

REPORT OF THE AUDITOR GENERAL ON THE ACCOUNT OF



**Kiribati Insurance Corporation Financial Statements
For the year ended 31st December 2019**

**Kiribati Audit Office
April 2021**

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 2019

I have audited the Financial Statements of Kiribati Insurance Corporation (KIC) for the year ended 31st December, 2019 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
- 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 Company as at December 31, 2019, 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:

- There were negative balances for some receivables, which is not a normal case for receivables. Some of the few significant negative balances include AKL and Coral Ace.
- Furthermore, we note that the negative balances are the result of customers' prepayments. However, the correct accounting treatment of these balances is to record them as a Revenue Received in Advance, and then adjustments will be made against the customers' account over the year.
- We note a variance of \$1,746.67 between the record in the database system and the MYOB system for payroll – wages and salaries. As per reported by KIC, the balances reflected in MYOB are incorrect, which was caused from posting error by staff. This means that the variance of \$1,746.67 should be correctly adjusted to Salaries and Wages in the General Ledger (MYOB) and be correctly reflected in the Financial Statement.
- No Statement of Changes in Equity included in the Financial Report, as part of the presentation as per IAS 1.10.

EMPHASIS OF THE MATTER

We would like to draw the attention to the matter described below:

- Receivables in 2019 has drastically increased by \$463,394. In 2018, receivables totalled to \$220,961, while in 2019, receivables had increased to \$684,355. Hence, we would like to highlight that there is a drastic increase of receivables account.

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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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.

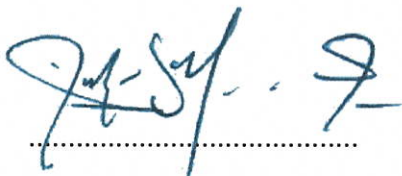
Report on other Legal and Regulatory Requirements

KIC lodged its Financial Statement on 28 February 2020 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: 28/04/2021

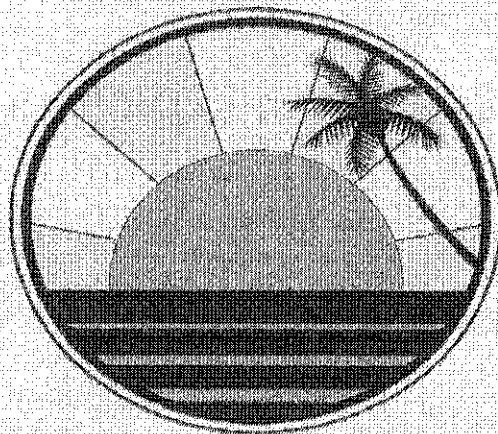
**KIRIBATI INSURANCE
CORPORATION
(KIC)**



ANNUAL ACCOUNT 2019

“Insure to Secure”

KIRIBATI INSURANCE CORPORATION (KIC)



ANNUAL ACCOUNT 2019

"Insure to Secure"

Kiribati Insurance Corporation (KIC)
Wishing Star Shopping Mall
Bairiki, Tarawa
Phone: (686) 75022627, 75022628
Email: enquire@kic.org.ki

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28/2/2020
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February 2019

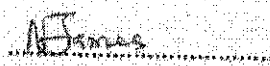
1. INTRODUCTION

This is the KIC annual account report for the year ended 31 December 2019. 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 2019 is quite good. For instance the total income (net premium plus other income) decreased from \$2 million in 2018 to \$1 million in 2019. The decrease is due to the extra reinsurance payment for Aviation on Air Kiribati Hull liabilities & Spare parts. While the total operating expenditure shows a slight increase, the claim payment both life and general shows a significant decline compared to the previous year. The decline is due to the decrease in the number of compensations and life claims paid during the year. The financial position in 2019 shows an increase 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 2019.


Neiti Uealeta
Chief Executive Officer



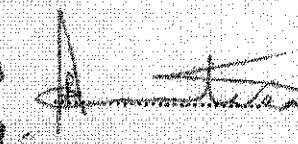

Dr. Iete Rouatu
Chairman (Board of Directors)

Table of Contents

1. INTRODUCTION	1
2. ACCOUNTING POLICIES	3
2.1 Accounting Basis	3
2.2 Depreciation	3
2.3 Provisions for Unearned Premiums	3
2.4 Bank reconciliation	3
2.5 KIC Account Consolidation	4
2.6 IBD and Offshore investment	4
2.7 Life Contribution to General account	4
3. HIGHLIGHTS OF 2019 ACCOUNT	5
3.1 Profitability	5
3.2 Total Income	5
3.3 Total Operating expense	5
3.4 Total Claims paid	5
4. PROFIT & LOSS STATEMENT	6
5. BALANCE SHEET	8
6. CASH FLOW STATEMENT	10
7. NOTES FORMING PART OF THE FINANCIAL STATEMENTS- 2019	12
Note 1: Net Premium Income by Cost Center	12
Note 2: Other Incomes	14
Note 3: Expenses	15
Note 4 & 5: Life claims paid	16
Note 6: Cash & Cash Equivalent	16
Note 7: Receivables	17
Note 8: Payables	17
Note 10: Fixed Assets	18

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. The financial year starts from January and ends in December.

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

The number of KIC IBDs is now 7 accounts (down from more than 20 IBDs in the past) with total balance of over \$4 million. This year KIC opened another new offshore investment on Mortgage income fund account with Equity Trustees in Australia with an opening capital balance of \$1.5 million. The offshore investment was made after the KIC Investment policy was finalized— however the funds are all invested in equities because Equity Trustees is specialized in equities, not in bonds.

2.7 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 2019 ACCOUNT

3.1 Profitability

As shown in the Profit and Loss account, the operating profit (before PPI) of the Corporation in 2019 is \$503,934 compared to last year's profit of \$709,376.

3.2 Total Income

The total Net premium Income at the end of the year is \$1.9 million compared to a \$2.0 million last year. This is \$184k or 90.29% decrease compared to last year's actual. The decrease relates to number of reinsurance ceded payments during the year.

3.3 Total Operating expense

Total operating expenses for the year of \$1,039,542 is higher by \$115,507 or 12.5% compared to last year of \$924,035. The increase in expenses relates to the increase of staff expense i.e. salaries, administrative and fees and Travelling & Transport expenses.

3.4 Total Claims paid

The life claims paid in the year is \$788,104 or 26.99% higher than the previous year's total claim \$620,599.

4. PROFIT & LOSS STATEMENT

KIRIBATI INSURANCE CORPORATION CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019			
	Notes	2019	2018
Gross Premium Income	1	1,960,717	2,045,750
Add Other Income	2	432,560	265,269
Total Income		2,393,277	2,311,018
Less Expense	3		
Staff expense		454,010	426,514
Telecommunication		37,779	35,518
Travelling & Transport		103,790	82,372
Promotion		19,940	10,826
Fees & charges		18,351	87,171
General & Admin		405,673	282,633
Total Operating expense		1,039,542	925,034
<i>Financial expenses</i>			
Depreciation	9	61,697	56,181
Life Claims	4	788,104	620,599
Net Profit/(Loss) before PPI		503,934	709,204
Prior Periods Adjustments	5	-	172
Net Profit/(Loss) after PPI		503,934	709,376
Dividend		-	-
Retained Earnings		503,934	709,376

PROFIT & LOSS STATEMENT BY COST CENTERS

FOR THE YEAR ENDED 31 DECEMBER 2019

	TRWGen	TRWLife	XmasGen	XmasLife	2019	2018
Gross Premium Income	559,901	1,149,122	128,157	123,538	1,960,717	2,045,750
Add Other Income	136,039	277,052	13,204	6,265	432,560	265,269
Total Income	695,939	1,426,174	141,361	129,803	2,393,277	2,311,019
Less Expense						
Staff expense	454,010	-	-	-	454,010	426,514
Telecommunication	35,836	-	1,943	-	37,779	35,518
Travelling & Transport	101,662	-	2,128	-	103,790	82,372
Promotion	19,093	-	847	-	19,940	10,826
Fees & charges	12,692	4,329	875	454	18,351	87,171
Depreciation	42,863	-	18,834	-	61,697	56,181
General & Admin	263,652	119,698	10,144	12,178	405,673	282,633
Total Operating expense	929,808	124,028	34,771	12,632	1,101,239	981,215
Life Claims	-	720,603	-	67,501	788,104	620,599
Net Profit/(Loss) before PPI	(233,869)	581,544	106,590	49,670	503,934	709,204
Prior Periods Adjustments	-	-	-	-	-	172
Net Profit/(Loss) after PPI	(233,869)	581,544	106,590	49,670	503,934	709,376
Dividend	-	-	-	-	-	-
Retained Earnings	(233,869)	581,544	106,590	49,670	503,934	709,376

5. BALANCE SHEET

KIRIBATI INSURANCE CORPORATION			
CONSOLIDATED BALANCE SHEET			
AS AT 31 DECEMBER 2019			
		2019	2018
Current Assets			
Cash and Cash Equivalent	6	2,255,228	3,538,107
Receivables	7	684,355	220,961
Investment with EQT		6,519,164	4,032,135
Total Current Assets		9,458,747	7,791,204
Current Liabilities			
Payables	8	930,788	531,417
working capital		8,527,959	7,259,787
Add Long Term Assets	9	364,443	372,426
Net Assets		8,892,402	7,632,213
Represented by:			
Shareholder's Fund			
Capital		3,567,422	3,567,422
Retained Earnings		4,821,047	3,355,416
Current Retained Earnings		503,934	709,376
Net Equity		8,892,402	7,632,214

KIRIBATI INSURANCE CORPORATION						
BALANCE SHEET BY COST CENTERS						
AS AT 31 DECEMBER 2019						
	TRWGen	TRWLife	XmasGen	XmasLife	2019	2018
Current Assets						
Cash and Cash Equivalent	662,653	1,092,728	97,570	402,277	2,255,228	3,538,107
Receivables	640,902		43,454	-	684,355	220,961
Investment with EQT		8,519,164			6,519,164	4,032,135
Total Current Assets	1,303,554	7,611,892	141,023	402,277	9,458,747	7,791,204
Current Liabilities						
Payables	373,864	527,348	13,241	16,336	930,788	531,417
working capital	929,691	7,084,545	127,782	385,942	8,527,959	7,259,787
Add Long Term Assets	256,445		107,998		364,443	372,426
NET ASSETS	1,186,135	7,084,545	235,780	385,942	8,892,402	7,632,213
Represented by:						
Shareholder's Fund						
Capital	1,011,850	2,374,691	152,985	-	3,539,526	3,567,422
Asset Revaluation	27,896	-	-	-	27,896	-
Retained Earnings	380,259	4,128,310	(23,794)	336,272	4,821,047	3,355,416
Current Retained Earnings	(233,869)	581,544	106,590	49,670	503,934	709,376
Net Equity	1,186,135	7,084,545	235,780	385,942	8,892,402	7,632,213

6. CASH FLOW STATEMENT¹

KIRIBATI INSURANCE CORPORATION			
CONSOLIDATED STATEMENT OF CASH FLOW			
FOR THE YEAR ENDED 31 DECEMBER 2019			
		2019	2018
Receipt from clients		(713,022.51)	2,097,365.00
Interest received on IBD		26,330.30	25,748.00
Payments to staff and suppliers		(569,991.31)	(926,574.00)
Payment to clients		(790,433.67)	(654,199.00)
Net cash flow from Operating activities		(2,047,117.19)	542,339.00
Cash Flow from Investing Activities			
Sale of Fixed Assets			477.00
Purchase of long term assets		7,983.32	(181,410.00)
Gain/Loss Unrealised investment		756,254.46	-
Loss on Equity investment			-
Net Cash from Investing activities		764,237.78	(180,933.00)
Cash Flow from Financing Activities			
Dividend paid		-	-
Net Cash from Financing Activities		-	-
Net Cash Flow		(1,282,879.41)	361,406.00
Opening Cash and Bank		3,538,107.00	3,176,701.00
Closing Cash and Bank		2,255,227.59	3,538,107.00

¹ Investment with Equity closing balance of \$6 million is not forming part of the cash flow statement since the unrealized gains and losses are fluctuated overtime depending on the market situation.

KIRIBATI INSURANCE CORPORATION
CASH FLOW STATEMENT BY COST CENTERS

AS AT 30/12/ 2019

Cash Flow Statement	TRWGEN	TRWLIFE	XMASGEN	XMASLIFE	2019	2018
<i>Cash Flow from operating activities</i>						
Cash receipts from clients	132,395	(1,072,006)	97,490	129,099	(713,023)	355,679
Interest received on IBD	12,144	11,152	-	3,034	26,330	2,311
Payment to suppliers & employees	(869,464)	345,381	(30,691)	(15,217)	(569,991)	(300,739)
Payment to Clients	-	(720,603)	-	(69,831)	(790,434)	(102,259)
Cash used in operating activities	(724,925)	(1,436,076)	66,799	47,085	(2,047,117)	(45,009)
<i>Cash Flow from Investing activities</i>						
Sale of Fixed Assets	-	-	-	-	-	-
Gain/Loss Unrealised investment		756,254.46				756,254
Purchase of Fixed assets	(6,049)	-	14,032	-	7,983	(8,479)
Cash used in investing activities	(6,049)	756,254	14,032	-	754,238	(8,479)
<i>Cash Flow from Financing</i>						
Government Subsidy	-	-	-	-	-	-
Cash used from Financing activities	-	-	-	-	-	-
Net increase in cash held	(730,973)	(679,821)	80,831	47,085	(1,282,879)	(53,488)
Cash and cash equivalents as at 30/11/2018	1,393,626	1,772,550	16,739	355,192	3,538,107	3,538,107
Cash and cash equivalents as at 30/11/2019	662,653	1,092,728	97,570	402,277	2,255,228	3,484,620

7. NOTES FORMING PART OF THE FINANCIAL STATEMENTS- 2019

Note 1: Net Premium Income by Cost Center

	TRWGen	TRWlife	XmasGen	XmasLife	2019	2018
NET PREMIUM INCOME	559,900.60	1,149,121.83	128,156.94	123,537.50	1,960,716.87	2,045,749.57

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

(TrwGen) Gross Premium Income								
Particulars	WC	AV	FI	MA	GA	MV	2019	2018
gross premium	15,340.89	709,759.03	550,534.03	84,864.93	381,660.86	252,849.25	1,995,008.99	1,844,433.71
less reinsurance	5,573.90	785,037.80	459,639.72	143,304.85	173,893.71	54,910.28	1,622,360.26	1,111,521.41
less premium refund	540.05	-	1,586.33	354.67	-	7,127.56	9,608.61	2,608.69
net written premium	9,226.94	(75,278.77)	89,307.98	(58,794.59)	207,767.15	190,811.41	363,040.12	730,303.61
plus commission	1,568.08	7,341.44	98,740.98	2,062.50	23,930.15	15,598.76	149,241.91	140,021.00
less year-end current unearned premium	(6,515.76)	(370,581.54)	(264,082.04)	(62,921.05)	(118,025.00)	(74,581.08)	(896,706.47)	(1,003,504.89)
plus previous unearned premium	8,571.13	370,581.54	188,529.51	195,038.62	117,734.20	74,868.05	950,323.05	1,010,778.71
NET PREMIUM	12,850.39	(67,937.33)	107,496.43	75,385.48	231,406.50	206,697.14	565,898.61	877,598.43
claims recoveries	-	-	22,328.69	-	6,337.91	11,188.28	39,854.88	25,349.96
less claims paid	-	-	(1,000.00)	-	(11,569.18)	(46,093.40)	(58,662.58)	(33,599.63)
plus O/S claims last year	-	-	1,000.00	620,500.00	37,886.97	1,221,361.53	1,880,748.50	156,353.34
less current O/S Claims	-	-	(1,000.00)	(625,500.00)	(38,706.85)	(1,202,731.96)	(1,867,938.81)	(164,965.70)
NET CLAIMS	-	-	21,328.69	(5,000.00)	(6,051.16)	(16,275.55)	(5,998.01)	(16,862.03)
TOTAL PREMIUM INCOME	12,850.39	(67,937.33)	128,825.12	70,385.48	225,355.35	190,421.59	559,900.60	860,736.40

(XmasGen) Gross Premium Income								
Particulars	WC	AV	FI	MA	GA	MV	2019	2018
gross premium	4,542.64	-	80,754.32	3,727.00	25,112.68	16,293.37	130,430.01	71,824.86
less reinsurance	-	-	-	-	-	-	-	-
less premium refunds	-	-	-	-	-	-	-	-
net written premium	4,542.64	-	80,754.32	3,727.00	25,112.68	16,293.37	130,430.01	71,824.86
plus commission	-	-	-	-	-	-	-	-
less year-end current unearned premium	(2,621.54)	-	(24,889.75)	(2,695.72)	(21,043.15)	(6,591.48)	(57,841.64)	(39,249.11)
plus previous month unearned premium	2,621.54	-	25,367.25	2,695.72	22,679.54	12,576.42	65,940.57	30,461.98
NET PREMIUM	4,542.64	-	81,231.82	3,727.00	26,749.17	22,278.31	138,528.94	63,037.73
claim recoveries	-	-	-	-	-	-	-	-
less claims paid	-	-	(372.00)	-	(10,000.00)	-	(10,372.00)	-
plus O/S claims - current	-	-	-	-	-	-	-	-
Less O/S claims - previous	-	-	(372.00)	-	(10,000.00)	-	(10,372.00)	-
NET CLAIM	-	-	(372.00)	-	(10,000.00)	-	(10,372.00)	-
TOTAL PREMIUM INCOME	4,542.64	-	80,859.82	3,727.00	16,749.17	22,278.31	128,156.94	63,037.73

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

(TrwLife) Net Premium Income		
	2019	2018
Life Premium Income	1,271,625.37	1,112,786.84
Outstanding life premiums	28,786.58	12,731.14
Premium Returns	52,245.12	27,419.04
Life Premium trans to Xmas	99,045.00	63,059.20
Net premium income	1,149,121.83	1,035,039.74

(XmasLife) Net Premium Income		
	2019	2018
Life Premium Income	22,824.00	85,339.70
Life Premium trans from Trw	99,045.00	-
Outstanding life premiums	3,998.50	2,787.50
Premium Returns	2,330.00	1,191.50
Net premium income	123,537.50	86,935.70

Note 2: Other Incomes

Other Incomes by Cost Centers						
	TRWGen	TRWLife	XmasGen	XmasLife	2019	2018
Interest on IBD	9,714.40	11,152.12		3,033.97	23,900.49	74,247.87
Interest on EQT Investment		45,996.59			45,996.59	117,205.97
Distribution EQT Income		187,295.33			187,295.33	154,588.12
sundry income			93.37		93.37	0.44
KIC Xmas house rent	3,794.76				3,794.76	575.00
Annual Commission	(1,480.37)				(1,480.37)	27,506.00
cancellation fee					-	
claims income	4,196.05				4,196.05	5,252.00
Quotation fees	115.42		12.00		127.42	186.47
Sale of Fixed Asset			920.00		920.00	6,905.00
ID Card		145.00		25.00	170.00	5.00
commission revenue		13,630.42		1,253.28	14,883.70	10,798.65
Account charge		2,594.00		253.00	2,847.00	2,597.05
Loading fee					-	
Life Pledge fees		3.00			3.00	15.00
Admin & Waiver Charges		16,201.00		1,700.00	17,901.00	11,589.42
Life Statement fee		35.00			35.00	219.00
Reinsurance Commission					-	
Life Contribution to General	119,698.30		12,178.35	-	131,876.65	
Printing & Stationary					-	15.00
Sub-Total	136,038.56	277,052.46	13,203.72	6,265.25	432,559.99	411,705.99

Note 3: Expenses³

COST CENTER DETAIL- EXPENSE						
	TRWGen	TRWLife	XmasGen	XmasLife	2019	2018
Staff Expense						
Wages & Salaries	315,388.46				315,388.46	319,321.82
KPF Subsidy	23,481.32				23,481.32	23,369.54
Leave Grant	37,713.53				37,713.53	37,500.00
Overtime	7,345.39				7,345.39	10,726.16
Housing Allowance	751.36				751.36	
Bonus & Allowance	30,507.70				30,507.70	6,182.67
Training Expense	7,188.53				7,188.53	10,689.80
House Rent Subsidy	20,081.26				20,081.26	18,521.22
Staff Uniform	5,025.89				5,025.89	203.30
Staff Redundancy	6,526.16				6,526.16	
Total Staff Expense	454,009.60				454,009.60	426,514.51
Travelling & Transport						
Travel Local	28,539.62		832.69		27,072.31	51,339.81
Travel Overseas	63,840.91				63,840.91	14,972.34
Seasonal & Staff bus fare	388.80		63.60		454.40	1,589.60
MV Running Cost	10,892.58		1,529.99		12,422.57	14,470.72
Total travel & transport	101,661.91		2,125.28		103,790.19	82,371.97
Promotion Expense						
Advertising	2,992.20		29.20		3,021.40	821.20
Donations	6,353.10		600.00		6,953.10	3,780.00
Promotions	9,747.53		217.80		9,965.33	6,224.93
Total Promotion expense	19,092.83		847.00		19,939.83	10,826.13
Fees & Charges						
Reinsurance/Brokerage fee	10,000.00				10,000.00	10,000.00
Membership fees						300.00
Bank Charges	2,692.33	1,828.00	874.90	454.00	5,847.23	3,896.12
Management & Service fees EQT)		2,503.28			2,503.28	72,975.23
Actuary fees						
Total fees & charges	12,692.33	4,331.28	874.90	454.00	18,350.51	87,171.36
Financial Expense						
Depreciation	42,883.21		12,833.75		61,696.96	56,180.58
Bad Debts						
Loss on Disposal						
Total Finance Expense	42,883.21		12,833.75		61,696.96	56,180.58
Telecommunication						
Telecom charges	35,836.35		1,942.81		37,779.16	34,518.21
Total Telcom Expense	35,836.35		1,942.81		37,779.16	34,518.21
General & Admin expense						
Electricity	27,852.55		2,139.49		29,992.04	31,800.68
Printing & Stationery	6,580.31		649.10		7,179.41	6,327.53
Postage	84.35		2.60		86.95	38.95
Entertainment	4,348.05		105.50		4,451.55	16,086.87
Office Rent	26,535.60				26,535.60	26,535.60
Board's Expense	55,354.99				55,354.99	45,480.20
Insurance	27,524.37		2,826.40		40,350.77	41,995.68
Professional/Audit Fees	39,383.91		600.00		39,983.91	34,593.26
Office Sundries	3,769.30		472.80		4,242.10	6,451.25
Repair & Maintenance	19,920.71		2,008.23		21,528.94	19,322.50
Hospitality Allowance			1,340.00		1,340.00	
Catastrophy- Excess	42,750.00				42,750.00	45,000.00
General Cont to Xmas						10,000.00
Life Contribution to Gen		119,698.30		12,178.35	131,876.65	
Total General & Admin	263,652.14	119,698.30	10,144.12	12,178.35	405,872.91	283,632.62
Total Operating Expenses	893,972.02	124,027.58	32,828.05	12,632.35	1,063,460.00	946,697.17

Note 4 & 5: Life claims paid

Life Claims				
	TRWLife	XMASLife	2019	2018
Bonus	17,512.86	2,445.43	19,958.29	10,423.01
Maturities	197,875.50	18,642.00	216,517.50	187,311.67
Surrender	470,749.52	46,413.07	517,162.59	379,447.69
Death Claim	34,465.28	-	34,465.28	43,417.00
TOTAL	720,603.16	67,500.50	788,103.66	620,599.37

Note 5.

	TRWGen	TRWLife	XMASGen	XMASLife	2019	2018
PPI - Income					-	171.80
PPI - Expense					-	
TOTAL					-	171.80

Note 6: Cash & Cash Equivalent

Cash & Cash Equivalent by Cost Centers						
	TRWGen	TRWLife	XmasGen	XmasLife	2019	2018
Cheque account	35,906.19	647,616.99	97,569.49	45,526.17	826,618.84	692,726.77
Petty cash	674.41	767.23	-		1,441.64	1,887.99
Undeposited fund	94,828.60	3,258.14	0.27		98,087.01	3,312.65
IBD account	531,243.43	441,086.02		356,751.09	1,329,080.54	2,840,180.05
Investment with EQT		6,519,164.07			6,519,164.07	
Payroll cheque account						
Sub-Total	662,652.63	7,611,892.45	97,569.76	402,277.26	8,774,392.10	3,538,107.46

Investment with EQT						
	TRWGen	TRWLife	XmasGen	XmasLife	2019	2018
Investment with EQT		5,019,164.07			5,019,164.07	4,032,135.14
Investment with Mortgage		1,500,000.00			1,500,000.00	
Sub-Total		6,519,164.07			6,519,164.07	3,538,107.46

^a TRWLife and XmasLife share the expenses like salaries and wages, promotion, travelling etc. with TRWGen/XmasGen.

Note 7: Receivables

Receivables by Cost Centers						
	TRWGen	TRWLife	XmasGen	XmasLife	2019	2018
life general account	522,587.73		7,402.71		529,990.44	50,124.84
trade debtors	93,393.96		35,562.20		128,956.16	159,069.02
Less provision for doubtful debt	(2,696.48)				(2,696.48)	(2,696.48)
staff debtors	12,049.73				12,049.73	9,079.12
staff salary advance						21.00
Staff Imprest	15,566.83		488.60		16,055.43	5,363.45
Sub- Total	640,901.77	-	43,453.51	0	684,355.28	220,960.95

Note 8: Payables

Payables by Cost Centers						
	TRWGen	TRWLife	XmasGen	XmasLife	2019	2018
Trade Creditors	42,860.81				42,861	38,212.17
Reinsurance Tax Payables	(1,714.73)		3,008.94		1,294	3,777.13
ANZ Life Client Payables		(10,656.25)			(10,656)	
Life General account		504,496.38		7,323.41	511,820	39,387.49
Life Withholding tax		33,507.45		9,012.19	42,520	37,472.07
Provision for Outstanding claims	10,489.22		1,235.00		11,724	24,533.91
Provision for Unearned Premiums	314,980.80		8,997.20		323,978	385,693.51
Payroll liabilities	7,247.65				7,248	2,340.61
Sub-Total	373,863.75	527,347.58	13,241.14	16,335.60	930,788	531,416.89

Note 10: Fixed Assets

Fixed Assets by Cost Centers

(TrwGen) Fixed Assets										
assets	rate	original value	additions	Disposal	total value	ACC depr	Depre	Acc Depr	NBV	NBV
						2018	2019	2019	2019	2018
buildings	5.0%	123,840.55	10,634.34		134,474.89	11,670.40	6,723.74	18,394.14	116,080.75	112,170.15
furniture	25.0%	48,719.50			48,719.50	42,764.84	1,488.67	44,253.52	4,465.98	5,954.66
CEO furniture	25.0%	11,680.16			11,680.16	11,680.16		11,680.16		
vehicles	20.0%	303,158.25	14,500.00		317,658.25	228,563.23	17,819.00	246,382.23	71,276.02	74,595.02
equipment	25.0%	341,833.60	23,777.50		365,611.10	307,883.75	14,431.83	322,315.58	43,295.52	33,949.85
office improvement	5.0%	18,598.58			18,598.58	18,598.58		18,598.58		
office renovation	5.0%	47,999.38			47,999.38	24,272.85	2,399.97	26,672.82	21,326.56	23,726.54
Total		895,829.02	48,911.84		944,740.86	645,433.81	42,863.22	688,297.03	256,444.82	250,396.21
(XmasGen) Fixed Assets										
assets	rate	original value	additions	Disposal	total value	ACC depr	Depre	Acc Depr	NBV	NBV
						2018	2019	2019	2019	2018
buildings	5.0%	84,563.09	2,859.00		87,422.09	16,092.28	4,371.10	20,463.38	66,958.71	68,470.81
furniture	25.0%	5,005.00			5,005.00	4,617.71	96.82	4,714.53	290.47	387.29
vehicles	20.0%	80,299.36			80,299.36	45,947.36	6,870.40	52,817.76	27,481.60	34,352.00
equipment	25.0%	24,535.99	1,942.80		26,478.79	15,505.22	6,619.70	22,124.92	4,353.87	9,030.77
office improvement	5.0%	17,514.59			17,514.59	7,725.31	875.73	8,601.04	8,913.55	9,789.28
Total		211,917	4,801.80		216,718.83	89,887.88	18,833.74	108,721.63	107,998.20	122,030.15
TOTAL FIXED ASSETS							61,696.96		364,443.02	372,426.36