MucaRE

Complex Risk. Simply Handled

Annual Report 2024

MucaRE
Complex Risk. Simply Handled

Contents

About us

Muca Reinsurance (Private) Limited, "Muca Re" is situated in Hatfield, Harare. The company is licenced to do non-life reinsurance. It is involved in the provision of reinsurance solutions, including but not limited to, facultative business, treaty underwriting, portfolio analysis, insurance advisory and training.

Our Vision

To be the first-choice reinsurer in our markets.

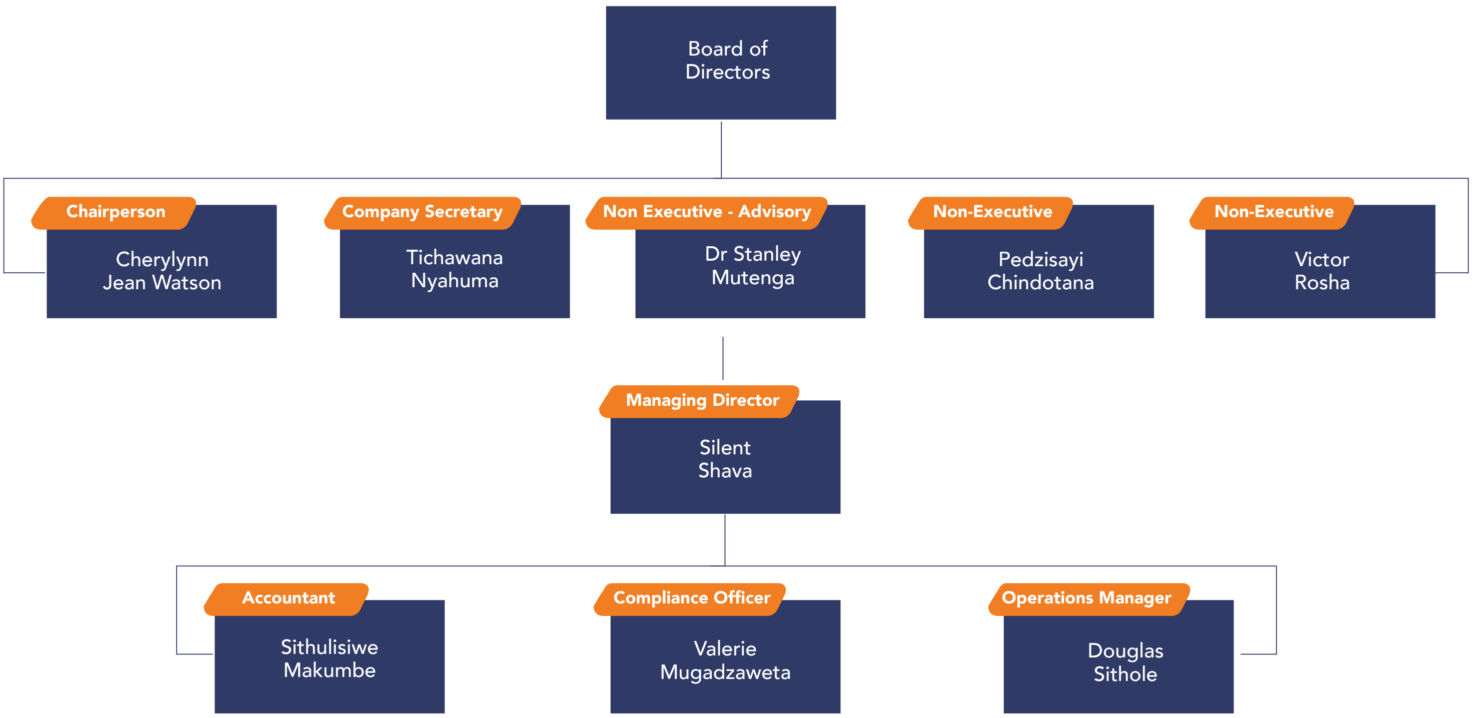
Our Mission

To provide excellent service to all our stakeholders and give viable returns to shareholders

Our Values

- Creativity
- Responsiveness
- Innovation
- Integrity
- Service
- Excellence

Company Structure



Directorate and Administration

Directors

Non-Executive

Cherylynn-Jean Watson	Chairperson
Tichawana Nyahuma	Non-Executive
Pedzisayi Chindotana	Non-Executive
Stanley Mutenga	Non-Executive
Victor Rosha	Non-Executive

Executive

Silent Shava	Managing Director

BOARD COMMITTEES

Audit Committee

Victor Rosha	Chairman
Tichawana Nyahuma	Secretary
Stanley Mutenga	Committee member

Risk Committee

Stanley Mutenga	Chairman
Pedzisayi Chindotana	Secretary
Tichawana Nyahuma	Committee member

Nominations & Remunerations Committee

Tichawana Nyahuma	Chairman
Victor Rosha	Secretary
Pedzisayi Chindotana	Committee member

Investments Committee

Pedzisayi Chindotana	Chairman
Stanley Mutenga	Secretary
Victor Rosha	Committee member

SENIOR MANAGEMENT

Head Office

Douglas Sithole	Operations Manager
Sithulisiwe Makumbe	Accountant
Valerie Mugadzaweta	Compliance Officer

REGISTERED OFFICE

31 Airport Road, Hatfield
Harare
Zimbabwe

COMPANY SECRETARY

Tichawana Nyahuma

SHARE TRANSFER SECRETARIES

Mwaturura & Company
285 Hebert Chitepo Avenue
Harare

AUDITORS

Dereflexion Consulting Chartered Accountants
2 Snipe Avenue
Mount Pleasant
Harare

BANKERS

Ecobank Zimbabwe Ltd.
2 Piers Road, Sam Levy Village
Borrowdale
Harare

Stanbic Bank Botswana Limited
Plot 50672
Fairgrounds Office Park
Gaborone, Botswana

MucaRE
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Executive Reports

CHAIRPERSON'S STATEMENT

Chairperson 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 USD$ 169 million 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 USD$2 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.

CHAIRPERSON'S STATEMENT (continued)

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.

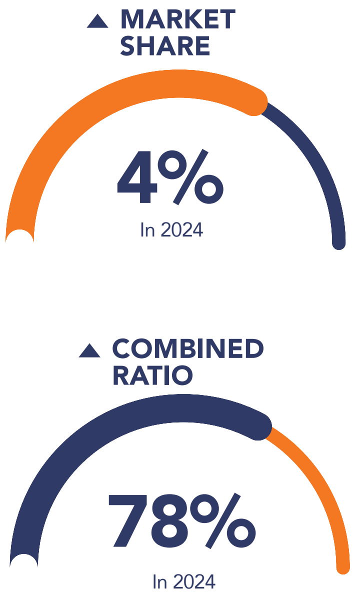
Thank you for your continued trust and partnership.

Cherylynn-Jean Watson
Board Chairperson

FINANCIAL HIGHLIGHTS
For the year ended 31 December 2024

COMPANY SUMMARY (USD)	2024 USD	2023 USD
Insurance Revenue	5,691,738	5,221,561
Earnings before interest, tax, depreciation and amortisation (EBITDA) excluding fair value adjustments	684,310	856,711
Finance costs	9,091	11,931
Profit before taxation	590,738	790,795
Profit attributable to shareholders	672,070	807,024
Cash generated from operating activities	236,314	520,323
Capital expenditure	78,468	70,490
Cash resources net of short-term borrowings and short-term lease liabilities	364,583	449,833
Total assets employed	4,922,972	4,195,687
ORDINARY SHARE PERFORMANCE		
Number of ordinary shares in issue	2,000	2,000
Weighted average number of shares in issue	2,000	2,000
Basic earnings per ordinary share (USD)	336.04	403.51
FINANCIAL STATISTICS		
Retention Ratio%	49%	50%
Combined Ratio	78%	78%
Return on shareholders equity (%)	18%	27%

MANAGING DIRECTOR'S REPORT



Introduction

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.

Sub-Saharan Africa:

The economic growth estimate was at 3.6% and has not changed from the year 2023. This is, however, expected to increase to 4.2% in 2025 according to forecasts by the IMF economic outlook. Inflation remained the number one enemy in most economies, and in some countries like Zambia, debt service costs and tight financial conditions had lowered development.

Insurance Market Review

Local Reinsurance market:

Consolidated insurance revenue for reinsurers in Zimbabwe was $169 million 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.

MANAGING DIRECTOR'S REPORT (continued)

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.

Global Reinsurance market:
Globally, reinsurers made structural improvements and lowered exposure to high frequency events in 2023 and 2024, though primary perils remained a key risk for the sector. Global insured natural catastrophe losses in 2024 reached $145 billion, surpassing $100 billion for the fifth year in a row.

Overall, the international reinsurance market delivered strong results in the first half of 2024 with further improvement in underwriting profitability, exceptional ROEs and a continued building of capital. Earnings resilience further increased through a higher underlying ROE, which provided reinsurers with an additional buffer to absorb headwinds.

Overview Of Business Performance
Insurance revenue was USD5.7 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.

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 premium 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 premium came from fire, agriculture and engineering.

Key figures

Insurance Revenue	**$5.7million**
Insurance Service Result	**$1.3million**
Profit after Tax	**$0.67million**

Key Performance Ratios

Market Share on Insurance Revenue	**4%**
Retention ratio	**49%**
Net commission ratio	**19%**
Incurred claims ratio	**30%**
Combined ratio	**78%**

Outlook
Despite unfavourable economic conditions in the majority of African nations, the insurance business in Africa has proven resilient. By the end of 2025, the African insurance market is predicted to have grown to a premium of over USD 90 billion, with non-life insurance accounting for the majority of premiums.

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

REPORT OF THE DIRECTORS

Authorised
The authorised capital of the Company remained at 2000 Shares of $1each.

Reserves
The movement in the reserves of the Company are shown on page 23 of these financial statements.

Dividends
The Board of Directors has provisioned for a Dividend declaration which is in full compliance with the laws, regulations, and governing documents of Muca Re.

Directorate
In accordance with article 107 of the Company's Articles of Association, the Shareholders shall have the right from time to time in a General Meeting to appoint one or more Directors for a definite or indefinite period, and the provisions of Article 90 - 98 of Table A shall apply to the Directors so appointed.

Director’s Remiuneration
Non-executive directors' remuneration is subject to shareholder approval.

Auditors
At the forthcoming Annual General Meeting, as part of ordinary business, shareholders will be requested to approve fees for the auditors for the year ended 31 December 2024 and to appoint auditors for the ensuing year.

The current auditors, Messrs Dereflexion Consulting have been the Company’s auditors since the year ending 31 December 2022. The Directors shall seek the Shareholders’ indulgence for re-appointment of the auditors at the Company’s annual general meeting (AGM).

By Order of Board

Company Secretary

DIRECTOR'S RESPONSIBILITY FOR FINANCIAL REPORTING

The Company's directors are responsible for maintaining adequate accounting records and the preparation and integrity of the annual financial statements and related information. The Company's independent external auditors, Dereflexion Consulting, have audited the financial statements and their report appears on pages 22 to 28.

The directors are required by the Companies and Other Business Entities Act (Chapter 24:31,) Insurance and Pensions Commission (IPEC) and the relevant Statutory Instruments (SI 33/99 and SI 62/96) to maintain adequate accounting records and to prepare financial statements for each financial year which present a true and fair view of the state of affairs of the Company at the end of the financial period and the performance and cash flows for the period.

In preparing the accompanying financial statements, International Financial Reporting Standards have been applied, reasonable, and prudent judgements and estimates have been made. The financial statements incorporate full and responsible disclosure in line with the accounting philosophy of the Company.

The directors are also responsible for the systems of internal 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 assets, and to prevent and to detect material misstatement and loss. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties.

Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The directors have assessed the ability of the Company to continue operating as a going concern by reviewing the prospects of the company. These assessments considered the Company's financial performance for the year ended 31 December 2024, the financial position as at 31 December 2024 and the current and medium-term forecasts for the Company. Based on this background, the directors have every reason to believe that the Company has adequate resources to continue in operation for the foreseeable future. Accordingly, these financial results were prepared on a going concern basis.

The Company's financial statements have been prepared under the supervision of Mrs Makumbe and have been audited in terms of section 191 of the Companies and Other Business Entities Act (Chapter 24:31).

The financial statements set out on pages 29 to 75 were approved by the Board of Directors and are signed on their behalf by:

Cherylynn-Jean Watson
Chairman

Silent Shava
Managing Director

CORPORATE GOVERNANCE REPORT

BOARD COMPOSITION & APPOINTMENT

The Board of Directors ("the Board") is chaired by an independent non-executive director and comprises five non-executive directors (including the chairman) and one executive director.

The Board enjoys a strong mix of skills and experience. It is the primary governance organ. The role of the Board is to determine overall policies, plans and strategies of the Company and to ensure that these are implemented in an ethical and professional manner.

The Board meets regularly, at least four times a year, and guides corporate strategy, risk management practices, annual budgets and business plans.

Special board meetings may be convened on an adhoc basis when necessary to consider issues requiring urgent attention or decision.

The Company Secretary maintains an attendance register of directors for all scheduled meetings during the year through which directors can assess their devotion of sufficient time to the Company.

The Board has overall responsibility for ensuring the integrity of the Company's accounting and financial reporting systems including the independent audit, and that appropriate systems of control, risk management and compliance with laws are in place.

To ensure effectiveness, Board members have unfettered access to information regarding the Company's operations which is available through Board meetings, Board and Management Committees as well as strategic planning workshops organised by the Company.

The Board appointments are made to ensure a variety of skills and expertise on the Board. A third of the directors are required to retire on a rotational basis each year, along with any directors appointed to the Board during the year.

Executive directors are employed under performance-driven service contracts setting out responsibilities of their particular office.

Attendance of Directors at board and committee meetings during the year ended 31 December 2024.

Directors	Board	Audit Committee	Nominations & Remuneration Committee	Investments Committee	Risk Committee
Cherylynn-Jean Watson	4/4	–	–	–	–
Tichawana Nyahuma	4/4	4/4	4/4	–	4/4
Pedzisayi Chindotana	4/4	–	4/4	4/4	4/4
Stanley Mutenga	4/4	4/4	–	4/4	4/4
Victor Rosha	4/4	4/4	4/4	4/4	–

BOARD ACCOUNTABILITY AND DELEGATED FUNCTIONS

The Board is supported by various committees in executing its responsibilities. The committees meet quarterly to assess, review performance and provide guidance to management on both operational and policy issues.

Each committee acts within certain written terms of reference under which certain functions of the Board are delegated with clearly defined purposes. The Board may take independent professional advice at the Company's expense where necessary. The Board monitors the effectiveness of controls through reviews by the Audit Committee, the Company Internal audit function and independent assessments by the independent external auditors.

BOARD COMMITTEES

Audit Committee

The Audit Committee is chaired by a non-executive director and the independent external auditors have unrestricted access to the committee and attend all meetings. It reviews the annual financial statements, the Company's systems and controls and ensures that audit recommendations are considered and where appropriate, implemented.

CORPORATE GOVERNANCE REPORT (continued)

Nominations and Remuneration Committee

The Human Resources and Remuneration Committee is chaired by a non-executive director and reviews remuneration levels of members of staff throughout the Company.

This Committee comprises three (3) non-executive directors. This Committee is mandated to deal with staff development and formulate remuneration policies as well as approve remuneration packages for executive directors and senior executives.

The remuneration policy is designed to reward performance, to attract, motivate and retain high calibre individuals who will contribute fully to the success of each of the businesses in which Muca Re operates. The committee draws on external market survey data from independent advisors to ensure that the remuneration policy is appropriate and relevant to the prevailing times.

Investments Committee

It is chaired by a non-executive director. The Investments Committee comprises of three (3) non-executive directors.

The Committee reviews the finance policies and strategies used by the Company to achieve its objectives, the performance attained and the risks related thereto. The Committee also reviews and recommends to the board resolutions pertaining to the capital structure of the Company, including resolutions pertaining to dividends and debt issuance levels.

FINANCIAL STATEMENTS AND MANAGEMENT REPORTING

A decentralised management structure exists with business unit management attending to the daily activities of individual business units.

Annual budgets and plans are compiled by each business unit and reviewed and agreed by the Board.

The company has a comprehensive management and financial reporting disciplines, which include monthly management accounts, physical and financial expenditure controls, planned capital expenditure programmes and detailed operating budgets.

The Company maintains internal controls and systems to support these disciplines, and the results of each operation are approved by the Board. Financial progress is monitored monthly and annual forecasts are reviewed quarterly.

The annual financial statements are prepared on a going concern basis, as the directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. The statements are prepared in accordance with International Financial Reporting Standards (IFRS) and are based on policies which are reasonable and prudent. The independent auditors are responsible for carrying out independent examination of the financial statements in accordance with International Standards on Auditing (ISA) and the directors accept responsibility for the preparation of and information presented in the financial statements.

OTHER CORPORATE GOVERNANCE MEASURES

Worker Participation

Worker participation and employer/employee relations are handled through regular meetings. Regular meetings ensure information dissemination, consultation and resolution of conflict areas timeously and to the benefit of all parties.

Environment

The Company adopts a responsible approach and complies with all regulatory and legislative requirements to ensure the protection and maintenance of the environment in which it operates.

Social Responsibility

The Company contributes to the social well-being of its employees and their dependents within the communities in which the Company's operations are located. Provision of health, educational, recreational and sporting facilities on the Company's estates provides amenities for employees as well as members of the surrounding communities.

The Company participates in fair trade label programmes and subjects its operations to audit by international organisations, to ensure compliance with the highest standards in its respective operations.

Related Party Transactions

The Company has a process in place whereby the directors and key management have confirmed that, to the best of their knowledge, the information disclosed in the Company's financial statements fairly represents their shareholding in the Company, both beneficial and indirect, interest in share options of the Company and the compensation earned from the Company for the financial year. In addition, the directors and key management have confirmed that all interests have been declared.

Ms CJ Watson
Chairperson

Mr S Shava
Managing Director

BOARD OF DIRECTORS

Cherylynn-Jean Watson
Board Chairperson

Tichawana Nyahuma
Non-Executive Director

Pedzisayi Chindotana
Non-Executive Director

Stanley Mutenga
Non-Executive Director (Advisory)

Silent Shava
Managing Director

Victor Rosha
Non Executive Director

SENIOR MANAGEMENT

Silent Shava
Managing Director

Sithulisiwe Makumbe
Finance

Douglas Sithole
Operations

Valerie Mugadzaweta
Compliance

MucaRE
Complex Risk. Simply Handled

Auditor's Report & Financial Statements

AUDITOR'S REPORT

2A Serendip Close, Mt Pleasant, Harare
Tel: +263 78 867 4566 | www.dereflexion.co.zw

DEREFLEXION CONSULTING Your Business Think Tank

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 29-75.

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 were addressed 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 mater	How the matter was addressed in our audit
Technical Reserving Significant judgements and estimates are involved in arriving at the following figures in the financial statements:	We performed the following procedures to assess the appropriateness of the balances and related income statement adjustments with respect to the technical provisions:

AUDITOR'S REPORT (continued)

Technical Provision	2024 Amount (USD)	2023 Amount (USD)
IBNR	419,218	181,164
Reported Outstanding Claims (ROC)	42,123	51,239
IBNER	-	-
Unearned Premium Reserve (UPR)	701,857	440,574
Additional Unexpired Risk Reserve (AURR)	-	-
Claims Handling Expense Reserve (ROC)	20,847	10,282
Grand Total	**1,184,045**	**683,259**

• We evaluated the independence and objectivity of the expert (actuary) in the context of the above and other relevant audit objectives.

• We evaluated the assumptions and consistency of the methods used by the expert, with particular attention paid to specific knowledge of the business and the results of other audit procedures.

No material inconsistencies were noted.

We assessed the consistency of the methods and assumptions used by the directors in determining the accounting journals passed during the year.

No material inconsistencies were noted.

Assessed the reasonableness of methods used to compute the technical reserves as follows:

• On a sample basis, we verified the accuracy and completeness of transactions used to compute the provisions by inspecting relevant supporting documentation.

• We also recalculated the provisions using rates derived from the actuarial valuation. We noted no material aspects in this regard requiring further consideration.

No material differences were noted.

We evaluated the financial statement disclosures against the requirements of IAS 37 Provisions: Contingent Liabilities and Contingent Assets, and IFRS 17: Insurance Contracts.

No material inconsistencies were noted.

AUDITOR'S REPORT (continued)

Revenue recognition There is a presumed risk of material misstatement due to fraud in revenue recognition.	We performed the following procedures to assess the appropriateness of the related income statement transactions and insurance payables and receivables: •A comprehensive examination through inspection of policy records, to determine the actual earned premium for the coverage period provided. • We assessed the completeness of the premiums and related retrocessions recorded through policy sequence checks in the system. **No material differences were noted.** We assessed the premium rate methods used in through the following: • 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 relevant supporting documentation. • We also compared the premium rates determined by management against industry standards. We noted no material aspects in this regard requiring further consideration. **No material differences were noted.**
Fair value measurement The Company's significant assets include investment properties in various segments, as disclosed in Note 13 of the annual financial statements. The values of these properties are determined using valuation experts in the field of real estate valuations.	Experts appointed by the management determined the fair values of the properties. We assessed the valuer's competence and capabilities by verifying their qualifications and experience.

AUDITOR'S REPORT (continued)

	the methodology was appropriate. The valuation method was comparable to those typically used in the market **No material differences were noted.**
The management and the board of directors elected to treat Lot 1 of Subdivision A of Lot 42 of the Hatfield 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 USD 1,967,280. The property is held in the form of units, which are rented out, and Muca Re operates from the same premises.	We substantiated ownership by assessing IAS 40: Investment Property. An assessment of the documentation 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. Although they occupy less than 10% of the building rentals, changes to the property are initiated by the board. We assessed consistency of the measurement of investment property. It is measured at cost we assessed the property for impairment. **No material differences were noted.**
Change in functional and reporting currency The Government of Zimbabwe introduced a new local 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 accounting standards relating to a change of a functional currency.	We reviewed the financial statements and noted no changes in foreign currency assets and liabilities balances. We recomputed management's converted figures as at 5 April 2024. **The conversion was performed as per guideline with the prescribed exchange rate was applied.**

AUDITOR'S REPORT (continued)

Compliance 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 receipt 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 premium is paid in advance.	We reviewed premium receivables to identify any balances that may not comply with SI 81 of 2023 and assessing whether appropriate reversals or impairment provisions were recorded. We tested cancelled policies to confirm that no revenue was received for cancelled policies. We selected a sample of insurance policies issued during the year and inspecting supporting documentation to verify that premiums were received before cover commencement. **The relevant adjustments were effected in the financial statements.**
Related party transactions identification Related party transactions pose significant risks to the integrity of financial statements. These include: • Risk of Misstatement: Potential for biased judgments to misstate revenues, liabilities, or financial ratios. • Inadequate Disclosure: Insufficient transparency can mislead stakeholders and erode trust. • Regulatory and Compliance Risks: Failure to comply with standards can result in penalties and reputational damage.	We assessed controls around identifying related parties, in line with relevant local legislation, and IAS 24: Related Parties. We tested transactions in the various financial statement elements. **No material differences were noted.**

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.

AUDITOR'S REPORT (continued)

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.

AUDITOR'S REPORT (continued)

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
16 June 2025

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	2024 USD	2023 USD
Insurance Revenue	7	5,691,738	5,221,561
Insurance Service Expenses	8	(3,211,217)	(1,549,977)
Insurance Service Result from Insurance Contracts Issued		**2,480,522**	**3,671,584**
Allocation of Reinsurance Paid	9	(1,920,358)	(1,920,358)
Amount recoverable from reinsurers for incurred claims	9	432,687	432,687
Net expenses from reinsurance Contracts held		**(1,487,671)**	**(2,511,122)**
Insurance Service Result		**992,851**	**1,160,462**
Other Investment Revenue	9	16,198	16,198
Net Investment Income		**16,198**	**16,198**
Other operating and Administration Expenses	10	(409,220)	(372,525)
Other finance costs	11	(9,091)	(9,091)
Profit before tax		**590,738**	**790,795**
Taxation	12	**81,332**	**16,229**
Profit for the year		**672,070**	**807,024**
Other comprehensive income		**329,986**	**158,870**
Items that will not be reclassified to profit and loss			
Profit/(Loss) on Foreign Exchange		329,986	158,870
Total comprehensive profit/(loss) for the year		**1,002,056**	**965,894**

STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2024

	2024 USD	2023 USD
ASSETS		
Non-current assets		
Property and equipment	2,063,257	2,046,652
Deferred Tax Asset	245,663	93,803
Intangible Assets	96,000	128,000
	2,404,920	**2,268,455**
Current assets		
Insurance contact assets	1,180,996	1,271,377
Reinsurance contract assets	623,754	100,725
Financial Assets	341,145	73,265
Other Receivables & Prepayments	7,574	12,058
Cash and cash equivalents	364,583	469,807
	2,518,051	1,927,232
Total assets	**4,922,972**	**4,195,687**
EQUITY AND LIABILITIES		
Equity		
Share capital	100	100
Share Premium	2,755,361	3,035,335
Retained earnings	1,580,160	941,293
Foreign Currency Translation Reserve	(661,209)	(991,195)
Total equity	**3,674,412**	**2,985,533**
Current liabilities		
Insurance contract liability	1,014,732	861,130
Reinsurance Contract Liability	103,879	88,476
Other Payables	62,310	10,120
Accruals	2,500	18,000
Provisions	65,139	74,817
Related party transaction	-	157,611
Total liabilities	1,248,560	1,210,154
Total equity and liabilities	**4,922,972**	**4,195,687**

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Share Capital USD	Share Premium USD	Retained Earnings USD	Foreign Currency Transaction Reserve USD	Revaluation Reverse USD	Total USD
Balance at 01 January 2024	**100**	**3,035,235**	**941,293**	**(991,195)**	-	**2,985,433**
Profit for the year		-	672,070	-	-	**672,070**
Effects of currency change		(279,874)				**(279,874)**
Dividend provision			(33,204)			**(33,204)**
Other Comprehensive Income for the year			-	329,986		**329,986**
Balance at 31 December 2024	**100**	**2,755,361**		**(661,209)**	**-**	**3,674,412**

STATEMENT OF CASHFLOWS

For the year ended 31 December 2024

	Notes	Historical Cost 2024 USD	Historical Cost 2023 USD
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		590,738	790,795
Adjustments for:			
Depreciation of property and equipment		93,572	80,707
Investment income		(16,198)	(14,790)
Operating cash inflows before working capital changes		**668,113**	**856,711**
Working Capital Changes		(431,798)	(336,388)
Cash generated from operations		**236,314**	**520,323**
Income tax paid		(63,245)	
Net cash flows from operating activities		**173,069**	**520,323**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, vehicles and equipment	9	(78,468)	(15,280)
Purchase of intangible assets	10	-	-
Purchase of short term investments	13	(196,049)	(70,000)
Interest received			
Purchase of fair value assets through profit or loss assets		16,198	14,790
Disposal of short term investments			
Net cash utilised in investing activities		**(258,319)**	**(70,490)**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**(85,250)**	**449,833**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**449,833**	**19,974**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**364,583**	**469,807**

Notes to the Financial Statements

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 States Dollars (USD). 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 95% by value of total transactions by value recorded for the year to 31 December 2023. 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)

1.4 Borrowing powers
The 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).

1.6 Current versus non-current classification
The Company presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:
- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period Or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.
A liability is current when:
- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. The Companyclassifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

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.

2.2 Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
The amendments apply a 'directly related cost approach'. The costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

Effective date of adoption
The amendments must be applied prospectively to contracts for which an entity has not yet fulfilled all of its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Earlier application is permitted and must be disclosed.

This standard had no significant impact on the financial statements of the company.

2.3 Implementation of IFRS 17 Insurance Contracts (IFRS 17)
IFRS 17 Insurance Contracts (IFRS 17) is a comprehensive new accounting standard for insurance contracts that governs recognition, measurement, presentation and disclosure.

Whereas IFRS 4 allowed insurers to use existing local practice for the measurement of insurer liabilities, IFRS 17 provides for a comprehensive and consistent approach to insurance contracts. The new standard affected the financial statements and key performance indicators of the Company

IFRS 17 introduces three possible measurement models namely Premium Allocation Approach (PAA); General Measurement Model (GMM) and Variable Free Approach (VFA). PAA is the simplified measurement model of IFRS 17. It is an accounting policy election for mainly short term insurance contracts, but not a required approach. The theory behind this approach is that the unearned premium on a group of insurance contracts is representative of the liability for remaining coverage under the policies. In addition this liability for remaining coverage, a second component, the liability for incurred claims, will need to be recognized as claims on these policies are incurred to comprise the entire insurance contract obligation. There are some key considerations and distinctions regarding the PAA that must be taken into account before a company starts using this method.

Effective date of adoption
The IASB tentatively decided to defer the effective date of IFRS 17, Insurance Contracts to annual periods beginning on or after January 1, 2022.[The IASB has also published 'Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)' to defer the fixed expiry date of the amendment also to annual periods beginning on or after January 1, 2023.] Effective January 1, 2021. The amendments are effective for annual reporting periods beginning on or after January 1, 2023.

2.4 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28
The amendments address the conflict between IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

This standard had no significant impact on the financial statements of the company.

Effective date of adoption
Effective for annual periods beginning on or after 1 January 2023.

2.5 Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

Replacement of the term 'significant' with 'material' In the absence of a definition of the term 'significant' in IFRS, the Board decided to replace it with 'material' in the context of disclosing accounting policy information. 'Material' is a defined term in IFRS and is widely understood by the users of financial statements, according to the Board. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and the nature of them. Examples of circumstances in which an entity is likely to consider accounting policy information to be material have been added.

The amendments may impact the accounting policy disclosures of entities. Determining whether accounting policies are material or not requires use of judgement. Therefore, entities are encouraged to revisit their accounting policy information disclosures to ensure consistency with the amended standard. Entities should carefully consider whether 'standardised information, or information that only duplicates or summarises the requirements of the IFRSs' is material information and, if not, whether it should be removed from the accounting policy disclosures to enhance the usefulness of the financial statements.

2.6 Definition of Accounting Estimates - Amendments to IAS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. Changes in accounting estimates The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors.
The above standards had no significant impact on the financial statements of the company.

2.7 Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

Effective date of adoption
Effective for annual periods beginning on or after 1 January 2024.
The amendment to IFRS 16 specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. After the commencement date in a sale and leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46, the sellerlessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease, as required by paragraph 46(a) of IFRS 16. The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in Appendix A of IFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with IAS 8.

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).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Basis of preparation

TThe 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 United States Dollars (USD).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.In addition, for financial reporting purposes, and in accordance with the guidance provided by IFRS13, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs, other than quoted prices included within level 1, that are observable for the asset or liability directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

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 Curencies

The financial statements of a company are presented in United States Dollars which is the functional currency determined by management after assessing the prorpotion 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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

4 IFRS 17 DISCLOSURES (continued)

4.1 Key types of reinsurance contracts held

The Company issues the following types of contracts that are accounted for in accordance with IFRS 17 Reinsurance. Using the full retrospective approach.

Motor and home reinsurance policies:
These comprise comprehensive and third-party liability car reinsurance policies as well as home reinsurance policies for contents and buildings with coverage of one year or less

The Company accounts for these contracts applying the Premium Allocation Approach (PAA).

For home and motor, the Group holds facultative (excess of individual loss) reinsurance policies accounted for applying the General Model and quota share reinsurance contracts accounted for applying the PAA.

4.2 Definitions and classifications

Products sold by the Company are classified as reinsurance contracts when the Company accepts significant reinsurance risk from a insurer by agreeing to compensate the insurer if a specified uncertain future event adversely affects the insurer.

This assessment is made on a contract-by-contract basis at the contract issue date. In making this assessment, the Company considers all its substantive rights and obligations, whether they arise from contract, law or regulation.

The Company determines whether a contract contains significant reinsurance risk by assessing if an insured event could cause the Company to pay to the insurer additional amounts that are significant in any single scenario with commercial substance even if the insured event is extremely unlikely or the expected present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows from the reinsurance contract.

The Company issues certain reinsurance contracts that allow insurers to participate in investment returns with the Company, in addition to compensation for losses from insured risk. Participating contracts meet the definition of reinsurance contracts with direct participating features if the following three criteria are met:

- The contractual terms specify that the insurer participates in a share of a clearly identified pool of underlying items
- The Company expects to pay to the insurer an amount equal to a substantial share of the fair value returns from the underlying items
- A substantial proportion of the cash flows that the Company expects to pay to the insurer is expected to vary with the change in the fair value of the underlying items
- The Company assesses whether the above conditions and criteria are met using its expectations at the issue date of the contracts.

The Company also issues investment contracts with discretionary participation features. These contracts are linked to the same pool of assets as reinsurance contracts and have economic characteristics similar to those of reinsurance contracts. The Company accounts for these contracts applying IFRS 1.

The Company issues the following types of contracts that are accounted for in accordance with IFRS 17 Reinsurance.

Motor and home reinsurance policies:
These comprise comprehensive and third-party liability car reinsurance policies as well as home reinsurance policies for contents and buildings with coverage of one year or less

The Company accounts for these contracts applying the Premium Allocation Approach (PAA).

For home and motor, the Company holds facultative (excess of individual loss) reinsurance policies accounted for applying the General Model and quota share reinsurance contracts accounted for applying the PAA.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

4 IFRS 17 DISCLOSURES (continued)

4.3 Combining a set or series of contracts

Sometimes, the Company enters into two or more contracts at the same time with the same or related counterparties to achieve an overall commercial effect. The Company accounts for such a set of contracts as a single reinsurance contract when this reflects the substance of the contracts. When making this assessment, the Company considers whether:

- The rights and obligations are different when looked at together compared to when looked at individually
- The Company is unable to measure one contract without considering the other

4.4 Separating components from reinsurance contracts

In addition to the provision of reinsurance coverage service, some reinsurance contracts issued by the Company have other components such as an investment component, an embedded derivative or the provision of some other distinct goods or non-reinsurance services.

The Company assesses its products to determine whether some of these components are distinct and need to be separated and accounted for applying other IFRS Accounting Standards. When these non-reinsurance components are non-distinct, they are accounted for together with the reinsurance component applying IFRS 17.

The Company first considers the need to separate distinct embedded derivatives and investment components, before assessing the need to separate any goods and non-reinsurance services component.

4.5 Combining a set or series of contracts

Sometimes, the Company enters into two or more contracts at the same time with the same or related counterparties to achieve an overall commercial effect. The Company accounts for such a set of contracts as a single reinsurance contract when this reflects the substance of the contracts. When making this assessment, the Company considers whether:

- The rights and obligations are different when looked at together compared to when looked at individually
- The Company is unable to measure one contract without considering the other

4.6 Separating components from reinsurance contracts

In addition to the provision of reinsurance coverage service, some reinsurance contracts issued by the Company have other components such as an investment component, an embedded derivative or the provision of some other distinct goods or non-reinsurance services.

The Company assesses its products to determine whether some of these components are distinct and need to be separated and accounted for applying other IFRS Accounting Standards. When these non-reinsurance components are non-distinct, they are accounted for together with the reinsurance component applying IFRS 17.

The Company first considers the need to separate distinct embedded derivatives and investment components, before assessing the need to separate any goods and non-reinsurance services component.

4.7 Separating promises to transfer distinct goods or non-reinsurance services

After the Company has determined whether to separate embedded derivatives and investment components, it considers the separation of any promise to transfer goods or non-reinsurance services embedded in the contract.

The Company separates from the host reinsurance contract only distinct promises to transfer goods or non-reinsurance services to a insurer. Once separated, such promises are accounted for applying IFRS 15.

In determining whether an obligation to deliver a good or non-reinsurance service promised to a insurer is distinct, the Company considers whether the insurer can benefit from the good or service either on its own or together with other resources readily available to the insurer (i.e. resources that are either sold separately or already owned by the insurer).

A good or non-reinsurance service that is promised to the insurer is not distinct if the cash flows and risks associated with the good or service are highly interrelated with the cash flows and risks associated with the reinsurance components. The Company provides a significant service integrating the good or non-reinsurance service with the reinsurance components.

The Company has not identified any distinct goods or non-reinsurance services.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

4 IFRS 17 DISCLOSURES (continued)

4.8 Level of aggregation

The Company identifies portfolios by aggregating reinsurance contracts that are subject to similar risks and managed together. In grouping reinsurance contracts into portfolios, the Company considers the similarity of risks rather than the specific labelling of product lines.

The Company has determined that all contracts within each product line, as defined for management purposes, have similar risks. Therefore, when contracts are managed together, they represent a portfolio of contracts. Some products issued by different entities within the Company are considered as being managed at the issuing entity level. This is because the management of the solvency capital management, which supports the issuance of these contracts, is ringfenced within these entities.

The Company may acquire reinsurance contracts as part of a business combination or a portfolio transfer. Unlike originally issued contracts, contracts acquired in a settlement phase transfer a reinsurance risk of adverse claims development. The Company considers such risk to be different from contracts it originally issues and aggregates such contracts in separate portfolios by product line.

Each portfolio is subdivided into groups of contracts to which the recognition and measurement requirements of IFRS 17 are applied.

At initial recognition, the Company segregates contracts based on when they were issued. A cohort contains all contracts that were issued within a 12-month period. Each cohort is then further disaggregated into three groups of contracts:

- Contracts that are onerous on initial recognition
- Contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently
- Any remaining contracts

The determination of whether a contract or a group of contracts is onerous is based on the expectations as at the date of initial recognition, with fulfilment cash flow expectations determined on a probability-weighted basis. The Company determines the appropriate level at which reasonable and supportable information is available to assess whether the contracts are onerous at initial recognition and whether the contracts not onerous at initial recognition have a significant possibility of becoming onerous subsequently.

The Company applies significant judgement in determining at what level of granularity the Company has sufficient information to conclude that all contracts within a set will be in the same group. In the absence of such information, the Company assesses each contract individually.

4.9 Level of aggregation Continued

The composition of groups established at initial recognition is not subsequently reassessed.
For motor and home reinsurance contracts accounted for applying the PAA, the Company determines that contracts are not onerous on initial recognition, unless there are facts and circumstances indicating otherwise. The Company assesses the likelihood of changes in applicable facts and circumstances to determine whether contracts not onerous on initial recognition belong to a group with no significant possibility of becoming onerous in the future.

If facts and circumstances indicate that some contracts may be onerous at initial recognition or the group of contracts has become onerous, the Company performs a quantitative assessment to assess whether the carrying amount of the liability for remaining coverage determined applying the PAA is less than the fulfilment cash flows related to remaining coverage determined applying the General Model.

If the fulfilment cash flows related to remaining coverage determined applying the General Model exceed the PAA carrying amount of the liability for remaining coverage, the difference is recognised in profit or loss and the liability for remaining coverage is increased by the same amount.

When motor reinsurance contracts within a portfolio would only fall into different groups due to specific constraints imposed by law or regulation on the Company's practical ability to set a different price, the Company nevertheless includes those contracts in the same group

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

4 IFRS 17 DISCLOSURES (continued)

4.10 Recognition

The Company uses facultative and treaty reinsurance to mitigate some of its risk exposures. Reinsurance contracts held are accounted for applying IFRS 17 when they meet the definition of a reinsurance contract. This includes the condition that the contract must transfer significant reinsurance risk.

Reinsurance contracts transfer significant reinsurance risk only if they transfer to the reinsurer substantially all the reinsurance risk relating to the reinsured portions of the underlying reinsurance contracts, even if a reinsurance contract does not expose the issuer (reinsurer) to the possibility of a significant loss.

Reinsurance contracts held are accounted for separately from underlying reinsurance contracts issued and are assessed on an individual contract basis. In aggregating reinsurance contracts held, the Company determines portfolios in the same way as it determines portfolios of underlying reinsurance contracts issued. The Company considers that each product line reinsured at the ceding entity level to be a separate portfolio. The Company disaggregates a portfolio of its reinsurance contracts held into three groups of contracts:
• Contracts that on initial recognition have a net gain
• Contracts that, on initial recognition, have no significant possibility of resulting in a net gain subsequently

4.11 Level of aggregation Continued

• Any remaining reinsurance contracts held in the portfolio
For motor and home quota share reinsurance contracts held accounted for applying the PAA, the Company assumes that all reinsurance contracts held in each portfolio will not result in a net gain on initial recognition, unless facts and circumstances indicate otherwise.

In determining the timing of initial recognition of a reinsurance contract held, the Company assesses whether the reinsurance contract's terms provide protection on losses on a proportionate basis. The Company recognises a group of reinsurance contracts held that provides proportionate coverage:

• At the start of the coverage period of that group of reinsurance contracts held
• At the initial recognition of any of the underlying reinsurance contracts, whichever is later
The Company recognises a group of non-proportional reinsurance contracts at the earliest of the beginning of the coverage period of the group or the date an underlying onerous group of contracts is recognised.

The boundary of a reinsurance contract held includes cash flows resulting from the underlying contracts covered by the reinsurance contract held. This includes cash flows from reinsurance contracts that are expected to be issued by the Company in the future if these contracts are expected to be issued within the boundary of the reinsurance contract held.

Cash flows are within the boundary of a reinsurance contract held, if they arise from the substantive rights and obligations of the cedant that exist during the reporting period in which the Company is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer.

4.12 Reinsurance contracts held measured under the PAA

The Company measures quota share motor and home reinsurance contracts by applying the PAA. Under the PAA, the initial measurement of the asset for remaining coverage equals the reinsurance premium paid.
The Company measures the amount relating to remaining service by allocating the premium paid over the coverage period of the group. For all reinsurance contracts held, the allocation is based on the passage of time, home and motor quota share reinsurance contracts, where claims are seasonal and the allocation is based on the expected incidence of claims.

Where the reinsurance contracts held covers a group of onerous underlying reinsurance contracts, the Company adjusts the carrying amount of the asset for remaining coverage and recognises a gain when, in the same period, it reports a loss on initial recognition of an onerous group of underlying reinsurance contracts or on addition of onerous underlying reinsurance contracts to a group. The recognition of this gain results in the recognition for the loss recovery component of the asset for the remaining coverage of a group of reinsurance contracts held

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

4 IFRS 17 DISCLOSURES (continued)

4.13 Contract boundaries

The measurement of a group of reinsurance contracts includes all future cash flows expected to arise within the boundary of each contract in the group.

In determining which cash flows fall within a contract boundary, the Company considers its substantive rights and obligations arising from the terms of the contract, and from applicable laws, regulations and customary business practices. The Company determines that cash flows are within the boundary of a contract if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the insurer to pay the premiums or the Company has a substantive obligation to provide the insurer with reinsurance contract services.

A substantive obligation to provide reinsurance contract services ends when the Company has the practical ability to reassess the risks of a particular insurer and, as a result, to change the price charged or the level of benefits provided for the price to fully reflect the new level of risk. If the boundary assessment is performed at a portfolio rather than individual contract level, the Company must have the practical ability to reprice the portfolio to fully reflect risk from all insurers. The Company's pricing must not take into account any risks beyond the next reassessment date.

In determining whether all risks have been reflected either in the premium or in the level of benefits, the Company considers all risks that insurers would transfer had the Company issued the contracts (or portfolio of contracts) at the reassessment date. Similarly, the Company concludes on its practical ability to set a price that fully reflects the risks in the contract or portfolio at a renewal date by considering all the risks it would assess when underwriting equivalent contracts on the renewal date for the remaining service. The assessment on the Company's practical ability to reprice existing contracts takes into account all contractual, legal and regulatory restrictions. In doing so, the Company disregards restrictions that have no commercial substance. The Company also considers the impact of market competitiveness and commercial considerations on its practical ability to price new contracts and repricing existing contracts. The Company exercises judgement in deciding whether such commercial considerations are relevant in concluding as to whether the practical ability exists at the reporting date.

The Company issues investment-linked reinsurance contracts that include an embedded reinsurance option to add reinsurance coverage at a future date. The Company has no right to compel the insurer to pay premiums and the option to add reinsurance coverage at a future date is a reinsurance component that is not measured separately from the reinsurance contract. When the reinsurance option is not in substance a separate contract and the terms are guaranteed by the Company, the cash flows arising from the option are within the boundary of the contract.

4.14 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.

The Company has determined that there is no significant financing component in motor and home reinsurance contracts with a coverage period of one year or less. The Company does not discount the liability for remaining coverage to reflect the time value of money and financial risk for such reinsurance contracts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

4 IFRS 17 DISCLOSURES (continued)

4.14 Reinsurance contracts measured under the premium allocation approach (continued)

The Company also applies the PAA to the all-quota share home and motor reinsurance contracts held. The coverage period of such reinsurance contracts held is 15 months or less. As the coverage period exceeds one year, the Company at initial recognition assesses whether the PAA is a reasonable approximation of the General Model.

For motor and home reinsurance contracts held with a coverage period longer than one year, the Company exercises judgement to determine whether a significant financing component exists. For groups of reinsurance contracts held with a significant financing component, the Company adjusts the LRC for the time value of money using discount rates determined at initial recognition.

For both motor and home reinsurance contracts issued and reinsurance contracts held, the carrying amount of the LIC is measured applying the General Model, except that:

- For claims that the Company expects to be paid within one year or less from the date of incurrence, the Company does not adjust future cash flows for the time value of money and the effects of financial risks
- For claims expected to take more than one year to settle are discounted applying the discount rate at the time the incurred claim is initially recognised

Applying the PAA, the reinsurance revenue is measured at the amount allocated from the expected premium receipts excluding any investment component. The allocation is done on the basis of the passage of time, and motor quota share reinsurance contracts issued, where claims are seasonal and the allocation is based on the expected incidence of claims. The Company applies judgement in determining the basis of allocation.
When facts and circumstances indicate that a group of contracts has become onerous, the Company performs a test for onerousness. If the amount of the fulfilment cash flows exceeds the carrying amount of the LRC, the Company recognises the amount of the difference as a loss in profit or loss and increases the LRC for the corresponding amount

Modification and derecognition

The Company derecognises the original contract and recognises the modified contract as a new contract, if the terms of reinsurance contracts are modified and the following conditions are met:

– Is outside of the scope of IFRS 17
– Results in a different reinsurance contract due to separating components from the host contract
– Results in a substantially different contract boundary
– Would be included in a different group of contracts

The original contract met the definition of a reinsurance contract with direct participating features, but the modified contract no longer meets the definition

- The original contract was accounted for applying the PAA, but the modified contract no longer meets the PAA eligibility criteria for that approach
- If the contract modification meets any of the conditions, the Company performs all assessments applicable at initial recognition, derecognises the original contract and recognises the new modified contract as if it was entered for the first time. The Company derecognises a reinsurance contract when, and only when the contract is:
- Extinguished (when the obligation specified in the reinsurance contract expires or is discharged or cancelled)
- Modified and the derecognition criteria are met
- When the Company derecognises an reinsurance contract from within a group of contracts, it:
- Adjusts the fulfilment cash flows allocated to the group to eliminate the present value of the future cash flows and risk adjustment for non-financial risk relating to the rights and obligations that have been derecognised from the group

4.16 Reinsurance revenue

As the Company provides reinsurance services under a group of reinsurance contracts issued, it reduces its LRC and recognises reinsurance revenue, which is measured at the amount of consideration the Company expects to be entitled to in exchange for those services.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

4 IFRS 17 DISCLOSURES (continued)
4.16 Reinsurance revenue (continued)

Reinsurance revenue also includes the portion of premiums that relate to recovering those reinsurance acquisition cash flows included in the reinsurance service expenses in each period. Both amounts are measured in a systematic way on the basis of the passage of time.

When applying the PAA, the Company recognises reinsurance revenue for the period based on the passage of time by allocating expected premium receipts including premium experience adjustments to each period of service. However, when the expected pattern of release from risk during the coverage period differs significantly from the passage of time, the premium receipts are allocated based on the expected pattern of incurred reinsurance service expenses.
Adjusts the number of coverage units for expected remaining reinsurance contract services to reflect the coverage units derecognised from the group, and recognises in profit or loss in the period the amount of CSM based on that adjusted number when the Company transfers a reinsurance contract to a third party and that results in derecognition, the Company adjusts the CSM of the group from which the contract has been derecognised for the difference between the change in the carrying amount of the group caused by the derecognised fulfilment cash flows and the premium charged by the third party for the transfer.

When the Company derecognises a reinsurance contract due to modification, it derecognises the original reinsurance contract and recognises a new one. The Company adjusts the CSM of the group from which the modified contract has been derecognised for the difference between the change in the carrying amount of the group as a result of adjustment to fulfilment cash flows due to derecognition and the premium the Company would have charged had it entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium actually charged for the modification.

Presentation
The Company has presented separately in the statement of financial position the carrying amount of the portfolios of reinsurance contracts held that are assets and those that are liabilities.
The Company disaggregates the amounts recognised in the statement of profit or loss and other comprehensive income into an reinsurance service result sub-total that comprises reinsurance revenue and reinsurance service expenses and, separately from the reinsurance service result, the 'net reinsurance finance income or expenses' sub-total.

The Company has voluntarily included the net reinsurance finance income or expenses line in another subtotal: net reinsurance and investment result, which also includes the income from all the assets backing the Company's reinsurance liabilities.

The Company includes any assets for reinsurance acquisition cash flows recognised before the corresponding groups of reinsurance contracts are recognised in the carrying amount of the related portfolios of reinsurance contracts issued.

The Company does not disaggregate the change in risk adjustment for non-financial risk between a financial and nonfinancial portion. It includes the entire change as part of the reinsurance service result.

When applying the PAA, the Company recognises reinsurance revenue for the period based on the passage of time by allocating expected premium receipts including premium experience adjustments to each period of service. However, when the expected pattern of release from risk during the coverage period differs significantly from the passage of time, the premium receipts are allocated based on the expected pattern of incurred reinsurance service expenses.

When applying the PAA, the Company recognises reinsurance revenue for the period based on the passage of time by allocating expected premium receipts including premium experience adjustments to each period of service. However, when the expected pattern of release from risk during the coverage period differs significantly from the passage of time, the premium receipts are allocated based on the expected pattern of incurred reinsurance service expenses.

The Company issues home reinsurance policies with different expected patterns of occurrence of claims. For those groups of contracts, revenue is recognised based on the expected patterns of claim occurrence.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

4 IFRS 17 DISCLOSURES (continued)
4.16 Reinsurance revenue (continued)

At the end of each reporting period, the Company considers whether there was a change in facts and circumstances indicating a need to change, on a prospective basis, the premium receipt allocation due to changes in the expected pattern of claim occurrence.

4.16.2 Reinsurance service expenses

Reinsurance service expenses arising from a group of reinsurance contracts issued comprises:
- Changes in the LIC related to claims and expenses incurred in the period excluding repayment of investment components
- Changes in the LIC related to claims and expenses incurred in prior periods (related to past service)
- Other directly attributable reinsurance service expenses incurred in the period

Amortisation of reinsurance acquisition cash flows, which is recognised at the same amount in both reinsurance service expenses and reinsurance contract revenue
- Loss component of onerous groups of contracts initially recognised in the period

Changes in the LRC related to future service that do not adjust the CSM, because they are changes in the loss components of onerous groups of contracts

4.16.3 Income or expenses from reinsurance contracts held

The Company presents income or expenses from a group of reinsurance contracts held and reinsurance finance income or expenses in profit or loss for the period separately. Income or expenses from reinsurance contracts held are split into the following two amounts:
- Amount recovered from reinsurers
- An allocation of the premiums paid

The Company presents cash flows that are contingent on claims as part of the amount recovered from reinsurers. Ceding commissions that are not contingent on claims of the underlying contracts are presented as a deduction in the premiums to be paid to the reinsurer which is then allocated to profit or loss.

The Company establishes a loss recovery component of the asset for the remaining coverage for a group of reinsurance contracts held. This depicts the recovery of losses recognised on the initial recognition of an onerous group of underlying reinsurance contracts or on addition of onerous underlying reinsurance contracts to a group. The loss recovery component adjusts the CSM of the group of reinsurance contracts held. The loss recovery component is then adjusted to reflect:

- Changes in the fulfilment cash flows of the underlying reinsurance contracts that relate to future service and do not adjust the CSM of the respective groups to which the underlying reinsurance contracts belong to
- Reversals of loss recovery component to the extent those reversals are not changes in the fulfilment cash flows of the group of reinsurance contracts held
- Allocations of the loss recovery component against the amounts recovered from reinsurers reported in line with the associated reinsured incurred claims or expenses

4.16.4 Reinsurance finance income and expenses

Reinsurance finance income or expenses present the effect of the time value of money and the change in the time value of money, together with the effect of financial risk and changes in financial risk of a group of reinsurance contracts and a group of reinsurance contracts held.

The use of OCI presentation for reinsurance finance income and expenses

The Company has an accounting policy choice to present all of the period's reinsurance finance income or expenses in profit or loss or to split the amount between profit or loss and other comprehensive income (OCI). When considering the choice of presentation of reinsurance finance income or expenses, the Company examines the assets held for that portfolio and how they are accounted for.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

4 IFRS 17 DISCLOSURES (continued)
4.16.4 Reinsurance finance income and expenses (continued)

The accounting policy choice to disaggregate reinsurance finance income or expenses so that part is recognised in profit or loss and part in OCI is applied on a portfolio-by-portfolio basis.

The Company may reassess its accounting policy choice during the duration of a group of direct participating contracts when there is a change in whether the Company holds the underlying items or no longer holds the underlying items. When such change occurs, the Company includes the amount accumulated in OCI by the date of change as a reclassification adjustment to profit or loss spread across the period of change and future periods based on the method and on assumptions that applied immediately before the date of change.

Comparatives are not restated.
For PAA contracts
When applying the PAA, the Company does not discount the liability for remaining coverage to reflect the time value of money and financial risk for motor and home reinsurance policies with a coverage period of one year or less. For those claims that the Company expects to be paid within one year or less from the date of incurrence, the Company does not adjust future cash flows for the time value of money and the effects of financial risks. However, claims expected to take more than one year to settle are discounted applying the discount rate at the time the incurred claim is initially recognised. The Company disaggregates reinsurance finance income or expenses between profit or loss and OCI based on the systematic allocation method over the duration of the contracts in the group.

For quota-share motor and home reinsurance contracts held measured applying the PAA, the Company adjusts the LRC for the time value of money for quota-share motor and home reinsurance contracts held with a coverage period longer than one year using discount rates determined at initial recognition. The Company elects to disaggregate presentation of reinsurance finance income or expenses.

The amounts presented in profit or loss are based on the discount rates relating to nominal cash flows that do not vary based on the returns on any underlying items determined at the date of initial recognition of a group of contracts.

For facultative reinsurance contracts held measured applying the General Model, the Company has elected to present all reinsurance finance income or expenses in profit or loss.

Exchange differences
Exchange differences arising from changes in the carrying amount of groups of reinsurance contracts held are recognised in profit or loss in the period in which they arise.

Exchange differences arising from changes in the carrying amount of groups of reinsurance contracts held included in other comprehensive income, if any, are recognised in other comprehensive income.

The group of reinsurance contracts with cash flows in different foreign currencies is assessed to be denominated in a single currency. Accordingly, the risk adjustment for non-financial risks and the CSM of the group of reinsurance contracts are determined in the currency of the group of contracts.

At the end of each reporting period, the carrying amount of the group of reinsurance contracts denominated in a foreign currency is translated into the functional currency.

The amounts arising from changes in exchange rates between the currency of the cash flows and the currency of the group of contracts are considered as changes in financial risk and are accounted for as reinsurance finance income or expenses.

The amounts arising from changes in exchange rates between the currency of the group of contracts and the functional currency are considered as exchange differences and are recognised in profit or loss in the period in which they arise

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

4 IFRS 17 DISCLOSURES (continued)

4.17 Contracts existing at transition date

Reinsurance contracts held

For a group of reinsurance contracts held that was purchased before or at the same time the underlying reinsurance contracts were issued, the Company determines the loss-recovery component of the asset for remaining coverage at transition by multiplying the loss component of the liability for remaining coverage for the underlying reinsurance contracts at the transition date with the percentage of claims for the group of underlying onerous reinsurance contracts that the Company expects to recover from the group of reinsurance contracts held.

Where the Company does not have reasonable and supportable information to determine the loss-recovery component of the asset for remaining coverage, the Company does not identify such loss-recovery component.

Reinsurance contract revenue

For those groups of contracts for which coverage has expired at the transition date, there is no revenue recognised after the date of transition.

For groups of contracts, other than direct participating contracts, that were determined to be onerous at the date of transition, the loss component was estimated at the transition date. If there is still coverage remaining after the date of transition, revenue for such groups is recognised, but in considering changes in the LRC the Company excludes subsequent increases and decreases in the loss component.

For direct participating contracts with remaining coverage, that at transition date were determined to have been onerous on initial recognition, the Company does not track any loss component.

Revenue is recognised in the same way as for other non-onerous groups of contracts. Subsequent increase in the entity's share of the fair value of the underlying items will create a CSM, which would then be allocated to the period and included in the determination of the period's revenue.

Reinsurance finance income or expenses

The Company has elected disaggregated presentation of reinsurance finance income or expenses for indirect participating contracts and direct participating contracts issued, for motor and home reinsurance contracts issued accounted applying PAA, and for quota share reinsurance policies held measured applying PAA and the General Model.

- For motor and home reinsurance contracts issued and accounted for applying the PAA, the cumulative amount of OCI was determined as nil.
- For motor and home reinsurance contracts held accounted for applying the PAA, the cumulative amount of OCI was determined as nil.

4.18 Taxation

Income tax specifically chargeable to insurers

When income tax expenses are specifically chargeable to the insurer under the terms of the contract, they are measured applying IAS 12, and the Company includes those amounts in the fulfilment cash flows applying IFRS 17. The Company accounts for them as a reduction in the liability for remaining coverage and recognises reinsurance revenue when incurred.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, described in Note 1, 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 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

4 IFRS 17 DISCLOSURES (continued)
4.18 Taxation (continued)

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

• Assessment of significance of reinsurance risk: The Company applies its judgement in assessing whether a contract transfers to the issuer significant reinsurance risk. A contract transfers significant reinsurance risk only if an insured event could cause the Company to pay additional amounts that are significant in any single scenario and only if there is a scenario that has commercial substance in which the issuer has a possibility of a loss on a present value basis upon an occurrence of the insured event, regardless of whether the insured event is extremely unlikely. The assessment of whether additional amounts payable on the occurrence of an insured event are significant and whether there is any scenario with commercial substance in which the issuer has a possibility of a loss on a present value basis involves significant judgement and is performed at initial recognition on a contract-by-contract basis.

The type of contracts where this judgement is required are those that transfer financial and reinsurance risk and result in the latter being the smaller benefit provided. The application of judgement in this area is aided by the Company's processes to filter contracts where the additional amounts referred to above are more than

5% but less than 10% of the amounts paid if the insured event does not occur. Additional amounts that are less than 5% are considered by the Company as insignificant.

A specialist unit conducts all these judgemental classifications under IFRS 17 to maintain consistency across the Company. This assessment is performed after separation of non-closely related derivatives, distinct investment components and promises to transfer distinct goods and non-reinsurance services.

Critical accounting judgements and key sources of estimation uncertainty:
Combination of reinsurance contracts: Determining whether it is necessary to treat a set or series of reinsurance contracts as a single contract involves significant judgement and careful consideration. In assessing whether a set or series of reinsurance contracts achieve, or are designed to achieve, an overall commercial effect, the Company determines whether the rights and obligations are different when looked at together compared to when looked at individually and whether the Company is unable to measure one contract without considering the other.

Separation of non-reinsurance components from reinsurance contracts: The Company issues some reinsurance contracts that have several elements in addition to the provision of the reinsurance coverage service, such as a deposit component, an investment management service, an embedded derivative and other goods or services. Some of these elements need to be separated and accounted for by applying other Standards, while other elements remain within the reinsurance measurement model. In assessing whether components meet the separation criteria and should be separated, the Companies applies significant judgement.

• Separation of reinsurance components of a reinsurance contract: The Company issues some reinsurance contracts that combine protection for the insurer against different types of reinsurance risks in a single contract. IFRS 17 does not require or permit separating reinsurance components of a reinsurance contract unless the legal form of a single contract does not reflect the substance of its contractual rights and obligations. In such cases, separate reinsurance elements must be recognised. Overriding the 'single contract' unit of account presumption involves significant judgement and is not an accounting policy choice. When determining whether a legal contract reflects its substance or not, the Company considers the interdependency between different risks covered, the ability of all components to lapse independently, and the ability to price and sell the components separately

• Determination of the contract boundary: The measurement of a group of reinsurance contracts includes all the future cash flows arising within the contract boundary. In determining which cash flows fall within a contract boundary, the Company considers its substantive rights and obligations arising from the terms of the

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

4 IFRS 17 DISCLOSURES (continued)
Critical accounting judgements and key sources of estimation uncertainty: (continued)

contract, from applicable law, regulation and customary business practices. Cash flows are considered to be outside of the contract boundary if the Company has the practical ability to reprice existing contracts to reflect their reassessed risks, and if the contract's pricing for coverage up to the date of reassessment only considers the risks until the next reassessment date.

The Company applies its judgement in assessing whether it has the practical ability to set a price that fully reflects all the risks in the contract or portfolio.

Level of aggregation: The Company applies judgement when distinguishing between contracts that have no significant possibility of becoming onerous and other profitable contracts

• Assessment of directly attributable cash flows: The Company uses judgement in assessing whether cash flows are directly attributable to a specific portfolio of reinsurance contracts. Reinsurance acquisition cash flows are included in the measurement of a group of reinsurance contracts only if they are directly attributable to the individual contracts in a group, or to the group itself, or the portfolio of reinsurance contracts to which the group belongs. When estimating fulfilment cash flows, the Company also allocates fixed and variable overheads fulfilment cash flows directly attributable to the fulfilment of reinsurance contracts.
• Assessment of eligibility for PAA: For quota share home and motor reinsurance contracts with a coverage period extending beyond one year, the Company elects to apply the PAA if at the inception of the group, the Company reasonably expects that it will provide a liability for remaining coverage that would not differ materially from the General Model.

The Company exercises judgement in determining whether the PAA eligibility criteria are met at initial recognition.

• Assessment of the eligibility for meeting the criteria for direct participating contracts: Direct participating contracts are considered to be sufficiently different from other participating contracts due to the enforceable link to the underlying items, the significance of insurers' share in the pool and the significance of those returns to the overall insurer payments. The Company assesses whether a contract meets the definition of a direct participating contract using the Company's expectations existing at inception of the contract. This assessment is performed, on a contract-by-contract basis, for all reinsurance contracts with direct participating features and investment contracts with discretionary participating features (investment contracts with DPF). In assessing the significance of the insurer's share of returns from the underlying items and the degree of variability in total payments to the insurer, the Company applies significant judgement.

The Company applies significant judgement in determining the insurer share of returns. The Company considers that variable annual charges applied to the insurer amount reduce the insurer share of fair value returns. The Company considers it significant if, over the duration of the contract, on a present value probability-weighted average basis, the Company expects to pay to insurer more than [X]% of the fair value returns from underlying items. At inception, in considering the expected degree of variability in total payments to the insurer with the changes in fair value of underlying items, the Company considers the range of possible scenarios and estimates their probabilities.

Combination of reinsurance contracts: Determining whether it is necessary to treat a set or series of reinsurance contracts as a single contract involves significant judgement and careful consideration. In assessing whether a set or series of reinsurance contracts achieve, or are designed to achieve, an overall commercial effect, the Company determines whether the rights and obligations are different when looked at together compared to when looked at individually and whether the Group is unable to measure one contract without considering the other

• Consideration whether there are investment components: The Company considers all terms of contracts it issues to determine whether there are amounts payable to the insurer in all circumstances, regardless of contract cancellation, maturity, and the occurrence or non-occurrence of an insured event. Some amounts, once paid by the insurer, are repayable to the insurer in all circumstances. The Company considers such payments to meet the definition of an investment component, irrespective of whether the amount repayable varies over the term of the contract as the amount is repayable only after it has first been paid by the insurer

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

4 IFRS 17 DISCLOSURES (continued)
Critical accounting judgements and key sources of estimation uncertainty: (continued)

• Separation of non-reinsurance components from reinsurance contracts: The Company issues some reinsurance contracts that have several elements in addition to the provision of the reinsurance coverage service, such as a deposit component, an investment management service, an embedded derivative and other goods or services. Some of these elements need to be separated and accounted for by applying other Standards, while other elements remain within the reinsurance measurement model. In assessing whether components meet the separation criteria and should be separated, the Company applies significant judgement.

• Separation of reinsurance components of an reinsurance contract: The Company issues some reinsurance contracts that combine protection for the insurer against different types of reinsurance risks in a single contract. IFRS 17 does not require or permit separating reinsurance components of an reinsurance contract unless the legal form of a single contract does not reflect the substance of its contractual rights and obligations. In such cases, separate reinsurance elements must be recognised. Overriding the 'single contract' unit of account presumption involves significant judgement and is not an accounting policy choice. When determining whether a legal contract reflects its substance or not, the Company considers the interdependency between different risks covered, the ability of all components to lapse independently, and the ability to price and sell the components separately.

• Determination of the contract boundary: The measurement of a group of reinsurance contracts includes all the future cash flows arising within the contract boundary. In determining which cash flows fall within a contract boundary, the Company considers its substantive rights and obligations arising from the terms of the contract, from applicable law, regulation and customary business practices. Cash flows are considered to be outside of the contract boundary if the Company has the practical ability to reprice existing contracts to reflect their reassessed risks, and if the contract's pricing for coverage up to the date of reassessment only considers the risks until the next reassessment date. The Company applies its judgement in assessing whether it has the practical ability to set a price that fully reflects all the risks in the contract or portfolio.

The Company considers contractual, legal and regulatory restrictions when making its assessment and applies judgement to decide whether these restrictions have commercial substance.

• Identification of portfolios: The Company defines a portfolio as reinsurance contracts subject to similar risks and managed together. Contracts within the same product line are expected to be in the same portfolio as they have similar risks and are managed together. The assessment of which risks are similar and how contracts are managed requires the exercise of judgement. Where similar products are issued by different entities within a group, they are considered to be separate portfolios. Despite the oversight provided by management at the group level, the Company determines that these contracts are managed at the local issuing entity level. For some product lines, the group acquires reinsurance contracts as part of a business combination or a portfolio transfer. Unlike originally issued contracts, contracts acquired in a settlement phase transfer an reinsurance risk of adverse claims development. The Company considers such risk to be different from contracts it originally issues and aggregates such contracts in separate portfolios by product line. For investment-linked reinsurance policies, the Company considers groups of contracts participating in different pools of underlying items to be in different portfolios, because they are subject to different risks from underlying items. However, where different products participate in the same pool of underlying items (e.g. investment-linked reinsurance policies and investment contracts with discretionary participating features), these are also considered separate portfolios due to different reinsurance risks

• Level of aggregation: The Group applies judgement when distinguishing between contracts that have no significant possibility of becoming onerous and other profitable contracts

• Assessment of directly attributable cash flows: The Company uses judgement in assessing whether cash flows are directly attributable to a specific portfolio of reinsurance contracts. Reinsurance acquisition cash flows are included in the measurement of a group of reinsurance contracts only if they are directly attributable to the individual contracts in a group, or to the group itself, or the portfolio of reinsurance contracts to which the group belongs. When estimating fulfilment cash flows, the Company also allocates fixed and variable overheads fulfilment cash flows directly attributable to the fulfilment of reinsurance contracts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

4 IFRS 17 DISCLOSURES (continued)
Critical accounting judgements and key sources of estimation uncertainty: (continued)

Assessment of eligibility for PAA: For quota share home and motor reinsurance contracts with a coverage period extending beyond one year, the Company elects to apply the PAA if at the inception of the group, the Company reasonably expects that it will provide a liability for remaining coverage that would not differ materially from the General Model.

The Company exercises judgement in determining whether the PAA eligibility criteria are met at initial recognition.

The Company considers contractual, legal and regulatory restrictions when making its assessment and applies judgement to decide whether these restrictions have commercial substance.

• Identification of portfolios: The Company defines a portfolio as reinsurance contracts subject to similar risks and managed together. Contracts within the same product line are expected to be in the same portfolio as they have similar risks and are managed together. The assessment of which risks are similar and how contracts are managed requires the exercise of judgement. Where similar products are issued by different entities within a group, they are considered to be separate portfolios. Despite the oversight provided by management at the group level, the Company determines that these contracts are managed at the local issuing entity level. For some product lines, the group acquires reinsurance contracts as part of a business combination or a portfolio transfer. Unlike originally issued contracts, contracts acquired in a settlement phase transfer a reinsurance risk of adverse claims development. The Company considers such risk to be different from contracts it originally issues and aggregates such contracts in separate portfolios by product line. For investment-linked reinsurance policies, the Group considers groups of contracts participating in different pools of underlying items to be in different portfolios, because they are subject to different risks from underlying items. However, where different products participate in the same pool of underlying items (e.g. investment-linked reinsurance policies and investment contracts with discretionary participating features), these are also considered separate portfolios due to different reinsurance risks

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• Assessment of directly attributable cash flows: The Company uses judgement in assessing whether cash flows are directly attributable to a specific portfolio of reinsurance contracts. Reinsurance acquisition cash flows are included in the measurement of a group of reinsurance contracts only if they are directly attributable to the individual contracts in a group, or to the group itself, or the portfolio of reinsurance contracts to which the group belongs. When estimating fulfilment cash flows, the Group also allocates fixed and variable overheads fulfilment cash flows directly attributable to the fulfilment of reinsurance contracts. See Note 1.H for more details

• Assessment of eligibility for PAA: For quota share home and motor reinsurance contracts with a coverage period extending beyond one year, the Group elects to apply the PAA if at the inception of the group, the Company reasonably expects that it will provide a liability for remaining coverage that would not differ materially from the General Model. The Company exercises judgement in determining whether the PAA eligibility criteria are met at initial recognition.

• Assessment of the eligibility for meeting the criteria for direct participating contracts: Direct participating contracts are considered to be sufficiently different from other participating contracts due to the enforceable link to the underlying items, the significance of insurers' share in the pool and the significance of those returns to the overall insurer payments. The Company assesses whether a contract meets the definition of a direct participating contract using the Company's expectations existing at inception of the contract. This assessment is performed, on a contract-by-contract basis, for all reinsurance contracts with direct participating features and investment contracts with discretionary participating features (investment contracts with DPF). In assessing the significance of the insurer's share of returns from the underlying items and the degree of variability in total payments to the insurer, the Company applies significant judgement. The Company applies significant judgement in determining the insurer share of returns. The Company considers that variable annual charges applied to the insurer amount reduce the insurer share of fair value returns. The Company considers it significant if, over the duration of the contract, on a present value probability-weighted average basis, the

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

4 IFRS 17 DISCLOSURES (continued)
Critical accounting judgements and key sources of estimation uncertainty: (continued)

Company expects to pay to insurer more than [X]% of the fair value returns from underlying items. At inception, in considering the expected degree of variability in total payments to the insurer with the changes in fair value of underlying items, the Company considers the range of possible scenarios and estimates their probabilities. The Company considers a proportion of all payments to the insurer that are expected to vary with the returns on underlying items to be substantial, if on a present value probability-weighted average of all scenarios such proportion exceeds [X]%.

• Assessment of significance of modification: The Group derecognises the original contracts and recognises the modified contract as a new contract, if the derecognition criteria are met. The Company applies judgement to assess whether the modified terms of the contract would result in the original contract meeting the criteria for derecognition

• Level of aggregation for determining the risk adjustment for non-financial risk: IFRS 17 does not define the level at which the risk adjustment for non-financial risk should be determined. The level of aggregation for determining the risk adjustment for non-financial risk is not an accounting policy choice and requires judgement. The Company considers that the benefits of diversification occur at an issuing entity level and therefore determines the risk adjustment for non-financial risk at that level. The diversification benefit is then allocated to all groups of reinsurance contracts. The Company considers contractual, legal and regulatory restrictions when making its assessment and applies judgement to decide whether these restrictions have commercial substance.

• Identification of portfolios: The Company defines a portfolio as reinsurance contracts subject to similar risks and managed together. Contracts within the same product line are expected to be in the same portfolio as they have similar risks and are managed together. The assessment of which risks are similar and how contracts are managed requires the exercise of judgement. Where similar products are issued by different entities within a group, they are considered to be separate portfolios. Despite the oversight provided by management at the group level, the Company determines that these contracts are managed at the local issuing entity level. For some product lines, the group acquires reinsurance contracts as part of a business combination or a portfolio transfer. Unlike originally issued contracts, contracts acquired in a settlement phase transfer a reinsurance risk of adverse claims development. The Company considers such risk to be different from contracts it originally issues and aggregates such contracts in separate portfolios by product line. For investment-linked reinsurance policies, the Company considers groups of contracts participating in different pools of underlying items to be in different portfolios, because they are subject to different risks from underlying items. However, where different products participate in the same pool of underlying items (e.g. investment-linked reinsurance policies and investment contracts with discretionary participating features), these are also considered separate portfolios due to different reinsurance risks

• Level of aggregation: The Company applies judgement when distinguishing between contracts that have no significant possibility of becoming onerous and other profitable contracts

• Assessment of directly attributable cash flows: The Company uses judgement in assessing whether cash flows are directly attributable to a specific portfolio of reinsurance contracts. Reinsurance acquisition cash flows are included in the measurement of a group of reinsurance contracts only if they are directly attributable to the individual contracts in a group, or to the group itself, or the portfolio of reinsurance contracts to which the group belongs. When estimating fulfilment cash flows, the Company also allocates fixed and variable overheads fulfilment cash flows directly attributable to the fulfilment of reinsurance contracts.

• Assessment of eligibility for PAA: For quota share home and motor reinsurance contracts with a coverage period extending beyond one year, the Company elects to apply the PAA if at the inception of the group, the Company reasonably expects that it will provide a liability for remaining coverage that would not differ materially from the General Model. The Company exercises judgement in determining whether the PAA eligibility criteria are met at initial recognition.

• Assessment of the eligibility for meeting the criteria for direct participating contracts: Direct participating contracts are considered to be sufficiently different from other participating contracts due to the enforceable link to the underlying items, the significance of insurers' share in the pool and the significance of those returns to the overall insurer payments. The Company assesses whether a contract meets the definition of a direct

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

4 IFRS 17 DISCLOSURES (continued)
Critical accounting judgements and key sources of estimation uncertainty: (continued)

participating contract using the Company's expectations existing at inception of the contract. This assessment is performed, on a contract-by-contract basis, for all reinsurance contracts with direct participating features and investment contracts with discretionary participating features (investment contracts with DPF). In assessing the significance of the insurer's share of returns from the underlying items and the degree of variability in total payments to the insurer, the Company applies significant judgement. The Company applies significant judgement in determining the insurer share of returns. The Company considers that variable annual charges applied to the insurer amount reduce the insurer share of fair value returns. The Company considers it significant if, over the duration of the contract, on a present value probability-weighted average basis, the Company expects to pay to insurer more than [X]% of the fair value returns from underlying items. At inception, in considering the expected degree of variability in total payments to the insurer with the changes in fair value of underlying items, the Company considers the range of possible scenarios and estimates their probabilities. The Company considers a proportion of all payments to the insurer that are expected to vary with the returns on underlying items to be substantial, if on a present value probability-weighted average of all scenarios such proportion exceeds [X]%. See Note 1.H.4 for more details

• Assessment of significance of modification: As explained in Note 1.K, the Company derecognises the original contracts and recognises the modified contract as a new contract, if the derecognition criteria are met. The Company applies judgement to assess whether the modified terms of the contract would result in the original contract meeting the criteria for derecognition
• Level of aggregation for determining the risk adjustment for non-financial risk: IFRS 17 does not define the level at which the risk adjustment for non-financial risk should be determined. The level of aggregation for determining the risk adjustment for non-financial risk is not an accounting policy choice and requires judgement. The Company considers that the benefits of diversification occur at an issuing entity level and therefore determines the risk adjustment for non-financial risk at that level. The diversification benefit is then allocated to all groups of reinsurance contracts

Estimation of allocation rate for reinsurance finance income or expenses
The Company uses either the constant or crediting rate in the systematic allocation of reinsurance finance income or expenses. The constant rate used in a period is calculated applying the formula which uses three variables: the estimate of future cash flows at the end of the reporting period (not discounted), the present value of future cash flows brought forward discounted by the constant rate used in the previous period, and the expected duration of the group contracts. In determining the constant rate, the Group estimates the expected reinsurance finance income or expenses over the remaining duration of the group that is partly implicit in the estimated cash flows. For direct participating contracts for which the Group does not hold the underlying items, the Company uses the crediting rate for the systematic allocation of reinsurance finance income or expenses. In determining the crediting rate, the Group estimates the constant factor.

Risk adjustment for non-financial risk
The isk adjustment for non-financial risk represents the compensation the Company requires for bearing the uncertainty regarding the amount and timing of cash flows arising from reinsurance risk and other non-financial risks, such as lapse risk and expense risk. It captures the inherent variability in expected future cash flows and reflects the Company's degree of risk aversion.

The Company determines the risk adjustment at the entity level and allocates it systematically across all relevant groups of reinsurance contracts. To estimate this adjustment, the Company applies the factor method, a pragmatic approach that is suitable given the nature, scale, and current stage of the Company's development. Under this method, a fixed percentage of 5% is applied to the best estimate liability. This factor is based on historical experience, expert judgment, and internal assessments of the Company's risk exposure. While the factor method is not explicitly calibrated to a statistical confidence level, internal analysis suggests that the 5% factor broadly aligns with an 80% confidence level, which is considered appropriate for the Company's current risk profile.

As the Company is still relatively small and in a growth phase, this approach provides a practical balance between robustness and simplicity. However, the methodology and assumptions will be reviewed periodically and refined over time as the Company's portfolio grows in size and complexity, ensuring continued appropriateness and alignment with evolving risk characteristics.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

4 IFRS 17 DISCLOSURES (continued)

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.

Allocation of asset for reinsurance acquisition cash flows to current and future groups of contracts.The Company allocates the asset for reinsurance acquisition cash flows to an associated group of contracts and to any future groups that include the contracts that are expected to arise from the renewals of the contracts in that group using a systematic and rational method. In doing so, the Company estimates the expected contracts to be included within a future group or the number of renewals that may arise from an original group when allocating the asset.

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. The Company is exposed to different elements of reinsurance risks: For motor and home reinsurance policies, the most significant factor which could increase the amount and frequency of claims is a catastrophic event such as a hurricane, flooding or earthquake. The Company is exposed to reserve risk and premium risk arising on all reinsurance contracts issued. The Company mitigates its exposure by applying its underwriting strategy to diversify the type of reinsurance risks accepted and the level of insured benefit. The Company also mitigates these risks by purchasing excess of loss retrocessionaire programmes against large individual claims and catastrophe losses and quota-share reinsurance arrangements to reduce the overall exposure for certain classes of business. The Company has a variety of approved reinsurers to mitigate rereinsurance risk, the risk of placement of ineffective retrocessionaire arrangements.

Allocation of asset for reinsurance acquisition cash flows to current and future groups of contracts.The Company allocates the asset for reinsurance acquisition cash flows to an associated group of contracts and to any future groups that include the contracts that are expected to arise from the renewals of the contracts in that group using a systematic and rational method. In doing so, the Company estimates the expected contracts to be included within a future group or the number of renewals that may arise from an original group when allocating the asset.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. The Company is exposed to different elements of reinsurance risks: For motor and home reinsurance policies, the most significant factor which could increase the amount and frequency of claims is a catastrophic event such as a hurricane, flooding or earthquake. The Company is exposed to reserve risk and premium risk arising on all reinsurance contracts issued. The Company mitigates its exposure by applying its underwriting strategy to diversify the type of reinsurance risks accepted and the level of insured benefit. The Company also mitigates these risks by purchasing excess of loss retrocessionaire programmes against large individual claims and catastrophe losses and quota-share reinsurance arrangements to reduce the overall exposure for certain classes of business. The Company has a variety of approved reinsurers to mitigate rereinsurance risk, the risk of placement of ineffective retrocessionaire arrangements.

5.1 Fee and commission income

Fee and commission income consists primarily of investment contract fee income, retrocession and profit commissions, asset management fees, insurer administration fees and other contract fees. Front end fees on investment contracts with no discretionary participating features are recognised as income when investment

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)
5.1 Fee and commission income (continued)

management services are rendered over the estimated life of the contracts. Reinsurance commissions receivable are deferred in the same way as acquisition costs. All other fee and commission income is recognised as the services are provided.

5.2 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.

5.3 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.

5.4 Dividend income
Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

5.5 Rental income
Rental income is recognised on an accruals basis.

5.6 Realised gains and losses
The realised gain or loss on disposal of an investment is the difference between the proceeds received, net of transaction costs, and its original cost or amortised cost as appropriate.

5.7 Unrealised gains and losses
Unrealised gains or losses represent the difference between the carrying value at the year end and the carrying value at the previous year end or purchase value during the year, less the reversal of previously recognised unrealised gains and losses inrespect of disposals during the year.

5.8 Benefits and claims
Gross benefits and claims consists of benefits and claims paid to insurers, changes in the valuation of the liabilities arising on insurer contracts and internal and external claims handling expenses, net of salvage and subrogation recoveries. Non-life insurance claims are recognised upon notification. Maturities and annuities are recognised when due. Claims include all claims occurring during the year, whether reported or not, related internal and external claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years. Reinsurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

5.9 Taxation
The tax expense represents the sum of the tax currently payable and deferred tax.

5.9.1 Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. The total tax expense includes tax in respect of Zimbabwe life insurers' returns and the Company has disclosed this separately. The tax charge in respect of insurers' returns reflects the movement in current and deferred tax.

5.9.2 Deferred tax
Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)
5.9.2 Deferred tax (continued)

extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

5.10 Other intangible assets and insurance intangible assets

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

Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period
in which it is incurred.

5.11 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.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items of property and equipment.
The gains or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of the item of property and equipment and are recognised net within other income in profit or loss.

Freehold land is not depreciated.

Vehicles, fixtures and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5.11 Property, plant and equipment (continued)

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	25% - Estimated life 4 years
Vehicles	20% - Estimated life 5 years
Fixtures and equipment	10% - Estimated life 10 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each financial position date. Depreciation methods, useful lives and residual values are reassessed at each financial year end and adjusted if appropriate.

5.12 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost less any accumulated depreciation . Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing cost.

5.13 Impairment of tangible and intangible assets

At each balance sheet date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

5.14 Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5.14.1 Financial assets

Investments are recognised and derecognised on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' (HTM) investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. In general, the Company uses the FVTPL category because the Company's risk management strategy is to manage its investments on the same basis as it's insurance and investment contract liabilities (i.e. at fair value).

5.14.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest basis for debt instruments other than those financial assets designated as at FVTPL. The Company chooses not to disclose the effective interest rate for debt instruments that are classified as at fair value through profit or loss.

5.14.3 Financial assets at FVTPL

Financial assets classified as at FVTPL are where the financial asset is either held for trading or it is designated as at FVTPL at inception.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

5.14.4 Financial instrument- continued

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Company is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognised in income. The net gain or loss recognised in income incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described in this note below.

5.14.5 Held-to-maturity investments

Held-to-maturity investments are those with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and ability to hold to maturity and are classified as held-to-maturity investments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5.14.5 Held-to-maturity investments (continued)
Held-to-maturity investments are recorded at amortised cost using the effective interest method less any impairment, with revenue recognised on an effective yield basis.

5.14.6 Available-for-sale financial assets
Available-for-sale financial assets include listed shares and redeemable notes that are traded in an active market and non- derivative financial assets that are either designated in this category or not classified as any other category and are stated at fair value. Fair value is determined in the manner described in this note below. Gains and losses arising from changes in fair value are recognised directly in equity in the investments revaluation reserve with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the investments revaluation reserve is included in profit or loss for the period.
Dividends on AFS equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established.

The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the balance sheet date. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in profit or loss, and other changes are recognised in equity.

5.14.7 Loans and receivables
Loans and other receivables that have fixed or determinable payments that are not quoted in an active market are designated as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

5.14.8 Impairment of financial assets
Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For shares classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment. For all other financial assets, including redeemable notes classified as AFS and finance lease receivables, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets and the loss is recognised in profit or loss.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity instruments, impairment losses previously recognised through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised directly in equity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5.14.9 Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

5.14.10 Derecognition of financial assets
The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

5.14.11 Financial liabilities and equity
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

5.14.12 Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

5.14.13 Financial guarantee contract liabilities
Financial guarantee contract liabilities are measured initially at their fair values and are subsequently measured at the higher of the expected receivable or liability under the guarantee and the amount initially recognised less, where appropriate, cumulative amortisation.

5.14.14 Financial liabilities
Financial liabilities are classified as either financial liabilities ‘at FVTPL’ or ‘other financial liabilities’.
Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL.
A financial liability is classified as held for trading if:
- it has been incurred principally for the purpose of disposal in the near future; or
- it is a part of an identified portfolio of financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:
- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company’s documented risk management or investment strategy, and information about the Company is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability. Fair value is determined in the manner described below.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.
Net asset value attributable to unit-holders and liabilities for investment contracts without DPF are designated as financial liabilities at FVTPL.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5.14.15 Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or, where appropriate, a shorter period.

5.14.16 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

5.14.17 Provisions

Provisions for restructuring costs, legal claims and levies are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material. Provisions are not recognised for future operating losses.

5.15 Insurance contracts and investment contracts with discretionary participation features

IFRS 17 permits the continued use of previously applied standards. Except for Zimbabwe regulated with-profits funds, this basis has been adopted using recognised actuarial methods reflecting legal supervisory principles.

5.15.1 Non-life insurance business

Insurance contract assets and liabilities and reinsurance contract assets and liabilities

Provision for the liabilities of non-life insurance contracts is made for outstanding claims and settlement expenses incurred at the balance sheet date including an estimate for the cost of claims incurred but not reported (IBNR) at that date. Included in the provision is an estimate of the internal and external costs of handling the outstanding claims. Material salvage and other recoveries including retrocession recoveries are presented as assets.The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques.

The main assumption underlying these techniques is that a Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, these methods extrapolate the development of paid and incurred losses, average costs per claim and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years, but can also be further analysed by geographical area, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the likely outcome from the range of possible outcomes, taking account of all the uncertainties involved.

Significant delays are experienced in the notification and settlement of certain types of general insurance claims, particularly in respect of liability business, environmental and pollution exposures, the ultimate cost of which may vary from the original assessment. Adjustments to the amounts of claim provisions established in prior years are reflected in the financial statements for the period in which the adjustments are made and disclosed separately, if material.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5.15.2 Provision for unearned premiums
The provision for unearned premiums represents that part of written premiums, gross of commission payable to intermediaries, that is estimated to be earned in subsequent periods. The change in the provision is recorded in the income statement to recognise revenue over the period of the risk. The company uses the 365th method to estimate the Unearned Premiums.

5.15.3 Liability adequacy
At each reporting date the Company performs a liability adequacy test on its insurance liabilities less related deferred acquisition costs and intangible assets to ensure that the carrying value is adequate, using current estimates of future cash flows, taking into account the relevant investment return. If that assessment shows that the carrying amount of the liabilities is inadequate, any deficiency is recognised as an expense to the income statement initially by writing off the intangible assets and subsequently by recognising an additional liability for claims provisions or recognising a provision for unexpired risks.

The unexpired risks provision is assessed in aggregate for business classes which are managed together.

5.15.4 Non-life insurance contract liabilities
Non-life insurance contract liabilities include the outstanding claims provision, the provision for unearned premium and the provision for premium deficiency. The outstanding claims provision is based on the estimated ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not, together with related claims handling costs and a reduction for the expected value of salvage and other recoveries. Delays can be experienced in the notification and settlement of certain types of claims. Therefore, the ultimate cost of these cannot be known with certainty at the reporting date. The liability is calculated at the reporting date using a range of standard actuarial claim projection techniques, based on empirical data and current assumptions that may include a margin for adverse deviation. The liability is not discounted for the time value of money. No provision for equalisation or catastrophe reserves is recognised. The liabilities are derecognised when the obligation to pay a claim expires, is discharged or is cancelled.

5.15.5 Unearned premium reserve
The provision for unearned premiums represents that portion of premiums received or receivable that relates to risks that have not yet expired at the reporting date. The provision is recognised when contracts are entered into and premiums are charged, and is brought to account as premium income over the term of the contract in accordance with the pattern of insurance service provided under the contract. At each reporting date, the Company reviews its unexpired risk and a liability adequacy test is performed in with the 365th method to determine whether there is any overall excess of expected claims and deferred acquisition costs over unearned premiums. This calculation uses current estimates of future contractual cash flows after taking account of the investment return expected to arise on assets relating to the relevant non-life insurance technical provisions. If these estimates show that the carrying amount of the unearned premiums (less related deferred acquisition costs) is inadequate, the deficiency is recognised in the statement of profit or loss by setting up a provision for premium deficiency.

Where such business is reinsured the reinsurers' share is carried forward as deferred income.
Deferred acquisition costs and deferred origination costs are amortised systematically over the life of the contracts and tested for impairment at each balance sheet date. Any amount not recoverable is expensed. They are derecognised when the related contracts are settled or disposed of.

5.15.6 Retrocession
The Company enters into retrocession contracts in the normal course of business in order to limit the potential for losses arising from certain exposures. Outwards reinsurance premiums are accounted for in the same period as the related premiums for the direct or inwards reinsurance business being reinsured.
Reinsurance liabilities comprise premiums payable for outwards reinsurance contracts and are recognised in the income statement when due.

Reinsurance assets include balances due from reinsurance companies for paid and unpaid losses. Reinsurance assets are measured consistently with the amounts associated with the underlying insurance or investment contracts and in accordance with the terms of the reinsurance contract. Reinsurance is recorded as an asset unless a right of set-off exists, in which case the associated liabilities are reduced to take account of reinsurance.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5.15.6 Retrocession

Reinsurance assets are subject to impairment testing and the carrying amount is reduced to its recoverable amount. The impairment loss is recognised as an expense in the income statement. The asset is impaired if objective evidence is available to suggest that it is probable that the Company will not be able to collect the amounts due from reinsurers.

Reinsurance contracts that principally transfer financial risk are accounted for directly through the balance sheet as financial instruments (see note 3.13) and are not included in reinsurance assets or liabilities but designated to be financial instruments at fair value through profit or loss. A deposit asset or liability is recognised based on the consideration paid or received less any explicitly identified premiums or fees to be retained by the ceding company.

5.15.7Insurance receivables and payables

Receivables and payables arising under insurance contracts are recognised when due and measured at amortised cost. A provision for impairment is established when there is objective evidence that, as a result of one or more events that occurred after the initial recognition, the estimated future cash flows have been impacted.Insurance payables are recognised when due and measured on initial recognition at fair value of the consideration received less directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the EIR method.

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.

6.1.1Product 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.

6.1.2Key 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 USD1,014,732.00

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

For derivative financial instruments, assumptions are made based on quoted market rates adjusted for specific features of the instrument.

Other financial instruments are valued using a discounted cash flow analysis based on assumptions supported, where possible, by observable market prices or rates although some assumptions are not supported by observable market prices or rates.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 USD	2023 USD
7.1 Insurance Revenue		
Insurance Revenue - Treaty		
Insurance Revenue - Facultative	729,025	-
	4,962,713	5,221,561
	5,691,738	5,221,561
7.2 Facultative		
New business for the year **(Note 7a.)**	4,962,713	5,221,561
New business for future periods	5,089,894	5,438,166
	(127,181)	(216,605)
7.2a Breakdown of New business for the year		
Fire	1,600,465	1,136,866
Motor	343,095	657,005
Marine	129,551	64,526
Aviation	41,697	35,429
Engeering	764,956	890,243
Agriculture	1,221,517	986,237
Misc Accident	254,597	469,466
Bonds	509,349	762,062
Liabilities	224,664	232,060
Other	-	204,269
	5,089,894	**5,438,166**
7.2b Breakdown of New business for future periods		
Fire	32,251	64,170
Motor	6,538	38,896
Marine	372	8,509
Aviation	24	-
Engeering	3,445	39,164
Agriculture	8,082	9,772
Misc Accident	48,852	6,424
Bonds	17,913	12,444
Liabilities	9,699	11,579
Other	-	25,647
	127,181	**216,605**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 USD	2023 USD
7.3 Treaty	729,025	-
New business for the year **(Note 7a.)**	774,833	-
New business for future periods	(45,808)	-
7.3a Breakdown of New business for the year		
Fire	135,945	1,136,866
Motor	131,368	657,005
Marine	7,570	64,526
Aviation	-	35,429
Engeering	88,243	890,243
Agriculture	171,634	986,237
Misc Accident	82,248	469,466
Bonds	141,585	762,062
Liabilities	16,236	232,060
Other	-	204,269
	774,832	**5,438,166**
7.3b Breakdown of New business for future periods		
Fire	20,269	64,170
Motor	6,914	38,896
Marine	-	8,509
Aviation	-	-
Engeering	2,951	39,164
Agriculture	7,501	9,772
Misc Accident	4,228	6,424
Bonds	3,278	12,444
Liabilities	662	11,579
Other	-	25,647
	45,807	**216,605**
8. Insurance Service Expenses		
Incurred claims (Note 8.a)	866,485	286,151
Adjustment to liability for incurred claims (Note 8.b)	380,357	108,781
Directly Attributable Expenses (Note 8.c)	341,361	304,793
Change of risk adjustment (Note 8.d)	28,642	5,725
Amortization of insurance acquisiton cashflows - Facultative	1,409,104	356,592
Amortization of insurance acquisiton cashflows - Treaty	185,266	487,934
	3,211,217	**1,549,977**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 USD	2023 USD
8.a Break down of the Incurred Claims		
Fire	126,785	5,633
Motor	222,052	90,322
Engineering	12,180	-
Agriculture	367,968	162,498
Bonds	128,840	-
Liabities	2,266	-
Marine	3,611	-
Misc Accident	2,781	27,698
	866,485	**286,151**
8.b Breakdown of IBNR		
Fire	92,806	39,220
Motor	22,578	12,104
Marine	5,098	3,498
Avoiation	820	-
Engineering	29,715	22,370
Agriculture	82,371	4,018
Misc Accident	17,730	2,641
Bonds	109,966	15,160
Liabilities	19,270	4,946
Other	-	10,545
	380,357	**114,507**
8.c Breakdown of DAC		
Fire	51,204	45,719
Motor	40,963	36,575
Marine	17,068	15,240
Aviation	6,827	6,096
Engineering	51,204	45,719
Agriculture	102,408	91,438
Misc Accident	27,309	24,383
Bonds	13,654	12,192
Liabilities	30,723	19,812
Other	-	7,620
	341,362	**304,793**
8.d Breakdown of DAC		
Fire		
Motor	4,296	859
Marine	3,437	687
Aviation	1,432	286
Engineering	573	115
Agriculture	4,296	859
Misc Accident	8,593	1,718
Bonds	2,291	458
Liabilities	1,146	229
Other	2,578	372
	-	143
	28,642	**5,725**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 USD	2023 USD
9 Net Insurance from retrocessioners contract held		
9a Net ReInsurance Paid	**1,920,359**	**2,560,090**
Retrocession Ceded - Treaty	384,272	2,608,689
Comission Earned - Treaty	(127,463)	
Retrocession Ceded - FAC	2,631,292	-
Comission Earned - FAC	(967,743)	(48,598)
9b Claims Recoveries		
Claims Recovered During the Year	432,687	(48,968)
Claims ceded to retrocessioners	344,295	-
Oustanding Claims Recoveries to retrocessioners	88,392	(48,968)
		-
9b Investment Income	**16,198**	**14,790**
Interest from short term Investments	16,198	14,790
investments with Ecobank		-
investments with Nurture Asset Management		-
10. Other Operating and adminstration Costs	758,581	677,318
Staff costs	217,256	207,110
Travel	77,740	94,364
Marketing and public relations	83,558	50,314
Office costs	57,586	58,628
Professional fees	134,513	112,128
Communication costs	12,755	7,514
Motor vehicle costs	36,984	34,463
Other costs	1,595	4,242
Depreciation & Amortisation	93,572	80,707
Management fees	26,999	21,015
Exchange gain	-	-
Expected credit loss	16,023	6,834
11. Net financing costs	9,091	11,930
Finance charges	9,091	11,930

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

		2024 USD	2023 USD
12.	**Taxation**		
12.1	**Tax credit / charge**	**81,332**	**16,229**
	Current tax	(102,045)	(29,619)
	Deferred tax movement	183,377	45,848
12.2	**Income tax**	**-**	**29,619**
	Description		
	Gross Premium	5,864,727	4,969,387
	Commission fees	1,095,205	886,019
	Commission fees deferred	88,321	130,608
	Net Revenue	**7,048,254**	**5,986,014**
	Less exemptions and non taxable income		
	Opening premium debtors	(1,271,377)	(813,271)
	Closing premium debtors	1,280,520	1,271,377
	Income	7,039,111	5,527,908
	Transfer to UPR	153,918	371,556
	Commission Paid	1,557,916	1,532,931
	Claims Paid	866,486	285,352
	Reinsurance premium	3,164,820	2,481,249
	Operating expenses	767,672	625,295
	Net profit before tax	528,299	231,525
	ADD: DISALLOWED EXPENSES		
	Provision for doubtful debts	-	
	Opening reinsurance creditors	(519,687)	(636,315)
	Closing reinsurance creditors	187,275	519,687
	Provisions for claims openning bal	(21,300)	(52,946)
	Provisions for claims closing bal	130,515	21,300
	Opening IBNR	(187,242)	(87,192)
	Closing IBNR	419,220	187,242
	IMTT	9,091	11,010
	Teas and entertainment	11,343	30,472
	Total disallowable	(6,742)	(6,742)
	DEDUCT: CAPITAL ALLOWANCES		
	SIA & Wear & Tear	125,266	104,967
	TAXABLE INCOME	396,291	224,784
	Tax at 25%	99,073	28,756
	Aids levy	2,972	863
	Tax liability	**102,045**	**29,619**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Computer Equipment USD	Fixtures and Fittings USD	Office Equipment USD	Motor Vehicles USD	Investment Property	TOTAL USD
13. Property, Plant and Equipment						
Carrying amount as at 1 Jan 2022	**7,269**	**435**	**738**	**17,575**	**2,093,000**	**2,119,017**
Cost	8,450	450	770	19,500	2,093,000	2,122,170
Accumulated depreciation	(1,180)	(15)	(32)	(1,925)	-	(3,152)
Additions	1,170	3,046	-	-	-	4,217
Charge for the year	97.42	58	77	3,900	41,860	45,992
Carrying amount as at 31 Dec 2022	**8,342**	**3,423**	**661**	**13,675**	**2,051,140**	**2,035,466**
Cost	9,620	3,496	770	19,500	2,093,000	2,126,386
Accumulated depreciation	(1,278)	(73)	(109)	(5,825)	(41,860)	(49,145)
Additions	903	424	842	-	-	2,169
Charge for the year	4,154	283	262	3,900	41,860	50,459
Carrying amount as at 31 Dec 2023	**5,092**	**3,564**	**1,241**	**9,775**	**2,009,280**	**2,028,952**
Cost	10,523	3,920	1,612	19,500	2,093,000	2,128,555
Accumulated depreciation	(5,431)	(356)	(371)	(9,725)	(83,720)	(99,604)
Additions	21,378	816	800	72,450	-	95,445
Charge for the year	5,885	404	215	13,068	42,000	61,572
Carrying amount as at 31 Dec 2024	**20,585**	**3,975**	**1,826**	**69,157**	**1,967,280**	**2,062,824**
Cost	31,902	4,736	2,412	91,950	2,093,000	2,224,000
Accumulated depreciation	(11,317)	(761)	(586)	(22,793)	(125,720)	(161,176)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Intangible Assets USD	TOTAL USD
14. Intangible Asset		
Carrying amount as at 31 December 2022	**160,000**	**160,000**
Cost	160,000	160,000
Accumulated depreciation	-	-
Additions	-	-
Charge for the year	32,000	32,000
Carrying amount as at 31 December 2023	**128,000**	**128,000**
Cost	160,000	160,000
Accumulated depreciation	(32,000)	(32,000)
Additions	-	-
Charge for the year	32,000	32,000
Carrying amount as at 31 December 2024	**96,000**	**96,000**
Cost	160,000	160,000
Accumulated depreciation	(64,000)	(64,000)

Intangible assets comprise of right of use of software licences.

Intangible asset relates to FINs Re software system purchased from 18 A technologies (India), which was still under implementation. It is a requirement by the regulator (IPEC) for a Reinsurance company to have a reinsurance system. The total cost of the system is USD160,000.00.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

15. Insurance and reinsurance contracts

The table below sets out the carrying amounts of groups of insurance and reinsurance contract assets and liabilities at the end of reporting date. The breakdown of groups of insurance and reinsurance contracts issued, and reinsurance contracts held,that are in asset position and that are in a libility position is set out in the table below:

	2024 USD	2023 USD
Insurance Contract Liability	1,014,732	861,130
Insurance Contract Asset	1,180,996	1,271,377

	2024 USD	2023 USD
15.1a Analysis of Insurance Contract Liability and Assets		
Liability for Remaining Coverage		
Unexpired Business	**613,563**	**440,574**
Opening balance	440,574	223,969
Movement during the year	**172,989**	**216,605**
Fire	52,521	64,170
Motor	13,453	38,896
Marine	372	8,509
Aviation	25	-
Engineering	6,398	39,164
Agriculture	15,584	9,772
Misc Accident	53,082	6,424
Bonds	21,193	12,444
Liabities	10,362	11,579
Other		25,647
	(81,018)	**(123,702)**
15.1b Opening balance	**(123,702)**	**(51,051)**
Movement for the year	**42,684**	**(72,651)**
Fire	12,596	(19,251)
Motor	(4,484)	(8,752)
Marine	32,374	(2,340)
Aviation	(2,383)	-
Engineering	(5,620)	(17,666)
Agriculture	5,139	(3,909)
Misc Accident	(681)	(2,767)
Bonds	5,743	(4,355)
Liabities		(4,636)
Other		(8,976)
	532,544	**316,872**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 USD	2023 USD
Liability for Incurred Claims		
Incurred But Not Reported	**419,218**	**181,164**
Opening balance	**181,164**	**75,456**
Movement during the year	**238,054**	**105,708**
Fire	53,652	39,221
Motor	22,578	12,105
Marine	5,099	3,499
Aviation	820	-
Engineering	29,715	22,371
Agriculture	82,371	4,018
Misc Accident	17,730	2,641
Bonds	18,606	6,361
Liabilities	7,481	4,946
Other		10,546
Claims Handling Provision	**20,847**	**10,282**
Outstanding Claims	**42,123**	**65,940**
	482,188	**544,258**
Insurance Contract Liability	**1,014,732**	**861,130**
15.1c Analysis of Insurance Contract Assets		
Insurance Contract Receivables	**1,283,488**	**1,279,044**
Allowance for credit losses	**(102,492)**	**(7,667)**
	1,180,996	**1,271,377**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

		2024 USD	2023 USD
16	**Reinsurance contracts held**		
	Reinsurance Contract Liability	103,879	670,797
	Reinsurance Contract Asset	623,754	31,900
	Analysis of Reinsurance Contract Liability and Assets		
a	**Analysis of Reinsurance contract liability**		
	Retrocession Owing		
	Comission Owing from Reinsurers	103,879	670,797
		103,879	670,797
b	**Analysis of Reinsurance contract assets**		
	Oustanding Claims Recoveries to retrocessioners	**623,754**	**31,900**
	Outstanding claims-Retrocessioners	198,671	31,900
	Facultative Recoverable Receivables	425,083	-

		2024 USD	2023 USD
17	**Financial Assets at Fair Value through profit and loss**		
	Investment in prescribed Assets	341,145	73,265
	Short-term money market investments	228,761	70,042
		112,384	3,223
18	**Other Receivables**		
	Staff Debtors-Staff Loans Interest Bearing	7,574	12,058
	Staff Debtors-Staff Loans Non Interest Bearing	-	5,000
	Sundry Debtors	825	1,850
	Prepayments	6,749	
	Inter Company Receivable -Affinity Insurance Brokers	-	0.47
		-	-
			5,206

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

19 Deferred Tax

COMBINED USD COMPUTATION

FY 2024	Carrying Amount	Tax Base	Temporary Diff	Deferred Asset /Liability
PPE	2,159,056	2,051,681	(107,375)	(26,543)
Provisions	156,732	-	156,732	38,744
Uneared Premium Reserve	613,529	-	613,529	151,664
Incurred but not reported claims	419,218	-	419,218	103,630
Deferred Acquisition costs	88,320	-	88,320	(21,832)
				245,663

	2024 USD	2023 USD
20 Cash and Cash Equivalents	**364,583**	469,807
Ecobank	185,071	328,681
NBS	24,833	-
Stanbic Botswana	153,192	140,313
Cash on hand	1,487	811
21 Other payables	**61,068**	**19,292**
Sundry Creditor Accrued Expenses	30,847	-
ZIMRA PAYE	1,132	0
Staff Debtors - Educational Loan	-	1,843
Salary Pension Contribution	2,001	1,355
Provision -Bonus	11,118	6,164
Provision -Leave Pay Provision	8,800	1,400
Director's fees provision	6,300	7,772
18A Technologies (software system)	-	-
Salary items for transfer	869	-
	-	759
22 Provisions		
Dividend provision	**65,139**	**65,645**
Provison for Taxation	33,204	-
	31,935	65,645
23 Accruals		
Rent Payable	**2,500**	**18,000**
Audit Fees	2,500	18,000
	-	-

24 Related parties

The following is a related party to the company as at 31 December 2024

Related party	2024 USD	2023 USD
Amounts owed by a related party:		
Tsapo Group of companies	-	157,611

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