



AFFINITY
INTERNATIONAL

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated annual financial statements
for the year ended 28 February 2025

These consolidated annual financial statements were prepared by:
L Reyneke & Associates Inc

Issued 29 April 2026

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

General Information

Country of incorporation and domicile	Bermuda
Nature of business and principal activities	Investment Holding
Directors	M Hewlett L A de Koker J Watlington
Registered office	Dorchester House 7 Church Street Hamilton HM 11 Bermuda
Business address	Dorchester House 7 Church Street Hamilton HM 11 Bermuda
Postal address	PO Box HM 1647 Hamilton HMGX Bermuda
BSX Listing Sponsor	Alexander Securities Limited
Auditors	L Reyneke & Associates Inc. Chartered Accountants Registered Auditor
Secretary	Alexander Securities Limited
Issued	29 April 2026

Affinity International Limited and Its Subsidiaries

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Consolidated Annual Financial Statements for the year ended 28 February 2025

Index

The reports and statements set out below comprise the consolidated annual financial statements presented to the shareholder:

	Page
Risk Management and Internal Audit Committees	3
Directors' Responsibilities and Approval	4
Independent Auditor's Report	5 - 7
Directors' Report	8 - 10
Statement of Financial Position	11 - 12
Statement of Profit or Loss and Other Comprehensive Income	13
Statement of Changes in Equity	14
Statement of Cash Flows	15
Accounting Policies	16 - 28
Notes to the Consolidated Annual Financial Statements	29 - 60

Published

29 April 2026

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Consolidated Annual Financial Statements for the year ended 28 February 2025

Risk Management and Internal Audit Committees

1. Internal Audit

The Risk Management and Internal Audit Committees considered the effectiveness of the internal audit function and monitored adherence to the annual internal audit plan. All internal audit reports were reviewed and discussed at meetings and, where appropriate, recommendations were made to the Board.

Management has reviewed the internal control over internal financial controls, including disclosure and procedures, and presented their findings to the Audit and Risk Committee. Based on the review, nothing has come to the attention of the Committee to indicate that significant internal financial controls have not operated as intended.

2. Risk Management

The Committee reviewed the Company risk register prior to it being presented to the Board. The Committee also had two meetings dedicated to the risk during the year where matters were discussed.

3. Going Concern Status

The Committee has considered the going concern status of the Company on the basis of review of the annual financial statements and the information available to the Committee and recommended such going concern status for the adoption by the Board.

The Board statement on the going concern status of the Company is contained on page 9 in the statement of directors' responsibilities.

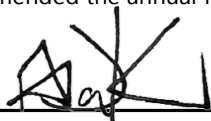
4. Discharge of Responsibilities

The Committee is satisfied that during the financial year under review it has conducted its affairs, discharged its legal and other responsibilities as outlined in its charter. The Board concurred with this assessment.

5. Annual Report

The Committee has considered all factors and risks that may impact the integrity of this annual report. The Committee has reviewed and discussed the audited financial statements with the external auditors and executive management as reported in the external assurance has been obtained for information contained in the annual report.

The Committee is satisfied that the report complies with the Bermuda Companies Act, 1981 and IFRS and has therefore recommended the annual financial statements for approval to the Board.



A D de Koker
Chairman of Risk Management Committee

Affinity International Limited and Its Subsidiaries

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Consolidated Annual Financial Statements for the year ended 28 February 2025

Directors' Responsibilities and Approval

The directors are required in terms of the Bermuda Companies Act 1981 to maintain adequate accounting records and are responsible for the content and integrity of the consolidated annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated annual financial statements fairly present the state of affairs of the Company and group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with. The external auditors are engaged to express an independent opinion on the consolidated financial statements.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and group and all employees are required to maintain the highest ethical standards in ensuring the company and group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company and group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the company and group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.


The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company and group's cash flow forecast for the year to 28 February 2026 and, in light of this review and the current financial position, they are satisfied that the group has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the group's consolidated annual financial statements. The consolidated annual financial statements have been examined by the group's external auditors and their report is presented on pages 5 to 7.

The consolidated annual financial statements set out on pages 8 to 60, which have been prepared on the going concern basis, were approved by the Directors on 29 April 2026 and were signed on their behalf by:

Approval of consolidated financial statements



M Hewlett
Group Chief Executive Officer



L A de Koker
Director



Independent Auditor's Report

To the Shareholder of Affinity International Limited and Its Subsidiaries

Opinion

In our opinion, the consolidated annual financial statements present fairly, in all material respects, the consolidated financial position of Affinity International Limited and Its Subsidiaries as at 28 February 2025, and its consolidated financial performance and consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards and the requirements of the the Bermuda Companies Act 1981.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Statements section of our report. We are independent of the group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (Parts 1, 3 and 4A) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Bermuda. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Bermuda. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

As set out in Note 37, management concluded that the merger implemented on 1 March 2024 between Affinity Life Limited ("ALL") and National Risk Managers (Pty) Ltd ("NRM") was void *ab initio*, following the Prudential Authority's non-approval in July 2024. Management further determined that the restoration process was operationally completed in March 2025. This was considered a key audit matter, given the degree of judgement required in determining its effect, if any, on the Group's consolidated financial statements and the sufficiency of the related disclosures.

Our procedures included an evaluation of management's analysis and the supporting documentation, consideration of whether the relevant external assets, liabilities, and results were recognised once, and only once, in the consolidated financial statements, and an assessment of the adequacy and clarity of the disclosures set out in Note 37.

L. REYNEKE & ASSOCIATES INCORPORATED Reg No: 1995/000503/21

Registered Auditors • Tax Advisors • Secretarial Practitioners • Management Consultants • Accountants

PHYSICAL ADDRESS: 5 Bauhinia Street, 30 Cambridge Office Park, Highveld Techno Park, Centurion, 0169

POSTAL ADDRESS: Postnet Suite 015, Private Bag X1007, Lyttleton, Gauteng, 0140 • **TELEPHONE:** (011) 315 4283

DIRECTOR: L. Reyneke, CA (SA) RA

ASSOCIATE: ST Dawson, AGA (SA)



Independent Auditor's Report

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled 'Affinity International Limited and Its Subsidiaries consolidated annual financial statements for the year ended 28 February 2025, which includes the Directors' Report, as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditor's reports thereon.

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

In connection with our audit of the consolidated annual 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 annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual financial statements, the directors are 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 the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the consolidated annual 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 International Standards on Auditing 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 annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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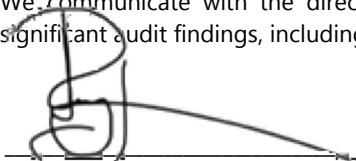
DIRECTOR: L. Reyneke, CA (SA) RA

ASSOCIATE: ST Dawson, AGA (SA)

Independent Auditor's Report

- Identify and assess the risks of material misstatement of the consolidated annual 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 the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 annual 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.
- Evaluate the overall presentation, structure and content of the consolidated annual financial statements, including the disclosures, and whether the consolidated annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



L Reyneke & Associates Inc.
Leonard Reyneke CA(SA)
29 April 2026

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Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Directors' Report

The directors have pleasure in submitting their report on the consolidated annual financial statements of Affinity International Limited and Its Subsidiaries and the group for the year ended 28 February 2025.

1. Incorporation

The group was incorporated on 05 June 2017 and obtained its certificate to commence business on the same day.

Affinity International Limited is an investment holding company and is listed on the Bermuda Stock Exchange (BSX). The business profile of the Affinity International Limited Group includes the supply of medical cover, medicine and other related services, financial services and information technology.

Affinity International Limited's registered office is located at Dorchester House, 7 Church Street, Hamilton HM 11, Bermuda.

The BSX is a member of the World Federation of Exchanges (WFE), an affiliate member of the International Organisation of Securities Commission (IOSCO) and regulated by the Bermuda Monetary Authority (BMA). The BSX is recognised by the US Securities Exchange Commission as a Designated Offshore Securities Exchange (DOSM), and by the UK Financial Services Authority (FSA) as a 'Designated Investment Exchange'.

2. Review of financial results and activities

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Bermuda Companies Act 1981. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company and group are set out in these consolidated financial statements..

3. Shareholding and changes

The company was incorporated with an authorised capital of \$50,000, consisting of 1,000 shares of \$0.001 par value Class A Voting Shares (the Class A Voting Shares) and 49,999,000 shares of \$0.001 par value Class B Non-voting Shares (the Class B Non-Voting Shares).

The Company has issued 200 Class A Voting Shares since the date of incorporation on 23 October 2019, and 10,000,000 Class B Non-voting Shares at a par value of US\$0.001 per share on 23 October 2019. The authorised and issued share capital of the Company as at 28 February 2025 is set out in Note 13 "Share Capital" of the consolidated financial statements.

4. Accounting Practices

The financial statements for the year ended 28 February 2025 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board, the IFRS Interpretations Committee (IFRS IC), interpretations applicable to companies reporting under IFRS, the Financial Reporting Standards Council. The financial statements are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgement and estimates.

5. Dividends

The company's dividend policy is to consider an interim and a final dividend in respect of each financial year. At its discretion, the directors may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the directors may pass on the payment of dividends.

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Directors' Report

6. Directorate

The directors in office at the date of this report are as follows:

Directors	Nationality	Changes
M Hewlett	South African	
M F Wilson	British	Resigned Friday, 20 September 2024
L A de Koker	Hungarian	
J Watlington	Bermudian	

7. Directors' interests in contracts

During the financial year, no contracts were entered into which directors or officers of the group had an interest and which significantly affected the business of the group.

8. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

9. Solvency Capital

The directors note that the Company complied with the statutory capital requirements as at 28 February 2025. Please refer to the Solvency Capital section in Note 33: Risk and Capital Management for further details.

10. Going concern

The consolidated annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business

The directors believe that the company and group has adequate financial resources to continue in operation for the foreseeable future and accordingly the consolidated annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company and group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the Company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Company.

11. Significant judgement - Affinity Life Limited/National Risk Managers (Pty) Ltd - Void merger

As recorded in Note 37 to the consolidated financial statements, the Directors had regard to management's conclusion that the merger effected between Affinity Life Limited and National Risk Managers (Pty) Ltd on 1 March 2024 was void ab initio, and that the restoration process attained operational completion in March 2025. Upon a consideration of the information available at the date of approval, the Directors are satisfied that this matter did not exert a material effect upon the Group's consolidated financial position as at 28 February 2025, nor upon its consolidated results, movements in equity, or cash flows for the financial year then ended.

12. Auditors

L Reyneke & Associates Incorporated acted as auditors for the Company and Group for 2025.

13. Secretary

The company secretary is Alexander Securities Limited.

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Directors' Report

14. Interests in subsidiaries Company

	Cost USD	Held by Company
Name		
Affinity Health (Botswana) Private Ltd	12	100%

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Statement of Financial Position as at 28 February 2025

Figures in US Dollar	Note(s)	Group		Company	
		2025	2024	2025	2024
Assets					
Non-Current Assets					
Property, plant and equipment - Group	3	7 413 825	1 787 149	-	-
Investment property at fair value	4	3 046 941	7 153 461	-	-
Goodwill	5	1 413 790	1 413 790	-	-
Investments in subsidiaries	6	-	-	12	12
Loans to group companies	7	-	-	732 968	732 968
Other financial assets	8	19 509 076	11 075 924	-	-
Deferred tax	9	447 304	-	-	-
		31 830 936	21 430 324	732 980	732 980
Current Assets					
Inventories	10	47 777	41 164	-	-
Other financial assets	8	4 525 448	382 351	-	-
Trade and other receivables	11	2 359 846	702 006	-	-
Current tax receivable		92 960	344 587	-	-
Cash and cash equivalents	12	28 427 825	24 622 301	-	-
		35 453 856	26 092 409	-	-
Total Assets		67 284 792	47 522 733	732 980	732 980
Equity and Liabilities					
Equity					
Share capital	13	10 000	10 000	10 000	10 000
Reserves		(5 240 389)	(6 935 758)	-	-
Retained income		61 898 335	45 366 584	-	-
		56 667 946	38 440 826	10 000	10 000
Non-controlling interest		133 630	28 542	-	-
		56 801 576	38 469 368	10 000	10 000
Liabilities					
Non-Current Liabilities					
Insurance Contract Liabilities	14	259 535	246 418	-	-
Deferred tax	9	-	15	-	-
Other financial liabilities	17	722 980	722 980	722 980	722 980
		982 515	969 413	722 980	722 980

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Statement of Financial Position as at 28 February 2025

Figures in US Dollar	Group		Company	
	2025	2024	2025	2024
Current Liabilities				
Trade and other payables	15	4 315 075	3 077 198	-
Insurance Contract Liabilities	14	4 999 072	4 755 508	-
Lease liabilities	16	-	1 430	-
Current tax payable		185 775	249 545	-
Other financial liabilities	17	779	271	-
		9 500 701	8 083 952	-
Total Liabilities		10 483 216	9 053 365	722 980
Total Equity and Liabilities		67 284 792	47 522 733	732 980

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Statement of Profit or Loss and Other Comprehensive Income

Figures in US Dollar		Group		Company	
		2025	2024	2025	2024
Revenue	18	16 674 375	58 458 648	-	-
Direct costs		(4 844 758)	(21 022 188)	-	-
Insurance revenue (IFRS 17)	19	91 799 824	32 257 323	-	-
Insurance service expenses (IFRS 17)	20	(79 745 781)	(30 678 422)	-	-
Gross profit		23 883 660	39 015 361	-	-
Other operating income	21	13 919 838	1 928 555	-	-
Other operating expenses		(22 475 997)	(27 883 342)	-	-
Operating profit		15 327 501	13 060 574	-	-
Investment income	23	503 461	1 705 411	-	-
Finance costs	24	(11 456)	(7 698)	-	-
Investment Income - ALL	25	1 036 451	30 146	-	-
Insurance finance Exp - ALL	25	(48 613)	(19 457)	-	-
Fair value adjustment	26	4 085 248	618 442	-	-
Profit before taxation		20 892 592	15 387 418	-	-
Taxation	27	(4 255 100)	(4 412 725)	-	-
Profit for the year		16 637 492	10 974 693	-	-
Other comprehensive income:					
Items that may be reclassified to profit or loss:					
Exchange differences on translating foreign operations		1 695 370	(1 401 250)	-	-
Other comprehensive income for the year net of taxation		1 695 370	(1 401 250)	-	-
Total comprehensive income for the year		18 332 862	9 573 443	-	-
Profit attributable to:					
Owners of the parent		16 531 361	9 556 595	-	-
Non-controlling interest		106 131	16 848	-	-
		16 637 492	9 573 443	-	-
Total comprehensive income attributable to:					
Owners of the parent		18 226 731	9 556 595	-	-
Non-controlling interest		106 131	16 848	-	-
		18 332 862	9 573 443	-	-

Affinity International Limited and Its Subsidiaries

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Consolidated Annual Financial Statements for the year ended 28 February 2025

Statement of Changes in Equity

	Company share capital	Company retained income	Group share capital	Group Foreign currency translation reserve	Group Retained income	Group total attributable to equity holders of the group/company	Group Non- controlling interest	Group Total equity
Figures in US Dollar								
Group								
Balance at 01 March 2023	10 000	-	10 000	(5 534 508)	35 023 271	29 498 763	11 694	29 510 457
Profit for the year	-	-	-	-	10 957 845	10 957 845	16 848	10 974 693
Other comprehensive income	-	-	-	(1 401 250)	-	(1 401 250)	-	(1 401 250)
Total comprehensive income for the year	-	-	-	(1 401 250)	10 957 845	9 556 595	16 848	9 573 443
Group share of reserves - Business combination (Note 32)	-	-	-	-	94 477	-	-	94 477
Dividends (Note 29)	-	-	-	-	(709 009)	-	-	(709 009)
Balance at 29 February 2024	10 000	-	10 000	(6 935 758)	45 366 584	38 440 826	28 542	38 469 368
Profit for the year	-	-	-	-	16 531 751	16 531 751	106 131	16 637 882
Other comprehensive income	-	-	-	1 695 370	-	1 695 370	-	1 695 370
Total comprehensive income for the year	-	-	-	1 695 370	16 531 751	18 227 121	106 131	18 333 252
Balance at 28 February 2025	10 000	-	10 000	(5 240 389)	61 898 335	56 667 946	133 630	56 801 576
Note(s)	13		13					

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Statement of Cash Flows

Figures in US Dollar		Group		Company	
		2025	2024	2025	2024
Cash flows from operating activities					
Cash generated from operations	28	17 755 675	13 845 769	-	-
Interest income	23	1 539 912	1 735 557	-	-
Finance costs	24	(60 069)	(27 155)	-	-
Dividends paid	29	-	(709 009)	-	-
Tax paid	30	(4 550 057)	(4 539 087)	-	-
Net cash from operating activities		14 685 461	10 306 075	-	-
Cash flows from investing activities					
Purchase of property, plant and equipment - group	3	(2 847 905)	(1 074 023)	-	-
Additions through merge of PPE	3	-	(124 159)	-	-
Proceeds on disposal of property, plant and equipment	4	209 522	8 610	-	-
Additions through merge of investment property at fair value		4 147 673	(8 778 389)	-	-
Additions of investment property at fair value	4	(41 153)	(781 381)	-	-
Proceeds of disposal of investment property		-	460 492	-	-
Business combinations and acquisitions		-	(217 598)	-	-
(Increase)/ decrease in other financial assets	8	(12 602 817)	(1 291 687)	-	-
Net cash from investing activities		(11 134 680)	(11 798 135)	-	-
Cash flows from financing activities					
Increase in other financial liabilities		(508)	(14 860)	-	-
Increase/(decrease) in insurance contract liabilities		256 681	2 106 508	-	-
Finance lease payments		(1 430)	1 430	-	-
Net cash from financing activities		254 743	2 093 078	-	-
Total cash movement for the year		3 805 524	601 018	-	-
Cash and cash equivalents at the beginning of the year		24 622 301	24 021 283	-	-
Cash and cash equivalents at the end of the year	12	28 427 825	24 622 301	-	-

Affinity International Limited and Its Subsidiaries

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Consolidated Annual Financial Statements for the year ended 28 February 2025

Accounting Policies

Corporate information

Affinity International Limited is a limited company incorporated and domiciled in Bermuda.

1. Material accounting policies

Management has considered the principles of materiality in IFRS Practice Statement 2 Making Materiality Judgements, and only those accounting policies which are considered material have been presented in these consolidated annual financial statements.

1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Standards Interpretations Committee ("IFRS IC") interpretations issued and effective at the time of preparing these consolidated annual financial statements and the Companies Act of South Africa.

The consolidated annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the material accounting policies set out below. They are presented in US Dollars, which is the company's functional currency.

These accounting policies are consistent with the previous period.

1.2 Consolidation

Basis of consolidation

The consolidated annual financial statements incorporate the consolidated annual financial statements of the company and all subsidiaries. Subsidiaries are entities which are controlled by the group.

Some of the subsidiaries are investees for which the group holds less than half the voting rights. Management applies their judgement to assess facts and circumstances in such investments to consider whether the group has control of the investee in the absence of the majority voting rights. Refer to significant judgements and sources of estimation uncertainty in note 1.3.

The results of subsidiaries are included in the consolidated annual financial statements from the date of obtaining control until the date that control is lost.

The accounting policies of all subsidiaries are the same as those of the parent.

All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Non-controlling interests in the net assets of subsidiaries are identified and recognised separately from the group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions and are recognised directly in the Statement of Changes in Equity.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the company.

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Accounting Policies

1.2 Consolidation (continued)

Where control of a subsidiary is lost and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Business combinations

The group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred.

The acquiree's identifiable assets, liabilities and contingent liabilities are recognised at their fair values at acquisition date.

On acquisition, the acquiree's assets and liabilities are reassessed in terms of classification and are reclassified where the classification is inappropriate for group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree. If, in the case of a bargain purchase, the result of this formula is negative, then the difference is recognised directly in profit or loss.

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

Goodwill arising on acquisition of foreign entities is considered an asset of the foreign entity. In such cases the goodwill is translated to the functional currency of the group at the end of each reporting period with the adjustment recognised in equity through to other comprehensive income.

1.3 Significant judgements and sources of estimation uncertainty

The preparation of consolidated annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Trade and other receivables

The Company assesses its trade and other receivables for impairment at the end of the each reporting period. The areas of uncertainty lies with assessing the recoverability of the receivables and the ability of the third party to meet the obligation of payment. The expected credit loss is assessed by taking into account forward looking factors like cash flows which are not certain. Refer to note 33: Risk and Capital Management for further details.

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Insurance contract liabilities

Please refer to Note 14 relating to the significant judgements and source of information uncertainty relating to Insurance contract liabilities

Taxation

The tax expense and liability in managements' estimate of the final tax liability of the entity, which will be finalised once assessed by the South African Revenue Services.

Management believes that the estimates and assumptions that were used in respect of tax assets and liabilities at the end of the reporting period are reasonable.

1.4 Property, plant and equipment - Group

Property, plant and equipment - Group is initially measured at cost.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment - group are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the group and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant and equipment - Group is subsequently stated at cost less accumulated depreciation and impairment losses except for land which is not depreciated.

The useful lives of items of property, plant and equipment - group have been assessed as follows:

Item	Depreciation method	Average useful life
Land	Not depreciated	
Buildings	Straight line	20 years
Furniture and fixtures	Straight line	6 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	5 years
IT equipment	Straight line	3 years
Computer software	Straight line	2 years
Leasehold improvements	Straight line	10 years
Other property, plant and equipment	Straight line	5 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. No material changes were made.

There were no indicators of impairment for property, plant and equipment - group and no impairment tests were performed.

1.5 Investment property at fair value

Investment property at fair value consists of land and buildings. These properties are held to earn rentals and for capital appreciation rather than being occupied by the group.

Investment property at fair value is initially recognised at cost, including transaction costs.

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Accounting Policies

1.5 Investment property at fair value (continued)

Cost for additions to or replacement of parts of investment property at fair value, are included in the costs of the investment property at fair value when they will result in future economic benefits. The carrying amount of replaced parts are derecognised.

Subsequent to initial measurement, investment property at fair value is measured at fair value, with changes in fair value recognised in profit or loss in the period in which it arises.

Gains or losses arising from a change in fair value, as well as gains or losses on disposal of investment property at fair value are included in profit or loss for the period in which they arise.

1.6 Investments in subsidiaries

Investments in subsidiaries are carried at cost less any accumulated impairment losses.

1.7 Financial instruments

Financial instruments are recognised when the group becomes a party to the contractual provisions. They are measured, at initial recognition, at fair value plus transaction costs, if any.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

The material accounting policies for each type of financial instrument held by the group are presented below:

Loans receivable at amortised cost

Management have assessed and classified loans to group companies, loans to group companies, loans to directors, managers and employees, and other financial assets as financial assets at amortised cost.

The amortised cost, calculated using the effective interest method, is the amount recognised initially, minus principal repayments, plus cumulative amortisation of interest, adjusted for any loss allowance.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the loan in the application of the effective interest method. The gross carrying amount is the amortised cost before adjusting for a loss allowance.

Refer to the loss allowances and write offs accounting policy for impairment of loans receivable.

Trade and other receivables

Trade and other receivables, excluding, when applicable, VAT and prepayments, are measured, subsequent to initial recognition, at amortised cost.

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

The accounting policy for impairment of trade and other receivables is set out in the loss allowances and write offs accounting policy.

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Accounting Policies

1.7 Financial instruments (continued)

Impairment - Expected credit losses and write offs

A provision matrix is used as a practical expedient when determining expected credit losses. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast conditions.

The measurement of expected credit losses incorporates the probability of default, loss given default and the exposure at default, taking the time value of money, historical data and forward-looking information into consideration.

The movement in credit loss allowance is recognised in profit or loss with a corresponding adjustment to the carrying amount of the instrument through a loss allowance account.

The group writes off an instrument when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Instruments written off may still be subject to enforcement activities under the group's recovery procedures. Any recoveries made are recognised in profit or loss.

Trade and other payables

Trade and other payables, excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition

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

The group derecognises financial liabilities when its obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Accounting Policies

1.7 Financial instruments (continued)

Reclassification

The group only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities are not reclassified.

1.8 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax base used for taxation purposes.

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which they can be utilised.

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

The deferred tax rate applied to assets is determined by the expected manner of recovery. Where the expected recovery of the asset is through sale, the capital gains tax rate is applied. The normal tax rate is applied when the expected recovery is through use. A combination of these rates is applied if the recovery is expected to be partly through use and sale.

Deferred tax assets are reviewed at each reporting date and are reduced if it is no longer probable that the related tax benefit will be realised. Such reductions are reversed when the probability of future taxable profits improves. The review by management has not resulted in the reduction of the deferred tax assets.

Tax expenses

The income tax expense consists of current and deferred tax and is recognised in profit or loss.

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Accounting Policies

1.9 Leases

The group assesses whether a contract is, or contains a lease, at the inception of the contract.

No contracts were identified that required specific judgement as to whether they contained leases.

Group as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the group is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease liability

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs.

Group as lessor

Leases for which the group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Lease classification is made at inception and is only reassessed if there is a lease modification.

Finance leases

Amounts due from lessees are recognised from commencement date at an amount equal to the net investment in the lease.

The net investment in the lease is initially measured at the present value of the lease payments that are not received at the commencement date, discounted by using the rate implicit in the lease.

The group recognises finance income over the lease term, based on a pattern that reflects a constant periodic rate of return on the net investment in the lease. The finance income is included in investment income in profit or loss.

The accounting policy for impairment on lease receivables is included in the financial instruments impairment section.

1.10 Inventories

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out basis.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Write downs and reversals of write downs of inventories are included as part of the cost of goods sold.

1.11 Impairment of assets

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. If the recoverable amount cannot be determined for an individual asset, then it is determined for the cash generating unit to which the asset belongs.

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Accounting Policies

1.11 Impairment of assets (continued)

Goodwill is tested for impairment annually by allocating it to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the business combination.

An impairment loss is recognised for an asset if the recoverable amount of the asset or cash generating unit is less than the carrying amount. The impairment loss is determined as the difference between the two amounts. For cash generating units, the impairment loss is allocated to reduce the carrying amount of goodwill included in the cash-generating unit and then to the other assets on a pro-rata basis.

Impairment losses are recognised immediately in profit or loss.

1.12 Other Financial assets - Kruger Rands (IFRS 13 - Fair value Measurement)

Nature and classification:

Kruger Rands are held by the company as form of investment. They classified as other financial assets and are measured at fair value through profit or loss (FVTPL). These are not financial instruments in term of IFRS 9 as they do not arise from a contractual right, but they are accounted for at fair value in accordance with IFRS 13.

Initial Recognition

Kruger Rands are initially recognised at their value of date of acquisition. Transaction costs are expensed immediately in profit or loss as the assets are classified as FVTPL.

Subsequent Measurement

Subsequent to initial recognition, Kruger Rands are measured at fair value at each reposting date.

The fair value is determined with reference to quoted prices in active marks for identical assets, using the prevailing gold price per ounce multiplies by the gold content of the Kruger Rands.

The valuation method is consistent with Level 1 inputs under the IFRS 13 fair value hierarchy.

1.13 Share capital and equity

Equity instruments issued by the group are recognised at the proceeds received, net of direct issue costs.

1.14 Employee benefits

Short-term employee benefits

Short-term employee benefits, which consist of [State the benefits. E.g. paid annual leave and sick leave, bonuses, and medical care], are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal obligation to make such payments as a result of past performance.

Defined contribution plans

Payments are charged as an expense as they fall due.

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Accounting Policies

1.14 Employee benefits (continued)

Termination benefits

Termination benefits are recognised as an expense with its resulting liability when the entity is demonstrably committed either:

- to terminate the employment of an employee or group of employees before the normal retirement date; or
- to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The termination benefits are measured at the best estimate of the expenditure that would be required to settle the obligation at the reporting date.

1.15 Provisions and contingencies

The group recognises provisions in circumstances where it has a present obligation resulting from past events, which can be measured reliably and for which it is probable that the group will be required to settle the obligation.

There is always a degree of estimation uncertainty involved with provisions as they are measured at management's best estimate of the amount which will be required to settle the obligation. When the effect of discounting is material, the provision is measured at the present value of such amounts.

Contingent assets and contingent liabilities are not recognised.

1.16 Revenue from contracts with customers

The group recognises revenue from the following major sources:

- Sales of service in the form of medical cover contracts - Subsidiary Company
- Dividends received from its investment - Holding Company
- Sales of goods in the form of medical supplies - Subsidiary Company

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The group recognises revenue when it transfers control of a product or service to a customer.

1.17 Borrowing costs

All borrowing costs are recognised as an expense in the period in which they are incurred.

1.18 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in US Dollars, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are translated at the end of the reporting period using the closing rate.

Cash flows arising from transactions in a foreign currency are recorded in US Dollars by applying to the foreign currency amount the exchange rate between the US Dollar and the foreign currency at the date of the cash flow.

Refer to the individual accounting policies for financial instruments for the detailed foreign exchange accounting policies.

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Accounting Policies

1.19 Insurance contract accounting treatment

The group accounts for a contract as an insurance contract when the Company, under the contract and in return for an insurance premium, accepts significant insurance risk from the policyholder by agreeing to compensate the policyholder (or its nominated beneficiary) should a specified but uncertain future event, the insured event, affect the policyholder negatively.

Level of aggregation

The group divides all business written into portfolios, where a portfolio comprises of contracts with similar inherent risks and are managed together. Profitability assessments are also conducted on this level, in order to identify any possible onerous contracts. Within each portfolio, the group has grouped insurance contracts into cohorts, where no cohort contains contracts issued more than one year apart. For portfolios measured under the Premium Allocation Approach ("PAA"), the cohorts are aligned to each valuation period, given the short contract boundary. At inception, contracts measured under the General Measured Model ("GMM") were grouped into a single transition cohort. The group has applied the General Measurement Model ("GMM") to the legacy Goodall & Co closed book. The individual life book was also subject to the GMM, however, due to materiality and the simplification criteria per the IFRS 17 standard, a simplified valuation approach was taken. All other insurance contracts were eligible for measurement under the Premium Allocation Approach ("PAA"). New contracts issued, since transition, will be grouped into new cohorts at each valuation.

Recognition

The group recognises groups of insurance contracts that it issues from the earliest of the following:

- The beginning of the coverage period of the group contracts
- The date when the first payment from the policyholder in the group is due, or when the first payment is received, there is no due date
- For a group of onerous contracts, as soon as facts and circumstances indicate that the group is onerous.

Onerous groups of contracts

The group looks at facts and circumstances to identify if a group of contracts are onerous based on:

- Pricing information
- Results of similar contracts it has recognized
- Profitability projections based on actuarial models
- Other operational and industry-wide factors

Contract boundary

Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay the premiums or in which the company has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contracts services end when:

- The Company had the partial ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks; or
- Both of the following criteria are satisfied
- The Company has the practical ability to reassess the risks of the portfolio of insurance contracts that contains the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio and
- The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

The group does not recognise any liability or asset relating to expected premiums or claims outside the boundary of the insurance contract. Such amounts relate to future insurance contracts.

PAA methodology decisions

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Accounting Policies

1.19 Insurance contract accounting treatment (continued)

The majority of the business written by the group is eligible for the PAA approach, this includes the following portfolios:

- Grouped Individual Health
- Grouped Individual Funeral
- NBC Group
- Legacy Ambledown Funeral Insurance Contracts.

The group is required to disclose the key methodology decisions made in relation to the options available in the standard. These decisions are summarised in the table below:

	Approach followed by the company
PAA eligibility	The PAA has been applied to all groups of contracts where the coverage period was deemed one year or less.
Acquisition costs	Acquisition costs are expensed as they arise.
Liabilities for remaining coverage ("LFRC"), adjusted for financial risk and time value of money.	Allowance is made for the accretion of interest in the valuation of loss components recognised. For all other other PAA measured business, there is no allowance as premiums are received within one year of the coverage period and hence there is no significant financing component.
Liabilities for incurred claims ("LIC"), adjusted for time value of money	Incurred claims are expected to be paid out in less than one year. Hence, no adjustment is made for the time value of money.
Insurance finance income and expenses	No allowance for the time value of money was allowed for in the LIC calculation and hence not relevant.

Measurement

Initial measurement - GMM

The GMM measures a group of insurance contracts as the total of:

- Fulfillment cash flows (LFRC plus LIC)
- The Contractual service margin ("CSM") representing the unearned profit the Company will recognise as it provides service under the insurance contracts in the group.

The group includes the following cash flows that are within the contract boundary, when estimating future cash flows:

- Premiums and any related cash flows.
- Claims and benefits that have already been reported but not yet been paid, incurred claims for events that have occurred but for which claims have not been reported and all future claims for which the Company has a substantive obligation.
- Claims handling costs
- An allocation of fixed and variable overheads

In valuing the fulfillment cash flows, the group estimates the probabilities and amounts of future payments under existing contracts based on information about reported claims, other information about the known or estimated characteristics of the insurance contracts, historical data and current pricing information.

The LFRC at initial recognition, comprises all remaining expected future cash inflows and cash outflows under an insurance contract plus the CSM for that contract, The LIC, at initial recognition of a group of contracts, is usually nil as no events have incurred.

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Accounting Policies

1.19 Insurance contract accounting treatment (continued)

The CSM is a component of the asset or liability for the group of insurance contracts that represents the unearned profit the group will recognise as it provides insurance contract services in the future.

The group measures the CSM on initial recognition of a group of insurance contracts at an amount that, unless the group of contracts is onerous, result in no income or expenses arising from:

- The initial recognition of an amount for the fulfillment cash flows
- Derecognition at the date of initial recognition of any asset or liability recognised for insurance acquisition cash flows
- Any cash flows arising from the contracts in the group at that date.

Subsequent measurement-GMM

The CSM at the end of the reporting period represents the profit in the group of insurance contracts that has not yet been recognised in profit or loss, because it relates to future service to be provided. For the group of insurance contracts, the carrying amount of the CSM at the end of the reporting period equals the carrying amount at the beginning of the reporting period adjusted as follows:

- The effect of any new contracts added to the group;
- Interest accreted on the carrying amount of the CSM during the reporting period, measured at the discount rates at initial recognition
- The changes in fulfillment cash flows relating to future service, except to the extent that:
- Such increases in the fulfillment cash flows exceed the carrying amount of the CSM, giving risk to a loss; or
- Such decreases in the fulfillment cash flows are allocated to the loss component; and
- The amount recognised as insurance revenue because of the transfer of insurance contract services in the period, determined by the allocation of the CSM remaining at the end of the reporting period over the current and remaining period (before any allocation) over the current and remaining coverage period.

The CSM requires an adjustment for changes in fulfillment cash flows that relate for future services. These changes comprise:

- Experience adjustment arising from premiums received in the period that relate to future service, and related cash flows such as insurance acquisition cash flows, measured on the relevant discount rates
- Changes in estimates of the present value of the future cash flows in the liability for remaining coverage, except those relating to the time value of money and changes in financial risk; and
- Changes in the risk adjustment for non-financial risk that relate to future service.

The group estimates the LIC as the fulfillment cash flows related to incurred claims. The Company does not adjust the future cash flows for the time value of money and the effect of financial risk for the measurement of the LIC that are expected to be paid within one year of being incurred.

Initial measurement-PAA

The group has applied the PAA to the majority of its existing groups of insurance contracts, which meets the qualifying criteria. For a group of contracts that is not onerous at initial recognition, the Company measures the LFRC as the premiums, if any received at initial recognition. There is no allowance for time value of money as the premiums are received within one year of the coverage period.

Subsequent measurement – PAA

The LFRC at the end of each reporting period is calculated as the liability for remaining coverage at the beginning of the reporting period plus premiums received in the period minus the amount recognised as insurance revenue for the coverage period. The subsequent measurement of the LIC for PAA portfolios is similar to those measured under the GMM.

Insurance revenue

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Accounting Policies

1.19 Insurance contract accounting treatment (continued)

The IFRS 17 standard requires that the amount of insurance revenue recognised in a period depicts the transfer of promised services at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. The total consideration for a group of contracts covers the following amounts:

- Amounts related to the provision of services, comprising:
- Insurance service expenses, excluding any amounts relating to the loss component of the liability for remaining coverage;
- The risk adjustment for non-financial risk, excluding any amounts allocated to the loss component of the liability for remaining coverage;
- Actual less expected premiums relating to current services: and
- The contractual service margin
- Amounts related to insurance acquisition cash flows

Loss components

The group has established a loss component of the LFRC for any onerous groups of contracts depicting the future losses recognised. The identified contracts were measured under the PAA and hence, accordingly the loss component will be zero by the end of the coverage period. Groups that were not onerous at initial recognition can also subsequently become onerous if assumptions and experience changes. The Company monitors this on an annual basis by performing portfolio level profitability analyses.

Insurance finance income and expenses

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- The effect of the time value of money and changes in the time value of money
- The effect of financial risk and changes in financial risk

The group has opted to include insurance finance income or expense for the period in profit or loss, as a matter of accounting policy choice.

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Notes to the Consolidated Annual Financial Statements

	Group		Company	
Figures in US Dollar	2025	2024	2025	2024

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Non-current liabilities with covenants - amendments to IAS 1

The amendment applies to the classification of liabilities with loan covenants as current or non-current. If an entity has the right to defer settlement liability for at least 12 months after the reporting period, but subject to conditions, then the timing of the required conditions impacts whether the entity has a right to defer settlement. If the conditions must be complied with at or before the reporting date, then they affect whether the rights to defer settlement exists at reporting date. However, if the entity is only required to comply with the conditions after the reporting period, then the conditions do not affect whether the right to defer settlement exists at reporting date. If an entity classifies a liability as non-current when the conditions are only required to be met after the reporting period, then additional disclosures are required to enable the users of financial statements to understand the risk that the liabilities could become repayable within 12 months after the reporting period.

The effective date of the amendment is for years beginning on or after 01 January 2024.

The group has adopted the amendment for the first time in the 2024 financial statements.

2.2 Standards and interpretation not yet effective

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 March 2025 or later periods:

IFRS 7 Financial Instruments Disclosures

Amendments to the classification Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7

The amendments to IFRS 7 introduce additional disclosure requirements to enhance transparency for investors regarding investments in equity instruments designated through at fair value through other comprehensive income and financial instruments with contingent features, for example features tied to ESG-linked targets.

The effective date of the amendment is for years beginning on or after 01 January 2026.

The company expects to adopt the amendment for the first time in the 2026 financial statements.

It is unlikely that the amendment will have a material impact on the company's financial statements.

Annual Improvements to IFRS Accounting Standards - Volume 11 - Gain or loss derecognition

Narrow scope amendment to delete an obsolete reference that remained in IFRS 7 following the publication of IFRS 13 Fair Value Measurement and to make the wording of the requirements of IFRS 7 relating to disclosure of gain or loss on derecognition consistent with the wording and concepts in IFRS 13.

The effective date of the amendment is for the years beginning on or after 1 January 2026.

The groups expects to adopt the amendment for the first time in the 2026 financial statements.

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Notes to the Consolidated Annual Financial Statements

	Group		Company	
Figures in US Dollar	2025	2024	2025	2024

2. New Standards and Interpretations (continued)

It is unlikely that the amendment will have a material impact on the company's financial statements.

IFRS 9 Financial Instruments

Narrow scope amendments to address diversity in accounting practice by making the classification and measurement requirements of IFRS 9 more understandable and consistent by:

Clarifying the classification of financial assets with environmental, social and corporate governance (ESG) and similar features; and

- Clarifying date on which a financial asset or financial liability is settled through electronic payment systems
- These amendments also introduce an accounting policy option to allow a company to derecognise a financial liability before it delivers cash on settlement date if specified criteria are met

The effective date of the amendment is for years beginning on or after 01 January 2026.

The group expects to adopt the amendment for the first time in the 2026 financial statements.

It is unlikely that the amendment will have a material impact on the company's financial statements, as the company is an insurance company with no or minimal investments in equity instruments, nor financial instruments with contingent features such as features tied to EG-linked targets.

Annual improvements to IFRS Accounting Standards - Volume 11

Two narrow scope amendments were made to IFRS 9:

- Derecognition of lease liabilities. The amendment clarifies that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to recognise any resulting gain or loss from the difference between the carrying amount of the lease liability extinguished or transferred and any consideration paid in profit or loss.
- Transaction price. Removal of an inconsistency between the requirements in IFRS 9 and the requirements in IFRS 15 Revenue from Contracts from Customers in relation to the initial measurement of trade receivables at their transaction price. The amendment clarifies that trade receivables must be measured at the amount determined by applying IFRS 15.

The effective date of the amendment is for years beginning on or after 01 January 2026.

The group expects to adopt the amendment for the first time in the 2026 financial statements.

It is unlikely that the amendment will have a material impact on the company's financial statements, as the company is an insurance company with no or minimal investments in equity instruments, nor financial instruments with contingent features such as features tied to EG-linked targets.

IAS 7 Statement of Cash Flows

Annual Improvements to IFRS Accounting Standards - Volume 11 - Cost method

Narrow scope amendments to replace the term 'cost method' with 'at cost' following the earlier removal of the definition of cost method' from IFRS Accounting Standards.

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Notes to the Consolidated Annual Financial Statements

Figures in US Dollar	Group		Company	
	2025	2024	2025	2024

2. New Standards and Interpretations (continued)

The effective date of the amendment is for years beginning on or after 01 January 2026.

The company expects to adopt the amendment for the first time in the 2026 financial statements.

It is unlikely that the amendment will have a material impact on the company's financial statements, as the company is an insurance company with no or minimal investments in equity instruments, nor financial instruments with contingent features such as features tied to EG-linked targets.

3. Property, plant and equipment - Group

Group	2025			2024		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land and building	4 677 971	-	4 677 971	-	-	-
Furniture and fixtures	621 998	(497 747)	124 251	906 707	(704 305)	202 402
Motor vehicles	419 500	(268 299)	151 201	375 947	(329 883)	46 064
Office equipment	156 265	(119 585)	36 680	546 031	(405 861)	140 170
IT equipment	3 146 155	(1 765 919)	1 380 236	2 664 924	(1 816 389)	848 535
Computer software	863 449	(618 242)	245 207	648 299	(432 817)	215 482
Leasehold improvements	911 301	(614 281)	297 020	674 460	(376 970)	297 490
Other property, plant and equipment	803 121	(301 862)	501 259	742 018	(705 012)	37 006
Total	11 599 760	(4 185 935)	7 413 825	6 558 386	(4 771 237)	1 787 149

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Transfer from investment property	Disposals	Adjustment	Depreciation	Total
Land and building	-	530 298	4 147 673	-	-	-	4 677 971
Furniture and fixtures	202 402	68 681	-	(75 711)	2 029	(73 150)	124 251
Motor vehicles	46 064	143 253	-	-	15 185	(53 301)	151 201
Office equipment	140 170	41 979	-	(3 105)	(123 379)	(18 985)	36 680
IT equipment	848 535	1 269 889	-	(47 623)	(146 355)	(544 210)	1 380 236
Computer software	215 482	122 643	-	(1)	148 330	(241 247)	245 207
Leasehold improvements	297 490	236 695	-	-	(97 278)	(139 887)	297 020
Other property, plant and equipment	37 006	434 467	-	(26 660)	145 046	(88 600)	501 259
	1 787 149	2 847 905	4 147 673	(153 100)	(56 422)	(1 159 380)	7 413 825

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Notes to the Consolidated Annual Financial Statements

Figures in US Dollar	Group		Company	
	2025	2024	2025	2024

3. Property, plant and equipment - Group (continued)

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Additions through merger	Disposals	Depreciation	Total
Furniture and fixtures	151 217	133 507	964	-	(83 286)	202 402
Motor vehicles	76 727	87	3 225	(9 257)	(24 718)	46 064
Office equipment	24 173	25 798	116 045	(2)	(25 844)	140 170
IT equipment	434 919	777 214	171	(1)	(363 768)	848 535
Computer software	278 929	91 275	-	(39)	(154 683)	215 482
Leasehold improvements	422 266	1 301	-	-	(126 077)	297 490
Other property, plant and equipment	19 286	44 841	3 754	-	(30 875)	37 006
	1 407 517	1 074 023	124 159	(9 299)	(809 251)	1 787 149

Other Property, Plant and Equipment

Other Property, Plant and Equipment consist mainly of Security and Surveillance Equipment, Solar Systems - Inverter and Batteries and Generators.

Adjustments to Property, Plant and Equipment

Adjustments as stated in the Property, Plant and Equipment classification and reconciliation table, mainly consists of:

- Transfers of assets between different classifications.
- Correction of certain assets values
- Writing off certain assets
- Writing down value of certain assets

Details of properties

Erf 791, 3 Dingler Street, Rynfield

Erf 794, 4 Miles Sharp Street, Rynfield

Erf 4049, 1 Dingler Road, Rynfield

Erf 790, 5 Dingler Street, Rynfield

Erf 789, 7 Dingler Street, Rynfield

Erf 788, 9 Dingler Street, Rynfield

Erf 787, 11 Dingler Street, Rynfield

Erf 1, 1 Miles Sharp Street, Rynfield

Erf 4049, 1 Dingler Street, Rynfield is encumbered by a mortgage loan

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Notes to the Consolidated Annual Financial Statements

Figures in US Dollar	Group		Company	
	2025	2024	2025	2024

3. Property, plant and equipment - Group (continued)

Leasehold improvements relates to improvements incurred on buildings that were mostly owned by group companies, before previous mergers occurred.

These properties to which leasehold improvements relates to are now owned by Affinity Life Limited in terms of the merger with National Risk Managers (Pty) Ltd.

Being that the leasehold cost were capitalised in the previous group companies and amortised, Affinity Life Limited has continued to disclose such under Property, Plant and Equipment, and amortised them over a period of 10 years.

No lease liability exists and no right of use assets are recognised.

Details of valuation

The effective date of the revaluations of Efs 791, 794, 4049, 790, 789, 788 and 787 was revalued during March 2022. . Revaluations were performed by an independent valuer, Mr Blignaut [Professional Associate Valuer], of Nkunzi Property Valuers. Nkunzi Property Valuers are not connected to the company and have recent experience in the location and category of the investment property at fair value being valued.

The valuation was based on open market value for existing use, as such the valuations are classified as Level 2 inputs in terms of IFRS 13 fair value hierarchy.

4. Investment property at fair value

Group	2025			2024		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Investment property	3 046 941	-	3 046 941	7 153 461	-	7 153 461

Reconciliation of investment property at fair value - 2025

	Opening balance	Additions	Transfer	Total
Investment property	7 153 461	41 153	(4 147 673)	3 046 941
Total rental income and recoveries from investment properties			680 167	294 854
Total expenditure on investment properties			(152 742)	(521 899)

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Notes to the Consolidated Annual Financial Statements

Figures in US Dollar	Group		Company	
	2025	2024	2025	2024

4. Investment property at fair value (continued)

Reconciliation of investment property at fair value - 2024

	Opening balance	Additions	Additions through business combinations	Disposals	Total
Investment property	-	781 381	8 778 389	(2 406 309)	7 153 461

Details of property

Erf 1127, 73 Woburn Avenue Benoni

Erf 1125, 75 Woburn Avenue, Benoni

Erf 1546, 32 Harpur Avenue, Benoni

Erf 1548, 30 Harpur Avenue, Benoni

Erf 1550, 28 Harpur Avenue, Benoni

Erf 7645, 71 Woburn Avenue, Benoni

Erf 144, Camps Bay

The effective date of the revaluations of Erfs 1127, 1125, 1546, 1548, 1550, and 7645 was revalued during March 2022. Revaluations were performed by an independent valuer, Mr Bligaut [Professional Associate Valuer], of Nkunzi Property Valuers. Nkunzi Property Valuers are not connected to the company and have recent experience in the location and category of the investment property at fair value being valued.

The valuation was based on open market value for existing use, as such the valuations are classified as Level 2 inputs in terms of IFRS 13 fair value hierarchy.

There are no restrictions on the realisability of the investment properties or the remittance of income and proceeds on disposal.

No contractual obligations exists other than contracts with tenants, and no fixed commitments exist in terms of repair and maintenance.

5. Goodwill

Group	2025			2024		
	Cost	Accumulated impairment	Carrying value	Cost	Accumulated impairment	Carrying value
Goodwill	2 069 854	(656 064)	1 413 790	2 069 854	(656 064)	1 413 790

Reconciliation of goodwill -2025

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Notes to the Consolidated Annual Financial Statements

Figures in US Dollar	Group		Company	
	2025	2024	2025	2024

5. Goodwill (continued)

	Opening balance	Total
Goodwill	1 413 790	1 413 790

Reconciliation of goodwill - 2024

	Opening balance	Additions through business combinations	Total
Goodwill	175 128	1 238 662	1 413 790

6. Investments in subsidiaries

The carrying amounts of subsidiaries are shown net of impairment losses

Shares at carrying value	-	-	12	12
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7. Loans to group companies

Affinity Health (Botswana) (Private) Ltd	-	-	732 968	732 968
	-	-	732 968	732 968

The loans are interest free, repayable on demand, but will not be repaid within 12 months.

Split between non-current and current portions

Non-current assets	-	-	732 968	732 968
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Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Notes to the Consolidated Annual Financial Statements

Figures in US Dollar	Group		Company	
	2025	2024	2025	2024

8. Other financial assets

Other financial assets are presented at amortised cost, which is net of loss allowance, as follows:

Other loans and receivables	4 525 448	382 352	-	-
Investments - Treasury Bills ISIN The treasury bills, attracts market related interest and matures within 12 months after year end	3 326 693	-	-	-
Investments - Kruger Rands Gold Kruger Rands states at fair value for 5782 oz held. Silver Kruger Rands stated at fair value for 27,347 oz held.	16 182 383	11 075 924	-	-
	24 034 524	11 458 276	-	-

Split between non-current and current portions

Non-current assets	19 509 076	11 075 924	-	-
Current assets	4 525 448	382 352	-	-
	24 034 524	11 458 276	-	-

These loans are interest free and repayable on demand

9. Deferred tax

Deferred tax liability

Arising as a result from temporary differences on:

Fair value adjustment - Kruger Rands	(1 007 773)	(129 447)	-	-
Investment property	(160 901)	-	-	-
Total deferred tax liability	(1 168 674)	(129 447)	-	-

Deferred tax asset

Arising as a result of temporary differences on:

Deferred tax on assessed loss	142 176	-	-	-
Benefit of previously unrecognised tax loss	283 926	15 002	-	-
Impairment of investments in subsidiaries	114 521	-	-	-
Investment properties at fair value	275 804	114 430	-	-
Provisions	154 361	-	-	-
Return transfer credits on policyholders funds	645 190	-	-	-
Total deferred tax asset	1 615 978	129 432	-	-
Deferred tax liability	(1 168 674)	(129 447)	-	-
Deferred tax asset	1 615 978	129 432	-	-
Total net deferred tax asset (liability)	447 304	(15)	-	-

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Notes to the Consolidated Annual Financial Statements

Figures in US Dollar	Group		Company	
	2025	2024	2025	2024
10. Inventories				
Merchandise	47 777	41 164	-	-
11. Trade and other receivables				
Financial instruments:				
Trade receivables	1 615 079	355 634	-	-
Other receivables	737 632	327 156	-	-
Non-financial instruments:				
Prepayments	7 135	19 216	-	-
Total trade and other receivables	2 359 846	702 006	-	-
12. Cash and cash equivalents				
Cash and cash equivalents consist of:				
Cash on hand	4 208	4 049	-	-
Bank balances	13 282 924	12 046 010	-	-
Short-term Deposits	15 145 517	12 581 308	-	-
	28 432 649	24 631 367	-	-
Current assets	28 427 825	24 622 301	-	-
Current liabilities	-	-	-	-
	28 427 825	24 622 301	-	-

A payment guarantee is held with the First National Bank Limited in favour of Lion of Africa Assurance Company, as required by the agreement entered into between the Company and Lion of Africa Assurance Company Limited.

Risk exposure

The cash and cash equivalents held by the company expose it to various risks, including credit risk

Refer to note 34: Risk and Capital Management for details of risk exposure, and processes and policies applied to mitigate these risks.

No restriction exists as to the usage of funds in the company

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Notes to the Consolidated Annual Financial Statements

Figures in US Dollar	Group		Company	
	2025	2024	2025	2024
13. Share capital				
Authorised				
1000 Directors Class A Voting shares at par value of \$0.001 per share	1	1	1	1
49 999 000 Class B Non Voting Shares at par value \$0.001 per share	49 999	49 999	49 999	49 999
	50 000	50 000	50 000	50 000
Issued				
200 Directors Class A Voting Shares of \$0.001 per share	-	-	-	-
10 000 000 Class B Non Voting Shares of \$0.001 per share	10 000	10 000	10 000	10 000
14. Insurance Contract Liabilities				
Non-current liabilities				
Insurance contract liabilities (Contracts measured in terms of IFRS)	259 535	246 418	-	-
Current liabilities				
Claims Reserves (Contracts not measured in terms of IFRS 17)	-	1 657 520	-	-
Claims Reserves (Contracts measured in terms of IFRS 17)	4 999 072	3 097 988	-	-
	4 999 072	4 755 508	-	-
	5 258 607	5 001 926	-	-

The table below is a breakdown of the insurance contract liabilities held by the Company, based on the types of reserves raised at each valuation date. All insurance contracts were in a liability position for the 2025 and 2024 year ends

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Notes to the Consolidated Annual Financial Statements

Figures in US Dollar	Group		Company	
	2025	2024	2025	2024

14. Insurance Contract Liabilities (continued)

2025	Liabilities for remaining coverage	Liabilities for incurred claims	Total
GMM	281 505	1 335	282 840
PAA	1 539 184	3 436 583	4 975 767
	1 820 689	3 437 918	5 258 607

2024	Liabilities for remaining coverage	Liabilities for incurred claims	Total
GMM	264 845	987 387	1 252 232
PAA	42 611	2 049 563	2 092 174
	307 456	3 036 950	3 344 406

Reconciliation of opening and closing on insurance contract liabilities

The table below discloses the reconciliation of the opening and closing LFRC and LIC balances for all insurance contracts as a result of movements in the insurance service result and insurance related cash flows

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Notes to the Consolidated Annual Financial Statements

Figures in US Dollar	Group		Company		
	2025	2024	2025	2024	
14. Insurance Contract Liabilities (continued)					
2025					
	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total
Insurance contracts liabilities	285 490	34 671	3 088 834	73 610	3 482 605
Insurance contracts (assets)	-	-	-	-	-
Total insurance contract (assets)/liabilities as at 01/03/2024	285 490	34 671	3 088 834	73 610	3 482 605
Insurance revenue	(90 774 464)	-	-	-	(90 774 464)
Insurance service expenses					
Incurring claims	-	-	39 061 653	82 668	39 144 321
Changes that relate to past service	-	-	-	(73 610)	(73 610)
Incurring directly attributable expenses	-	-	40 793 070	-	40 793 070
Losses on onerous contracts and reversal of those losses	-	(34 671)	-	-	(34 671)
Insurance finance expenses for insurance contracts issued	48 070	-	-	-	48 070
Insurance service expenses	48 070	(34 671)	79 854 723	9 058	79 877 180
Total changes in the statement of comprehensive income	(90 726 394)	(34 671)	79 854 723	9 058	(10 897 284)
Cash flows					
Premiums received	92 261 593	-	-	-	92 261 593
Claims and other expenses paid	-	-	(79 588 306)	-	(79 588 306)
Total cash flows	92 261 593	-	(79 588 306)	-	12 673 287
Net balance as at 28 February 2025	1 820 689	-	3 355 251	82 668	5 258 608
Insurance contract liabilities	1 820 689	-	3 355 250	82 668	5 258 607
Insurance contract (assets)	-	-	-	-	-
Total insurance contract (assets)/liabilities as at 28/02/2025	1 820 689	-	3 355 250	82 668	5 258 607

2024

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Notes to the Consolidated Annual Financial Statements

Figures in US Dollar	Group		Company		
	2025	2024	2025	2024	
14. Insurance Contract Liabilities (continued)					
	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total
Insurance contracts liabilities	248 448	26 331	96 931	4 820	376 530
Insurance (assets)	-	-	-	-	-
Total insurance contract (assets)/liabilities as at 01/07/2023	248 448	26 331	96 931	4 820	376 530
Insurance revenue	(32 257 323)	-	-	-	(32 257 323)
Insurance service expenses	-	-	-	-	-
Incurred claims	-	-	13 975 388	72 930	14 048 318
Changes that relate to past service	-	-	-	(4 973)	(4 973)
Incurred directly attributable expenses	-	-	16 627 890	-	16 627 890
Losses on onerous contracts and reversal of those losses	-	7 185	-	-	7 185
Insurance finance expenses for insurance contracts issued	19 457	-	-	-	19 457
Foreign exchange reserve	-	-	-	-	(94 119)
Insurance service expenses	19 457	7 185	30 603 278	67 957	(1 653 565)
Total changes in the statements of comprehensive income	(32 237 866)	7 185	30 603 278	67 957	(33 910 888)
Cash flows					
Premiums received	32 264 395	-	-	-	32 264 395
Claims and other expenses paid	-	-	(27 642 954)	-	(27 642 954)
Total cash flows	32 264 395	-	(27 642 954)	-	4 621 441
Net balance as at 29 February 2024	274 977	33 516	3 057 255	72 777	(28 912 917)
Insurance contracts liabilities	274 161	33 295	2 966 261	70 689	3 344 406
Insurance contracts (assets)	-	-	-	-	-
Total insurance (assets)/liabilities as at 29/02/2024	274 161	33 295	2 966 261	70 689	3 344 406

Reconciliation of opening and closing on insurance contract liabilities for portfolios to which GMM was applied

The table below shows a reconciliation of the opening and closing insurance contract liabilities for GMM portfolios, showing estimates of the present value of future cashflows, risk adjustments and CSM

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Notes to the Consolidated Annual Financial Statements

Figures in US Dollar	Group		Company	
	2025	2024	2025	2024
14. Insurance Contract Liabilities (continued)				
2025				
	Estimates of the present value of future cash flows	Risk adjustment	Contracted service margin	Total
Insurance contracts liabilities	258 001	4 048	20 069	282 118
Insurance contracts (assets)	-	-	-	-
Net insurance contract (assets)/liabilities as at 01 March 2024	258 001	4 048	20 069	282 118
Changes that relate to current services				
Contractual service margin recognised for services provided	-	-	(3 562)	(3 562)
Risk adjustment recognised for the risk expired	-	(542)	-	(542)
Experience adjustment	(21 756)	-	-	(21 756)
Changes that relate to future services				
Changes in estimates that adjust the contractual service margin	(1 775)	(211)	1 986	-
Changes that relate to past services				
Adjustments to liabilities for incurred claims	(4 721)	(275)	-	(4 996)
Insurance service result	(521 436)	(18 970)	(29 092)	(569 499)
Finance expenses from insurance contracts issued recognised in OCI	843 008	9 340	34 881	887 229
Total amounts recognised in comprehensive income	321 572	(9 630)	5 789	317 730
Cash flows				
Premiums received	1 473	-	-	1 473
Claims and other expenses paid	(17 965)	-	-	(17 965)
Total cash flows	(16 492)	-	-	(16 492)
Net balance as at 28 February 2025	563 081	(5 582)	25 858	583 356
Insurance contract liabilities	258 931	3 526	20 383	282 840
Insurance contract (assets)	-	-	-	-
Net balance as at 28 February 2025	258 931	3 526	20 383	282 840
2024				

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Notes to the Consolidated Annual Financial Statements

Figures in US Dollar	Group		Company	
	2025	2024	2025	2024
14. Insurance Contract Liabilities (continued)				
	Estimates of the present value	Risk adjustment	Contractual service margin	Total
Insurance contracts liabilities	251 338	3 847	26 589	281 774
Insurance (assets)	-	-	-	-
Net insurance contract (assets)/liabilities as at 01/07/2023	251 338	3 847	26 589	281 774
Changes that relate to current services	-	-	-	-
Contractual service margin recognised for services provided	-	-	(2 176)	(2 176)
Risk adjustment	-	(385)	-	(385)
Experience adjustment	(13 157)	-	-	(13 157)
Changes that relate to future services				
Change in estimates that adjust the contractual service margin	6 746	99	(6 845)	-
Changes that relate to past services				
Adjustments to liabilities for incurred claims	739	36	-	775
Insurance service expenses	(5 672)	(250)	(9 021)	(14 943)
Insurance service result	(109 016)	(4 802)	(173 398)	(287 216)
Finance expenses from insurance contracts issued recognised in OCI	16 863	-	291	1 705
Total amounts recognised in comprehensive income	(92 153)	(4 802)	(173 107)	(285 511)
Cash flows				
Premiums received	1 020	-	-	1 020
Claims and other expenses paid	(15 786)	-	-	(15 786)
Total cash flows	(14 766)	-	-	(14 766)
Net balance as at 29 February 2024	4 761 923	74 717	370 413	5 207 053
Insurance contracts liabilities	247 763	3 887	19 273	270 923
Insurance contracts (assets)	-	-	-	-
Net balance as at 29 February 2024	247 763	3 887	19 273	270 923

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Notes to the Consolidated Annual Financial Statements

Figures in US Dollar	Group		Company	
	2025	2024	2025	2024

14. Insurance Contract Liabilities (continued)

2025

The impact on the CSM and insurance revenue per transition approach adopted

The impact on on the current period of transition approaches adopted to establishing CSMs for insurance contract portfolios is disclosed in the table below:

2025 impact on the CSM and insurance revenue	Contracts using the modified retrospective approach	Contracts using the fair value approach	All other contracts	Total
Insurance revenue	-	43 825	90 730 639	90 774 464
Contractual service margin as at 01/03/2024	-	20 069	-	20 069
Charges related to current services				
Contractual service margin recognised for services provided	-	(3 562)	-	(3 562)
Changes related to future services				
Changes in estimate that adjust the contractual service margin	-	1 986	-	1 986
Insurance service result	-	(1 576)	-	(1 576)
Insurance finance expenses	-	1 890	-	1 890
Total changes in the statement of profit or loss and OCI	-	314	-	314
Contractual Service Margin as at 28/02/2025	-	20 383	-	20 383

2024 impact on the CSM and insurance revenue	Contracts using the modified retrospective approach	Contracts using the fair value approach	All other contracts	Total
Insurance revenue	-	32 504	32 224 819	32 257 323
Contractual service margin as at 01/07/2023	-	27 432	-	27 432
Changes that relate to current service				
Contractual service margin recognised for services provided	-	(2 245)	-	(2 245)
Changes that relate to future services				
Changes in estimate that adjust the contractual service margin	-	(7 063)	-	(7 063)
Insurance service result	-	(9 308)	-	(9 308)
Insurance finance expenses	-	1 759	-	1 759
Total changes in the statement of profit or loss and OCI	-	(7 317)	-	(7 317)
Contractual Service Margins as at 28/02/2025	-	19 884	-	19 884

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Notes to the Consolidated Annual Financial Statements

Figures in US Dollar	Group		Company	
	2025	2024	2025	2024

14. Insurance Contract Liabilities (continued)

CSM Recognition in profit and loss

The table below discloses the expectation related to the release of the CSM into insurance revenue over all the future years

2025	Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
Insurance contracts issued	1 344	1 091	844	610	406	16 088	20 383

2024	Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
Insurance contracts issued	1 397	1 163	947	732	527	15 118	19 884

Significant judgements and estimates relating to Insurance Contract Liabilities

Measurement of insurance contracts

Liabilities for remaining coverage

The expected fulfillment cash flows, measured under the GMM, are valued on a discounted cash flow basis, using a deterministic projection model. Given that this relates to a closed book, with the majority of policies in a paid-up status, the following key assumptions were used when estimating future cash flows:

- Mortality rates: estimates are made as to the expected number of deaths and are based on standard industry and national mortality tables that reflect recent historical mortality experience, adjusted where appropriate to reflect the company's own experience. An appropriate provision for future policyholder claim payments is made on the basis of these estimates.
- Expenses: based on historic incurred expense.

Liabilities for incurred items

For all business, where relevant, the LIC comprised of an Incurred But Not Reported ("IBNR") liability and an Outstanding Claims Reserve ("OCR"). In some instances, a combined liability was calculated and the OCR portion was split out based on a separate listing of claims that have been reported but not yet paid. The reserves were valued using the Born Huetter-Ferguson technique, for which the main assumptions relate to an expected long term loss ratio (i.e. gross claims/gross premiums) on a product basis, and the Company's past claims development experience. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projection are based. Uncertainty relating to the timing and amount of claims are typically resolved within 12 months.

Discount rates

Where relevant the LFRC, for all GMM measured portfolios, is calculated by discounting expected future cash flows at a risk-free rate, plus an illiquidity premium where applicable. Risk free rates used in the valuation were those published by the Prudential Authority for purposes of regulatory reporting. These rates were deemed compliant with IFRS 17 requirements. The illiquidity premium was determined with reference to general industry averages, and was set to 0.25% for the current financial year and comparative period.

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Notes to the Consolidated Annual Financial Statements

Figures in US Dollar	Group		Company	
	2025	2024	2025	2024

14. Insurance Contract Liabilities (continued)

Discount rates applied for discounting of future cash flows are noted below:

Discounting of future cashflows	1 year		5 years		10 years		20 years	
	2025	2024	2025	2024	2025	2024	2025	2024
GMM LFRC	7.9%	8.9%	9.6%	10.4%	11.4%	12.7%	13.0%	14.9%

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk represents the compensation that the group requires for bearing uncertainty about the amount and timing of cash flows of groups of insurance contracts. This reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the best estimate amount.

The group has estimated the risk adjustment using a confidence interval approach at the 80th percentile, which is in line with the industry average. The risk adjustment factors were derived using the underlying Solvency Capital Requirement stresses published by the Prudential Authority for regulatory reporting.

Amortisation of the CSM

The CSM is a component of the asset or liability for the group of insurance contracts that represents the unearned profit the Company will recognise as it provides services in the future. An amount of the CSM for a group of insurance contracts is recognised in profit or loss in each period to reflect the insurance contract services provided under the group of insurance contracts in that period. The amount is determined by:

- Identifying the coverage units in the group
- Allocating the CSM at the end of the period equally to each coverage unit provided in the current period and expected to be provided in the future.
- Recognising in profit or loss the amount allocated to coverage units provided in the period.

The number of coverage units in a group is the quantity of coverage provided by the contracts in the group, which is determined by considering the quantity of the benefits provided and the expected coverage duration. For the groups of life insurance contracts, the quantity of the benefit is the contractually agreed sum insured over the duration of the contracts. The total coverage units of each group insurance contracts are reassessed at the end of each reporting period to adjust for the reduction of remaining coverage for claims paid, expectations of lapses and cancellation of contracts in the period.

Effect of sensitivities on insurance contract liabilities

The following sensitivity analysis shows the impact on insurance contract liabilities, profit before tax and equity for reasonably possible movements in key assumptions (with all other assumptions held constant). The method used for deriving sensitivity information was the same for the current financial year and the restated comparative period.

2025	Stress	Impact on profit	Impact on equity
Discount rates	-100bps	(16 187)	(11 816)
Mortality (and other claims)	+2.5%	(56 944)	(41 569)
Expenses	+2.5%	(211)	(154)

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Notes to the Consolidated Annual Financial Statements

Figures in US Dollar	Group		Company	
	2025	2024	2025	2024

14. Insurance Contract Liabilities (continued)

2024	Stress	Impact on profit	Impact on equity
Discount rates	-100bps	(15 337)	(10 852)
Mortality (and other claims)	+2.5%	(1 203)	(850)
Expenses	+2.5%	(186)	(131)

An underlying key assumption used in the valuation of insurance contract liabilities was stressed in each sensitivity. For the portfolios currently open to new business, the trade receivables raised on the statement of financial position, was assumed to mirror any movements in the insurance contract liabilities. Hence, for the purposes of these results, only the movement in insurance contract liabilities for the legacy closed portfolio would impact profits, and therefore, equity.

15. Trade and other payables

Financial instruments:

Trade payables	65 563	550 167	-	-
Other payables	4 249 512	2 527 031	-	-
	4 315 075	3 077 198	-	-

Risk exposure

The trade and other payables owing by the company is exposed to various risks, including credit risk.

Refer to note 34 Risk and capital management for details on risk exposure and processes and policies adopted to mitigate risk.

16. Finance lease liabilities

Minimum lease payments which fall due

- first year	-	1 430	-	-
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It is a company policy to lease certain motor vehicles under finance leases.

The average term is 5 years

Interest rates are linked to prime at the contract date. All leases have repayments linked to the prime interest rate and no arrangements have been entered into for renewal clauses, purchase options, escalation clauses, contingent rent or subleases. There are no restrictions imposed by the leases

The company's obligations under finance leases are secured by the leased assets

Refer to note 2

17. Other financial liability

Current liabilities

At amortised cost	779	271	-	-
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Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Notes to the Consolidated Annual Financial Statements

Figures in US Dollar	Group		Company	
	2025	2024	2025	2024

17. Other financial liability (continued)

Non-Current liabilities

At amortised cost	722 980	722 980	722 980	722 980
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18. Revenue

Revenue from contracts with customers

Medical cover and related activities	16 567 241	58 458 648	-	-
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19. Insurance Revenue

Rendering of services	91 799 824	32 257 323	-	-
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The table below shows an analysis of the total insurance revenue recognised in the year:

Expected insurance service expenses incurred in the period - note a	39 789	29 662	-	-
Change in the risk adjustment for non-financial risk - note b	548	398	-	-
Amount of CSM recognised in profit and loss - note c	3 603	2 245	-	-
Actual less expected premiums relating to current service - note d	380	199	-	-
Amounts relating to contracts measured under the PAA - note e	91 755 504	32 224 819	-	-
Insurance revenue	91 799 824	32 257 323	-	-

Notes:

- Expected insurance service expenses incurred in the period comprise claims and other expenses which the Company expects to pay on insured events that occurred during the period.
- Change in risk adjustment shows amount of risk which expired during the period.
- The CSM recognised in profit or loss over the coverage period of the corresponding group of insurance contracts based on coverage units
- Relates to premium variance on GMM measured portfolios
- Premiums recognised in revenue over the period in relation to all groups of insurance contracts measured under the PAA.

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Notes to the Consolidated Annual Financial Statements

Figures in US Dollar	Group		Company	
	2025	2024	2025	2024

20. Insurance service expenses (IFRS 17)

Rendering of services

Cost of services	79 745 78	30 678 42	-	-
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The table below shows an analysis of the total insurance service expenses recognised in the period:

Changes that relate to current service

Claims paid - note a	36 109 731	15 915 060	-	-
Changes in IBNR BEL	1 181 794	945 768	-	-
Changes in OCR BEL	2 211 356	2 114 560	-	-
Changes in risk adjustment	83 602	72 931	-	-

Changes that relate to past service

Claims paid - note a	3 123 724	100 004	-	-
Changes in IBNR BEL	(965 360)	(100 004)	-	-
Changes in OCR BEL	(2 158 364)	-	-	-
Changes in risk adjustments	(74 442)	(4 973)	-	-
Incurred directly attributable expenses - note b	40 268 802	16 627 891	-	-
Losses on onerous contracts and reversal of those - note c	(35 062)	7 185	-	-
	79 745 781	35 678 422	-	-

Notes:

a Claims paid relate to actual claims paid over the financial year split between those relating to past and current service.

b Incurred directly attributable expenses are those expenses that are incurred solely in service of the existing insurance book

The below table is a breakdown of the directly attributable expenses:

Directly attributable expenses

Audit fees	157 892	433 380	-	-
Compliance fees	507 903	61 874	-	-
Disbursement	23 724 620	16 070 102	-	-
Professional fees	718 555	47 274	-	-
Other operating expenses	4 754 248	12 120	-	-
Salaries, wages and contributions	10 405 584	3 141	-	-
	40 268 802	16 627 891	-	-

c This relates to the losses incurred on onerous contracts in the current year, offset by the reversal of those losses in the prior year.

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Notes to the Consolidated Annual Financial Statements

Figures in US Dollar	Group		Company	
	2025	2024	2025	2024
21. Other operating income				
Discount received	5 864	1 128	-	-
Rental income	475 618	292 133	-	-
Binder fee	4 519 264	-	-	-
Profit commission	8 729 763	-	-	-
Recoveries received	91 648	386 532	-	-
Discount allowed	(8 334)	-	-	-
Municipal costs recovered	124 330	70 944	-	-
Membership fees	-	3 367	-	-
Reversal of impairment of loans	-	899 140	-	-
Other income	15 815	-	-	-
Sundry income	75 769	275 311	-	-
	13 919 838	1 928 555	-	-
22. Operating profit (loss)				
Operating profit for the year is stated after charging (crediting) the following, amongst others:				
Auditor's remuneration - external				
Auditors remuneration - Audit fees	163 746	108 400	-	-
Auditors remuneration - Other services	61 769	45 602	-	-
	225 515	154 002	-	-
Leases				
Operating lease	426 882	1 490 523	-	-
Employee costs				
Salaries, wages, bonuses and other benefits	15 447 235	14 823 998	-	-
Director's remuneration	307 880	233 029	-	-
Total employee costs	15 755 115	15 057 027	-	-
Depreciation and amortisation				
Depreciation of property, plant and equipment	1 159 380	809 721	-	-
Other				
Loss on disposal of property, plant and equipment	-	689	-	-
Loss on disposal of investment property	-	1 945 817	-	-
Loss on foreign exchange	-	17 576	-	-

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Notes to the Consolidated Annual Financial Statements

Figures in US Dollar	Group		Company	
	2025	2024	2025	2024
23. Investment income				
Interest income				
Investments in financial assets:				
Bank and other cash	501 572	1 231 124	-	-
Other financial assets	1 889	474 287	-	-
Total interest income	503 461	1 705 411	-	-
24. Finance costs				
Bank	9 446	5 405	-	-
Other	2 010	2 293	-	-
Total finance costs	11 456	7 698	-	-
25. Investment income and insurance finance results - ALL				
Investment Income				
Investment returns	1 036 489	30 146	-	-
Total Net Investment income	1 036 489	30 146	-	-
Insurance finance expense from insurance contracts issued				
Interest accreted to insurance contracts using current financial assumptions	21 251	15 613	-	-
Interest accreted to insurance contracts using locked-in rates	1 911	1 759	-	-
Due to change in interest rates and other financial assumptions	25 451	2 085	-	-
Total insurance finance expenses from insurance contracts issued	48 613	19 457	-	-

Assets backing existing insurance contract liabilities are mainly invested in short-term money market instruments as well as cash and cash equivalents. This is driven by the largely short-term nature of the insurance contract liabilities and the liquidity needs of the Company. The long boundary GMM measured business, driving the insurance finance result, is a small component of the total liabilities held and hence the overall investment strategy is driven more by the management of the short boundary business.

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Notes to the Consolidated Annual Financial Statements

Figures in US Dollar	Group		Company	
	2025	2024	2025	2024
26. Fair value adjustment				
Fair value adjustment- investments	4 085 248	618 442	-	-
	4 085 248	618 442	-	-
27. Taxation				
Major components of the tax expense				
Current				
Local income tax - current year	4 702 406	4 375 960	-	-
Deferred				
Local deferred tax - current year	(447 304)	36 765	-	-
	4 255 102	4 412 725	-	-
The group has a subsidiary located in Botswana of which the current tax rate is 22%.				
The group has fellow-subsiidiaries located in South Africa of which the current tax rate is 27%.				
28. Cash generated from operations				
Profit before taxation	20 892 592	15 387 418	-	-
Adjustments for non-cash items:				
Depreciation	1 159 380	809 251	-	-
Losses on sale of assets and liabilities	-	689	-	-
Loss on disposal of investment property	-	1 945 817	-	-
Fair value adjustments	(4 085 248)	(618 442)	-	-
Exchange differences on translating foreign operations	1 695 370	(1 401 250)	-	-
Adjust for items which are presented separately:				
Interest income	(1 539 912)	(1 735 557)	-	-
Finance costs	60 069	27 155	-	-
Changes in working capital:				
Inventories	(6 613)	(3 255)	-	-
Trade and other receivables	(1 657 840)	(167 487)	-	-
Trade and other payables	1 237 877	(398 570)	-	-
	17 755 675	13 845 769	-	-
29. Dividends paid				
Dividends	-	(709 009)	-	-

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Notes to the Consolidated Annual Financial Statements

Figures in US Dollar	Group		Company	
	2025	2024	2025	2024
30. Tax paid				
Balance at beginning of the year	95 042	(68 085)	-	-
Current tax recognised in profit or loss	(4 669 313)	(4 375 960)	-	-
Balance at end of the year	24 214	(95 042)	-	-
	(4 550 057)	(4 539 087)	-	-

31. Related Parties

Relationships

A director of Affinity International Limited, is also a director of certain companies to which loans have been extended which are currently disclosed where applicable under Other Financial Assets or Other Financial Liabilities.

32. Group share of reserves - Business combinations

As at 01 October 2023 National Risk Managers (Pty) Ltd entered in the following merges:

Affinity Enterprises Property (Pty) Ltd	-	94 477	-	-
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33. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2025

	Note(s)	Amortised cost	Total
Loans receivable	8	24 003 208	24 003 208
Trade and other receivables	11	2 359 846	2 359 846
Cash and cash equivalents	12	28 427 825	28 427 825
		54 790 879	54 790 879

2024

	Note(s)	Fair value through profit or loss - Mandatory	Amortised cost	Total
Investments at fair value	8	7 153 461	-	7 153 461
Trade and other receivables	11	-	702 006	702 006
Cash and cash equivalents	12	-	24 622 301	24 622 301
		7 153 461	25 324 307	32 477 768

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Notes to the Consolidated Annual Financial Statements

Figures in US Dollar	Group		Company	
	2025	2024	2025	2024

33. Financial instruments and risk management (continued)

Categories of financial liabilities

2025

	Note(s)	Amortised cost	Total
Trade and other payables	15	4 315 075	4 315 075
Loans from group companies		39 121	39 121
Insurance contract liabilities	12	5 258 607	5 258 607
		9 612 803	9 612 803

2024

	Note(s)	Fair value through profit or loss - Designated	Amortised cost	Total
Trade and other payables	15	-	3 077 198	3 077 198
Insurance contract liabilities	12	5 001 925	-	5 001 925
		5 001 925	3 077 198	8 079 123

34. Risk and capital management

Objective and framework

The Company's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the Company's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The capital structure of the Company consists of invested share capital and retained earnings as disclosed on the Company's statement of financial position. The Company has no external borrowings.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to the shareholder, return capital to the shareholder, raise additional capital from shareholders or review the quantum of risk carried by the entity by passing on risk to reinsurers through proportional reinsurance structures.

The Company monitors and reports capital on the Solvency and Assessment management ("SAM") basis. The solvency capital requirements (SCR) and minimum capital requirements (MCR) are prepared in accordance with the financial standards published by the Prudential Authority.

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Notes to the Consolidated Annual Financial Statements

Figures in US Dollar	Group		Company	
	2025	2024	2025	2024

34. Risk and capital management (continued)

A key component of the Enterprise and Risk Management ("ERM") framework is the risk assessment process. The Company's risk assessment process consists of risk identification, risk analysis, risk evaluation and the treatment/management of those risks that are relevant to the Company's strategic objectives. Risks are identified from a top-down (strategic) and bottom-up (operational) perspective to create and maintain an integrated view of material risk exposures. The top-down approach is undertaken at an executive and senior management level and considers strategic risks affecting the Company in the medium to long term.

The following has been identified as key risk categories:

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

Solvency Capital

The Prudential Authority ("PA") that governs the South African assurance companies came into effect on 1 July 2018, following the promulgation of the Insurance Act No 18 of 2017. This also brought about the Financial Soundness Standards which governs all insurers. These financial soundness standards necessitated a change to the Company's solvency capital requirement ("SCR") calculation.

The Financial Soundness Standards defines two levels of capital that an insurer is required to comply with at all times:

- The prescribed minimum capital requirement ("MCR") that refers to the absolute minimum level of eligible own funds that an insurer must hold to protect all its policyholders. The minimum MCR is R15 million and the minimum MCR ratio is 1.00; and
- The prescribed Solvency Capital Requirement ("SCR"), which refers to the level of eligible own funds that an insurer must hold to ensure that the value of its assets will exceed the technical provisions and other liabilities at a 99.50% confidence level over a one year time horizon. The minimum SCR ratio is 1.00.

The MCR / SCR model generally requires an additional surplus of assets (buffer) above liabilities to take account of potential adverse outcomes of both the inherent risk of underwritten portfolios and the future cost of claims of these portfolios. Should the insurer not have a sufficient buffer in place (i.e. the MCR and/or the SCR is below 1.00), the PA has various rights of response and intervention, commencing with closer supervision of the insurer, but which can eventually be escalated to judicial management and ultimately liquidation, should the situation not be rectified within an appropriate time.

The company complied with MCR and SCR, and reports the ratios to The Prudential Authority every quarter. The MCR for February 2025, is 7.27 (February 2024: 3.00) and SCR for February 2025 of 3.86 (February 2024: 1.60).

Credit Risk

Counterparty default risk arises from potential losses due to credit default events, such as the default of the counterparty or issuer of a financial instrument held by an insurer. Counterparty default risk is the risk of loss in the value of financial assets due to counterparties failing to meet all or part of their obligations.

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Notes to the Consolidated Annual Financial Statements

Figures in US Dollar	Group		Company	
	2025	2024	2025	2024

34. Risk and capital management (continued)

The Company determines concentrations of insurance risk based on the nature of the insured event, i.e. mortality event or health event. This represents the most material concentration risk, which the Company actively monitors and employs underwriting, pricing and other strategies to manage its exposure.

Key areas where the Company is exposed to credit risk are:

- Cash and cash equivalents; and
- Trade and other receivable

The Company determines counterparty credit quality by referencing the ratings from independent rating agencies or, where such ratings are not available, by internal analysis. The Company seeks to avoid concentration of credit to counterparties by diversification through business sectors, product types and geographical segments.

The maximum exposure to credit risk is presented in the table below:

	BB	Not rated	Carrying value
28 February 2025			
Cash and cash equivalents	229 360	-	229 360
Trade and other receivables	-	330 745	330 745
Other financial Assets - Loans	-	435 026	435 026
Loans to related parties	-	2 332 375	2 332 375
	229 360	3 098 146	3 327 506
29 February 2024			
Cash and cash equivalents	24 622 301	-	24 622 301
Trade and other receivables	-	702 006	702 006
	24 622 301	702 006	25 324 307

Trade and other receivables mainly consist of accounts receivable from the Company's customer base. The Company and contracted underwriting managers monitor the financial position of their customers. Credit, other than in the insurance division, is extended in terms of an agreement and expected credit losses are based on the Expected Credit Loss ("ECL") model.

The carrying amount of the cash, trade and other receivables reflected above represents the maximum counterparty credit default exposure. At the end of the reporting period management assessed all balances subject to credit risk and did not identify any ECL to be recognised against these balances. Expected credit losses are evaluated using the direct approach of evaluating each line item of credit and assessing its recoverability. Collateral valuation, cash flow forecasting and industry risk also applied in the evaluation process.

No collateral exits in terms of financial assets held by the company..

Liquidity Risk

Liquidity risk can result in failure to meet claims or operational expense as they become due, lost opportunities to make strategic investments, lower than expected returns (forced sale scenarios) and reduced opportunity to make changes in investment positions to respond to changes in capital market conditions.

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Notes to the Consolidated Annual Financial Statements

Figures in US Dollar	Group		Company	
	2025	2024	2025	2024

34. Risk and capital management (continued)

Management monitors risks to liquidity daily through the review of available cash resources and forecasting expected and possible movements.

The following maturity analysis provides details on the expected settlement of financial recognised a reporting date:

28 February 2025	0 - 1 years	1 - 2 years	2-3 years	3-4 years	4-5 years	Over 5 years	Total
Non-financial instruments							
Insurance contract liabilities - note a	4 999 072	15 363	14 211	12 156	10 329	207 476	5 258 607
3644383							
Trade and other payables - note b	3 644 383	-	-	-	-	-	3 649 801
Loans to group companies	694 304	-	-	-	-	-	694 304

29 February 2024	0-1 years	1-2 years	2-3 years	3-4 years	3-4 years	Over 5 years	Total
Non-financial instruments							
Insurance contract liabilities - note a	59 542 334	4 755 511	-	-	70 999	107 415	4 996 925
Financial instruments							
Trade and other payables - note b	648 163	3 056 041	-	-	-	-	3 056 041
Loans from group companies	6 719	-	-	-	-	-	-

The maturity analysis for insurance contracts issued that are liabilities is based on, by estimated timing, estimates of the present value of the future cash flows.

Notes:

a. The majority of insurance contract liabilities in the current year relate to LICs, which are short- term in nature. The prospective liabilities and CSM span over a much larger period.

b. Trade and other payables are current liabilities and hence expected to be released within 12 months.

Market Risk

Market risk is the risk of adverse financial impact due to changes in fair values or future cash flows of financial instruments from fluctuations in interest rates and equity prices, besides those disclosed more specifically under interest rate risks.

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market interest rates. The Company does not have any borrowings. Exposure to interest rate risk is in the form of cash balances held at call with banks (see note 11), which earn interest at rates that vary on a daily basis.

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Notes to the Consolidated Annual Financial Statements

	Group		Company	
Figures in US Dollar	2025	2024	2025	2024

34. Risk and capital management (continued)

At 28 February 2025, an increase or decrease of 2% in the interest rates relating to cash and cash equivalents would result in an increase in income of \$9 733 120 (2024: \$9 503 094) or a decrease in income of \$9 733 120 (2024: \$494 446) respectively. The Company monitors and manages this risk through the Company's audit committee.

Insurance Rate Risk

Management continuously manages and monitors the Company's risk profile and reports the risk relating to the Company's insurance operations to the board committees.

Types of insurance policies

The Company writes long and short-term assurance business. This long and short-term business consists mainly of group life assurance and funeral benefits which cover both individual business and group schemes.

Management of insurance risks

The acceptance of insurance risk is the core activity of the Company. As a result, the risk management approach is to ensure that risks are within acceptable limits rather than totally nullified. The principal risk is that the frequency or severity of claims are greater than expected or that premiums have not been correctly rated for the level of risk adopted.

The underwriting results of each underwriting manager and of each risk class are monitored on a regular basis by the insurance portfolio management function and corrective measures are actioned where applicable. This can include the review of underwriting manager procedures for the acceptance of new business, rating procedures and claims administration, the rerating of existing business, where applicable, or the cancellation of contracts with underwriting managers when justified. There are clearly defined limits within which business may be written.

Key insurance risk

Claims risk

Claims risk is the risk that the Company may pay claims not legitimately incurred. The legitimacy of claims is verified by internal, financial and operating controls that are designed to contain and monitor claims where required.

Lapse risk

Lapse risk is the risk of financial loss due to more policies lapsing than expected, particularly as it impacts the actuarially assessed policyholder liabilities. Lapse experience is monitored to ensure that negative experience is timeously identified and corrective action taken.

Expense risk is the risk of loss due to actual expense experience being worse than that assumed in premium rates and actuarially calculated policy liabilities. Expenses are continuously monitored and managed through the Company's budgeting and financial reporting processes.

Price and Underwriting risk

Pricing and Underwriting risks are the risks that inappropriate business is accepted or that business is not correctly priced relative to the level of risk assumed. These risks are mitigated by an ongoing review of underwriting activities, claims experience and financial performance, as well as periodic reviews of product rating by the Company's actuarial resource.

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Notes to the Consolidated Annual Financial Statements

Figures in US Dollar	Group		Company	
	2025	2024	2025	2024

34. Risk and capital management (continued)

The following table shows the concentration of insurance contract liabilities by the type of benefit:

	2025	2024
Life/Funeral benefits	1 391 202	417 131
Health benefits	3 926 804	3 033 334
	5 318 006	3 450 465

The Company determines concentrations of insurance risk based on the nature of the insured event, i.e. mortality event or health event. This represents the most material concentration risk, which the Company actively monitors and employs underwriting, pricing and other strategies to manage its exposure.

35. Going concern

Management makes an annual assessment of the going concern status of the group. This assessment of the going concern assumption involves making a judgement, at a particular point of the future outcome of events or conditions that are inherently uncertain.

The directors believe that the group has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis.

Group Solvency and Liquidity position

- At the reporting date the group reflected a positive Net Asset Value ("NAV") of \$57 million, backed by cash of \$27 million and various other assets. The group is thus solvent.

- The group's current assets exceeded current liabilities by R23 million, resulting in a Current asset to Current liability ratio of 2.49. The Company is therefore liquid.

- The group has sufficient cash and equivalents to extinguish all policyholder and current liabilities. The directors have furthermore reviewed the group's cash flow forecast for the 2026 financial year-end and in light of this review and the current financial position, they are satisfied that the group will be able to meet its cash obligations and working capital requirements for at least the next year through the initiatives taken by management to secure the required working capital

- To efficiently and effectively manage cash flows and reserves, creditor terms are noted and utilised in the monthly payment cycles. Should there be delays in payments, this is usually as a result of account queries.

Based on the information above the Board concluded that the group is to be regarded as a going concern.

36. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

37. Significant judgement - Affinity Life Limited and National Risk Managers (Pty) Ltd- Void merger

Management concluded that the purported merger between Affinity Life Limited and National Risk Managers, effected on 1 March 2024, was void *ab initio* following the Prudential Authority's non-approval in July 2024. It was further determined that the process of operational restoration was substantially completed by March 2025.

Affinity International Limited and Its Subsidiaries

(Registration number 52632)

Consolidated Annual Financial Statements for the year ended 28 February 2025

Notes to the Consolidated Annual Financial Statements

	Group		Company	
Figures in US Dollar	2025	2024	2025	2024

37. Significant judgement - Affinity Life Limited and National Risk Managers (Pty) Ltd- Void merger (continued)

Having undertaken a comprehensive assessment, management is satisfied that this matter did not give rise to any material effect on the amounts recognised in the Group's consolidated financial statements for the year ended 28 February 2025. Management further concluded that no material deferred tax consequences arose, and that any associated tax interest or penalties were immaterial.

This matter is disclosed in view of the degree of judgement exercised in evaluating its implications for the consolidated financial statements.