>3 294 957</b>	<b>386 783</b>
<b>9 Staff expenses</b>		
Basic salaries	511 289	94 580
Leave pay provision	23 696	11 399
Zimdef	9 778	981
Medical aid	17 530	2 168
NSSA	22 522	8 994
	<b>584 815</b>	<b>118 122</b>
<b>10 Income tax charge</b>		
Current year tax	726 998	403 508
Deferred tax movement for the year	(5 469)	9 891
	<b>721 529</b>	<b>413 399</b>

# Sublime Asset Management (Pvt) Ltd

## Notes to the Financial Statements

For the Year ended 31 December 2024

	2024 ZWG	2023 ZWG
<b>11 Equity Investments</b>		
Opening balance	1 182 191	-
Additions	-	535 247
Disposals	(11 063)	
Fair Value adjustments through OCI	<u>(317 528)</u>	<u>646 944</u>
	<b><u>853 600</u></b>	<b><u>1 182 191</u></b>
<b>11.1 Investments in equities</b>		
Listed investments	<b><u>853 600</u></b>	<b><u>1 182 191</u></b>
<b>12 Money Market Assets</b>		
Money market placements	13 011 009	5 748 462
Interest earned	695 426	172 569
	<b><u>13 706 435</u></b>	<b><u>5 921 031</u></b>
Maturity analysis		
Between 0 to 3 months	<b><u>13 706 435</u></b>	<b><u>5 921 031</u></b>

### 13 Events after the balance sheet date

A subsequent event is an event that occurs after a reporting period, but before the financial statements for that period have been issued or are available to be issued. Depending on the situation, such events may or may not require disclosure in the organisation;s financial statements.

As at 28 March 2025 management is not aware of any subsequent events that would require adjustments to or disclosure in the financial statements.

14 Capital Adequacy

Sublime 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 July 2017. As at 31 December 2024 the adjusted liquid capital stood at ZWG 9 416 695 (see table 1 below) against total minimum requirements of ZWG 4 381 652 (see table 1 below) resulting in a surplus of ZWGc5 035 043.

Table 1: Capital Adequacy		2024 ZWG
<b>Requirements</b>		
Operational expenditure		
-13 Weeks Operational Expenditure	a	729 369
-Counter party risk requirement (CRR): Table 2		371 550
-Position Risk requirement (PRR) Table 3	b	(5 482 571)
-Settlement Risk Requirement (SRR)	c	-
-Other risks	d	-
<b>Total Requirement (TR) (a+b+c+d)</b>		<b>(4 381 652)</b>
<b>Adjusted liquid Capital (ALC): Table 4</b>		<b>9 379 661</b>
<b>Capital Surplus (shortfall)</b>		<b>4 998 009</b>

Table 2: Counter Party Risk Requirement (CRR)

Type of transaction	Risk Factor	CRR Value
Unsettled securities transactions traded on securities exchange in Zimbabwe (Government, Quasi Government and Corporate bonds)		
-0 to 30 days after settlement date	50% of potential loss	-
-More than 30 days after settlement date	100% of potential loss	-
Amounts due for payment or owned on closed positions 7 days due and above	100% of potential loss	452 660
Other receivables outstanding for more than 30 days	-	81 110
Commissions and fees earned	100% of potential loss	-
Marketable securities at maturity date or call	100% of potential loss	-
Scrip issues and rights issues	100% of potential loss	-
Any other receivables	100% of potential loss	-
<b>Total to Table 1</b>		<b>371 550</b>

Table 3: Position Risk requirement (PRR)

	Market Value	Risk Factor	PRR ZWG
Listed Shares on Securities Exchange	853 600.39	40%	341 440.15
<b>Debt Securities</b>			
Issued or Guaranteed by Government	-	0%	-
Issued or Accepted by Bank	(14 560 028.44)	40%	(5 824 011.38)
Corporate and Other Listed Debt Securities		40%	
Investment in Properties		10%	
<b>Total to Table 1</b>			<b>(5 482 571.22)</b>

**14 Capital Adequacy (continued...)**

**Table 4: Adjusted Liquid Capital**

Ordinary Share Capital	135 700
Preference share capital	-
Share premium account	5 639 442
Audited retained earnings or accumulated losses	4 948 265
Unaudited profit or loss	-
<b>Owners equity</b>	<b>10 723 407</b>
<b>+ Shareholders loans</b>	<b>-</b>
<b>Total capital resources (a)</b>	<b>10 723 407</b>
<b>Less intangible assets + Guarantees provided (b)</b>	<b>-</b>
Goodwill	-
Capitalised development costs	-
Licensees, softwares	-
Trademarks and similar rights	-
Guarantees provided	-
<b>Available capital resources (c ) = (a-b)</b>	<b>10 723 407</b>
<b>Less Illiquid assets (d)</b>	<b>1 343 746</b>
Fixed Assets, net of related secured loans	1 343 746
Investments in unlisted securities	-
<b>Adjusted Liquid Capital (c-d)</b>	<b>9 379 661</b>

**15 Funds Under Management**

As at 31 December 2024, Funds under management of Sublime Asset Management stood at USD 11 338 572.55 which translates to ZWG 292 416 117 million. The funds are invested in the asset classes provided in Table 3 below.

**Table 3-Funds Under Management**

INVESTMENT INSTRUMENT	AMOUNT	AMOUNT
EQUITY	USD 33,099.01	ZWG 853,607
MONEY MARKET	USD 5,215,729.54	ZWG 134,511,057
GOVERNMENT DEBT (TREASURY BONDS)	USD 6,089,744.00	ZWG 157,051,453

**15.1 Audit of Custodial Accounts**

We have audited the custodial bank accounts of Sublime Asset Management (Pvt) Ltd and issued a separate audit certificate on that audit.

Sublime Asset Management (Pvt) Ltd

Notes to the Financial Statements  
For the Year ended 31 December 2024

16 AML Risk

Risk Assessment Process

The Sublime Asset Management Investment Risk Management Framework is shown below at a high level. Risk monitoring and control leads to the continuous assessment and review of the risk management process, leading to the further identification of risks and ensuring the robustness of the process.



Risks have been assessed using the following matrix:

RISK MATRIX

Rating Rating Key		LOW	MEDIUM	HIGH	EXTREME	
		LOW - Generally Acceptable (GA) OK TO PROCEED	MEDIUM - As Low As Reasonably Possible (ALARP) TAKE MITIGATION EFFORTS	HIGH - Generally Unacceptable (GU) SEEK SUPPORT	EXTREME - AVOID RISK COMPLETELY TERMINATE ACTIVITY	
LIKELIHOOD		CONSEQUENCES				
		INSIGNIFICANT	MINOR	MODERATE	MAJOR	CATASTROPHIC
CERTAIN >90%		HIGH	HIGH	EXTREME	EXTREME	EXTREME
LIKELY 51% - 90%		MEDIUM	HIGH	HIGH	EXTREME	EXTREME
MODERATE 20% - 50%		LOW	MEDIUM	HIGH	EXTREME	EXTREME
UNLIKELY 10% - 19%		LOW	LOW	MEDIUM	HIGH	EXTREME
RARE <10%		LOW	LOW	MEDIUM	HIGH	HIGH

Sublime Asset Management Risk Assessment for the year ended 31 December 2024

1. Financial Risk

The potential for loss or uncertainty in financial outcomes, particularly associated with financing, investments, or transactions. Financial risk is divided into the following subcategories:

a) Market Risk

i) Exchange Rate Risk

ii) In 2024, the economy saw a cyclical trend in the ZWG to USD exchange rate, and there are still questions about its resilience. Sublime manages both USD and ZWG investments for its clients, and because of past local currency depreciation, investments in ZSE stocks have also fallen plunged.

Risk Rating: Medium

Mitigation: Sublime is diversifying investments in different asset classes such as real estate, USD money market and VFEX equities.

i) Interest Rate Risk

Government securities (T-Bills) and other money market instruments are subject to risk that fair value or future cash flows will fluctuate because of a change in market interest rates.

Risk Rating: Medium

Mitigation: Asset-liability management of aligning the maturity (duration) of assets and liabilities is being applied to minimize the impact of interest rate changes. More so, Sublime is diversifying to include bonds with different maturities to help investors avoid the pitfalls of a yield curve inversion.



# Sublime Asset Management (Pvt) Ltd

## Notes to the Financial Statements

For the Year ended 31 December 2024

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### 16 AML Risk (continued.....)

#### b) Concentration Risk

Over-reliance on a single asset class, a small number of customers, or service suppliers could lead to losses or financial difficulties in the event that Sublime's investments are returned or its services are discontinued.

**Risk Rating: Medium**

**Mitigation:** Sublime takes advantages of viable new investment opportunities to lure new investors and diversify asset classes. Continued market penetration is being implemented to have a more different clients funds being managed.

#### c) Default Risk

Default risk is the risk of one or more parties in a financial transaction defaulting on or otherwise failing to meet their obligations on that transaction. Due to the fact that Sublime fixed deposit placements are held by a few counterparties with a strong creditworthiness base.

**Risk Rating: Medium**

**Mitigation:** To prevent defaults from the limited number of counterparties, all placements are backed by highly liquid assets.

#### d) Liquidity Risk

The informal sector's dominance over the formal sector has been depleting the formal market's liquidity. In order to fulfil all of its financial commitments, intuitions are keeping a buffer of liquidity.

**Risk Rating: Low**

**Mitigation:** Sublime employs both tactical and strategic asset allocation, with the option to rebalance portfolios in response to current market liquidity conditions. To maintain liquidity matched book is managed and the majority of investments have a short time horizon of 30 to 180 days.

#### e) Competition Risk

Zimbabwe's wealth management industry is expanding rapidly, with over three new licenses granted in 2024 as customers continue to seek investments that preserve and appreciate capital despite the country's complicated financial environment.

**Risk Rating: Medium**

**Mitigation:** Sublime has a robust research and development team that conducts global market research to influence current trends and target blue ocean markets.

### 2. Compliance Risk

The risk of legal, regulatory or ethical violations that can result in fines, penalties or even loss of an organization's license to operate. The risk are categorized as follows:

#### a) Money Laundering

The Financial Intelligence Unit (FIU) together with Securities and Exchange Commission continue to emphasize the need to curb money laundering especially for deposit taking organizations like Sublime that invests money on behalf of clients through trainings.

**Risk Rating: Low**

**Mitigation:** The company participates in all seminars and training offered by the authorities and other training institutions. Employees are regularly trained on the most recent AML legislation, international sanctions watch lists, and how to spot and handle possible money laundering activities. They are also urged to report any suspicious activity. When on-boarding new client contacts and accepting new deposits, due diligence is done. Payments to third parties are prohibited as a regulatory safeguard. The majority of our clients are advised to transfer their funds via the banking system rather than making cash investments.

#### b) Regulatory Risk

Regulatory bodies affiliated with assets management business includes NSSA, ZIMRA, Zimdef and Securities and Exchange Commission of Zimbabwe. Monthly returns, levies and premiums are submitted to these bodies and failure to submit and make payments on time may lead to huge penalties or the loss of the operating license.

**Risk Rating: Low**

**Mitigation:** Sublime complies with all legal standards and authorities. The implementation of a regulatory calendar guarantees that all criteria are fulfilled within the specified timeframes.

16 AML Risk (continued.....)

c) Financial Reporting

All asset managers must submit monthly, quarterly, and annual financial reports. If the organization doesn't report on time, it could face penalties and fines, and occasionally even have its operating license revoked. Sublime has been able to fulfil its obligations with regard to financial reporting.

Risk rating: Low

**Mitigation:** One of the Sublime financial team's main performance metrics is reporting, and the CEO regularly verifies that reports are completed on schedule.

The company implements robust financial planning, utilize efficient processes, and maintain strong internal controls, including a clear understanding of reporting requirements and timelines. Subsequently, the CEO regularly verifies that reports are completed on schedule.

3. Operational Risk

The operational risk is the risk of direct or indirect losses resulting from inadequate or failed internal processes, people, systems or external events with Sublime Asset Management.

Risk Rating: Medium

**Mitigation:** Sublime implements an effective, consistent, and comprehensive operational risk management framework supported by a set of principles, policies, and controls including code of conduct, authorization guidelines, business process standards, systems and process controls, and an approval process for the new product, investments, systems and procedures.

4. Strategic Risk

The organization's choices and actions to accomplish its goals are a source of risk. Among these are subliminal responses to political environments, competition, project risk, reputation risk, and product development.

Risk Rating: Low

**Mitigation:** Sublime has professional indemnity cover and fidelity guarantee in place to reduce strategic risk. Budgeting and budgetary control are two tactics that give the organisation financial direction, and Sublime hosts strategic seminars annually and presents the plan to the board for approval.

**Mitigation:** Sublime has professional indemnity cover and fidelity guarantee in place to reduce strategic risk. Budgeting and budgetary control are two tactics that give the organisation financial direction, and Sublime hosts strategic seminars annually and presents the plan to the board for approval.

ML/TF Risk Assessment

SUBLIME ML/TF/PF RISKS	
Complex Transactions: Funds through multiple layers of legal entities, can obscure the ultimate beneficial ownership. This complexity creates opportunities for laundering illicit funds.	Robust Customer Due Diligence (CDD): Conduct thorough due diligence on all clients, including verifying their identity, assessing their risk profile, understanding the source of their wealth and ultimate beneficial owners (UBOs) of investments. For high-risk clients, enhanced due diligence (EDD) is applied
High-Value Clients: Wealthy clients or politically exposed persons (PEPs) pose a higher risk due to their access to large sums of money and potential involvement in corruption or other illegal activities.	Ongoing Monitoring: We continuously monitor client transactions to detect and investigate any unusual or suspicious activity. This includes setting up automated systems to flag transactions that deviate from a client's typical behavior.
Cross-Border Transactions- Globalization has made cross-border transactions common place in asset management. However, these transactions increase the risk of money laundering as funds move through multiple jurisdictions, some of which may have lax AML regulations.	Employee Training: Regularly train employees on the latest AML regulations and red flags to ensure they can identify, respond to potential money laundering activities and encouraged to report suspicious activities.
Use of Shell Companies- Shell companies are often used to obscure the true ownership of assets.	Collaboration with Regulators: Maintain open communication with regulatory bodies and stay updated on the latest AML regulations.
Dual-use Technologies: Investment managers involved in sectors related to defence, telecommunications, or energy must be aware of dual-use technologies that could potentially contribute to proliferation activities.	Use risk-based approach and implementing anti-money laundering (AML) and counter-terrorism financing (CTF) measures.
Regulatory Compliance-Different jurisdictions have various regulations concerning PF.	Investment managers must ensure compliance with international sanctions and watch lists that designate entities involved in proliferation activities.

## Sublime Asset Management (Pvt) Ltd

### Notes to the Financial Statements

For the Year ended 31 December 2024

#### 16 AML Risk (continued.....)

Effectiveness of AML/CFT programme:

MITIGATING ML/TF/PF		
PROCEDURES	POLICIES	CONTROLS
Risk Assessment- risk assessments to identify and evaluate the ML, TF, and PF risks associated with their clients, products, services, and geographic locations.	Suspicious Activity Reporting (SAR) We have procedures for reporting suspicious activities to the relevant authorities as mandated by the MLPC Act.	<ul style="list-style-type: none"> <li>Thresholds and Alerts - Establish predefined thresholds for transactions that require additional scrutiny. We have board level engagement to have protocols that put financial crime front and center and prioritizes risk management.</li> </ul>
Client Due Diligence (CDD) - We implement tiered CDD measures based on risk levels. Higher-risk clients may require enhanced due diligence (EDD).	We have AML policies and procedures that are regularly reviewed and updated to reflect current regulations and emerging risks.	Employee Training - we have ongoing training programs for employees to ensure they understand the risks, legal obligations, and the importance of compliance with MLPC Act and FATF recommendations.
Know Your Customer (KYC) -Collect and verify personal identification information (e.g., ID, POR, Mandates) and assess the legitimacy of the client's source of wealth and funds.	FATF Recommendations & FIU Directives.	<p>Compliance Officer We have a dedicated Compliance Officer responsible for overseeing anti-Money Laundering (AML) activities and maintaining controls.</p> <p>Board oversight with annual review and approval of AML/CFT/CPF policies</p>
Transaction Monitoring-Flag unusual transactions for further investigation and prompt reporting suspicious transactions to regulatory authorities. This includes monitoring for patterns that may indicate ML/TF/PF activities.	<p>International sanctions and watch lists that designate entities involved in proliferation activities.</p> <p>Real-time screening of customers and transactions against sanctions lists</p>	Regular Audits - We perform independent audits of the AML/CTF program to assess its effectiveness and adherence to relevant laws and regulations last conducted on September 30, 2024
Record Keeping- Maintain thorough records of all transactions, customer identification, and due diligence documentation, ensuring they can be easily accessed if needed.	Conduct periodic reviews of policies and procedures to ensure they align with changing regulations, threats, and best practices.	We maintain open communication with regulatory bodies and law enforcement agencies to ensure compliance and stay informed about the latest trends and guidance in ML/TF/PF.