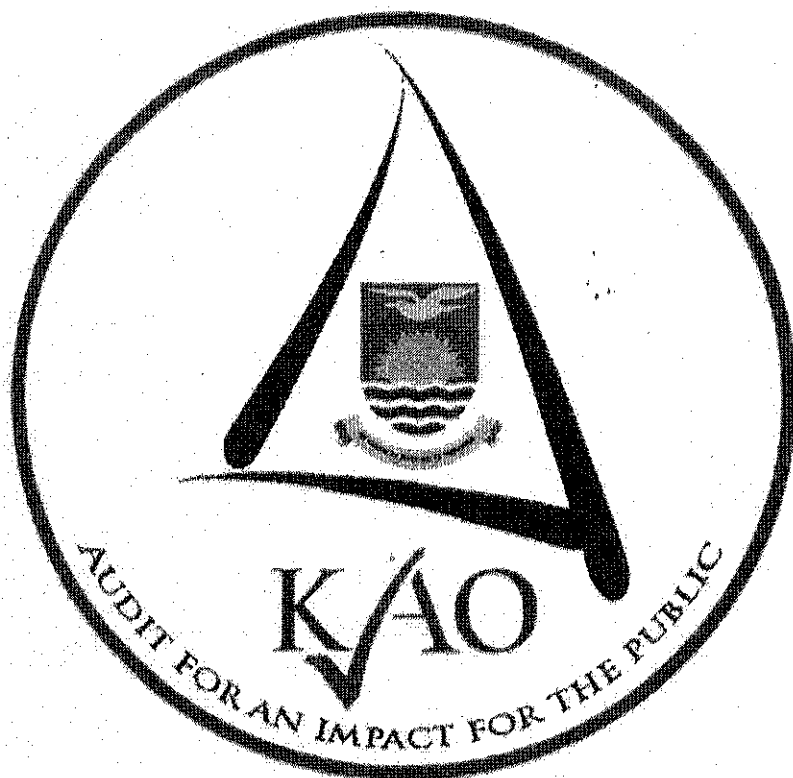


REPORT OF THE AUDITOR GENERAL ON THE ACCOUNT OF



**Kiribati Insurance Corporation
Financial Statements
For the Year Ended 31st December 2020**

**Kiribati Audit Office
September 2022**

KIRIBATI AUDIT OFFICE



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Audit for an impact for the public

INDEPENDENT AUDITOR'S REPORT

To the Readers Of

Kiribati Insurance Corporation Financial Statements

For the year ended 31st December 2020

I have audited the Financial Statements of Kiribati Insurance Corporation (KIC) for the year ended 31st December, 2020 as required under sec 114 (2) of the Constitution, Part VII, Sec 42(4) of the Public Finances (Control and Audit) 1981 and Sec 22(1) of the Kiribati Audit Act, 2017. The Financial Statements comprise of the following:

- Statement of Financial Performance
- Statement of Financial Position
- Statement of Cash Flow
- Statement of Changes in Equity
- Notes to the Accounts

Qualified Opinion

In my opinion, except for the effects of the matters described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, (or *give a true and fair view of*) the financial position of the Corporation as at December

31, 2020, and (of) its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion:

- We still cannot verify correctness of Fixed Assets (FA) due to the following:
 - Net Book Value for Building renovation shows a negative balance of \$2,399.87 as per note 10 (revised Financial Statement)
 - KIC has no capitalisation policy for the year 2020.
- We doubted the accuracy of the Cashflow Statement for 2020 because of the issues below:
 - Proceeds from Sale of Fixed Assets of \$5,000 was still not reflected in the investing activities.
 - There still a variance of \$2,124 between Purchase of FA of \$170,198 (cashflow statement) and the Addition of \$168,073.79 as per note 10.
 - Cashflow Reconciliation included did not provide change in assets and liabilities.
- Our query on IBD remains as Bank confirmation balance of \$1,368,616. still not matching the FS revised balance of \$1,370,516.22.
- We were unable to verify Offshore Investments balances for the year 2020 due to the following:
 - Investment accounts balances did not match Statement balances. Refer table below:

Account Name	Ending Balance	Statement Bal	GL Bal
Australian Equity	\$3,287,779.07	\$ 3,469,244.00	\$120,464.93
Acc.Unrealize Invest.Gain/Loss	\$252,905.29	\$ -	\$252,905.29
Investment - Mortgage	\$2,999,728.65	\$ 2,986,664.00	\$12,864.65
ETWSL Income Cash-Mortgage	\$3,296.85	\$ -	\$3,296.85
Acc.Unrealized G/L Mortgage	\$131,288.84cr	\$ -	\$131,288.84

- Equity Interest Income balance as per the statement was different from the GL balance. The variance of \$12,295 remained unsolved.

- We were unsatisfied that the breakdown for the Life General receivable balance of \$22k was not provided.
- Unearned premiums in the total value of \$1.18m were treated in the accounts as Cost of Sales when they should be accounted for as Liabilities.

I have conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAI). My responsibilities under those standards are described in the Auditor's Responsibilities paragraph of my report. I am independent of the **Corporation** in accordance with the Ethical requirements that are relevant to my audit of the financial statements of the Corporation, and I have fulfilled my other responsibilities in accordance with these requirements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Board's and Management's responsibilities for the Financial Statements.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporations ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an

auditor's report that includes our opinion as required under the Public Finance (Control and Audit) Ordinance 1976 and Kiribati Audit Act 2017. Reasonable assurance is a high level of assurance but is not guarantee that an audit conducted in accordance with ISA/ISSAI 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 financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

However, future events or conditions may cause the Commission to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

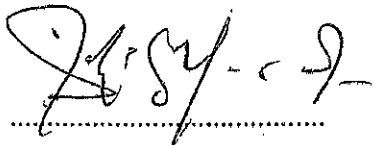
Report on other Legal and Regulatory Requirements

KIC lodged its Financial Statement on 1st March 2021 therefore indicating KIC's compliance to Section 20 of the SOE Act 2013.

Independence

Section 114 (4) of the Kiribati Constitution stipulates that the Auditor General shall not be subject to the direction or control of any other person or authority.

Other than the audit, we have no relationship with or interest in KIC.



Mr. Eriati Tauma Manaima

Auditor General

Date:07/09/2022

Kiribati Insurance Corporation (KIC)



ANNUAL ACCOUNT 2020

“Insure to Secure”

Kiribati Insurance Corporation (KIC)
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Revised submitted 2/08/2022

1. INTRODUCTION

This is the KIC annual account report for the year ended 31 December 2020. The account is produced every year and in this year the format and layout follow closely that of the previous report. Some additions in this report include the new calculation of depreciation, as recommended by the Audit Department, and a new sub-section on offshore investment in the IBD section. The notes or details of the consolidated financial statements are also attached for the Profit and Loss, Balance Sheet and Cash flow.

Overall, the performance of the Corporation in 2020 is quite good. For instance, the total income (net premium plus other income) increased from \$1.96 million in 2019 to \$2.0 million this year. The decrease is due to the extra new business. While the total operating expenditure shows a slight increase, the claim payment both life and general shows a significant increase compared to the previous year. The increase is due to the increase in the number of compensations and life claims paid during the year. The financial position in 2020 shows a decrease in company equity to \$8.8 million.

Certification

The Annual account presented in this report has been prepared based on the relevant information maintained in the Corporation. In the opinion of the KIC Board of Directors, the financial account presented here gives a true and fair view of the financial performance of the Corporation for the year ended 31 December 2020.



Neiti Ueaieta
Chief Executive Officer



Capt. Miteti Abete
Chairman (Board of Directors)

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2. ACCOUNTING POLICIES

The Corporation is established under the Insurance Act (CAP 45A), to carry out the business of insurance in Kiribati. This Insurance Corporation is divided into 2 major segments: property/casualty, also known as General Insurance or Non-life and the other one is Life Insurance. The Corporation head office is located at behind the Vodafone in Bairiki opposite. The followings are the more important accounting policies used by the Corporation.

2.1 Accounting Basis

The financial account is prepared under the Historical cost convention and complies with the international accounting standards, which are acceptable in Kiribati. The financial year starts from January and ends in December.

The financial statements were presented in Australian dollars ("AUD"), which is also the Corporation's functional currency, and all values are rounded to the thousand (AUD \$'000), unless otherwise indicated.

2.2 Depreciation

Depreciation is calculated to write off the costs of fixed assets over the expected useful life of the assets, using a straight line and diminished value method. The depreciation rates used in this year's account report incorporate the rates currently used by the Tax department.

Motor Vehicle	20% p.a. (Diminished)
Furniture & Fittings	25% p.a. (Diminished)
Office Equipment	25% p.a. (Diminished)
Office Improvement	5% p.a. (Straight Line)
Office Renovation	5% p.a. (Straight Line)
Buildings	5% p.a. (Straight Line)

2.3 Provisions for Unearned Premiums

The calculation of unearned premiums is on a pro-rata basis where premiums are split between this year and next year. For instance, the earned premium refers to premium used in the current year while the unearned premium refers to the premium intended to cover next year's risks. In the previous years the split is based on an arbitrary split of 40% and 60%, but this was changed following the Audit's Office suggestion.

2.4 Bank reconciliation

As per the Board's resolution, the bank reconciliation is now prepared and presented to the Board on a monthly basis.

2.5 KIC Account Consolidation

There are four cost centers of KIC known as Tarawa General, Tarawa Life, Xmas General and Xmas Life. In past years the account reports started off with detailed accounts of the four sectors but in recent years, following the suggestion from the PAC, the four accounts have been consolidated and appear as the first tables in the annual report. It is possible to show detailed revenue account for the different classes of insurance however this is difficult for the expenses which are often grouped under Tarawa General. There is no way the expenditures for each class of policy can be separately shown, and this why it is only possible to show a profit and loss statement, a balance sheet, and a cash flow statement for the entire company.

2.6 IBD and Offshore Investment

KIC will continue to monitor closely the performance of its fund invested on Equity investment and Mortgage investment overseas with Equity Trustees of Australia. This year the fund has registered with \$67,085.32 dollars decrease during the year.

2.7 Life Contribution to General account

10% of the life premium is transferred every month to the general insurance business to cover the operational costs.

3. HIGHLIGHTS OF 2020 ACCOUNT

3.1 Profitability

As shown in the Consolidated Profit and Loss account, the operating profit (before PPI) of the Corporation in 2020 is \$242,504 compared to last year's profit of \$503,934.

3.2 Total Income

The total Net premium Income at the end of the year is \$2.02 million compared to a \$1.96 million last year. This is \$64k or 2.28% increase compared to last year's actual. The increase relates to number of policies during the year.

3.3 Total Operating expense

Total operating expenses for the year of \$1,212,201 is increased by \$110,960.95 or 10.08% compared to last year of \$1,101,240. The increase in expenses relates to the increase staff costs and Financial Cost.

3.4 Total Claims paid

The life claims paid in the year is \$1,000,023 or 26.89% higher than the previous year's total claim \$788,104.

4. PROFIT & LOSS STATEMENT

**KIRIBATI INSURANCE CORPORATION
CONSOLIDATED PROFIT & LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020	2019
Gross Premium Income	1	2,024,946	1,960,717
Less COGS - General (Reins/unearned/claims) - Life claims paid		1,000,023	788,104
Total Income		1,024,923	1,172,613
<u>Less Expense</u>	3		
Fees & Charges		24,799	18,351
Telecommunication		32,790	37,779
General & Admin		255,253	273,796
Staff Expense		500,989	454,010
Promotion		9,490	19,940
Travelling & Transport		48,154	103,790
Life contribution to General		139,368	131,877
Total Operating expense		1,010,842	1,039,543
<u>Financial expenses</u>			
Depreciation		201,358	61,697
Add Other Income - General & Life	2	432,220	432,560
Net Profit/(Loss) before PPI		244,942	503,934
Prior Periods Adjustments		(2,439)	-
Net Profit/(Loss) after PPI		242,504	503,934
Dividend		-	-
Retained Earnings		242,504	503,934

**PROFIT & LOSS STATEMENT BY COST CENTERS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Trwgen	Trwlife	Xmasgen	Xmaslife	2020	2019
Gross Premiums	529,925	1,256,879	95,183	142,960	2,024,946	1,960,717
<u>Less COGS</u>						
Life Claims		917,723		82,300	1,000,023	788,104
Total Income	529,925	339,156	95,183	60,659	1,024,923	1,172,613
<u>Less Operating Expense</u>						
Fees & Charges	13,513	10,450	336	500	24,799	18,351
Telecommunication	28,955	-	3,835	-	32,790	37,779
General & Admin	245,448	-	9,805	-	255,253	273,796
Staff Expense	500,929	-	60	-	500,989	454,010
Promotion	8,454	-	1,036	-	9,490	19,940
Travelling & Transport	46,958	-	1,196	-	48,154	103,790
Financial Expenses	186,189	125,064	15,170	14,303	340,726	193,574
Total Operating expense	1,030,447	135,515	31,436	14,803	1,212,201	1,101,240
Add Other Income	191,563	215,231	15,717	9,709	432,220	432,560
Net Profit/(Loss) before PPI	(308,960)	418,873	79,464	55,565	244,942	503,934
Prior Periods Adjustments	(2,459)	20	-	-	(2,439)	
Net Profit/(Loss) after PPI	(311,419)	418,893	79,464	55,565	242,504	503,934
Dividend	-	-	-	-	-	
Retained Earnings	(311,419)	418,893	79,464	55,565	242,504	503,934

5. BALANCE SHEET

KIRIBATI INSURANCE CORPORATION CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2020

		2020	2019
Current Assets			
Cash and Cash Equivalent	6	2,236,582	2,255,228
Eqt & Mortgage Investment		6,452,079	6,519,164
Receivables	7	357,834	684,355
Total Current Assets		9,046,494	9,458,747
Current Liabilities			
Payables	8	614,505	930,788
working capital		8,431,989	8,527,959
Add Long Term Assets	9	462,680	364,443
Net Assets		8,894,669	8,892,402
Represented by:			
Shareholder's Fund			
Capital		3,567,422	3,567,422
Retained Earnings		4,866,221	4,362,287
Current Retained Earnings		242,504	503,934
Unrealised Gain/Loss Equity		217,178.95	458,759.74
Unrealised Gain/Loss Mortgage		1,334.03	
Net Equity		8,894,659	8,892,403

6. CASH FLOW STATEMENT¹

KIRIBATI INSURANCE CORPORATION CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
Receipt from clients	4,883,893	(713,023)
Interest received on IBD	6,667	26,330
Payments to Employees and suppliers	(3,891,548)	(569,991)
Payment to clients	(849,015)	(790,434)
Net cash flow from Operating activities	149,996	(2,047,117)
Cash Flow from Investing Activities		
Sale of Fixed Assets	1,556	
Purchase of long term assets	(170,198)	7,983
Unrealised investment gain/loss	-	756,254
Net Cash from Investing activities	(168,642)	764,238
Cash Flow from Financing Activities		
Dividend paid	-	-
Net Cash from Financing Activities	-	-
Net Cash Flow	(18,646)	(1,282,879)
Opening Cash and Bank	2,254,739	3,538,107
Closing Cash and Bank	2,236,093	2,254,739

¹ Investment with Equity closing balance of \$6.4 million is not forming part of the cash flow statement since the unrealized gains and losses are fluctuated overtime depending on the market situation.

7. Cashflow by Cost Centers

KIRIBATI INSURANCE CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2020

	TrwGen	TrwLife	XmasGen	Xmaslife	Dec-20
Cash Flow from operating activities					
Receipt from clients	3,120,484.36	1,482,057	131,035	150,317	4,883,892.92
Interest received on IBD	3,004.78	2,634		1,028	6,666.62
Payments to Employees and suppliers	- 2,936,535.51	(917,723)	(31,416)	(5,874)	(3,891,548.47)
Payment to clients	- 3,921.95	(762,793)		(82,300)	(849,015.05)
Net cash flow from Operating activities	183,031.68	(195,825)	99,619	63,171	149,996.02
Cash Flow from Investing Activities					
Gain on Sale of Fixed Assets	1,555.75	-	-	-	1,555.75
Purchase of long term assets	- 170,197.75	-	-	-	(170,197.75)
Unrealised investment gain/loss		-	-	-	
Net Cash from Investing activities	- 168,642.00				(168,642.00)
Cash Flow from Financing Activities					
Dividend paid	-	-	-	-	-
Net Cash from Financing Activities	-	-	-	-	-
Net Cash Flow	14,389.68	(195,825)	99,619	63,171	- 18,645.98
Opening Cash and Bank as at 1/01/2020	662,652.63	1,092,728	97,570	402,277	2,255,227.55
Closing Cash and Bank as at 31/12/2020	677,042.31	896,904	197,188	465,447	2,236,581.57

8. Reconciliation for cash flow from operating activities.

Reconciliation on the net cash flow from operating activities					
Cash Flow from Operating Activities					
	TrwGen	TrwLife	XmasGen	Xmaslife	Total
Net Income	(311,418.56)	418,893.29	79,464.16	55,564.72	242,503.61
Life Withholding Tax Payable				1,179.70	1,179.70
Life/General Account		(450,168.07)	3,454.49	6,425.80	(440,287.78)
Trade Debtors	339,128.82				339,128.82
Payables	3,843.45				3,843.45
Trade Creditors	20,343.22				20,343.22
Prov for Outstanding Claim	(72,595.26)				(72,595.26)
Prov for Unearned Premiums	124,482.40		1,530.03		126,012.43
Prem Rec'd in Advance	40,074.48				40,074.48
Depreciation	38,613.13		15,169.64		53,782.77
Gain on sale of Fixed Asset	560.00				560.00
Australian Equity		1,259,471.37			1,259,471.37
Acc. Unrealised Invest Gain/Loss		122,039.37			122,039.37
ETWSL Income Cash		58,864.82			58,864.82
ETWSL Capital Cash		(7.51)			(7.51)
Investment-Mortgage		(1,499,728.65)			(1,499,728.65)
ETWSL Income Cash-Mortgage		(3,296.85)			(3,296.85)
ETWSL Capital Cash-Mortgage		(1,546.00)			(1,546.00)
Acc. Unrealised G/L Mortgage		131,288.84			131,288.84
Life Surrender Withholding Tax		12,747.52			12,747.52
EQT Withholding Tax		(3,372.00)			(3,372.00)
ANZ Life Transactive Payable		(774.04)			(774.04)
Unrealised Gain/Loss Invest		(241,580.79)			(241,580.79)
Unrealised Gain/Loss Mortgage		1,344.03			1,344.03
Net Cash Flows from Operating Activities	183,031.68	(195,824.67)	99,618.32	63,170.22	149,995.55

9. Statement of changes in equity

Kiribati Insurance Corporation					
Statement of Changes in Equity					
As of 31 December 2020					
	Capital	Retained Earnings	Unrealised Gain/Loss Equity	Unrealised Gain/Loss Mortgage	Total
Balance as at 31 Dec 2019	3,567,422.00	4,866,221.00	458,759.74		8,892,402.74
Profit for the year		242,504.00			242,504.00
Unrealised Gain/Loss Equity			- 241,580.80		- 241,580.80
Unrealised Gain/Loss Mortgage				1,334.03	1,334.03
Total Equity for December 2020					8,894,659.97

10. NOTES FORMING PART OF THE FINANCIAL STATEMENTS- 2020

Note 1: Net Premium Income by Cost Center

	TRWGen	TRWlife	XmasGen	XmasLife	2020Total	2019 Total
NET PREMIUM INCOME	529,924.77	1,208,225.34	95,182.89	142,866.43	1,976,199.43	1,960,716.87

Breakdown of Net Premium Income by class (Refer Cap 45a section, 29)²

(TrwGen) Net Premium Income							
Particulars	WC	AV	FI	MA	GA	MV	
gross premium	29,772.06	765,476.76	543,105.42	91,046.38	501,865.01	248,399.35	2,179,664.98
less reinsurance	8,465.05	765,689.40	350,896.86	78,171.25	416,271.76	124,460.51	1,743,954.83
less premium refund			391.01		540.68	2,990.26	3,921.95
net written premium	21,307.01	(212.64)	191,817.55	12,875.13	85,052.57	120,948.58	431,788.20
plus commission	2,300.97	10,719.68	89,818.36	-	48,451.25	14,098.96	165,389.22
less year end current unearned premium	(9,569.64)	(531,916.25)	(271,812.46)	(43,195.77)	(175,528.56)	(153,092.65)	(1,185,115.33)
plus previous unearned premium	9,907.71	452,301.19	269,502.48	75,699.02	177,047.68	76,174.85	1,060,632.93
NET PREMIUM	23,946.05	(69,108.02)	279,325.93	45,378.38	135,022.94	58,129.74	472,695.02
claims recoveries					418.67	5,196.41	5,615.08
less claims paid					(1,251.92)	(19,728.67)	(20,980.59)
plus O/S claims last year			7,249.06	621,404.00	51,902.29	299,428.01	979,983.36
less current O/S Claims			(7,978.06)	(621,404.00)	(60,983.56)	(217,022.48)	(907,388.10)
NET CLAIMS	-	-	(729.00)	-	(9,914.52)	67,873.27	57,229.75
TOTAL PREMIUM INCOME	23,946.05	(69,108.02)	278,596.93	45,378.38	125,108.42	126,003.01	529,924.77

(XmasGen) Net Premium Income							
Particulars	WC	AV	FI	MA	GA	MV	
gross premium	2,048.63	-	94,887.26	195.00	4,359.51	20,703.41	122,193.81
less reinsurance			25,257.25				25,257.25
less premium refunds			80.00				80.00
net written premium	2,048.63	-	69,550.01	195	4,360	20,703	96,856.56
plus commission	-	-	-	-	-	-	-
less year end current unearned premium	(1,361.11)	-	(38,760.32)	-	(1,525.48)	(7,054.00)	(48,700.91)
plus previous month unearned premium	1,361.11	-	37,280.29	-	1,156.32	7,373.16	47,170.88
NET PREMIUM	2,048.63	-	68,069.98	195.00	3,990.35	21,022.57	95,326.53
claim recoveries	-	-	-	-	-	-	-
less claims paid	-	-	-	-	(143.64)	-	(143.64)
plus O/S claims - current	-	-	-	-	-	-	-
Less O/s claims - previous	-	-	-	-	-	-	-
NET CLAIM	-	-	-	-	(143.64)	-	(143.64)
TOTAL PREMIUM INCOME	2,048.63	-	68,069.98	195.00	3,846.71	21,022.57	95,182.89

² Abbreviations: WC- Workers Compensation AV- Aviation FI- Fire MA- Marine GA- General Accident MV- Motor Vehicle

(TrwLife) Net Premium Income	2020	2019
Premium income Rec'd	1,347,849.93	1,271,625.37
Plus Outstanding Life premiums	27,091.65	28,786.58
Less life premium trans to Xmas	118,062.58	99,045.00
Less premium returns		52,245.12
Net premium income	1,256,879.00	1,149,121.83

(XmasLife) Net Premium Income	2020	2019
Premium income	24,896.93	22,824.00
Plus life premium trans from trwlife	118,062.58	99,045.00
		3,998.50
		2,330.00
Net premium income	142,959.51	123,537.50

Note 2: Other Incomes

Note 2. Other Incomes by Cost Centers

	Trwgen	Trwlife	Xmasgen	Xmslife	2020	2019
Interest on IBD	3,004.78	2,634.08		1,027.76	6,666.62	23,900.49
Interest on EQT Investment		73,087.17			73,087.17	45,996.59
Distribution Income fund		106,840.11			106,840.11	187,295.33
KIC Xmas house rent	5,667.25		1,400.00		7,067.25	3,794.76
Sundry Income	159.28					93.37
Annual Commission	39,036.58				39,036.58	(1,480.37)
Claims income	17,989.52				17,989.52	4,196.05
Quotation fees	80.56		13.71		94.27	127.42
Sale of Fixed Asset	560.25				560.25	920.00
ID Card		215.00		215.00	430.00	170.00
Life commission rec'd		11,662.02		1,192.74	12,854.76	14,883.70
Account charge		2,801.00		295.00	3,096.00	2,847.00
Life contribution to general a/c	125,064.29		14,303.44		139,367.73	131,876.65
Life Pledge fees		80.00			80.00	3.00
Life Outstanding premiums				4,955.50	4,955.50	
Admin & Waiver Charges		17,912.00		2,022.50	19,934.50	17,901.00
Life Statement fee					-	35.00
Sub-Total	191,562.51	215,231.38	15,717.15	9,708.50	432,060.26	432,559.99

Note 3: Expenses

	Trwgen	Trwlife	Xmasgen	Xmaslife	2020	2019
Staff Expense						
Wages & Salaries	366,300.03				366,300.03	315,388.46
KPF Subsidy	26,990.56				26,990.56	23,481.32
Leave Grant	38,299.32				38,299.32	37,713.53
Overtime	11,264.11				11,264.11	7,345.39
Bonus & Allowance	14,557.70				14,557.70	30,507.70
Mgt Housing Allowance	13,528.50				13,528.50	751.36
Entertainment Allowance	982.80				982.80	
Responsibility Allowance	752.87				752.87	
Training Expense	6,542.33		60.00		6,602.33	7,188.53
House Rent Subsidy	21,106.84				21,106.84	20,081.26
Staff Uniform	604.29				604.29	5,025.89
Staff Redundancy					-	6,526.16
Total Staff Expense	500,929.35	-	60.00	-	500,989.35	454,009.60
Travelling & Transport						
Travel Local	9,693.29				9,693.29	27,072.31
Travel Overseas	26,546.82				26,546.82	63,840.91
Seasonal & Staff bus fare	1,129.40		45.60		1,175.00	454.40
MV Running Cost	9,588.78		1,150.00		10,738.78	12,422.57
Total travel & transport	46,958.29	-	1,195.60	-	48,153.89	103,790.19
Promotion Expense						
Advetising	4,473.00		585.60	-	5,058.60	3,021.40
Donations	3,000.00		450.00		3,450.00	6,953.10
Promotions	981.00				981.00	9,965.33
Total Promotion expense	8,454.00	-	1,035.60	-	9,489.60	19,939.83
Fees & Charges						
Reinsurance/Brokerage fee	10,000.00				10,000.00	10,000.00
Membership fees					-	-
Bank Charges	3,513.26	1,678.97	335.81	499.76	6,027.80	2,503.28
Management & Service fees EQT)		2,083.91			2,083.91	5,847.23
Actuary fees		6,687.50			6,687.50	
Total fees & charges	13,513.26	10,450.38	335.81	499.76	24,799.21	18,350.51
Financial Expense						
Depreciation	38,613.13		15,169.64		53,782.77	61,696.96
Bad Debts	143,017.21		-		143,017.21	-
Loss on Disposal	4,558.43					
Life Contribution to Gen	-		-		-	
Total Finance Expense	186,188.77	-	15,169.64	-	201,358.41	61,696.96
Telecommunication						
Telecom Charge	18,409.07		3,834.69			37,779.16
Office Internet	7,435.00					
Recharge Card	3,111.10					
Total Telecommunication expense	28,955.17	-	3,834.69	-	-	37,779.16
General & Admin expense						
Electricity	12,682.90		1,783.89		14,466.79	29,992.04
Printing & Stationery	14,452.52		142.00		14,594.52	7,179.41
Postage	70.85		2.75		73.60	86.95
Entertainment	9,707.85		981.90		10,689.75	4,451.55
Office Rent	9,145.20				9,145.20	26,535.60
Board's Expense	37,078.97				37,078.97	55,354.99
Insurance	60,734.74		4,885.65		65,620.39	40,350.77
Professional/Audit Fees	25,932.70				25,932.70	39,983.91
Office Sundries	9,591.04		352.60		9,943.64	4,242.10
Repair & Maintenance	23,301.21		1,655.75		24,956.96	21,528.94
Hospitality Allowance						1,340.00
Catastrophy- Excess	42,750.00					42,750.00
Life Contribution to Gen		125,064.29		14,303.43	139,367.72	131,876.65
Total General & Admin	245,447.98	125,064.29	9,804.54	14,303.43	351,870.24	
Total Operating Expenses	1,030,446.82	135,514.67	31,435.88	14,803.19	1,136,660.70	695,566.25

Note 4. Life claims paid

	Trwlife	Xmaslife	2020	2019
Bonus	47,640.03	2,945.13	50,585.16	19,958.29
Maturities	360,838.90	32,133.00	392,971.90	216,517.50
Surrender	424,134.27	42,173.39	466,307.66	517,162.59
Refund	49,517.66	5,048.58		
Death Claim	35,592.00	-	35,592.00	34,465.28
TOTAL	917,722.86	82,300.10	945,456.72	788,103.66

Note 5. Prior Period Items

	Trwgen	Trwlife	Xmasgen	Xmaslife	2020	2019
PPI - Income	(1,595.56)	20.00			(1,575.56)	
PPI - Expense	(863.46)				(863.46)	
TOTAL	(2,459.02)	20.00	-	-	(2,439.02)	

Note 6: Cash & Cash Equivalent

	Trwgen	Trwlife	Xmasgen	Xmaslife	2020	2019
Cheque account	142,992.77	449,621.94	194,809.81	72,318.63	859,743.15	826,618.84
Petty cash	503.31	656.23	65.50		1,225.04	1,441.64
Undeposited fund	150.00	2,885.00	2,312.77	350.00	5,697.77	98,087.01
IBD account	533,396.23	443,740.54		393,379.45	1,370,516.22	1,329,080.54
Sub-Total	677,042.31	896,903.71	197,188.08	466,048.08	2,237,182.18	2,255,228.03
Note 6. Investment with EQT						
Australian Equity		3,287,779.07				
Acc. Unrealised invest Gain/Loss		252,905.29				
ETWSL Income Cash		37,745.93				
ETWSL Capital Cash		365.73				
Total Equity Investment					3,578,796.02	5,019,164.07
Investment -Mortgage		2,999,728.65				
ETWSL Income Cash-Mortgage		9,296.85				
ETWSL Capital Cash-Mortgage		1,546.00				
Acc. Unrealised G/L Mortgage		(131,288.84)				
Total Mortgage Investment					2,873,282.66	1,500,000.00
Sub-Total	-	6,452,078.68	-	-	6,452,078.68	6,519,164.07

Note 7: Receivables

	Trwgen	Trwlife	Xmasgen	Xmaslife	2020	2019
life general account	72,304.66		3,948.22		76,252.88	529,990.44
trade debtors	306,580.31		35,562.20		342,142.51	128,956.16
Less provision for doubtful debt	(73,049.61)				(73,049.61)	(2,696.48)
staff debtors	7,124.91				7,124.91	12,049.73
Staff Imprest	4,874.85		488.60		5,363.45	16,055.43
staff salary advance	(0.01)				(0.01)	-
Sub- Total	317,835.11	-	39,999.02	-	357,834.13	684,355.28

Note 8: Payables

	Trwgen	Trwlife	Xmasgen	Xmaslife	2020	2019
Trade Creditors	63,204.05				63,204.05	42,861.81
Equity Withholding Tax		(3,372.00)				
Reinsurance Tax Payables	(10.97)		3,008.94		2,997.97	1,294.00
ANZ Life Client Payables		(11,430.29)			(11,430.29)	(10,656.25)
Payroll Liabilities	9,387.34				9,387.34	7,247.65
Life General account		54,328.31		13,749.21	68,077.52	511,819.79
Life Surrender Withholding tax		46,254.97		10,191.89	56,446.86	42,519.64
Provision for Outstanding claims	(62,106.04)		1,235.00		(60,871.04)	11,724.22
Prem Rec'd in Advance	40,074.48					
Provision for Unearned Premiums	439,463.20		10,527.23		449,990.43	323,978.00
Sub-Total	490,012.06	85,780.99	14,771.17	23,941.10	577,802.84	930,788.86

Note 9: Investment Breakdown.

Investment Break Down	
Australian Equity	3,287,779.07
Acc. Unrealised invest Gain/Loss	252,905.29
ETWSL Income Cash	37,745.93
ETWSL Capital Cash	365.73
Total Equity Investment	3,578,796.02
Investment -Mortgage	2,999,728.65
ETWSL Income Cash-Mortgage	3,296.85
ETWSL Capital Cash-Mortgage	1,546.00
Acc. Unrealised G/L Mortgage	(131,288.84)
Total Mortgage Investment	2,873,282.66

Note 10: Fixed Assets

Fixed Assets by Cost Centers

(TrwGen) Fixed Assets										
assets	rate	Original Value	Additions	Disposal	Total Value	ACC depr 2019	Depr 2020	Acc Depr 2020	NBV 2020	NBV 2019
Buildings	5.0%	134,474.89			134,474.89	18,394.14	6,723.74	25,117.88	252,896.75	105,978.12
Work in Progress			149,539.74		143,539.74					
Furnitures	25.0%	48,719.50			48,719.50	44,253.51	1,116.50	45,370.01	3,349.49	4,466.00
GM furniture	25.0%	11,680.16			11,680.16	11,680.16		11,680.16	-	-
Vehicles	20.0%	317,658.25		23,336.00	294,322.25	246,382.33	14,255.20	246,859.86	47,462.39	71,276.02
Equipments	25.0%	365,611.10	11,835.75	3,712.00	373,734.85	322,315.59	13,782.81	332,881.90	40,852.95	43,295.52
Office improvement	5.0%	18,598.58			18,598.58	18,598.58		18,598.58	-	-
Building Renovation									(2,399.87)	
Office renovation	5.0%	47,999.38	6,698.30		54,697.68	24,272.85	2,734.88	27,007.73	27,689.95	21,326.56
Total		944,740.86	168,073.79		1,079,766.65	685,897.16	38,613.14	707,516.12	369,851.65	246,342.23
(XmasGen) Fixed Assets										
assets	rate	Original Value	Additions	Disposal	Total Value	ACC depr 2019	Depr 2020	Acc Depr 2020	NBV 2020	NBV 2019
Buildings	5.0%	87,422.09			87,422.09	20,463.39	4,371.10	24,834.49	62,587.60	66,858.70
Furnitures	25.0%	5,005.00			5,005.00	4,714.54	72.62	4,787.16	217.84	290.46
Vehicles	20.0%	80,299.36			80,299.36	52,817.76	5,496.32	58,314.08	21,985.28	34,352.00
Equipments	25.0%	26,478.79			26,478.79	22,124.92	4,353.87	26,478.79	-	4,353.87
Office improvement	5.0%	17,514.59			17,514.59	8,601.04	875.73	9,476.77	8,037.82	8,913.55
Total		216,719	-		216,718.83	108,721.65	15,169.63	123,891.29	92,828.54	114,768.58
TOTAL FIXED ASSETS							53,782.77		462,680.19	361,110.80