# REPORT OF THE AUDITOR GENERAL ON THE ACCOUNT OF

Kiribati Insurance Corporation
For the Year Ended 31st December 2017

## Kiribati Audit Office
## August 2018

**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's Financial Statements**
**For The Year Ended 31 December 2017**

The Auditor-General, Mrs Matereta Raiman, is the auditor of Kiribati Insurance Corporation (KIC).

The audit covered the Corporation's compliance with the requirements of Part VII of the Public Finances (Control and Audit) 1976 and the Insurance Ordinance, 1981 that apply to the Financial Statements of the KIC for the year ended 31 December 2017.

**KIC Board of Directors and Management Responsibility.**

The Board of Directors and Management are responsible for the preparation and fair presentation of the Financial Statements in accordance with Generally Accepted Accounting Practice in Kiribati, and for such internal control as management determines necessary to enable the preparation of Financial Statements that are free from material misstatements, whether due to fraud or error.

**Auditor's Responsibility**

It is my responsibility to express an independent opinion on this Financial Statement and reporting that opinion to you as required under the Public Finance (Control and Audit) Ordinance 1976. The audit was conducted in accordance with International Standards of Supreme Audit Institutions.

### Qualification

- The Financials as provided still did not comply with the reporting requirements of Insurance Act 45A, 1981 sec. 29 and 30.

### Qualified Audit Opinion

In my opinion **except for** the effects of the matter referred to in the qualification paragraph above, the Financial Statements of the KIC were properly drawn up as to:

- Present fairly the Corporation's Financial Position as at 31 Dec 2017, its results and cash flow for the year ended on that date and;
- Comply with Generally Accepted Accounting Principles as they apply in Kiribati.

The audit was completed on 24/08/2018 and was the date at which my opinion was expressed.

**Report on other Legal and Regulatory Requirements**

- KIC submitted its Financial Statements for 2017 on 01 February 2018, therefore indicated that KIC has complied with Sec. 20, of the SOE Act, 2013.

**Independence**

When carrying out the audit we followed the independence requirements stipulated under section 114 (4) of the Kiribati Constitution and the requirements of the International Standards of Auditing.

Other than the audit, we have no relationship with or interests in the Corporation.

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Mrs. Matereta. Raiman.
**Auditor General**

Date: 24/Aug/2018

# KIRIBATI INSURANCE CORPORATION (KIC)

## ANNUAL ACCOUNT

## 2017

## "Insure to Secure"

# 1. INTRODUCTION

This is the annual account for the year ended 31 December 2017. The account is produced every year and in this year it follows the same format as last year. However there are few changes included such as the revision on the Accounting policies in the application to calculate 'Depreciation'. The addition of a new sub-section for offshore investment is included in IBD section. The breakdowns of the consolidated financial statements are also attached for Profit and Loss, Balance Sheet and Cash flow.

Overall the performance of the Corporation in 2017 is good. For instance the income increased from $1.7 million to $2 million. This is due to the record of interest income from investment with Equity Trustee- and also high premiums from major businesses such as Air Kiribati new aircraft Dash 8, KOIL refueling liability, LC Linnix, Civil Aviation, etc. The total expenditures show a small increase of 5% over last year. This relates to a number of life claims paid and operational cost. The financial position in 2017 shows the increase of total equity from $6.8 million at the beginning of the year and jumps to $7.3 million at the end of the year.

***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 gives a true and fair view of the financial performance of the Corporation for the year ended 31 December 2017.

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**Neiti Ueaieta**
**Chief Executive Officer**

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**Dr. Iete Rouatu**
**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. 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.

### 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 used days of insurance in 2017 while unearned premium refers to un-used days to be covered in the next year.

### 2.4. Provisions for Outstanding Claims

Provision for outstanding claims is the estimated cost for all claims reported and not settled at the end of the financial year. No additional provision is made on claims that may have incurred and not reported.

### 2.5. Bank reconciliation

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

### 2.6. KIC Account Consolidation

Although there are four cost centers it is not possible to separate out expenses for each cost center. However it is possible to separate out the income revenue for each cost center.

Although KIC insurance Act mentioned the separate reporting of insurance classes it is not possible to set up the full account for each class of business. In particular it is not possible to assign expenses to each class of business.

### 2.7. IBD and Offshore investment

The number of KIC IBDs is now 7 accounts (down from more than 20 IBDs in the past) with total balance of over $2 million. For the first time KIC opens a new offshore investment account with Equity Trusty in Australia with an opening capital balance of $4 million. The offshore investment is managed through the compliance to KIC Investment policy finalized in 2017, and at the end of 2017 the value has reached $4.2 million (an increase of 5% in just three months). When the money was invested locally the interest increases less than 1% annually.

### 2.8. Life Contribution to General account

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

## 3. HIGHLIGHTS OF 2017 ACCOUNT

### 3.1. Profitability

As shown in the Profit and Loss account, the operating profit of the Corporation in 2017 is $378,589.95 greater than last year by only $19,691.26 - A number of adjustments (PPI) have been made in 2017 to clear off many outstanding balances in the Balance sheet. *(Refer Special Board meetings nos: S50/1, S51/17, and S01/18)*

### 3.2. Total Income

The total actual income at the end of the year is $2.09 million compared to a $1.74 million last year. This is $35k or 20% increase compared to last year's actual. The increase relates to a number of new businesses or premiums received in particular non-life businesses during the year.

### 3.3. Total Operating expense

Total operating expenses for the year of 840,946 is higher by $83,382 or 11% compared to last year of $757,564. The increase of expenses relates to the increase of fees, administrative and financial expenses.

### 3.4. Total Claims paid

The life claims paid of $767,167.91 is $11,415 or 1% decrease compared to last year claims of $778,583. However there are substantial non-life claims paid during the year such as fire, marine accidents, etc. The total claims paid reached $207,106. This is the highest non-life claim compensation compared to previous years.

### 3.5. Shareholder's Fund

KNAO has recommended that KIC equity should be allocated to Policyholders and the government. However this is impossible to do because there is only one shareholder which is the government. Policyholders are not shareholders.

## 4. PROFIT & LOSS STATEMENT

**KIRIBATI INSURANCE CORPORATION**
**CONSOLIDATED PROFIT & LOSS STATEMENT**
**FOR THE YEAR ENDED 31 DECEMBER 2017**

| | Notes | 2017 | 2016 |
|---|---|---|---|
| Net Premium Income | 1 | 1,618,261.10 | 1,614,426.47 |
| Add Other Income | 2 | 411,705.99 | 128,567.49 |
| Total Income | | 2,029,967.09 | 1,742,993.96 |
| ***Less Expense*** | 3 | | |
| Staff expense | | 341,536.12 | 356,424.42 |
| Travelling & Transport | | 97,116.29 | 98,805.46 |
| Promotion | | 13,018.55 | 18,343.70 |
| Fees & charges | | 58,662.77 | 14,137.95 |
| Financial expenses | | 63,770.98 | 38,388.36 |
| General & Admin | | 266,841.60 | 231,464.36 |
| **Total Operating expense** | | **840,946.31** | **757,564.25** |
| Life Claims | 4 | 767,167.91 | 778,583.40 |
| **Net Profit/(Loss) before PPI** | | **421,852.87** | **206,846.31** |
| Prior Periods Adjustments | 5 | (43,262.92) | 152,052.38 |
| **Net Profit/(Loss) after PPI** | | **378,589.95** | **358,898.69** |
| Dividend | | - | - |
| **Retained Earnings** | | **378,589.95** | **358,898.69** |

## 5. BALANCE SHEET

**KIRIBATI INSURANCE CORPORATION**

**CONSOLIDATED BALANCE SHEET**

**AS AT 31 DECEMBER 2017**

| | | 2017 | 2016 |
|---|---|---|---|
| ***Current Assets*** | | | |
| Cash and Cash Equivalent | 6 | 7,405,403.64 | 6,986,310.12 |
| Receivables | 7 | 146,814.42 | 20,370.94 |
| Total Current Assets | | 7,552,218.06 | 7,006,681.06 |
| ***Current Liabilities*** | | | |
| Payables | 8 | 605,931.32 | 357,955.63 |
| **working capital** | | 6,946,286.74 | 6,648,725.43 |
| Add Long Term Assets | 9 | 247,196.77 | 182,511.04 |
| **Net Assets** | | **7,193,483.51** | **6,831,236.47** |
| ***Represented by:*** | | | |
| **Shareholder's Fund** | | | |
| Capital | | 3,567,421.76 | 3,567,421.76 |
| Retained Earnings | | 3,247,471.80 | 2,904,088.56 |
| Current Retained Earnings | | 378,589.95 | 359,727.15 |
| **Net Equity** | | **7,193,483.51** | **6,831,236.47** |

## 6. CASH FLOW STATEMENT

**KIRIBATI INSURANCE CORPORATION**
**CONSOLIDATED STATEMENT OF CASH FLOW**
**FOR THE YEAR ENDED 31 DECEMBER 2017**

| | | 2017 | 2016 |
|---|---|---|---|
| | | | |
| Receipt from clients | | 1,493,150.13 | 1,881,553.68 |
| Interest received on IBD | | 346,041.96 | 67,214.52 |
| Payments to staff and suppliers | | (531,378.94) | (732,515.40) |
| Payment to clients | | (767,167.91) | (778,583.40) |
| **Net cash flow from Operating activities** | | **540,645.24** | **437,670.40** |
| | | | |
| **Cash Flow from Investing Activities** | | | |
| Sale of Fixed Assets | | 6,905.00 | 8,640.66 |
| Purchase of long term assets | | (128,456.72) | (50,003.94) |
| **Net Cash from Investing activities** | | **(121,551.72)** | **(41,363.28)** |
| | | | |
| **Cash Flow from Financing Activities** | | | |
| Dividend paid | | - | - |
| **Net Cash from Financing Activities** | | **-** | **-** |
| | | | |
| **Net Cash Flow** | | **419,093.52** | **396,307.86** |
| | | | |
| Opening Cash and Bank | | 6,986,310.12 | 6,590,002.26 |
| **Closing Cash and Bank** | | **7,405,403.65** | **6,986,310.12** |

## 7. NOTES FORMING PART OF THE FINANCIAL STATEMENTS- 2017

### Note 1: Net Premium Income

| | TRWGen | TRWlife | XmasGen | XmasLife | 2017 Total | 2016 Total |
|---|---|---|---|---|---|---|
| **NET PREMIUM INCOME** | 659,225.72 | 871,365.19 | 11,241.55 | 76,428.64 | 1,618,261.10 | 1,614,426.47 |

**Breakdown of Net Premium Income by class (Refer Cap 45a section, 29)**[1]

Breakdown of Net Premiums

| (TrwGen) Net Premium Income | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| *Particulars* | *WC* | *AV* | *FI* | *MA* | *GA* | *MV* | *2017* | *2016* |
| gross premium | 27,932.46 | 495,110.54 | 345,383.33 | 268,771.65 | 365,041.89 | 270,460.39 | 1,772,700.26 | 1,275,648.66 |
| less reinsurance | 9,817.26 | 305,395.21 | 308,405.97 | 158,592.01 | 216,068.39 | 95,415.42 | 1,093,694.26 | 609,137.34 |
| less premium refund | | | | | | 7,146.55 | 7,146.55 | 3,755.21 |
| **net written premium** | **18,115.20** | **189,715.33** | **36,977.36** | **110,179.64** | **148,973.50** | **167,898.42** | **671,859.45** | **662,756.11** |
| plus commission | 2,650.69 | 15,323.45 | 61,265.60 | 7,335.20 | 58,338.49 | 25,762.17 | 170,675.60 | 124,730.93 |
| less year end current unearned premium | (12,236.51) | (316,418.43) | (139,330.07) | (63,395.48) | (177,627.17) | (146,796.69) | (855,804.35) | (622,669.03) |
| plus previous unearned premium | 12,779.38 | 226,637.72 | 156,724.33 | 24,356.76 | 173,380.71 | 142,031.59 | 735,910.49 | 535,809.00 |
| **NET PREMIUM** | **21,308.76** | **115,258.07** | **115,637.22** | **78,476.12** | **203,065.53** | **188,895.49** | **722,641.19** | **700,627.01** |
| claims recoveries | | | 99,024.90 | | 451.08 | 10,121.50 | 109,597.48 | 4,199.54 |
| less claims paid | (4,550.00) | | (117,225.00) | | (620.23) | (14,684.62) | (137,079.85) | (15,326.69) |
| plus O/S claims last year | 3,463.04 | - | - | 50,100.00 | 53.03 | 66,804.17 | 120,420.24 | 111,648.81 |
| less current O/S Claims | (213.04) | - | (30,000.00) | (50,000.00) | (623.25) | (75,517.05) | (156,353.34) | (120,420.24) |
| **NET CLAIMS** | **(1,300.00)** | **-** | **(48,200.10)** | **100.00** | **(739.37)** | **(13,276.00)** | **(63,415.47)** | **(19,898.58)** |
| **TOTAL PREMIUM INCOME** | **20,008.76** | **115,258.07** | **67,437.12** | **78,576.12** | **202,326.16** | **175,619.49** | **659,225.72** | **680,728.43** |

[1] ***Abbreviations:*** **WC**- Workers Compensation **AV**- Aviation **FI**- Fire **MA**- Marine **GA**- General Accident **MV**- Motor Vehicle

| (XmasGen) Net Premium Income | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Particulars | WC | AV | FI | MA | GA | MV | 2017 | 2016 |
| **gross premium** | 1,872.50 | - | 76,260.53 | 9,501.64 | 1,884.26 | 24,812.60 | 114,331.53 | 30,584. |
| less reinsurance | | | 33,063.18 | | | | 33,063.18 | - |
| less premium refunds | | | | | | | - | - |
| **net written premium** | 1,872.50 | - | 43,197.35 | 9,502 | 1,884 | 24,813 | 81,268.35 | 30,584. |
| plus commission | - | - | - | - | - | - | - | 19,090. |
| less year end current unearned premium | - | - | - | - | - | - | - | - |
| plus previous month unearned premium | - | - | - | - | - | - | - | - |
| **NET PREMIUM** | 1,872.50 | - | 43,197.35 | 9,501.64 | 1,884.26 | 24,812.60 | 81,268.35 | 49,674. |
| claim recoveries | - | - | - | - | | - | - | 100 |
| less claims paid | - | - | (70,026.80) | - | | - | (70,026.80) | (1,616 |
| plus O/S claims - current | - | - | 18,200.00 | - | - | - | 18,200.00 | |
| Less O/s claims - previous | - | - | (18,200.00) | - | | - | (18,200.00) | |
| NET CLAIM | - | - | (70,026.80) | - | - | - | (70,026.80) | (1,516 |
| **TOTAL PREMIUM INCOME** | 1,872.50 | - | (26,829.45) | 9,501.64 | 1,884.26 | 24,812.60 | 11,241.55 | 48,158 |

| (TrwLife) Net Premium Income | | |
|---|---|---|
| | ***2017*** | ***2016*** |
| premium income | 943,368.57 | 906,876 |
| less premium returns | 48,511.46 | 56,838 |
| Less life premium trans to Xmas | 57,440.95 | 60808.25 |
| Plus Outstanding Life premiums | 33,949.03 | 25,362 |
| **net premium income** | **871,365.19** | **814,591** |

| (XmasLife) Net Premium Income | | |
|---|---|---|
| | ***2017*** | ***2016*** |
| premium income | 78,117.64 | 75,250.19 |
| less premium returns | 2,310.00 | 4,835.00 |
| Plus Outstanding life premiums | 621.00 | 533.50 |
| **net premium income** | **76,428.64** | **70,949** |

## Note 2: Other Incomes

### Other Incomes by Cost Centers

| | TRWGen | TRWLife | XmasGen | XmasLife | 2017 Total | 2016 Total |
|---|---|---|---|---|---|---|
| Interest on IBD | 11,967.02 | 59,490.17 | | 2,790.68 | 74,247.87 | 67,214.52 |
| Interest on EQT Investment | | 117,205.97 | | | 117,205.97 | - |
| EQT Change in capital Income | | 154,588.12 | | | 154,588.12 | - |
| Hire of jack | | | | | - | - |
| sundry income | 0.02 | | 0.42 | | 0.44 | 31.00 |
| KIC Xmas house rent | 575.00 | | | | 575.00 | 485.01 |
| Annual Commission | 27,506.00 | | | | 27,506.00 | 21,162.05 |
| cancellation fee | | | | | - | 3.00 |
| claims income | 5,252.00 | | | | 5,252.00 | 6,682.61 |
| Quotation fees | 180.47 | | 6.00 | | 186.47 | 131.98 |
| Sale of Fixed Asset | 6,905.00 | | - | | 6,905.00 | 8,640.66 |
| ID Card | | 5.00 | | | 5.00 | 200.00 |
| commission revenue | | 10,263.09 | | 535.56 | 10,798.65 | 10,499.66 |
| Account charge | 2.05 | 2,245.00 | | 350.00 | 2,597.05 | 2,383.01 |
| Loading fee | | | | | - | 560.39 |
| Life Pledge fees | | 15.00 | | | 15.00 | 10.00 |
| Admin & Waiver Charges | | 10,689.42 | | 900.00 | 11,589.42 | 10,505.00 |
| Life Statement fee | | | | 219.00 | 219.00 | 58.60 |
| Printing & Stationary | | | 15.00 | | 15.00 | - |
| Sub-Total | 52,387.56 | 354,501.77 | 21.42 | 4,795 | 411,705.99 | 128,567.49 |

## Note 3: Expenses[2]

**COST CENTER DETAIL- EXPENSE**

| | TRWGen | TRWLife | XmasGen | XmasLife | 2017 Total | 2016 Total |
|---|---|---|---|---|---|---|
| **Staff Expense** | | | | | | |
| Wages & Salaries | 238,670.15 | | | | 238,670.15 | 243,225.16 |
| KPF Expenses | 18,616.71 | | | | 18,616.71 | 18,527.81 |
| Leave Grant | 33,324.65 | | | | 33,324.65 | 36,739.72 |
| Overtime | 8,825.31 | | | | 8,825.31 | 7,365.65 |
| Temporay Assistance | - | | | | - | 4,752.47 |
| Bonus & Allowance | 10,147.07 | | | | 10,147.07 | 7,742.80 |
| Training Expense | 10,670.56 | | | | 10,670.56 | 21,372.38 |
| House Rent Subsidy | 18,795.01 | | | | 18,795.01 | 16,698.43 |
| Staff Uniform | 2,411.66 | | 75.00 | | 2,486.66 | - |
| Staff Redundancy | - | | | | - | - |
| **Total Staff Expense** | **341,461.12** | **-** | **75.00** | **-** | **341,536.12** | **356,424.42** |
| **Travelling & Transport** | | | | | | |
| Travel Local | 15,816.25 | | 1,854.63 | | 17,670.88 | 57,695.03 |
| Travel Overseas | 62,373.08 | | - | | 62,373.08 | 25,114.74 |
| Seasonal & Staff bus fare | 1,796.50 | | 80.00 | | 1,876.50 | - |
| MV Running Cost | 11,580.17 | | 3,615.66 | | 15,195.83 | 15,995.69 |
| **Total travel & transport** | **91,566.00** | **-** | **5,550.29** | **-** | **97,116.29** | **98,805.46** |
| **Promotion Expense** | | | | | | |
| Advetising | 3,256.90 | | 90.00 | - | 3,346.90 | 2,636.25 |
| Donations | 3,500.00 | | 418.00 | | 3,918.00 | 3,200.00 |
| Promotions | 5,381.45 | | 372.20 | | 5,753.65 | 12,507.45 |
| **Total Promotion expense** | **12,138.35** | **-** | **880.20** | **-** | **13,018.55** | **18,343.70** |

[2] TRWLife and XmasLife share the expenses like salaries and wages, promotion, travelling etc. with TRWGen/XmasGen.

| | TRWGen | TRWLife | XmasGen | XmasLife | 2017 Total | 2016 Total |
|---|---|---|---|---|---|---|
| **Fees & Charges** | | | | | | |
| Reinsurance/Brokerage fee | 5,950.00 | | - | | 5,950.00 | 10,000.00 |
| Membership fees | 300.00 | | - | | 300.00 | 300.00 |
| Bank Charges | 2,510.45 | 1,411.93 | 272.00 | 369.67 | 4,564.05 | 3,837.95 |
| EQT Inflation & Service cost | | 43,076.85 | | | 43,076.85 | |
| Actuary fees | | 4,771.87 | | | 4,771.87 | |
| **Total fees & charges** | **8,760.45** | **49,260.65** | **272** | **370** | **58,662.77** | **14,137.95** |
| **Financial Expense** | | | | | | |
| Depreciation | 36,659.53 | | 18,818.53 | | 55,478.06 | 35,559.90 |
| Bad Debts | - | | - | | - | - |
| Loss on Disposal | - | | 8,292.92 | | 8,292.92 | - |
| **Total Finance Expense** | **36,659.53** | **-** | **27,111.45** | **-** | **63,770.98** | **38,388.36** |
| **General & Admin expense** | | | | | | |
| Electricity | 33,532.85 | | 1,056.43 | | 34,589.28 | 36,460.48 |
| Telecom charges | 24,657.26 | | 3,259.13 | | 27,916.39 | 17,377.46 |
| Printing & Stationery | 9,384.22 | | 1,017.10 | | 10,401.32 | 11,735.22 |
| Postage | 30.85 | | - | | 30.85 | 20.00 |
| Entertainment | 3,045.15 | | 546.80 | | 3,591.95 | 2,629.70 |
| Office Rent | 26,535.60 | | 21.00 | | 26,556.60 | 26,535.60 |
| Board's Expense | 49,161.65 | | - | | 49,161.65 | 30,757.70 |
| Insurance | 30,456.40 | | - | | 30,456.40 | 22,519.14 |
| Professional/Audit Fees | 22,488.27 | 20.00 | 1,455.00 | | 23,963.27 | 13,705.00 |
| Office Sundries | 2,742.61 | | 282.15 | | 3,024.76 | 2,897.36 |
| Repair & Maintenance | 9,790.16 | | 2,358.97 | | 12,149.13 | 24,076.70 |
| Catastrophy- Excess | 45,000.00 | | - | | 45,000.00 | 42,750.00 |
| Life Contribution to Gen | (90,283.00) | 90,283.00 | (7,843.77) | | (7,843.77) | - |
| **Total General & Admin** | **166,542.02** | **90,303.00** | **2,152.81** | **7,843.77** | **258,997.83** | **231,464.36** |
| | | | | | | |
| **Total Operating Expenses** | **657,127.47** | **139,563.65** | **36,041.75** | **8,213.44** | **840,946.31** | **757,564.25** |

## Note 4: Life claims paid

**Life Claims**

| | | | 2017 | 2016 |
|---|---|---|---|---|
| | TRWLife | XMASLife | Total | Total |
| Bonus | 64,306.77 | 8,753.51 | 73,060.28 | 67,230.66 |
| Maturities | 263,567.13 | 1,219.00 | 264,786.13 | 283,012.76 |
| Surrender | 408,751.19 | 20,570.31 | 429,321.50 | 406,506.08 |
| Death Claim | - | - | - | 21,833.90 |
| **TOTAL** | **736,625.09** | **30,542.82** | **767,167.91** | **778,583.40** |

## Note 5: Prior Period Items

| | TRWGen | TRWLife | XMASGen | XMASLife | 2017 | 2016 |
|---|---|---|---|---|---|---|
| PPI - Income | 49,276.72 | 1,579.99 | 53,773.03 | - | 104,629.74 | 178,525.59 |
| PPI - Expense | (113,486.23) | (27,822.42) | (6,584.01) | - | (147,892.66) | (26,473.21) |
| **TOTAL** | **(64,209.51)** | **(26,242.43)** | **47,189.02** | - | **(43,262.92)** | **152,052.38** |

## Note 6: Cash & Cash Equivalent

**Cash & Cash Equivalent by Cost Centers**

| | TRWGen | TRWLife | XmasGen | XmasLife | 2017 Total | 2016 Total |
|---|---|---|---|---|---|---|
| Cheque account | 470,561.88 | 170,515.70 | 32,446.38 | 69,025.32 | 742,549.28 | 701,304.81 |
| Petty cash | 757.38 | 767.23 | (86.80) | 200.00 | 1,637.81 | 1,111.89 |
| Undeposited fund | 2,084.02 | 1,650.00 | - | (110.00) | 3,624.02 | 7,534.01 |
| IBD account | 981,423.90 | 1,177,100.51 | - | 275,908.10 | 2,434,432.51 | 6,280,184.64 |
| Investment with EQT | - | 4,228,702.24 | - | - | 4,228,702.24 | |
| Payroll cheque account | (5,542.22) | - | - | - | (5,542.22) | (3,825.23) |
| **Sub-Total** | **1,449,284.96** | **5,578,735.68** | **32,359.58** | **345,023.42** | **7,405,403.64** | **6,986,310.12** |

## Note 7: Receivables

**Receivables by Cost Centers**

| | TRWGen | TRWLife | XmasGen | XmasLife | 2017 Total | 2016 Total |
|---|---|---|---|---|---|---|
| life general account | 21,862.67 | | (3,873.94) | | 17,988.73 | 24,603.41 |
| trade debtors | 112,461.49 | | 1,487.70 | | 113,949.19 | 479,248.21 |
| Less provision for doubtful debt | (2,696.48) | | | | (2,696.48) | (484,044.76) |
| Xmas General Fund | | | | | - | (9,676.32) |
| staff debtors | 12,698.13 | | | | 12,698.13 | 10,452.27 |
| imprest account | | | | | - | 2,550.00 |
| suspense account | - | | | | - | 0.05 |
| staff salary advance | - | | | | - | (131.93) |
| accounts receivable | | | | | - | 102.87 |
| Bounce chq | | | | | - | - |
| Sundry debtors | | | | | - | (8,762.72) |
| Special Imprest | 4,874.85 | | | | 4,874.85 | 6,029.86 |
| **Sub- Total** | **149,200.66** | - | **(2,386.24)** | 0 | **146,814.42** | **20,370.94** |

## Note 8: Payables

**Payables by Cost Centers**

| | TRWGen | TRWLife | XmasGen | XmasLife | 2017 Total | 2016 Total |
|---|---|---|---|---|---|---|
| Trade Creditors | 132,209.87 | | | | 132,210 | 54,657 |
| Reinsurance Tax Payables | (370.60) | | 1,653.16 | | 1,283 | 17,138 |
| ANZ Life Client Payables | | (4,242.02) | | | (4,242) | 0 |
| Other Payables | | | | | - | 4,114 |
| Income Tax payable | | | | | - | 2,701 |
| Life General account | | 5,656.34 | | 5,837.06 | 11,493 | 2,233 |
| Life Witholding tax | | 27,684.75 | | 9,012.14 | 36,697 | 48,449 |
| Provision for Outstanding claims | 14,686.55 | | 1,235.00 | | 15,922 | (39,565) |
| Provision for Unearned Premiums | 375,871.20 | | 8,309.00 | | 384,180 | 283,717 |
| Life bonus payable | | 27,822.42 | | | 27,822 | |
| Payroll liabilities | 566.45 | | | | 566 | (15,489) |
| **Sub-Total** | **522,963.47** | **56,921.49** | **11,197.16** | **14,849.20** | **605,931** | **357,956** |

## Note 7: Receivables

**Receivables by Cost Centers**

| | TRWGen | TRWLife | XmasGen | XmasLife | **2017 Total** | **2016 Total** |
|---|---|---|---|---|---|---|
| life general account | 21,862.67 | | (3,873.94) | | 17,988.73 | 24,603.41 |
| trade debtors | 112,461.49 | | 1,487.70 | | 113,949.19 | 479,248.21 |
| Less provision for doubtful debt | (2,696.48) | | | | (2,696.48) | (484,044.76) |
| Xmas General Fund | | | | | - | (9,676.32) |
| staff debtors | 12,698.13 | | | | 12,698.13 | 10,452.27 |
| imprest account | | | | | - | 2,550.00 |
| suspense account | - | | | | - | 0.05 |
| staff salary advance | - | | | | - | (131.93) |
| accounts receivable | | | | | - | 102.87 |
| Bounce chq | | | | | - | - |
| Sundry debtors | | | | | - | (8,762.72) |
| Special Imprest | 4,874.85 | | | | 4,874.85 | 6,029.86 |
| **Sub- Total** | **149,200.66** | **-** | **(2,386.24)** | **0** | **146,814.42** | **20,370.94** |

## Note 8: Payables

**Payables by Cost Centers**

| | TRWGen | TRWLife | XmasGen | XmasLife | **2017 Total** | **2016 Total** |
|---|---|---|---|---|---|---|
| Trade Creditors | 132,209.87 | | | | 132,210 | 54,657 |
| Reinsurance Tax Payables | (370.60) | | 1,653.16 | | 1,283 | 17,138 |
| ANZ Life Client Payables | | (4,242.02) | | | (4,242) | 0 |
| Other Payables | | | | | - | 4,114 |
| Income Tax payable | | | | | - | 2,701 |
| Life General account | | 5,656.34 | | 5,837.06 | 11,493 | 2,233 |
| Life Witholding tax | | 27,684.75 | | 9,012.14 | 36,697 | 48,449 |
| Provision for Outstanding claims | 14,686.55 | | 1,235.00 | | 15,922 | (39,565) |
| Provision for Unearned Premiums | 375,871.20 | | 8,309.00 | | 384,180 | 283,717 |
| Life bonus payable | | 27,822.42 | | | 27,822 | |
| Payroll liabilities | 566.45 | | | | 566 | (15,489) |
| **Sub-Total** | **522,963.47** | **56,921.49** | **11,197.16** | **14,849.20** | **605,931** | **357,956** |

## Note 9: Fixed Assets

**(TrwGen) Fixed Assets**

| assets | rate | original value | additions | Disposal | total value | ACC depr 2016 | Depre 2017 | Acc Depr 2017 | NBV 2017 | NBV 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| buildings | 5.0% | 10,938.25 | 16,734.42 | | **27,672.67** | 4,094.74 | 1,383.63 | 5,478.37 | 22,194.30 | 6,843.51 |
| furniture | 25.0% | 44,630.75 | 180.00 | | **44,810.75** | 39,436.36 | 1,343.60 | 40,779.95 | 4,030.80 | 5,194.39 |
| GM furniture | 25.0% | 11,680.16 | - | | **11,680.16** | 11,680.16 | - | 11,680.16 | - | - |
| vehicles | 20.0% | 253,258.25 | 49,900.00 | | **303,158.25** | 186,603.44 | 23,311.03 | 209,914.47 | 93,243.78 | 66,655.16 |
| equipment | 25.0% | 310,829.88 | 10,401.16 | | **321,231.04** | 288,345.83 | 8,221.30 | 296,567.13 | 24,663.91 | 22,484.05 |
| office improvement | 5.0% | 18,598.58 | - | | **18,598.58** | 18,598.00 | - | 18,598.58 | - | - |
| office renovation | 5.0% | 47,999.38 | - | | **47,999.38** | 19,472.91 | 2,399.97 | 21,872.88 | 26,126.50 | 28,526.47 |
| **Total** | | **697,934.25** | **77,215.58** | | **775,149.83** | **568,231.43** | **36,659.54** | **604,891.55** | **170,259.29** | **129,703.59** |

**(XmasGen) Fixed Assets**

| assets | rate | original value | additions | Disposal | total value | ACC depr 2016 | Depre 2017 | Acc Depr 2017 | NBV 2017 | NBV 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| buildings | 5.0% | 27,700.85 | | | **27,700.85** | 10,479.09 | 1,385.04 | 11,864.13 | 15,836.72 | 17,221.77 |
| furniture | 25.0% | 4,825.20 | 180.00 | | **5,005.20** | 4,316.33 | 172.22 | 4,488.55 | 516.65 | 508.87 |
| vehicles | 20.0% | 42,367.28 | 53,675.00 | 15,742.92 | **80,299.36** | 22,688.63 | 14,670.73 | 37,359.36 | 42,940.00 | 19,678.65 |
| equipment | 25.0% | 18,202.15 | 2,754.90 | - | **20,957.05** | 13,402.26 | 1,729.31 | 13,687.95 | 7,269.10 | 4,162.34 |
| office improvement | 5.0% | 17,224.59 | | | **17,224.59** | 5,988.35 | 861.23 | 6,849.58 | 10,375.01 | 11,235.83 |
| **Total** | | **110,319** | **56,610** | | **151,186.05** | **43,030.87** | **18,819.53** | **74,249.57** | **76,937.48** | **52,807.45** |
| | | | | | | | | | | |
| **TOTAL FIXED ASSETS** | | | | | | | | | **247,196.77** | **182,511.04** |