
ESE
ESWATINI STOCK EXCHANGE
ANNUAL REPORT
2024

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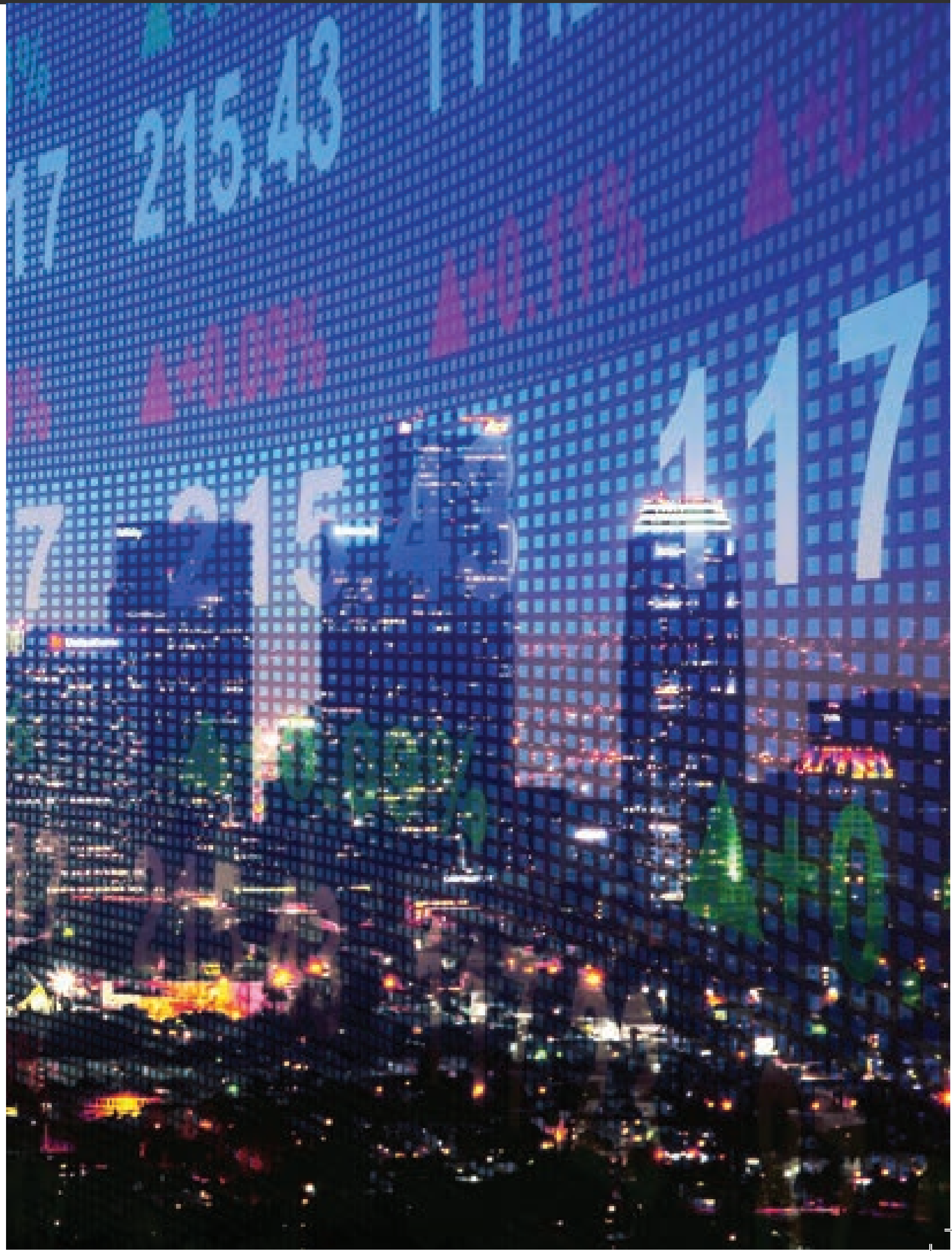


TWSE/TCX & ESE MOU Signing Ceremony
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TWSE
TCX
ESE

01

WHO WE ARE

THIS REPORT

WHO WE ARE AT ESE

In alignment with our commitment to integrated thinking, the Eswatini Stock Exchange (ESE) is pleased to present its annual report for the financial year 2023-24.

This document encapsulates a comprehensive review of our operations, reflecting our dedication to creating and sustaining value for our stakeholders.

General Information

Basis of Preparation

In alignment with our commitment to integrated thinking, the Eswatini Stock Exchange (ESE) is pleased to present its annual report for the financial year 2023-24. This document encapsulates a comprehensive review of our operations, reflecting our dedication to creating and sustaining value for all stakeholders.

The content herein has been meticulously selected based on its material impact on the company's ability to generate enduring value. Drawing from authoritative ESE records, including quarterly reports submitted to the Ministry of Finance (MOF), this report offers insights into our operating context, strategic performance, risk management, stakeholder engagement, and emerging business opportunities.

Contributions from the Executive Management team have enriched the narrative, ensuring a multi-faceted perspective on our achievements and challenges. The information presented has undergone rigorous scrutiny by various committees and received final approval from the Board of Directors. Where applicable, disclosures pertaining to events beyond the reporting period have been included to ensure transparency and continuity.

This report covers the operational activities of the Eswatini Stock Exchange from the 1st of April 2023 to the 31st of March 2024.

THE ESE'S VISION

We strive to be the most functional stock exchange in Africa by providing an attractive investment environment.

THE ESE'S MISSION

We enable companies to list and investors to trade in securities, thus enabling an effective mobilisation of capital, to promote economic development in Eswatini.

THE ESE STATEMENT OF VALUES

At the heart of Eswatini Stock Exchange (ESE), our core values of Innovation, Professionalism, Integrity, and Transparency guide every aspect of our operations and strategic decision-making. These principles are not only the foundation of our corporate culture but also serve as the benchmark for our interactions with all stakeholders.

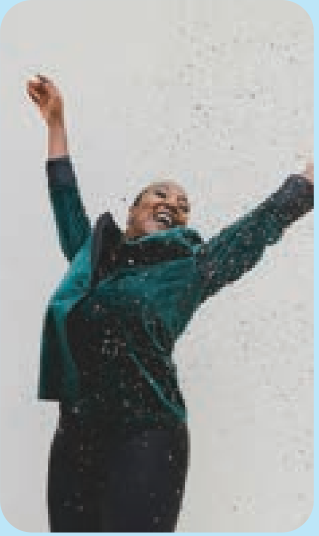
Innovation - We seek to lead the market through innovative solutions that enhance the trading experience and broaden investment opportunities.

Professionalism - Our commitment to professionalism is reflected in our rigorous standards of service and the expertise of our team.

Integrity - We uphold the highest ethical standards, ensuring that all transactions and interactions are conducted with honesty and fairness.

Transparency - We strive to provide clear, accurate, and timely information to the public, ensuring that all market participants can make informed decisions.

SNAPSHOT OF **FY2024**



- ESE gets fully automated with ***ATS*** system intergration.
- Nkonyeni Precast Limited lists on ESE.
- First National Bank Eswatini Limited lists on ESE.

- Signing of MoU's with the Tiawan Stock Exchange and the Tiawan Carbon Solutions Exchange.
- Partnership with Ministry of Tourism, UNDP, SNG Grant Thornton and various stakeholders for the launch of the Green Indaba.

02

OUR LEADERSHIP

THIS REPORT

LEADERSHIP OVERVIEW

The **Board of Directors** provide strategic leadership and oversight on the executive. The **Chairperson** provides a broad overview of the year under review, and the **Chief Executive Officer (CEO)** provides executive leadership in implementing strategic decisions taken by the board to deliver on the company's objectives.

CHAIRPERSON'S REMARKS

Dr. Mike Matsebula
Chairperson of the Board of Directors

The launch of the Automated Trading System (ATS) revolutionised the way securities are traded on the ESE. By embracing technology, we enhanced efficiency, reduced transaction times, and provided our stakeholders with a robust platform that supports real-time decision-making.

On behalf of the Board of Directors, I am proud to present a report that reflects the commitment of Eswatini Stock Exchange (ESE) to integrated thinking and coherence in our strategic approach, in line with the King VII report on corporate governance standards. This year has been pivotal for the ESE as we have taken bold steps to reshape the securities trading landscape within the Kingdom and beyond its borders.

Strategic Legislative Reforms
Our journey began with a comprehensive update to our legislative framework, a move designed to synchronise our operations with the Southern African Development Community (SADC) regional strategies. The aim was to harmonize listing requirements across the region, thereby diversifying our market offerings and creating new opportunities. A significant milestone was reached in August 2022, when we gazetted the reviewed Listing Requirements, ATS Trading Rules, Debt Listing Requirements, and the ESE Rulebook. These revised regulations facilitated an increase in tradable products, enriching the investment environment and enabling the market to thrive in a competitive, automated setting.

Technological Advancements
The launch of the Automated Trading System (ATS) revolutionised the way securities are traded on the ESE. By embracing technology, we enhanced efficiency, reduced transaction times, and provided our stakeholders with a robust platform that supports real-time decision-making. This technological leap is not only a testament to our innovative spirit but also a critical component in driving process efficiency and market growth.

Strategic Plan Adoption
In January 2023, the adoption of the ESE strategic plan for the period of 2023-2025 marked a defining moment in our journey towards self-sufficiency. The plan is anchored on four strategic programs:

- The Demutualisation of the ESE.
- Sustainable revenue generation.
- Process efficiency.
- Market growth.

It is crafted to steer the ESE into an era of financial independence, empowering us to expand our market presence both locally and internationally without reliance on subventions.

Materiality and Value Creation
As we align our operations with these strategic goals, materiality plays a crucial role in determining the priorities that will have the most significant impact on our ability to create value over time. Our focus on regulatory alignment, market expansion, and infrastructure modernisation is driven by a thorough understanding of the factors that materially affect our business and our stakeholders.

Appreciation
The Board extends its heartfelt gratitude to the Ministry of Finance, the Financial Services Regulatory Authority (FSRA), the Central Bank of Eswatini (CBE), the ESE Market Committee, and all of ESE's stakeholders. Their unwavering support and collaboration have been instrumental in advancing our mandate and ensuring our continued success.

In conclusion, the ESE stands at the cusp of a transformative era. Through integrated reporting and strategic planning, we are poised to deliver sustainable value to our shareholders, clients, and the broader economy of Eswatini. We move forward with the confidence that our cohesive strategy, transparency, and commitment to excellence will continue to drive progress and prosperity.

Best regards,

Dr. Mike Matsebula
Chairperson of the Board of Directors

CHIEF EXECUTIVE OFFICER'S REMARKS

Ncamiso Ntshalinstshali
Chief Executive Officer of ESE

I extend my sincere appreciation to all our stakeholders for their support and engagement, which have been vital in achieving our goals. Together, we are building a robust and dynamic exchange that is well positioned for future success.

As the Chief Executive Officer of the Eswatini Stock Exchange (ESE), I am pleased to provide an overview of our achievements and strategic direction, in accordance with the principles of Integrated Reporting. This year has been marked by significant progress in aligning our operations with the broader objectives of the Southern African Development Community (SADC), thereby enhancing our regional integration and competitiveness.

Strategic Alignment and Regulatory Advancements
Our affiliation with the Association of SADC Stock Exchanges (ASEA) and the Committee of SADC Stock Exchanges (COSSE) has been instrumental in our efforts to adopt rules and regulations that resonate with SADC's regional strategies. The enactment of the ESE Rules, including the Listings Requirements, Debt Listings Requirements, and Automated Trading System (ATS) Rules in 2022, has enabled us to harmonize our Listing Requirements with those of our SADC counterparts.

Market Growth
The global financial landscape is evolving rapidly, with increasing participation from both institutional and retail investors. The rise of technology-driven trading platforms has democratized access to the stock market, enabling a broader demographic to engage in trading activities. With a global shift towards sustainable energy solutions, companies in this sector are likely to attract ubstantial investor interest. In recognising this, on the 4th March 2024, the ESE signed Memorandums of Understanding with the Tiawan Stock Exchange and Tiawan Carbon Solutions Exchange for information sharing and exploring future business partnerships that will enable the ESE to tap into the carbon credit market.

The ESE also witnessed market growth through the listing of Nkonyeni Precast Limited and First National Bank Limited which had a significant boost in our market growth. The ESE continues to engage stakeholders in a bid to get more listings (both domestic and foreign) and the listing of new products that have been made available through various boards in the ESE including the SME board.

Technological Milestones
The legal framework established paved the way for the implementation of trading through the ATS and the use of the Central Securities Depository (CSD). These systems are critical in enhancing liquidity, financial inclusion, price discovery, and transparency, aligning us with other regional stock exchanges that have embraced automation.

On the 17th of October 2022, we achieved a functional go-live of the ATS and related systems. This milestone was reached in collaboration with market participants, particularly the Central Bank of Eswatini (CBE), marking the commencement of live trading on both the ATS and CSD platforms.

Addressing Challenges and Embracing Opportunities
While the stabilisation of the ATS system has presented challenges, we have adopted strategic measures to address these initial teething problems. Our resilience and optimism remain steadfast as we anticipate that the ATS/CSD platforms will significantly increase our product offerings and promote the listing of more securities.

A primary objective is to enable Government Bonds to be centrally traded via the Exchange, in line with the SADC initiative to enhance market participation and liquidity. This move is expected to create material value for our stakeholders and contribute to the overall development of the capital markets within the region.

Coherence and Materiality
In our pursuit of growth and excellence, coherence and materiality serve as guiding principles in our decision-making processes. We ensure that our strategic initiatives are coherent with our long-term vision and that they address the most material aspects of our business and stakeholder interests.

Conclusion
The ESE is on a transformative journey, one that is characterised by strategic alignment, technological innovation, and regional integration. As we continue to navigate the complexities of the financial landscape, we remain committed to delivering value through a cohesive, transparent, and forward-looking approach. The ESE remains positive, driven by technological advancements, supportive regulations, and an expanding investor base. By leveraging these trends and focusing on emerging sectors, we can position ourselves for sustained growth in the coming years

I extend my sincere appreciation to all our stakeholders for their support and engagement, which have been vital in achieving our goals. Together, we are building a robust and dynamic exchange that is well positioned for future success.

Best regards,

Ncamiso Ntshalintshali
Chief Executive Officer - ESE

CELEBRATING THE LEGACY OF LATE HEAD OF ESE

The launch of the Automated Trading System (ATS) revolutionised the way securities are traded on the ESE. By embracing technology, we enhanced efficiency, reduced transaction times, and provided our stakeholders with a robust platform that supports real-time decision-making.

Joyce Mhlobiso Dlamini
Head of ESE

It is with profound sorrow and heavy hearts that we pay tribute to our esteemed colleague, leader, and friend, Ms. Joyce Mhlobiso Dlamini. Her unwavering dedication, wisdom, and kindness have left an indelible mark on the Eswatini Stock Exchange (ESE) and all who had the privilege of working alongside her. Today, we extend our deepest condolences to her family, friends, and colleagues as we mourn the loss of a visionary whose passion for her work knew no bounds.

Rebranding of the ESE
Under Ms. Joyce's leadership, the ESE underwent a significant rebranding in 2019, transitioning from the Swaziland Stock Exchange Limited (SSX) to its current identity. This strategic move enhanced our brand visibility and relevance, aligning our image and offerings with international standards and consumer preferences. The new visual identity and messaging resonated deeply with the values of the ESE, strengthening our brand perception and reputation.

Improved Market Performance
The market performance of the ESE flourished under Ms. Joyce's guidance, experiencing remarkable growth through increased listings and product offerings. Her strategic vision propelled the ESE to new heights, expanding our reach and impact within the capital markets.

Enhancement of Governance Structures
Through her tireless efforts, Ms. Joyce was instrumental in enhancing the governance structures of the ESE. She championed the establishment of robust oversight mechanisms for operational, risk management, reporting, and financial processes, ensuring continual board engagement and informed decision-making.

Legislative Developments
Ms. Joyce's leadership was key in the adoption of new rules and regulations that aligned the ESE with SADC regional strategies. The enactment of comprehensive ESE Rules facilitated the harmonisation of our Listing Requirements within the SADC region, marking a significant stride in our development.

Automation of the ESE
The legislative advancements enabled the ESE to implement trading through the Automated Trading Systems (ATS) and utilise the Central Securities Depository for secure storage and settlement of securities. The ATS system, which went live on 17th October 2022, has been designed to enhance liquidity, financial inclusion, price discovery, and transparency, positioning us in line with other automated regional stock exchanges.

Global Integration
Ms. Joyce's foresight extended beyond local markets; she was a driving force behind the ESE's admission into global capital markets bodies such as CoSSE, ASEA, and ANNA. Her global perspective was integral to the ESE's expansion and recognition on the international stage.

Adoption of ESG Guidelines
Under Ms. Joyce's stewardship, the ESE launched its Environmental, Social and Governance (ESG) Reporting Guide on 19 May 2022. This guide is a testament to her commitment to sustainability and her vision for transforming businesses for a more sustainable future.

In bidding farewell to Ms. Joyce, we pledge to honour her memory by embodying the values she exemplified. Her spirit will continue to inspire and guide us as we advance the mission of the ESE.

You will be dearly missed, Nkhosi.

FORWARD LOOKING STATEMENT

As we look to the future, the Eswatini Stock Exchange (ESE) is poised at a pivotal juncture that will define its trajectory in the years 2024 and 2025. The following strategic considerations are set to guide us through the challenges and opportunities of our evolving economic landscape:

1. Enhancing Regulatory Framework - To bolster investor confidence and attract new listings, it is imperative to enhance our regulatory framework. We aim to ensure greater transparency, accountability, and governance that aligns with international best practices.

2. Promoting Market Liquidity - The ESE intends to implement initiatives to increase market liquidity. These may include market-making schemes, incentives for active market participants, and strategies to broaden our investor base.

3. Diversifying Offerings - Diversification of product offerings will be key to attracting a broader spectrum of investors. We plan to introduce new assets classes such as bonds, derivatives, and exchange-traded funds to deepen the market.

4. Encouraging Local Participation - A focus on increasing local engagement in the stock market is vital for sustainable growth. Through educational campaigns, financial literacy programs, and incentives for local businesses to list, we aim to cultivate a robust domestic market.

5. Collaboration with Regional Exchanges - Collaborating with SADC regional exchanges can lead to cross-border listings and trading linkages, enhancing the visibility and appeal of ESE-listed companies on an international stage.

6. Embracing Technology - We recognise the importance of leveraging technology to drive innovation. Investments in digital trading platforms, blockchain, and data analytics will modernise our infrastructure, streamline operations, and attract a new generation of investors.

7. Sustainable Investing - With a global trend towards sustainable investing, the ESE will continue to promote ESG criteria. This approach appeals to socially responsible investors and bolsters our reputation as a forward-thinking exchange.

8. Monitoring Economic Indicators - Close monitoring of economic indicators such as GDP growth, inflation rates, and employment figures will inform our market strategies and interventions, ensuring that we remain agile and responsive to external conditions.

9. Increased Financial Literacy: Educational initiatives aimed at improving financial literacy among the general population are likely to result in more individuals participating in the stock market.

In conclusion, the ESE is committed to a path of transformation and growth. By prioritising these strategic areas, we are confident in our ability to strengthen our position as a dynamic and resilient exchange, ready to capitalise on the promise of the coming years and beyond.

OUR LEADERSHIP

Our Governance and Leadership
The Eswatini Stock Exchange (ESE) recognises corporate governance as the philosophy, discipline, systems and processes necessary for running the organisation in a transparent, just and equitable manner. This will protect the ESE's constituency in the capital markets as well as the ESE's own long-term future as a business. The ESE's Board is accountable to its investors and all stakeholders for good governance. This supports the application of best practice in corporate governance and adheres to the guidelines on corporate governance as provided in King IV.

The governance structure ensures that the board and the e xecutive committee implement appropriate internal monitoring and reporting systems, actively analyse current and required human, technological and financial resources, and ensures that risk management and compliance practices are appropriate.

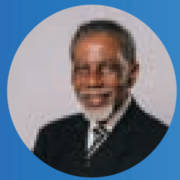
The governance framework promotes accountability and transparency of the decision-making practices of the ESE.

Governing Board Structure
The organisation voluntarily applies to the King IV code as provided in the ESE Rulebook, 2022. The ESE's Board Charter is largely influenced by the King Code. The constitution of the ESE Board comprises of a total of 5 members.
Following the resignation of Ms. Philile Nxumalo in July 2023, Dr. Melvin Khomo was appointed as replacement in November 2023.

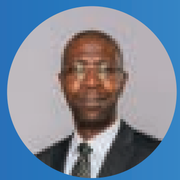
The Governing Board of the ESE was constituted during the reporting period as follows:

- Professor Mike Matsebula (Chairperson)
- Professor Annette Jackson (Non-executive member)
- Mr. Panuel Gwebu (Non-executive member)
- Ms. Philile Nxumalo (Non-executive member- resigned)
- Mr. Nonhlanhla Nxumalo (Non-executive member)

THE GOVERNING BOARD



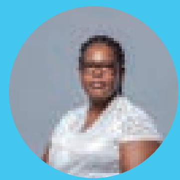
PROFESSOR MIKE MATSEBULA
Chairperson



PANUEL GWEBU
Non - executive member

PROFESSOR ANNETTE JACKSON
Non - executive member

DR. MELVIN KHOMO
Non - executive member



NONHLANHLA NXUMALO
Non - executive member

Board Secretariat
The Board's supervisory function was substantially augmented by the contributions of its subcommittees, which were instrumental in the organization's governance. **The Audit, Risk and Compliance Committee** diligently ensured the implementation of stringent financial controls and comprehensive risk management protocols. Concurrently, the **Human Resource, Remuneration and Business Conduct Committee** provided invaluable strategic counsel on matters pertaining to talent management and ethical business practices.

These specialized committees, composed of subject-matter experts, facilitated the Board's capacity to render well-informed decisions that protected the company's long-term interests. The assiduous efforts and recommendations of these committees significantly enhanced the Board's ability to fulfill its fiduciary obligations and guide the organization towards sustainable growth and development.

THE GOVERNING BOARD

THE MARKET COMMITTEE

The Market Committee is a statutory body appointed for a period of three years to oversee the operations of the Eswatini Stock Exchange (ESE). This committee plays a crucial role in ensuring the efficient and transparent functioning of the stock exchange.

The primary responsibilities of the Market Committee include establishing and enforcing rules and regulations governing the trading activities on the ESE, monitoring market participants' compliance with these rules, and addressing any issues or disputes that may arise. The committee is also tasked with approving the listing and delisting of securities, as well as overseeing the disclosure of material information by listed companies.

Furthermore, the Market Committee is responsible for advising the ESE management on matters related to market development, product innovation, and the overall strategic direction of the exchange. This advisory role is essential in ensuring that the ESE remains competitive and responsive to the evolving needs of investors and issuers.

The composition of the Market Committee is designed to represent a diverse range of stakeholders, including representatives from the regulatory authorities, market participants, and independent experts. This diversity of perspectives helps to ensure that the committee's decisions are well-informed and serve the best interests of the capital market as a whole.

The Market Committee's role extends to promoting market integrity and investor protection. It actively monitors trading activities to detect and prevent market manipulation, insider trading, and other fraudulent practices that could undermine investor confidence. In this capacity, the committee works closely with regulatory bodies to investigate and address any suspicious trading patterns or violations of securities laws. To enhance market efficiency and liquidity, the Market Committee regularly reviews and updates trading rules and procedures. This includes implementing technological upgrades to the trading platform, refining order types and execution mechanisms, and establishing circuit breakers to manage market volatility. The committee also plays a pivotal role in developing and implementing risk management protocols to safeguard the market against systemic risks.

These initiatives are crucial for fostering a robust investment culture and expanding the investor base in Eswatini.

THE MARKET COMMITTEE

NHLANHLA MTHETHWA
Chairperson

VUSI NKABINDZE
Vice Chairperson

MPENDULO SHONGWE

MFUNDO MSIBI

NJABULISO DLAMINI

RANGA MTUNGWAZI

AYANDA MATSEBULA

NOMCEBO MAPHALALA

THE MARKET COMMITTEE

THE EXECUTIVE MANAGEMENT

The executive management of the Eswatini Stock Exchange (ESE) plays a crucial role in overseeing the operations and strategic direction of the exchange. Their responsibilities are pivotal in ensuring that the exchange operates efficiently, transparently, and effectively, fostering an environment that supports the growth of Eswatini's financial markets.

Risks and Compliance at ESE
Risk Management is an integral part of ESE's governance framework. The organization's strategic and operational risks are updated regularly to ensure potential risks are mitigated in a timely manner. One of the latest risks being addressed is the challenge caused by teething problems in the ATS System live environment.

Robust risk mitigation strategies have been put in place, and ESE continues to assess the situation, remaining vigilant and constantly monitoring the system to ensure stabilization. The Market Committee plays a crucial role in overseeing these risk management efforts.

Looking ahead, ESE's future plans involve deepening and broadening the exchange's footprint throughout new markets for commodities and derivatives, such as the Eswatini Receivables Exchange and the Eswatini Carbon Exchange. The Market Committee will be integral in ensuring these expansions are executed in a risk-aware and compliant manner.

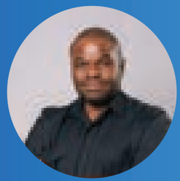
The ESE Operational Report highlights the key focus areas of the organization, including market monitoring and future plans.

Operational Report
The Operational Report provides a comprehensive overview of the ESE's activities and performance.

Market Monitoring
The ESE maintains a close watch on market developments, constantly monitoring trends and changes to ensure the effective functioning of the exchange.

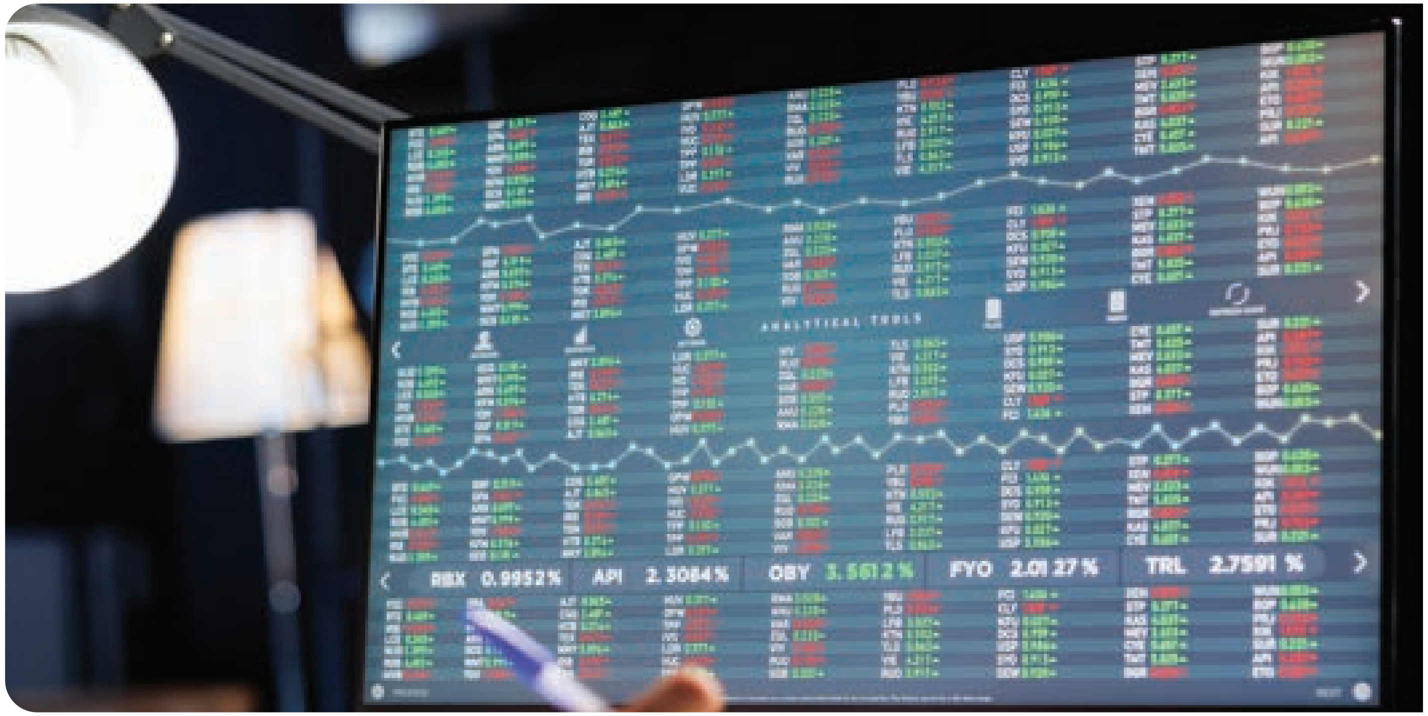
Future Plans
The ESE is focused on deepening and broadening its footprint across new markets for commodities and derivatives, including the Eswatini Receivables Exchange and the Eswatini Carbon Exchange.

THE EXECUTIVE MANAGEMENT



NCAMISO T. NTSHALINTSHALI
Chief Executive Officer

JOYCE M. DLAMINI
Head of Eswatini Stock Exchange



THE ESE TEAM

The team of the Eswatini Stock Exchange (ESE) is a dynamic and pivotal team within the organization, dedicated to driving innovation, implementing policies, and ensuring regulatory compliance, particularly in trading activities. As the operational backbone of the ESE, the secretariat is instrumental in maintaining the efficiency, transparency, and effectiveness of the exchange, thereby supporting the growth and sustainability of Eswatini's financial markets.

The ESE team responsibilities are as follows:

- **Innovation and System Management:** The secretariat is at the forefront of integrating and managing advanced trading systems such as the Automated Trading System (ATS). Despite facing initial teething problems in the ATS live environment, the team has been proactive in addressing these challenges through robust risk mitigation strategies and continuous system monitoring to ensure stabilization.
- **Policy Implementation and Regulatory Compliance:** Ensuring that trading practices meet both local and international standards is a critical function of the secretariat. This involves updating policies, overseeing compliance, and adapting to new regulations to uphold the integrity and reliability of the exchange.
- **Risk Management:** Aligned with the ESE's governance framework, the secretariat plays a crucial role in identifying, evaluating, and mitigating strategic and operational risks. Regular updates and vigilant monitoring are part of their strategy to manage potential risks effectively, ensuring the resilience and continuity of exchange operations.
- **Market Monitoring:** The secretariat maintains a vigilant eye on market trends and developments. This continuous monitoring helps in making informed decisions and adjustments to operations, ensuring that the ESE remains responsive to market dynamics and stakeholder needs.
- **Strategic Expansion:** Looking to the future, the team is key in executing ESE's strategic plans to expand its market footprint. This includes exploring new markets for commodities and derivatives, such as the Eswatini Receivables Exchange and the Eswatini Carbon Exchange. The secretariat works closely with the Market Committee to ensure that these expansions are carried out with a thorough understanding of market risks and compliance requirements.

THE ESE TEAM

JOYCE MHLOBISO DLAMINI
Head of Eswatini Stock Exchange

BONGILE KUNENE
Senior Legal, Risk, Compliance Officer and Company Secretary

VULINCWALA NHLABATSI
Automated Trading Systems and Central Securities Depository Officer

SIHLE TSABEDZE
Market & Product Development Officer

NOBUHLE HADZEBE
Administrative Officer

The team of the Eswatini Stock Exchange is more than just the administrative support of the organization; they are the lifeblood that ensures the exchange operates at its best. Their role in driving innovation, ensuring compliance, managing risks, and steering the ESE towards strategic expansions is indispensable. As ESE continues to grow and adapt to the evolving financial landscape, the secretariat's role will undoubtedly expand, further underscoring their importance in the organization's success and resilience.

03 MARKET PERFORMANCE

THIS REPORT

MARKET PERFORMANCE

The Eswatini Stock Exchange (ESE) issued **Dematerialisation Notice No. 269** of 2022 on July 15, 2022, with an effective date of **August 1, 2022.** This notice mandates the conversion of paper certificates to electronic formats, to be held at the Central Securities Depository (CSD).

DEMATERIALISATION AND FUNCTIONAL GO-LIVE

The Eswatini Stock Exchange (ESE) issued Dematerialisation Notice No. 269 of 2022 on July 15, 2022, with an effective date of August 1, 2022. This notice mandates the conversion of paper certificates to electronic formats, to be held at the Central Securities Depository (CSD). An 18-month period from the issuance date has been allocated for this dematerialisation process. The ESE has initiated campaigns to encourage market participants to comply with this mandate.

ESE ESG Reporting Guide Launch

On May 19, 2022, the ESE successfully launched its Environmental, Social, and Governance (ESG) Reporting Guide. This guide is designed to assist listed companies in transforming their businesses for a more sustainable future, thereby contributing to a better tomorrow.

SNG-Grant Thornton Eswatini provided technical support in the development of the ESG Reporting Guide. The guide aims to help listed companies on the Eswatini Stock Exchange address ESG issues in their reporting to meet institutional investor requirements and promote sustainable business practices.

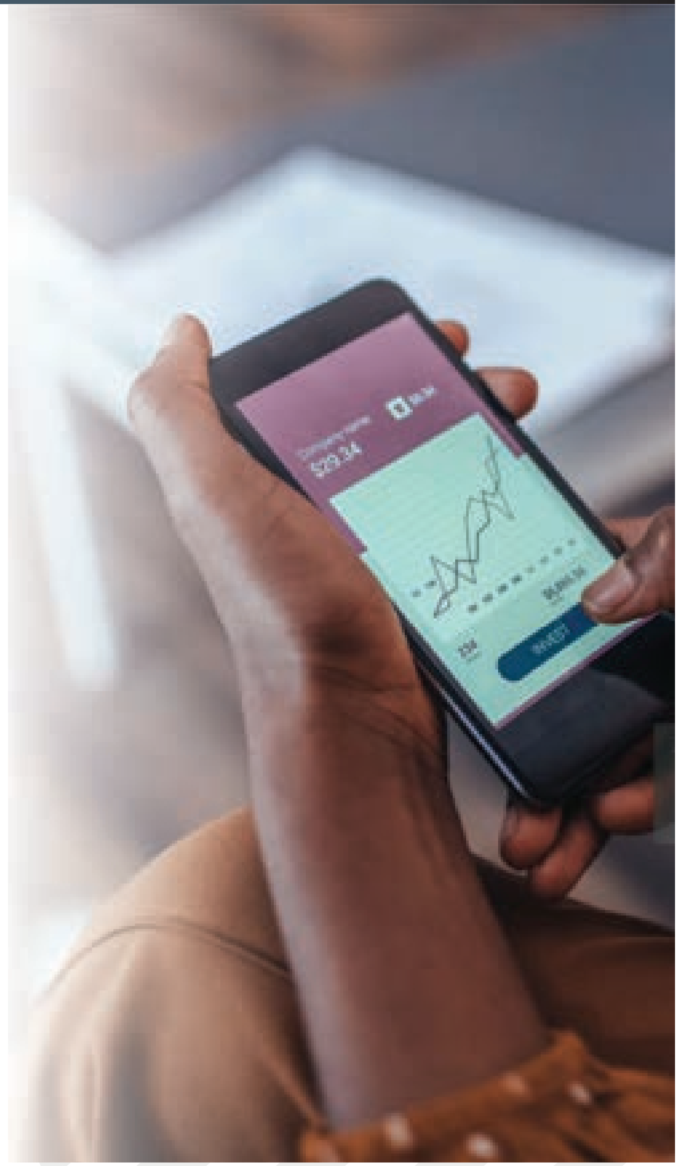
ESE Strategic Plan 2023 to 2025

On January 25, 2023, the ESE adopted its strategic plan for the years 2023 - 2025. The ESE's vision is to become the most functional stock exchange in Africa. The strategic programs aligned with this vision include:

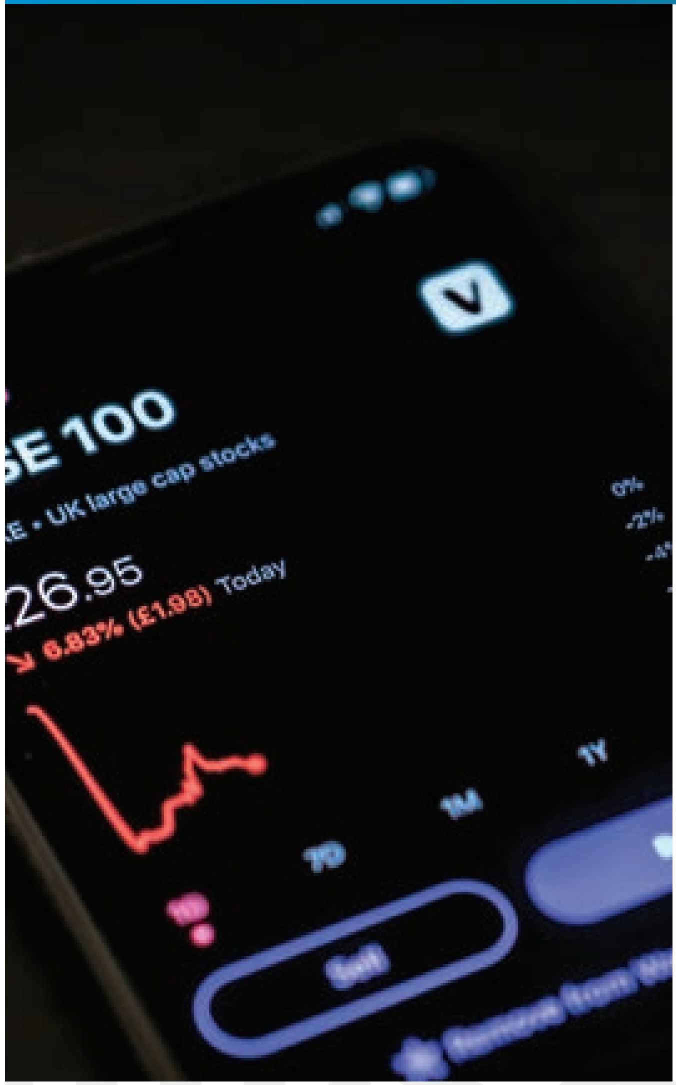
- **Demutualisation of the ESE:** This will open the ESE's shareholding to a broader range of stakeholders.
- **Revenue Sustainability:** The goal is to reduce the Financial Services Regulatory Authority's (FSRA) subvention by at least 20% over the next five years.
- **Market Growth:** This initiative aims to expand the ESE's market with more products.
- **Process Efficiency:** Partially implemented through trading on the Automated Trading System (ATS), further process flows are to be developed and adopted.

Strategic Partnerships

On the 4th March 2024, the ESE signed Memorandums of Understanding with the Tiawan Stock Exchange and Tiawan Carbon Solutions Exchange for information sharing and exploring future business partnerships that will enable the ESE to tap into the carbon credit market.



COMMITTEE OF SADC STOCK EXCHANGES (COSSE) STATISTICS



CoSSE Market Capitalization
Eswatini Stock Exchange is a member of the Committee of SADC Stock Exchange (CoSSE).
The statistics below compare the ESE's market performance to other CoSSE members. The ESE is listed among the most illiquid stock exchanges in the region with a market capitalization of $0.35Billion is the third to last in terms of size.

Only Lesotho and Mozambique are below the ESE, with the former only having listed its first equity in the period under review. The Johannesburg Stock Exchange (JSE) is the regional trailblazer with a market capitalization of $1, 031.23Billion which is among the highest in the world and the most developed market in Africa.

NB: Madagascar has neither a stock market nor a competitive and transparent bond market and as such is not a CoSSE member.

MARKET CAP

MEMBER EQUITY MARKET CAP ($)

Source: CoSSE Trade Statistics 2024

Cosse Analysis Listed Counters Vs Liquidity

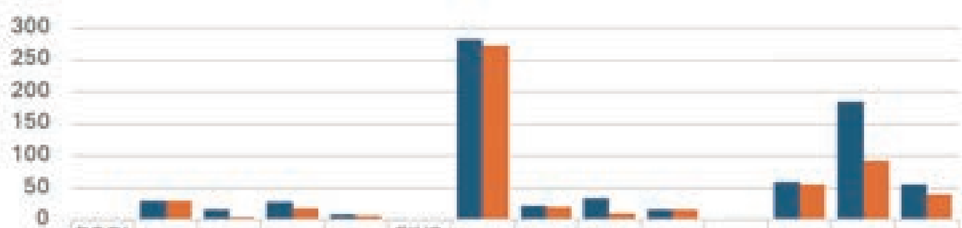
With the addition of Nkonyeni Precast and First National Bank of Eswatini, the number of listed equity counters increased to nine (9) in the period under review. With minimal public float FNBE and RSSC were the only counters that didn't trade in the period under review.

The illustration below demonstrates the lack of liquidity in our market, with a value traded of $0.81million from 7 counters the ESE still falls behind BODIVA value traded of $66.23million from only two traded counters.

NB: On submission publication of this report DSE and ZSE had not submitted the statistics on value traded.

LISTED VS TRADED

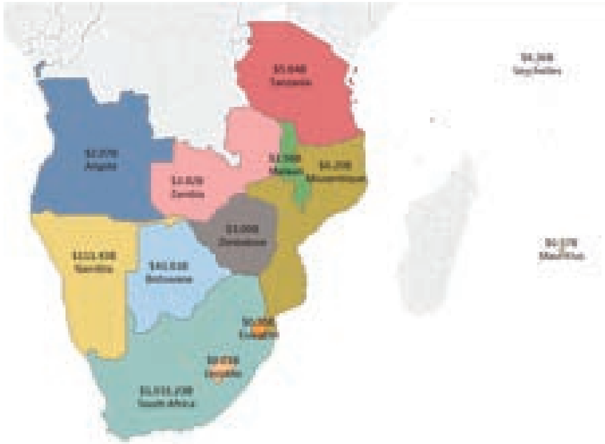
NO. OF LISTED EQUITY vs TRADED COMPANIES



STOCK EXCHANGE	BODIVA	BSE	BVM	DSE	ESE	FINSEC	JSE	LUSE	MERJ	MSE	MSM	NSX	SEM	ZSE
Number of Listed Companies	2	31	16	28	9	2	283	22	34	16	1	59	184	55
Number of Traded Companies	2	30	4	19	7	2	272	21	10	16	1	55	92	40

Source: CoSSE Trade Statistics 2024

CoSSE LIQUIDITY ANALYSIS (US$)



Source: CoSSE Trade Statistics 2024

ESE MARKET PERFORMANCE

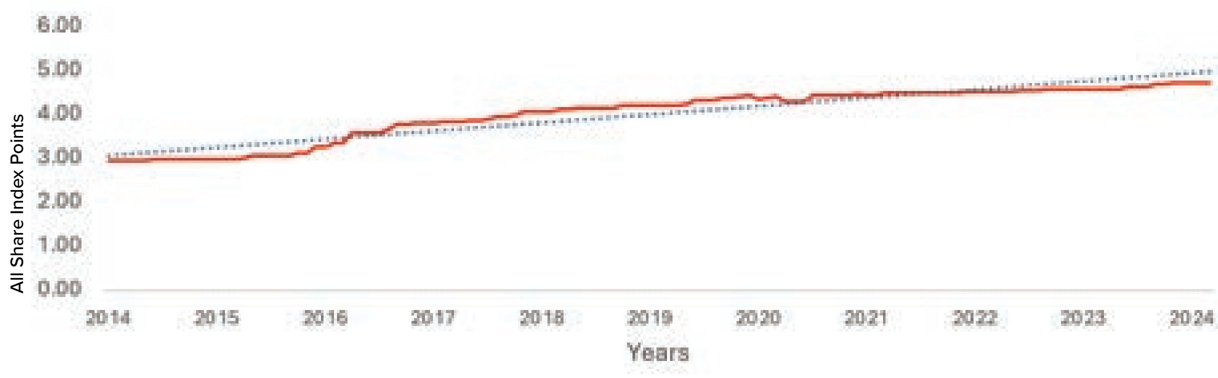
ESE Ten (10) Years All Share Index
Over the past decade, the ESE all share index has demonstrated a consistent upward trajectory, climbing from 297.02 points in March 2014 to 474.09 points in March 2024.

This growth is primarily attributed to the gradual increase in share prices. However, it's important to note that this index's steady rise has not been accompanied by significant negative price fluctuations, which typically contribute to price discovery in more dynamic markets.

The absence of such price discovery in the ESE is largely due to its reliance on manual trading processes since its inception. This traditional method of trading limits the efficiency and responsiveness of the market to real-time economic and financial changes, thereby affecting the natural fluctuation and correction of share prices.

Additionally, the market faces challenges related to illiquidity, which are compounded by a limited number of listings and the dominance of a few brokerage firms. In response to these challenges, the ESE is exploring the potential benefits of automating its trading processes. Automation is expected to enhance the efficiency of transactions, improve the accuracy of price settings, and increase market accessibility for a broader range of investors.

ESE TEN (10) YEARS ALL SHARE INDEX



Source: CoSSE Trade Statistics 2024

Price Changes Of Listed Companies: 2023/24
Due to lack of liquidity the ESE can be themed as a buyers' market. It is evident that ESE share prices have over the years accelerated positively with no influence from negative market perceptions. There was no price fluctuation for RSSC, SBC and FNBE during the period under review. The lack of activity in these counters is partially due to their holdings begin dominated by institutional investors. Swaprop share price dropped from E7.90 in March 2023 to E7.50 in March 2024 due to market forces. NPC initial public offer was E1.00 in November 2023 but it closed the financial year strongly at E1.40 per share, which was the highest price change for the year at 20%.

EQUITY PRICE CHANGES

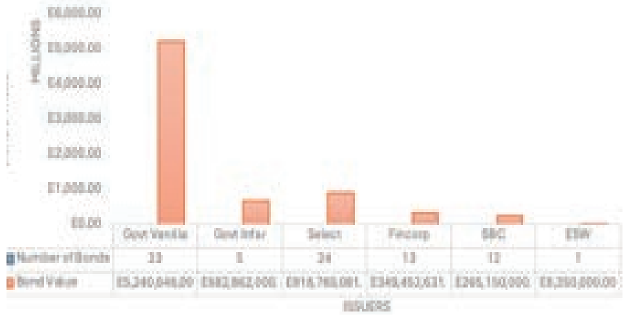
Source: CoSSE Trade Statistics 2024

Issued Bonds Value

Government of Eswatini continues to be the dominate player in the bonds market with issue of over 80% of the bonds listed on the ESE. The Eswatini bonds market is one of the largest issuances of bonds in CoSSE when considering the value of listed bonds, however secondary market illiquidity continues to be an issue. The lack of activity in the secondary market is due to the method of issuance utilised in the primary market. Investor confidence in the Eswatini economy is demonstrated by the significant holdings of government plain vanilla and infrastructure bonds which tallies E5, 923 billion. Emaswati dependency on credit facilities is demonstrated by Select and Fincorp, which are micro-lenders, being the second and third largest issues of bonds on the market.

NB: NPC bonds commenced trading in the 2024/25 financial year, which is not the period under consideration.

BONDS VALUE 2023/24

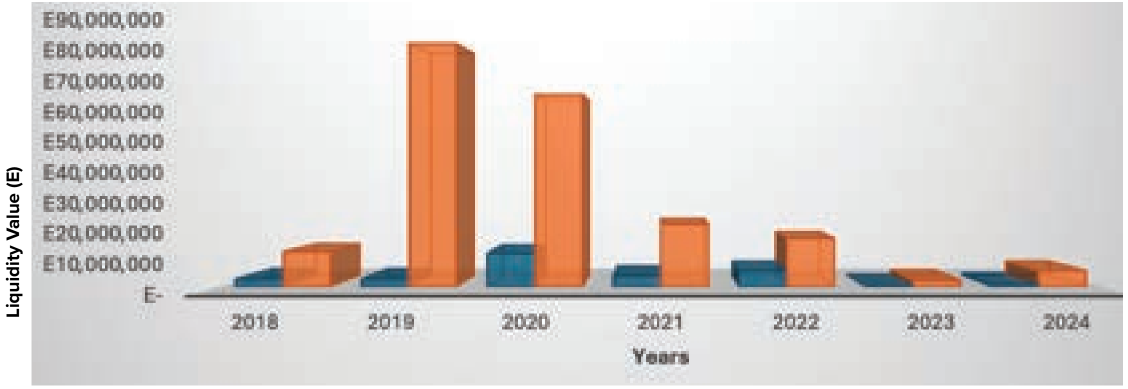


Source: CoSSE Trade Statistics 2024

Analysis Of Liquidity

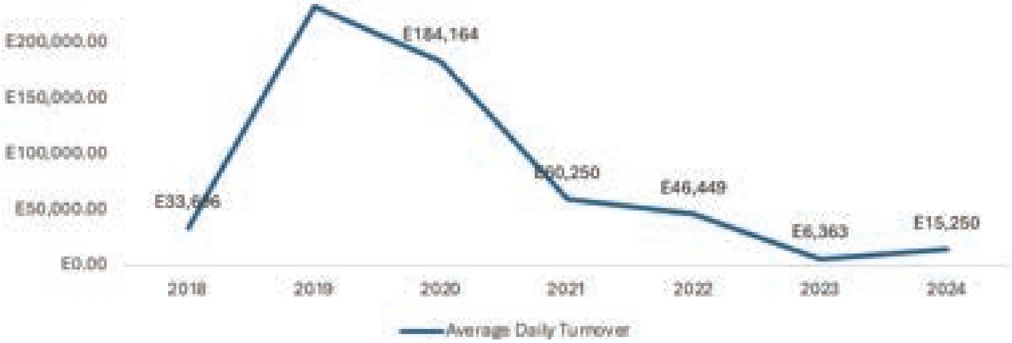
The low average daily turnover is evidence of an illiquid market, with days/weeks passing without the ESE registering a trade. The high average daily turnover recorded in 2019/20 is due to a few Greystone, SEL and Swaprop trades that ran into the millions. The listing if Inala Capital in mid-2019 also brought some liquidity which spilled over to early 2020 with the company selling of some shares that we not subscribed for in the primary market. The migration from a manual trading environment to an automated coupled with the Covid pandemic contributed to the decline in average daily turnover post 2020. However, with the listing of NPC and FNBE, coupled with an increase in the number of active brokers, early 2024 witnessed a recovery of the average daily turnover.

LIQUIDITY SINCE THE YEAR 2018-2024



Source: CoSSE Trade Statistics 2024

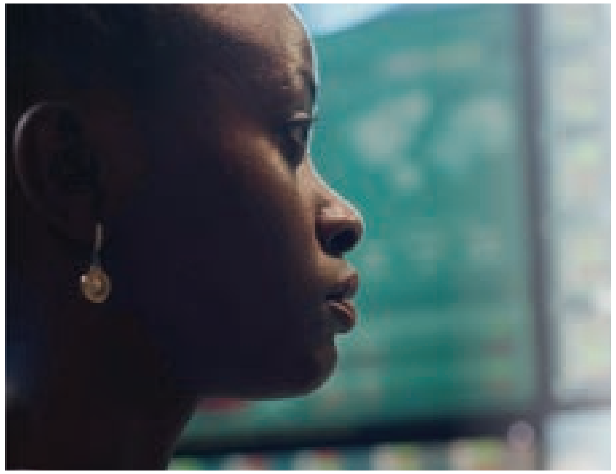
AVERAGE DAILY TURNOVER (E)

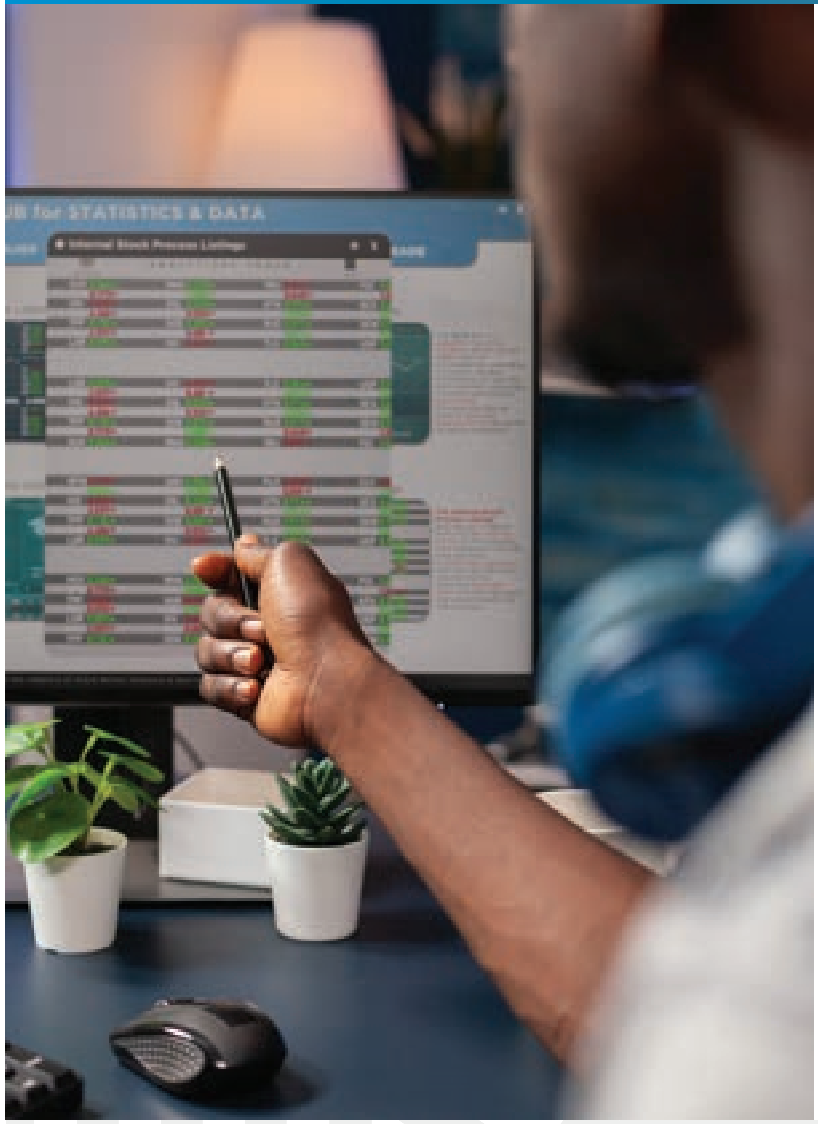


Source: CoSSE Trade Statistics 2024

Equity Certificate Dematerialisation Status
The table below illustrates the progress of dematerialisation and the number of accounts created on the Central Securities Depository system. It is evident that a significant number of investors have not dematerialised their certificates, even after the elapsing of the dematerialisation period in February 2024.

Nkonyeni Precast, First National Bank of Eswatini and Inala Capital take lead towards being the first listed counters to fully dematerialise. As recently listed counter this means that transfer secretaries and brokers have updated KYC documents for investors under these counters. Availability of updated KYC simplifiers the process of tracking investors for initiation of Dematerialisation. The ESE, Transfer Secretaries and brokers will continue to carry out intensive dematerialisation campaigns in the forth coming financial year.





EQUITY CERTIFICATE DEMATERIALISATION STATUS

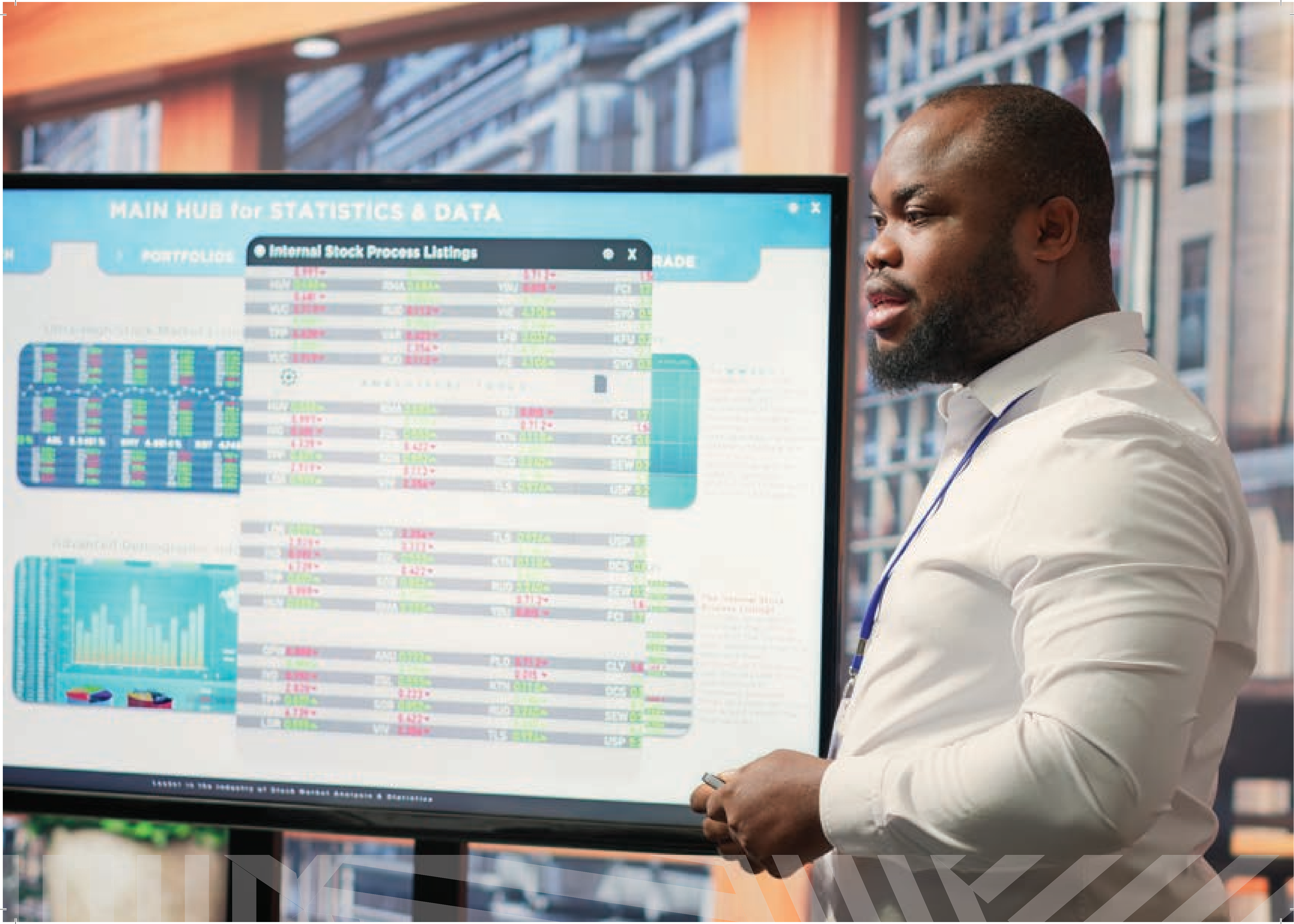
Company Name	Shares in issue	Dematerialized Shares	Number Of Dematerialized Investors	Demat %
NED	24,640,134	504,454	31	2.05%
RSC	96,346,320	158,050	7	0.16%
SEL	18,500,000	2,366,184	29	12.79%
SWP	23,250,000	44,100	8	0.19%
GRYS	229,921,569	22,311,896	33	9.70%
SBC	96,490,000	9,050,834	13	9.38%
INALA	71,994,000	22,385,350	43	31.09%
NPC	179,000,000	158,106,910	369	88.33%
FNBE	133,000,000	119,078,900	8	89.53%
TOTAL	**873,142,023**	**334,006,678**	**541**	**38.25%**

Source: CoSSE Trade Statistics 2024

DIVIDEND DECLARATION

DIVIDEND DECLARATION SINCE 2018

		2018	2019	2020	2021	2022	2023	2024
Nedbank Eswatini Limited	Dividend Per Share	135 cents	140 cents	284 cents	428 cents	406 cents	406 cents	
	Total Dividend	E 33,264,181	E 34,496,188	E 70,000,000	E 105,459,774	E 100,038,944	E 100,038,944	
Royal Eswatini Sugar Corporation Limited	Dividend Per Share	220 cents	152.38 cents	134.61 cents	254.50 cents	192.9 cents	134.60 cents	146.6 cents
	Total Dividend	E 211,962,000	E 146,812,000	E 129,692,000	E 245,201,000	E 185,852,000	E 129,682,000	E 141,243,705
Swazi Empowerment Limited	Dividend Per Share	351 cents	211 cents	243 cents	253 cents	324 cents	295 cents	70 cents
	Total Dividend	E 64,935,00	E 38,949,000	E 44,908,000	E 46,829,000	E 59,940,000	E 54,575,000	E12, 950, 000
Swaziland Property Investments Limited	Dividend Per Share	43.05 cents	55.97 cents	55.97 cents	51.66 cents	38.75 cents	34.44 cents	
	Total Dividend	E 10,010,000	E 13,013,000	E 13,013,000	E 12,012,000	E 9,009,000	E 8,008,000	
Greystone Partners Limited	Dividend Per Share	4 cents	No Dividend	No Dividend	3 cents	3 cents	3 cents	
	Total Dividend	E 5,673,458	No Dividend	No Dividend	E 6,636,121	E 6,897,647	E 6,897,647	
SBC Limited	Dividend Per Share	31 cents	31 cents	No Dividend	31 cents	31 cents	52 cents	
	Total Dividend	E 29,998,448	E 30,000,000	No Dividend	E 30,000,000	E 30,000,000	E 50,000,000	
Inala Capital Limited	Dividend Per Share	Not Listed	Listed	No Dividend	No Dividend	No Dividend	No Dividend	
	Total Dividend	Not Listed	Listed	No Dividend	No Dividend	No Dividend	No Dividend	
Nkonyeni Pre-cast Limited	Dividend Per Share	Not Listed	Not Listed	Not Listed	Not Listed	Not Listed	Listed	
	Total Dividend	Not Listed	Not Listed	Not Listed	Not Listed	Not Listed	Listed	
First National Bank of Eswatini Limited	Dividend Per Share	Not Listed	Not Listed	Not Listed	Not Listed	Not Listed	Listed	63.5 cents
	Total Dividend	**Not Listed**	**Not Listed**	**Not Listed**	**Not Listed**	**Not Listed**	**Listed**	**E 84,491,859**


MAIN HUB for STATISTICS & DATA
PORTFOLIOS
Internal Stock Process Listings

FAQ'S ON THE AUTOMATED TRADING SYSTEM (ATS)

What is an ATS?
An Automated Trading System (ATS) is an electronic platform offered by the Eswatini Stock Exchange (ESE) for the purchase and sale of securities (shares, bonds, debentures, or any other ESE traded securities). The ATS has an order matching engine and replaces the manual trading, through call over sessions, of shares that we have all been used to in Eswatini over the past 30 years.

How does the ATS work?
The ATS electronically matches and executes "buy" and "sell" orders that stockbrokers would have brought into the system, for both buying and selling clients to get the best bargains available on the market for their shares based on Price-time priority. It is different from manual trading in that there is no human intervention in the processes of matching orders.

What are the benefits of the ATS for the ESE, and for the investing public?
ATS ensures:

- Transparency in share dealings;
- Speed of execution.
- Price discovery: Buy and Sell orders are visible to all registered ESE brokers.
- Convenience: it eliminates human interference and Traders can do business from anywhere without necessarily having to attend "Call-Over" sessions at the ESE.
- Surveillance: The ESE and The Financial Services Regulatory Authority (FSRA) can monitor trading activities of stockbrokers for the benefit of the investing public.

Is the manual system of trading that we are all used to not better for this country?
International best practice shows the trend is towards automation of trading, clearing and settlement. Manual systems by their nature are counter-progressive and may be manipulated at the expense of the investing public. In addition, manual systems are cumbersome and tend to be unattractive to the promotion of inflows of Foreign Direct Investment, participation from foreign investors or dual listing , which every country needs for development. The Eswatini Stock Exchange will now be able to trade securities, which by their nature, can only be traded on automated trading platforms such as Exchange Traded Funds (ETFs), Real Estate Investment Trusts (REITs), Global Depository Receipts (GDRs), Carbon Credits, Negotiated Certificates of Deposits (NCDs) etc.

Can investors trade directly on the ATS?
Investors will be able to place orders through Stockbrokers as has always been the case. Future developments may allow certain classes of investors to have Broker-sponsored investor terminals which give them access to the system for order placement purposes.

The ESE is also doing feasibility exercises to benchmark how other stock exchanges have operationalized investors facing apps as a medium for submission of orders.

Can investor's view trading information real time on the ATS?
Initially the investing public will access trading information through their Stockbrokers. However, the investing public can access daily trade volumes and prices through the ESE website or ESE daily mailing list, which is free of charge. Real time data is available for registered brokers.

So, what is the role of the ESE on the ATS, and will stockbrokers still be necessary in this new trading environment?
Eswatini has a brokered market, thus, all trades will continue to be done via Stockbrokers, as in the manual system. The only difference is that stockbrokers will trade from terminals installed in their offices, negating the need for the traders to attend Call-over sessions at the ESE, as was the case with the manual "Call Over" system.

The Eswatini Stock Exchange will continue to have a supervisory role over the trading activities of the market and will direct, supervise and monitor activities daily.

Will I still get a Broker's Deal Note after trading on the ATS?
The ATS is a trading engine and at the end of each day it will issue trading reports to relevant Stockbrokers who will still be responsible for issuing Brokers' Deal Notes to the various clients depending on their trades for the day. However, investors can also get trading information on the ESE website and ESE end of day email.

How reliable is the ATS? Are we not going to have frequent breakdowns of the system?
The ESE Trading System and the corresponding CSD system, is a tried and tested system which has worked well in such markets as Zimbabwe (Finsec), Pakistan and Kenya for the M-Akiba Government Bond. The ESE however, in installing the system, has followed internationally accepted best practice for project management and implementation protocols to ensure the system will be as reliable and as user friendly as it can get.

What IT infrastructure do I need to have an investor terminal?
A normal desktop/laptop, smart phone with standard operating software and reasonably fast internet connectivity will be sufficient. Any additional specifications will be communicated on an individual basis as and when needed.

How user friendly is the ATS and does one need prior experience to operate the trades on ATS?
The ATS runs on the normal internet platform and has been proven during User Acceptance Testing to be quite user friendly, reliable and simple enough to meet requirements of the Eswatini market. Investors will not need prior training to benefit from the ATS since they will trade through interface with their respective stockbrokers.

What do I need to do in order to trade shares or bonds on the ATS?
Investors will need the following in order to trade on the ATS, via their respective Stockbrokers:

- For selling shares one needs to ensure the share certificates have been "dematerialized" by the Central Securities Depository (CSD) system housed at the Central Bank of Eswatini (CBE).
- Buying clients must ensure they have deposited sufficient cash to cover trades in a custodian bank account with either Standard Bank, FNB Eswatini, Eswatini Bank or Nedbank Eswatini. Your Stockbroker will assist you on how to comply with the above two points (Dematerialization and opening of CSD accounts).
- Each client must ensure they have opened a CSD Account and has been issued custodian bank account number with a Custodian of your choice: again, your Stockbroker will assist you with the process.
- You must ensure you have placed your order with your Stockbroker who will be able to transact on your behalf.
- You must have all required Know Your Investor (KYI/KYC) documents i.e. proof of residence, national ID, Bank statement, source of income, etc.

Can I buy shares without cash up front?
No. You will need to prefund your custodian Account with your Bank before your Stockbroker can accept your buying instruction.

Can I place an order to buy or sell shares and bonds from anywhere in the world? Can I be able to link up with my Stockbroker from anywhere on ATS?
Your link with the ATS will always be via your Stockbroker. Depending on what systems your Stockbroker has in place for placement of orders onto his internal systems, you should technically be able to place orders from anywhere in the world. Technological advancement now allows business to be conducted from anywhere in the world.

Can I carry out a trade outside of the ATS? What are the consequences of trading outside of the ATS if my shares are listed on the ESE?
Since the ATS went live, and if the shares you want to trade are listed on the Eswatini Stock Exchange, it will no longer be possible to trade shares outside of the ATS after it went live. Your Stockbroker can advise on the consequences for breach.

Will I still be able to choose which stockbroker to use or one will be allocated to me by the ESE to trade on this ATS?
As has always been the case, investors will have a choice on which Stockbrokers to use in trading on the ATS. The automation of trading by the Eswatini Stock Exchange will not eliminate any investor's right to choose which Stockbrokers to trade through.

How will my shares and other securities trade on the ATS?
When a client gives an instruction to his/her stockbroking firm to buy or sell a particular security, the Stockbroker will enter the order on his/her terminal. The Automated Trading System automatically matches the orders on a price-time priority principle against each other, resulting in trades. The Automated Trading System records the sale price, quantity, buyer and seller and time of the trade.

What is the trading schedule of the ESE?
The market schedule for each business day is as follows:
Market State

Market State	Time (Local time)
Pre-Opening Session	0830hrs to 0900hrs (No trading is allowed)
Continuous Session	0900hrs to 1600hrs
Market Closes	1600hrs to 1630hrs (No trading is allowed)

I have a number of share certificates with less than 100 shares each. Can I still be able to trade them on ATS?
The ATS has two basic markets for trading of shares: The Regular Board, where shares in excess of 100 can be traded, and the Odd Lot Board, where shares of size between 1 and 99 can be traded. Should you have shares of quantity less than 100, your Stockbroker will be able to trade them on your behalf on the Odd Lot Board.

In the event that you are in possession of shares more than 100 but with a total that is not a multiple of 100, for example 1 339 shares, your Stockbroker will be able to trade your shares as follows:

- 1 300 shares traded normally on the Regular Board, and
- 39 shares traded on the Odd Lot Board

Should you also wish to purchase shares on ATS which are less than 100, again your Stockbroker will be able to trade such volume on the Odd Lot Board.

Who do I contact if I want to buy shares or corporate bonds?
Buying or selling of shares or bonds on the ESE is done through a registered stockbroking firm.

Do I get charged to buy shares and bonds and who pays the Stockbrokers for their services?
There are transactions costs which are charged on every purchase and sale transaction. As per the ESE trading rules, trade levies are to be charged as follows.
Equities

	BUYING %	SELLING %
TYPE OF CHARGE	0.92%	0.92%
FSRA Regulatory Levy	0.1%	0.1%
Investor Protection Fund Levy	0.025%	0.025%
Stock Exchange Levy	0.1%	0.1%
Central Securities Depository Levy	0.1%	0.1%

How can I learn about shares and bonds and investing?
There are many online resources dedicated to shareholder and investor education. If you are interested in investing and the investing process, we recommend you contact a registered Stockbroker or Financial Advisor.

Here are some online investor education resources :

- Begin investing
- Better investing
- Investor education
- Investopedia

WHAT IS A CSD?

What is an CSD?
CSD refers to Central Securities Depository. A Central Securities Depository is a computer system that facilitates holding of securities in electronic accounts (book entry system) in contrast to paper certificates. The CSD is very similar to a bank account in that the CSD operates in a similar manner to a bank account. The country's CSD is housed at the Central Bank of Eswatini (CBE). A central securities depository (CSD) can also be identified as an institution that holds financial instruments, including equities, bonds, money market instruments and mutual funds. It allows ownership of those instruments to be transferred in electronic form through updating electronic records which are often known as 'book-entry records.

In Eswatini our CSD is housed at the Central Bank of Eswatini under the Financial Markets department. The ESE runs a CSD system that acts as a portal for integration to the main CSD strictly to facilitate the creation of investor accounts, dematerialization, and creation of ESE listed instruments on the main CSD. In simply term this means that the ESE does not run a CSD institution.

What Is A Depository?
A Depository is an institution that keeps custody of securities (debt, equities, etc) for investors in electronic format and offers other related services such as securities clearing and settlement, securities transfer, etc. that are related to securities transactions. The Central Bank of a Eswatini is the only depository in our market.

What Are Securities?
Securities are any financial instruments that represent one's ownership of investment. Securities may take various forms such as debt, equity, debenture, certificate of deposit, promissory note, commercial paper, currency derivatives, commodity derivatives, real estate investment trusts (REITs), exchange traded funds (ETFs), etc.

What Are The Functions Of The CSD?
- Facilitate the admittance of securities into the Central Securities Depository.
- Facilitate the deposit and withdrawal of certificates in respect of securities admitted in the Central Securities Depository.
- Facilitate the dematerialisation of securities accounts.
- Establish a proper and efficient system for the verification, inspection, identification and recording of book-entry securities with the Central Securities Depository.
- Facilitate the efficient transfer of book-entry securities.
- Facilitate the efficient process of cash payment in exchange for securities.
- Facilitate the registration of dealings in book-entry securities.
- Operate securities accounts for the handling of book-entry securities and cash.
- Designate one or more banks as settlement partner for the settlement of funds in respect of transactions cleared through a depository.
- Facilitate the efficient collection of fees and other charges that may be required.
- Guard against falsification of any records or accounts required to be kept or maintained under CSD regulations.
- Perform other functions that are necessary to ensure orderly dealings in admitted or dematerialised securities, or as the Regulator may from time to time prescribe.

What Is A CSD Account?
A CSD account is an account opened by an investor through a Depository Participant (Stockbrokers, Transfer Secretaries or Banks Custodians in our local trading environment) in the CSD System. The account when opened will hold all the securities owned or held by an investor and through which all transactions (such as trades, transfers) will be effected.

Why Should I Open A CSD Accounts?
You need to open a CSD account for the following reasons:

- Purchasing Securities – Your CSD account will be credited when you purchase securities, and you will pay for such securities via your bank account, or any future payment method introduced for securities settlement. If you do not have a CSD account, you will not be able to purchase securities on the ESE.

- Selling Securities – Your CSD account will be debited when you sell securities, and you will receive payment for such securities via your bank account or any other payment method permitted by the ESE.

Who Should I Contact To Open A CSD Account?
You should contact your Stockbroker, Transfer Secretary (at Primary Market, Initial Public Offering, or IPO) or custodian bank (Eswatini Bank, Nedbank, First National Bank of Eswatini or Standard Bank).

Can I Open Multiple Accounts, That Is, With More Than One Participant?
Yes, you can open accounts with several participants if you so wish. The CSD can however give you your total investments in the form of a statement.

How Long Does Settlement Of Trades In Securities Take?
Shares purchased will be credited to your CSD account on settlement day which is transaction day plus three working days (T+3), that is, if you purchase shares on Monday, they will be credited to your account on Thursday, subject to payment being made for the same. If you sell securities, payment will be made to you on settlement date through your custodian Bank. Likewise, if you buy securities, you will have to make payment to your custodian. The settlement cycle of T+3 is a global standard.

Can I Open A Joint Account?
If required you can open joint accounts, it is similar to opening joint accounts in a bank.

Can I Convert My Securities In The CSD To A Paper Certificate?
No, as per legal notice No. 269 of 2022 (Dematerialization of deposited and registered securities), all securities traded on the Eswatini Stock Exchange shall be issued in dematerialized form effective 1st August 2022.

How Do I Convert The Paper Certificates I Hold Into Electronic Form Within My Csd Account?
The process of converting paper certificates (scrip) into electronic format and crediting your CSD account is known as "dematerialisation". You need to complete a deposit form and submit the same, together with the relevant certificates to your participant (Stockbroker or Transfer Secretary).

Your Participant will retain the original and return the duplicate to you. You are advised to retain a duplicate copy of the deposit form handed over by the participant for your records. Your Participant will forward the original documents to the Transfer Secretary of the issuer of the securities. The Transfer Secretary will authenticate the certificate, that is, confirm that it is genuine and that you are the lawful owner before depositing your securities in the CSD. The original certificate is then cancelled and kept in safe storage. From this point of the dematerialisation process, your CSD account will show a credit balance in respect of the securities deposited.

Do I Need To Buy Securities Before I Open A Securities Account?
No. Moreover, no minimum amount is required prior to opening a securities account.

How Much Does It Cost To Open A Securities Account?
No cost is involved. Moreover, there is no account maintenance charge.

Do I Need To Open A Bank Account Before I Can Buy Securities Into My Securities Account?
Yes. This is because when your security matures or interest payment (in the case of bonds/debt securities) or a dividend (in the case of shares/equities) is due, the fund will be credited directly to your Bank Account.

Why Must I Open A Securities Account?

- It will provide faster registration of debt securities and share ownership thereby preventing long delays in the delivery, settlement, and transfer of securities.
- It will eliminate risks associated with the use of paper certificate for debts and equities such as risk of loss, misplacement, theft, forgery, mutilation, forfeiture, etc.
- It will provide increased liquidity (increased activity in buying and selling of bonds/debts and shares/equities) because of faster transfer and registration of securities.
- As an investor, you can easily track your investments because monthly statements will be sent to all security holders indicating the total number of bonds/debts and shares/equities you own on the debt & stock markets. As an investor, you can also request for statements at any time from the Stockbroker, Transfer Secretary or your custodian bank.
- As an investor, you can use securities statements in the same way as the paper certificates are used as collateral for loans from financial institutions. This will save the investor the tedious procedure and transaction cost involved with pledging of paper certificate for loans.

Who Qualifies To Open A Securties Account?

- Individual investors who are 18 years and above.
- Any corporate body.
- Societies, Trusts, Investment Clubs, Churches, Corporations incorporated by an Act of Parliament.

- Minors (anyone below the age of 18 years). In the case of a minor, a joint account will be opened in the name of his/her guardian or parent.
- Account opening is opened to both emaSwati and foreign investors irrespective of whether the investor is living in Eswatini or abroad.

What Are Depository Participants Or DPS?
Depository Participants or DPs are financial institutions, corporations and agencies which act as intermediaries between the CSD and the public. DPs include Banks, Discount Houses, Custodians and Brokerage Firms etc.

What Do I Need To Open A Securites Account?
For an individual you need any one of the following Identification Documents: -

- Passport
- Proof of Residence
- Proof of Income
- Bank statement.
- National ID card

Note: each party to a joint account must satisfy the account opening requirements:-

In the case of a corporate body all the following IDs are required:-

- Bank statements
- Certified true copy of Certificate of Incorporation.
- Certified true copy of Board Resolution.
- Certified true copy of Trading Certificate.
- Specimen of Authorized signatories of the Securities Account.
- Residential address and proof of residence.

How Can I Buy Securities Into My Account Opened With CSD?
As an investor, you can buy securities issued by an issuer through any of the Depository Participants (Stockbrokers and Transfer Secretaries) at primary markets, IPO or through only Stockbrokers at secondary market.

What Is A Primary Market?
The Primary Market is the part of the securities market that deals with issuing of new securities to the market by issuers to raise funds for their businesses. Money raised on the primary market is strictly for the business.

What Is A Secondary Market?
The Secondary Market is that part of the securities market in which already issued securities in the primary market are bought and sold. Money exchanges hands between investors, it no longer goes to the business/issuer.

Who Is An Issuer?
An entity such as government, corporation or any agency (Public or Private) enabled by law to develop, register and sell initial securities to investors or the general public to raise funds for business/investment purposes e.g. to start a new business or expand an already operational business.

As An Investor Living Outside Eswatini, Can I Buy Securities In Eswatini?
Yes. You can buy securities through local Stockbrokers and Transfer Secretaries (at IPO) registered with the CSD. At Secondary market you can buy through any ESE registered Stockbroker.

Who Is A Custodian?
Is a depository participant (DP) who keeps custody of securities in trust of investors such as Transfer Secretaries or Banks. Local custodians are First National Bank, Standard Bank, Eswatini Bank and Nedbank.

Who Is A Stockbroker?
Any institution engaged in the business of effecting transactions in securities markets for the account of his/her customers for a commission. Local ESE registered stockbrokers can be found on the ESE website.

What Is Immobilisation/Dematerialisation?
Immobilization or dematerialisation is the process through which paper/certificate-based securities are converted into book entry or electronic securities into an investor's

security account at the depository system.

After Immobilisation/Dematerialisation Can I Still Keep My Share Or Note Certificate?
No. You need to tender in the certificate to the depository. This is because if the issuer of the said security announces its membership in the CSD all dealings in paper certificate becomes invalid.

How Can Investors Deposit Their Share/Note Certificates Into The Depository?
Investors must approach any Depository Participant (Stockbrokers, Transfer Secretaries) to open securities accounts and to deposit their securities. After successful deposit of the paper certificate in the CSD System, investors will receive a statement of account showing their holdings for the securities deposited.

What Evidence Will I Receive After Submitting Or Depositing My Share/Note Certificate?
When you submit your share or note certificates to a DP or Stockbroker, you will receive a receipt (a copy of the deposit form) and a proof of ownership. Once the certificates have been lodged into your securities account you will then receive statements on request or monthly or annually from the CSD.

Can I Update My Registration Details?
Yes. An investor must update his/her registration details when changes occur by completing and submitting to the DP, a Securities Maintenance Form showing the changes in the registration details.

As An Investor Can Another Person Execute Transaction On My Behalf?
A person authorized by you as your agent can operate your account on your behalf. You would in such a case, submit a power of attorney authorising the relevant person to operate the account on your behalf along with the person's signatures and ID.

Can I Trade (Sell) The Security In My Securities Account Before The Maturity Date And How?
Yes. You can sell your security at any time before the maturity date via any known DP, Stockbroker or Dealer.

Can I Donate My Security As A Gift, Inheritance / Bequest?
Yes. In the case of inheritance or bequest, CSD requires a letter of administration or probate. And for gifts a tax clearance certificate must be submitted to the CSD.

04

ANNUAL FINANCIAL STATEMENTS

ESE ESWATINI STOCK EXCHANGE

THIS REPORT

OUR FINANCIAL REPORT

The financial statements have been audited by an independent accounting firm, **PricewaterhouseCoopers,** which was given unrestricted access to all financial records and related data, including minutes of meetings of the Board of Directors and committees of the board.

The Directors believe that all representations made to the independent auditors during their audit are valid and appropriate.

Statement Of Responsibility And Approval By The Board Of Directors

for the year ended 31 March 2024

The Directors are responsible for the preparation, integrity and fair presentation of the financial statements of the Eswatini Stock Exchange. The financial statements presented on pages 36 to 66 have been prepared in accordance with IFRS Accounting Standards and the requirements of the Companies Act, 2009 and include amounts based on judgements and estimates made by management.

The Directors are also responsible for the company's system of internal financial control. These are designed to provide reasonable, but not absolute assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of the assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the Directors to indicate that any material breakdown in the functioning of these controls, procedures and system has occurred during the year under review.

The going concern basis has been adopted in preparing the financial statements. The Directors have no reason to believe that the company will not be a going concern in the foreseeable future based on forecasts and available cash resources. These financial statements support the viability of the company.

The financial statements have been audited by an independent accounting firm, PricewaterhouseCoopers, which was given unrestricted access to all financial records and related data, including minutes of meetings of the Board of Directors and committees of the board. The Directors believe that all representations made to the independent auditors during their audit are valid and appropriate.

The audit report of PricewaterhouseCoopers is presented on pages 37 - 38. The financial statements were approved by Board of Directors and are signed on its behalf by:

BOARD CHAIRMAN

16/09/2024

DATE

CHIEF EXECUTIVE OFFICER

16/09/2024

DATE

Independent auditor's report
To the Shareholder of Eswatini Stock Exchange

Our opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Eswatini Stock Exchange (the Company) as at 31 March 2024, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act of Eswatini.

What we have audited
Eswatini Stock Exchange's financial statements set out on pages 36 to 66 comprise:
- the statement of financial position as at 31 March 2024;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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

Independence
We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants and other independence requirements applicable to performing audits of financial statements in Eswatini. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements applicable to performing audits of financial statements in Eswatini.

Other information
The directors are responsible for the other information. The other information comprises the information included in the document titled "Eswatini Stock Exchange annual financial statements for the year ended 31 March 2024", which includes the Directors' Report as required by the Companies Act of Eswatini. The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements
The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and the requirements of the Companies Act of Eswatini, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Partner in charge M Mhlanga
Resident partner T Mason
PricewaterhouseCoopers, Rhus Office Park, Kal Grant Street, Mbabane, Eswatini
P O Box 569, Mbabane H100, Eswatini, Telephone +268 2404 2861/2, Facsimile +268 2404 5015, www.pwc.com

Independent auditor's report

To the Shareholder of Eswatini Stock Exchange

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to 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 financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We also:

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

Partner in charge M Mhlanga
Resident partner T Mason
PricewaterhouseCoopers, Rhus Office Park, Kal Grant Street, Mbabane, Eswatini
P O Box 569, Mbabane H100, Eswatini, Telephone +268 2404 2861/2, Facsimile +268 2404 5015, www.pwc.com

Directors' Report
for the year ended 31 March 2024

The directors have pleasure in submitting their annual report which forms part of the financial statements of the company for the year ended 31 March 2024.

1. General review

The stock exchange is basically a market for capital. It provides a link between economic agents in need of finance and investors seeking profitable investment opportunities. This process involves the issuing, listing and trading of securities. Companies that are in need of finance normally issue securities on the exchange and investors buy them as an investment. Three types of securities are currently listed on the ESE namely; equity, corporate bonds and Government bonds.

2. Merger of state owned entities

The Government of the Kingdom of Eswatini announced a move to merge certain state owned entities. The Financial Service Regulatory Authority which 100% owns the Eswatini Stock Exchange (ESE) will be merged with the Central Bank of Eswatini. The board of directors have considered and reviewed the implications of this government decision and concluded that the Eswatini Stock Exchange will still be a going concern after the integration of the two state owned entities.

3. Financial results

Full details of the financial results are set out on pages 36 to 66.

4. Share capital

The company has authorised share of 1,000 at E1 each, only 7 shares are issued. Issued share capital is 100% owned by the Financial Services Regulatory Authority (FSRA).

5. Directors

The directors, who acted throughout the year are:-

- Professor Michael Matsebula (Chairman)
- Ms Philile Nxumalo (resigned 31.7.2023) Member
- Professor Annette Singleton Jackson Member
- Ms Nonhlanhla Sindi Nxumalo Member
- Mr Panuel Mangaliso Gwebu Member
- Melvin Khomo(appointed 1.11.2023) Member

6. **Postal address**	**Physical address**
Eswatini Stock Exchange (ESE)	3rd Floor, East Wing Ingcamu (PSPF) Building
P O Box A636	Mhlambanyatsi Road
Swazi Plaza	Eswatini
Mbabane H101	
Eswatini	

7. Bankers

First National Bank of Eswatini

Statement Of Comprehensive Income
for the year ended 31 March 2024

	Notes	2024 E	2023 E
Revenue from customers	2	2 661 452	1 955 706
Other income	2	2 3 944 185	4 391 991
		6 605 637	6 347 697
Administrative expenses		(2 224 649)	(2 522 132)
Employee benefit expense	9	(3 824 100)	(3 245 890)
Depreciation expense		(471 004)	(473 365)
Operating profit		85 884	106 310
Finance costs		(85 884)	(106 310)
Profit before tax		-	-
Income tax expense	14	-	(353 237)
Net loss		-	(353 237)

*The above statement of comprehensive income should be read in conjunction with the accompanying summary of significant accounting policies and notes to the financial statements.

Statement Of Financial Position
for the year ended 31 March 2024

	Notes	2024 E	2023 E
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	450 201	463 138
Financial investments	17	11 105 484	9 639 000
Right of use asset	13	913 025	1 255 410
Intangible assets	5	1 105 832	1 105 832
		13 574 542	12 463 380
Current Assets			
Trade and other receivables	6	4 011 264	2 547 984
Current tax receivable	14.1	64 689	-
Cash and cash equivalents	7	546 844	302 341
		4 622 797	2 850 325
Total Assets		18 197 339	15 313 705
EQUITY AND FUND BALANCES			
Capital and reserves			
Share capital	11	7	7
Stock Exchange financial investments reserve		6 346 730	5 777 352
Retained earnings		251 163	251 163
Total equity		6 597 900	6 028 522
LIABILITIES			
Non Current Liabilities			
Financial liabilities	19	4 727 249	4 303 158
Lease liabilities	13.1	697 470	1 048 040
		5 424 719	5 351 198
Current Liabilities			
Trade and other payables	8	705 226	572 182
Lease liabilities	13.1	350 570	303 460
Deferred Revenue	12	4 057 886	2 501 716
Income tax liability	14.1	-	180 087
Intercompany payable	16.1	719 884	132 658
Provision and accruals	18	341 154	243 882
		6 174 720	3 933 985
Total liabilities		11 599 439	9 285 183
Total equity and liabilities		18 197 339	15 313 705

Statement Of Changes In Equity
for the year ended 31 March 2024

	Share capital E	Stock exchange financial investments reserve E	Retained Income E	Total Equity E
Balance at 1 April 2023	7	**5 777 352**	251 163	6 028 522
Capitalized interest	-	**569 378**	-	569 378
Balance at 31 March 2024	7	**6 346 730**	251 163	6 597 900
Balance at 1 April 2022	7	-	604 400	604 407
Transfer from investor protection	-	**5 268 512**	-	5 268 512
Capitalized interest	-	**508 840**	-	508 840
Net loss for the year	-	-	(353 237)	(353 237)
Balance at 31 March 2023	7	**5 777 352**	251 163	6 028 522

Statement Of Cash Flows
for the year ended 31 March 2024

	Notes	2024 E	2023 E
Cash flows from operating activities			
Cash generated/(utilised) from operations	10	1 467 320	(656 898)
Taxation paid	14.1	(244 776)	-
Interest expense	13.1	(85 884)	(106 310)
Net cash generated/(utilised) in operating activities		1 136 660	(763 208)
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(115 682)	(20 999)
Proceeds from investor protection funds		993 469	874 755
Additions to financial investments		(1 466 484)	(1 308 000)
Additions of intangible assets		-	(2 900)
Net cash utilised on investing activities		(588 697)	(457 144)
Cash flows from financing activities			
Principal repayments – Lease liabilities	13	(303 460)	(260 806)
Net cash utilized in financing activities		(303 460)	(260 806)
Net increase/(decrease) in cash and cash equivalents		244 503	(1 481 158)
Cash at the beginning of the year		302 341	1 783 499
Total cash at end of the year	7	546 844	302 341

Notes To The Financial Statements
for the year ended 31 March 2024

1. Principal Accounting policies

1.1 Background Information

A move towards a formal structure for capital markets development in Eswatini dates back in 1989 when a working party under the direction of the Central Bank was commissioned to examine if there were economic benefits to be derived from establishing a stock exchange. The working party concluded that there was a need and an opportunity for such a move and proposed, as a first step, the formation of a stockbroking company which would be licensed under the existing banking legislation pending the drafting of a securities law.

For eight years the Eswatini Stock Market operated as an over the counter-single stockbroker facility. It was not until July 1999 that a fully-fledged stock exchange, the Eswatini Stock Exchange (ESE), was inaugurated. The operations of the ESE were conducted under the supervision of the Capital Markets Development Unit of the Central Bank, which had regulatory oversight over the operations of the exchange.

In June 2010, the FSRA Act came into effect, which now listed securities exchange under the regulatory oversight of the FSRA.

The following are the principal accounting policies adopted in the preparation of these financial statements as set out below. These policies have been consistently applied in all material respects with those of the previous year, unless otherwise stated.

1.2 Basis of preparation

The financial statements of the Eswatini Stock Exchange (ESE) have been prepared in accordance with IFRS Accounting Standards and the requirements of the Eswatini Companies Act of 2009. These accounting policies are consistent with the previous period. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates.

1.3 Functional and presentation currency

Items included in the financial statements of the Eswatini Stock Exchange (ESE) are measured using the currency of the primary economic environment in which the company operates (‘the functional currency’). The financial statements are presented in the Emalangeni currency (SZL), which is ESE’s functional and presentation currency.

1.4 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 remeasured. Foreign exchange gains and 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 the income statement.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within “finance income or cost”. All other foreign exchange gains and losses are presented in the income statement within “other (losses)/gains-net.

1.5 Significant judgements and sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. There were no significant judgements and estimates made in preparing this annual financial statements.

1.6 Property, plant and equipment

Property, plant and equipment is shown at cost less accumulated depreciation and any accumulated impairment losses. Historical cost include expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the Company.

Notes To The Financial Statements
for the year ended 31 March 2024

Furniture and fixtures	10%
Motor vehicles	20%
Office equipment	10%
IT equipment and software	33.3%

The assets residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

An assets carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other gains/ (losses) – net' in the statement of comprehensive income.

1.7 Intangible assets

Intangible assets are recognized if and only if it is probable that future economic benefits associated with the item will flow to the organization and the cost of the item can be measured reliably.

Intangible assets are subsequently carried at cost, less any accumulated amortization and impairment losses. Amortization is calculated using the straight line basis at rates calculated to reduce the book value of these assets to estimated residual values over their expected useful lives

The Company amortises intangible assets with a limited useful life using the straight-line method over the following rates:

IT development and software	33.3%

The company does not amortise intangible assets with indefinite useful lifes. Intangible assets with indefinite useful lifes are however tested for impairment annually by the company unless there is a remote probability that the carrying value of the asset is more than the recoverable value.

1.8 Leases

The Company recognises both a right-of-use asset and a lease liability as at the lease commencement date. The right-of-use asset is initially measured at cost, which represents the initial amount of the lease liability adjusted for any lease payments made on or before the commencement date, plus any initial direct costs incurred, plus an estimate of the costs required to dismantle and remove the underlying asset or to restore the site on which it is located (if applicable), less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that have not yet been paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot readily be determined, the Company's incremental borrowing rate.

The lease liability is remeasured when there are changes in the amounts of future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or it is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets and lease liabilities in a separate line in the statement of financial position.

Short-term leases and leases of low-value assets

As permitted under the standard, the Company does not recognise right-of-use assets and lease liabilities for short-term leases of assets that have lease terms of 12 months or less, and leases of low-value assets.

The Company recognises the lease payments associated with these leases as expenses on a straight-line basis over the lease term.

Notes To The Financial Statements
for the year ended 31 March 2024

Amortisation
The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those used for the property and equipment items.

Impairment
The right-of-use assets are periodically reduced by the amounts of impairment losses and adjusted to reflect certain remeasurements of the respective lease liabilities.

1.9 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 will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

1.10 Employee benefits
The company contributes to a statutory fund, the Eswatini National Provident Fund and to a defined contribution plan on behalf of its employees.

For defined contribution plans, ESE pays contributions to the self-administered retirement fund on a mandatory and contractual basis. Once the contributions have been paid, ESE has no further payment obligations. The regular contributions constitute net periodic costs for the year in which they are due, and as such are included in staff costs.

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the ESE's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.11 Financial instruments
Financial instruments held by the Company are classified in accordance with the provisions of IFRS 9 Financial Instruments. Broadly, the classification possibilities, which are adopted by the Company, as applicable, are as follows:

- Mandatorily at fair value through profit or loss; or
- Designated at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:
- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the

Notes To The Financial Statements
for the year ended 31 March 2024

instruments); or

- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).
- Financial liabilities:
- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- •Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Trade and other receivables Classification
Trade and other receivables are classified as financial assets subsequently measured at amortised cost (note 6).They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Company's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement
Trade and other receivables are recognised when the Company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any. They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method
For receivables which contain a significant financing component, interest income is calculated using the effective interest method, and is included in profit or loss in finance income.

The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a receivable is purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit-impaired.
- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

The Company recognises a loss allowance for expected credit losses on trade and other receivables. The amount of expected credit losses is updated at each reporting date.

Application of the effective interest method
Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a loan. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a loan that are possible within 12 months after the reporting date.

Notes To The Financial Statements
for the year ended 31 March 2024

Significant increase in credit risk
In assessing whether the credit risk on a receivable or group of receivables has increased significantly since initial recognition, the Company compares the risk of a default occurring as at the reporting date with the risk of a default occurring as at the date of initial recognition.

The Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information.

Irrespective of the outcome of the above assessment, the credit risk on a receivable is always presumed to have increased significantly since initial recognition if the contractual payments are more than 90 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

Definition of default
For purposes of internal credit risk management purposes, the Company considers that a default event has occurred if there is either a breach of financial covenants by the counterparty, or if internal or external information indicates that the counterparty is unlikely to pay its creditors in full (without taking collateral into account). Irrespective of the above analysis, the Company considers that default has occurred when a receivable is more than 120 days past due unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Measurement and recognition of expected credit losses
The Company makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance.

Write off policy
The Company writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the Company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Credit risk
Details of credit risk are included accounting policy 1.14 and the financial instruments and risk management note.

Derecognition
Any gains or losses arising on the derecognition of trade and other receivables is included in profit or loss in the derecognition gains (losses) on financial assets at amortised cost line item.

1.12 Impairment of assets

The company assesses at each end of the reporting whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.
If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the

Notes To The Financial Statements
for the year ended 31 March 2024

recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried a cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had impairment loss been recognised for the asset in prior periods.

1.13 Revenue recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to ESE and the amounts of revenue can be reliably measured.

Original listing fees

Where the Committee has granted an application made by an issuer for securities to be included in the Main Board (MB) or Small and Medium Enterprises (SME) Board, the issuer shall pay:-
a) In the case of an issuer other than an issuer referred to in paragraphs (b) and (c) below, for each class of security concerned, in respect of number of securities listed multiplied by the issue price per security, an amount of 0.025% under the Main Board and 0.005% under the SME Board.

b) In the case of an issuer whose securities are quoted on a recognised foreign stock exchange (dual listing or cross-listing), an original listing fee of 0.025% of the market value.
c) In the case of loan stock and corporate bonds, including government and government guranteed debt, a listing fee of 0.015% under the Main Board and 0.005% under the SME Board.
d) Fees payable under paragraphs (a), or (c) are to be calculated to the nearest Lilangeni.
e) The minimum amount that may be raised through equity issuance on the ESE shall be E5,000,000 on the Main Board and on the SME Board shall be E50,000.
f) The minimum amount that may be raised through a bond issuance on the ESE shall be E5,000,000 on the Main Board and on the SME Board shall be E50,000.

The monetary value of securities shall be determined as follows:-
a) number of securities listed multiplied by the issue price per security;
b) in respect of vendor considerations, the number of securities listed multiplied by the higher of the issue price on the middle market price on the date of signature of the agreement; and
c) in respect of introductions where no price is attributable to the securities, they shall be deemed to have a value calculated by multiplying the number of securities listed by the closing price on the first day of trading.

The aforementioned fees are payable at the time of application except in the case of an introduction where they are put on the day following the listing.

In respect of share incentive and share option schemes employed by companies, the Committee shall grant a block listing for securities listed in terms of those schemes. The appropriate fee shall be calculated in accordance with the guidelines above and shall be payable at the time of the application for the block listing.

Notes To The Financial Statements
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Subsequent issues of securities in terms of the scheme shall be subtracted from the initial block until such times as that block is exhausted, at which time an application, together with the appropriate fee, shall become necessary.

Notwithstanding the above, no fee shall be payable in respect of the listing of a new security by a listed company that is a direct replacement for a security of the company already listed in respect of which a fee has been paid in terms of where the Committee has granted an application made by an issuer for securities to be included in the Main Board (MB) or Small and Medium Enterprises (SME) Board.

Annual sustaining fees

In the case of each class of security listed, an annual listing fee shall be payable on or before 15 March of each year except during the calendar year in which the listing is granted and shall be calculated as follows:-

a) In the case of each class of securities, other than loan stocks and corporate bonds, including government and government guaranteed debt, an amount equal to 0.025% of the market value of the securities under the main board and 0.01% under the SME Board.

b) In the case of loan stocks and corporate bonds, including government and government guaranteed debt, a listing fee of 0.015% under the Main Board and 0.005% under the SME Board.

Securities may be removed from the list unless fees due and unpaid are paid within one month after written notice of demand has been given under authority of the Committee.

Documentation fees

The following prescribed minimum fee structure (excluding applicable taxes) shall be charged for application documentation under both the Main and SME Boards with the provision that should the time spent or the complexity of a document be such that it requires greater than normal attention, an additional charge may be imposed by the Committee. The breakdown of the fees is shown:-

Prescribed inspection fees	Emalangeni
Articles of association	
Per new company listed	1,500
Per subsidiary of a listed company	1,000
Re-examination fee per company	1,000
Minor amendments	750
Capitalisation issue – Documentation fee	750
Category 1 transactions	5,500
Change of name	1,000
Claw back offer	6,000
Competent person(s) report	250 per hour per reader
Admin Fees (per document)	200 per document
Pre-issuance trading	3,000
Consolidation and sub-division	1,000
Debenture trust deed	
Per trust deed	2,500
Re-examination fee per deed	2,500
Minor amendment (Per amendment)	750
Change in authorised share capital	500

Prescribed inspection fees	Emalangeni
Share incentive/option scheme	
Salient features circular	2,500
Re-examination fee per deed	1,000
Minor amendments	750
New Main Board listing	
Includes pre-listing statement and Part II documentation; excludes articles of association, debenture trust deeds and share incentive/option schemes	15,000
SME Board listing	
Includes pre-listing statement and Part II documentation; excludes articles of association, debenture trust deeds and share incentive/option schemes	Waived
Dual listing	**35,000**
Loan stock listing application (includes government and government guaranteed bonds)	2,500
Corporate bond listing application	2,500
Offering circular	
Includes bonds, debentures and loan stocks, government and government guaranteed bonds	2,500
Pricing supplement	
Includes bonds, debentures and loan stock, government and government guaranteed bonds	2,500
Prescribed inspection fees	
Includes circular and prelisting statement; excludes re-examination of articles of association, debenture trust deeds, share incentive/option schemes	10,000
Company reconstruction	
Includes circular and prelisting statement; excludes re-examination of articles of association, debenture trust deeds, share incentive/option schemes	25,000
Rights offers and claw-back offers	
Circular	5,000

Notes To The Financial Statements
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Prescribed inspection fees	Emalangeni
Capital restructure	
Circular	3,000
Issue for cash	
Circular	2,500
Odd lot offer	1,500
Price Stablisation	1,500
Property Management Agreement	1,500
Redemption of securities	1,500
Re-examination fee per scheme per amendment	500
REIT fees (additional fees)	
Initial Listing Fee	3,000
New Liting Fee	1,500
Category 1 transaction	1,500
Transfer of sector or board	1,000
Related party transaction	750
Related Party Transactions	3,500
Renounceable Offer	5,500
Revised listing particulars	5,500
Rights offer	5,500
Ruling	1,000
Salient features circular	1,500
Scheme of arrangement and any SRP regulated offer	3,000
Script dividend	750
Share incentive & share option scheme	1,500
Small, related party transaction	750
Specific payments	2,500
Specific shares repurchase	4,500
Termination of listing	5,000
Transfer of sector or board	1,000
Unbundling	5,000
Voluntary Liquidation	3,000

Prescribed inspection fees	Emalangeni
Additional Listinge Fees	
Equity	0.025% of Market Capitalization
Circullar	2,500
Transfer of sector Consolidation/sub-division	
Circular	3,000
Change of name	
Circular	2,500
Capitalisation issues (including script dividends)	
Circular (ordinary)	2,000

Additional Listing Fees
Equity 0.025% of Market Capitalization of each class of securities listed.
Share Option Schemes 0.025% of Market Capitalization
No fees are payable in respect of circulars dealing with:-

a) conversion in terms of original conditions of issue of one listed class of security into another listed class of security of the same company; and

b) redemption of listed securities.

No fees are payable in respect of inspection of share/ debenture certificates.

Documentation inspection fees are payable in in addition to the listing fees payable in respect of the listing of securities. All the above fees exclude applicable taxes. Applicable taxes shall be payable on all listings and documentation fees.

Membership Fees	E
Dealing Members	3,000
Authorised Dealer Representatives (ADRs)	1,000
Designated Advisors (DAs)	
Admission Fee	2,000
Annual Fee	500

Commission payable on offer for sale and offer for subscription 0.5% exclusive of any indirect tax.

Commission Payable on Offer for Sale and Offer for Subsscription
The minimum rate of commission payable by applicants on applications submitted by member of the ESE on issues by means of an offer for subscription or sale shall be 0.5% exclusive of an indirect tax.

Equities and Debt Trading Fees
These are payable under the ATS Trading Rules and Procedures.

Financial risk factors
ESE's overall risk management programme focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the entity. Risk management is carried out under policies approved by the board. The board identifies, evaluates and hedges financial risks in cooperation with the office's operations.

Notes To The Financial Statements
for the year ended 31 March 2024

Liquidity risk
Prudent liquidity risk management implies maintaining sufficient liquid resources, cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities and the ability to settle debts as they become due and ability to close out market positions. ESE remains confident that the available cash resources will be
sufficient to meet its funding requirements.

ESE's liquid resources consist of cash and cash
equivalents. ESE maintains adequate resources by monitoring rolling cash flow forecasts on the cash and cash equivalents on the basis of expected cash flow.

The table below analyses all cash flows from financial liabilities into the bucket in which they are contractually due to be paid.

	Less than a year E	More than a year but not exceeded 5 year E	Exceeding 5 years E	Total E
2024				
Trade and other Payables	**705 226**	**-**	**-**	**705 226**
Intercompany	**719 884**	**-**	**-**	**719 884**
Financial liabilities	**-**	**-**	**4 727 249**	**4 727 2491**
Lease liability	**350 570**	**697 470**	**-**	**048 040**
	1 775 680	**697 470**	**4 727 249**	**7 200 399**
2023				
Trade and other Payables	572 182	-	-	572 182
Intercompany	132 658	-	-	132 658
Financial liabilities	-	-	4 303 158	4 303 1581
Lease liability	303 460	1 048 040	-	351 500
	1 008 300	1 048 040	4 303 158	6 359 498

Notes To The Financial Statements
for the year ended 31 March 2024

Cash flow and fair value interest rate risk
ESE's income and operating cash flows are affected but not to a significant extent, by changes in the market interest rates.

Fair value estimates
The nominal value less impairment provision of trade payables and receivables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate receivable to ESE for similar financial instruments.

Financial instrument by category
The accounting policies for financial instruments have been applied to the line items below:

	Description per the statement of financial position	Amortised Cost E	Carrying value E
2024			
Financial assets	**Trade and other receivables (excluding prepayments)**	**3 991 932**	**3 991 932**
	Cash and cash equivalent	**546 844**	**546 844**
	Financial investments	**11 105 484**	**11 105 484**
		15 644 260	**15 644 260**
Financial Liabilities	**Trade and other payables**	**705 226**	**705 226**
	Financial liabilities	**4 727 249**	**4 727 249**
	Intercompany	**719 884**	**719 884**
		6 152 359	**6 152 359**
2023			
Financial Assets	Trade and other receivables (excluding prepayments)	2 530 591	2 530 591
	Cash and cash equivalents	302 341	302 341
	Investor protection fund asset	9 639 000	9 639 000
		12 471 932	12 471 932
Financial liabilities	Trade and other payables	572 182	572 182
	Financial liabilities	4 303 158	4 303 158
	Intercompany	132 658	132 658
		5 007 998	5 007 998

Notes To The Financial Statements
for the year ended 31 March 2024

Credit risk
Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to corporate, government and individual customers, including outstanding receivables and committed transactions.

Credit quality of financial assets
The table below analyses all undiscounted cash flows from financial assets into time bucket when they are contractually due to be received.

	Less than a year E	More than a year but not exceeded 5 year E	Exceeding 5 years E	Total E
2024				
Trade and other Receivables (excluding prepayments)	**3 991 932**	**-**	**-**	**3 991 932**
Cash and cash equivalents	**546 844**	**-**	**-**	**546 844**
Financial investments	**-**	**-**	**11 105 484**	**11 105 484**
	4 538 776	**-**	**11 105 484**	**15 644 260**
2023				
Trade and other Receivables (excluding prepayments)	2 530 591	-	-	2 530 591
Cash and cash equivalents	302 341	-	-	302 341
Financial financial investment	-	-	9 639 000	9 639 000
	2 832 932	-	9 639 000	12 471 932

Notes To The Financial Statements
for the year ended 31 March 2024

1.15 Changes in accounting policies and disclosures

a) New and adopted standards adopted by the company

International Financial Reporting Standards and amendments effective for the first time for March 2024 year-ends		
Number	**Effective date**	**Executive summary**
IFRS 17, 'Insurance contracts'	Annual periods beginning on or after 1 January 2023 (Published May 2017)	The IASB issued IFRS 17, 'Insurance contracts', and thereby started a new epoch of accounting for insurers. Whereas the current standard, IFRS 4, allows insurers to use their local GAAP, IFRS 17 defines clear and consistent rules that will significantly increase the comparability of financial statements. For insurers, the transition to IFRS 17 will have an impact on financial statements and on key performance indicators. Under IFRS 17, the general model requires entities to measure an insurance contract at initial recognition at the total of the fulfilment cash flows (comprising the estimated future cash flows, an adjustment to reflect the time value of money and an explicit risk adjustment for non-financial risk) and the contractual service margin. The fulfilment cash flows are remeasured on a current basis each reporting period. The unearned profit (contractual service margin) is recognised over the coverage period. Aside from this general model, the standard provides, as a simplification, the premium allocation approach. This simplified approach is applicable for certain types of contract, including those with a coverage period of one year or less. which they occur but over the remaining life of the contract.

Notes To The Financial Statements
for the year ended 31 March 2024

1.15 Changes in accounting policies and disclosures(continued)

a) New and adopted standards adopted by the company(continued)

International Financial Reporting Standards, interpretations and amendments issued but not effective

Number	Effective date	Executive summary
IFRS 17, Insurance contracts Amendments	Annual periods beginning on or after 1 January 2023 (Published June 2020)	In response to some of the concerns and challenges raised, the Board developed targeted amendments and a number of proposed clarifications intended to ease implementation of IFRS 17, simplify some requirements of the standard and ease transition.
Amendments to IAS 12, Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	Annual periods beginning on or after 1 January 2023. (Published May 2021)	The amendments relate to eight areas of IFRS 17, and they are not intended to change the fundamental principles of the standard. The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.
Amendments to IAS 12 International Tax Reform—Pillar Two Model Rules	The deferred tax exemption and disclosure of the fact that the exception has been applied, is effective immediately. The other disclosure requirements are effective annual periods beginning on or after 1 January 2023. (Published May 2023)	These amendments give companies temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co- operation and Development's (OECD) international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.

Notes To The Financial Statements
for the year ended 31 March 2024

1.15 Changes in accounting policies and disclosures(continued)

b) New standards, amendments and interpretations not yet effective and not early adopted by the organization.

International Financial Reporting Standards, interpretations and amendments issued but not effective

Number	Effective date	Executive summary
Amendments to IAS 1 - Non-current liabilities with covenants	Annual periods beginning on or after 1 January 2024 (Published January 2020 and November 2022)	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these condition.
Amendment to IFRS 16 – Leases on sale and leaseback	Annual periods beginning on or after 1 January 2024 (Published September 2022)	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
Amendments to Supplier Finance Arrangements (IAS 7 and IFRS 7)	Annual periods beginning on or after 1 January 2024 (Published May 2023)	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

Notes To The Financial Statements (Continued)
for the year ended 31 March 2024

		2024 E	2023 E
2	**Revenue from contracts with customers**		
	The Company derives the following types of revenue:		
	Original listing fees	540 098	23 500
	Annual sustaining fees	2 121 354	1 932 206
		2 661 452	1 955 706
	Other income comprise of the following:		
	Other income	276 675	158 603
	Deferred income amortization	(1 556 170)	(422 658)
	FSRA Subvention	5 223 680	4 656 046
		3 944 185	4 391 991
3	**Operating profit**		
	The following items have been charged in arriving at the operating profit:		
	Operating lease charges Premises		
	- Contractual amounts – Rental payments	58 398	101 213
	Depreciation on property, plant and equipment (Note 4)	128 619	130 981
	Depreciation – Right of use asset(13)	342 385	342 385
	Employee costs (Note 9)	3 824 100	3 245 890

Notes To The Financial Statements
for the year ended 31 March 2024

4 Property, plant and equipment

	2024 Cost E	2024 Accumulated Depreciation E	2024 Carrying value E	2023 Cost E	2023 Accumulated Depreciation E	2023 Carrying Value E
Furniture and fixtures	780 231	(393 784)	386 447	766 545	(388 158)	378 387
Office equipment	119 431	(105 188)	14 244	45 969	(19 511)	26 458
Computer equipment	1 248 128	(1 198 618)	49 510	1 219 593	(1 161 300)	58 293
	2 147 790	(1 697 590)	450 201	2 032 107	(1 568 969)	463 138

Reconciliation of property, plant and equipment

	Opening Balance E	Additions E	Depreciation E	Other adjustments E	Total E
2024					
Furniture and fixtures	378 387	13 685	(5 625)	-	386 447
Office equipment	26 458	73 462	(85 676)	-	14 244
Computer equipment	58 293	28 535	(37 318)	-	49 510
	463 138	115 682	(128 619)	-	450 201
2023					
Furniture and fixtures	495 509	-	(78 942)	(38 180)	378 387
Office equipment	31 055	-	(4 597)	-	26 458
Computer equipment	46 554	20 999	(47 442)	38 182	58 293
	573 118	20 999	(130 981)	2	463 138

Notes To The Financial Statements (Continued)
for the year ended 31 March 2024

		2024 E	2023 E
5	**Intangible Assets**		
	Year ended 31 March 2024		
	Opening net book amount	1 105 832	1 105 832
	Additions	-	-
	Amortisation charge	-	-
	Adjustments	-	-
	Closing net book amount	1 105 832	1 105 832
	Year ended 31 March 2023		
	Opening net book amount	1 102 932	1 102 932
	Additions	-	2 900
	Amortisation charge	-	-
	Closing net book amount	1 102 932	1 105 832

The intangible asset was recognized in respect of a licensed software which came into use for the first time during the current period. Due to that the license agreement automatically renews annually for an indefinate period, there is no amortisation in respect of this asset.

		2024 E	2023 E
6	**Trade and other receivables**		
	Trade debtors	3 852 311	2 392 360
	Due from related parties	-	63 065
	Staff loans	56 773	75 166
	Prepayments	19 332	17 393
	Other receivables	82 848	-
		4 011 264	2 547 984

The carrying amount of trade and other receivables is equal to their fair values.

		2024 E	2023 E
7	**Cash and cash equivalents**		
	Cash and cash equivalents consist of:		
	Cash on hand	2 000	2 000
	Bank balance	544 844	300 341
		546 844	302 341
	Bank balances consists of the following:		
	First National Bank Limited Eswatini	544 844	300 341
		544 844	300 341

Notes To The Financial Statements (Continued)
for the year ended 31 March 2024

		2024 E	2023 E
8	**Trade and other payables**		
	Trade payables	205 909	176 393
	Other accruals	499 317	395 789
		705 226	572 182
	The carrying amounts for trade payables approximate their fair value		
9	**Employee costs**		
	Salaries	3 824 100	3 245 890
	The average number of employees during the year was 5 (2023: 5).		
10	**Cash generated from operations**		
	Profit before tax	-	-
	Adjustments for:		
	Depreciation – Property plant and equipment	128 619	130 980
	Depreciation – Right of use asset	342 385	342 385
	Finance cost – Lease liabilities	85 884	106 311
	Other non cash items	-	7 497
		556 888	587 173
	Changes in working capital:		
	Increase in trade and other receivables	910 432	(1 244 071)
	Increase/(decrease) in trade and other payables	(1 463 280)	(1 588 667)
	Increase in deferred revenue	133 044	(193 158)
	Increase/(decrease) in intercompany payable	1 556 170	636 000
	Increase/(decrease) in provision and accruals	587 226	(72 027)
		97 272	(26 219)
	Cash (utilized)/generated from operations	1 467 320	(656 898)

Notes To The Financial Statements (Continued)
for the year ended 31 March 2024

		2024 E	2023 E
11	**Share capital**		
	Authorised share capital	1000	1 000
	Issued share capital	7	7
12	**Deferred Revenue**		
	Balances at beginning of the year	2 501 716	1 865 716
	Subvention	5 223 680	4 656 046
	Other income	276 675	158 603
	Other adjustment	-	162 635
	Depreciation	(471 004)	(422 658)
	Utilised	(3 473 181)	(3 918 626)
		4 057 886	2 501 716
	Balance at beginning of the year	2 501 716	1 865 716
	Deferred income amortisation for the year	1 556 570	422 658
		4 057 886	2 501 716
13	**Right of use asset**		
	As at 31 March 2024		
	Acquisition cost	2 503 883	2 503 883
	Accumulated amortization	(1 590 858)	(1 248 473)
	Net Value	913 025	1 255 410
	As at 1 April 2023	1 255 410	1 597 795
	Amortisation	(342 385)	(342 385)
	Balance as at 31 March 2024	913 025	1 255 410
13.1	**Lease liabilities**		
	Maturity analysis – contractual undiscounted cash flow		
	Less than one year	412 771	389 344
	One to five years	738 688	1 151 459
	Less: Future finance costs	(103 419)	(189 303)
		1 048 040	1 351 500
	Lease liabilities		
	Current	350 570	303 460
	Non current	697 470	1 048 040
		1 048 040	1 351 500
	Reconcilliation		
	Opening balance	1 351 500	1 612 306
	Interest for the period	85 884	106 310
	Repayments – interest	(85 884)	(106 310)
	Repayments – principal	(303 460)	(260 806)
	Closing	1 048 040	1 351 500

Notes To The Financial Statements (Continued)

for the year ended 31 March 2024

		2024 E	2023 E
14	**Income tax expense**		
	Normal taxation	-	-
	- Current year	-	-
	- Under provision from prior years	-	247 681
	Deferred taxation		
	- Current year	-	105 556
	Total taxation	-	353 237
	Reconciliation of taxation rate		
	Profit before tax	-	-
	Tax calculated at a rate of **27.5%** (2023:27.5%)	-	-
	Non-taxable income	-	-
	Deferred tax reversal	-	105 556
	Prior year under provision	-	247 681
		-	353 237
14.1	**Current tax liabilities**		
	Balance at the beginning of the period	180 087	(67 593)
	Current tax expense	-	-
	Prior year under provision	-	247 680
	Tax paid	(244 776)	-
	Closing balance	64 689	180 087

In the prior year the Eswatini Stock Exchange received an exemption letter from the Eswatini Revenue Service which exempts the entity from paying income tax. This exemption certificate is renewable annually and the excemption was also obtained in the current period.

Notes To The Financial Statements (Continued)
for the year ended 31 March 2024

		2024 E	2023 E
15	**Deferred tax asset**		
	Provision for deferred taxation:		
	- Right of use of asset	-	-
	- Capital allowances	-	-
	- Provisions	-	-
	- Lease liabilities	-	-
	Deferred tax asset at end of year	-	-
	Opening balance	-	105 556
	Statement of comprehensive income movement	-	(105 556)
	31 March 2024	-	-
16	**Related party transactions**		
	The company is 100% controlled by the Financial Services Regulatory Authority.		
16.1	**Intercompany payable**		
	Loan payable to FSRA	719 884	132 658
		719 884	132 658
16.2	**Intercompany transactions**		
	Subvention received	5 223 680	4 656 046
17	**Financial investments**		
	Central Bank of Eswatini bonds	11 105 484	9 639 000
	Financial investments consists of bonds held with First National Bank of Eswatini. The bonds will mature 29 May 2030 and accrues annual interest at 10.5%. The impact of Allowance for expected credit losses was assessed and found to be immaterial as at 31 March 2024.		
	Disaggregation of financial investments		
	Financial Services Regulatory Authority	4 231 164	3 672 437
	Eswatini Stock Exchange	6 364 786	5 524 313
	Investor Protection Fund	509 534	442 250
		11 105 484	9 639 000

Notes To The Financial Statements (Continued)
for the year ended 31 March 2024

		2024	2023
		E	E
18	**Provision and accruals**		
	Short term accrual	9 968	9 155
	Terminal benefits	331 186	234 727
		341 154	243 882
19	**Financial liabilities**		
	Financial Services Regulatory Authority	4 219 162	3 840 652
	Investor protection fund	508 087	462 506
		4 727 249	4 303 158
19.1	**Reconcilliation**		
	Opening balance	4 303 158	9 198 255
	Interest received in current year from investments	391 575	874 759
	Discount on bond purchase	33 516	7 496
	Transfer to Stock Exchange reserve	-	(5 777 352)
	Closing balance	4 727 249	4 303 158

The Investor protection Fund is a fund that was established by the Eswatini Stock Exchange rules as approved by the Committee of the Eswatini Stock Exchange in 2003. The fund constitutes of the bonds held with the Central Bank of Eswatini. The Fund shall be used to settle losses incurred by buyers and sellers of securities as a result of dealing member being declared a defaulter by the committee in terms of the Eswatini Stock Exchange rules.

The amount due to the FSRA relates an injection made by the Central Bank of Eswatini when the Authority was still under the CBE.

The Eswatini Stock Exchange liability was transferred to equity as a reserve in the current year. The amount also relates to an injection that was made by the CBE when the FSRA was still under its supervision.

Detailed Income Statement
for the year ended 31 March 2024

	2024 E	2023 E
Revenue		
Licensing renewals/Pricing supplements	2 661 452	1 955 706
FSRA subvention and other income	3 944 185	4 391 991
	6 605 637	6 347 697
Operating expenses	(6 519 753)	(6 241 387)
Audit Fees	(63 418)	(72 566)
Bank Charges	(12 436)	(9 097)
Board Expenses - Fees	(103 753)	(350 895)
Cleaning and Staff Teas	(42 124)	(36 684)
Computer Expenses	(301 646)	(248 861)
Consulting Fees	-	(128 925)
Courier & Postage	(2 298)	(1 480)
Depreciation- Property plant and equipment	(128 619)	(130 980)
Depreciation- Right of use asset	(342 385)	(342 385)
Electricity & Water	(82 991)	(77 493)
Employee Recognition	(8 470)	(10 200)
Gratuity	-	(23 315)
Insurance - General Office Contents	(79 235)	-
Internet Expenses -SPTC	(155 188)	(195 717)
Levies and Licenses	(30 000)	(30 472)
Rent Paid	(58 398)	(101 213)
Repairs & Maintenance	(30 617)	(1 767)
Salaries	(3 824 100)	(3 245 890)
Staff Training - Accom/Transport Registration fees	(31 644)	(33 560)
Staff Uniforms Welfare and Wellness	(52 402)	(111 774)
Stakeholder expenses	(250 901)	(83 670)
Stationery	(145 854)	(717 925)
Special projects	(74 733)	(33 646)
Subscriptions	(370 865)	(176 164)
Telephone & Fax - SPTC Landline	(23 838)	(8 666)
Travelling costs	(303 838)	(68 042)
Operating profit	85 884	106 310
Finance cost	(85 884)	(106 310)
Profit before tax	-	-
Income tax expense	-	(353 237)
Net loss after tax	-	(353 237)

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