Sanctuary Insurance Company (Private) Limited

Abridged Financial Statements

As at

31 December 2024

SANCTUARYINSURANCE COMPANY (PRIVATE) LIMITED

GENERAL INFORMATION

NATURE OF BUSINESS	The principal activities of Sanctuary Insurance Company (Private)Limited isproviding short term insurance cover to customers and managing risks.
DIRECTORS	Mr. Macdonald Tandi Chairperson Mr. Tafadzwa Mukeredzi Vice Chairperson Mr. Lovemore Mungeni Non-Executive Director Mr. Ebenezer Gumbo Non-Executive Director Mr. Patrick Kusikwenyu Non-Executive Director Mrs. Moudy Mugadzaweta Non-Executive Director Mr. Dumisani Nyoni Managing Director
REGISTERED OFFICE	4 Fairman Mt Pleasant **Harare**
PRINCIPAL BANKERS	NMB Bank Limited 20 King George Road PaSangano Complex Avondale **Harare**
AUDITORS	Crowe Chartered Accountants (Zimbabwe) 7 Avon Rise Avondale **Harare**
LAWYERS	Chimuka Mafunga Legal Practitioners 9th Floor, ZB Life Towers Cnr. Sam Nujoma and Jason Moyo Avenue **Harare**

Chairman's Statement

On behalf of the Board of Directors, I present the abridged financial results of Sanctuary Insurance Company (Private) Limited for the year ended 31 December 2024.

Despite a challenging operating environment, the Company delivered a solid performance, recording insurance revenue of ZWG 381.1 million and a profit after tax of ZWG 6.62 million. Total assets grew to ZWG 435.9 million from ZWG 338.0 million in 2023, reflecting strong management and prudent investments.

Our disciplined underwriting approach, supported by sound reinsurance arrangements, ensured

portfolio stability and protection against large losses. We continued to diversify our business mix, particularly in agriculture, while aligning operations with evolving regulatory and ESG requirements.

The Board remains confident that with our strong capital position, robust risk management, and commitment to service excellence, Sanctuary Insurance Company is well positioned for sustainable growth.

On behalf of the Board, I wish to thank our valued clients for their trust, our dedicated management and staff for their commitment, and our regulators and reinsurance partners for their continued support.

MacDonald Tandi
Chairperson
Sanctuary Insurance Company (Private) Limited

INDEPENDENT EXTERNAL AUDITORS' STATEMENT These abridged financial results are derived from the audited ZWG translated financial statements of Sanctuary Insurance (Private) Limited for the financial year ended 31 December 2024, should be read together with the complete set of audited ZWG translated financial statements of the Company, for the year ended 31 December 2024, which have been audited by Crowe Chartered Accountants (Zimbabwe) and the auditor's report signed by Dr Oliver Mtasa, Registered Public Auditor 0970. An unmodified opinion has been issued on the audited ZWG translated financial statements of the Company for the year then ended.

The abridged financial statements do not contain all the disclosures required by International Financial Reporting Standards (IFRS) and the Companies and Other Business Entities Act. Reading these abridged financial statements, therefore, is not a substitute for reading the audited financial statements of Sanctuary Insurance Company (Private) Limited

SANCTUARY INSURANCE COMPANY (PRIVATE) LIMITED

ABRIDGED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2024

Income	**Notes**	**2024 ZWG**	**2023 ZWG**
Insurance revenue	1	381 108 468	257 679 864
Insurance service expenses	2	(325 368 134)	(132 410 876)
Net expenses from reinsurance contracts	3	(12 963 600)	(123 799 572)
Insurance service result		42 776 734	1 469 416
Other income	4	5 972 902	3 857 932
Operating expenses	5	(39 802 750)	(43 249 934)
Gain on foreign exchange		1 993 498	49 916 490
Other finance costs	7	(1 050 920)	(242 112)
Profit before tax		9 889 464	11 751 792
Taxation	8	(3 272 074)	22 607 468
Profit for the year		6 617 390	34 359 260
Other comprehensive income			
Fair value adjustment on subsidiary		7 800 000	10 140 000
Revaluation of property and equipment		(2 305 368)	1 970 124
Deferred tax on revaluation	8	(593 632)	(574 652)
Effects of other comprehensive income		4 901 000	11 535 472
Total comprehensive profit for the year		11 518 390	45 894 732

SANCTUARY INSURANCE COMPANY (PRIVATE) LIMITED

ABRIDGED STATEMENTS OF FINANCIAL POSITION
as at 31 December 2024

	Notes	2024 ZWG	2023 ZWG
ASSETS			
Property and equipment	**10**	2 946 060	4 477 382 1
Right of use asset	**9**	697 528 98	336 842 90
Investment in subsidiary	**11**	436 000 2	636 000 2
Short term investments	**12**	733 094 12	607 930 12
Deffered tax asset	**8**	346 126	503 374
Insurance Contract Assets	**13**	248 747 356	169 122 512
Reinsurance contract Assets	**14**	61 515 324	54 741 823
Other receivables		2 431 702	1 706 432
Cash andcashequivalents	**15**	6 067 906	883 168
Total assets		435 921 096	338 015 463
EQUITY AND LIABILITIES			
Equity			
Share capital		2 600 000	2 600 000
Share premium		858 68 996	858 65 629
Retained earnings		956	565
Mark to market reserve			
Revaluation reserve		17 940 000	10 140 000
		4 714 528	6 426 264
		94 252 342	84 796 687
Liabilities			
Insurancecontract liability	**18**	42 187 184 -	62 971 220
Related party loans payable	**17**	286 111 408	780 000
Reinsurance Contract liabilities	**14**	12 565 384	175 745 042
Other payables and accruals	**16**	804 778 341	12 333 672
Lease liability	**9**	668 754	1 388 842
			253 218 776
Total equity and liabilities		435 921 096	338 015 463

MANAGING DIRECTOR
Mr Dumisani Nyoni

CHAIRPERSON
Mr Macdonald Tandi

1 CORPORATE INFORMATION

Sanctuary Insurance Company (Private) Limited ("the Company") is a Company incorporated and domiciled in Zimbabwe. The Company's principal business is underwriting of short-term insurance business. The address of its registered offices is 4 Fairman Rd, Mount Pleasant, Harare.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards (1FRSs) and International Accounting Standards (IASs) except for IAS 21 (Effects of Changes in Foreign Exchange Rates) and IAS 8 (Accounting policies, changes in accounting estimates and errors), and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31). The principal accounting policies of the Company have been applied consistently in all material respects with those of the previous year unless otherwise stated.

2.2 Change in Functional currency

Management determined that the Company’s functional currency changed from the Zimbabwean dollars (“ZWL”) to the United States dollar (“USD”) from the onset of the 2024 financial year.

2.3 Determination of functional currency

The Zimbabwean economy continues to trade under a multicurrency environment and this has led to the need for the Company to continually reassess its functional currency. The percentage of the Company’s USD denominated revenues continued to increase through the 2022 and 2023 financial years. In addition:

- □P r oducts and services were being priced differently during the year depending on the currency of settlement;
- □T h e USD has become the de facto reference currency for pricing decisions; and
- □N e w legislation promulgated during the year extended the multicurrency trading regime in the country for the next five years up until 31 December 2030.

As a result of these and other factors Management had to make an assessment of whether the use of the Zimbabwean dollar as the Company's functional currency was still appropriate. In doing this Management considered the following factors:

- □The currency that mainly influences sales prices for goods and services;
- □T h e currency of the competitive forces and regulations that mainly determine the sales prices of goods and services;
- □T h e currency that mainly influences labour, material and other costs of providing goods or services:
- □The currency in which funds from financing activities are generated; and
- □The currency in which receipts from operating activities are usually retained.

The United States dollar was determined to be the primary driver for most of the factors above. Therefore, Management concluded that it was the Company’s functional currency effective from 1 January 2024.

2.3 Reporting currency

For the purpose of complying with the provisions established by the Monetary Policy Statement (MPS) of 6 February 2025, these financial statements are presented in Zimbabwean Gold (ZWG). All transactions have been translated to ZWG at the exchange rate ruling at the statement of financial position date. Exchange gains or losses on translation are taken to the statement of profit or loss and other comprehensive income. The comparative figures presented in the financial statements have been restated accordingly.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 New standards, interpretations and amendments not yet effective

The following new standards, interpretations and amendments which are not yet effective and have not been adopted early in these annual financial statements, may or may not have an effect on the company’s future financial statements:

IFRS 18: Presentation and Disclosures in Financial Statements: This standard replaces IAS 1 and aims to improve financial reporting by requiring additional subtotals in the statement of profit or loss, disclosures about management-defined performance measures, and new principles for aggregating and disaggregating items.

IFRS 19: Subsidiaries without Public Accountability: Disclosures: This standard permits certain entities to reduce the disclosures they are required to provide in financial statements.

IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information

IFRS S2: Climate-related Disclosures

3.2 Basis for accounting for revenue

Underwriting results are determined on an annual basis whereby the incurred cost of claims, commission and related expenses are charged against the earned proportion of premiums.

Insurance contracts

Contracts under which the company accepts significant insurance risk from another party (the "policyholder") by agreeing to compensate the policyholder, or other beneficiary if a specified uncertain future event (the "insured event") adversely affecting the policyholder, are classified as insurance contracts. Insurance risk is risk other than financial risk.

Financial risk is the risk of a possible future change in one or more of a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, a credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

Insurance risk is significant if, and only if, an insured event could cause an insurer to pay significant additional benefits in any scenario, excluding scenarios that lack commercial substance. If significant additional benefits would be payable in scenarios that have commercial substance, significant insurance risk exists even if the insured event is extremely unlikely or even if the expected present value of contingent cash flows is a small proportion of the expected present value of all the remaining contractual cash flows. A contract that is classified as an insurance contract remains an insurance contract until all rights and obligations are extinguished or expire.

Short - term insurance contracts

Short - term insurance provides benefits under short term policies. These contracts are casualty and property insurance contracts. Casualty insurance contracts protect customers against the risk of causing harm to third parties as a result of their legitimate activities. Damages covered include both contractual and non- contractual events. The typical protection offered is designed for employers who become legally liable to pay compensation to injured employees ("employers' liability") and for individual and business customers who become liable to pay compensation to a third party for bodily harm or property ("public liability").

Property insurance contracts mainly compensate customers for damage suffered to their property or for the value of property lost. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured property in their business activities ("business interruption cover").

3.3 Property and Equipment

Property including owneroccupied properties is stated at cost, excluding the cost of day to day servicing, less accumulated depreciation and accumulated impairment losses. Replacement or major inspection costs are capitalised when incurred and if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be reliably measured. Equipment is also stated at cost less accumulated depreciation and impairment. Depreciation is calculated on a straight line method to write off the depreciable amounts (costs less residual value) of each asset over its estimated useful life as follows:

• Buildings	5%
• Furniture and fixtures	10%
• Motor vehicles	20%
• Office equipment	10%
• Computer equipment	20%

The assets' residual values, useful lives and method of depreciation are reviewed and prospectively adjusted if appropriate at each reporting date. An item of property and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

Revaluations are performed with sufficient regularity such that carrying amounts do not differ materially to those that will be determined using fair values at the end of the period.

Any revaluation increase arising from the revaluation of prpoerty and equipment is recognised in other comprehensive income except to the extent that it reverses a revaluation decrease for the same asset, in whichcase the increase is credited to profit or loss to the extent of the decrease previously expensed. previously recofnised in profit or loss

Impairment

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

Calculation of recoverable amount

The recoverable amount of the Company's assets is their estimated realisable value.

Reversal of impairment

Any impairment losses previously recognised are reversed if there has been a change in the estimates used to determine the recoverable amount. The increased carrying amount of an asset due to a reversal of an impairment loss should not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years.

3.4 Deferred acquisition costs/revenue

Costs or revenue incurred or realisedby the insurer to sell, underwrite or initiate an insurance contract and consists of the commission paid or received component in the unearned premium reserve as well as any deferrable acquisition and product development costs. It is calculated at 10% of the unearned premium reserve.

3.5 Accounts receivable

Accounts receivable consist of insurance premium receivable which is recognised when due and measured on initial recognition at the fair value of the consideration received or receivable. The carrying value of insurance receivables is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable, with the impairment loss recorded in profit or loss. Insurance receivables are derecognised when the derecognition criteria for financial assets.

3.6 Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term investments with a maturity of three months or less.

The short-term investments, with a maturity of three months or less, are readily convertible to a known amount of cash with insignificant risk of change in value.

For the purpose of the statement of cash flows, cash and cash equivalents consists of cash, net of outstanding bank overdrafts.

3.7 Share capital and share premium

Issued100000 ordinary shares with a nominal value of USD 1 (USD100 000).

The unissued shares are under the control of the Directors, subject to the provisions of the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) and the Articles of Association of the Company.

Share premium comprises additional paid-in capital in excess of the nominal value. This reserve is not available for distribution.

3.8 Provisions

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

3.9 Taxation

The Company is subject to pay tax in terms of the Income Tax Act [Chapter 23:06].

3.10 Current taxation

Incometax assets or liabilities for the current period are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted by the reporting date in Zimbabwe where the Company generates taxable income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.11 Deferred taxation

Deferred tax is set aside on the full liability basis in respect of material temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes, and the amounts used for taxation purposes.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.12 Financial instruments

Financial instruments carried on the statement of financial position include cash and bank balances, investments, receivables, payables and borrowings and technical assets and liabilities. The particular recognition methods adopted are disclosed in the relevant accounting policy statement.

Classification

Trading instruments are those that the company holds principally for the purpose of short-term profit taking.

Loans and receivables are created by the company, providing money to debtors, other than those created with the intention of short term profit taking.

Held to maturity assets are financial assets with fixed or determinable payments and fixed maturity dates that the Company has the positive Intent and ability to hold to maturity.

Available for sale assets are financial assets that are not held for trading purposes, not originated by the Company, nor held to maturity.

Own equity instruments
Re-acquired own instruments are measured at cost and are presented in the statement of financial position as a deduction from equity. No gain or loss Is recognised in the statement of comprehensive income an the sale, issuance or cancellation of these instruments. Consideration received is presented in the financial statements as a change in equity.

Recognition
The Company recognises financial assets held for trading and available for sale on the date it commits to purchase the assets. From this date, any gains and losses arising from changes in fair value of the assets are recognised.

Held to maturity loans and originated loans and receivables are recognised on the day that they are transferred to or originated by the Company.

Measurement

Financial instruments are measured initially at cost, including transaction costs.

Subsequent to initial recognition, all trading instruments and available for sale assets are measured at fair value, except that any instrument that does not have a quoted market price in an active market and whose fair value cannot be reliably measured is stated at cost, including transaction costs, less impairment losses.

All non-trading financial liabilities, originated loans and receivables and held to maturity assets are measured at amortised cost less impairment losses, Amortised cost is calculated using the effective interest rate of the instrument.

Fair value measurement principles
The fair value of financial instruments is based on their quoted market price at the statement of financial position date without any deduction for transaction costs. If a quoted market price is not available, the fair value of the instrument is estimated using pricing models or discounted cash flow techniques.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market related rate at the statement of financial position date for an instrument with similar terms and conditions. Where pricing models are used, inputs are based on market related measures at the statement of financial position date, taking into account market conditions and the current creditworthiness of the counterparties.

Gains and losses on subsequent measurement
Gains and losses arising from a change in the fair value of available for sale assets are recognised directly in equity. When financial assets are sold, collected or otherwise disposed of, the cumulative gain or loss recognised in equity is transferred to the statement of comprehensive income.

Derecognition
A financial asset is derecognised when the Company losses control over the contractual rights that make up that asset. This occurs when the rights are realised, expire or are surrendered. A financial liability is derecognised when it is extinguished.

Available for sale assets, and assets held for trading that are sold, are derecognised and corresponding receivables from the buyer for the payment are recognised as of the date the Company commits to sell the assets. The Company uses the specific identification method to determine the gain or loss on derecognition.

Held to maturity instruments and originated loans and receivables are derecognised on the day that they are transferred.

3.13 Leases

The Company is party to a lease contract for office buildings. Leases are recognised, measured and presented in line with IFRS 16 (Leases). Assets and liablities for all leases excluding exceptions listed in the standard are recognised by the Company and exemptions for lease contracts with a one year period or where the underlying asset is of low value. Right of use assets and lease liabilities are recognised at the commencement date of the contract for all leases conveying the right to control the use of any identified assets for a period of time. The commencement date is the date on which a lessor makes an underlying asset available for use by a lessee.

(a) The amount of initial measurement

(b) Any lease payments made at or before the commencement date, less any lease incentives;

(c) Any initial direct costs incurred by the lessee and;

(d) Any estimated costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the site on which the asset is located.

The Company depreciates the right of use asset from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. These include;

(a) Fixed payments, less any lease incentives receivables;

(b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

(c) Amounts expected to be payable by the lessee under residual value guarantees;

(d) The exercise price of a purchase option If the lessee is reasonably certain to exercise that option.

The lease term determined by the Company comprises:

(a) Periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option.

(b) Periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

Extension options

The property lease contains extension options exercisable by the Company up to 3 years before the end of the non-cancellable contract period. Where practicable , the Company seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Company and not by the lessor. The Company assesses the lease commencement date and whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

Subsequent measurement

After the commencement date, the right of use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability.

(a) Increasing the carrying amount to reflect interest on the lease liability;

(b) Reducing the carrying amount to reflect lease payments made;

(c) Remeasuring the carrying amount to reflect any re-assessment or lease modifications;

4 CRITICAL JUDGEMENTS IN APPLYING THE COMPANY'S ACCOUNTING POLICIES

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts presented in the financial statements and related disclosures. Use of available information and the application of judgment is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgments include:

a) Accounts receivable

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. In determining these probabilities and whether an impairment loss should be recorded in profit or loss, the Company makes judgments as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from the trade and other receivables.

b) Going concern

The Company assesses its going concern at each reporting date. Going concern assessment is an area involving management judgmental estimates and assumptions regarding future cash flows and the discount rate used to determine the present value of the cash flows.

4 CRITICAL JUDGEMENTS IN APPLYING THE COMPANY'S ACCOUNTING POLICIES (CONTINUED)

c) Impairment of property, plant and equipment

The Company is required to test,on an annual basis, whether an asset has suffered any impairment. Impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. The determination of value in use requires the use of judgement and estimation of future cash flows and of a discount rate.

d) Insurance and reinsurance contracts

The Company applies the PAA to simplify the measurement of insurance contracts. When measuring liabilities for remaining coverage, the PAA is broadly similar to the Company's previous accounting treatment under IFRS 4. However, when measuring liabilities for incurred claims, the Company now discounts cash flows that are expected to occur more than one year after the date on which the claims are incurred and includes an explicit risk adjustment for non-financial risk.

e) **Liability for remaining coverage Insurance acquisition cash flows** In the property insurance product line, the Company is eligible and chooses to recognise insurance acquisition cash flows as an expense immediately as incurred. This is because all insurance contracts issued within that product line have a coverage period of one year or less.

For personal accident insurance, marine insurance and liability reinsurance products, where groups are not eligible to recognise an expense

immediately, insurance acquisition cash flows are allocated to related groups of insurance contracts recognised in the statement of financial position (including those groups that will include insurance contracts expected to arise from renewals). An asset for insurance acquisition cash flows is recognised for acquisition cash flows incurred before the related group of insurance contracts has been recognised.

The effect of electing to recognise insurance acquisition cash flows as an expense when incurred for a group of insurance contracts is to

increase

the liability for remaining coverage and reduce the likelihood of any subsequent onerous contract loss. There would be an increased charge to profit or loss on incurring the expense, offset by an increase in profit released over the coverage period.

Onerous groups

For groups of contracts that are onerous, the liability for remaining coverage is determined by the fulfilment cash flows. Any loss-recovery component is determined with reference to the loss component recognised on underlying contracts and the recovery expected on such claims from reinsurance contracts held.

Time value of money

For the marine and personal insurance product lines, the Company adjusts the carrying amount of the liability for remaining coverage to reflect the time value of money and the effect of financial risk using discount rates that reflect the characteristics of the cash flows of the group of insurance contracts at initial recognition.

Discount rates

Insurance contract liabilities are calculated by discounting expected future cash flows at a risk free rate, plus an illiquidity premium where applicable. Risk free rates are determined by reference to the yields of highly liquid AAA-rated sovereign securities in the currency of the

Liability for incurred claims

f) The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder and Bornheutter-Ferguson methods.

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. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), 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 probability weighted expected value outcome from the range of possible

outcomes,
taking account of all the uncertainties involved.

Some of the insurance contracts that have been written in the property line of business permit the Company to sell property acquired in settling a

claim. The Company also has the right to pursue third parties for payment of some or all costs. Estimates of salvage recoveries and subrogation reimbursements are considered as an allowance in the measurement of ultimate claims costs.

Other key circumstances affecting the reliability of assumptions include variation in interest rates, delays in settlement and changes in foreign currency exchange rates.

SANCTUARY INSURANCE COMPANY (PRIVATE) LIMITED

NOTES TO THE ABRIDGED FINANCIAL STATEMENTS
for the year ended 31 December 2024

		2024 ZWG	2023 ZWG
1	**Insurance revenue**		
	Insurance revenueallocated during the period		
	Business written during the year	403 837 694	320 516 742
	Business for future periods	(22 729 226)	(62 836 878)
		381 108 468	257 679 864

Insurance revenue by Product

	Business for the year 2024 ZWG	Business for the year 2023 ZWG	Business for future periods 2024 ZWG	Business for future periods 2023 ZWG
Motor	122 940 662	97 575 192	6 522 932	18 033 210
Property & Fire	1 199 588	952 094	182 546	504 660
Financial Lines	2 790 762	2 214 966	1 267 266	3 503 474
Casualty	260 286	206 570	89 908	248 560
Engineering	363 116	288 184	52 182	144 274
Farming	274 319 370	217 721 036	14 405 664	39 825 682
Marine	828 880	657 852	104 364	288 522
Accident and health	822 796	653 042	52 182	144 248
Personal Lines	312 234	247 806	52 182	144 248
Total	403 837 694	320 516 742	22 729 226	62 836 878

		2024 ZWG	2023 ZWG
2	**Insurance service expenses**		
	Incurred claims and other expenses	230 130 290	38 888 356
	Amortization of insurance acquisiton expenses	85 057 128	87 193 652
	Incurred but not reported	6 662 058	6 328 868
	Losses on onerous contracts and reversals of those losses	3 518 658	-
		325 368 134	132 410 876

SANCTUARY INSURANCE COMPANY (PRIVATE) LIMITED

NOTES TO ABRIDGED FINANCIAL STATEMENTS
for the year ended 31 December 2024

2.1 Insurance service expenses By Product 2024

	Incurred claims and other expenses ZWG	Amortisation of insurance acquisition cashflows ZWG	Incurred but not reported ZWG	Losses on onerous contracts and reversals of those losses ZWG
Motor	7 383 298	43 969 744	210 522	-
Property & Fire	70 096	240 604	2 002	-
Financial Lines	280 384	2 156 024	7 982	-
Casualty	39 728	143 728	1 144	-
Engineering	23 374	71 864	676	-
Farming	222 209 572	38 272 468	6 436 222	3 431 064
Marine	53 742	143 728	1 534	55 484
Accident and health	39 728	23 322	1 118	32 110
Personal Lines	30 368	35 646	858	-
Total	**230 130 290**	**85 057 128**	**6 662 058**	**3 518 658**

Insurance service expenses By Product 2023

	Incurred claims and other expenses ZWG	Amortisation of insurance acquisition cashflows ZWG	Incurred but not reported ZWG	Losses on onerous contracts and reversals of those losses ZWG
Motor	6 162 933	13 818 243	1 002 985	-
Property & Fire	37 374	83 798	6 082	-
Financial Lines	292 157	655 061	47 547	-
Casualty	22 061	49 465	3 590	-
Engineering	11 461	25 698	1 865	-
Farming	32 312 442	72 449 458	5 258 680	-
Marine	30 416	68 198	4 950	-
Accident and health	11 508	25 803	1 873	-
Personal Lines	7 994	17 925	1 295	-
Total	**38 888 348**	**87 193 648**	**6 328 868**	-

3 Net Insurance from reinsurance contract

3.1 Analysis

	2024 ZWG	2023 ZWG
Amount recoverable from reinsurers for incurred claim **(note 3.2)**	182 737 204	15 620 462
Allocation of reinsurance paid **(note 3.3)**	(195 700 804)	(139 420 034)
	(12 963 600)	(123 799 572)

	2024 ZWG	2023 ZWG
3.2 Claims Recovered During the Year by Product		
Motor	5 970 770	510 380
Property & Fire	73 164	6 266
Financial Lines	690 274	58 994
Casualty	18 460	1 586
Engineering	22 230	1 898
Farming	175 851 442	15 031 874
Marine	66 404	5 668
Accident and health	22 230	1 898
Personal Lines	22 230	1 898
Total	182 737 204	15 620 462
3.3 Net Reinsurance contract by Product		
Motor	16 084 848	11 136 892
Property & Fire	154 674	83 486
Financial Lines	1 533 558	106 886
Casualty	87 594	58 578
Engineering	143 364	99 918
Farming	177 430 448	126 829 248
Marine	107 510	56 992
Accident and health	62 088	20 566
Personal Lines	96 720	65 468
	195 700 804	138 458 034

14 REINSURANCE CONTRACT ASSETS AND LIABILITIES

	31 December 2024 Total - all segments			31 December 2023 Total - all segments		
	Asset for remaining coverage ZWG	**Amount recoverable for incurred claims ZWG**	**Total ZWG**	**Asset for remaining coverage ZWG**	**Amount recoverable for incurred claims ZWG**	**Total ZWG**
Opening Reinsurance Contract Assets	32 351 046	22 390 777	54 741 823	-	-	-
Opening Reinsurance Contract Liabilities	(192 406 629)	16 661 587	(175 745 042)	-	-	-
Net reinsurance contract (liabilities)/assets	**(160 055 583)**	**39 052 364**	**(121 003 219)**	**-**	**-**	**-**
Reinsurance Revenue						
Amountsrecoverablesfromincurred claims	-	197 737 204	197 737 204	-	15 620 488	15 620 488
Reinsurance commission receivable	-	61 515 324	61 515 324	-	54 741 830	54 741 830
Reinsurance Service expenses						
Reinsurance expenses	(257 216 128)	-	(257 216 128)	(194 226 889)	-	(194 226 889)
Net (expenses)/income from reinsurance contracts held	(257 216 128)	259 252 528	2 036 400	(194 226 889)	70 362 318	(123 864 571)
Total amounts recognised in comprehensive income						
Investment components - Cashflows						
Reinsurance premiumspaid	637 884	-	637 884	34 171 306	-	34 714 946
Reinsurance commission received	-	(3 293 730)	(3 293 730)	-	(6 103 890)	(5 560 250)
Recoveries from reinsurance	-	(102 973 419)	(102 973 419)	-	(25 206 064)	(24 662 424)
Total cash flows	637 884	(106 267 149)	(105 629 265)	34 171 306	(31 309 954)	2 861 352
Net closing balance	(416 633 827)	192 037 743	(224 596 084)	(160 055 583)	39 052 364	(121 003 219)
Closing Reinsurance Contract Assets	19 357 312	42 158 012	61 515 324	32 351 046	22 390 777	54 741 823
Closing Reinsurance Contract Liabilities	(435 991 139)	149 879 731	(286 111 408)	(192 406 629)	16 661 587	(175 745 042)
Net reinsurance contract (liabilities)/assets	**(416 633 827)**	**192 037 743**	**(224 596 084)**	**(160 055 583)**	**39 052 364**	**(121 003 219)**

19 Financial risk management

Financial instruments risk

The company is exposed through its operations to the following financial risks:

1. Market risk
2. Interest rate risk
3. Credit risk
4. Concentration risk

In common with all other businesses, the company is exposed to risks that arise from its use of financial instruments. This note describes the company's objectives, policies and processes for managing those risks and methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

Treasury and risk management

The Company's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Company's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on the Company's financial performance. The Company's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and control, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Company regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice. Risk management is carried out by management under the policies approved by the board of directors. The most important types of risk are credit risk, liquidity risk, market risk and other operational risk. Market risk includes currency risk, interest risk and other price risk.

19.1 Market risk

The Company takes on exposure to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, this is, interest rates, exchange rates or equity prices. Market risk arises from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market moveme nts and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices. Regular reports are submitted to the board of directors.

19.2 Interest rate risk

As the Company has no significant interest-bearing assets, independent of changes in market interest rates. the Company's income and operating cash flows are substantially

19.3 Credit risk

The Company has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Key areas where the Company is exposed to credit risk are:

- Insurance, reinsurance and other receivables;
- Amounts due from insurance policy holders;
- Amounts due from insurance contract intermediaries;
- Reinsurer's share insurance liabilities; and
- Amounts due from reinsurers and third parties in respect of claims already paid.
- Held-to-maturity financial assets
- Cash and cash equivalents

The Company limits the levels of credit risk that it accepts by placing limits on its exposure to a single counterparty or groups of counterparties, and to geographical and industry segments. The levels are subject to annual or more frequent reviews.

19.3 Credit risk cont'd

Reinsurance is used to manage insurance risk. This does not, however, discharge the Company's liability as primary insurer. I f a reinsurer fails to pay a claim for any reason, the Company remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalization of any

19.4 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The Company's risk to liquidity is a result of the funds available to cover future commitments. The Company manages liquidity risk through an ongoing review of future commitments and credit facilities.

The Company is exposed to daily cash calls mainly from claims arising. Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost. The Company sets limits on the minimum proportions of maturing funds available to meet such calls and unexpected levels of demand.

20 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital, and to comply with the minimum capital requirement. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents.

21 Insurance risk management

21.1 Risk management objectives and policies for mitigating risk

The primary insurance activity carried out by the Company assumes the risk of loss from persons or organisations that are directly subject to the risk. Such risks may relate to property, motor, liability, accident, health, credit, crop or other perils that may arise from an insurable event. As such the Company is exposed to the uncertainty surrounding the timing and severity of claims under the contract.

The Company manages its insurance risk through underwriting limits, approval procedures for transactions that involve new products or that exceed set limits, centralized management of reinsurance, and diversification of insurance risks accepted.

The Company uses several methods to assess and monitor insurance risk exposures both for individual types of risks insured and overall risks. These methods include internal risk management surveys, claims experience and market information.

21.2 Underwriting strategy

The underwriting strategy is set out in the Company strategy document that sets out the general underwriting guidelines including profitability, rating and loss ratios, etc. Adherence to the underwriting guidelines is measured through monitoring of work by the Departmental Head.

The treaties are a combination of proportional and non-proportional in order to minimize the net exposure to the Company. The Company also participates in the facultative reinsurance in certain specified circumstances.

21.3 Nature of risks covered

The following gives an assessment of the Company's main products and the ways in which it manages the associated risks and the concentration of these risks.

The commercial division underwrites small to large business from companies. The personal division provides insurance to the general public in their personal capacities.

21.4 Nature of risk covered

The following perils are covered under the different types of business:

- Fire -fire, storm, explosions, riot, malicious and earthquake.
- Accident- all risks of accidental loss or damage to property.
- Personal accident and health - death, permanent disablement, total disablement and medical expenses.
- Motor - private and commercial (comprehensive, full third party, fire and theft, third party).
- Engineering – accidental physical loss or damage to machinery on an all risks basis.
- Marine loss or damage to cargo in transit or vessel Liability legal liability following death or injury to third parties or damage to third party
- Bonds and guarantees that contractual obligations will be met in case of default.

21.5 Nature of risks covered

The return to shareholders arises from the total premiums charged to policyholders, investment income and commission income less amounts paid to cover claims and the expenses incurred by the company

21.6 Concentration of insurance risk cont'd

Concentrations of risk arise where a particular event or series of events could impact heavily upon the Company's liabilities. Such concentrations may arise from a single insurance contract or through a small number of related contracts, and relate to circumstances where significant liabilities could arise. This risk is managed through reinsurance and diversification of the Company's portfolio.

The Concentration risk is on Farming in which Tobacco contributed above 60%. We have, however, tried to dilute this by diversifying into Winter farming and Summer farming.

21.7 Management of risk relating to changes in underwriting variables

The key risks associated with these products are underwriting risk, competitive risk and claims experience risk (including the variable incidence of natural disasters), as well as fraud risk.

Underwriting risk is the risk that the Company does not charge premiums appropriate for the risk that it accepts. The risk on any policy will vary according to factors such as location, safety measures in place, age of property. Calculating a premium commensurate with the risk for these policies is subjective and risky. The risk is managed through pricing, product design, risk selection, appropriate investment strategy, rating and reinsurance. The Company monitors and reacts to changes in the environment in which it operates.

The Company is also exposed to the risk of false or invalid claims from the insured. External control systems and fraud detection measures are in place to improve the Company's ability to proactively detect fraudulent claims.

21.8 Prescribed assets

The company did not have adequate prescribed assets due to the unavailability of suitable instruments on the market; however, the company has identified suitable instruments through the Insurance Council of Zimbabwe which are in the process of being acquired.

22 Minimum capital requirements

22.1 Analysis

	2024	2023	Admissable capital
	ZWG	ZWG	ZWG
Motor vehicles **(note 22.2)**	824 200	1 592 916	-
Furniture andfittings **(note 22.2)**	1 039 870	1 547 468	-
Computer equipment **(note 22.2)**	1 081 990	1 336 998	-
Deferred acquisitioncost **(note 22.2)**	8 431 879	6 353 319	-
Investment insubsidiary **(note 22.4)**	98 436 000	90 636 000	98 436 000
Accounts receivable **(note 22.5)**	248 747 356	169 122 512	248 747 356
Cashand cashequivalents	6 067 906	883 168	6 067 906
Accounts payable	(26 665 593)	(23 341 314)	(26 665 593)
Total	337 963 608	248 131 067	326 585 669

22.2 Not allowable as per section 3A(1) of Statutory Instrument (S.I) 95 of 2017

Motor vehicles, furniture and fittings computer equipment and deffered acquisition costs have been excluded for the purposes of determining minimum capital requirements since there are not permisable assets as per section 3 of SI 95 of 2017.

22.3 Assets not registered in Company's name

Buildings and land are not registered in the name of the Company and are therefore excluded from minimum capital.

22.4 Investment in subsidiary

The Company invested in 17 hectares of land in Misty Meadows. Title deeds for Misty Meadows are still in the process of being acquired with all due process in place for them to be issued.

22.5 Accounts receivable

IntermsofSI95of2017 accounts receivables above 90 days are excluded from determining minimum capital requirements balance.

23 Going concern

The Company assesses its going concern at each reporting date. Going concern assessment is an area involving management judgement requiring an assessment as to whether the carrying amount of the assets can be supported by the net present value of future cashflows derived from such assets using cash flow projections which have been discounted at an appropriate rate. Directors have concluded that the preparation of financial statements as a going concern is appropriate.

24 Events after reporting period

Subsequent to the Company's reporting date, the Monetary Policy Statement (MPS) was issued on the 6th of February 2025 announcing that the presentation currency requirements is ZWG, regardless of whether the functional currency is USD. This set of accounts have been prepared submission to the regulator.