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***Audley Insurance  
Company Sdn Bhd***  
(Incorporated in Brunei Darussalam)

**Reports and Financial Statements**  
**As at and for the years ended 31 December 2021 and 2020**

**AUDLEY INSURANCE COMPANY SDN BHD  
(Incorporated in Brunei Darussalam)**

**REPORTS AND FINANCIAL STATEMENTS  
AS AT AND FOR THE YEARS ENDED 31 DECEMBER 2021 and 2020**

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**AUDLEY INSURANCE COMPANY SDN BHD  
(Incorporated in Brunei Darussalam)**

**REPORT OF THE DIRECTORS**

The directors have pleasure in submitting their annual report and audited financial statements for the financial year ended 31 December 2021.

**PRINCIPAL ACTIVITIES**

The principal activities of the Company are those relating to underwriting of general insurance for Brunei government related persons, agencies, corporations and selected individuals.

There have been no significant changes in the nature of these activities during the financial year.

**RESULTS**

	<b>B\$</b>
Profit after tax	1,491,680
Accumulated profits at the beginning of the year	<u>14,632,441</u>
Accumulated profits at the end of the year	<u>16,124,121</u>

**DIVIDEND**

The directors do not recommend any dividend to be paid in respect of the financial year just ended.

**RESERVES AND PROVISIONS**

There were no transfers to or from reserves during the financial year other than that shown in the attached financial statements. There were no transfers to reserves subsequent to year end and to the date of this report.

**DIRECTORS**

The Directors of the Company during the financial year and at the date of this report are:

1. Sofian Bin Mohammad Jani
2. Pg Hjh Umi Salamah Binti Pg Hj Ismail
3. Nur Rossthenee Binti Hj Mohd Nendaroh
4. Lily Binti Haji Kula

**ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND/OR DEBENTURES**

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

#### DIRECTORS' INTERESTS IN SHARES AND/OR DEBENTURES


The directors holding office at the end of the financial year had no interests in the share capital or debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company except as follows:

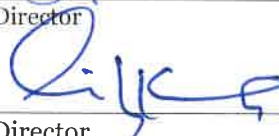
Name of directors and companies in which interest are held	Holdings registered under the name of director or nominee	
	31 December 2021	1 January 2021
Audley Insurance Company Sdn Bhd (Ordinary shares) Sofian Bin Mohammad Jani	1	1

#### DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the beginning of the financial year, no director has received or become entitled to receive a benefit which is required to be disclosed, by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except for as disclosed in the financial statements. Certain directors received remuneration from related corporations in their capacity as directors and/or executives of those related corporations.

#### ON BEHALF OF THE BOARD OF DIRECTORS

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

Brunei Darussalam  
Date: 28 March 2022



## **Independent Auditor's Report**

To the Board of Directors of  
**Audley Insurance Company Sdn Bhd**  
(Established in Brunei Darussalam)  
F10 & F11, 1<sup>st</sup> Floor, Impiana Jaya Complex  
Kg Kiulap, Bandar Seri Begawan BE1518  
Brunei Darussalam

## **Report on the Audits of the Financial Statements**

### ***Our opinion***

In our opinion, the accompanying financial statements of Audley Insurance Company Sdn Bhd (the "Company") give a true and fair view of the financial position of the Company as at 31 December 2021 and 2020, and its financial performance, changes in equity and cash flows for the years then ended in accordance with the provisions of the Brunei Darussalam Companies Act, Cap. 39, the Insurance Order 2006 and the International Financial Reporting Standards.

### ***What we have audited***

The financial statements of the Company comprise:

- the statements of total comprehensive income for the years ended 31 December 2021 and 2020,
- the statements of financial position as at 31 December 2021 and 2020,
- the statements of changes in equity for the years ended 31 December 2021 and 2020,
- the statements of cash flows for the years ended 31 December 2021 and 2020, and
- the notes to the financial statements, which include a summary of significant accounting policies.

### ***Basis for Opinion***

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

PricewaterhouseCoopers Services, 10<sup>th</sup> Floor, Units 14 & 15 PGGMB Building, Jalan Kianggeh  
Bandar Seri Begawan BS8111, Brunei Darussalam  
T: +673 224 1951, [www.pwc.com/ph/brunei](http://www.pwc.com/ph/brunei)



Independent Auditor's Report  
To the Board of Directors of  
Audley Insurance Company Sdn Bhd  
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### *Independence*

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (the "Code"), together with the ethical requirements that are relevant to our audit of the financial statements in Brunei Darussalam, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code.

### ***Other Information***

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is the information included in the Report of the Directors but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

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

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

### ***Responsibilities of the Directors and Those Charged with Governance for the Financial Statements***

The Company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Brunei Darussalam Companies Act Cap. 39, the Insurance Order 2006, and the International Financial Reporting Standards, and for such internal control as the directors determine 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, the directors are 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 the directors either intend 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.



Independent Auditor's Report  
To the Board of Directors of  
Audley Insurance Company Sdn Bhd  
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### ***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. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, 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 Company 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.



Independent Auditor's Report  
To the Board of Directors of  
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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.

#### **Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required by the Brunei Darussalam Companies Act, Cap. 39 to be kept by the Company have been properly kept in accordance with the provisions of the said Act. We have obtained all the information and explanations that we required.

#### **PricewaterhouseCoopers Services**

A handwritten signature in blue ink, appearing to read 'Chai Xiang Yuin', is written over a faint, illegible stamp.

Chai Xiang Yuin  
Partner

Brunei Darussalam  
28 March 2022

**STATEMENTS OF TOTAL COMPREHENSIVE INCOME**  
**For the years ended 31 December 2021 and 2020**

	Notes	2021 B\$	2020 B\$
Gross premiums written		13,405,815	25,124,725
Reinsurance premiums ceded		(11,650,618)	(20,896,025)
<b>Net premiums written</b>	<b>9</b>	<b>1,755,197</b>	<b>4,228,700</b>
Decrease in unearned premium reserves		7,067,863	(7,666,149)
Reinsurers' share in movement of unearned premium reserves		(5,824,112)	6,423,378
<b>Movement in unearned premium reserves, net</b>	<b>9</b>	<b>1,243,751</b>	<b>(1,242,771)</b>
<b>Premiums earned</b>		<b>2,998,948</b>	<b>2,985,929</b>
Commissions income		1,168,057	1,308,842
Brokerage commissions-		(450,789)	(1,461,894)
Movement in deferred commissions, net	<b>10</b>	(421,146)	369,298
Other underwriting income, net		296,122	216,246
<b>Net underwriting income</b>		<b>3,295,070</b>	<b>3,202,175</b>
Gross claims incurred	<b>9</b>	(347,882)	(1,354,232)
Reinsurers' share in gross claims incurred	<b>9</b>	(378,987)	707,380
<b>Net claims incurred</b>		<b>(726,869)</b>	<b>(646,852)</b>
<b>Net underwriting profit</b>		<b>2,568,201</b>	<b>2,555,323</b>
<b>Other income and expenses</b>			
Interest income	<b>5</b>	83,681	287,062
Loss on foreign exchange		(173,770)	51,472
Operating expenses	<b>15</b>	(682,018)	(883,945)
		(772,107)	(545,411)
<b>Profit before income tax</b>		<b>1,796,094</b>	<b>2,009,912</b>
Income tax expense	<b>14</b>	(304,414)	(346,216)
<b>Net profit for the year</b>		<b>1,491,680</b>	<b>1,663,696</b>
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>1,491,680</b>	<b>1,663,696</b>

The significant accounting policies and notes from pages 11 to 40 form an integral part of the financial statements.

**STATEMENTS OF FINANCIAL POSITION**  
**As at 31 December 2021 and 2020**

	Notes	2021 B\$	2020 B\$
<b>ASSETS</b>			
Cash and cash equivalents	5	5,829,005	20,813,131
Short-term placements	6	23,660,000	7,940,000
Other receivables		36,401	96,412
Insurance and commissions receivables, net	7	7,232,060	11,785,286
Plant and equipment, net	8	121,303	157,985
Reinsurers' share in insurance contract provisions	9	6,363,234	13,007,591
Deferred commissions	10	90,676	590,465
<b>Total assets</b>		<b>43,332,679</b>	<b>54,390,870</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	11	8,500,000	8,500,000
Accumulated profits		16,124,121	14,632,441
<b>Total equity</b>		<b>24,624,121</b>	<b>23,132,441</b>
<b>Liabilities</b>			
Insurance contract provisions	9	10,126,892	19,318,157
Deferred commissions	10	377,737	456,380
Insurance payables	12	7,577,646	10,727,115
Other payables	13	321,869	410,561
Provision for taxation	14	304,414	346,216
<b>Total liabilities</b>		<b>18,708,558</b>	<b>31,258,429</b>
<b>Total equity and liabilities</b>		<b>43,332,679</b>	<b>54,390,870</b>

The significant accounting policies and notes from pages 11 to 40 form an integral part of the financial statements.

**STATEMENTS OF CHANGES IN EQUITY**  
For the years ended 31 December 2021 and 2020

	Share capital B\$	Accumulated profits B\$	Total equity B\$
<b>At 1 January 2020</b>	<b>8,500,000</b>	<b>12,968,745</b>	<b>21,468,745</b>
<b>Total comprehensive income for the year</b>			
Profit for the year	-	1,663,696	1,663,696
Other comprehensive income	-	-	-
	-	1,663,696	1,663,696
<b>At 31 December 2020</b>	<b>8,500,000</b>	<b>14,632,441</b>	<b>23,132,441</b>
<b>Total comprehensive income for the year</b>			
Profit for the year	-	1,491,680	1,491,680
Other comprehensive income	-	-	-
	-	1,491,680	1,491,680
<b>At 31 December 2021</b>	<b>8,500,000</b>	<b>16,124,121</b>	<b>24,624,121</b>

The significant accounting policies and notes from pages 11 to 40 form an integral part of the financial statements.

**STATEMENTS OF CASH FLOWS**  
For the years ended 31 December 2021 and 2020

	Notes	2021 B\$	2020 B\$
<b>Cash flows from operating activities</b>			
Profit before income tax		1,796,094	2,009,912
<b>Adjustments for:</b>			
Depreciation	8,15	39,650	4,591
(Reversal of) provision for bad debts	7,15	13,930	27,281
Interest income from fixed deposits	5	(83,681)	(287,062)
Unrealised foreign exchange gains		(128,174)	(234,594)
<b>Operating income before changes in operating assets and liabilities</b>		<b>1,637,819</b>	<b>1,520,128</b>
<b>Changes in operating assets and liabilities</b>			
(Increase) decrease in:			
Insurance and commissions receivables		4,619,869	(6,578,897)
Reinsurers' share in insurance contract provisions		6,644,356	(6,526,541)
Increase (decrease) in:			
Insurance contract provisions		(9,191,265)	6,750,482
Deferred commissions		421,146	(369,298)
Insurance payables		(3,114,409)	6,119,236
Other receivables		-	(6,400)
Other payables		(88,692)	284,378
Cash generated from operations		928,824	1,193,088
Tax paid		(346,216)	(203,863)
<b>Net cash from operating activities</b>		<b>582,608</b>	<b>989,225</b>
<b>Cash flows from investing activities</b>			
Interest received on fixed deposits		143,692	425,786
(Acquisition) maturity of fixed deposits with financial institutions		(15,720,000)	7,545,000
Acquisition of fixed assets	8	(2,968)	(161,248)
Proceeds from disposal of fixed assets	8	-	-
<b>Net cash (used in) generated from investing activities</b>		<b>(15,579,276)</b>	<b>7,809,538</b>
<b>Net increase in cash and cash equivalents</b>		<b>(14,996,668)</b>	<b>8,798,763</b>
Cash and cash equivalents at 1 January		20,813,131	12,163,633
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies		12,542	(149,265)
<b>Cash and cash equivalents at 31 December</b>	<b>5</b>	<b>5,829,005</b>	<b>20,813,131</b>

The significant accounting policies and notes from pages 11 to 40 form an integral part of the financial statements.

## **NOTES TO THE FINANCIAL STATEMENTS**

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 28 March 2022.

### **1. DOMICILE AND ACTIVITIES**

Audley Insurance Company Sdn Bhd (the "Company") is incorporated in Brunei Darussalam and has its registered office at F10 & F11, 1<sup>st</sup> Floor, Impiana Jaya Complex, Kg Kiulap, Bandar Seri Begawan BE1518, Brunei Darussalam. The Company's immediate and ultimate holding company is Brunei Investment Agency, a company incorporated in Brunei Darussalam.

The principal activities of the Company are those relating to underwriting of general insurance for Brunei government related agencies and corporations. There have been no significant changes in these activities during the financial year.

### **2. BASIS OF PREPARATION**

#### **2.1. Statement of compliance**

The financial statements have been prepared in accordance with the provisions of Brunei Darussalam Companies Act, Cap. 39, the Insurance Order 2006, and the International Financial Reporting Standards (IFRS).

#### **2.2. Amendments to existing standards adopted by the Company**

Amendment to IFRS 16, '*Leases*'

The amendment provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted. The Company assessed that the impact of the amendment to the standard on its financial statements is not material as the Company does not have existing lease agreements.

There are no other standards and amendments which are effective beginning on 1 January 2021 that have a material impact on the financial statements of the Company.

#### **2.3. New standards not yet adopted**

The following standards have not yet been adopted by the Company:

- IFRS 17, '*Insurance Contracts*' (effective 1 January 2023)

IFRS 17 was issued in May 2017 as replacement for IFRS 4, Insurance Contracts. IFRS 17 represents a fundamental change in the accounting framework for insurance contracts requiring liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. It requires a current measurement model where estimates are re-measured each reporting period.

Contracts are measured using the building blocks of (1) discounted probability-weighted cash flows, (2) an explicit risk adjustment, and (3) a contractual service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period. The standard allows a choice between recognising changes in discount rates either in the income statement or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9. An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers. The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.

The Company is currently in the process of assessing the impact of IFRS 17 to its financial statements.

- IFRS 9, '*Financial instruments*'

IFRS 9 deals with the classification, measurement, and impairment of financial instruments, as well as hedge accounting.

IFRS 9 replaces the multiple classification and measurement models for financial assets in IAS 39 '*Financial Instruments: Recognition and Measurement*' with a single model that has three classification categories: amortised cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss. Classification under IFRS 9 is driven by the entity's business model for managing and holding the financial assets and whether the contractual characteristics of the financial assets represent solely payments of principal and interest. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in Other Comprehensive Income (OCI). The classification and measurement of financial liabilities under IFRS 9 remain the same as in IAS 39 except where an entity has chosen to measure a financial liability at fair value through profit or loss. For such liabilities, changes in fair value arising from changes in the entity's own credit risk are presented separately in OCI.

The impairment rules of IFRS 9 introduce an 'expected credit loss' model that replaces the 'incurred credit loss' model used in IAS 39. Such new impairment model will generally result in earlier recognition of losses compared to IAS 39.

The hedging rules of IFRS 9 better align hedge accounting with an entity's risk management strategies. Also, some of the prohibitions and rules in IAS 39 are removed or changed, making hedge accounting easier or less costly to achieve for many hedges.

*IFRS 9 and its interaction with IFRS 4 'Insurance Contracts'*.

On 12 September 2017, the IASB issued '*Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)*' which provides optional relief to insurers meeting certain criteria from any adverse impact that may arise from the different effective dates of IFRS 9 and any resulting standard from the IASB's ongoing insurance contracts project. The two options for entities that issue contracts within the scope of IFRS 4 permit an entity to either: (1) reclassify from profit or loss to other comprehensive income some of the income or expenses arising from designated financial assets; referred to as the 'overlay approach', or (2) for entities whose predominant activity is issuing contracts within the scope of IFRS 4, defer the application of IFRS 9 entirely; referred to as the 'deferral approach'.

The new application of both approaches would be optional and an entity is permitted to stop applying them before the new insurance contracts standard is applied, and would not be permitted to adopt the 'deferral approach' beyond the accounting period commencing on or after 1 January 2021. The IASB has approved a one-year deferral of the effective date for IFRS 17 to 1 January 2022 in November 2018.

#### *Deferral of IFRS 9, Financial Instruments*

The Company meets the eligibility requirements set out in 'Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)'; and has elected to defer the application of IFRS 9 until the Company adopts IFRS 17.

The Company's activities were predominantly connected with insurance activities at 31 December 2015 (which is its annual reporting date immediately preceding 1 April 2016) at which date the percentage of the total carrying amount of the Company's liabilities connected with insurance activities was 97%. This is greater than 90% of the total carrying amount of all of its liabilities as at 31 December 2015. There has been no significant change in the Company's activities subsequent to this date.

The following tables set out the fair value at 31 December 2021 and 2020 and changes in fair values for the year ended 31 December 2021 and 2020, of financial assets separately for the following groups:

- Financial assets that meet the Solely Payment of Principal and Interest (SPPI) criteria in IFRS 9, excluding those financial assets that are defined as 'held-for-trading' or that are managed and evaluated on a fair value basis; and
- All other financial assets, including those assets that do not meet the SPPI criteria in IFRS 9 and those financial assets that are defined as 'held-for-trading' or that are managed and evaluated on a fair value basis.

Financial assets that meet the SPPI criteria in IFRS 9 are those whose cash flows comprise solely payments of principal and interest on principal outstanding (SPPI).

The fair value of financial instruments classified between those that meet and those that fail the SPPI criterion are described below. There are no movements in fair value for these financial assets for the year ended 31 December 2021 and 2020.

	Financial assets that meet the SPPI criteria	Financial assets that fail the SPPI criteria	Total
<b>31 December 2021</b>			
Cash and cash equivalents	5,829,005	-	5,829,005
Short-term placements	23,660,000	-	23,660,000
Other receivables	36,401	-	36,401
<b>31 December 2020</b>			
Cash and cash equivalents	20,813,131	-	20,813,131
Short-term placements	7,940,000	-	7,940,000
Other receivables	96,412	-	96,412

For financial assets that meet the SPPI criteria, the current carrying values measured in accordance with IAS 39 are analysed in the following table by credit rating:

	Neither past due nor impaired		Past due or Impaired	Total
	Investment grade	Non-investment grade		
<b>31 December 2021</b>				
Cash and cash equivalents	5,829,005	-	-	5,829,005
Short-term placements	-	23,660,000	-	23,660,000
Other receivables	-	36,401	-	36,401
	Neither past due nor impaired		Past due or Impaired	Total
	Investment grade	Non-investment grade		
<b>31 December 2020</b>				
Cash and cash equivalents	20,813,131	-	-	20,813,131
Short-term placements	-	7,940,000	-	7,940,000
Other receivables	-	96,412	-	96,412

There are no other standards, amendments, or interpretations effective after 31 December 2021 that are expected to have a material impact on the Company's financial statements.

#### 2.4. Basis of measurement

These financial statements have been prepared under the historical cost convention unless otherwise stated below.

#### 2.5. Functional and presentation currency

These financial statements are presented in Brunei Darussalam dollars, which is the Company's functional currency.

#### 2.6. Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make judgements. Estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements and information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are described in Note 4.

### **3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been applied consistently to both periods presented in these financial statements, unless otherwise indicated.

#### **3.1. Foreign currency**

##### *Foreign currency transactions*

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on non-monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss, except for the following differences which are recognised in other comprehensive income arising on the retranslation of available-for-sale equity instruments (except on impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss).

#### **3.2. Financial instruments**

##### *Non-derivative financial assets*

The Company initially recognises loans and receivables on the date that they are originated. All other financial assets are recognised initially on trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies its non-derivative financial assets as loans and receivables.

##### *Loans and receivables*

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest rate method or cost if the effect of amortisation is not material, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, short-term placements, and receivables (i.e. insurance and commission receivable and other receivables). Cash and cash equivalents comprise bank balances and deposits with financial institutions.

#### *Non-derivative financial liabilities*

The Company initially recognises financial liabilities on trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expired.

The Company classifies non-derivative financial liabilities into other financial liabilities category which comprises other payables.

Such financial liabilities are recognised initially at fair value plus less directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

### **3.3. Plant and equipment**

#### *Recognition and measurement*

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

The Company derecognizes the carrying amount of an item of plant and equipment on disposal or when no future economic benefits are expected from its use.

The gain or loss on disposal of an item of plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of plant and equipment and is recognised net within other income/other expenses in profit or loss.

#### *Subsequent costs*

The cost of replacing a component of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of equipment is recognised in profit or loss as incurred.

#### *Depreciation*

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment unless it is included in the carrying amount of another asset. The estimated useful lives for the current and comparative years are as follows:

Office furniture	3 years
Office equipment & computer	3 years
Office renovation	5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

### **3.4. Impairment**

#### *Non-derivative financial assets*

A financial asset not carried at fair value through profit or loss is assessed at end of each reporting period to determine whether there is an objective evidence that it is impaired. A financial asset is impaired if an objective evidence indicates that a loss event(s) has occurred after the initial recognition of the asset, and that the loss event(s) has an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, economic conditions that correlate with defaults or the disappearance of an active market for a security.

#### *Loans and receivables*

The Company considers evidence of impairment for loans and receivables at both specific and collective levels. Individually significant loans and receivables are assessed for specific impairment on an individual basis.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of Impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

#### *Non-financial assets*

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### **3.5. Employee benefits**

#### *Defined contribution plan*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay future amounts. Obligations for contributions to defined contribution pension plan such as Tabung Amanah Pekerja (TAP) are recognised as an expense in profit or loss in the periods during which related services are rendered by employees.

#### *Short-term employee benefits*

Short-term employee benefits obligations are measured on an undiscounted basis and are recognised as expense as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employees and the obligation can be estimated reliably.

### **3.6. Provisions**

A provision, other than insurance contract provisions, is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of discount is recognised as finance cost.

Contingent liabilities are not recognised in the financial statements but are disclosed in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised in the financial statements but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable.

### **3.7. Classification of insurance contracts**

Contracts under which the Company accepts significant insurance risk from another party by agreeing to compensate the beneficiary if a specified uncertain future event (the insured event) adversely affects the beneficiary are classified as insurance contracts.

Insurance risk is significant if, and only if, an insured event could cause the Company to pay significant additional benefits. Once a contract is classified as an insurance contract, it remains classified as an insurance contract until all rights and obligations are extinguished or expired.

### **3.8. Insurance contracts**

#### *Written premiums and earned premium revenue*

Written premiums include premiums on contracts entered during the financial year, irrespective of whether they relate in whole or in part to later financial years. Written premiums are disclosed gross of commission payable to insurance companies and intermediaries and include adjustments to premiums written in prior financial years.

Premiums are first recognised as written on the date that the contract is accepted. The earned portion of written premiums is recognised as revenue. Earned premium revenue comprises premiums written during the financial year and changes in provision for unexpired risks. Premiums are earned from the date of attachment of risk, over the coverage period, in accordance with the pattern of risk expected under the contracts. The pattern of risk exposure is generally by the passage of time.

#### *Provision for unexpired risks*

The provision for unexpired risks includes a provision for unearned premium and additional provision for premium deficiency, if any. The provision for unearned premium is calculated using written premiums fees and commissions for all classes of business in accordance with the pattern of risk underwritten. An additional provision for premium deficiency is made where the expected value of claims and expenses attributable to the unexpired periods of policies in force at the reporting date exceeds the provision for unearned premium, net of reinsurers' share and deferred acquisition cost, in relation to such policies.

#### *Claims incurred and provision for insurance claims*

Claims incurred consist of claims paid during the financial period, net of subrogation recoveries, and changes in provision for insurance claims.

Provision for insurance claims comprises provisions for the Company's estimate of the ultimate cost of settling all claims incurred but unpaid at the reporting date whether reported or not, and related internal and external claims handling expenses. Provision for insurance claims is assessed by reviewing individual claims making allowance for claims incurred but not yet reported, the effect of both internal and external foreseeable events, such as changes in claims handling procedures, inflation, judicial trends, legislative changes and past experience and trends.

Provision for insurance claims denominated in foreign currencies at the reporting date is translated to the functional currency at the exchange rate at that date. The resulting exchange differences are recognised in profit or loss.

#### *Reinsurance*

The Company cedes insurance in the normal course of business for the purpose of limiting its net loss potential. Assets, liabilities, income and expense arising from ceded insurance contracts are presented separately from the related assets, liabilities, income and expense from the related insurance contracts because the reinsurance arrangements do not relieve the Company from its direct obligations to its clients. Premiums relating to reinsurance ceded are recognised as an expense in accordance with the pattern of reinsurance service received.

Earned premiums ceded to reinsurers and reinsurers' share of claims incurred are presented in statement of total comprehensive income and statement of financial position on a gross basis.

The amounts recognised as reinsurers' share of insurance contract provisions are measured on a basis that is consistent with the measurement of the provisions held in respect of the related insurance contracts. Balances due from reinsurance companies in respect of claims paid are included within insurance and commissions receivables on the statement of financial position.

Reinsurers' share of insurance contract provisions and insurance and commissions receivables are assessed for impairment at each reporting date. Such assets are deemed to be impaired if there is an objective evidence, as a result of an event that occurred after its initial recognition, that the Company may not recover all amounts due and that the event has a reliably measurable impact on the amounts that the Company will receive from the reinsurer.

#### *Deferred commissions*

Brokerage commissions are directly related to the acquisition and renewal of insurance contracts. Commission income resulted from insurance and reinsurance arrangement with the broker. Brokerage commissions and commission income are deferred, to the extent that they are recoverable, and amortised consistent with the expiration of the risks associated with the underlying insurance contracts.

#### *Liability adequacy test*

The liability of the Company under insurance contracts is tested for adequacy by comparing the expected future contractual cash flows with the carrying amount of gross insurance contract provisions for unearned premiums and insurance claims. Where an expected shortfall is identified, additional provisions are made for unearned premiums or insurance claims and the deficiency is recognised in profit or loss.

### **3.9. Receivables and payables related to insurance contracts**

Insurance and commissions receivables and insurance payables are recognised on the date that the Company becomes a party to the insurance contracts. These include amounts due to and from reinsurance contract holders. They are measured on initial recognition at the fair value of the consideration receivable or payable. Subsequent to initial recognition, receivables and payables are measured at amortised cost, using the effective interest rate method.

The carrying value of insurance and commissions receivables is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. If there is an objective evidence that the insurance and commissions receivables are impaired, the Company reduces the carrying amount of the insurance and commissions receivables and recognises that impairment loss in profit or loss. The Company gathers the objective evidence that an insurance and commissions receivable is impaired using the same process adopted for loans and receivables. The impairment loss is calculated under the same method used for these financial assets. Insurance and commissions receivables and insurance payables are derecognised based on the same derecognition criteria as financial assets and liabilities respectively, as described in Note 3.2.

### **3.10. Equity**

#### *Share Capital*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

### *Accumulated profits*

Accumulated profits pertain to current and prior period results of operation as reported in the profit or loss section of the statement of total comprehensive income.

### **3.11. Interest income**

Interest income is recognised as it accrues in profit or loss, using the effective interest rate method.

### **3.12. Tax**

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that is probable that they will not reverse in the foreseeable future. The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Company considers the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

### **3.13. Subsequent events**

Post year-end events that provide additional information about the Company's financial position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

#### 4. Critical accounting estimates and judgements in applying accounting policy

Management has assessed the development, selection and disclosure of the critical accounting policies and estimates, and the application of these policies and estimates.

The critical accounting estimates made by management in applying accounting policies relate to the provisions for unexpired risks and insurance claims. Management makes estimates and assumptions that affect the reported amounts within the financial year. All estimates and assumptions required in conformity with IFRS are best estimates undertaken in accordance with the applicable standard. Estimates and judgments are evaluated on a continuous basis, and are based on past experience and other factors, including expectations with regard to future events.

##### *Process involved in determining claim liabilities*

The Company determines the claim liabilities in accordance with internationally recognised practices. The assumptions used in the estimation of insurance assets and liabilities are intended to result in provisions which are sufficient to cover any liabilities arising out of insurance contracts to the extent that can be reasonably foreseen.

However, given the uncertainty in establishing a provision for insurance claims, it is likely that the final outcome could prove to be significantly different from the original liability established.

Provision is made at the reporting date for the expected ultimate cost of settlement of all claims incurred in respect of events up to that date, whether reported or not, together with related claims handling expenses, less amounts already paid. An additional provision for adverse deviation is then added on top of the Company's best estimate reserve value, so that they are expected to have a 75% probability of sufficiency.

The sources of data used as inputs for the assumptions are typically internal to the Company, using detailed studies that are carried out at least annually. The assumptions are checked to ensure that they are consistent with observable market information or other published information.

The Company pays particular attention to current trends. In early years, where there is insufficient information to make a reliable estimate of claims development, prudent assumptions are used.

The estimation of incurred but not reported ("IBNR") claims is generally subject to a greater degree of uncertainty than the estimates of claims already notified, where more information is available. IBNR claims may often not be apparent to the Company until many years after the occurrence of the event which gave rise to the claim. The Company is presenting its provision for IBNR at gross amount.

Each notified claim is assessed on a separate case-by-case basis with due regard to the claim circumstances, information available from loss adjusters and historical evidence of the size of similar claims. Case estimates are reviewed regularly and are updated as and when new information arises.

The provision estimation difficulties differ by class of business due to a number of reasons, including but not limited to:

- Differences in the terms and conditions of the insurance contracts,
- Differences in the complexity of claims,
- The severity of individual claims, and
- Difference in the period between the occurrence and reporting of claims.

The liability class of claims will typically display greater variation between initial estimates and the actual outcome because there is a greater degree of difficulty in estimating the IBNR provisions. For

the other classes of business, claims are typically reported reasonably soon after the claim event, and hence tend to display lower levels of variability.

The cost of outstanding claims and the IBNR provisions are estimated using a range of statistical methods. Such method extrapolates the development of paid and incurred claims for each accident year based upon the observed development of earlier years and expected loss ratios.

The key statistical methods used:

- Paid Claims Development ("PCD") and Incurred Claims Development ("ICD") methods; and
- Incurred Bornheutter - Ferguson ("IBF") and Paid Bornheutter - Ferguson ("PBF") method.

The results produced by these methods were compared and the selected method is based on what the Company deemed most appropriate for a particular class of business.

The PCD and ICD methods involved the analysis of historical claims development factors and the selection of estimated development factors based on this historical pattern. The selected development factors are then applied to cumulative claims data for each accident or underwriting year for which the data is not yet fully developed to produce an estimated claim cost for each accident or underwriting year. This method is appropriate for mature classes of business, which have a relatively stable claim development pattern, but is less appropriate for classes of business which do not have a claims development history.

The IBF method makes use of the ICD method and combines it with an assessment of the ultimate loss ratios i.e. incurred claims divided by earned premium, for each class of business. For each accident or underwriting year, the IBNR is calculated by the following formula:

$$(1 - 1/LDF) \times \text{initial expected loss ratio} \times \text{earned premium}$$

Initial expected loss ratios for a particular class of business may be based upon general industry experience or based upon a combination of the Company's own experience and general industry experience. The IBF method is more appropriate for a class of business for which there is a lack of developed claims experience.

Large claims are generally assessed separately and are measured on a case-by-case basis or projected separately in order to allow for possible distorting effects on the development and incidence of these large claims on the rest of the portfolio.

To the extent that these methods use historical claims development information, the Company assumes that the historical claims development pattern will occur again in the future. There are reasons why this may not be the case, which, insofar as they can be identified, have been allowed for by modifying the methods.

Such reasons include:

- Economic, legal, political, and social trends (resulting, for example, in a difference in expected levels of inflation),
- Changes in the mix of insurance contracts incepted, and
- The impact of large losses.

The assumption that has the greatest effect on the measurement of general insurance contract provisions is generally the expected loss ratios for the most recent accident years. The expected loss ratio is the ratio of expected claims to earned premiums.

### *Process involved in determining premium liabilities*

The Company determines the premium liabilities based on the higher of unearned premium reserves (UPR) less deferred acquisition costs, net of reinsurer's share and unexpired risk reserves (URR), net of reinsurer's share at the insurance fund level, with a minimum of URR by line of business.

The URR needs to be adequate to meet future claims plus the portion of the Company expenses associated with administering the run-off of these claims. The URR is discounted based on a basket of Asian/US risk-free rates of varying durations, similar to claim liabilities.

Rather than calculating the UPR on a uniform basis for all types of contracts, the Company has considered the actual underlying risk exposure and approximated the appropriate premium recognition patterns.

The provision of unearned premiums comprises the proportion of gross written premiums which is estimated to be earned in the following or subsequent financial years, computed separately for each insurance contract using time apportionment, over the period covered by the contract.

## **5. Cash and cash equivalents**

	<b>2021</b>	<b>2020</b>
	<b>B\$</b>	<b>B\$</b>
Cash on hand	843	364
Cash at bank	3,573,162	5,442,767
Cash equivalents	2,255,000	15,370,000
	<u>5,829,005</u>	<u>20,813,131</u>

Cash equivalents pertain to fixed deposits with financial institutions amounting to B\$2,255,000 (2020 - B\$15,370,000) with maturity of less than three (3) months from the date acquired and are registered in the name of the Immediate Holding Company, which holds the deposits in trust for the Company.

The weighted average interest rate per annum relating to deposits with financial institutions at the reporting date is 0.16% (2020 - 0.66% per annum). Interest income on fixed deposits and cash at bank amounts to B\$83,681 (2020 - B\$287,062).

## **6. Short-term placements**

	<b>2021</b>	<b>2020</b>
	<b>B\$</b>	<b>B\$</b>
Statutory deposit with BDCB	1,000,000	1,000,000
Fixed deposits with financial institutions	22,660,000	6,940,000
	<u>23,660,000</u>	<u>7,940,000</u>

Under Section 16 of the Insurance Order, 2006 and Regulation 9(1) of the Insurance Regulations, 2006, the Company is required to maintain a deposit of B\$1 million registered in favour of Brunei Darussalam Central Bank (BDCB).

The fixed deposits with financial institutions aggregating B\$22,660,000 (2020 - B\$6,940,000) have a maturity period of more than 3 months but less than a year from the date acquired, thus, classified as current assets. These are registered in the name of the Immediate Holding Company, which holds the deposits in trust for the Company.

## 7. Insurance and commissions receivables, net

	2021 B\$	2020 B\$
Amounts receivable from		
- Policy holders, brokers, and insurers	7,246,842	11,834,025
- Related parties	1,049	4,798
	7,247,891	11,838,823
Allowance for doubtful receivables	(15,831)	(53,537)
	7,232,060	11,785,286

Amounts due from related parties are unsecured, non-interest bearing and repayable on demand. Insurance and commissions receivables are classified as current assets.

The movements in allowance for doubtful receivables in respect of insurance and commissions receivables during the year are as follows:

	2021 B\$	2020 B\$
At 1 January	53,537	26,256
Provision during the year	13,930	27,281
Write-off of uncollectible receivables	(51,636)	-
At 31 December	15,831	53,537

## 8. Plant and equipment, net

	Office Equipment and Computer B\$	Office Furniture B\$	Office Renovation B\$	Total B\$
<b>Cost</b>				
1 January 2020	151,781	30,203		181,984
Additions	1,448	50,000	109,800	161,248
31 December 2020	153,229	80,203	109,800	343,232
Additions	2,968	-	-	2,968
31 December 2021	156,197	80,203	109,800	346,200
<b>Accumulated depreciation</b>				
1 January 2020	150,453	30,203	-	180,656
Depreciation	1,372	1,389	1,830	4,591
31 December 2020	151,825	31,592	1,830	185,247
Depreciation	1,023	16,667	21,960	39,650
31 December 2021	152,848	48,259	23,790	224,897
<b>Carrying amounts</b>				
31 December 2020	1,404	48,611	107,970	157,985
31 December 2021	3,349	31,944	86,010	121,303

**9. Insurance contract provisions**

	2021		2020		Net B\$
	Gross B\$	Reinsurers' share B\$	Gross B\$	Reinsurers' share B\$	
Provision for unexpired risks	6,824,908	(6,362,199)	13,892,771	(12,186,311)	1,706,460
Provision for insurance claims					
- Outstanding claims and claims handling costs	2,329,461	(1,035)	4,084,630	(821,280)	3,263,350
- Outstanding claims incurred but not reported (IBNR)	972,523	-	1,340,756	-	1,340,756
	3,301,984	(1,035)	5,425,386	(821,280)	4,604,106
	10,126,892	(6,363,234)	19,318,157	(13,007,591)	6,310,566

The movements in insurance contract provisions are as follows:

	2021		2020		Net B\$
	Gross B\$	Reinsurers' Share B\$	Gross B\$	Reinsurers' share B\$	
<b>Provision for unexpired risks</b>					
At 1 January	13,892,771	(12,186,311)	6,226,622	(5,762,933)	463,689
Premiums written	13,405,815	(11,650,618)	25,124,725	(20,896,025)	4,228,700
Premiums earned	(20,473,678)	17,474,730	(17,458,576)	14,472,647	(2,985,929)
<b>At 31 December</b>	<b>6,824,908</b>	<b>(6,362,199)</b>	<b>13,892,771</b>	<b>(12,186,311)</b>	<b>1,706,460</b>
<b>Provision for insurance claims</b>					
At 1 January	5,425,386	(821,280)	6,341,053	(718,117)	5,622,936
Claims (paid) recovered	(2,463,175)	441,258	(2,314,051)	604,217	(1,709,834)
Claims incurred and movement in IBNR	347,882	378,987	1,354,232	(707,380)	646,852
Currency translation	(8,109)	-	44,152	-	44,152
<b>At 31 December</b>	<b>3,301,984</b>	<b>(1,035)</b>	<b>5,425,386</b>	<b>(821,280)</b>	<b>4,604,106</b>

The current and non-current portions of insurance contract provisions are as follows:

	2021	2020
Current portion	9,052,281	15,107,334
Non-current portion	1,074,611	4,210,823
<b>At 31 December</b>	<b>10,126,892</b>	<b>19,318,157</b>

## 10. Deferred commissions

	2021		2020	
	Income B\$	Expenses B\$	Income B\$	Expenses B\$
At 1 January	(456,380)	590,465	(361,272)	126,059
Movement in deferred commissions	78,643	(499,789)	(95,108)	464,406
At 31 December	(377,737)	90,676	(456,380)	590,465

Deferred commissions expense are unamortised brokerage commissions directly related to the acquisition and renewal of insurance contracts.

Deferred commissions income is unamortised commissions income from reinsurance arrangements with the broker.

## 11. Share capital

	Number of shares	
	2021	2020
Authorised ordinary shares	100,000,000	100,000,000
	B\$	B\$
Issued and paid up (8,500,000 shares at B\$1 par value per share)	8,500,000	8,500,000

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. All shares rank equally with regard to the Company's residual assets.

## 12. Insurance payables

	2021	2020
	B\$	B\$
Amounts due to		
- Policy holders and brokers	1,110,861	660,770
- Reinsurers	6,466,785	10,066,345
	7,577,646	10,727,115

Insurance payables are composed of outstanding premiums ceded to reinsurers, premiums refundable to customers, and commissions expense payable to brokers. These are non-interest bearing and are generally on a maximum of 60 days' term.

Insurance payables are classified as current liabilities.

## 13. Other payables

Other payables include accrued expenses, which are classified as current liabilities.

#### 14. Tax expense

	2021 B\$	2020 B\$
<b>Current tax expense</b>		
Current year	304,414	346,216
	<u>304,414</u>	<u>346,216</u>

#### Reconciliation of effective income tax

	2021 B\$	2020 B\$
<b>Profit before tax</b>	1,796,094	2,009,912
Tax using the Brunei tax rate of 18.5%	332,277	371,834
Non-deductible expense	2,929	5,047
Tax threshold deductions	(27,750)	(27,750)
Additional deductions	(3,042)	(2,915)
	<u>304,414</u>	<u>346,216</u>

#### 15. Operating expenses

	Notes	2021 B\$	2020 B\$
Short-term employee benefits		398,824	446,269
Legal and other professional fees		141,638	354,001
Depreciation	8	39,650	4,591
(Recoveries of) provision for bad debts	7	13,930	27,281
Others		87,976	51,803
		<u>682,018</u>	<u>883,945</u>

Others pertain to communication, office supplies and other administrative expenses of the Company.

#### 16. Related party transactions

##### (a) Transactions with related companies

During the year, apart from the balances and transactions disclosed below and elsewhere in these financial statements, there are no other transactions with the Company's related parties.

	2021 B\$	2020 B\$
Gross premiums earned from related parties	2,713,964	2,239,333

## **Interest held by the government and government-controlled entities**

The Government of Brunei Darussalam through its various ministries and statutory boards, has control over the Company. As a result, the Government of Brunei Darussalam and other government-controlled bodies are related parties of the Company.

The management is of the opinion that the transactions with related parties have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

### **(b) Compensation of key management personnel**

Key management personnel are defined as those persons having the authority and responsibility for planning, directing, and controlling the activities of the Company either directly or indirectly. The Company's Executive and Non-Executive Directors are considered key management personnel.

Key management personnel compensation comprised:

	<b>2021</b>	<b>2020</b>
	<b>B\$</b>	<b>B\$</b>
Short-term employee benefits	116,779	120,966

There are no other benefits paid to key management personnel.

## **17. Risk management**

### **17.1. Risk management framework**

The Company is exposed to a variety of insurance, reinsurance and financial risks in the normal course of its business activities. This section summarises these risks and the way the Company manages them.

### **17.2. Insurance risk management**

The Company accepts insurance risk through its written insurance contracts. The Company is exposed to uncertainty surrounding the timing, frequency and severity of claims under these contracts.

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

The Company is a Brunei-based insurance company, providing insurance coverage and risk solutions for Brunei government related persons, agencies, corporations and selected individuals. The Company underwrites direct and facultative reinsurance business both on a proportional and non-proportional basis. Main classes of insurance and reinsurance business underwritten include property, aviation, marine, medical, fire, personal accident, workmen's compensation and public liability.

### *Terms and conditions of insurance contracts*

The Company primarily writes insurance locally, with a number of worldwide policies. The policies indemnify, subject to any limits or excesses, the insureds against loss or damage. Event giving rise to a claim usually occurs suddenly and the cause is easily determinable. The claims will thus be notified promptly and can normally be settled without delay.

### *Management of risks*

The Company manages its insurance risk through underwriting guidelines, pricing comparisons and monitoring of emerging issues.

The Company manages insurance risk by monitoring factors that affect the perils and coverage of the policies such as changes in the macroeconomic or industry landscapes and risk environment.

#### (a) Underwriting risks

The Company also faces insurance risks related to underwriting, the risk of incurring higher claim costs than expected, owing to the random nature of claims and their frequency and severity and the risk of change in legal or economic conditions or behavioural patterns affecting insurance pricing and conditions of insurance or reinsurance cover. This may result in the insurer having either received too little premium for the risks it has agreed to underwrite and hence has not enough funds to invest and pay claims, or that claims are in excess of those expected. The Company seeks to minimise underwriting risks by observing underwriting guidelines and limits, conservative estimation of the claims provisions, and high standards applied to the security of reinsurers.

In considering the purchase of reinsurance protection, the Company aims to reduce risk, to stabilise solvency and expansion of underwriting capacity.

To achieve such objectives, the Company will consider the placing of reinsurance protection at appropriate levels with reinsurance carriers of a proven financial record. Specific reinsurance placements should reflect the appropriate balance between retention and reinsurance commensurate with the nature and complexity of the risk, all within acceptable exposure limits to the Company.

#### (b) Concentration/accumulation of insurance risks

Claims can accumulate from various contracts from a single systemic cause, such as a natural catastrophe or change in liability award levels. Further concentration can occur if parts of the same risks are accepted from different clients. Such accumulations can put financial strain on the resources of a Company.

Within the insurance process, concentration of risk may arise where a particular event or series of events could impact heavily upon the Company's liabilities. Such concentration may arise from a single insurance contract or through a small number of related contracts and related to circumstances where significant liabilities could arise. The Company writes its property, marine and casualty insurance on a worldwide basis. Through regular review of its underwriting and reinsurance strategy, the Company monitors and manages its concentration of insurance risk.

The following tables set out the Company's concentration of insurance risks by countries based on the location of the ceding insurer or reinsurer and lines of business by gross written premiums for the years ended 31 December:

	2021		2020	
	Gross B\$	Net B\$	Gross B\$	Net B\$
<b>Countries</b>				
Brunei	10,829,063	702,137	23,026,115	3,219,762
United Kingdom	922,956	478,006	774,268	114,760
Singapore	1,213,575	138,922	887,290	460,858
France	359,312	359,312	362,258	362,258
Others	80,909	76,820	74,794	71,062
	<b>13,405,815</b>	<b>1,755,197</b>	<b>25,124,725</b>	<b>4,228,700</b>
<b>Line of business</b>				
Property All Risk	2,711,664	1,124,093	9,995,803	1,165,402
Aviation	2,849,827	172,017	3,747,007	160,839
Public liability	2,807,698	489,833	1,784,940	481,029
Cargo	346,972	-	277,517	-
Fire	240,239	43,312	320,159	45,084
Workmen compensation	241,383	409	239,336	-
Contractor all risk	3,111,698	-	218,857	-
Marine	11,295	6,295	13,831	8,145
Others	1,085,039	(80,762)	8,527,275	2,368,201
	<b>13,405,815</b>	<b>1,755,197</b>	<b>25,124,725</b>	<b>4,228,700</b>

Others mainly include Personal accident, Property all risk, Industry all risk, and Professional indemnity.

(c) Claims development

A claims development table is disclosed in order to put the unpaid claims estimates included in the financial statements into a context allowing comparison of the development claims provisions with those seen in previous years.

The table provides a review of current estimates of cumulative claims and demonstrates how the estimated claims have changed at subsequent reporting or accident year-ends.

While the information in the table provides historical perspective on the adequacy of unpaid claims estimate established in previous years, users of these financial statements are cautioned against extrapolating redundancies or deficiencies of the past on current unpaid loss balances.

The directors of the Company believe that the estimates of total claims outstanding as of reporting date are adequate. However, due to inherent uncertainties in the reserving process, it cannot be assured that such balances will ultimately prove to be adequate.

Underwriting year is defined from 1 January to 31 December of the year.

Analysis of claims development

	Underwriting years							Total B\$
	2015 B\$	2016 B\$	2017 B\$	2018 B\$	2019 B\$	2020 B\$	2021 B\$	
<b>31 December 2021</b>								
At end of first financial year	-	-	-	-	-	-	2,090,843	2,090,843
One year later	-	-	-	-	-	1,883,442	-	1,883,442
Two years later	-	-	-	-	2,186,725	-	-	2,186,725
Three years later	-	-	-	853,271	-	-	-	853,271
Four years later	-	-	207,759	-	-	-	-	207,759
Five years later	-	986,942	-	-	-	-	-	986,942
Six years later	10,918,113	-	-	-	-	-	-	10,918,113
Current estimates of loss reserves	10,918,113	986,942	207,759	853,271	2,186,725	1,883,442	2,090,843	19,127,095
Cumulative payments	(10,896,984)	(936,942)	(207,759)	(637,486)	(1,720,272)	(1,724,929)	(202,540)	(16,326,912)
Best estimate of claim reserves	21,129	50,000	-	215,785	466,453	158,513	1,888,303	2,800,183
Provision for expenses and Provision of risk margin for adverse deviation (IBNR)								501,801
Total current estimates of claim liabilities								3,301,984

	Underwriting years							Total B\$
	2015 B\$	2016 B\$	2017 B\$	2018 B\$	2019 B\$	2020 B\$		
<b>31 December 2020</b>								
At end of first financial year	-	-	-	-	-	-	3,126,503	3,126,503
One year later	-	-	-	-	2,450,741	-	-	2,450,741
Two years later	-	-	-	961,185	-	-	-	961,185
Three years later	-	-	364,306	-	-	-	-	364,306
Four years later	-	986,942	-	-	-	-	-	986,942
Five years later	10,918,113	-	-	-	-	-	-	10,918,113
Current estimates of loss reserves	10,918,113	986,942	364,306	961,185	2,450,741	3,126,503	-	18,807,790
Cumulative payments	(10,896,984)	(375,579)	(173,249)	(554,348)	(1,372,203)	(829,176)	-	(14,201,539)
Best estimate of claim reserves	21,129	611,363	191,057	406,837	1,078,538	2,297,327	-	4,606,251
Provision for expenses and Provision of risk margin for adverse deviation (IBNR)								819,135
Total current estimates of claim liabilities								5,425,386

(d) Sensitivity analysis

The purpose of the sensitivity analysis is to assess the relative importance of key assumptions used in the actuarial valuation of claims liabilities and premium liabilities as at December 31 including the provision for adverse deviation (this is referred to as the "base scenario" in the sensitivity analysis summary).

To test the sensitivity of the claims and premium liabilities to the changes in the significant assumptions, simultaneous changes in the assumptions for all durations were considered. The level of change for the assumptions ranges from 0% to 1%. The result after each change in assumption is then compared to the base scenario.

The sensitivity values shown are independent of changes to other assumptions items. In practice, a combination of adverse and favourable changes could occur. The sensitivity results are not intended to capture all possible outcomes. Significantly more adverse or favourable results are possible.

The sensitivity analysis was performed on the premiums and claims liabilities based on changes in assumption that may affect the level of liabilities. One particular reliance is that the net sensitivity results assume that all reinsurance recoveries are receivable in full. The assumption considered in the sensitivity analysis is the ultimate loss ratio.

The results of the sensitivity analysis and the impact on the premium liabilities and claims liabilities are as follows:

	<b>Gross claims liabilities</b>	
	<b>2021</b>	<b>2020</b>
	<b>B\$</b>	<b>B\$</b>
Base scenario	3,301,984	5,425,386

	<b>Change in assumption</b>	<b>Increase (decrease) in net claim liabilities</b>	
		<b>2021</b>	<b>2020</b>
		<b>B\$</b>	<b>B\$</b>
Ultimate Loss Ratio	+ 1%	5,961	5,863
Ultimate Loss Ratio	- 1%	(5,961)	(5,863)

### 17.3. Financial risk management

#### (a) Introduction and overview

Transactions in financial instruments may result in the Company assuming financial risks. These include:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risk, the Company's objectives, policies and processes for measuring and managing financial risks.

**(b) Credit risk**

Credit risk is the risk of financial loss to the Company if a policyholder or counterparty to insurance and reinsurance transactions fails to meet its contractual obligations and arises principally from the Company's receivables from policyholders and reinsurers.

The carrying amounts of reinsurers' share in insurance contract provisions, insurance and commission receivables, other receivables and cash and cash equivalents represent the Company's maximum exposure to credit risk.

The credit risk on cash and fixed deposits is considered to be low because the counterparties are licensed financial institutions in Brunei of reputable standing.

Management of credit risk

The Company extends credit to its policyholders and reinsurers based on commercial terms. The creditworthiness of reinsurers is assessed on an annual basis by reviewing their financial strengths through published credit ratings, available market information and financial reports. Credit evaluations are performed on all brokers, agents, reinsurers, financial institutions and other counterparties.

Impairment

The ageing of insurance and commission receivables, other receivables and reinsurer's share of insurance contract provision that were not impaired at the reporting date follows:

	<b>2021</b>	<b>2020</b>
	<b>B\$</b>	<b>B\$</b>
Current - 30 days	6,972,284	13,049,639
Past due 31 - 60 days	6,342,873	4,497,287
Past due 61 - 90 days	46,349	47,723
Past due more than 90 days	335,075	7,294,640
<b>Total</b>	<b>13,696,581</b>	<b>24,889,289</b>

The above receivables have been individually assessed for impairment after considering information such as occurrence of significant changes in the counterparty's financial position, patterns of historical payment information and dispute with counterparties.

Based on historical default rates, the Company believes that no impairment allowance is necessary in respect of receivables that are not past due for more than 90 days, other than those where specific provisions have already been made in the accounts.

**(c) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial and insurance liabilities that are settled by delivery of cash or another financial asset the Company has to meet its liabilities as and when they fall due, notably from claims arising from its insurance contracts. There is hence a risk that the cash and cash equivalents held will not be sufficient to meet its liabilities when they become due.

Management of liquidity risk

The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities arising from insurance claims and maturing liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company holds a high proportion of assets in cash or in short-term deposits in order to maintain consistency with short-tail insurance liabilities.

The following table provides the liquidity analysis for the financial liabilities and insurance contract provisions of the Company. Financial liabilities are presented on a contractual cash flow basis whereas insurance contract provisions are presented based on expected cash flows.

	Carrying amount B\$	Contractual cash flows B\$	Cash flow Less than 1 year B\$	Between 1 to 5 years B\$
<b>31 December 2021</b>				
Insurance payables	7,577,646	7,577,646	7,577,646	-
Insurance contract	10,126,892	10,126,892	9,052,281	1,074,611
Other payables	321,869	321,869	321,869	-
	<b>18,026,407</b>	<b>18,026,407</b>	<b>16,951,796</b>	<b>1,074,611</b>
<b>31 December 2020</b>				
Insurance payables	10,727,115	10,727,115	10,727,115	-
Insurance contract	19,318,157	19,318,157	15,107,334	4,210,823
Other payables	410,561	410,561	410,561	-
	<b>30,455,833</b>	<b>30,455,833</b>	<b>26,245,010</b>	<b>4,210,823</b>

**(d) Market risk**

Market risk is the risk that changes in market prices will affect the Company's income or the value of its financial instruments. Market risk for the Company comprises of foreign currency risk and interest rate risk.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. The nature of the Company's exposures to market risks and its objectives, policies and processes for managing market risk have not changed significantly from the previous financial year.

For each of the major components of market risk, the Company has policies and procedures in place which detail how each risk should be managed and monitored. The management of each of these major components of market risk and the exposure of the Company at the reporting date to each major risk is addressed below.

**i. Foreign currency risk**

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Management of foreign currency risk

The Company is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk primarily arises from recognised monetary assets and liabilities that are denominated in a currency that is not the Company's functional currency.

The volatility arising from changes in foreign exchange rates are generally managed by matching liabilities with assets of the same currency thus ensuring that any exposures to overseas currencies are minimised.

The following table sets out the Company's main exposure at the reporting date to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the Company.

<b>31 December 2021</b>	<b>USD B\$</b>	<b>EUR B\$</b>	<b>GBP B\$</b>	<b>Others B\$</b>
<b>Assets</b>				
Deferred commissions	27,828	815	1,305	-
Insurance and commissions receivables	5,908,862	28,986	66,711	1,576
Cash and cash equivalents	884,294	2,307,859	10,955	
	<u>6,820,984</u>	<u>2,337,660</u>	<u>78,971</u>	<u>1,576</u>
<b>Liabilities</b>				
Insurance contract provisions (net of reinsurers' share)	(157,695)	(1,631)	(19,588)	-
Insurance payables	(6,277,165)	(27,899)	(31,030)	-
	<u>(6,434,860)</u>	<u>(29,530)</u>	<u>(50,618)</u>	<u>-</u>
Overall net exposure	<u>386,124</u>	<u>2,308,130</u>	<u>28,353</u>	<u>1,576</u>

31 December 2020	USD B\$	EUR B\$	GBP B\$	Others B\$
<b>Assets</b>				
Deferred commissions	57,062	857	1,260	-
Insurance and commissions receivables	8,605,737	-	79,010	-
Cash and cash equivalents	800,215	2,300,911	1,731,813	-
	9,463,014	2,301,768	1,812,083	-
<b>Liabilities</b>				
Insurance contract provisions (net of reinsurers' share)	(197,078)	(1,715)	(20,122)	-
Insurance payables	(8,264,226)	(28,205)	(36,988)	-
	(8,461,304)	(29,920)	(57,110)	-
- Overall net exposure	1,001,710	2,271,848	1,754,973	-

#### *Sensitivity analysis*

A 10% strengthening or weakening of Brunei Dollar against the following currencies at the reporting date would increase (+) or decrease (-) profit or loss by the amounts shown below assuming that all other variables, in particular interest rates, remain constant.

	Impact on profit or loss B\$
<b>31 December 2021</b>	
USD	+/- 38,612
EUR	+/- 230,813
GBP	+/- 2,835
<b>31 December 2020</b>	
USD	+/- 100,171
EUR	+/- 227,185
GBP	+/- 175,497

#### **ii. Interest rate risk**

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate due to the impact of changes in market interest rates on interest income from interest-bearing financial assets. The Company's exposure to changes in interest rates relates primarily to cash and cash equivalents and fixed rate deposits.

### Management of interest rate risk

The Company's exposure to changes in interest rate relates primarily to its term fixed deposits.

Majority of the Company's cash holdings are held mainly in fixed deposits and are thus exposed to interest rate risks when the deposits have to be rolled over. The Company maintains fixed deposits at market rates, any changes in yield rates will not have a material impact on the carrying amounts of the relevant assets.

The Company currently has no borrowing and therefore is not exposed to interest rate risk resulting from borrowings.

### **17.4. Capital management**

The Company's capital management policy aims to:

- Maintain a strong capital base to sustain and grow the business so as to uphold investors, creditors and market confidence, and
- Comply with the regulatory capital requirements for the Company.

Capital comprises paid-up share capital and accumulated profits.

There were no changes in the Company's approach to capital management during the financial year.

### **17.5. Determination of fair values**

A number of the Company's accounting policies and disclosures require the determination of fair value. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

#### **Fair value hierarchy**

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources and unobservable inputs reflect the Company's market assumptions. The fair value hierarchy is as follows:

- Level 1 - Quoted price (unadjusted) in active markets for the identical assets or liabilities. This level includes listed equity securities and debt instruments.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 - Inputs for asset or liability that are not based on observable market data (unobservable inputs). This level includes equity and debt instruments with significant unobservable components.

#### ***Other financial assets and liabilities***

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including other receivables, cash and cash equivalents and other payables) are assumed to approximate their fair values because of the short period to maturity.

## Accounting classifications and fair values

The carrying amounts of other financial assets and financial liabilities are as follows.

<b>31 December 2021</b>		<b>Loans and receivables</b>	<b>Other financial liabilities</b>	<b>Total</b>
<b>Financial assets</b>	<b>Notes</b>	<b>B\$</b>	<b>B\$</b>	<b>B\$</b>
Cash and cash equivalents	5	5,829,005	-	5,829,005
Short-term placements	6	23,660,000	-	23,660,000
Other receivables		36,401	-	36,401
		<u>29,525,406</u>	<u>-</u>	<u>29,525,406</u>
<b>Financial liabilities</b>				
Other payables	13	-	321,869	321,869
<b>31 December 2020</b>				
<b>Financial assets</b>				
Cash and cash equivalents	5	20,813,131	-	20,813,131
Short-term placements	6	7,940,000	-	7,940,000
Other receivables		96,412	-	96,412
		<u>28,849,543</u>	<u>-</u>	<u>28,849,543</u>
<b>Financial liabilities</b>				
Other payables	13	-	410,561	410,561