

AUDITED ABRIDGED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024

Chairperson’s Statement

On behalf of the Board of Directors, I am delighted to present the 2024 results of Muca Reinsurance (Private) Limited (Muca Re).

The past year has been a year of growth. Our team continues to grow the business and has developed a look-out-of-the-box approach, which has brought with it benefits. They have shown tremendous individual growth as well as a team. We have moved past the “start-up” obstacles and our brand and market position continue to grow whilst adhering to sound market policy and good business practices.

Regulatory Overview

Regulation was very active in 2024 and several guidelines were issued, including emphasis on timely claim settlement, ownership and relationship structures, compliance controls, IFRS17 reporting guidelines, and data protection, just to mention a few. All the forts were meant to create a favourable environment for all stakeholders. Muca Re strives to be compliant in all aspects.

Economic Overview

Whilst the region experienced a stable growth rate of 3.6%, Zimbabwe's economic growth experienced a free fall from 5.3% in 2023 to 2% in 2024. In addition, the country experienced the effects of drought.

The outlook for 2025 is stable, although it is expected to feel the ramifications of further political instability both locally and in the region, and the fallout from USAID suspension in the region. Despite this, the African Insurance market has demonstrated resilience.

Industry Review

Consolidated insurance revenue for reinsurers was ZWG4.36 Billion as of 31 December 2024, with a 33% increase in revenue compared with the previous year. Minimum regulatory capital for reinsurance companies in Zimbabwe was at ZWG52 million and I am pleased to report that Muca Re was compliant.

Financial Performance

In 2024, Muca Re recorded a notable revenue increase, underscoring our robust business model and the successful execution of our growth strategies. The 9% rise in revenue reflects both our ability to adapt to market demands and our focus on expanding our service offerings. This growth is not merely a reflection of favourable market conditions but also a result of our proactive approach to risk management and client engagement.

Muca Re has extended its adventure with positive results into the neighbouring countries. This growth is attributed to our robust underwriting practices, diversified product offerings, and enhanced customer engagement strategies. Our ability to adapt to the evolving market conditions and client needs has been instrumental in driving this success.

Of particular note is Muca Re, despite being a newcomer to the market, enjoyed a revenue increase of 9%, and the team should be congratulated on a good result in difficult conditions. On behalf of the board, I thank the team for their loyalty, professionalism, and ambition.

Outlook

Looking ahead, we are optimistic about the future. The reinsurance sector is poised for continued growth, and we are strategically positioned to capitalize on emerging opportunities. Our focus will remain on innovation and excellence in service delivery, ensuring that we meet the evolving needs of our clients.

The outlook is exciting, and we foresee positive growth in the coming year.

Directorate

This year, we made a significant addition to our directorate, welcoming Mr Victor Rosha, whose extensive experience and insights in Finance will further strengthen our governance and strategic direction.

Appreciation

I wish to extend my appreciation to all our customers, suppliers, staff, shareholders, and strategic partners, and my fellow Board members for their unwavering support

for the business, especially given the challenging business operating environment. Together, we will navigate the challenges and opportunities that lie ahead, continuing to build a resilient and sustainable future for Muca Re.

Thank you for your continued trust and partnership.



Cherylynn-Jean Watson
Board Chairperson

Independent Auditor’s Report

To the members of Muca Reinsurance (Private) Limited.

Opinion

We have audited the inflation-adjusted financial statements of Muca Reinsurance (Private) Limited “Muca Re”, which comprise the inflation adjusted Statement of Financial Position as at 31 December 2024, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes to the financial statement including a summary of significant accounting policies and other explanatory information set out on pages 29 to 75.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Muca Re as at 31 December 2024 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31) and Insurance Act (Chapter 24:07).

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 Report section of our report.

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

Our audit approach

Audit scope.

- We conducted a full-scope audit of the company’s financial statements to meet statutory audit requirements.

Key audit matters.

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters wereaddressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter			How the matter was addressed in our audit
Significant judgements and estimates are involved in arriving at the following figures in the financial statements			<p>We performed the following pro cedures to assess the appropri ateness of the balances and re lated income statement adjust ments with respect to the techni cal provisions:</p> <ul style="list-style-type: none">• We evaluated the indepen dence and objectivity of the ex pert (actuary) in the context of the above and other relevant au dit objectives.• We evaluated the assumptions and consistency of the methods used by the expert, with particu lar attention paid to specific knowledge of the business and the results of other audit proce dures. <p>No material inconsistencies were noted.</p> <p>We assessed the consistency of the methods and assumptions used by the directors in deter mining the accounting journals passed during the year.</p> <p>No material inconsistencies were noted.</p> <p>Assessed the reasonableness of methods used to compute the technical reserves as follows:</p> <ul style="list-style-type: none">• On a sample basis, we verified the accuracy and completeness of transactions used to compute the provisions
Technical Provision	2024 Amount (ZWG)	2023 Amount (ZWG)	
Liability for remaining coverage	15,829,919	5,916,953	
Liability for Incurred claims	10,350,169	3,259,284	
Grand Total	26,180,088	9,176,237	



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MUCA RE



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AUDITED ABRIDGED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024

Independent Auditor’s Report (continued)

Key audit matter (continued)	How the matter was addressed in our audit	Key audit matter (continued)	How the matter was addressed in our audit
	<p>by inspecting relevant support ing documentation.</p> <p>• We also recalculated the provi- sions using rates derived from the actuarial valuation. We noted no material aspects in this regard requiring further consid- eration.</p> <p>No material differences were noted.</p> <p>We evaluated the financial state ment disclosures against the re- quirements of IAS 37 Provisions: Contingent Liabilities and Con- tingent Assets, and IFRS 17: In- surance Contracts.</p> <p>No material inconsistencies were noted.</p>	<p>Investment Property</p> <p>The management and the board of directors elected to treat Lot 1 of Subdivision A of Lot 42 of the Hat field estate, given as equity by the shareholders, as investment property. The properties were measured at the value prescribed at the property transfer and subsequently measured at cost less depreciation. As of 31 December 2024, the Property was valued at ZWG 50,755,825.</p> <p>The property is held in the form of units, which are rented out, and MucaRe operates from the same premises.</p>	<p>We substantiated ownership by assessing IAS 40: Investment Property.</p> <p>An assessment of the documen- tation relating to the property was conducted to determine whether there was an asset. The following were the results of the work done. Muca Re manages the property and holds lease agreements in its name, which it operates.</p> <p>Although they occupy less than 10% of the building rentals, changes to the property are ini- tiated by the board.</p> <p>We assessed consistency of the measurement of investment property. It is measured at cost we assessed the property for impairment.</p> <p>No material differences were noted.</p>
<p>Revenue recognition</p> <p>There is a presumed risk of material misstate ment due to fraud in revenue recognition.</p>	<p>We performed the following pr- ocedures to assess the appropri- ateness of the related income statement transactions and in surance payables and receiv- ables:</p> <p>•A comprehensive examination through inspection of policy records, to determine the actual earned premium for the cover age period provided.</p> <p>• We assessed the complete ness of the premiums and re- lated retrocessions recorded through policy sequence checks in the system.</p> <p>No material differences were noted.</p> <p>We assessed the premium rate methods used in through the fol- lowing:</p> <p>• On a sample basis, we verified the accuracy and completeness of individual insurance policies through recomputation of the premium and related amounts. In addition, we inspected rele- vant supporting documenta- tion.</p> <p>• We also compared the pre- mium rates determined by man- agement against industry stan- dards. We noted no material as- pects in this regard requiring fur- ther consideration.</p> <p>No material differences were noted.</p>	<p>Change in functional and reporting currency</p> <p>The Government of Zimbabwe introduced a new lo- cal currency, Zimbabwe Gold effective 5 April 2024. Every registered insurer was expected to carry out conversion of assets and liabilities from ZWL to ZIG as at the 5th of April 2024, being the conversion date and apply the applicable and relevant account ing standards relating to a change of a functional cur- rency.</p>	<p>We reviewed the financial state ments and noted no changes in foreign currency assets and lia- bilities balances. We recom- puted management’s converted figures as at 5 April 2024.</p> <p>The conversion was performed as per guideline with the pre scribed exchange rate was ap- plied.</p>
		<p>Compliance</p> <p>The Insurance and Pensions Commission issued Statutory Instrument 81 of 2023 on No Premium, No Cover regarding insurers remittance of premiums to insurers. The cited instrument states that, “the re- ceipt of an insurance premium shall be a condition for a valid contract of insurance and there shall be no cover in respect of an insurance risk unless the pre- mium is paid in advance.</p>	<p>We reviewed premium receiv- ables to identify any balances that may not comply with SI 81 of 2023 and assessing whether appropriate reversals or impair- ment provisions were recorded.</p> <p>We tested cancelled policies to confirm that no revenue was re- ceived for cancelled policies.</p> <p>We selected a sample of insur- ance policies issued during the year and inspecting supporting documentation to verify that premiums were received before cover commencement.</p> <p>The relevant adjustments were effected in the financial state ments.</p>
<p>The Company’s significant assets include invest- ment properties in various segments, as disclosed in Note 13 of the annual financial statements. The val- ues of these properties are determined using valua- tion experts in the field of real estate valuations.</p>	<p>Experts appointed by the man- agement determined the fair val- ues of the properties. We as- sessed the valuer’s competence and capabilities by verifying their qualifications and experi- ence.</p> <p>We compared the valuation ap- proach used by the valuer against IFRS requirements and industry norms to confirm that the methodology appropriate. The valuation method was com- parable to those typically used in the market</p> <p>No material differences were noted.</p>	<p>Related party transactions identification</p> <p>Related party transactions pose significant risks to the integrity of financial statements. These include:</p> <p>• Risk of Misstatement: Potential for biased judgments to misstate revenues, liabilities, or financial ratios.</p> <p>• Inadequate Disclosure: Insufficient transparency can mislead stakeholders and erode trust.</p> <p>• Regulatory and Compliance Risks: Failure to comply with standards can result in penalties and reputational damage.</p>	<p>We assessed controls around identifying related parties, in line with relevant local legisla- tion, and IAS 24: Related Parties.</p> <p>We tested transactions in the various financial statement ele- ments.</p> <p>No material differences were noted.</p>



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AUDITED ABRIDGED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024

Independent Auditor’s Report (continued)

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. We considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

We also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Other information

The directors are responsible for the other information contained in the financial statements. 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, our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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 International Financial Reporting Standards and the requirements of the Companies and Other Business Entities Act (Chapter 24:31), and the Insurance Act Chapter(24:07) , and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Going Concern Assumption

The Company’s financial statements have been prepared using the going concern basis of assumption. Management is responsible for assessing the Company’s ability to continue as a going concern, including whether the use of the going concern basis of accounting is appropriate.

Management is also responsible for disclosing in the financial statements a material uncertainty of which management becomes aware related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. As part of our audit, we conclude regarding the appropriateness of management’s use of the going concern assumption in the preparation of the financial statements in the context of the applicable financial reporting framework. The use of the going concern basis of accounting has been assessed as appropriate. Those charged with governance are responsible for overseeing the Company’s financial reporting process.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken based on 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 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor’s report unless the law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Dereflexion

Tatenda C. Muronda
Registered Public Auditor
Partner for and on behalf of
Dereflexion Consulting Chartered Accountants (Zimbabwe) Public Auditor Registration
Number 0575
30 June 2025

Managing Director’s Report

As we conclude another financial year, it is with great pride and a sense of responsibility that we present to you the annual statement for the year 2024. This past year has been a testament to our resilience, commitment, and innovative spirit, which have propelled us to achieve remarkable financial results and significant milestones. In the face of a challenging global landscape, we are pleased to report that our company has achieved robust growth in our financial performance. Our insurance revenue has increased by 9% compared to the year 2023, reflecting not only our strategic underwriting practices but also our unwavering dedication to risk management and operational efficiency. This solid financial foundation allows us to continue investing in our capabilities and to provide our clients with the stability and security they deserve.

Throughout the past year, we have celebrated numerous achievements that have solidified our position in the market. Looking ahead, our vision for the future is both ambitious and attainable. We are committed to enhancing our technological capabilities, ensuring that we remain at the forefront of industry advancements. Our goals for the upcoming year include expanding our African footprint, diversifying our product offerings, and fostering deeper relationships with our clients and partners. We believe that by embracing innovation and collaboration, we can navigate the complexities of the reinsurance landscape and create lasting value for all stakeholders.

Economic Review

Local economy:

Exchange rates, price volatility, the dominance of the informal industry, and limited investments were the main issues facing the local economy throughout the reviewed period. The International Monetary Fund, (IMF) research states that economic growth in 2024 fell from 5.3% in 2023 to 2%. Macroeconomic difficulties and the drought brought on by El Nino in 2023–2024 are important considerations. In 2024, agricultural output fell by 17%. Profits from the extractive industry have also decreased as a result of lower mining prices. Due mostly to the anticipated rebound in agriculture, the economic growth rate is anticipated to soar to 6% in 2025.

Insurance Market Review Local Reinsurance market: Consolidated insurance revenue for reinsurers in Zimbabwe was ZWG4.36 Billion as of 31 December 2024. There was a 33% increase in revenue compared to the previous year. Fire, miscellaneous accidents and motor were the top contributors to reinsurance revenue. The three classes contributed 67% of the revenue.

Average loss ratio for the reinsurance companies was 61% and combined ratio was 90%. Loss ratio deteriorated from 56% recorded in 2023 due to some large claims suffered in 2024.

Overview of Business Performance

Insurance revenue was ZWG147 Million as of 31 December 2024 and this was a 9% improvement compared to 2023. Fire and agriculture were the top contributors to gross premiums written in 2024.



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Managing Director’s Report (continued)

Our market

Both the local and regional markets were able to bring in business for Muca Re. This was consistent with the company's goal of geographically diversifying its portfolio. Of the premium, 58% came from the local market and 42% from the regional market.

Our clients

Direct cedents and reinsurance brokers both contributed to the gross premium with about 45% of the gross pre-mium coming from direct business, and 55% coming from reinsurance brokers.

Classes of business

Various insurance classes, including fire, engineering, motor, liability, construction, bonds, and guarantees, contributed to the premium. The majority of the pre-mium came from fire, agriculture and engineering.

Outlook

Despite unfavourable economic conditions in the majority of African nations, the insurance business in Africa has proven resilient. It is anticipated that climate change will continue to have a detrimental impact on insurance operations. Climate change is increasing risk exposures. In addition, insurers must match their product offerings to the Environment, Social, and Governance (ESG) framework, which evaluates the sustainability and moral performance of businesses by concentrating on how they handle social repercussions, environmental risks, and governance procedures.

Silent Shava
Managing Director

Statement of Profit or Loss and Other Comprehensive Income For the period ending 31 December 2024

	Note(s)	Historical ZWG 2024	Historical ZWG Restated 2023
Insurance Revenue	7	146,846,851	70,126,086
Insurance Service Expenses	8	82,849,388	20,816,351
Net expenses from reinsurance			
Contracts held	9	38,381,920	33,724,620
Insurance Service Result		25,615,543	15,585,115
Other Investment Revenue	9	417,901	198,631
Other operating and Administration Expenses	10	10,557,867	5,003,050)
Other finance costs	11	234,542	(160,235)
Profit before tax		15,241,036	10,620,462
Taxation	12	2,098,376	217,957
Profit for the year		17,339,413	10,838,419
Other comprehensive income		8,513,635	2,133,640

Statement of Financial Position For the period ending 31 December 2024

	Historical ZWG 2024	Historical ZWG Restated 2023
ASSETS		
Property and equipment	53,232,028	27,486,741
Deferred Tax Asset	6,338,115	1,259,784
Intangible assets	2,476,798	1,719,053
Insurance contact assets	30,469,704	17,074,720
Reinsurance contract assets	16,092,852	1,352,747
Financial Assets	8,801,529	983,956
Other Receivables	195,403	161,940
Prepayments Cash and cash equivalents	9,406,238	6,309,555
Total assets	127,012,668	56,348,496
EQUITY AND LIABILITIES		
Equity		
Share capital	2,580	1,343
Share Premium	71,088,311	40,764,853
Retained earnings	40,768,109	12,641,659
Foreign Currency Translation Reserve	(17,059,196)	(13,311,848)
Total equity	94,799,804	40,096,007
Current liabilities		
Insurance contract liability	26,180,094	11,565,062
Reinsurance Contract Liability	2,680,078	1,188,242
Other Payables	1,607,597	135,913
Accruals	64,500	241,742
Provisions	1,680,596	1,004,800
Related party transaction	-	2,116,731
Total liabilities	32,212,864	16,252,489
Total equity and liabilities	127,012,668	56,348,496

Statement of Changes in Equity For the period ending 31 December 2024

	Share Capital ZWG	Share Premium ZWG	Retained Earnings ZWG	Foreign Currency Transaction Reserve ZWG	Revaluation reserve ZWG	Total ZWG
Balance at 01 January 2024	2,580	78,309,063	24,285,359	(25,572,831)		77,024,171
Profit for the year	-	-	17,339,413	-		17,339,413
Effects of currency change	-	(7,220,752)	-	-		(7,220,752)
Dividend provision	-	-	(856,663)	-		(856,663)
Other Comprehensive Income for the year	-	-	-	8,513,635	-	8,513,635
Balance at 31 December 2024	2,580	71,088,311	40,768,109	(17,059,196)	-	94,799,804



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AUDITED ABRIDGED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024

Statement of Cashflows for the period
Ending 31 December 2024

	Note(s)	Historical ZWG 2024	Historical ZWG 2023
Profit before tax		15,241,036	10,620,462
Adjustments for:			
Depreciation of property and equipment		2,414,158	1,083,897
Investment income		417,908	(198,636)
Working Capital Changes		(5,844,252)	(4,517,729)
Cash generated from operations		11,393,033	6,987,994
Income tax paid		(1,631,721)	-
Net cash flows operating activities		9,761,312	6,987,994
Net cash utilised in investing activities		(6,664,630)	(946,685)
Net increase in cash and cash equivalents		3,096,682	6,041,309
Cash & Cash Equivalents at the beginning of the year		6,309,555	268,246
Cash and Cash Equivalents at the end of the year		9,406,238	6,309,555

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

1. GENERAL DISCLOSURES

1.1 Country of Incorporation and Main Activities

MUCA Re was registered in 2021 as a reinsurer residing in Zimbabwe at 31 Airport Road, Hatfield in Harare. The company is licensed to do non-life reinsurance. The principal activities of the company is the provision of reinsurance security in all classes of general insurance and also offer support services to its clients, who are primarily insurance companies and insurance brokers. These support services include risk management support, training, and portfolio analysis.

1.2 Basis of Preparation

(i) Compliance to relevant regulations

The financial statements of the company have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB). These financial statements for the year ended 31 December 2024 are in accordance with IFRS.

1.3 Functional and Presentation currency

"These financial statements are presented in united Zimbabwean Gold currency (ZWG). Due to the use of multiple currencies in the economy, management is required to assess what the functional currency of the Company is in accordance with International Accounting Standard (IAS) 21, The Effects of Changes in Foreign Exchange Rates. The Company's assessment was based on weighting the volume of the local currency business against the foreign currency business. Foreign currency transactions recorded for the Company constitute 90% by value of total transactions by value recorded for the year to 31 December 2024. It is management's view that this does constitute a significant proportion of the transactions recorded during the year, thus the functional currency for the company is United States Dollars (USD). RBZ's official exchange rates were used to translate the entity's functional currency to the ZWG. All amounts were translated at the closing rate as at 31 December 2025

1.4 Borrowing powersThe directors may, at their discretion, borrow an amount equal or double the aggregate of shareholders' funds of the Company.

1.5 Preparer of financial statements

These financial statements have been prepared under the supervision of Mrs. S. Makumbe and have been audited in terms of section 29(1) of the Companies and Other Business Entities Act (Chapter 24:31).

2. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

2.1 Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PPE), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

Effective date of adoption

The amendment must be applied retrospectively only to items of PP&E made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. There is no transition relief for first-time adopters.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES 3.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards, (IFRS), as issued by the International Accounting Standards Board (IASB).

3.2 Basis of preparation

The financial statements have been prepared based on statutory records which are maintained on a historical cost basis, except for financial instruments and financial assets that have been measured at fair. Historical cost financial statements are presented in compliance with the requirements of the Companies and Other Business Act (Chapter 24:03).The financial statements are presented in Zimbabwean Gold currency (ZWG).

3.3 Going concern

The directors have assessed the ability of the Company to continue as a going concern and believe that the preparation of the financial statements on a going concern basis is appropriate.

3.4 Foreign Currencies

The financial statements of the company are presented in Zimbabwean Gold Currency (ZWG) in compliance with the monetary policy statement, while the functional currency is United States Dollars which is determined by management after assessing the proportion of foreign currency transactions and local currency transactions, in accordance with International Accounting Standard (IAS) 21. In preparing the financial statements of the company, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Exchange differences are recognised in profit or loss in the period in which they arise except when they relate to items for which gains and losses are recognised in equity. The USD figures were translated to ZWG using RBZ's official exchange rate as at 31 December 2024

For the purpose of presenting financial statements, the assets and liabilities of the Company's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are classified as equity and recognised in the Company's foreign currency translation reserve. Such translation differences are recognised as income or as expenses in the period in which the operation is disposed of.

4. IFRS 17 DISCLOSURES

Reinsurance contracts

Glossary:

LIC -Liability for incurred claims

LRC -Liability for remaining coverage OCI - Other comprehensive income PAA - Premium allocation approach

4.1 Key types of reinsurance contracts held

The Company issues short term insurance contracts that are accounted for in accordance with IFRS 17 Reinsurance. Using the full retrospective approach.

4.2 Reinsurance contracts measured under the premium allocation approach

The Company applies the PAA to the measurement of motor and home reinsurance contracts with a coverage period of each contract in the group of one year or less.

On initial recognition, the Company measures the LRC at the amount of premiums received in cash. As all issued reinsurance contracts to which the PAA is applied have coverage of a year or less, the Company applies a policy of expensing all reinsurance acquisition cash flows as they are incurred.

Premiums due to the Company for reinsurance contract services already provided in the period but not yet received at the end of the reporting period are included in the LRC. The carrying amount of the LRC at the end of each subsequent reporting period represents the carrying amount at the start of the reporting period adjusted for the premiums received in the period and the amount recognised as reinsurance revenue for reinsurance contract services provided in that period.

Fee and commission income

Fee and commission income consists primarily of investment contract fee income, retrocession and profit commissions, asset management fees, insure administration fees and other contract fees.

Investment returns

Investment return consists of dividends, interest and rents receivable, movements in amortised cost on debt securities and other loans and receivables, realised gains and losses, and unrealised gains and losses on fair value assets.

Interest income

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

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. Other intangible assets and insurance intangible assets

Software expenditure

An intangible asset arises from the purchase of software. Acquired intangible assets are measured



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AUDITED ABRIDGED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024

Notes to the Financial Statements (continued)

on initial recognition at cost. The company recognizes an intangible asset if , and only if it is probable that the future economic benefits that are attributable will flow to the entity and the cost of the asset can me measured reliably. The useful lives of intangible assets are assessed to be finite.

The intangible asset is amortised on a straight-line basis over their useful lives (5 years). Amortisation method, useful values and residual values are to be reviewed at each reporting date, and adjusted prospectively, if appropriate.

Property, plant and equipment

Items of property and equipment are measured at cost less accumulated depreciation. Cost include expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalized as part of the equipment.

Depreciation is recognized in the profit and loss on a straight line basis over the estimated useful lives of each part of an item of property and equipment since this mostly closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Depreciation on the assets is calculated on a straight line basis over the useful life of the asset, as follows:

Computer hardware Vehicles

Fixtures and equipment

25% - Estimated life 4 years 20% - Estimated life 5 years

10% - Estimated life 10 years

6 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

6.1 Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

6.1.1 Product classification and contract liabilities

The Company's non life insurance contracts and investment contracts with discretionary participation features are classified as insurance contracts. As permitted by IFRS 4, assets and liabilities of these contracts are accounted for under previously applied IFRS. Contracts classified as investment contracts without discretionary participation features are accounted for under the requirements of IAS 39.

6.1.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

6.2 Valuation of liabilities of non-life insurance contracts

Estimates are made for both the expected ultimate cost of claims reported and claims incurred but not reported (IBNR) at the balance sheet date. The estimate of IBNR is generally subject to a greater degree of uncertainty than that for reported claims. In calculating the estimated liability, the Company uses a variety of estimation techniques based upon statistical analyses of historical experience which assumes past trends can be used to project future developments. The carrying amount for non-life insurance contract liabilities at the balance sheet date is ZWG26,180,094.00

6.3 Fair value of financial instruments using valuation techniques

The directors use their judgement in selecting an appropriate valuation technique. Where possible, financial instruments are marked at prices quoted in active markets. In the current market environment, such price information is typically not available for all instruments and the Company uses valuation techniques to measure such instruments. These techniques use "market observable inputs" where available, derived from similar assets in similar and active markets, from recent transaction prices for comparable items or from other observable market data. For positions where observable reference data are not available for some or all parameters the

Company estimates the non-market observable inputs used in its valuation models.

6.4 SUBSEQUENT EVENTS

Insurance and Pension Commission (IPEC), issued a circular, 12 of 2025, giving clarity on application of "No premium No Cover" on ceding of Insurance Business to Reinsurers. The circular was issued on 1st April 2025. The circular highlighted that there was a misinterpretation of Statutory Instrument 81of 2023, regarding the insurers' remittance of premiums to reinsurers, as most reinsurers still had premiums outstanding (Non Agriculture business) from local insurers. The commission emphasised that provision also apply to transactions between insurers and reinsurers.

6.5 Underwriting risk

Underwriting risk management

Underwriting risk consists of reinsurance risk, persistency risk and expense risk. Reinsurance risk is the risk of the loss event occurrence, or the timing and amount of the loss being different from expectation. The Company's main income generating activity is the issuance of reinsurance contracts and therefore reinsurance risk is a principal risk.

	Historical ZWG 2024	Historical ZWG 2023
7. Insurance Revenue		
Insurance Revenue - Treaty	18,808,849	-
Insurance Revenue - Facultative	128,038,002	70,126,080
	146,846,851	70,126,080
8. Insurance Service Expenses		
Incurred claims	22,355,333	3,843,038
Adjustment to liability for incurred claims	9,813,211	1,460,943
Directly attributable expenses	8,807,127	4,093,404
Change of risk adjustable	738,967	76,892
Armotisation of insurance acquisition cashflows - facultative	36,354,885	4,789,067
Amortisation of insurance acquisition cashflows - treaty	4,779,864	6,553,008
	82,849,388	20,816,351

	Historical ZWG 2024	Historical ZWG 2023
9. Net Insurance from retrocessioner contract held		
9a Net Reinsurance Paid	49,545,257	34,382,271
Retrocession Ceded - Treaty	9,914,229	35034,953
Commission Earned - Treaty	3,288,540	-
Retrocession Ceded - FAC	67,887,327	-
Commission Earned - FAC	24,967,758	(652,682)
9b Claims Recoveries		
Claims Recovered During the Year	11,163,325	(657,645)
Claims ceded to retrocessioners outstanding claims recoveries to retrocessioners	882,820	-
	2,280,504	(657,645)
		-
9b Investment Income	417,901	198,636
Interest from short term investments	417,901	198,636
Investments with Ecobank	-	-
Investments with Nutrure Asset Management	-	-
10. Other operating and administration costs represented by:	19,364,994	9,096,454
Directly attributable to insurance expenses	8,807,127	4,093,404
Other Operating expenses	10,557,867	5,003,050
11. Net financing costs	234,542	160,232
Finance charges	234,542	160,232
12 Taxation		
12.1 Tax credit / charge	2,098,368	217,960
Current tax	(2,632,762)	(397,783)
Deferred tax movement	4,731,130	615,743