

SACOS GROUP LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2024

SACOS GROUP LIMITED
MISSION, VISION AND VALUES

Mission:

Provide market leading insurance solutions by leveraging our financial strength and world class reinsurers, optimising investments to strengthen our financial position, by remaining committed to innovation and service excellence, in partnership with our valued employees and partners.

Vision:

To inspire our employees to deliver an effortless customer experience and innovative insurance solutions that meet our customers' needs for continued loyalty and profitable growth.

Values:

- Service excellence
- Trust
- Accountability
- Innovation
- Respect
- Stewardship

SACOS GROUP LIMITED
TABLE OF CONTENTS

	PAGES
CORPORATE INFORMATION	1
DIRECTORS' REPORT	2 - 3
AUDITOR'S REPORT	4 - 9
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	10
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	11
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	12
CONSOLIDATED STATEMENT OF CASH FLOWS	13
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS	14 - 66

SACOS GROUP LIMITED
CORPORATE INFORMATION

1

Board of Directors

Non-executive directors :	Mr. Patrice Bastide	Chairperson	Appointed March 28, 2013
	Mr. Louis Rivalland	Non-Executive Director	Appointed July 16, 2007
	Ms. Doreen Bradburn	Non-Executive Director	Appointed September 18, 2018
	Mrs. Priya Moulinie	Non-Executive Director	Appointed July 30, 2021
	Ms. Odile Vidot	Non-Executive Director	Appointed January 15, 2025
	Mr. Davis Laporte	Non-Executive Director	Appointed January 15, 2025
	Ms. Veronica Maria	Non-Executive Director	Resigned January 15, 2025
	Mr. Garry Albert	Non-Executive Director	Resigned January 15, 2025
	Mr. Charles De Clarisse	Non-Executive Director	Resigned August 13, 2025

Executive Directors :	Ms. Georgette Capricieuse	Chief Executive Officer	Appointed June 07, 2022
	Mrs. Tacey Furneau	Chief Financial Officer	Appointed March 25, 2019

Company Secretary	Azer Corporate Services	Company Secretary	Appointed August 1, 2020
--------------------------	-------------------------	-------------------	--------------------------

Registered Office :	Maison Esplanade, Rue De Possession, Victoria, Mahe, Seychelles
----------------------------	---

Legal Advisers :	K.B Shah Attorney-at-Law & Notary Public
-------------------------	---

Auditors :	Pool and Patel Chartered Accountants
-------------------	---

Actuaries :	QED Actuaries and Consultants South Africa Kenbright Actuarial & Financial Services Limited
--------------------	--

Bankers :	Absa Bank (Seychelles) Limited Bank of Baroda (Seychelles) Seychelles International Mercantile Banking Corporation Limited Al Salam Bank Seychelles Seychelles Commercial Bank Limited The Mauritius Commercial Bank (Seychelles) Limited
------------------	--

Sponsor Advisor :	PKF Seychelles, 104 First Floor Waterside Property Eden Island Seychelles
--------------------------	---

SACOS GROUP LIMITED
DIRECTORS' REPORT
31 DECEMBER 2024

2

The Directors are pleased to submit their report together with the audited financial statements of the Group and the Company for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES & CURRENT YEAR EVENTS

SACOS Group Limited (collectively "the Group" and referred as "The Company" for its separate financial statements here-after) is underwriting of general insurance and life assurance policies. Pursuant to order dated 23rd January 2019 of the Supreme Court of Seychelles, Sacos Insurance Company Limited and Sun Investment Limited have been amalgamated with the Sacos Group Limited with effective from 1st January 2017.

Consequently, Sacos Insurance Company Limited and Sun Investment Limited have been amalgamated into Sacos Group Limited with the principal activity of the Company is that of Short-term Insurance Business. These activities have remained unchanged during the year under review. Activities of its 100% owned subsidiary SACOS Life Assurance Company Limited (hereafter referred as 'SLACL') is to underwrite life assurance policies.

RESULTS

	The Group		The Company	
	2024	2023	2024	2023
	SCR	SCR	SCR	SCR
Profit for the year	21,397,515	17,255,599	15,942,429	15,025,779
Other comprehensive income	-	2,353,360	-	2,353,360
Total comprehensive income	21,397,515	19,608,959	15,942,429	17,379,139
Retained earnings brought forward	142,671,108	132,415,509	82,768,651	74,742,872
Transfer from revaluation reserve	11,778,582	-	11,778,582	-
Comprehensive income for the year (excl. fair value change)	21,397,515	17,255,599	15,942,429	15,025,779
Dividends	-	(7,000,000)	-	(7,000,000)
Retained earnings at end of period	175,847,204	142,671,108	110,489,662	82,768,651
Fair value reserve	-	11,778,582	-	11,778,582
Total reserves	175,847,204	154,449,690	110,489,662	94,547,233

DIRECTORS' STATEMENT OF RESPONSIBILITIES

The Directors confirm that in preparing these financial statements they have:

1. Selected suitable accounting policies that are compliant with International Financial Reporting Standards and applied them consistently;
2. Made judgments and estimates that are reasonable and prudent;
3. Prepared the financial statements on a going-concern basis;
4. Taken appropriate measures to safeguard the assets of the Group through the application of appropriate internal control, risk management systems and procedures;
5. Taken reasonable steps for the prevention and detection of fraud and other irregularities; and
6. Considered appropriate disclosures for all events after the reporting period.

DIVIDENDS

Dividends of **SCR 4.50 per share** amounting to **SCR 9 million** were declared and paid in 2025 for the year 2023 (2023: Dividend @ SCR 3.50 per share was declared and paid in 2023 for the year 2022).

EQUIPMENT AND INVESTMENT PROPERTIES

Additions to equipment during the year amounting to **SCR 4,641,498** (2023: SCR1,084,139) for the Group and **SCR 4,623,712** (2023:SCR 1,076,965) for the Company and these comprised mainly, computer equipment, furniture & fittings and Work in progress.

The Directors have estimated that the carrying amount of equipment and investment properties as at the date of the reporting period approximate their fair values.

**SACOS GROUP LIMITED
DIRECTORS' REPORT
31 DECEMBER 2024**

DIRECTORS AND DIRECTORS' INTERESTS

	Number of shares held at year-end		SGL	SLACL
	2024	2023		
P Bastide (Chairperson)	-	-	✓	✓
G Capricieuse	-	-	✓	✓
L Rivalland	-	-	✓	✓
D Bradburn	-	-	✓	✓
T Fumeau	130	130	✓	✓
P Moulinie	-	-	✓	✓
O Vidot	-	-	✓	✓
D Laporte	40	-	✓	✓

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the overall management of the affairs of the Group including its operations and making investment decisions.

The Board is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) and in compliance with the Seychelles Companies Act, 1972 and the Insurance Act 2008. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. The Directors have the general responsibility of safeguarding the assets, both owned by the Group and those that are held in trust and used by the Group.

The Directors consider they have met the aforesaid responsibilities.

AUDITORS

Pool and Patel
Chartered Accountants

BOARD APPROVAL

16 December 2025

These financial statements have been approved for issue by the Board of Directors on.....

DocuSigned by:
Patrice Bastide
P Bastide
Director

DocuSigned by:
Louis Rivalland
L Rivalland
Director

Signed by:
Priya Moulinie
P Moulinie
Director

Signed by:
Odile Vidot
O Vidot
Director

Signed by:
Davis Laporte
D Laporte
Director

Signed by:
Doreen Bradburn
D Bradburn
Director

DocuSigned by:
G. Capricieuse
G. Capricieuse
Director

DocuSigned by:
Tacey Fumeau
T Fumeau
Director



INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF SACOS GROUP LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of SACOS Group Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with Seychelles Companies Act, 1972 and the Insurance Act 2008.

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 Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Seychelles, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Reliance on Manual Reconciliations

We draw attention to Note 50 to the financial statements, which explains that the group's core information system used for life insurance operations does not generate reports that are sufficiently reliable for financial reporting purposes. Consequently, the finance department performs extensive and interdependent manual reconciliations to determine premium income, premium debtors, policy loans, identification of policy statuses, claims expenses and payables, excess collections, lapse liability, and bank reconciliations. The completeness and accuracy of the financial information, including the valuation of life insurance liabilities and the application of IFRS 17, depend on the outcome of these reconciliations. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of consolidated financial statement of the current period. Key audit matters were selected from the matters communicated with the Directors but are not intended to represent all matters that were discussed with them.

Our procedures relating to these matters were designed in the context of the audit of the consolidated financial statement as a whole and our opinion on the consolidated financial statement is not modified with respect to any of the key audit matters. We do not express an opinion on these matters individually.

INDEPENDENT AUDITOR’S REPORT (CONTINUED)

TO THE SHAREHOLDERS OF SACOS GROUP LIMITED

Description of Key Audit Matter	Audit response
<p>Valuation of Insurance Contract Liabilities</p> <p>Insurance contract liabilities comprises liability for remaining coverage and liability for incurred claims.</p> <p>We considered insurance contract liabilities as a key audit matter because:</p> <ul style="list-style-type: none"> • The estimation of the liability for incurred claims (LIC) and liability for remaining coverage (LRC) involves significant judgement given the inherent uncertainty in estimating expected future outflows in relation to expected future claims and expenses. In addition, the liabilities are adjusted for the time value of money. • Determination of liability for incurred claims requires calculation of risk adjustment for non-financial risk which represents the compensation for bearing the uncertainty about the timing and amount of the risk insured. This calculation involves significant judgement in determining the confidence level and assumption that future development of claims will follow past patterns. • For onerous contracts, calculation of loss component involves judgment in estimating fulfilment cashflows relating to the remaining coverage period of insurance contracts. • The valuation of LIC liabilities relies on the accuracy of claims data and the assumption that future claims development will follow a similar pattern to past claims development experience and involve engagement of actuarial experts. • The determination of the liability for remaining coverage (LRC) requires the estimation of the expected future cashflows, valuation of the contractual service margin and the determination of the coverage units that shall be used to accrete the contractual service margin, for the contracts measured using GMM and VFA measurement models. 	<p>We performed the following procedures;</p> <ul style="list-style-type: none"> • We obtained an overall understanding of the processes followed key assumptions underlying the valuation of insurance contract liabilities by reviewing the company’s accounting policy documentation and inquiries with the management. • Evaluated and tested controls around the ingestion of data into the calculation engine, the data manipulation in the software, the calculations performed in the software and the disclosure outputs. • Reviewed the governance documentation on the independent audit carried out on the Risk Integrity software and the controls embedded in the IFRS 17 actuarial processes. • Reviewed the data checks carried out before ingesting the data into Risk Integrity software. • Assessed the completeness and accuracy of the data utilised by management by reconciling these amounts to the underlying accounting records. • Independently replicated the outputs from Risk Integrity for a sample of the IFRS 17 Portfolios. • Tested a sample of claim payments and reserves to confirm the amounts recorded in the claims systems agree to the source data; • Tested the appropriateness of the methodology and assumptions used by the external actuary and management in estimation of reserves as at 31 December 2024 and performed reprojections for a sample of reserves to validate estimates; • Tested management’s calculation of the discount rate used to compute the present value of LIC and LRC. • Tested the methodology and assumptions used by management in estimating the risk adjustment; • Reconciled the claims data used by management to calculate the IFRS 17 LIC to the audited claims and premiums data. • Reviewed the CSM calculation and loss component for long-term contracts and measured under GMM and VFA and the estimation of the additional liability for onerous contracts. • Assessed the adequacy of disclosures in the financial statements. <p>During the audit, we have been supported by external actuarial experts.</p>

INDEPENDENT AUDITOR'S REPORT (CONTINUED)**TO THE SHAREHOLDERS OF SACOS GROUP LIMITED**

6

Description of Key Audit Matter	Audit response
<p>Investment property:</p> <p>The Group has a diverse portfolio of investment properties and applies either the market approach or the income approach depending on the property's highest and best use to determine the fair value.</p> <p>As at the reporting date 31 December 31 2024, land and building (including buildings on leasehold land) carries at fair value, classified as Investment properties amounted to SCR 399 Mn which is 37% of total assets.</p> <p>The group has recorded a fair value gain of SCR 10 Mn during the year, in respect of its investment property.</p> <p>As explained in Note 6 Management assessment of fair value of these investment properties is based on the valuation performed by a qualified independent property valuer in accordance with recognised industry standards.</p> <p>The fair values of the investment properties are highly sensitive to the changes in the underlying estimates and assumptions.</p>	<p>We performed the following procedures:</p> <ul style="list-style-type: none"> • Assessed management's processes and controls over the valuation of investment properties, including the oversight from those charged with governance; • Evaluated the objectivity, independence and expertise of the external independent valuation specialist. • Assessed the appropriateness of the valuation methodology used and the applicable assumptions depending on the type of property. • Agreed the carrying amounts and the related valuation gains/losses of the investment properties in the financial statements to the independent valuers' reports; and • Assessed the adequacy of the disclosures in the Consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises the director's report. Our opinion on the consolidated financial statements does not cover the other information and will not express any form of assurance conclusion thereon.

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

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE SHAREHOLDERS OF SACOS GROUP LIMITED

7

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and requirements of the Seychelles Companies Act 1972 and the Insurance Act 2008, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Group'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 consolidated 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 group to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE SHAREHOLDERS OF SACOS GROUP LIMITED

8

- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance 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, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless 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.

Report on Other Legal and Regulatory Requirements

The Seychelles Companies Act 1972 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- a. we have obtained all the information and explanations necessary for the performance of our audit, and
- b. in our opinion
 - (i) proper books of accounting have been kept by the Group as far as appears from our examination of those records; and
 - (ii) the Group's consolidated statement of financial position and statement of comprehensive income are in agreement with the books of account and returns.

The financial statements have been prepared in accordance with requirements specified by the Insurance Act, 2008.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE SHAREHOLDERS OF SACOS GROUP LIMITED

9

ACCA Membership Number of the engagement partner responsible for signing this independent auditors' report is 2673981

Pool Patel
POOL & PATEL
CHARTERED ACCOUNTANTS
11th December 2025

SACOS GROUP LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

10

		THE GROUP			
		2024		2023	
Notes	The Company	Consolidated	The Company	Consolidated	
	SCR	SCR	SCR	SCR	
ASSETS					
Non-current assets					
Equipment	4	6,734,311	6,751,126	9,242,211	9,245,538
Right of use asset	5	-	-	5,447,810	5,447,810
Investment properties	6	84,700,000	399,436,382	77,633,225	379,967,202
Intangible assets	7	7,331,496	8,525,524	12,046,908	12,055,769
Investment in subsidiaries	8	3,000,000	-	3,000,000	-
Investment in preference share	8	25,000,000	-	25,000,000	-
Investment in financial assets - non-current	9	8,289,230	202,602,941	33,955,192	250,944,086
Deferred tax assets	11	649,708	649,708	671,638	2,196,019
Investment in associates	12	-	23,310,171	-	22,834,214
		<u>135,704,745</u>	<u>641,275,852</u>	<u>166,996,984</u>	<u>682,690,640</u>
Current assets					
Investment in financial assets - current	9	15,142,137	37,267,246	13,791,619	35,166,849
Insurance contract assets	22	2,320	2,320	-	-
Reinsurance contract assets	23&27-29	215,784,017	232,402,763	257,149,984	274,121,501
Loans and receivables	10	659,128	659,128	349,793	349,793
Trade and other receivables	13	42,781,612	77,131,508	5,895,191	9,408,707
Intercompany receivables	14	303,679	-	20,875,500	-
Cash and cash equivalents	15	39,890,309	76,664,535	63,349,032	107,567,752
Current tax asset	16	3,073,526	5,145,671	1,962,448	1,962,448
		<u>317,636,728</u>	<u>429,273,171</u>	<u>363,373,567</u>	<u>428,577,050</u>
Total assets		<u>453,341,473</u>	<u>1,070,549,023</u>	<u>530,370,551</u>	<u>1,111,267,690</u>
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	17	70,000,000	70,000,000	70,000,000	70,000,000
Preference share		-	-	-	-
Solvency/Undistributed reserve		28,651,586	28,651,586	28,651,586	28,651,586
Retained earnings		81,838,076	147,195,619	54,117,065	114,019,522
Fair value reserve		-	-	11,778,582	11,778,582
Total equity		<u>180,489,662</u>	<u>245,847,205</u>	<u>164,547,233</u>	<u>224,449,690</u>
LIABILITIES					
Non-current liabilities					
Retirement benefit obligations	19	5,901,312	7,163,255	5,368,413	6,562,085
Deferred tax liabilities	11	-	787,157	-	-
Funds under Management	18	643,175	643,175	643,175	643,175
		<u>6,544,487</u>	<u>8,593,587</u>	<u>6,011,588</u>	<u>7,205,260</u>
Current liabilities					
Trade and other payables	20	26,941,918	41,626,487	15,092,270	27,132,574
Insurance contract liabilities	22/24-26/30-32	233,770,677	768,887,015	332,289,127	840,019,662
Reinsurance contract liabilities	23	5,594,729	5,594,729	6,833,089	6,833,089
Intercompany payables	14	-	-	-	-
Lease liability	21	-	-	5,597,244	5,597,244
Current tax liability	16	-	-	-	30,172
		<u>266,307,324</u>	<u>816,108,231</u>	<u>359,811,730</u>	<u>879,612,741</u>
Total liabilities		<u>272,851,811</u>	<u>824,701,818</u>	<u>365,823,318</u>	<u>886,818,001</u>
Total equity and liabilities		<u>453,341,473</u>	<u>1,070,549,023</u>	<u>530,370,551</u>	<u>1,111,267,690</u>

BOARD APPROVAL

These financial statements have been approved for issue by the Board of Directors on.....16th December 2025.....

DocuSigned by:
Patrice Bastide
 P Bastide
 Director

DocuSigned by:
Louis Rivalland
 L Rivalland
 Director

Signed by:
Priya Moulinié
 P Moulinié
 Director

Signed by:
Odile Vidot
 O Vidot
 Director

Signed by:
Davis Laporte
 D Laporte
 Director

Signed by:
Down Bradburn
 D Bradburn
 Director

DocuSigned by:
G. Caprice
 G. Caprice
 Director

DocuSigned by:
Tacy Furneau
 T Furneau
 Director

SACOS GROUP LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

11

	Notes	THE GROUP			
		2024		2023	
		The Company	Consolidated	The Company	Consolidated
		SCR	SCR	SCR	SCR
Insurance revenue	33	202,692,231	247,208,284	190,914,349	225,165,662
Insurance service expenses	22&34	(189,109,480)	(227,750,120)	(313,639,525)	(342,417,756)
Income or expense from reinsurance contracts held	23&35	1,557,742	(3,879,297)	148,889,423	145,710,758
Insurance service result		15,140,494	15,578,867	26,164,247	28,458,664
			-		-
Insurance finance income/(expenses) from insurance contracts issued	34	-	(47,689,561)	-	(36,298,488)
Finance income/(expenses) from reinsurance contracts held	35	-	1,664,238	-	718,711
			-		-
Total insurance finance income or expenses		15,140,494	(30,446,456)	26,164,247	(7,121,114)
Rental income	6(d)	4,410,563	28,858,457	7,155,255	33,198,919
Investment income	36	4,949,288	30,284,046	3,334,204	24,381,143
Impairment on Financial Assets	37	1,059,609	4,112,500	(1,199,043)	(6,286,230)
Increase in fair value of investment properties		2,181,484	10,093,491	-	-
Total Investment Income		12,600,943	73,348,493	9,290,416	51,293,832
Other Income	38	10,394,636	10,673,188	1,408,481	1,600,085
Other Expenses	39	(17,535,581)	(24,910,428)	(14,938,944)	(24,854,259)
Total Other Income & Expenses		(7,140,945)	(14,237,240)	(13,530,463)	(23,254,174)
Transfer from BSR		-	-	-	4,889,795
Profit before taxation		20,600,492	28,664,798	21,924,200	25,808,339
Taxation	11&16	(4,658,063)	(7,267,283)	(6,898,421)	(8,552,740)
Profit for the year		15,942,429	21,397,515	15,025,779	17,255,599
Other comprehensive income/(loss) for the year,					
Fair value change on instruments measured at FVTOCI		-	-	2,276,202	2,276,202
Foreign exchange loss on instruments measured at FVTOCI		-	-	77,158	77,158
Total comprehensive income for the year		15,942,429	21,397,515	17,379,139	19,608,960
Profit attributable to equity holders of the parent		7.97	-	7.51	-

*Comparative information was restated for the initial application of IFRS 17 and IFRS 9. Refer to note 2 for additional information.

SACOS GROUP LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2024

12

STATEMENT OF CHANGES IN EQUITY

THE GROUP

	Share capital	Retained earnings	Fair value reserve	Total
	SCR	SCR	SCR	SCR
Balance at 1 January 2023	70,000,000	132,415,509	9,425,222	211,840,731
Total comprehensive income for the year	-	17,255,599	2,353,360	19,608,959
Dividends (note 45)	-	(7,000,000)	-	(7,000,000)
At 31 December 2023	70,000,000	142,671,108	11,778,582	224,449,690
Total comprehensive income for the year	-	21,397,515	-	21,397,515
Transfer from revaluation reserve	-	11,778,582	(11,778,582)	-
Dividends (note 45)	-	-	-	-
At 31 December 2024	70,000,000	175,847,204	-	245,847,204

THE COMPANY

	Share capital	Retained earnings	Fair value reserve	Total
	SCR	SCR	SCR	SCR
Balance at 1 January 2023	70,000,000	74,742,872	9,425,222	154,168,094
Total comprehensive income for the year	-	15,025,779	2,353,360	17,379,139
Dividends (note 45)	-	(7,000,000)	-	(7,000,000)
At 31 December 2023	70,000,000	82,768,651	11,778,582	164,547,233
Total comprehensive income for the year	-	15,942,429	-	15,942,429
Dividends (note 45)	-	-	-	-
Transfer from revaluation reserve	-	11,778,582	(11,778,582)	-
At 31 December 2024	70,000,000	110,489,662	-	180,489,662

SACOS GROUP LIMITED
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2024

13

Notes	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	SCR	SCR	SCR	SCR
Cash flows from operating activities:				
Profit/(Loss) before taxation	28,664,798	25,808,339	20,600,492	21,924,200
Profit/(Loss) before taxation attributable to shareholders	28,664,798	25,808,339	20,600,492	21,924,200
<i>Adjustments for:</i>				
Depreciation and Amortisation	2,250,619	2,724,909	2,246,320	3,164,290
Provision for Doubtful Debt	-	-	-	75,000
Provision for Expected Credit Loss IFRS 9	(3,506,448)	646,472	(288,033)	(164,816)
Change in fair value of investment in financial assets	(9,028,423)	(5,830,194)	(1,744,118)	477,043
Change in fair value of investment Properties	(10,093,491)	-	(2,181,484)	-
Profit from associate	(475,957)	-	-	-
Amortisation of intangible asset	4,997,146	4,930,982	4,988,285	4,828,779
Movement in Right of Use Asset	5,447,810	(5,447,810)	5,447,810	(5,447,810)
Movement in retirement benefit obligations	647,324	959,616	579,053	963,059
Interest income	26,079,098	(14,607,658)	(616,558)	(1,160,530)
Effect of change in exchange rates	(3,290,549)	949,043	(1,286,087)	(168,176)
	41,691,928	10,133,699	27,745,681	24,491,039
<i>Changes in working capital:</i>				
- (Increase) / Decrease in Trade and other receivables	(67,722,801)	(793,958)	(16,314,600)	(21,112,236)
- (Increase)/ Decrease in Insurance contract assets	(2,320)	724,117	(2,320)	724,117
- (Increase)/ Decrease in Reinsurance contract assets	41,718,738	(199,239,457)	41,365,967	(197,136,508)
- Increase / (Decrease) in Trade and other payables	14,493,913	3,550,317	11,849,648	1,401,666
- Increase/ (Decrease) in Lease Liability	(5,597,244)	5,597,244	(5,597,244)	5,597,244
- (Increase)/ Decrease in Insurance contract liabilities	(71,132,648)	235,434,312	(98,518,450)	215,489,433
- (Increase)/ Decrease in Reinsurance contract liabilities	(1,238,360)	2,066,447	(1,238,360)	2,066,444
	(47,788,794)	57,472,720	(40,709,679)	31,521,200
Net tax paid	(8,147,210)	(6,466,245)	(5,747,211)	(3,935,487)
Interest received	13,130,907	9,244,135	-	-
Retirement benefit obligation paid	(46,154)	(327,681)	(46,154)	(208,893)
Net cash inflow / (outflow) from operating activities	(42,851,251)	59,922,928	(46,503,045)	27,376,819
Cash flows from investing activities:				
Purchase of equipment	(4,641,498)	(632,840)	(4,623,712)	(1,076,965)
Purchase of intangible assets	(1,466,903)	(1,061,479)	(272,872)	(1,136,480)
Disbursements of loans and receivables	(1,186,660)	(815,714)	(1,186,660)	(815,714)
Proceeds from loans and receivables	877,325	3,034,154	877,325	465,921
Additions to investment in financial assets	(5,407,481)	(110,951,641)	-	(15,007,293)
Additions to investment properties	(4,490,398)	(824,333)	-	-
Redemption of investment in financial assets	28,263,649	112,318,417	28,250,241	36,967,775
Net cash inflow from investing activities	11,948,033	1,066,565	23,044,321	19,397,244
Cash flows from financing activity:				
Dividends paid	-	(7,000,000)	-	(7,000,000)
Net cash outflow from financing activity	-	(7,000,000)	-	(7,000,000)
Net change in cash and cash equivalents	(30,903,218)	53,989,493	(23,458,723)	39,774,063
Movement in cash and cash equivalents:				
At 1 January	107,567,752	53,578,259	63,349,032	23,574,969
Change	(30,903,218)	53,989,493	(23,458,723)	39,774,063
At 31 December	76,664,535	107,567,752	39,890,309	63,349,032

1. GENERAL INFORMATION

Sacos Group Limited (collectively "the Group" and referred to as "the Company" for its separate financial statements here-after) was incorporated under the Companies Act, 1972 on 22 November 2005. Pursuant to order dated 23rd January 2019 of the Supreme Court of Seychelles, Sacos Group Company Limited and Sun Investment Limited have been amalgamated with the Company with effective 1st January 2017.

The principal activity of Sacos Group Limited (hereafter referred as 'Sacos Group or the Company') is that of Short-term Insurance Business. These activities have remained unchanged during the year under review. Activities of its 100% owned subsidiary Sacos Life Assurance Company Limited (hereafter referred as 'Sacos Life') is to underwrite life assurance policies.

The Group is domiciled in Republic of Seychelles and its registered office is Maison Esplanade, Rue De Possession, Victoria, Mahe, Seychelles.

These consolidated and separate financial statements will be submitted for approval at the forthcoming Annual General Meeting of the shareholders of the Group.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with IFRS Accounting Standards and comply with the Companies Act 1972 and the Insurance Act 2008.

Apart from certain items that are carried at revalued and fair valued amounts such as land and buildings, financial assets and investment properties, the consolidated and separate financial statements have been prepared under the historical cost basis.

The consolidated and separate financial statements are presented in Seychellois rupee (SCR) and rounded to the nearest SCR, unless otherwise indicated.

This is the first set of the Group's annual financial statements in which IFRS 17 Insurance Contracts and IFRS 9 Financial Instruments have been applied. The related changes to Material accounting policies are described in Note 2.4

Basis of consolidation

The consolidated and separate financial statements comprise the financial statements of the Group and its subsidiary as at 31 December 2023. The Group controls an investee if and only if the Group has:

- Power over the investee (i.e. it holds existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full upon consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2. SUMMARY OF Material accounting POLICIES (CONTINUED)

2.2 Changes in accounting policies and disclosures

New Standards adopted as at 1 January 2024

The following amendments to the International Accounting Standards (IAS) that are relevant for the preparation of the financial statements have been adopted by the company for the first time with effect from financial year beginning on 1 January 2023.

- Amendments to IAS 1-Classification of liabilities as current or non-current and non-current liabilities with covenants
- Amendments to IAS 7 and IFRS 7-Supplier finance arrangements

The adoption of these IFRS Accounting Standards and amendments to these IFRS Accounting Standards did not have a material impact, apart from the first-time application of IFRS17 Insurance contracts and IFRS 9 Financial instruments.

The Group has initially applied IFRS 17 and IFRS 9, including any consequential amendments to other standards, from 1 January 2023. These standards have brought significant changes to the accounting for insurance and reinsurance contracts and financial instruments.

Except for the changes below, the Group has consistently applied the accounting policies set out in **Note 2.5** to all periods presented in these consolidated financial statements.

The nature and effects of the key changes in the Group's accounting policies resulting from its adoption of IFRS 17 and IFRS 9 are summarised below on notes 2.4.2 and 2.4.3.

2.3 Accounting standards and interpretations issued but not yet effective

- Amendments to IAS 21 - Lack of exchangeability
- Amendments to IFRS 9 and IFRS 7 -Amendments to the classification and measurement of financial instruments
- IFRS 18- Presentation and disclosure in financial statements

The Group is currently assessing the impact of these new accounting standards and amendments. The Group does not expect any standard issued, but are not yet effective to have a material impact on the Group.

2.4 Material accounting policies

2.4.1 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

2.4.2 IFRS 17 Insurance Contracts

IFRS 17 was issued by the International Accounting Standards Board (IASB) in 2017 and replaces IFRS 4 for annual reporting period beginning on or after 1 January 2023, with early application permitted. The Group adopted the standard on 1 January 2023 and restated comparative information. The nature of the changes in accounting policies can be summarised, as follows:

(a) *Definition, classification and separation of components*

Insurance contracts are contracts under which the Group accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The Group determines whether a contract contains significant insurance risk by assessing if an insured event could cause the Group to pay to the policyholder additional amounts that are significant in any single scenario with commercial substance.

The Group determined that Sacos Group's and Sacos Life's insurance products, including all product features, meet the definition of insurance contracts. Further, reinsurance agreements held by the Group have been concluded to meet the definition of reinsurance contract.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

2.4.2 IFRS 17 Insurance Contracts (continued)

Definition, classification and separation of components (Continued)

Separation of components

An insurance contract may contain one or more components that would be within the scope of another Standard if they were separate contracts. These components could relate to distinct investment components, embedded derivatives not closely related to host insurance contract, or distinct goods and services. An investment component is distinct if, and only if, the investment component and the insurance component are not highly interrelated; and a contract with equivalent terms is sold, or could be sold, separately in the same market or the same jurisdiction, either by entities that issue insurance contracts or by other parties.

Sacos Insurance does not have exposure to investment components within any of its insurance contracts or reinsurance contracts held and has no plans to offer this product feature in the foreseeable future.

Whereas,

The Group identified that 15 out of 17 of Sacos Life products contain investment components (with profit contracts). These components have been concluded to not be distinct.

The Group concluded that it does not have exposure to embedded derivatives within any of its insurance contracts or reinsurance contracts held and has no plans to incorporate any in the foreseeable future.

Whereas,

The Group identified that 13 out of 17 of Sacos Life products contain embedded derivatives. These embedded derivatives have been concluded to not be distinct.

None of Sacos Insurance or Sacos Life's insurance (reinsurance) contracts include goods or services other than insurance contract services. There are also no plans to include these product features in the foreseeable future.

(b) Level of aggregation (unit of account)

A portfolio of insurance contracts comprise of contracts subject to similar risks and are managed together.

Sacos Insurance manages each product line as a business line, where the business line (i.e., product line) is used to report through to the Financial Services Authority (FSA) given that the business written within each business lines tend to respond similarly to the same key risk drivers. The Group further determined that contracts of a shorter-term nature will respond differently to risk compared to longer-term contracts as there is a different time horizon over which the risks can incur. Therefore, the risks are not similar.

In respect of Sacos Life, the regulatory reports contain a split of the business in two main categories: "With-profit" and "Without profit" with each specific product listed under each category, together with the split of the without profit products between those residing within the with-profit fund and those that do not. The with-profit products, although having slightly differing product features, are all exposed to the same risks. Without profit products there are two distinct product types: one for credit life business where the sum assured decreases over each contract's term and the other for funeral business where the sums assured are small and level over the contract term.

Sacos Group houses its insurance business data on three different administration systems, and management reports are currently prepared using the FSA business line level.

Sacos Life houses its data on one system. Product level detail is often included in reports with products summarised into categories, being "with-profit" and "without profit".

The portfolios for insurance contracts issued by the Group are determined to be the following:

Sacos Group:

Accident, marine, cash, engineering - long term, engineering - short term, fidelity guarantee, health, liability, motor and property.

Sacos Life:

With profits (all with-profit products, Without profit products (all without profit products within the with-profits fund), mortgage (Mortgage business outside of the with-profits fund), DTA (Non-mortgage credit life business outside of the with-profits fund) and Funeral (Funeral business outside of the with-profits fund).

An entity shall divide a portfolio of insurance contracts issued into a minimum of a group of contracts that are onerous (net loss in a case of reinsurance contracts) at initial recognition, if any; a group of contracts that at initial recognition have no significant possibility of becoming onerous (no significant possibility of net loss) subsequently, if any; and a group of the remaining contracts in the portfolio, if any. An entity is permitted to further subdivide to more granular groups should a need be identified. The Group did not identify a need to further sub-divide into more granular groups.

The Group assumes that insurance contracts measured applying the PAA are not onerous unless there are facts and circumstances identified indicating otherwise.

In respect of Sacos Insurance no contracts are deemed to have no significant possibility of becoming onerous due to the volatile nature of general insurance. All profitable insurance contract groups for Sacos Insurance are thus assumed to be in the "Remaining" profitable category. There were no contracts deemed to be onerous at initial recognition.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

2.4.2 IFRS 17 Insurance Contracts (continued)

Level of aggregation (unit of account) (continued)

In respect of Sacos Life for with-profits contracts, due to the structure of the product where the shareholders are entitled to 1/9th of all cost of business declared, it is not expected that any with-profits contracts will be onerous. All with-profits contracts have been deemed to have no significant possibility of becoming onerous.

Reinsurance contracts held have been concluded to be in the "remaining" category.

An entity shall not include contracts issued more than one year apart in the same group, this is achieved by determining annual cohorts. The Group determined its cohort to be 1 January - 31 December.

(c) Recognition, modification and derecognition

Groups of insurance contracts issued are initially recognised from the earliest of the beginning of the coverage period; the date when the first payment from the policyholder is due or actually received, if there is no due date; and when the company determines that a group of contracts has become onerous. The group recognises insurance contracts containing travel risks when the first premium is due (or received), recognises onerous groups of insurance contracts when facts and circumstances indicating that contracts are onerous have been identified, and recognises all other groups of insurance contracts at the beginning of the coverage period.

The Group recognises reinsurance contracts held at the earlier of the beginning of the coverage period or when the Group recognises an onerous group of underlying insurance

The Group derecognises a contract when the contract's coverage period has come to an end; when the policy has been cancelled; when the policy has contractually terminated; or when the insurance contract has been modified. During the year, there were no contracts identified meeting the modification criteria.

(d) Measurement

(i) Fulfilment cash flows and estimate of future cashflows

Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums or the company has a substantive obligation to provide the policyholder with insurance coverage or other services. In assessing contract boundaries for insurance contracts issued, the Group assessed substantive contractual rights and obligations. The Group assessed contract boundaries for insurance contracts issued and reinsurance contracts held to range between less than one year to more than one year.

When estimating the present value of future cash flows, the Group includes all cash flows within the contract boundary including the following:

Estimation of reinsurance cash flows

Sacos Life models its reinsurance cash flows using the actuarial model that is used to project the underlying groups of insurance contract cash flows in order to determine its liability for remaining coverage.

Sacos Group multiplies the liability for the underlying groups of insurance cash flows by the proportion ceded to the reinsurers to determine the reinsurance liability for incurred claims. This is then adjusted for the expected reinsurer recoveries for the risk of non-performance.

Estimation of expected claim and claim-related expense cashflows

For Sacos Group, the liability for incurred claims (LIC) consists of the outstanding claim reserve (OCR) and the incurred but not reported claim reserve (IBNR). Triangulation methods such as the Basic Chain Ladder (BCL), Bornhuetter-Ferguson (BF), Loss Ratio (LR), and Cape Cod are used to estimate claims, both on a paid and incurred basis. Claims are analyzed by accident quarter and organized by delay period on a quarterly basis. Both the OCR and IBNR amounts are undiscounted.

Incorporation of premium and commission debtors and creditors

For Sacos Life, due to the short time between claim occurrence and settlement the LIC consists solely of the OCR which includes amounts approved for payment but not yet settled. Sacos Group does not recognise revenue it does not expect to receive. Thus, any debtor held within the liability for remaining coverage (LRC) under the premium allocation approach (PAA) is net of bad debts provisions and the revenue in respect of other expected premium reversals/cancellations is held back.

For the general measurement model and the variable fee approach under Sacos Life, the full premium debtor and commission creditor are held within the LRC. All other insurance acquisition cash flows are allocated to groups of insurance contracts only after payment given that they are incurred on or before the contract's inception date. Sacos Life does not have exposure to premium debtors and commission creditors in the current period.

For the liability for incurred claims estimates for Sacos Group, pure IBNR is determined using claims triangulation techniques based on reported and paid claims triangulations per reserving portfolio (which is the level at which the company groups its claim experience to achieve credible data but at the same time create homogenous data sets. IBNER is quantified based on an analysis of past case estimate utilisation and applying the observed under/over-reserving factors to current outstanding claims. Further detail can be found in the annual actuarial valuation report.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

2.4.2 IFRS 17 Insurance Contracts (continued)

Measurement (continued)

(i) Fulfilment cash flows and estimate of future cashflows (continued)

For Sacos Life, there is no IBNR held due the claims process being completed within a short period of time.

The number of years of historic data used is chosen to:

- enable the level of data to be credible,
- include a range of good, bad and average years of experience, and
- be relevant to future periods to which the assumptions will apply.

The future cash flows are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Group expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts. The estimate of future cash flows are based on a probability weighted mean of the full range of possible outcomes; are determined from the perspective of the Group, provided the estimates are consistent with observable market prices for market variables; and reflect conditions existing at the measurement date.

An explicit risk adjustment for non-financial risk is estimated separately from the other estimates. For contracts measured under the PAA, unless the contracts are onerous, the explicit risk adjustment for non-financial risk is only estimated for the measurement of the LIC.

Where groups of insurance contracts are onerous, the Group's future expected claim and expense cashflows are estimated as a percentage of the earned premium for each quarter up until the contract boundary.

In respect of Sacos Life, where all products are measured under the general measurement model (or "GMM") or variable fee approach (or "VFA"), the cashflow projection model used requires mortality assumption tables, expense rates and lapse rates specified by duration in-force. The mortality table is split by age and gender and is based on a multiple of a standard industry-produced table with this multiple set using historical claim experience where credible or based on industry practice.

(ii) Initial and subsequent measurement

The IFRS 17 default measurement approach is the GMM; this applies to insurance contracts issued as well as reinsurance contracts held. An entity may simplify the measurement of a group of insurance contracts using the premium allocation approach (PAA) if the entity reasonably expects that the simplification would produce a measurement (applied GMM principles) of the liability for remaining (LRC) for the group that would not differ materially from the one that would be produced applying the PAA principles. Insurance contracts that have been identified to contain direct participation features are required to be measured using the variable fee approach (VFA).

Insurance contracts with direct participation features are viewed as creating an obligation to pay policyholders an amount that is equal to the fair value of the underlying items, less a variable fee for service. The variable fee comprises the Group's share of the fair value of the underlying items, less the fulfilment cash flows that do not vary based on the returns on underlying items. The measurement approach for insurance contracts with direct participation features is the VFA. The VFA modifies the GMM to reflect that the consideration an entity receives for the contracts is a variable fee.

Sacos Group measures its insurance contracts applying the PAA, the contracts qualified to be measured applying the PAA by virtue of having contract boundaries and coverage periods of less than months.

Sacos Life measures the insurance contracts applying the GMM for all without-profits contracts and the variable fee approach (VFA) for its with-profits contracts, given that the with-profits contracts qualify as insurance contracts with direct participation features.

Reinsurance contracts held by the Group that have contract boundaries and coverage periods of one year or less are measured applying the PAA due to the virtue of having a coverage period of 12 months or less. The travel quota share reinsurance agreement has a contract boundary and coverage period of more than one year, an assessment was performed to determine whether the LRC applying the GMM principles would be materially different from that determined applying the PAA principles; the Group concluded that the PAA LRC is not materially different from the GMM LRC; and therefore, measures the contract applying the PAA.

On initial recognition, a group of insurance contracts is measured as the total of fulfilment cash flows (estimates of future cash flows, an adjustment to reflect the time value of money and the financial risks related to the future cash flows, and a risk adjustment for non-financial risk); and contractual service margin (for contracts not measured applying the PAA).

Groups of contracts not measured applying the PAA:

The Group measured the LRC as the sum of the fulfilment cash flows related to future service allocated to the group of insurance contracts and the contractual service margin (CSM) of that group of insurance contracts. For the LRC, the present value of future cashflows is determined at a policy level. The CSM is a component of the asset or liability for the group of insurance contracts that represents the unearned profit the entity will recognise as it provides insurance contract services in the future. LIC is the determined by fulfilment cash flows relating to past service allocated to the group of insurance contracts.

The LRC is changed by recognition in income and expenses revenue as the insurance service is provided, insurance service expenses for losses on groups of onerous contracts and for reversal of those losses, and insurance finance income or expenses for the effect of the time value of money and the effect of financial risk.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

2.4.2 IFRS 17 Insurance Contracts (continued)

Measurement (continued)

(ii) Initial and subsequent measurement (continued)

The LIC is changed by recognition of insurance service expenses in respect of claims and expenses incurred during the period and any changes in relation to claims and expenses, and insurance finance income or expenses for the effect of the time value of money and the effect of financial risk.

Changes in the CSM is determined by adjusting for the effect of any new contracts added to the group, interest accreted on the carrying amount of the CSM during the period, the amount recognised as insurance revenue because of the transfer of insurance contract services in the period, and the changes in fulfilment cash flows relating to future service, except to the extent that such increases in the fulfilment cash flows exceed the carrying amount of the CSM, giving rise to a loss, or such decreases in the fulfilment cash flows are allocated to the loss component of the LRC.

Groups of contracts measured applying the PAA:

On initial recognition the LRC is the premiums received at initial recognition, minus any insurance acquisition cash flows not recognised as expense when incurred, plus or minus any amount arising from the derecognition of insurance acquisition cash flows and any other asset or liability previously recognised for cash flows related to the group of contracts. At the end of the period the LRC is determined by the premiums received during the period, minus insurance acquisition cash flows not recognised as expense, plus any amounts relating to the amortisation of insurance acquisition cash flows recognised as an expense in the reporting period, plus any adjustment to a financing component, minus the amount recognised as insurance revenue for services provided in that period, and minus any investment component paid or transferred to the liability for incurred claims.

The LIC is determined by fulfilment cash flows relating to past service allocated to the group of insurance contracts. The LIC is changed by recognition of insurance service expenses in respect of claims and expenses incurred during the period and any changes in relation to claims and expenses, and insurance finance income or expenses for the effect of the time value of money and the effect of financial risk.

Other directly attributable expenses:

All policy administration and maintenance expenses determined to be directly attributable to insurance contracts are assumed to be due to current service provision. No liability is raised in advance of these types of expenses incurring. As each month's expenses are incurred, these amounts are raised within the LIC and released from the LIC to insurance service expense.

Insurance acquisition cashflows:

In respect of insurance contracts measured applying the PAA, the Group has an accounting policy choice of whether to expense the insurance acquisition cash flows when incurred or amortise them over the coverage period. The Group has elected to capitalise its insurance acquisition cash flows and to expense them over the passage of time in the pattern through which premium revenue is earned.

In respect of insurance contracts measured not applying the PAA, the Group recognises as an asset insurance acquisition cash flows paid before the related group of insurance contracts is recognised. This asset is derecognised when the insurance acquisition cash flows are included in the measurement of the related group of insurance contracts.

Discounting and discount rates:

The Group has adopted the bottom-up approach to determine the discount rates for its without profit contracts measured applying the GMM, in respect of its with-profit contracts measured applying the VFA, a hybrid approach has been adopted. The discount rate in respect of cashflows that vary based on the bonuses awarded and the level of return on the assets and contracts held within the with-profit fund is to be determined applying the top-down approach, and the discount rate for cashflows not affected by these bonuses and returns assets is determined applying the bottom-up approach.

Applying the bottom-up approach, the discount-rate per group of insurance contracts is set equal to the liquid risk-free discount rate plus a liquidity risk premium relevant to the liquidity characteristics contained within the contracts.

The Group has elected not to discount insurance contracts and reinsurance contracts measured applying the PAA, due to the short term nature of these contracts.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk allows for the compensation the Group requires for being exposed to the insurance, lapse and expense risks contained within its products. Operational risk specific to the fulfilment of contractual obligations with policyholders is also included.

Sacos Life:

A confidence level technique, calibrated to a 90th percentile confidence level of risk is used to determine the level of risk adjustment required. From a practical application perspective, the risk adjustment is converted into margins for adverse deviation on present value of cash flows.

Operational risk is assumed to be independent of other non-financial risks and has been included as an additional margin applied to either premiums or claims, depending on whether the contracts are single premium contracts or regular premium contracts.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

2.4.2 IFRS 17 Insurance Contracts (continued)

Measurement (continued)

(ii) Initial and subsequent measurement (continued)

Sacos Group

A confidence level technique, calibrated to a 75th percentile confidence level of risk is used to determine the level of risk adjustment required. A risk adjustment ratio is not applied to the LIC expense provision as this is not regarded a risk to the Company.

Insurance finance income or expenses

The impact of the time value of money on the net carrying amount of insurance contracts is presented under insurance finance income and expenses. This impact will not be disaggregated between other comprehensive income, this is recognised in full through profit or loss.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**2.4 Material accounting policies (continued)****2.4.3 IFRS 9 Financial instruments**

The Group continues to apply IFRS 9 – Financial Instruments, which superseded IAS 39 and introduced revised requirements for the classification and measurement of financial assets and liabilities, impairment using an expected credit loss model and general hedge accounting. The Standard is now fully embedded into the Group's financial reporting processes.

(a) Classification and Measurement of Financial Assets

Under IFRS 9, financial assets are measured based on the Group's business model for managing those assets and on their contractual cash flow characteristics. The Group currently classifies its financial assets under the following measurement categories:

- Amortised Cost
- Fair Value Through Other Comprehensive Income (FVTOCI)
- Fair Value Through Profit or Loss (FVTPL)

The classification reflects the way financial instruments are managed and monitored at portfolio level. The Group holds financial assets both to collect contractual cash flows and for fair value investment purposes.

As at 31st December 2024, the Group held:

- Debt instruments at amortised cost totaling **SCR 202m**, and
- Equity instruments measured at FVTPL with a fair value of **SCR 37m**.

These classifications are consistent with prior years and no significant changes in business model or measurement categories were identified during the year.

(b) Financial Liabilities

Under IFRS 9 – Financial Instruments, financial liabilities are classified and measured based on their contractual terms and the Group's intention at initial recognition. The requirements remain broadly consistent with IAS 39, except in relation to the presentation of fair value changes arising from own credit risk for liabilities designated at fair value through profit or loss. The Group Financial liabilities are recognised initially at fair value and classified as either:

1. Amortised Cost – the Group's primary category, including borrowings, trade and other payables, lease liabilities and accruals. These are subsequently measured using the effective interest method, where applicable.
2. Fair Value Through Profit or Loss (FVTPL) – only where designated at initial recognition or held for trading. Fair value changes attributable to own credit risk are recognised in Other Comprehensive Income, with other fair value movements recognised in Profit or Loss.

(c) Impairment

The Group applies the forward-looking Expected Credit Loss (ECL) model to financial assets measured at amortised cost and FVTOCI. ECL allowances are determined using a probability-weighted approach that incorporates forward-looking macro-economic information.

Under IFRS 9, loss allowances will be measured on either of the following bases:

- (i) 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and;
- (ii) Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

ECLs are assessed at each reporting date and updated to reflect changes in credit risk. Impairment losses and reversals are recognised in Profit or Loss

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

2.4.4 Investment in subsidiary companies

Subsidiaries are all entities (including structured entities) over which the Group has control. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Separate financial statements

Investments in subsidiaries in the separate financial statements of the Company are carried at cost, net of any impairment. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is recognized in profit or loss. Upon disposal of the investment, the difference between the net disposal proceeds and the carrying amount is recognized in profit or loss.

2.4.5 Equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Shares issued by the Group are recognized at the proceeds received, net of direct issue costs.

2.4.6 Dividends

Dividends on ordinary shares are recognized as a liability and deducted from equity when they are approved by the Group's shareholders.

2.4.7 Property and equipment

Property and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost excludes the cost of day to day servicing. Replacement or major inspection costs are capitalized when incurred and if probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent costs are included in the assets' carrying amount or recognized as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Depreciation on property and equipment is calculated on the straight line method to write off the cost of each asset to their residual values over their estimated useful life as follows:

	Rates
Furniture and fittings	10%
Computer and equipment	15% - 20%
Motor vehicles	25%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Where the carrying amount is greater than its recoverable amount, it is written down to its recoverable amount.

Gains and losses on disposal of property and equipment are determined by reference to their carrying amounts and are taken into profit or loss. On disposal of revalued assets, any amounts in revaluation reserve relating to those assets are transferred to retained earnings.

2.4.8 Investment properties

Investment properties held to earn rentals/or for capital appreciation or both and not substantially occupied by the Group are initially stated at cost, including transaction costs and then are subsequently carried at fair value, representing open market value determined annually by external valuers and or the Directors as appropriate.

Gains or losses arising from changes in fair values of investment properties are recognized in the consolidated statement of profit or loss and other comprehensive income.

2.4.9 Intangible assets

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives are recognized in consolidated statement of profit or loss and other comprehensive income in the expense category that is consistent with the function of the intangible assets.

Computer software

Acquired computer software licenses are capitalized on the basis of costs incurred to acquire and bring to use the specific software and are amortised using the straight line method over the estimated useful life of 5 years.

Website

Costs that are directly associated with the development of the Group's website and which will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. Direct costs include staff costs of the software development team and an appropriate portion of relevant overheads. Website development costs recognized as assets are amortised using a straight-line method over their useful lives of 5 years.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**2.4 Material accounting policies (continued)****2.4.10 Impairment of non-financial assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. 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. In determining fair value less costs to sell, recent market transactions are taken into account, if available.

2.4.11 Cash and cash equivalents

Cash and short-term deposits in the consolidated statement of financial position comprise cash at banks, in hand and short-term deposits with a maturity of less than three months that are subject to insignificant risk of changes in their fair value and are used by the group in management of its short term commitments.

2.4.12 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in consolidated statement of profit or loss and other comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a borrowing cost.

2.4.13 Segment reporting

Segments reported are consistent with the historical Group structure.

2.4.14 Trade and other receivables

Trade and other receivables are recognized at fair value less provision for impairment.

Interest on loans and receivables financial assets are recognized in the consolidated statement of profit or loss.

2.4.15 Leases

The Company leases building typically to run its business with an option to renew for an additional period of 2 years. Furthermore group leases land where the investment properties are being managed.

Right-of-use

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost comprising:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Lease liability

Lease liabilities were initially measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate which was 7.5%.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**2.4 Material accounting policies (continued)****2.4.16 Trade and other payables**

Trade and other payables financial liabilities are recognized at fair value minus directly attributable transaction costs (transaction costs are only taken into account or the financial liability instruments not classified as fair value through profit and loss). Interest paid on loans and other payables is recognized in the consolidated statement of profit or loss and other comprehensive income.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated profit or loss.

2.4.17 Taxes**(a) Current income tax**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date, in the countries where the Group operates and generates taxable income. The income tax is recognized as a charge in consolidated statement of profit or loss and other comprehensive income.

(b) Deferred tax

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilized except:

• where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

• In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss are not recognized in profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

The Group and the Company have disclosed deferred income tax assets and deferred income tax liabilities separately as it does not meet the above criteria.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**2.4 Material accounting policies (continued)****2.4.18 Retirement benefit obligations**

Defined benefit plans

The Group provides for a payment of compensation to permanent employees as is required by Regulation 24(2) of S.I. 34 of 1991 read with section 47(2)(b)(i) of the Employment Act as amended by Act 18 of 2010. The amount provisioned every year is based on the number of months the employee has worked. This type of employee benefits has the characteristics of a defined benefit plan. The liability recognized in the statement of financial position in respect of the defined benefit plan is the value of the defined obligation at the reporting date. The value of the defined benefit obligation is determined by use of the formula as required by the Act, being "the rate of five-sixths of one day's wage for each completed month of service in the case of continuous employment". Payments, reflecting the obligation are made on termination of employment.

The Group does not carry out an actuarial valuation since the obligation is calculated on the method as prescribed by the Seychelles Employment Act and frequently adjusted to reflect the present obligation using the current salary and months of service. Movements in the compensation obligation are recognized as part of staff costs in the consolidated statement of profit or loss and other comprehensive income.

2.4.19 Mortgage protection fund

The Fund is designated for Mortgage Protection Insurance under a Home Ownership Scheme. Under this scheme, upon approval of their mortgage loan, borrowers are automatically charged 6% of the nominal value of the loan towards mortgage protection which is expected to cover the loan repayments in case of death or permanent disability. The 6% consists of 4% risk premium and 2% management fee for the Group.

2.4.20 Fisheries and Agricultural fund

The Fund is designated for contributions to premiums payable under a Government sponsored / subsidized voluntary scheme. Under this Agricultural Disaster and Fisheries Voluntary Insurance Scheme, farmers registered with the Seychelles Agriculture Agency (SAA) and boat owners registered with the Seychelles Fisheries Authorities (SFA) are charged 4% of the insured values, to which the fund contributes 50%. The contributions would cover the insured items (crop, livestock, boats and employees / crew) in case of loss or damage, death following natural disasters and accidents, depending on the scheme applicable.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**2.4 Material accounting policies (continued)****2.4.21 Other income**

Other income earned by the Group is recognized on the following bases:

- *Interest income*
Interest income is recognized in profit or loss using the effective interest rate method. Fees and commissions that are an integral part of the effective yield of the financial asset or liability are recognized as an adjustment to the effective interest rate of the instrument.
- *Investment income*
Investment income comprises dividend and rental income from investment property business. Dividend income is recognized when the shareholders' right to receive payment is established while rental income is recognized on an accrual basis.
- *Rental Income*
Rental income comprises of income from the lease of the Group's investment properties. Rental income is recognized on an accrual basis and where appropriate using the straight line methodology over the lease term.
- *Management fees*
Management fees are charged to subsidiaries and are recognized in the separate financial statements when the services are rendered.

2.4.22 Fair value measurement:

The Company measures financial assets and investment properties in non-financial assets at fair value.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use.

When pricing the asset or liability, it is assumed that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**2.4 Material accounting policies (continued)***Fair value measurement (continued)*

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Group. Management considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. If there is a transfer occurred between the levels, it is deemed to have occurred from the date of assessment.

For fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Revaluation of investment property

Investment properties are re-measured at fair value, which is the amount for which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction. Fair value reflects the actual market state and circumstances as at the balance sheet date for a given investment property. Changes in fair value are recognized in the statement of profit or loss and other comprehensive income.

Management and the Board (particularly the Investment Committee) frequently evaluate property values. Where deemed appropriate, the Company also engages an Independent Professional Valuer to determine the market fair value revalued amounts.

Given the prevailing stable political and economic environment in the Seychelles, the Directors assess that it is currently appropriate to have each of the investment properties valued by an independent valuer in 3 - 5 year cycles as a rule and more frequently if the Board assesses that it is appropriate for any particular property.

As allowed by IFRS 13, more than one valuation technique is used to arrive at the Fair Value based primarily on availability of market information for transactions on similar properties/ indicative purchase offers on the property and or the income approach.

The Directors and Valuer used the valuation techniques as deemed appropriate to each of the individual investment properties. They considered that the carrying amounts of the assets to approximate their fair values.

For commercial and residential rent earning investment properties where the determined fair value is arrived using a combination of the income approach and the depreciated replacement cost method, the calculated fair value amount is most sensitive to the assumptions of estimated yield and the long-term occupancy rate.

3. RISK AND CAPITAL MANAGEMENT

3.1 Objective and framework

The Group is exposed to various insurance and financial risks. These risks cause uncertainty and therefore the challenge for management is to determine what level of uncertainty is acceptable for insurance business as it strives to enhance stakeholder and policyholder value.

3.2 Risk assessment process

The Group's risk assessment process consists of risk identification, risk analysis, risk evaluation and risk treatment/management of those risks that are relevant to the Group's strategic objectives. Risks are identified from a strategic and operational perspective to create and maintain an integrated view of material risk exposures. Risk analysis provides an input to risk evaluation and informs decisions on how the risks need to be treated. Risk analysis involves consideration of the causes and sources of risk, their positive and negative consequences and the likelihood that those consequences may occur.

The Group analyses quantifiable risks in the following risk categories:

- insurance risk (consisting of insurance and reinsurance risk)
- credit risk
- market risk
- operational risk

3.2.1 Insurance Risk

Insurance risk refers to the risk of loss as a result of underwriting insurance contracts.

- (a) Underwriting risk
 (b) Reinsurance risk

(a) Underwriting risk

Sound underwriting principles are applied when the insurance contracts are underwritten. In order to ensure that each contract was comprehensively evaluated for underwriting and rating purposes, strict underwriting guidelines are followed.

The underwriting guidelines stipulate the type of risks that could be underwritten, as well as the exposure per risk that was acceptable. The Group's principles are integrated with the management of the financial risks associated with the Group's other classes of financial assets and liabilities not directly associated with insurance and reinsurance contracts.

Underwriting risk results from fluctuations in the timing, frequency and severity of insured events. It includes the risk that premium provisions (liabilities for remaining cover) turn out to be insufficient to compensate for expected future claims, that the claims provisions (liability for incurred claims) raised for both reported and unreported claims are inadequate, as well as the risk resulting from the volatility of expense payments.

The Group manages underwriting risk through its underwriting strategy and proactive claims handling. The underwriting strategy aims to ensure that the portfolio of insurance contracts issued is well diversified and reasonably priced. Claims costs are actively managed to ensure that the impact of factors such as the volatility of the Seychelles Rupee (SCR) is adequately addressed. The Group also obtained third-party reinsurance cover to reduce risks from single events or accumulations of risk that could have a significant impact on the current year's earnings or the Group's capital.

The insurance contracts underwritten by the Group comprise:

- Property reinsurance: contracts that indemnify against physical loss or damage and the financial consequences from a loss or damage to land and buildings.
- Transport reinsurance: contracts that indemnify against losses from the possession, use or ownership of a vessel, aircraft or other craft for the conveyance of persons or goods.
- Accident reinsurance: contracts that indemnify against losses from a variety of risks. These include:
 - Non-life
 - Fire & Allied Perils
 - Motor
 - Accident & Liability
 - Marine
 - Others

The largest claims development uncertainty is concentrated in those classes that are classified as long tail, such as liability and Marine. Long tail business is defined as insurance contracts under which claims are typically not settled within one year of the occurrence of the events giving rise to the claims. In long tail classes, there is still significant scope for future development, positive or negative, both in number of claims, as well as the value of the claims.

(b) Reinsurance Risk

The Group is however is exposed to concentrations of risks with respect to its reinsurers due to the nature of the reinsurance market and the restricted range of reinsurers that have acceptable credit ratings. The Group is exposed to the possibility of default by its reinsurers in respect of share of insurance liabilities and refunds in respect of claims already paid.

The Group manages its reinsurance counterparty exposures and the reinsurance department has a monitoring role over this risk. The Group's largest reinsurance counterparties are:

2024

	<u>Rating</u>
Swan Life Ltd	CARE MAU AA+ (Is); Stable
Africa Re	S&P Global A+ (Strong and Stable)
East Africa Re	AM Best BB+ (Fair)

This exposure is monitored on a regular basis for any shortfall in the claims history to verify that the contract is progressing as expected and that no further exposure for the Group will arise.

Management also monitors the financial strength of reinsurers and there are policies in place to ensure that risks are ceded to top-rated and credit worthy reinsurers only.

SACOS GROUP LIMITED
 CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
 FOR YEAR ENDED 31 DECEMBER 2024

3. RISK AND CAPITAL MANAGEMENT (CONTINUED)

3.2.1 Insurance risk (Continued)

Claims development

The development of insurance liabilities for the short-term insurance business provides a measure of the Group's ability to estimate the ultimate value of claims. The table below illustrates how the estimates of net claims outstanding for each year have changed at successive year ends and the table reconciles the cumulative claims to the net amount appearing in the statements of financial position (see notes 21 and 27) for the net claims outstanding at December 31, 2024 and December 31, 2023

Net insurance contract liabilities - 2024	THE GROUP									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Accident year	SCR	SCR	SCR	SCR	SCR	SCR	SCR	SCR	SCR	SCR
At end of accident year	40,999,000	46,438,000	43,334,580	20,499,000	12,478,000	56,566,311	23,727,422	240,512,367	51,549,619	-
One year later	-	53,928,609	43,335,796	20,957,000	2,593,621	2,495,064	965,448	23,348,265	-	-
Two years later	47,600,842	53,928,720	43,341,296	-	5,162	-	-	-	-	-
Three years later	47,600,842	53,933,720	-	-	-	-	-	-	-	-
Four years later	-	-	-	-	-	-	-	-	-	-
Current estimate of cumulative claims incurred	-	-	-	-	-	-	-	23,348,265	51,549,619	74,897,885
At end of accident year	(27,695,000)	(36,886,000)	(26,415,274)	(17,164,000)	(12,594,000)	(10,975,907)	(39,939,503)	(33,546,542)	(48,193,572)	-
One year later	(42,462,000)	(51,268,816)	(26,426,212)	(17,176,589)	(12,240,372)	(37,872,610)	(14,242,327)	(196,500,948)	-	-
Two years later	(43,296,450)	(51,268,986)	(26,435,473)	(7,590,347)	(1,162,528)	(943,300)	(1,568,282)	-	-	-
Three years later	(43,302,450)	(51,270,010)	(432,294)	(840,191)	(65,730)	(46,168)	-	-	-	-
Four years later	(43,674,312)	(158,402)	(131,401)	-	(6,000)	-	-	-	-	-
Cumulative claims paid to date	(43,674,312)	(158,402)	(131,401)	-	(6,000)	-	(1,568,282)	(196,500,948)	(48,193,572)	(290,232,917)
Net contract liabilities at reporting date	(43,674,312)	(158,402)	(131,401)	-	(289,803)	-	(1,568,282)	(173,152,683)	3,356,047	(215,618,836)

Net insurance contract liabilities - 2023	THE GROUP									
	2015	2016	2017	2018	2019	2,020	2021	2022	2023	Total
Accident year	SCR	SCR	SCR	SCR	SCR	SCR	SCR	SCR	SCR	SCR
At end of accident year	44,258,000	40,999,000	46,438,000	43,334,580	20,499,000	12,478,000	56,566,311	23,727,422	240,512,367	-
One year later	48,938,000	-	53,928,609	43,335,796	20,957,000	2,593,621	2,495,064	965,448	-	-
Two years later	49,002,000	47,600,842	53,928,720	43,341,296	-	5,162	-	-	-	-
Three years later	49,002,000	47,600,842	53,933,720	-	-	-	-	-	-	-
Four years later	-	-	-	-	-	-	-	-	-	-
Current estimate of cumulative claims incurred	-	-	-	-	-	-	-	965,448	240,512,367	241,477,816
At end of accident year	(30,248,000)	(27,695,000)	(36,886,000)	(26,415,274)	(17,164,000)	(12,594,000)	(10,975,907)	(39,939,503)	(33,546,542)	-
One year later	(39,857,000)	(42,462,000)	(51,268,816)	(26,426,212)	(17,176,589)	(12,240,372)	(37,872,610)	(14,242,327)	-	-
Two years later	(40,872,000)	(43,296,450)	(51,268,986)	(26,435,473)	(7,590,347)	(1,162,528)	(943,300)	-	-	-
Three years later	(41,019,000)	(43,302,450)	(51,270,010)	(432,294)	-	(65,730)	-	-	-	-
Four years later	(41,357,101)	(43,674,312)	(158,402)	-	(840,191)	-	-	-	-	-
Cumulative claims paid to date	(41,357,101)	(43,674,312)	(158,402)	-	(840,191)	-	(943,300)	(14,242,327)	(33,546,542)	(134,782,175)
Net contract liabilities at reporting date	(41,357,101)	(43,674,312)	(158,402)	-	(43,832,714)	-	(943,300)	(13,276,879)	206,965,826	63,723,118

The Group has in place a series of proportional and non-proportional or surplus and excess of loss covers in each of the last four years to cover for losses on these contracts.

3. RISK AND CAPITAL MANAGEMENT (CONTINUED)

3.2.2 Financial risk

The Group's activities are exposed to financial risks through its financial assets, financial liabilities, insurance and reinsurance assets and liabilities. In particular, the key financial risk is that investment proceeds are not sufficient to fund the obligations arising from insurance contracts.

The most important components of this financial risk are:

- Credit risk;
- Market risk (which includes currency risk, interest rate risk and equity price risk);
- Currency risk
- Interest rate risk
- Equity risk
- Liquidity risk;
- Operational risk

The Group'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 administrative and information systems.

The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice. The Board recognizes the critical importance of having efficient and effective risk management policies and systems in place. To this end, there is a clear organizational structure with delegated authorities and responsibilities from the Board to Board Committees, executives and senior management. Individual responsibility and accountability are designed to deliver a disciplined, conservative and constructive culture of risk management and control.

3.2.2.1 Credit risk

Credit risk reflects the financial impact of the default of one or more of Group's counterparties.

The credit risk analysis is used by management to determine the level of risk capital that should be held for the following types of exposures:

- Risk-based assets such as bonds and bank deposits
- Outstanding premiums due from insurance contracts.
- Reinsurance asset for incurred claims
- Exposure to potential reinsurance recoveries based on the losses generated by the internal model

Under the terms of the reinsurance agreements, Reinsurers agree to reimburse the Group amount in the event that a gross claim is paid. However, the Group remains liable to its policyholders regardless of whether the Reinsurer meets the obligations it has assumed. Consequently, the Group is exposed to credit risk.

3.2.2.2 Market risk

Market risk arises from the level or volatility of the market prices of financial instruments. Exposure to market risk is measured by the impact of movements in the level of financial variables such as interest rates, equity prices and exchange rates. The following financial and insurance assets, disclosed based on similar characteristics, are affected by market risk:

- Equity and similar securities
- Interest-bearing investments
- Deposits and similar securities
- Insurance contract assets
- Reinsurance contract assets
- Loans and receivables
- Cash and cash equivalents

The Group has established policies which set out the principles that they expect to adopt in respect of management of the key market risks to which they are exposed. The Group monitors adherence to the market risk policy through the Group's Investment Committee which is also responsible for managing market risk at Group level.

The financial impact from market risk is monitored at board level through investment reports, which examine the impact of changes in market risk on investment returns and asset values. The Group's market risk policy sets out the principles for matching liabilities with appropriate assets, the approach to be taken when liabilities cannot be matched, and the monitoring processes required.

3.2.2.3 Currency risk

Foreign currency risk is the risk that the Group will be negatively impacted by changes in the level or volatility of currency exchange rates relative to the Seychelles Rupee. The Group purchases reinsurance contracts internationally, thereby exposing it to foreign currency fluctuations. The Group's primary exposures are with respect to the Euro, US Dollar, and British Pound. Management closely monitors currency risk exposures against pre-determined limits. Exposure to foreign currency exchange risk is not hedged.

The Group also has investments in foreign currencies, namely US Dollar, which are exposed to currency risk.

Management closely monitors currency risk exposures against pre-determined limits. Exposure to foreign currency exchange risk is not hedged.

SACOS GROUP LIMITED
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 DECEMBER 2024

31

3. RISK AND CAPITAL MANAGEMENT (CONTINUED)

3.2.2 Financial risk (Continued)

3.2.2.3 Currency risk (Continued)

THE GROUP

The Group's financial assets and financial liabilities in foreign currencies are detailed below:

At December 31, 2024

	SCR	USD	Euro	GBP	Total
	SCR	SCR	SCR	SCR	SCR
Assets					
Investment in financial assets	186,622,333	53,247,855	-	-	239,870,188
Loans and Receivables	659,128	-	-	-	659,128
Trade and other receivables	48,881,268	28,250,241	-	-	77,131,508
Intercompany Receivables	-	-	-	-	-
Cash & cash equivalents	62,603,131	14,060,466	5	933	76,664,535
Current Tax Asset	5,145,671	-	-	-	5,145,671
Total assets	303,911,530	95,558,561	5	933	399,471,030

At December 31, 2024

	Rupee	USD	Euro	GBP	Total
	SCR	SCR	SCR	SCR	SCR
Liabilities					
Trade and other payables	41,626,487	-	-	-	41,626,487
Intercompany payables	-	-	-	-	-
Current tax liability	-	-	-	-	-
Total liabilities	41,626,487	-	-	-	41,626,487

At December 31, 2023

	SCR	USD	Euro	GBP	Total
	SCR	SCR	SCR	SCR	SCR
Assets					
Investment in financial assets	186,297,620	99,813,316	-	-	286,110,936
Loans and Receivables	349,793	-	-	-	349,793
Trade and other receivables	9,408,706	-	-	-	9,408,706
Intercompany Receivables	-	-	-	-	-
Cash & cash equivalents	97,609,835	9,956,979	5	933	107,567,752
Current Tax Asset	1,962,448	-	-	-	1,962,448
Total assets	295,628,403	109,770,295	5	933	405,399,635
Liabilities					
Trade and other payables	27,132,574	-	-	-	27,132,574
Intercompany payables	-	-	-	-	-
Current tax liability	30,172	-	-	-	30,172
Total liabilities	27,162,746	-	-	-	27,162,746

THE COMPANY

The Company's financial assets and financial liabilities in foreign currencies are detailed below:

At December 31, 2024

	Rupee	USD	Euro	GBP	Total
	SCR	SCR	SCR	SCR	SCR
Assets					
Investment in financial assets	6,354,480	17,076,888	-	-	23,431,368
Loans and Receivables	659,128	-	-	-	659,128
Trade and other receivables	14,531,371	28,250,241	-	-	42,781,612
Intercompany Receivables	303,679	-	-	-	303,679
Cash & cash equivalents	32,703,876	7,186,433	-	-	39,890,309
Current Tax Asset	3,073,526	-	-	-	3,073,526
Total assets	57,626,061	52,513,561	-	-	110,139,622

At December 31, 2024

	Rupee	USD	Euro	GBP	Total
	SCR	SCR	SCR	SCR	SCR
Liabilities					
Trade and other payables	26,941,918	-	-	-	26,941,918
Intercompany payables	-	-	-	-	-
Current tax liability	-	-	-	-	-
Total liabilities	26,941,918	-	-	-	26,941,918

SACOS GROUP LIMITED
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 DECEMBER 2023

32

3. RISK AND CAPITAL MANAGEMENT (CONTINUED)

3.2.2 Financial risk (Continued)

3.2.2.3 Currency risk (Continued)

At December 31, 2023

	Rupee	USD	Euro	GBP	Total
	SCR	SCR	SCR	SCR	SCR
Assets					
Investment in financial assets	6,354,480	41,392,332	-	-	47,746,812
Loans and Receivables	349,793	-	-	-	349,793
Trade and other receivables	5,895,191	-	-	-	5,895,191
Intercompany Receivables	20,875,500	-	-	-	20,875,500
Cash & cash equivalents	53,639,769	9,709,263	-	-	63,349,032
Current Tax Asset	1,962,449	-	-	-	1,962,449
Total assets	89,077,182	51,101,595	-	-	140,178,777
Liabilities					
Trade and other payables	15,092,270	-	-	-	15,092,270
Intercompany payables	-	-	-	-	-
Current tax liability	-	-	-	-	-
Total liabilities	15,092,270	-	-	-	15,092,270

The Company's financial assets and financial liabilities are denominated in Seychelles Rupees.

Sensitivity analysis

If the Seychelles Rupee had weakened / strengthened against the following currencies with all variables remaining constant, the impact on the results for the year would have been as shown below as a result of foreign exchange gains / losses.

Impact of a 5% change in exchange rate on consolidated statement of profit or loss and OCI

At December 31, 2024

Increase of 5% in the exchange rate
Decrease of 5% in the exchange rate

THE GROUP		
GBP	Euro	USD
SCR	SCR	SCR
47	-	4,777,928
(47)	-	(4,777,928)

At December 31, 2023

Increase of 5% in the exchange rate
Decrease of 5% in the exchange rate

47	0	5,488,515
(47)	(0)	(5,488,515)

3.2.2.4 Interest rate risk

Interest rate risk arises from the Group's investments in fixed income securities: loans & receivables, Investments measured at amortised costs, bank balances and deposits which are exposed to fluctuations in interest rates. Exposure to interest rate risk is monitored by the Investment Committee through a close matching of assets and liabilities. The impact of exposure to sustained low interest rates is also regularly monitored.

Short term insurance liabilities are not directly sensitive to the level of market interest rates as they are undiscounted and contractually non-interest bearing. However, due to the time value of money and the impact of interest rates on the level of bodily injury related claims incurred by certain insurance contract holders, a reduction for interest rates would normally produce a higher insurance liability.

As at 31 December 2024, the Group only has fixed interest rate financial instruments and thus is not exposed to risk of movement in interest rates.

The interest rate profiles of the financial assets of the Group as at December 31, were as follows:

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	%	%	%	%
Investments measured at amortised cost	4%-12%	4%-12%	4.00%	6.18%
Short term deposits	3.00%	-	3.00%	0.00%
Loans and receivables	12%	4.5%-12%	-	-
Bank balances			1.00%	1.00%

SACOS GROUP LIMITED
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 DECEMBER 2024

33

3. RISK AND CAPITAL MANAGEMENT (CONTINUED)

3.2.2 Financial risk (Continued)

3.2.2.5 Equity price risk

The Group is subject to price risk due to the impact that volatility in the market has on the value of its equity portfolios resulting in either a positive or negative effect on the net asset value of the Group. The Group has a well-defined investment strategy, including return objectives, asset allocation, portfolio construction and asset manager selection. The strategy has been translated into various specialist mandates.

The Group's equity price risk exposure relates to quoted equity instrument financial assets whose values will fluctuate as a result of changes in market prices. The sensitivity analysis of the risk is disclosed below:

The Group		2024		2023	
		Impact on profit before tax SCR	Impact on equity SCR	Impact on profit before tax SCR	Impact on equity SCR
Market indices	Change in variables %				
Foreign markets	+ 15%	7,987,178	7,987,178	14,971,997	14,971,997
Foreign markets	- 15%	(7,987,178)	(7,987,178)	(14,971,997)	(14,971,997)

The amounts presented in the consolidated statements of financial position are net of allowances for estimated irrecoverable amount receivables, based on management's prior experience and the current economic environment.

The Group has no significant concentration of credit risk in respect of its insurance business with exposure spread over a large number of clients, agents and brokers. The Group has policies in place to ensure that sales of services are made to clients and brokers with sound credit history.

The following table provides information regarding the carrying value of other receivables that have been impaired.

	Other receivables			
	THE GROUP		THE COMPANY	
	2024 SCR	2023 SCR	2024 SCR	2023 SCR
Neither past due nor impaired	77,629,618	10,584,595	42,781,612	5,895,191
Impaired	(498,109)	(1,175,888)	-	-
Carrying amount at year-end	77,131,508	9,408,707	42,781,612	5,895,191

	Loans and receivables			
	THE GROUP		THE COMPANY	
	2024 SCR	2023 SCR	2024 SCR	2023 SCR
Neither past due nor impaired	659,128	349,793	659,128	349,793
Impaired	-	-	-	-
Carrying amount at year-end	659,128	349,793	659,128	349,793

SACOS GROUP LIMITED
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 DECEMBER 2024

34

3. RISK AND CAPITAL MANAGEMENT (CONTINUED)

3.2.2 Financial risk (Continued)

3.2.2.6 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet the commitments associated with its financial obligations as a result of assets not being available in a form that can immediately be converted into cash. The Group ensures that the solvency of the Group meets the regulatory requirements at all times by maintaining a high level of liquidity and liquidity risk is considered to be low.

The Group follows the regulatory provisions, in conjunction with prudential norms laid out by the Board of directors, with regard to the investment of its funds. The general investment strategy is to use cash as the default asset class. Equity exposure is maintained at lower levels. The Group maintains liquid assets which can be used for immediate cash flow requirements.

The Group's liquidity management process, as carried out within the Group and monitored by the Group, includes day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met, maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flows and monitoring the liquidity ratios of the consolidated balance sheet against internal and regulatory requirements.

Liquidity risk is also a significant consideration when the Company evaluates its overall ALM profile.

The following table provides information regarding the carrying value of trade and other receivables that expose the Group and the Company to credit risk.

Financial instruments

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	SCR	SCR	SCR	SCR
Loans and receivables at amortised cost	659,128	349,793	659,128	349,793
Investments in financial assets*	239,870,186	286,110,935	23,431,366	47,746,811
Trade and other receivables	77,131,508	9,408,707	42,781,612	5,895,191
Bank balances and cash	76,664,535	107,567,752	39,890,309	63,349,032

The Group has strong liquidity positions and liquidity risk is considered to be low. Through the application of the liquidity management policy, the Group seeks to maintain sufficient financial resources to meet its obligations as they fall due.

The tables below analyses the Group and the Company's financial assets and liabilities to the relevant maturity groupings based on the remaining years of repayment.

Maturities of financial liabilities

THE GROUP

2024	Less than 1 year	1 to 5 years	Life Fund	Total
	SCR	SCR	SCR	SCR
Trade and other payables	41,626,487	-	-	41,626,487
Insurance contract liabilities	239,840,787	-	529,046,228	768,887,015
Total liabilities	281,467,274	-	529,046,228	810,513,502

2023	Less than 1 year	1 to 5 years	Life Fund	Total
	SCR	SCR	SCR	SCR
Trade and other payables	27,132,574	-	-	27,132,574
Insurance contract liabilities	337,701,319	-	502,318,343	840,019,662
Total liabilities	364,833,893	-	502,318,343	867,152,236

SACOS GROUP LIMITED
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 DECEMBER 2024

35

3. RISK AND CAPITAL MANAGEMENT (CONTINUED)

3.2.2 Financial risk (Continued)

3.2.2.6 Liquidity risk (Continued)

THE COMPANY

2024	Less than 1 year SCR	1 to 5 years SCR	More than 5 years SCR	Total SCR
Trade and other payables	26,941,918	-	-	26,941,918
Insurance contract liabilities	233,770,677	-	-	233,770,677
Total liabilities	260,712,595	-	-	260,712,595
2023	Less than 1 year SCR	1 to 5 years SCR	More than 5 years SCR	Total SCR
Trade and other payables	15,092,270	-	-	15,092,270
Insurance contract liabilities	332,289,127	-	-	332,289,127
Total liabilities	347,381,397	-	-	347,381,398

3.2.2.7 Operational risk

Operational risk is the risk of direct or indirect losses resulting from human factors, external events and inadequate or failed internal processes and systems. Operational risks are inherent in the Group's operations and are typical of any enterprise. Major sources of operational risk can include operational process reliability, information security, outsourcing of operations, dependence on key suppliers, implementation of strategic and operational change, integration of acquisitions, fraud, human error such as not placing the necessary facultative reinsurance, client service quality, inadequacy of business continuity arrangements, recruitment, training and retention of employees, and social and environmental impact.

The Group manage operational risk by a comprehensive system of internal controls. From a risk governance perspective, the three lines of defence approach is used to identify the various levels of controls, oversight and assurance, including consideration of role-player independence. Risk management processes for oversight include using a range of techniques and tools to identify, monitor and mitigate its operational risk in accordance with the Group's risk appetite.

These tools include risk and control self-assessments, key risk indicators (e.g. fraud and service indicators), scenario analyses and loss reporting. In addition, the Group has developed a number of Contingency plans including incident management and business continuity plans. Quantitative analysis of operational risk exposures material to the Group is used to inform decisions on controls and the overall amount of capital held for potential risk exposures.

3.3 Solvency and capital management

Capital adequacy risk is the risk that the Group is holding insufficient funds to cover material negative variations in actual future experience.

The Group must maintain a capital balance that will be at least sufficient to meet obligations in the event of substantial deviations, such as a 1-in-200-year event, from the main risk assumptions affecting the Group's business.

The Group has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:

- To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and shareholders.
- To maintain financial strength to support new business growth and satisfy the requirements of policyholders, regulators, and stakeholders.
- To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets.
- To align the profile of assets and liabilities taking account of risks inherent in the business.
- The operations of the Group are subject to regulatory requirements within the jurisdictions where it operates. Such regulations not only prescribe approval and monitoring of activities but also impose certain restrictive provisions to minimize the risk of default and
- To maintain the required level of stability of the Group, thereby providing a degree of security to policyholders.

As per Section 15 of the Insurance Regulations 2009 and the Insurance Act 2008, the stated capital of a licensed insurer carrying on short (general) insurance and long-term (life) insurance businesses shall be SCR 3 million, with which the Group is currently compliant.

The solvency margin of an insurance fund established in respect of short (general) and long-term insurance business is to be maintained by a licensed insurer at all times during any accounting period.

The table below summarises the minimum required capital for the Group and the regulatory capital held.

	2024	2023
Regulatory capital held	SCR 28 million	SCR 28 million
Minimum regulatory capital	SCR 3 million	SCR 3 million

**SACOS GROUP LIMITED
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 DECEMBER 2024**

3. RISK AND CAPITAL MANAGEMENT (CONTINUED)

3.4 Regulatory and compliance risk management

Regulatory and compliance risks are risks that the Group will be negatively affected by changes in regulations or non-compliance with regulations or internal policies that are already in place, resulting in regulatory sanctions and significantly impacting the Group's reputation.

The Financial Services Authority Act, 2013 regulates and supervise financial services providers and improve market conduct to ensure fair outcomes to financial clients. The FSA is focussed on the financial soundness of the financial system and insurers. The Group submits quarterly returns to the FSA and annual returns to the Company Registrar. The Group is required to at all times to maintain a minimum capital adequacy requirement as defined in the Insurance Act, 2008.

The Group with the assistance of its consulting actuaries, has addressed the capital needs and have complied with the transitional reporting requirements as communicated by the Regulator.

Short-term insurance

- Not less than SCR 2 million;
- 20% of net premium income of the Fund in the preceding accounting period; or
- 20% of loss reserves of the fund at the end of the preceding accounting period, whichever is the highest.

**Solvency margin
based on preceding accounting period
SCR**

Highest of:

(a)	SR 2 million fund	2,000,000
(b)	20% of net premium income of the Fund in the preceding accounting period; or	38,562,041
(c)	20% of loss reserves of the fund at the end of the preceding accounting period.	75,838,308

Long-term insurance

- 3% of the insurer's liabilities as determined under regulation 19 in respect of non-participating policies, and 2% of such liabilities in respect of participating policies, as at the end of the preceding accounting period; and
- 1% of the sum insured at risk for policies the original term of which is 2 years or less, and 0.2% of the sum insured at risk for policies the original term of which is more than 2 years, as at the end of the preceding accounting period.

**Solvency margin based on
preceding accounting period**

	2024	2023
	SCR	SCR
3% of without profit liabilities	1,472,288	1,231,484
plus 2% of with profit liabilities	9,525,401	8,555,862
plus 1% of the sum assured for initial terms of 2 years or less	24,363	26,863
plus 0.2% of the sum assured for initial terms of more than 2 years	3,875,563	3,598,379
plus max of 20% of net premium income on accident and health or SCR 2 million	-	-
	14,897,615	13,412,588

Approach to capital management

The Group seeks to optimize the structure and sources of capital to ensure that it consistently maximizes returns to the shareholders and policyholders.

The Group's approach in managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital levels on a regular basis and taking appropriate actions to influence the capital position of the Group in the light of changes in economic conditions and risk characteristics. An important aspect of the Group's overall capital management process is the setting of target risk adjusted rates of return, which are aligned to performance objectives and ensure that the Group is focused on the creation of value for shareholders.

THE COMPANY

The Company has no long term debt.

3.5 Fair Value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from for example, a stock exchange and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily quoted equity investments classified as trading securities or available-for-sale.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

SACOS GROUP LIMITED
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 DECEMBER 2024

37

3. RISK AND CAPITAL MANAGEMENT (CONTINUED)

3.5 Fair Value estimation - (continued)

(a) This note provides information on how the Group and Company determine fair value of various assets and liabilities.

Some of the Group and Company's assets and liabilities are measured at fair value at the end of each reporting period. The following table gives the information about how the fair value of these assets and liabilities are determined:

	The Group			The Company		
	Fair Value Hierarchy	Fair value at 31 December 2024	Carrying value at 31 December 2024	Fair Value Hierarchy	Fair value at 31 December 2023	Carrying value at 31 December 2024
	SCR	SCR	SCR	SCR	SCR	SCR
Assets						
Investment properties						
Land & Buildings	Level 3	<u>399,436,382</u>	<u>399,436,382</u>	Level 3	<u>84,700,000</u>	<u>84,700,000</u>
		<u>399,436,382</u>	<u>399,436,382</u>		<u>84,700,000</u>	<u>84,700,000</u>
FVTPL						
	Level 1	<u>202,602,941</u>	<u>202,602,941</u>	Level 1	<u>8,289,230</u>	<u>8,289,230</u>
		<u>202,602,941</u>	<u>202,602,941</u>		<u>8,289,230</u>	<u>8,289,230</u>
	Fair Value Hierarchy	Fair value at 31 December 2023	Carrying value at 31 December 2023	Fair Value Hierarchy	Fair value at 31 December 2023	Carrying value at 31 December 2023
	SCR	SCR	SCR	SCR	SCR	SCR
Assets						
Investment properties						
Land & Buildings	Level 3	<u>379,967,202</u>	<u>379,967,202</u>	Level 3	<u>77,633,225</u>	<u>77,633,225</u>
		<u>379,967,202</u>	<u>379,967,202</u>		<u>77,633,225</u>	<u>77,633,225</u>
FVTPL						
	Level 1	<u>226,654,506</u>	<u>226,654,506</u>	Level 1	<u>9,665,612</u>	<u>9,665,612</u>
	Level 1	<u>24,289,580</u>	<u>24,289,580</u>	Level 1	<u>24,289,580</u>	<u>24,289,580</u>
		<u>250,944,086</u>	<u>250,944,086</u>		<u>33,955,192</u>	<u>33,955,192</u>

Given the prevailing stable political and economic environment in the Seychelles, the Directors assess that it is currently appropriate to have each of the investment properties valued by an independent valuer in 3 - 5 year cycles as a rule and more frequently if the Board assesses that it is appropriate for any particular property. The valuation for the year ended December 31, 2024 was based on a mix of Directors' best estimates and independent professional valuation reports which were requested as appropriate to the individual circumstances. Management and the Board considered that the carrying amounts of the investment properties approximate their fair values.

FVTPL investments comprise of equity and debt instruments that are listed on stock exchange. Active market prices on stock exchange are used to revalue these investments.

The carrying values of loans and receivables approximate its fair value.

(b) Available-for-sale investments comprise of equity instruments that are listed on stock exchange and private equity. Active market prices on stock exchange are used to revalue these investments.

SACOS GROUP LIMITED
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

38

4. EQUIPMENT

(a) THE GROUP

	Furniture and fittings	Motor vehicles	Computer equipment	Total	Work in Progress	Total
	SCR	SCR	SCR	SCR	SCR	SCR
COST						
At January 1, 2023	24,699,165	1,497,686	4,972,162	31,169,012	-	31,169,012
Additions	105,521	-	534,493	640,014	444,125	1,084,139
At December 31, 2023	24,804,686	1,497,686	5,506,655	31,809,026	444,125	32,253,151
Additions	3,987	-	196,345	200,332	4,441,166	4,641,498
Transfer to Investment Property (note 6)	-	-	-	-	(4,885,291)	(4,885,291)
At December 31, 2024	24,808,673	1,497,686	5,703,000	32,009,358	-	32,009,358
ACCUMULATED DEPRECIATION						
At January 1, 2023	14,886,411	1,175,879	3,769,116	19,831,406	-	19,831,406
Charge for the year (note 40 (c))	2,366,540	168,317	641,350	3,176,207	-	3,176,207
At December 31, 2023	17,252,951	1,344,196	4,410,466	23,007,613	-	23,007,613
Charge for the year (note 40 (c))	1,504,527	-	746,092	2,250,619	-	2,250,619
At December 31, 2024	18,757,478	1,344,196	5,156,558	25,258,232	-	25,258,232
NET BOOK VALUE						
At December 31, 2024	6,051,195	153,490	546,442	6,751,126	-	6,751,126
At December 31, 2023	7,551,735	153,489	1,096,189	8,801,413	444,125	9,245,538

(b) THE COMPANY

	Furniture and fittings	Motor vehicles	Computer equipment	Total	Work in Progress	Total
	SCR	SCR	SCR	SCR	SCR	SCR
COST						
At January 1, 2023	20,665,193	1,344,195	4,975,946	26,985,333	-	26,985,333
Additions	105,521	-	527,319	632,840	444,125	1,076,965
At December 31, 2023	20,770,714	1,344,195	5,503,265	27,618,173	444,125	28,062,298
Additions	3,987	-	178,559	182,546	4,441,166	4,623,712
Transfer to Investment Property (note 6)	-	-	-	-	(4,885,291)	(4,885,291)
At December 31, 2024	20,774,701	1,344,195	5,681,824	27,800,719	-	27,800,719
ACCUMULATED DEPRECIATION						
At January 1, 2023	10,852,441	1,175,878	3,627,478	15,655,797	-	15,655,797
Charge for the year (note 40 (c))	2,366,540	168,317	629,433	3,164,290	-	3,164,290
At December 31, 2023	13,218,981	1,344,195	4,256,911	18,820,087	-	18,820,087
Charge for the year (note 40 (c))	1,504,527	-	741,794	2,246,321	-	2,246,321
At December 31, 2024	14,723,508	1,344,195	4,998,705	21,066,408	-	21,066,408
NET BOOK VALUE						
At December 31, 2024	6,051,193	-	683,119	6,734,311	-	6,734,311
At December 31, 2023	7,551,732	-	1,246,355	8,798,086	444,125	9,242,211

(c) Depreciation and amortisation (note 39(c))

(d) There is no restriction (pledge/security) on realisability of equipment or the remittance of income and proceeds of disposal.

5 RIGHT OF USE ASSET

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	SCR	SCR	SCR	SCR
Cost				
At January 1,	35,013,236	24,117,617	35,013,236	24,117,617
Remeasurement	-	10,895,619	-	10,895,619
Derecognition	-	-	-	-
	35,013,236	35,013,236	35,013,236	35,013,236
Amortisation				
At January 1,	29,565,426	24,117,617	29,565,426	24,117,617
Amortisation for the year (note 40 (c))	5,447,809	5,447,809	5,447,809	5,447,809
Derecognition	-	-	-	-
	35,013,235	29,565,426	35,013,235	29,565,426
Net book value	-	5,447,810	-	5,447,810

This Right of use asset is relevant for rental of Head Office Building - Maison Esplanade, which contract ended 31st December 2024. New contract commenced 01 January 2025.

6 INVESTMENT PROPERTIES

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	SCR	SCR	SCR	SCR
At January 1,	379,967,202	379,142,869	77,633,225	77,633,225
Right Of Use Assets (IFRS 16) 7 (a) Amortisation	-	-	-	-
Transfer from Equipment (note 4)	4,885,291	-	4,885,291	-
WIP - Life	4,490,398	824,333	-	-
Increase in fair value	10,093,491	-	2,181,484	-
At December 31,	399,436,382	379,967,202	84,700,000	77,633,225

(a) Right Of Use Assets

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	SCR	SCR	SCR	SCR
At January 1,	28,082,805	28,082,805	6,888,225	6,888,225
Remeasurement	(6,221,153)	-	11,775	-
Additions	11,600,000	-	-	-
	33,461,652	28,082,805	6,900,000	6,888,225

(b) The fair market value of each of the investment properties is determined on an open-market basis by reference to market evidence of expected fair value and the income approach as deemed appropriate to each investment property. The valuation for the year ended December 31, 2024 was based on a mix of Directors' best estimates and independent professional valuation reports which were requested as appropriate to the individual circumstances. Management and the Board considered that the carrying amounts of the investment properties approximate their fair values and the valuation was performed by Nigel Roucou.

(c) The fair value arrived at falls primarily within category level 2 of the hierarchy. Where deemed necessary and appropriate, Level 3 inputs also were used to assess and or corroborate the fair value amount. Investment properties have not been increased in value based on inflation.

(d) The following amounts have been recognized:

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	SCR	SCR	SCR	SCR
Rental income	28,858,457	33,198,919	4,410,563	7,155,255
<i>Related expenses:</i>				
Direct operating expenses arising from investment property that generated income	3,745,229	9,499,596	2,711,653	2,524,808
	3,745,229	9,499,596	2,711,653	2,524,808

There is no restriction on realisability of investment property or the remittance of income and proceeds of disposal. The Group has no contractual obligation to purchase, construct or develop investment property or for repairs, maintenance or enhancement.

SACOS GROUP LIMITED
 CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2024

40

7. INTANGIBLE ASSETS

(a) THE GROUP

	WIP	Computer software	Website	Total
	SCR	SCR	SCR	SCR
COST				
At January 1, 2023	75,000	34,014,619	108,937	34,198,557
Additions	110,750	875,730	-	986,480
Capitalised	(75,000)	75,000	-	-
At December 31, 2023	110,750	34,965,350	108,937	35,185,037
Additions	11,055	1,455,848	-	1,466,903
Capitalised	(110,750)	110,750	-	-
At December 31, 2024	11,055	36,531,949	108,937	36,651,940
AMORTISATION				
At January 1, 2023	-	18,176,500	21,787	18,198,286
Charge for the year (note 40 (c))	-	4,918,982	12,000	4,930,982
At December 31, 2023	-	23,095,482	33,787	23,129,268
Charge for the year (note 40 (c))	-	4,975,359	21,787	4,997,146
At December 31, 2024	-	28,070,840	55,574	28,126,414
NET BOOK VALUE				
At December 31, 2024	11,055	8,461,107	53,363	8,525,524
At December 31, 2023	110,750	11,869,869	75,150	12,055,769

(b) THE COMPANY

	WIP	Computer software	Website	Total
	SCR	SCR	SCR	SCR
COST				
At January 1, 2023	75,000	31,094,352	108,937	31,278,289
Additions	110,750	950,730	-	950,730
Capitalisation	(75,000)	75,000	-	75,000
At December 31, 2023	110,750	32,120,082	108,937	32,339,769
Additions	11,055	261,817	-	272,872
Capitalised	(110,750)	110,750	-	-
At December 31, 2024	11,055	32,492,649	108,937	32,612,642
AMORTISATION				
At January 1, 2023	-	15,442,294	21,787	15,464,081
Charge for the year (note 40 (c))	-	4,816,779	12,000	4,828,779
At December 31, 2023	-	20,259,073	33,787	20,292,860
Charge for the year (note 40 (c))	-	4,966,498	21,787	4,988,285
At December 31, 2024	-	25,225,570	55,574	25,281,145
NET BOOK VALUE				
At December 31, 2024	11,055	7,267,078	53,363	7,331,496
At December 31, 2023	110,750	11,861,008	75,150	12,046,908

8 INVESTMENT IN SUBSIDIARIES

	THE COMPANY	
	2024	2023
	SCR	SCR
Investment at cost	3,000,000	3,000,000
Investment at cost - preference shares	25,000,000	25,000,000
	28,000,000	28,000,000

(a) Details of the subsidiary company is as follows:

Name of subsidiaries	Activities	2024	
		Shareholding %	Amount
SACOS Life Assurance Company Limited	Long-term insurance business	100	28,000,000
			28,000,000

9. INVESTMENT IN FINANCIAL ASSETS

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	SCR	SCR	SCR	SCR
Fair value through Other Comprehensive Income (FVOCI) (note 9 (a))	-	24,289,580	-	24,289,580
Fair value through Profit & Loss (FVTPL) (note 9(c))	45,027,913	71,872,730	8,289,230	9,665,612
Amortised Cost (note 9 (b))	194,842,274	189,948,625	15,142,137	13,791,619
	239,870,187	286,110,935	23,431,367	47,746,811

The Group	FVOCI		FVTPL		Amortised Cost		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	SCR	SCR	SCR	SCR	SCR	SCR	SCR	SCR
Current asset	-	-	-	-	37,267,246	35,166,849	37,267,246	35,166,849
Non-current asset	-	24,289,580	45,027,913	71,872,730	157,575,028	154,781,776	202,602,941	250,944,086
	-	24,289,580	45,027,913	71,872,730	194,842,274	189,948,625	239,870,187	286,110,935
The Company								
Current asset	-	-	-	-	15,142,137	13,791,619	15,142,137	13,791,619
Non-current asset	-	24,289,580	8,289,230	9,665,612	-	-	8,289,230	33,955,192
	-	24,289,580	8,289,230	9,665,612	15,142,137	13,791,619	23,431,367	47,746,811

(a) The movement in investments in FVOCI assets is summarized as follows:

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	SCR	SCR	SCR	SCR
At January 1,	24,289,580	21,056,427	24,289,580	21,056,427
Reclassification of Investment	-	-	-	-
Investments purchased during the year	-	879,793	-	879,793
Investments sold during the year	(28,250,241)	-	(28,250,241)	-
Fair value adjustments	-	2,276,202	-	2,276,202
Foreign exchange gain	-	77,158	-	77,158
Unrealised valuation movement	3,960,660	-	3,960,660	-
At December 31,	-	24,289,580	-	24,289,580

(b) The movement in investments in amortised cost assets is summarized as follows:

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	SCR	SCR	SCR	SCR
At January 1,	194,070,640	180,310,441	14,127,500	21,059,953
Investments purchased during the year	-	106,347,500	-	14,127,500
Fair value changes	-	-	-	-
Foreign exchange gain / (loss)	445,927	-	445,927	-
Investments sold during the year	-	-	-	-
Investments matured during the year	-	(96,555,463)	-	(22,220,483)
Interest Received	(13,130,907)	(9,992,795)	-	-
Accrued interest	14,072,178	13,960,957	616,558	1,160,530
	195,457,838	194,070,640	15,189,985	14,127,500
IFRS 9 ECL	(615,564)	(4,122,015)	(47,848)	(335,881)
At December 31,	194,842,274	189,948,625	15,142,137	13,791,619

9. INVESTMENT IN FINANCIAL ASSETS - (CONTINUED)

(c) The movement in investments in FVTPL is summarized as follows:

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	SCR	SCR	SCR	SCR
At January 1,	71,872,730	76,546,758	9,665,612	24,721,774
Investments purchased during the year	5,407,481	3,724,348	-	-
Investments sold during the year	(40,151,276)	(15,762,954)	-	(14,747,292)
Fair value changes	5,832,157	5,907,352	(1,452,148)	(399,885)
Foreign exchange gain/loss	-	170,279	-	-
Interest paid	2,080,229	689,256	75,767	91,016
Investments matured during the year	(533,261)	-	-	-
Accrued interest	519,853	597,691	-	-
At December 31,	45,027,913	71,872,730	8,289,230	9,665,612

(d) Investments in financial assets include the following:

(i) THE GROUP

	Maturity date	Interest rate	2024	2023
			SCR	SCR
<i>FVOCI</i>		%		
Equity investment	No fixed date of maturity		-	24,289,580
<i>Amortised Cost</i>				
Term deposit	Apr-25	4.15%	37,267,246	35,166,849
Treasury bonds	Sep-27	6.15%-12%	157,575,028	154,781,776
<i>FVTPL:</i>				
Equity investment			45,027,913	71,872,730
			239,870,187	286,110,935

10. LOANS AND RECEIVABLES

(a) Loans and receivables of the Group consist of staff loan movement is shown below:

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	SCR	SCR	SCR	SCR
At January 1,	349,793	20,642	349,793	-
Loans granted	1,186,660	815,714	1,186,660	815,714
Loans repaid	(877,325)	(486,563)	(877,325)	(465,921)
At December 31,	659,128	349,793	659,128	349,793

(b) Loans and receivables of the Group consist of loan to associate company and movement is shown below:

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	SCR	SCR	SCR	SCR
At January 1,	-	2,439,179	-	-
Adjustments	-	-	-	-
Loans repaid	-	(2,547,592)	-	-
Accrued interest	-	49,010	-	-
ECL IFRS 9	-	59,404	-	-
At December 31,	-	-	-	-

(c) Classification between current and non-current assets:

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	SCR	SCR	SCR	SCR
Current asset	659,128	349,793	659,128	349,793
Non-current asset	-	-	-	-
	659,128	349,793	659,128	349,793

10. LOANS AND RECEIVABLES (CONTINUED)

(d) Loans and receivables are secured as appropriate to minimize credit risk.

(e) The rate of interest on loans are as follows:
 (ii) Staff Loan 4.5% to 14.21% (2022: 4.5 % to 14.21%).
 (iii) Loan to Associate Company 9.5% (2022: 9.5%)

11. DEFERRED TAX ASSETS / (LIABILITIES)

(a) Deferred income tax is calculated on all temporary differences under the liability method:

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	SCR	SCR	SCR	SCR
At January 1,	2,196,019	3,349,915	671,638	2,001,387
Charge for the year (note 16(ii))	(2,333,467)	(1,153,896)	(21,930)	(1,329,749)
At December 31,	(137,448)	2,196,019	649,708	671,638

(b) Deferred tax assets and liabilities are offset for the income taxes related to the same fiscal authority of the same entity. The following amounts are shown in the consolidated statements of financial position:

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	SCR	SCR	SCR	SCR
Deferred tax assets	10,651,186	12,105,194	7,179,743	7,787,717
Deferred tax liability	(10,788,634)	(9,909,175)	(6,530,036)	(7,116,079)
	(137,448)	2,196,019	649,708	671,638

(c) Deferred tax assets and liabilities during the year are attributable to the following items:

(i) *Deferred tax assets:*

	THE GROUP	THE COMPANY
	Retirement Benefit Obligation & Other Provisions SCR	Retirement Benefit Obligation & Other Provisions SCR
At January 1, 2023	11,200,739	9,059,000
Charge to consolidated statement of profit or loss and other comprehensive income	904,455	(1,271,283)
At December 31, 2023	12,105,194	7,787,717
At January 1, 2024	12,105,194	7,787,717
Charge to consolidated statement of profit or loss and other comprehensive income	(1,454,008)	(607,974)
At December 31, 2024	10,651,186	7,179,743

(ii) *Deferred tax liability:*

	THE GROUP	THE COMPANY
	Accelerated tax depreciation SCR	Accelerated tax depreciation SCR
At January 1, 2023	(8,481,303)	(7,057,613)
Charge to consolidated statement of profit or loss and other comprehensive income	(1,427,872)	(58,466)
At December 31, 2023	(9,909,175)	(7,116,079)
At January 1, 2024	(9,909,175)	(7,116,079)
Charge to consolidated statement of profit or loss and other comprehensive income	(879,459)	586,043
At December 31, 2024	(10,788,634)	(6,530,036)

12. INVESTMENT IN ASSOCIATES

	2024	2023
	SCR	SCR
(a) Company's share of net assets in associated Company		
Opening Balance	22,834,214	22,834,214
Share of results of associated Company	2,489,529	-
Impairment	(1,033,572)	-
Dividend Received	(980,000)	-
At 31 December,	23,310,171	22,834,214

(b) Details of the associate at the end of the reporting period as follows:

Name	Year end	Principal Place of Business	Proportion of ownership interest	Nature of Business
2024				
Ste. Claire Development Co Ltd	Dec-31	Seychelles	49%	Own, manage & renting of shopping center.

(i) The above associate is accounted for using the equity method.

(ii) The Ste. Claire Development Company Ltd owns the Maison Ste. Claire building in Victoria, Mahe. The Company holds 49% of the shares of the Ste. Claire Development Company which means that there is no effective control in that the remaining 51% is held by one non-related party giving them the effective control.

13. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	SCR	SCR	SCR	SCR
Other receivables and prepayments (note 14(c))	82,671,254	13,104,122	43,741,527	6,308,300
ECL IFRS 9	(5,539,743)	(3,695,414)	(959,912)	(413,106)
	77,131,508	9,408,707	42,781,612	5,895,191

The carrying amount of trade and other receivables are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	SCR	SCR	SCR	SCR
Seychelles rupee	48,881,268	9,408,707	14,531,371	5,895,191
US dollar	28,250,241	-	28,250,241	-
Euro	-	-	-	-
	77,131,508	9,408,707	42,781,612	5,895,191

(c) Other receivables, rent receivables and other prepayments and debtors.

(d) The carrying amounts of 'trade and other receivables' approximate their fair values.

(e) The Group and the Company do not hold any collateral as security against any of trade and other receivables.

(f) Trade and Other receivables has been assessed for impairment during the year

14. INTERCOMPANY RECEIVABLES AND PAYABLES

	2024		2023	
	Amount (payable)/ receivable by	Consolidated	Amount (payable)/ receivable by	Consolidated
	SCR	SCR	SCR	SCR
The Company	303,679	303,679	20,875,500	20,875,500
Life	(303,679)	(303,679)	(20,875,500)	(20,875,500)
	-	-	-	-

(a) Intercompany receivables and payables represent the net balance receivable or payable by The Company to Life as disclosed above.

(b) Intercompany receivables and payables are interest free unsecured balances with not fixed repayment terms or maturity.

15. CASH AND CASH EQUIVALENTS

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	SCR	SCR	SCR	SCR
Cash in hand	42,814	42,814	35,273	35,273
Call account balances	1,675,014	38,903,471	1,675,014	38,903,471
Bank balances	74,946,707	70,676,666	38,180,022	25,728,670
Cash and bank balances	76,664,535	109,622,951	39,890,309	64,667,414
ECL IFRS 9	-	(2,055,199)	-	(1,318,382)
	76,664,535	107,567,752	39,890,309	63,349,032

16 CURRENT TAX ASSETS / (LIABILITIES)

(a) Current Tax Assets

(i) Statement of financial position

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	SCR	SCR	SCR	SCR
At January 1,	1,932,276	2,864,874	1,962,448	3,595,632
Net Paid/(Refund) during the year	8,147,211	6,466,246	5,747,211	3,935,488
Charge for the year	(4,933,816)	(7,398,844)	(4,636,133)	(5,568,672)
At December 31,	5,145,671	1,932,276	3,073,526	1,962,448
Current tax assets	5,145,671	1,962,448	3,073,526	1,962,448
Current tax liability	-	(30,172)	-	-
	5,145,671	1,932,276	3,073,526	1,962,448

(ii) Statement of profit or loss

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	SCR	SCR	SCR	SCR
Tax charge on the adjusted profit for the year	(4,933,816)	(7,398,844)	(4,636,133)	(5,568,672)
Deferred tax charge (note 11)	(2,333,467)	(1,153,896)	(21,930)	(1,329,749)
	(7,267,283)	(8,552,740)	(4,658,063)	(6,898,421)

(b) Applicable tax rates for 2024 are as follows:

Taxable income threshold	THE GROUP
Less than or equal to SCR. 1,000,000	25%
More than or equal to SCR. 1,000,000	33%

17 SHARE CAPITAL

Authorized and fully paid up
Ordinary shares of SR 35 each

The authorized share capital of the group and the company is 2 million shares (2022: 2 million shares).

THE GROUP AND THE COMPANY	
2024	2023
SCR	SCR
70,000,000	70,000,000

18 FUNDS UNDER MANAGEMENT

(a) Mortgage Protection Fund

At January 1,
Released during the year to statement of profit or loss and other comprehensive income
At December 31,

THE GROUP	
2024	2023
SCR	SCR
164,412	164,412
-	-
164,412	164,412

The fund is designated for mortgage protection insurance under a Home Ownership Scheme. Under this scheme, upon approval of their mortgage loans, borrowers are automatically charged 6% of the nominal value of the loan towards mortgage protection which is expected to cover the loan repayments in case of death or permanent disability. The 6% consist of 4% risk premium and 2% management fee for the Company which arises at the inception of the loan.

(b) Fisheries and Agricultural Fund

At January 1,
Released during the year to statement of profit or loss and other comprehensive income
At December 31,

THE GROUP	
2024	2024
SCR	SCR
478,763	478,763
-	-
478,763	478,763

The fund is designated for contributions to premiums payable under a Government sponsored/subsidized voluntary scheme. Under this Agricultural Disaster and Fisheries Voluntary Insurance Scheme, farmers registered with the Seychelles Agriculture Agency (SAA) and boat owners registered with the Seychelles Fisheries Authorities (SFA) are charged 4% of the insured values, to which the fund contributes 50%. The contributions would cover the insured items (crop, livestock, boats and employees / crew) in case of loss or damage, death following natural disasters and accidents, depending on the scheme applicable.

19 RETIREMENT BENEFIT OBLIGATIONS

Retirement benefit obligations is in respect of length-of-service compensation as per the Seychelles Employment Amended Act, 1999. Movement during the year is shown below:

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	SCR	SCR	SCR	SCR
At January 1,	6,562,085	5,930,150	5,368,413	4,614,247
Charge for the year	647,324	959,616	579,053	963,059
Benefits paid during the year	(46,154)	(327,681)	(46,154)	(208,893)
At December 31,	7,163,255	6,562,085	5,901,312	5,368,413

20 TRADE AND OTHER PAYABLES

Trade and Other Payables
Lease Liability
Accruals and other payables
Other tax payables

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	SCR	SCR	SCR	SCR
	2,804,811	2,963,292	532,018	711,079
	21,967,116	20,609,132	11,789,016	12,931,331
	16,854,560	3,560,150	14,620,884	1,449,860
	41,626,487	27,132,574	26,941,918	15,092,270

21 LEASE LIABILITY (MAISON ESPLANADE LEASE)

At January 1,
Finance Cost
Recognition (new lease)
Lease Repayment
FX Loss
At December 31,

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	SCR	SCR	SCR	SCR
	5,597,244	-	5,597,244	-
	168,149	467,019	168,149	467,019
	-	10,895,619	-	10,895,619
	(5,611,436)	(5,761,122)	(5,611,436)	(5,761,122)
	(153,958)	(4,271)	(153,958)	(4,271)
	-	5,597,244	-	5,597,244

This Lease Liability is relevant for rental of Head Office Building - Maison Esplanade, which contract ended 31st December 2024. New contract commenced 01 January 2025.

(ii) Amounts recognized in the P&L

Finance Cost

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	SCR	SCR	SCR	SCR
	168,149	467,019	168,149	467,019
	168,149	467,019	168,149	467,019

SACOS GROUP LIMITED
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

47

22. Movement in Carrying Amounts - By LRC and LIC - Direct - PAA

Insurance contracts – premium allocation approach

31 December 2024	Liabilities for Remaining Coverage		Liabilities for Incurred claims		Total
	Excluding Loss Component	Loss Component	Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial risk	
Opening Insurance contract assets	-	-	-	-	-
Opening Insurance contract liabilities	(48,953,919)	-	(281,497,582)	(1,837,626)	(332,289,127)
Net Opening balance	(48,953,919)	-	(281,497,582)	(1,837,626)	(332,289,127)
Insurance Revenue					
Post transition	202,692,231	-	-	-	202,692,231
Total Insurance revenue – All Transition Methods	202,692,231	-	-	-	202,692,231
Insurance Service Expenses					
Incurred insurance service expenses:					
Claims	-	-	(131,147,977)	(381,855)	(131,529,832)
Expenses	-	-	(101,191,458)	-	(101,191,458)
Other movements related to current service	-	-	(29,956,519)	-	(29,956,519)
Amortisation of insurance acquisition cash flows	(22,638,368)	-	-	(381,855)	(22,638,368)
Changes that relate to past service (changes in fulfilment cash flows re LIC)	-	-	(36,277,754)	1,336,474	(34,941,280)
Total Insurance Service Expenses	(22,638,368)	-	(167,425,731)	954,619	(189,109,480)
Total Insurance Service result	180,053,863	-	(167,425,731)	954,619	13,582,751
Total Changes in the Statement of Financial Performance	180,053,863	-	(167,425,731)	954,619	13,582,751
Cash flows (Actual cashflows in the period)					
Premiums and premium tax received	212,132,914	-	-	-	212,132,914
Claims and other insurance service expenses paid, including investment components	-	-	(274,990,703)	-	(274,990,703)
Insurance acquisition cash flows	(22,080,230)	-	-	-	(22,080,230)
Total Cash flows	190,052,684	-	(274,990,703)	-	(84,938,019)
Closing Insurance contract assets	2,320	-	-	-	2,320
Closing Insurance contract liabilities	(58,955,060)	-	(173,932,610)	(883,007)	(233,770,677)
Net Closing balance	(58,952,740)	-	(173,932,610)	(883,007)	(233,768,357)

31 December 2023	Liabilities for Remaining Coverage		Liabilities for Incurred claims		Total
	Excluding Loss Component	Loss Component	Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial risk	
Opening Insurance contract assets	824,051	-	(97,650)	(2,281)	724,121
Opening Insurance contract liabilities	(48,239,606)	-	(66,862,122)	(1,697,956)	(116,799,684)
Net Opening balance	(47,415,555)	-	(66,959,772)	(1,700,236)	(116,075,563)
Insurance Revenue					
Post transition	190,914,349	-	-	-	190,914,349
Total Insurance revenue – All Transition Methods	190,914,349	-	-	-	190,914,349
Insurance Service Expenses					
Incurred insurance service expenses:					
Claims	-	-	(309,820,132)	(1,480,234)	(311,300,366)
Expenses	-	-	(280,835,184)	-	(280,835,184)
Other movements related to current service	-	-	(28,984,947)	-	(28,984,947)
Amortisation of insurance acquisition cash flows	(18,902,590)	-	-	(1,480,234)	(18,902,590)
Changes that relate to past service (changes in fulfilment cash flows re LIC)	-	-	15,220,587	1,342,844	16,563,431
Total Insurance Service Expenses	(18,902,590)	-	(294,599,545)	(137,390)	(313,639,525)
Total Insurance Service result	172,011,758	-	(294,599,545)	(137,390)	(122,725,176)
Total Changes in the Statement of Financial Performance	172,011,758	-	(294,599,545)	(137,390)	(122,725,176)
Cash flows (Actual cashflows in the period)					
Premiums and premium tax received	197,766,537	-	-	-	197,766,537
Claims and other insurance service expenses paid, including investment components	-	-	(80,061,739)	-	(80,061,739)
Insurance acquisition cash flows	(24,216,415)	-	-	-	(24,216,415)
Total Cash flows	173,550,123	-	(80,061,739)	-	93,488,384
Net Closing balance	(48,953,919)	-	(281,497,578)	(1,837,626)	(332,289,123)
Closing Insurance contract assets	-	-	-	-	-
Closing Insurance contract liabilities	(48,953,919)	-	(281,497,582)	(1,837,626)	(332,289,127)
Net Closing balance	(48,953,919)	-	(281,497,582)	(1,837,626)	(332,289,127)

SACOS GROUP LIMITED
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

48

23. Movement in Carrying Amounts - By LRC and LIC - Reinsurance - PAA

31 December 2024	Remaining Coverage Component		Incurred Claims Component		Total
	Excluding Loss Component	Loss Component	Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial risk	
Opening reinsurance contract assets	(12,949,104)	-	268,478,391	1,620,698	257,149,984
Opening reinsurance contract liabilities	(8,951,612)	-	2,107,040	11,484	(6,833,089)
Net opening balance	(21,900,717)	-	270,585,430	1,632,182	250,316,895
Allocation of the premiums paid:					
Post transition	(60,641,231)				(60,641,231)
Amounts recovered from reinsurance					
Recoveries of incurred claims and other insurance service expense		-	56,163,196	259,671	56,422,867
Changes related to past service (changes related to incurred claims component)			10,912,755	(1,525,681)	9,387,074
Changes that relate to future service:		-			-
<i>Recoveries and reversals of recoveries of losses on onerous underlying contracts - subsequent measurement</i>		-			-
Total Amounts Recovered from Reinsurance	-	-	67,075,951	(1,266,010)	65,809,941
Effect of changes in Non-performance risk of Reinsurers			(3,610,967)		(3,610,967)
Total Net Expenses from Reinsurance	(60,641,231)	-	63,464,983	(1,266,010)	1,557,742
Total Changes in the Statement of Financial Performance	(60,641,231)	-	63,464,983	(1,266,010)	1,557,742
Cash flows (Actual cashflows in the period)					
Premiums and premium tax paid	(70,290,575)				(70,290,575)
Amounts recovered			111,975,925		111,975,925
Total cash flows	(70,290,575)		111,975,925		41,685,350
Net Closing balance	(12,251,373)	-	222,074,489	366,172	210,189,288
Closing reinsurance contract assets	(3,358,773)	-	218,785,832	356,958	215,784,017
Closing reinsurance contract liabilities	(8,892,600)	-	3,288,656	9,214	(5,594,729)
Net Closing balance	(12,251,373)	-	222,074,489	366,172	210,189,288
31 December 2023					
31 December 2023	Remaining Coverage Component		Incurred Claims Component		Total
	Excluding Loss Component	Loss Component	Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial risk	
Opening reinsurance contract assets	(10,625,143)	-	69,941,005	697,605	60,013,467
Opening reinsurance contract liabilities	(5,460,419)	-	683,533	10,244	(4,766,642)
Net opening balance	(16,085,562)	-	70,624,539	707,849	55,246,825
Allocation of the premiums paid:					
Full retrospective approach	(61,058,757)				(61,058,757)
Amounts recovered from reinsurance					
Recoveries of incurred claims and other insurance service expense		-	218,287,725	1,545,796	219,833,522
Changes related to past service (changes related to incurred claims component)			(6,530,691)	(621,463)	(7,152,155)
Total Amounts Recovered from Reinsurance	-	-	211,757,034	924,333	212,681,367
Total Net Expenses from Reinsurance	(61,058,757)	-	209,023,848	924,333	148,889,423
Total Changes in the Statement of Financial Performance	(61,058,757)	-	209,023,848	924,333	148,889,423
Cash flows (Actual cashflows in the period)					
Premiums and premium tax paid	(55,243,603)				(55,243,603)
Amounts recovered			9,062,956		9,062,956
Total cash flows	(55,243,603)		9,062,956		(46,180,647)
Net Closing balance	(21,900,717)	-	270,585,430	1,632,182	250,316,895
Closing reinsurance contract assets	(12,949,104)	-	268,478,391	1,620,698	257,149,984
Closing reinsurance contract liabilities	(8,951,612)	-	2,107,040	11,484	(6,833,089)
Net Closing balance	(21,900,717)	-	270,585,430	1,632,182	250,316,895

SACOS LIFE ASSURANCE COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 DECEMBER 2024

49

24. Movement in Carrying Amounts - By Component - Direct - GMM

31 December 2024	Estimates of Present Value of Future	Risk Adjustment for Non-financial Risk	CSM			Total	
			Full Retrospective	Modified Retrospective	Post Transition		
Opening insurance contract assets							
Opening insurance contract liabilities	18,938,991	(3,529,446)	(24,108,117)	-	(2,243,160)	(30,107,719)	(41,049,450)
Net Opening balance	18,938,991	(3,529,446)	(24,108,117)	-	(2,243,160)	(30,107,719)	(41,049,450)
Changes that relate to current services	446,428	483,990	4,185,420	-	424,214	6,769,169	12,309,221
CSM recognized for services provided			4,185,420		424,214	6,769,169	11,378,803
Change in risk adjustment for non-financial risk for risk expired		483,990					483,990
Experience adjustments not related to future service	446,428						446,428
Changes that relate to future services	22,299,373	(710,664)	966,097	-	149,193	(22,063,802)	640,196
Contracts initially recognised in the year	21,142,198	(1,561,030)				(20,184,315)	(603,147)
Changes in estimates that adjust the CSM	132,909	631,288	966,097		149,193	(1,879,487)	0
Changes in estimates that relate to losses and reversal of losses on onerous contracts	1,024,265	219,078					1,243,343
Total Insurance Service result	22,745,800	(226,675)	5,151,517	-	573,407	(15,294,634)	12,949,416
Insurance Finance Income or Expense							
The effect of and changes in time of time value of money	2,720,006	(483,024)	(2,210,123)		(95,265)	(1,921,346)	(1,989,752)
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts							
Total Insurance Finance Income or Expense	2,720,006	(483,024)	(2,210,123)	-	(95,265)	(1,921,346)	(1,989,752)
Total Changes in the Statement of Financial Performance	25,465,806	(709,699)	2,941,394	-	478,142	(17,215,979)	10,959,664
Cash flows (Actual cashflows in the period)							
Premiums and premium tax received	(29,124,274)						(29,124,274)
Claims and other insurance service expenses paid, including investment components	7,313,629						7,313,629
Insurance acquisition cash flows	2,824,168						2,824,168
Total Cash flows	(18,986,477)	-	-	-	-	-	(18,986,477)
Closing Insurance contract assets							
Closing Insurance contract liabilities	25,418,320	(4,239,144)	(21,166,723)		(1,765,018)	(47,323,699)	(49,076,263)
Net Closing balance	25,418,320	(4,239,144)	(21,166,723)	-	(1,765,018)	(47,323,699)	(49,076,263)

31 December 2023	Estimates of Present Value of Future	Risk Adjustment for Non-financial Risk	CSM			Total	
			Full Retrospective	Modified Retrospective	Post Transition		
Opening insurance contract assets							
Opening insurance contract liabilities	7,353,753	(3,030,838)	(23,601,154)		(242,170)	(13,474,260)	(32,994,668)
Net Opening balance	7,353,753	(3,030,838)	(23,601,154)	-	(242,170)	(13,474,260)	(32,994,668)
Changes that relate to current services	1,371,721	376,454	4,136,023	-	519,876	3,111,058	9,515,131
CSM recognized for services provided	-	-	4,136,023		519,876	3,111,058	7,766,957
Change in risk adjustment for non-financial risk for risk expired	-	376,454					376,454
Experience adjustments not related to future service	1,371,721						1,371,721
Restatement and Other Changes							
Changes that relate to future services	24,946,545	(1,110,381)	(2,632,630)	-	(2,511,535)	(18,880,986)	(188,987)
Contracts initially recognised in the year	19,772,552	(1,001,574)				(18,824,561)	(53,583)
Changes in estimates that adjust the CSM	5,279,953	(79,363)	(2,632,630)		(2,511,535)	(56,425)	(0)
Changes in estimates that relate to losses and reversal of losses on onerous contracts	(105,960)	(29,445)					(135,405)
Changes that relate to past services							-
Changes in estimates in LIC fulfilment cash flows							-
Experience adjustments in claims and other insurance service expenses in LIC							-
Total Insurance Service result	26,318,266	(733,927)	1,503,393	-	(1,991,659)	(15,769,929)	9,326,144
Insurance Finance Income or Expense							
The effect of and changes in time of time value of money and financial risk	2,350,258	235,319	(2,010,356)		(9,331)	(863,530)	(297,640)
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts							
Total Insurance Finance Income or Expense	2,350,258	235,319	(2,010,356)	-	(9,331)	(863,530)	(297,640)
Total Changes in the Statement of Financial Performance	28,668,524	(498,608)	(506,963)	-	(2,000,990)	(16,633,459)	9,028,504
Cash flows (Actual cashflows in the period)							
Premiums and premium tax received	(25,196,673)						(25,196,673)
Claims and other insurance service expenses paid, including investment components	5,028,946						5,028,946
Insurance acquisition cash flows	3,084,442						3,084,442
Total Cash flows	(17,083,286)	-	-	-	-	-	(17,083,286)
Closing Insurance contract assets							
Closing Insurance contract liabilities	18,938,991	(3,529,446)	(24,108,117)		(2,243,160)	(30,107,719)	(41,049,450)
Net Closing balance	18,938,991	(3,529,446)	(24,108,117)	-	(2,243,160)	(30,107,719)	(41,049,450)

**SACOS LIFE ASSURANCE COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 DECEMBER 2024**

50

25. Movement in Carrying Amounts - By LRC and LIC - Direct - GMM

31 December 2024	Liabilities for Remaining Coverage		Liabilities for Incurred Claims	Total
	Excluding loss component	Loss component		
Opening insurance contract assets				
Opening insurance contract liabilities	(39,966,951)	(1,082,499)		(41,049,450)
Net Opening balance	(39,966,951)	(1,082,499)	-	(41,049,450)
Insurance revenue - Full Retrospective Approach	8,377,491	-	-	8,377,491
CSM recognized for services provided	4,185,420			4,185,420
Change in risk adjustment for non-financial risk for risk expired	177,768			177,768
Expected insurance service expenses incurred:	3,132,167			3,132,167
<i>Claims</i>	2,128,859			2,128,859
<i>Expenses</i>	1,003,307			1,003,307
Recovery of insurance acquisition cash flows	370,597			370,597
Experience adjustment not related to future service	511,539			511,539
Restatement and Other Changes				
Insurance revenue - Modified Retrospective Approach				
CSM recognized for services provided				
Change in risk adjustment for non-financial risk for risk expired				
Expected insurance service expenses incurred:				
<i>Claims</i>				
<i>Expenses</i>				
Recovery of insurance acquisition cash flows				
Experience adjustments not related to future service				
Restatement and Other Changes				
Insurance revenue - Fair Value Approach	1,150,684	-	-	1,150,684
CSM recognized for services provided	424,214			424,214
Change in risk adjustment for non-financial risk for risk expired	31,271			31,271
Expected insurance service expenses incurred:	638,576			638,576
<i>Claims</i>	395,483			395,483
<i>Expenses</i>	243,093			243,093
Recovery of insurance acquisition cash flows	4,771			4,771
Experience adjustments not related to future service	51,851			51,851
Restatement and Other Changes				
Insurance revenue - Post Transition	12,592,771	-	-	12,592,771
CSM recognized for services provided	6,769,169			6,769,169
Change in risk adjustment for non-financial risk for risk expired	263,772			263,772
Expected insurance service expenses incurred:	3,610,234			3,610,234
<i>Claims</i>	2,398,186			2,398,186
<i>Expenses</i>	1,212,048			1,212,048
Recovery of insurance acquisition cash flows	2,315,416			2,315,416
Experience adjustments not related to future service	(365,819)			(365,819)
Total Insurance revenue - All Transition Methods	22,120,946	-	-	22,120,946
Insurance Service Expenses				
Incurred insurance service expenses:		177,329	(7,298,270)	(7,120,941)
<i>Claims</i>		79,020	(3,716,505)	(3,637,486)
<i>Expenses</i>		98,310	(3,581,765)	(3,483,455)
<i>Other movements related to current service</i>				
Amortisation of insurance acquisition cash flows	(2,690,785)			(2,690,785)
Changes that relate to past service (changes in fulfilment cash flows re LIC)				
Changes that relate to future service		640,196		640,196
Losses for the net outflow recognized on initial recognition		(603,147)		(603,147)
Losses and reversal of losses on onerous contracts - subsequent measurement		1,243,343		1,243,343
Total Insurance Service Expenses	(2,690,785)	817,525	(7,298,270)	(9,171,530)
Investment Components	(15,359)		15,359	-
Total Insurance Service result	19,414,803	817,525	(7,282,911)	12,949,416
Insurance Finance Income or Expense				
The effect of and changes in time of time value of money and financial risk	(1,882,118)	(107,634)		(1,989,752)
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts				
Total Insurance Finance Income or Expense	(1,882,118)	(107,634)		(1,989,752)
Total Changes in the Statement of Financial Performance	17,532,684	709,891	(7,282,911)	10,959,664
Cash flows (Actual cashflows in the period)				
Premiums and premium tax received	(29,124,274)	-	-	(29,124,274)
Claims and other insurance service expenses paid, including investment components	-	-	7,313,629	7,313,629
Insurance acquisition cash flows	2,824,168	-	-	2,824,168
Total Cash flows	(26,300,105)	-	7,313,629	(18,986,477)
Net Closing balance	(48,734,372)	(372,608)	30,717	(49,076,263)
Closing Insurance contract assets				
Closing Insurance contract liabilities	48,734,372	372,608	(30,717)	(49,076,263)
Net Closing balance	48,734,372	372,608	(30,717)	(49,076,263)

SACOS GROUP LIMITED
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

51

26. Movement in Carrying Amounts - By LRC and LIC - Direct - GMM (continued)

31 December 2023	Liabilities for Remaining Coverage		Liabilities for Incurred Claims	Total
	Excluding loss component	Loss component		
Opening insurance contract assets				
Opening insurance contract liabilities	(32,019,735)	(974,933)		(32,994,668)
Net Opening balance	(32,019,735)	(974,933)		(32,994,668)
Insurance revenue - Full Retrospective Approach	10,304,420	-	-	10,304,420
CSM recognized for services provided	4,136,023			4,136,023
Change in risk adjustment for non-financial risk for risk expired	165,891			165,891
Expected insurance service expenses incurred:	3,103,090			3,103,090
<i>Claims</i>	2,246,157			2,246,157
<i>Expenses</i>	856,933			856,933
Recovery of insurance acquisition cash flows	1,924,808			1,924,808
Experience adjustment not related to future service	974,608			974,608
Restatement and Other Changes				
Insurance revenue - Modified Retrospective Approach				
CSM recognized for services provided				
Change in risk adjustment for non-financial risk for risk expired				
Expected insurance service expenses incurred:				
<i>Claims</i>				
<i>Expenses</i>				
Recovery of insurance acquisition cash flows				
Experience adjustments not related to future service				
Restatement and Other Changes				
Insurance revenue - Fair Value Approach	659,214	-	-	659,214
CSM recognized for services provided	519,876			519,876
Change in risk adjustment for non-financial risk for risk expired	35,101			35,101
Expected insurance service expenses incurred:	653,351			653,351
<i>Claims</i>	447,205			447,205
<i>Expenses</i>	206,146			206,146
Recovery of insurance acquisition cash flows	6,065			6,065
Experience adjustments not related to future service	(555,179)			(555,179)
Restatement and Other Changes				
Insurance revenue - Post Transition	5,652,273	-	-	5,652,273
CSM recognized for services provided	3,111,058			3,111,058
Change in risk adjustment for non-financial risk for risk expired	168,727			168,727
Expected insurance service expenses incurred:	2,036,950			2,036,950
<i>Claims</i>	1,411,233			1,411,233
<i>Expenses</i>	625,717			625,717
Recovery of insurance acquisition cash flows	322,340			322,340
Experience adjustments not related to future service	13,198			13,198
Restatement and Other Changes				
Total Insurance revenue - All Transition Methods	16,615,907	-	-	16,615,907
Insurance Service Expenses				
Incurred insurance service expenses:		127,967	(4,975,530)	(4,847,562)
<i>Claims</i>	-	53,201	(3,009,301)	(2,956,100)
<i>Expenses</i>	-	74,767	(1,966,229)	(1,891,462)
<i>Other movements related to current service</i>	-	-	-	-
Amortisation of insurance acquisition cash flows	(2,253,212)	-	-	(2,253,212)
Changes that relate to past service (changes in fulfilment cash flows re LIC)				
Changes that relate to future service		(188,987)		(188,987)
Losses for the net outflow recognized on initial recognition		(53,583)		(53,583)
Losses and reversal of losses on onerous contracts - subsequent measurement		(135,405)		(135,405)
Total Insurance Service Expenses	(2,253,212)	(61,020)	(4,975,530)	(7,289,762)
Investment Components	(53,416)		53,416	-
Total Insurance Service result	14,309,279	(61,020)	(4,922,114)	9,326,145
Insurance Finance Income or Expense				
The effect of and changes in time of time value of money and financial risk				
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts	(251,094)	(46,546)		(297,640)
Total Insurance Finance Income or Expense	(251,094)	(46,546)		(297,640)
Total Changes in the Statement of Financial Performance	14,058,185	(107,566)	(4,922,114)	9,028,505
Cash flows (Actual cashflows in the period)				
Premiums and premium tax received	(25,196,673)	-	-	(25,196,673)
Claims and other insurance service expenses paid, including investment components	-	-	5,028,946	5,028,946
Insurance acquisition cash flows	3,084,442	-	-	3,084,442
Total Cash flows	(22,112,231)	-	5,028,946	(17,083,286)
Net Closing balance	(40,073,782)	(1,082,499)	106,832	(41,049,450)
Closing Insurance contract assets				
Closing Insurance contract liabilities	(40,073,782)	(1,082,499)	106,832	(41,049,450)
Net Closing balance	(40,073,782)	(1,082,499)	106,832	(41,049,450)

SACOS LIFE ASSURANCE COMPANY LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR YEAR ENDED 31 DECEMBER 2024

52

27. Movement in Carrying Amounts - By Component - Reinsurance - GMM

31 December 2024	Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial Risk	CSM				Total
			Full Retrospective Approach	Modified Retrospective Approach	Fair Value Approach	Post Transition	
Opening reinsurance contract assets	2,180,526	128,175	-	-	14,662,816	-	16,971,517
Opening reinsurance contract liabilities	-	-	-	-	-	-	-
Net Opening Balance	2,180,526	128,175	-	-	14,662,816	-	16,971,517
Changes that relate to current services	(4,400,722)	(71,583)	-	-	(964,734)	-	(5,437,039)
CSM recognised for services received	-	-	-	-	(964,734)	-	(964,734)
Change in risk adjustment for non-financial risk for risk expired	-	(71,583)	-	-	-	-	(71,583)
Experience adjustments not related to future service	(4,400,722)	-	-	-	-	-	(4,400,722)
Restatement and Other Changes	-	-	-	-	-	-	-
Changes that relate to future services	4,533,948	590,508	-	-	(5,124,456)	-	-
Contracts initially recognised in the year	-	1,348,766	-	-	(1,348,766)	-	-
Changes in estimates that adjust the CSM	4,533,948	(758,259)	-	-	(3,775,689)	-	-
Changes in estimates that adjust recoveries of losses on onerous underlying contracts	-	-	-	-	-	-	-
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	-	-	-	-	-
Changes that relate to past services	-	-	-	-	-	-	-
Changes in fulfillment cash flows re LIC	-	-	-	-	-	-	-
Experience adjustments in claims and other insurance service expenses in	-	-	-	-	-	-	-
Effect of changes in non-performance risk of reinsurance	-	-	-	-	-	-	-
Total Net Expenses from Reinsurance	133,226	518,924	-	-	(6,089,190)	-	(5,437,039)
Insurance Finance Income or Expense	-	-	-	-	-	-	-
The effect of and changes in time of time value of money and financial risk	1,222,956	87,545	-	-	353,736	-	1,664,238
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts	-	-	-	-	-	-	-
Total Insurance Finance Income or Expense	1,222,956	87,545	-	-	353,736	-	1,664,238
Total Changes in the Statement of Financial Performance	1,356,183	606,469	-	-	(5,735,453)	-	(3,772,801)
Cash flows	-	-	-	-	-	-	-
Premiums and premium tax paid	3,420,030	-	-	-	-	-	3,420,030
Amounts recovered	-	-	-	-	-	-	-
Total Cash Flows	3,420,030	-	-	-	-	-	3,420,030
Net Closing Balance	6,956,739	734,645	-	-	8,927,362	-	16,618,746
Closing Reinsurance contract assets	6,956,739	734,645	-	-	8,927,362	-	16,618,746
Closing reinsurance contract liabilities	-	-	-	-	-	-	-
Net Closing Balance	6,956,739	734,645	-	-	8,927,362	-	16,618,746

31 December 2023	Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial Risk	CSM				Total
			Full Retrospective Approach	Modified Retrospective Approach	Fair Value Approach	Post Transition	
Opening reinsurance contract assets	1,317,544	75,748	(735,742)	-	14,211,018	-	14,868,568
Opening reinsurance contract liabilities	-	-	-	-	-	-	-
Net Opening Balance	1,317,544	75,748	(735,742)	-	14,211,018	-	14,868,568
Changes that relate to current services	(157,444)	(62,336)	-	-	(2,958,885)	-	(3,178,665)
CSM recognised for services received	-	-	-	-	(2,958,885)	-	(2,958,885)
Change in risk adjustment for non-financial risk for risk expired	-	(62,336)	-	-	-	-	(62,336)
Experience adjustments not related to future service	(157,444)	-	-	-	-	-	(157,444)
Restatement and Other Changes	-	-	-	-	-	-	-
Changes that relate to future services	(3,814,699)	105,619	278,181	-	3,430,899	-	-
Contracts initially recognised in the year	-	129,792	278,181	-	(129,792)	-	-
Changes in estimates that adjust the CSM	(3,814,699)	(24,173)	278,181	-	3,560,691	0	0
Changes in estimates that adjust recoveries of losses on onerous underlying contracts	-	-	-	-	-	-	-
Total Net Expenses from Reinsurance	(3,972,143)	43,283	278,181	-	472,014	-	(3,178,665)
Insurance Finance Income or Expense	-	-	-	-	-	-	-
The effect of and changes in time of time value of money and financial risk	272,222	9,145	(66,294)	-	503,639	-	718,711
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts	-	-	-	-	-	-	-
Total Insurance Finance Income or Expense	272,222	9,145	(66,294)	-	503,639	-	718,711
Total Changes in the Statement of Financial Performance	(3,699,922)	52,428	211,887	-	975,653	-	(2,459,955)
Cash flows	-	-	-	-	-	-	-
Premiums and premium tax paid	4,721,003	-	-	-	-	-	4,721,003
Amounts recovered	(158,099)	-	-	-	-	-	(158,099)
Total Cash Flows	4,562,904	-	-	-	-	-	4,562,904
Net Closing Balance	2,180,526	128,175	(523,855)	-	15,186,671	-	16,971,517
Closing Reinsurance contract assets	2,180,526	128,175	(523,855)	-	15,186,671	-	16,971,517
Closing reinsurance contract liabilities	-	-	-	-	-	-	-
Net Closing Balance	2,180,526	128,175	(523,855)	-	15,186,671	-	16,971,517

SACOS LIFE ASSURANCE COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 DECEMBER 2024

53

28. Movement in Carrying Amounts - By LRC and LIC - Reinsurance - GMM

31 December 2024	Liabilities for Remaining Coverage		Liabilities for Incurred Claims	Total
	Excluding loss component	Loss component		
Opening reinsurance contract assets	16,971,517			16,971,517
Opening reinsurance contract liabilities				-
Net Opening balance	16,971,517	-	-	16,971,517
Allocation of the premiums paid - Full retrospective approach	-	-	-	-
CSM recognized for services provided	-	-	-	-
Change in risk adjustment for non-financial risk for risk transferred	-	-	-	-
Expected recoveries of incurred claims and other insurance service expense	-	-	-	-
Experience adjustment not related to future service	-	-	-	-
Restatement and Other Changes	-	-	-	-
Allocation of the premiums paid - Modified retrospective approach	-	-	-	-
CSM recognized for services provided	-	-	-	-
Change in risk adjustment for non-financial risk for risk transferred	-	-	-	-
Expected recoveries of incurred claims and other insurance service expense	-	-	-	-
Experience adjustment not related to future service	-	-	-	-
Restatement and Other Changes	-	-	-	-
Allocation of the premiums paid - Fair value approach	(5,437,039)			(5,437,039)
CSM recognized for services provided	(964,734)			(964,734)
Change in risk adjustment for non-financial risk for risk transferred	(71,583)			(71,583)
Expected recoveries of incurred claims and other insurance service expense	(1,256,265)			(1,256,265)
Experience adjustment not related to future service	(3,144,457)			(3,144,457)
Restatement and Other Changes	-			-
Allocation of the premiums paid - Post transition	-			-
CSM recognized for services provided	-			-
Change in risk adjustment for non-financial risk for risk transferred	-			-
Expected recoveries of incurred claims and other insurance service expense	-			-
Experience adjustment not related to future service	-			-
Restatement and Other Changes	-			-
Total Allocation of premiums paid	(5,437,039)			(5,437,039)
Amounts Recovered from Reinsurance	-			-
Recoveries of incurred claims and other insurance service expense	-			-
Total Amounts Recovered from Reinsurance	-			-
Investment Components	-			-
Effect of changes in Non-performance risk of Reinsurers	-			-
Total Net Expenses from Reinsurance	(5,437,039)	-	-	(5,437,039)
Insurance Finance Income or Expense				
The effect of and changes in time of time value of money and financial risk	1,664,238	-	-	1,664,238
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts				
Total Insurance Finance Income or Expense	1,664,238	-	-	1,664,238
Other Comprehensive Income	-			-
Total Changes in the Statement of Financial Performance	(3,772,801)	-	-	(3,772,801)
Cash flows (Actual cashflows in the period)				
Premiums and premium tax paid	3,420,030	-	-	3,420,030
Amounts recovered	-	-	-	-
Total Cash flows	3,420,030	-	-	3,420,030
Net Closing balance	16,618,746	-	-	16,618,746
Closing reinsurance contract assets	16,618,746	-	-	16,618,746
Closing reinsurance contract liabilities				-
Net Closing balance	16,618,746	-	-	16,618,746

SACOS GROUP LIMITED
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

54

29. Movement in Carrying Amounts - By LRC and LIC - Reinsurance - GMM (continued)

31 December 2023	Liabilities for Remaining Coverage		Liabilities for Incurred Claims	Total
	Excluding loss component	Loss component		
Opening reinsurance contract assets	14,868,308			14,868,308
Opening reinsurance contract liabilities				-
Net Opening balance	14,868,308	-	-	14,868,308
Allocation of the premiums paid - Full retrospective approach	(328,026)			(328,026)
CSM recognized for services provided	-			-
Change in risk adjustment for non-financial risk for risk transferred	-			-
Expected recoveries of incurred claims and other insurance service expense	(328,026)			(328,026)
Experience adjustment not related to future service	-			-
Restatement and Other Changes	-			-
Allocation of the premiums paid - Modified retrospective approach	-			-
CSM recognized for services provided	-			-
Change in risk adjustment for non-financial risk for risk transferred	-			-
Expected recoveries of incurred claims and other insurance service expense	-			-
Experience adjustment not related to future service	-			-
Restatement and Other Changes	-			-
Allocation of the premiums paid - Fair value approach	(3,008,478)			(3,008,478)
CSM recognized for services provided	(2,958,885)			(2,958,885)
Change in risk adjustment for non-financial risk for risk transferred	(62,336)			(62,336)
Expected recoveries of incurred claims and other insurance service expense	(1,020,753)			(1,020,753)
Experience adjustment not related to future service	1,033,496			1,033,496
Restatement and Other Changes	-			-
Allocation of the premiums paid - Post transition	-			-
CSM recognized for services provided	-			-
Change in risk adjustment for non-financial risk for risk transferred	-			-
Expected recoveries of incurred claims and other insurance service expense	-			-
Experience adjustment not related to future service	-			-
Restatement and Other Changes	-			-
Total Allocation of premiums paid	(3,336,504)			(3,336,504)
Amounts Recovered from Reinsurance	-			-
Recoveries of incurred claims and other insurance service expense	-	-	157,839	157,839
Total Amounts Recovered from Reinsurance	-	-	157,839	157,839
Investment Components		-		-
Effect of changes in Non-performance risk of Reinsurers				
Total Net Expenses from Reinsurance	(3,336,504)	-	157,839	(3,178,665)
Insurance Finance Income or Expense				-
The effect of and changes in time of time value of money and financial risk	718,711			718,711
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts				-
Total Insurance Finance Income or Expense	718,711	-	-	718,711
Other Comprehensive Income				-
Total Changes in the Statement of Financial Performance	(2,617,794)	-	157,839	(2,459,955)
Cash flows (Actual cashflows in the period)				
Premiums and premium tax paid	4,721,003	-	-	4,721,003
Amounts recovered	-	-	(157,839)	(157,839)
Total Cash flows	4,721,003	-	(157,839)	4,563,164
Net Closing balance	16,971,517	-	-	16,971,517
Closing reinsurance contract assets	16,971,517	-	-	16,971,517
Closing reinsurance contract liabilities	-	-	-	-
Net Closing balance	16,971,517	-	-	16,971,517

SACOS LIFE ASSURANCE COMPANY LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR YEAR ENDED 31 DECEMBER 2024

30. Movement in Carrying Amounts - By Component - Direct - VFA

31 December 2024	Estimates of Present Value of Future cash flows	Risk Adjustment for Non-financial risk	CSM				Total
			Full Retrospective Approach	Modified Retrospective Approach	Fair Value Approach	Post transition	
Opening Insurance contract assets							
Opening Insurance contract liabilities	(437,582,713)	(14,849,816)	(1,963,770)	-	(11,701,020)	(583,766)	(466,681,085)
Net Opening balance	(437,582,713)	(14,849,816)	(1,963,770)		(11,701,020)	(583,766)	(466,681,085)
Changes that relate to current services	(3,861,707)	235,734	281,961		2,241,278	99,586	(1,003,148)
CSM recognized for services provided		-	281,961		2,241,278	99,586	2,622,825
Change in risk adjustment for non-financial risk for risk expired		235,734					235,734
Experience adjustments not related to future service	(3,861,707)						(3,861,707)
Restatement and Other Changes							
Changes that relate to future services	13,989,646	(10,377,182)	(844,712)		(2,155,950)	(611,801)	(0)
Contracts initially recognised in the year	2,226,352	(1,925,908)				(300,444)	0
Changes in estimates that adjust the CSM	11,763,294	(8,451,274)	(844,712)		(2,155,950)	(311,357)	(0)
Changes in estimates that relate to losses and reversal of losses on onerous contracts							
Changes that relate to past services	(6,070,856)						(6,070,856)
Changes in estimates in LIC fulfillment cash flows	(6,070,856)						(6,070,856)
Experience adjustments in claims and other insurance service expenses in LIC							
Total Insurance Service result	4,057,083	(10,141,449)	(562,751)		85,328	(512,215)	(7,074,003)
Insurance Finance Income or Expense							
Net finance expenses from insurance contracts	(45,699,809)						(45,699,809)
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts							
Total Insurance Finance Income or Expense	(45,699,809)						(45,699,809)
Total Changes in the Statement of Financial Performance	(41,642,725)	(10,141,449)	(562,751)		85,328	(512,215)	(52,773,812)
Cash flows (Actual cashflows in the period)							
Premiums and premium tax received	(62,466,227)						(62,466,227)
Claims and other insurance service expenses paid, including investment components	93,536,828						93,536,828
Insurance acquisition cash flows	2,344,222						2,344,222
Total Cash flows	33,414,823						33,414,823
Transfer to BSR							
Net Closing balance	(445,810,616)	(24,991,265)	(2,526,522)		(11,615,692)	(1,095,981)	(486,040,075)
Closing Insurance contract assets							
Closing Insurance contract liabilities	(445,810,616)	(24,991,265)	(2,526,522)		(11,615,692)	(1,095,981)	(486,040,075)
Net Closing balance	(445,810,616)	(24,991,265)	(2,526,522)		(11,615,692)	(1,095,981)	(486,040,075)

31 December 2023	Estimates of Present Value of Future cash flows	Risk Adjustment for Non-financial risk	CSM				Total
			Full Retrospective Approach	Modified Retrospective Approach	Fair Value Approach	Post transition	
Opening Insurance contract assets							
Opening Insurance contract liabilities	(427,783,946)	(15,750,289)	(1,058,500)		(9,988,187)	(210,066)	(454,790,988)
Net Opening balance	(427,783,946)	(15,750,289)	(1,058,500)		(9,988,187)	210,066	(454,790,988)
Changes that relate to current services	57,637	(1,244,438)	249,016		2,409,442	52,323	1,523,980
CSM recognized for services provided			249,016		2,409,442	52,323	2,710,781
Change in risk adjustment for non-financial risk for risk expired		(1,244,438)					(1,244,438)
Experience adjustments not related to future service	57,637						57,637
Restatement and Other Changes							
Changes that relate to future services	3,557,673	2,144,911	(1,154,286)		(4,122,275)	(426,022)	(0)
Contracts initially recognised in the year	208,876	(55,536)				(153,340)	0
Changes in estimates that adjust the CSM	3,348,797	2,200,447	(1,154,286)		(4,122,275)	(272,682)	(0)
Changes in estimates that relate to losses and reversal of losses on onerous contracts							
Changes that relate to past services	(5,377,042)						(5,377,042)
Changes in estimates in LIC fulfillment cash flows	(5,377,042)						5,377,042
Experience adjustments in claims and other insurance service expenses in LIC							
Total Insurance Service result	(1,761,732)	900,473	(905,270)		(1,712,833)	(373,700)	(3,853,062)
Insurance Finance Income or Expense							
Net finance expenses from insurance contracts	(36,000,848)						(36,000,848)
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts							
Total Insurance Finance Income or Expense	(36,000,848)						(36,000,848)
Other Comprehensive Income							
Total Changes in the Statement of Financial Performance	(37,762,580)	900,473	(905,270)		(1,712,833)	(373,700)	(39,853,910)
Cash flows (Actual cashflows in the period)							
Premiums and premium tax received	(58,010,527)						(58,010,527)
Claims and other insurance service expenses paid, including investment components	78,424,212						78,424,212
Insurance acquisition cash flows	2,660,333						2,660,333
Total Cash flows	23,074,018						23,074,018
Transfer to BSR	4,889,795						4,889,795
Net Closing balance	(437,582,713)	(14,849,816)	(1,963,770)		(11,701,020)	(163,634)	(466,681,085)
Closing Insurance contract assets							
Closing Insurance contract liabilities	(437,582,713)	(14,849,816)	(1,963,770)		(11,701,020)	(163,634)	(466,681,085)
Net Closing balance	(437,582,713)	(14,849,816)	(1,963,770)		(11,701,020)	(163,634)	(466,681,085)

SACOS LIFE ASSURANCE COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 DECEMBER 2024

56

31. Movement in Carrying Amounts - By LRC and LIC - Direct - VFA

31 December 2024	Liabilities for Remaining Coverage		Liabilities for Incurred Claims	Total
	Excluding Loss component	Loss component		
Opening Insurance contract assets				
Opening Insurance contract liabilities	(461,268,893)		(5,412,192)	(466,681,085)
Net Opening balance	(461,268,893)		(5,412,192)	(466,681,085)
Insurance revenue - Full retrospective approach	4,811,169			4,811,169
CSM recognized for services provided	281,961			281,961
Change in risk adjustment for non-financial risk for risk expired	57,041			57,041
Expected insurance service expenses incurred:	3,345,400			3,345,400
<i>Claims</i>	734,168			734,168
<i>Expenses</i>	2,611,232			2,611,232
<i>Other expenses under the VFA</i>				
Recovery of insurance acquisition cash flows	840,235			840,235
Experience adjustments not related to future service	286,533			286,533
Restatement and Other Changes				
Insurance revenue - Modified Retrospective approach				
CSM recognized for services provided				
Change in risk adjustment for non-financial risk for risk expired				
Expected insurance service expenses incurred:				
<i>Claims</i>				
<i>Expenses</i>				
<i>Other expenses under the VFA</i>				
Recovery of insurance acquisition cash flows				
Experience adjustments not related to future service				
Restatement and Other Changes				
Insurance revenue - Fair Value approach	15,207,103			15,207,103
CSM recognized for services provided	2,241,278	-	-	2,241,278
Change in risk adjustment for non-financial risk for risk expired	111,727	-	-	111,727
Expected insurance service expenses incurred:	11,675,471			11,675,471
<i>Claims</i>	2,392,216	-	-	2,392,216
<i>Expenses</i>	9,283,254	-	-	9,283,254
<i>Other expenses under the VFA</i>	-	-	-	-
Recovery of insurance acquisition cash flows	1,026,566	-	-	1,026,566
Experience adjustments not related to future service	152,061	-	-	152,061
Restatement and Other Changes				
Insurance revenue - Post transition	2,376,836			2,376,836
CSM recognized for services provided	99,586	-	-	99,586
Change in risk adjustment for non-financial risk for risk expired	66,966	-	-	66,966
Expected insurance service expenses incurred:	1,338,643			1,338,643
<i>Claims</i>	325,603	-	-	325,603
<i>Expenses</i>	1,013,040	-	-	1,013,040
<i>Other expenses under the VFA</i>	-	-	-	-
Recovery of insurance acquisition cash flows	584,192	-	-	584,192
Experience adjustments not related to future service	287,448	-	-	287,448
Restatement and Other Changes				
Total Insurance revenue - All Transition Methods	22,395,108			22,395,108
Insurance service expenses				
Incurred insurance service expenses:			(20,947,262)	(20,947,262)
<i>Claims</i>			(2,780,487)	(2,780,487)
<i>Expenses</i>			(18,166,774)	(18,166,774)
<i>Other expenses under the VFA</i>				
<i>Other movements related to current service</i>				
Amortisation of insurance acquisition cash flows	(2,450,994)	-	-	(2,450,994)
Changes that relate to past service (changes in fulfilment cash flows re LIC)	-	-	(6,070,856)	(6,070,856)
Changes that relate to future service:				
Losses for the net outflow recognized on initial recognition				
Losses and reversal of losses on onerous contracts - subsequent measurement				
Total Insurance Service expenses	(2,450,994)		(27,018,118)	(29,469,111)
Investment Components	72,589,566		(72,589,566)	-
Total Insurance Service result	92,533,680		(99,607,684)	(7,074,003)
Insurance Finance Income or Expense				
Net finance expenses from insurance contracts	(51,112,747)		5,412,938	(45,699,809)
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts				
Total Insurance Finance Income or Expense	(51,112,747)		5,412,938	(45,699,809)
Total Changes in the Statement of Financial Performance	41,420,934		(94,194,746)	(52,773,812)
Cash flows (Actual cashflows in the period)				
Premiums and premium tax received	(62,466,227)	-	-	(62,466,227)
Claims and other insurance service expenses paid, including investment components	-	-	93,536,828	93,536,828
Insurance acquisition cash flows	2,344,222	-	-	2,344,222
Total Cash flows	(60,122,005)		93,536,828	33,414,823
Transfer to BSR				
Net Closing balance	(479,969,965)		(6,070,110)	(486,040,075)
Closing Insurance contract assets				
Closing Insurance contract liabilities	(479,969,965)		(6,070,110)	(486,040,075)
Net Closing balance	(479,969,965)		(6,070,110)	(486,040,075)

SACOS GROUP LIMITED
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

57

32. Movement in Carrying Amounts - By LRC and LIC - Direct - VFA (continued)

31 December 2023	Liabilities for Remaining Coverage		Liabilities for Incurred Claims	Total
	Excluding Loss component	Loss component		
Opening Insurance contract assets				
Opening Insurance contract liabilities	(452,052,566)		(2,738,422)	(454,790,988)
Net Opening balance	(452,052,566)		(2,738,422)	(454,790,988)
Insurance revenue - Full retrospective approach	3,382,395			3,382,395
CSM recognized for services provided	249,016			249,016
Change in risk adjustment for non-financial risk for risk expired	(200,326)			(200,326)
Expected insurance service expenses incurred:	2,888,867			2,888,867
<i>Claims</i>	635,940			635,940
<i>Expenses</i>	2,252,927			2,252,927
<i>Other expenses under the VFA</i>				
Recovery of insurance acquisition cash flows	444,838			444,838
Experience adjustments not related to future service				
Restatement and Other Changes				
Insurance revenue - Fair Value approach	13,167,647			13,167,647
CSM recognized for services provided	2,409,442			2,409,442
Change in risk adjustment for non-financial risk for risk expired	(1,128,950)			(1,128,950)
Expected insurance service expenses incurred:	11,928,285			11,928,285
<i>Claims</i>	2,587,779			2,587,779
<i>Expenses</i>	9,340,506			9,340,506
<i>Other expenses under the VFA</i>				
Recovery of insurance acquisition cash flows	(41,130)			(41,130)
Experience adjustments not related to future service				
Restatement and Other Changes				
Insurance revenue - Post transition	1,085,365			1,085,365
CSM recognized for services provided	52,323			52,323
Change in risk adjustment for non-financial risk for risk expired	84,838			84,838
Expected insurance service expenses incurred:	753,266			753,266
<i>Claims</i>	205,604			205,604
<i>Expenses</i>	547,662			547,662
<i>Other expenses under the VFA</i>				
Recovery of insurance acquisition cash flows	194,938			194,938
Experience adjustments not related to future service				
Restatement and Other Changes				
Total Insurance revenue - All Transition Methods	17,635,407			17,635,407
Insurance service expenses				
Incurred insurance service expenses:			(15,512,780)	(15,512,780)
<i>Claims</i>			(1,746,748)	(1,746,748)
<i>Expenses</i>			(13,766,033)	(13,766,033)
<i>Other expenses under the VFA</i>				
<i>Other movements related to current service</i>				
Amortisation of insurance acquisition cash flows	(598,646)			(598,646)
Changes that relate to past service (changes in fulfilment cash flows re LIC)			(5,377,042)	(5,377,042)
Changes that relate to future service:				
Losses for the net outflow recognized on initial recognition				
Losses and reversal of losses on onerous contracts - subsequent measurement				
Total Insurance Service expenses	(598,646)		(20,889,822)	(21,488,469)
Investment Components	62,911,432		(62,911,432)	-
Total Insurance Service result	79,948,192		(83,801,254)	(3,853,062)
Insurance Finance Income or Expense				
Net finance expenses from insurance contracts	(38,704,120)		2,703,272	(36,000,849)
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts				
Total Insurance Finance Income or Expense	(38,704,120)		2,703,272	(36,000,849)
Total Changes in the Statement of Financial Performance	41,244,072		(81,097,983)	(39,853,910)
Cash flows (Actual cashflows in the period)				
Premiums and premium tax received	(58,010,527)			(58,010,527)
Claims and other insurance service expenses paid, including investment components			78,424,212	78,424,212
Insurance acquisition cash flows	2,660,333			2,660,333
Total Cash flows	(55,350,194)		78,424,212	23,074,018
Transfer to BSR	4,889,795			4,889,795
Net Closing balance	(461,268,893)		(5,412,192)	(466,681,085)
Closing Insurance contract assets				
Closing Insurance contract liabilities	(461,268,893)		(5,412,192)	(466,681,085)
Net Closing balance	(461,268,893)		(5,412,192)	(466,681,085)

SACOS GROUP LIMITED
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

58

33. Insurance revenue

The following tables present an analysis of the insurance revenue recognised in the period

31 December 2024

	Total
Contracts not measured under the PAA	
CSM recognized for services provided	14,001,628
Change in risk adjustment for non-financial risk for risk expired	708,544
Expected insurance service expenses incurred:	23,740,490
Claims	8,374,515
Expenses	15,365,975
Other expenses under the VFA	-
Recovery of insurance acquisition cash flows	5,141,778
Experience adjustments not related to future service	923,613
Restatement and Other Changes	-
Total Revenue from Contracts Not Measured Under PAA	44,516,053
Contracts Measured Under the PAA	
Expected premium receipts allocation under the PAA	202,692,231
Experience adjustments not related to future service	-
Total Revenue from Contracts Measured Under PAA	202,692,231
Total Revenue from Insurance contracts	247,208,284

The following tables present an analysis of the insurance revenue recognised in the period

31 December 2023

	Total
Contracts not measured under the PAA	
CSM recognized for services provided	10,477,737
Change in risk adjustment for non-financial risk for risk expired	(874,719)
Expected insurance service expenses incurred:	21,363,809
Claims	7,533,918
Expenses	13,829,891
Other expenses under the VFA	-
Recovery of insurance acquisition cash flows	2,851,859
Experience adjustments not related to future service	432,627
Restatement and Other Changes	-
Total Revenue from Contracts Not Measured Under PAA	34,251,313
Contracts Measured Under the PAA	
Expected premium receipts allocation under the PAA	190,914,349
Experience adjustments not related to future service	-
Total Revenue from Contracts Measured Under PAA	190,914,349
Total Revenue from Insurance contracts	225,165,662

SACOS GROUP LIMITED
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

59

34. Insurance service expenses

The following tables present an analysis of the insurance service expenses for all measurement models applicable

31 December 2024	Total
Incurred insurance service expenses:	(28,068,203)
Claims	(6,417,973)
Expenses	(21,650,229)
Amortisation of insurance acquisition cash flows	(5,141,778)
Changes that relate to past service:	(6,070,856)
Changes in estimates in LIC fulfilment cash flows	(6,070,856)
Experience adjustments in claims and other insurance service expenses in LIC	-
Changes that relate to future service:	640,196
Losses for the net outflow recognized on initial recognition	(603,147)
Losses and reversal of losses on onerous contracts – subsequent measurement	1,243,343
Total insurance service expenses	(38,640,641)

Insurance finance income or expenses	Total
31 December 2024	Total
The effect of time value of money and changes in the time value of money, based on the locked-in interest rates:	(3,948,516)
Interest accreted on the carrying amount of the CSM	(4,226,734)
Interest accreted on present value cash flows	428,423
Interest accreted on risk adjustment	(150,206)
The effect of financial risk and changes in financial risk	6,989,884
Effect of measuring changes in estimates at current rates and adjusting the CSM at rates on initial recognition	381,818
Changes in fair value of underlying items of direct participating contracts	(51,112,747)
Total insurance finance income or expenses	(47,689,561)

Insurance service expenses

The following tables present an analysis of the insurance service expenses for all measurement models applicable

31 December 2023	Total
Incurred insurance service expenses:	(20,360,343)
Claims	(4,702,848)
Expenses	(15,657,495)
Amortisation of insurance acquisition cash flows	(2,851,859)
Changes that relate to past service:	(5,377,042)
Changes in estimates in LIC fulfilment cash flows	(5,377,042)
Experience adjustments in claims and other insurance service expenses in LIC	-
Changes that relate to future service:	(188,987)
Losses for the net outflow recognized on initial recognition	(53,583)
Losses and reversal of losses on onerous contracts – subsequent measurement	(135,405)
Total insurance service expenses	(28,778,231)

Insurance finance income or expenses	Total
31 December 2023	Total
The effect of time value of money and changes in the time value of money, based on the locked-in interest rates:	(2,487,201)
Interest accreted on the carrying amount of the CSM	(2,883,217)
Interest accreted on present value cash flows	542,788
Interest accreted on risk adjustment	(146,772)
The effect of financial risk and changes in financial risk	4,892,832
Changes in fair value of underlying items of direct participating contracts	(38,704,120)
Effects of risk mitigation option	-
Total insurance finance income or expenses	(36,298,488)

SACOS GROUP LIMITED
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

60

35. Income or expense from reinsurance contracts held

31 December 2024	Total
Income or expense from reinsurance contracts held	(5,437,039)
Allocation of the premiums paid	(5,437,039)
Amounts recovered from reinsurance:	-
Incurred insurance service expenses:	-
Claims	-
Expenses	-
Other movements related to current service	-
Changes that relate to past service (changes in fulfilment cash flows re LIC):	-
Changes in estimates in LIC fulfilment cash flows	-
Experience adjustments in claims and other insurance service expenses in LIC	-
Changes that relate to future service:	-
Loss recovery related to losses on underlying insurance contracts at initial recognition	-
Loss recovery and reversals of recoveries related to underlying insurance contracts losses - subsequent measurement	-
Changes in Risk of Non-Performance	-
Total income or expense from reinsurance contracts held	(5,437,039)

Reinsurance finance income or expenses

	Total
Finance income/(expenses) from reinsurance contracts held	1,664,238
The effect of time value of money and changes in the time value of money, based on the locked-in interest rates:	567,621
Interest accreted on the carrying amount of the CSM	353,736
Interest accreted on present value cash flows	200,356
Interest accreted on risk adjustment	13,528
Interest accreted on LRC for contracts measured under the PAA.	-
The effect of financial risk and changes in financial risk	897,586
Effect of measuring changes in estimates at current rates and adjusting the CSM at rates on initial recognition	199,031
Foreign exchange differences on changes in the carrying amount of groups of reinsurance contracts	-
Total Finance income/(expenses) from reinsurance contracts held	1,664,238

Income or expense from reinsurance contracts held

31 December 2023	Total
Allocation of the premiums paid	(3,336,504)
Amounts recovered from reinsurance:	157,839
Incurred insurance service expenses:	157,839
Claims	157,839
Expenses	-
Other movements related to current service	-
Changes that relate to past service (changes in fulfilment cash flows re LIC):	-
Changes in estimates in LIC fulfilment cash flows	-
Experience adjustments in claims and other insurance service expenses in LIC	-
Changes that relate to future service:	-
Loss recovery related to losses on underlying insurance contracts at initial recognition	-
Loss recovery and reversals of recoveries related to underlying insurance contracts losses - subsequent measurement	-
Changes in Risk of Non-Performance	-
Total income or expense from reinsurance contracts held	(3,178,665)

Reinsurance finance income or expenses

	Total
Finance income/(expenses) from reinsurance contracts held	718,711
The effect of time value of money and changes in the time value of money, based on the locked-in interest rates:	604,630
Interest accreted on the carrying amount of the CSM	437,344
Interest accreted on present value cash flows	162,355
Interest accreted on risk adjustment	4,931
Interest accreted on LRC for contracts measured under the PAA.	-
The effect of financial risk and changes in financial risk	114,081
Foreign exchange differences on changes in the carrying amount of groups of reinsurance contracts	-
Total income or expense from reinsurance contracts held	718,711

SACOS GROUP LIMITED
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

61

36 INVESTMENT (LOSS) INCOME

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	SCR	SCR	SCR	SCR
Income was in respect of:				
- Exchange gain/(Loss)	3,331,864	164,338	1,285,790	(11,296)
- Interest Income	14,626,616	14,558,225	616,558	1,160,530
- Gain/(Loss) on Disposal of equities	(138,278)	706,088	-	702,719
- Fair Value Loss on Investment	9,028,719	5,907,352	1,744,414	(399,885)
- Dividend Income from Equity Investment	1,979,168	2,915,721	1,302,526	1,882,136
- Share of profit in associates net of impairment	1,455,957	-	-	-
- Interest Income from Loans and receivables	-	129,419	-	-
	30,284,046	24,381,143	4,949,288	3,334,204

37 IMPAIRMENT ON FINANCIAL ASSET (IFRS 9)

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	SCR	SCR	SCR	SCR
Opening Balance	13,879,870	7,593,640	2,067,369	868,325
Financial assets measured at amortised cost				
Trade & other Receivables	5,867,555	3,695,414	959,912	413,106
Loans	3,284,251	4,007,242	-	-
Fixed Income	615,564	4,122,015	47,848	335,881
Cash and cash equivalents	-	2,055,199	-	1,318,382
Expected credit loss	9,767,370	13,879,870	1,007,760	2,067,369
ECL Movement	(4,112,500)	6,286,230	(1,059,609)	1,199,043

38 OTHER INCOME

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	SCR	SCR	SCR	SCR
Unrealised Gain on Exchange	568,570	1,107,356	568,570	1,107,356
Income from Loss of Rent	2,865,942	-	2,865,942	-
Refund from OESAI Pool	603,746	-	603,746	-
Reinsurance Adjustments	5,367,438	-	5,367,438	-
Endorsement Fees	988,939	-	988,939	-
Other income	278,552	492,729	-	301,125
	10,673,188	1,600,085	10,394,636	1,408,481

39 Other Expenses

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	SCR	SCR	SCR	SCR
(a) Sales and Marketing	1,992,966	2,301,757	1,812,550	1,827,293
Investment Property Expenses	4,603,459	5,642,110	3,517,758	3,980,010
Utilities	782,656	334,431	782,656	334,431
Legal and professional fees	1,338,686	4,059,029	1,282,359	2,144,587
Office and Software Expenses	2,100,938	3,550,345	1,169,220	1,971,681
Staff Cost	7,621,901	4,558,493	6,897,918	4,274,557
Other expenses	2,073,120	2,388,492	2,073,120	2,910,901
Intercompany recharge	4,396,703	2,019,603	-	(2,504,516)
	24,910,428	24,854,259	17,535,581	14,938,944

(b) Directors' emoluments

	THE GROUP			
	2024		2023	
	Fees	Emoluments	Total	Total
	SCR	SCR	SCR	SCR
P Bastide	276,000	-	276,000	276,000
L Rivalland	138,000	-	138,000	138,000
D Bradburn	138,000	-	138,000	138,000
P Moulinie	138,000	-	138,000	138,000
V Maria	138,000	-	138,000	138,000
G Albert	138,000	-	138,000	138,000
C De Clarisse	138,000	-	138,000	138,000
G Caubricouse	-	1,578,000	1,578,000	1,596,117
Tacev Fumeau	-	1,308,600	1,308,600	1,257,097
	1,104,000	2,886,600	3,990,600	3,957,213

(c) Depreciation and amortisation charges

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	SCR	SCR	SCR	SCR
Depreciation on equipment (note 4(a)/(b))	2,250,619	3,176,207	2,246,321	3,164,290
Amortisation on intangible asset (note 7)	4,997,146	4,930,982	4,988,285	4,828,779
Amortisation of right of use asset (note 5)	5,447,809	5,447,809	5,447,809	5,447,809
	12,695,573	13,554,998	12,682,415	13,440,878

SACOS GROUP LIMITED
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

62

41 RELATED PARTY TRANSACTIONS

(a) Following are transactions and balances with the related parties:

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	SCR	SCR	SCR	SCR
<i>Transactions with: fellow subsidiaries (Note 31(a)(e))</i>				
Recharges	-	2,504,516	-	2,504,516
Amount receivable	-	-	303,679	20,875,500
<i>Key management personnel</i>				
Sales of services	3,400,633	2,593,277	3,265,494	2,490,679
<i>Directors</i>				
Remuneration	3,990,600	3,957,213	3,990,600	2,737,779

(b) Key management personnel compensation:

	THE GROUP	
	2024	2023
	SCR	SCR
Salaries and short-term employee benefits	5,244,000	6,948,565

Key management personnel consist of the chief executive officer, directors and other key personnel.

(c) The sales, purchases, receivables and payables related to related parties are made on arms length basis and outstanding balances for related party receivables and payables are unsecured and interest free.

(d) The Group include the parent entity i.e. SACOS Group Limited ("the Company") and its subsidiary for which it has 100% ownership / control in SACOS Life Assurance Company Limited;

Related party transactions of the Company relate to fellow subsidiaries as explained above.

(e) For the year ended December 31, 2024, the Group and the Company has not recorded any impairment on receivables owed by related parties (2023: nil) and this assessment is undertaken at the end of each financial year by examining the financial position of the related party and the market in which the latter operates.

(f) There has been no guarantees provided or received for any related party receivable or payable.

42 SEGMENT INFORMATION

(a) **Basis of segmentation**

Management has determined the operating segments based on the reports reviewed by the Chief Executive Officer, who is responsible for allocating resources to the reportable segments and assesses their performance. The chief operating decision-maker assesses the performance of the operating segments based on profit or loss.

The Group's reportable segments under IFRS 8 Operating Segment are based on insurance classes. The Group generates revenue from provision of life and general insurance services, sales motor vehicle spare parts and letting out residential apartments. The basis of segmentation is disclosed below:

SACOS GROUP LIMITED
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

63

42 SEGMENT INFORMATION (CONTINUED)

(a) Basis of segmentation (Continued)

Insurance services:*General*

This segment provides protection against liability claims of individuals / organizations for negligent acts / omissions property, risks such as fire, theft and some weather damage.

Life

Revenue in the above segment is derived primarily from insurance premiums, investment income and realized gain on financial assets.

*Investment property business**Rev*

The Company customer portfolio base is widely spread and no customer accounts for more than 10% of the total revenue.

Inter-segment sales and expenses are eliminated in the below disclosure for operating segment.

(b) Operating segment for the Group

December 31, 2024

	<u>Life</u> SCR	<u>The Company</u> SCR	<u>Total</u> SCR
Income			
Insurance service results	438,374	15,140,494	15,578,867
Insurance expenses	<u>(46,025,323)</u>	<u>-</u>	<u>(46,025,323)</u>
Total insurance finance income or expenses	<u>(45,586,950)</u>	<u>15,140,494</u>	<u>(30,446,454)</u>
Rental income			28,858,457
Investment income			30,284,046
Share of Profit in Associate			-
Increase in Fair Value of investment properties			10,093,491
Impairment on Financial Assets			<u>4,112,500</u>
Operating Profit			42,902,040
Other income			<u>10,673,188</u>
			53,575,227
Expenses			
Staff costs			(7,621,901)
Marketing and administrative expenses			(1,992,966)
Operating and administrative expenses			<u>(15,295,565)</u>
Total Expenses			<u>(24,910,431)</u>
Transfer from BSR			-
Profit before taxation			28,664,796
Taxation charge			<u>(7,267,283)</u>
Profit for the year			<u>21,397,513</u>

December 31, 2024 (Continued)

	<u>Life</u> SCR	<u>The Company</u> SCR	<u>Total</u> SCR
Segment assets	645,511,229	453,341,473	1,098,852,702
Effect of Consolidation			<u>(28,000,000)</u>
Segment liabilities	<u>552,153,686</u>	<u>272,851,811</u>	<u>825,005,497</u>
Effect of Consolidation			-
Equity holders' interest			<u>245,847,205</u>
Capital expenditure:			6,108,401
Depreciation and Amortisation			<u>12,695,573</u>

SACOS GROUP LIMITED
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

64

42 SEGMENT INFORMATION (CONTINUED)

(b) Operating segment for the Group (Continued)

December 31, 2023

	Life SCR	The Company SCR	Total SCR
Income			
Insurance service results	2,294,417	26,164,247	28,458,664
Insurance expenses	<u>(35,579,778)</u>	<u>-</u>	<u>(35,579,778)</u>
Total insurance finance income or expenses	<u>(33,285,361)</u>	<u>26,164,247</u>	(7,121,114)
Rental income			33,198,919
Investment income			24,381,143
Impairment on Financial Assets			<u>(6,286,230)</u>
Operating Profit			44,172,717
Other income			<u>1,600,085</u>
			45,772,802
Expenses			
Staff costs			(4,558,493)
Marketing and administrative expenses			(2,301,757)
Operating and administrative expenses			<u>(17,994,009)</u>
Total Expenses			<u>(24,854,259)</u>
Transfer from BSR			4,889,795
Profit before taxation			25,808,339
Taxation charge			<u>(8,552,740)</u>
Profit for the year			<u>17,255,599</u>

December 31, 2023 (Continued)

	Life SCR	The Company SCR	Total SCR
Segment assets	629,772,636	530,370,551	1,160,143,187
Effect of Consolidation			<u>(28,000,000)</u>
Segment liabilities	<u>541,870,178</u>	<u>365,823,318</u>	907,693,497
Effect of Consolidation			-
Equity holders' interest			<u>224,449,690</u>
Capital expenditure:			2,070,619
Depreciation and Amortisation			<u>(26,906,047)</u>

43 SHAREHOLDERS SHARE OF LIFE SURPLUS

In accordance with the accounting policy in Note 2, the independent actuaries have assessed the amount of the Discretionary Participating Feature (DPF) eligible surplus/deficit to be transferred to Life Assurance Fund from statement of profit or loss and other comprehensive income. As the life business made a surplus during the year, the surplus amount has been recognized in statement of Life Assurance Fund. Assets in the Life Fund meets the Insurance Acts Minimum Solvency Requirement and this covers the Solvency Margin as well as 1/9th of the Cost of Bonus that can be transferred to shareholders under the With Profit Fund and 100% of surplus under the Without profit fund. In addition to the Solvency margin, the bonus stabilization reserve in 2023 stood at SCR 31.04m providing additional retained surplus in the Life Fund.

SACOS GROUP LIMITED
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024

65

44 EARNINGS / (LOSS) PER SHARE

The following reflects the income and share data used in the computations:

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
(Loss) / profit attributable to equity holders of the parent	SCR 15,942,429	SCR 15,025,779	SCR 15,942,429	SCR 15,025,779
Weighted average number of ordinary shares ranking for dividend	2,000,000	2,000,000	2,000,000	2,000,000
(Loss) / earnings per share - Basic and diluted	7.97	7.51	7.97	7.51

45 DIVIDEND PAID

Dividend @SCR 4.50 per share was declared and paid in 2025 for the year 2023
(A dividend @ SCR 3.50 per share was declared and paid in 2023 for the year 2022).

	THE GROUP	
	2024	2023
	SCR	SCR
	-	7,000,000

Dividend Guideline

The Company intends to maintain attractive dividend payments to shareholders through dividend cover times ratio targeting by considering the performance (profit after taxation) for the year.

Group performance is significantly enhanced by good insurance premium income and low claims.
Our numerous and diverse shareholders have an important role to play in this space.

At the same time there is a need to balance the desire for distributions with prudential capital management, business development including strategic investment and operational liquidity requirements.

To ensure compliance with the law of the Seychelles, when first assessing the potential dividend declaration, the requirements of the Companies Act and Insurance Act need to take precedence.

The Company thus follows an adaptable, shareholder and business holistic dividend strategy as is appropriate to a given year, the position of the Company now and in the foreseeable future.

After considering the position and performance of the Company, the Board of Directors is responsible for making a dividend recommendation for approval of the dividend at the annual shareholders' meeting.

46 CAPITAL COMMITMENTS

Capital commitments as at 31 December 2024 SCR 1,580,972 (31 December 2023: 7,365,989).

The company is implementing a new core system for Life Insurance operations. The project is at its implementation phase and progressing as planned. The total contract cost is SCR 2.8 million. The project is funded through internal capital expenditure, with completion expected in 2026.

47 CONTINGENT LIABILITIES AND ASSETS

There are no contingent liabilities and assets as at 31 December 2024 (31 December 2023: nil).

48 EVENT AFTER THE REPORTING PERIOD

There are no significant events after the reporting date that require disclosure

49 COMPARATIVE FIGURES

Certain reclassifications are made between accounting elements of the prior period consolidated financial statements for the purpose of better presentation to confirm with current years' presentation.

50 CORE INFORMATION SYSTEM LIMITATIONS AND RELIANCE ON MANUAL RECONCILIATIONS

The Group's core information system used for life insurance operations is not currently capable of generating reports with the level of completeness and accuracy required for financial reporting purposes. The system does not reliably produce key operational and financial information relating to premium income, premium debtors, policy loans, policy status identification, claims expenses and payables, excess collections, lapse liabilities, and related account balances.

As a result, the finance department performs extensive manual and interdependent reconciliations using supplementary records, control spreadsheets, and manual processes to derive the amounts reported in these financial statements. These reconciliations are required to ensure the completeness and accuracy of the financial information and to support the valuation of insurance contract liabilities in accordance with IFRS 17 – Insurance Contracts.

The reliability of the financial information presented in these financial statements, including the measurement of insurance contract liabilities, depends on the integrity and outcome of these manual reconciliation procedures. The company has contracted with an external system service provider to develop a new life insurance system, which is expected to address these deficiencies and reduce the extent of manual intervention required.

SACOS GROUP LIMITED
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

66

51 FIVE YEAR FINANCIAL SUMMARY

(a) THE GROUP

	2024	2023	2022 *Restated	2021 *Restated	2020
	SCR	SCR	SCR	SCR	SCR
Profit before tax	28,664,798	25,808,339	13,368,506	80,246,679	63,970,475
Tax charge	(7,267,283)	(8,552,740)	(4,669,860)	(5,169,495)	(695,759)
Profit for the year	21,397,515	17,255,599	8,698,646	75,077,184	63,274,716
Other comprehensive income / (loss)	-	-	-	-	-
Total comprehensive income for the year	21,397,515	17,255,599	8,698,646	75,077,184	63,274,716
Retained earnings brought forward	142,671,108	132,415,509	129,716,863	72,613,500	56,180,036
IFRS 17 Transition Impact	-	-	-	33,802,862	-
Life Surplus Consolidated to Life Surplus	-	-	-	(58,584,797)	(39,048,005)
Share of surplus to shareholders	-	-	-	13,832,539	2,479,462
Share of profit attributed to shareholders fund	-	-	-	2,975,580	1,420,013
Transfer from revaluation reserve	11,778,582	-	-	-	-
Dividends	-	(7,000,000)	(6,000,000)	(10,000,000)	-
Retained earnings carried forward	175,847,205	142,671,108	132,415,509	129,716,863	84,306,222
EQUITY					
Share capital	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000
Revaluation Reserve	-	11,778,582	9,425,222	8,374,919	5,057,131
Retained earnings	175,847,205	142,671,108	132,415,509	129,716,863	56,180,036
Total equity	245,847,205	224,449,690	211,840,731	208,091,782	131,237,167

(b) THE COMPANY

	2024	2023	2022 *Restated	2021 *Restated	2020
	SCR	SCR	SCR	SCR	SCR
Profit before tax	20,600,492	21,924,200	14,132,216	21,661,878	24,922,470
Tax charge	(4,658,063)	(6,898,421)	(5,287,630)	(5,169,495)	(695,759)
Profit for the year	15,942,429	15,025,779	8,844,586	16,492,383	24,226,711
Retained earnings brought forward	82,768,650	74,742,872	71,898,286	68,714,025	56,180,035
IFRS 17 Transition Impact	-	-	-	(3,308,121)	-
Transfer from revaluation reserve	11,778,582	-	-	-	-
Dividends	-	(7,000,000)	(6,000,000)	(10,000,000)	-
Retained earnings carried forward	110,489,662	82,768,650	74,742,872	71,898,286	80,406,746
EQUITY					
Share capital	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000
Revaluation Reserve	-	11,778,582	9,425,222	8,374,919	6,200,700
Retained earnings	110,489,662	82,768,650	74,742,872	71,898,286	80,406,745
Total equity	180,489,662	164,547,232	154,168,094	150,273,205	156,607,445