Audley Insurance Company Sdn Bhd

(Incorporated in Brunei Darussalam)

Financial Statements
As at and for the years ended 31 December 2024 and 2023

AUDLEY INSURANCE COMPANY SDN BHD
(Incorporated in Brunei Darussalam)

REPORTS AND FINANCIAL STATEMENTS
AS AT AND FOR THE YEARS ENDED 31 DECEMBER 2024 AND 2023

C O N T E N T S

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 2024.

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$
Profit for the year	1,769,207
Accumulated profits at the beginning of the year	18,650,281
Accumulated profits at the end of the year	**20,419,488**

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. Nur Rossthenee binti Hj Md Nendaroh (resigned effective 5 February 2025)
3. Hjh Lily binti Hj Kula
4. Hj Osman bin Hj Md. Jair
5. Hjh Erma Rajwani binti Hj Maludin (appointed effective 17 March 2025)

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 2024	1 January 2024
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: 13 June 2025

Independent Auditor's Report

To the Board of Directors of
Audley Insurance Company Sdn Bhd
(Incorporated in Brunei Darussalam)
F10 & F11, 1st 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 give a true and fair view of the financial position of Audley Insurance Company Sdn Bhd (the "Company") as at 31 December 2024 and 2023, and of its financial performances, and its cash flows for the years then ended in accordance with the provisions of the Brunei Darussalam Companies Act, Chapter 39 (the "Act"), the Insurance Order 2006 (the "Order") and the International Financial Reporting Standards ("IFRS") Accounting Standards.

What we have audited

The financial statements of the Company comprise:

- the statements of total comprehensive income for the years ended 31 December 2024 and 2023;
- the statements of financial position as at 31 December 2024 and 2023;
- the statements of changes in equity for the years ended 31 December 2024 and 2023;
- the statements of cash flows for the years ended 31 December 2024 and 2023; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for Opinion

We conducted our audits in accordance with International Standards on Auditing ("ISA"). 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.

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 other information. The other information comprises the information included in the Report of the Directors but does not include the financial statements of the Company and our auditor's report thereon which we obtained prior to the date of this auditor's report.

Our opinion on the financial statements of the Company 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 above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Company 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 that we 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 Directors and Those Charged with Governance for the Financial Statements

The Company's directors are responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Act, the Order and the IFRS Accounting 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.

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 ISA 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 ISA, we exercise professional judgement 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.

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 Act and the Order to be kept by the Company have been properly kept in accordance with the provisions of the Act. We have obtained all the information and explanations that we required.

PricewaterhouseCoopers Services

Chai Xiang Yuin
Partner

Brunei Darussalam
13 June 2025

STATEMENTS OF TOTAL COMPREHENSIVE INCOME
For the years ended 31 December 2024 and 2023

	Notes	2024 B$	2023 B$
Insurance revenue	5,16	18,460,263	17,758,952
Insurance service expenses	16	(4,571,538)	(5,984,891)
Insurance service result before reinsurance contracts held	16	**13,888,725**	**11,774,061**
Allocation of reinsurance premiums	17	(13,110,323)	(13,712,966)
Amounts recoverable from reinsurers for incurred claims	17	913,076	2,313,225
Net expenses from reinsurance contracts	17	**(12,197,247)**	**(11,399,741)**
Insurance service result		**1,691,478**	**374,320**
Interest revenue on financial assets not measured at FVTPL	6,10,11	1,093,794	1,073,363
Investment return		**1,093,794**	**1,073,363**
Net finance expenses from insurance contracts	6,16	(624,934)	(363,229)
Net finance income from reinsurance contracts	6,17	442,165	146,889
Net finance expenses from insurance and reinsurance contracts		**(182,769)**	**(216,340)**
Net investment result		**911,025**	**857,023**
Depreciation of property and equipment	13	(20,762)	(23,305)
Other expenses	7	(302,537)	(372,144)
Employee compensation	8	(193,216)	(174,322)
Gain on foreign exchange		14,822	21,330
		(501,693)	(548,441)
Profit before income tax		**2,100,810**	**682,902**
Income tax expense	9	(331,603)	(76,881)
Profit for the year		**1,769,207**	**606,021**
Other comprehensive income		-	-
Total comprehensive income for the year		**1,769,207**	**606,021**

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION
As at 31 December 2024 and 2023

	Notes	2024 B$	2023 B$
ASSETS			
Cash and cash equivalents	10	24,765,211	3,710,203
Short-term placements	11	8,300,000	28,710,000
Insurance contract assets	16	534,827	895,355
Reinsurance contract assets	17	2,820,554	4,355,281
Other receivables	12	277,218	388,557
Plant and equipment, net	13	72,466	91,909
Deferred tax asset	9	19,607	-
Total assets		**36,789,883**	**38,151,305**
EQUITY AND LIABILITIES			
Equity			
Share capital	19	8,500,000	8,500,000
Accumulated profits		20,419,488	18,650,281
Total Equity		**28,919,488**	**27,150,281**
Liabilities			
Other creditors and accruals	14	554,093	562,171
Insurance contract liabilities	16	6,214,932	9,314,899
Reinsurance contract liabilities	17	737,382	914,968
Income tax liability	9	363,988	196,793
Deferred tax liability	9	-	12,193
Total liabilities		**7,870,395**	**11,001,024**
Total equity and liabilities		**36,789,883**	**38,151,305**

Director

Director

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
For the years ended 31 December 2024 and 2023

	Share capital (Note 19) B$	Accumulated profits B$	Total equity B$
Balance at 1 January 2023	**8,500,000**	**18,044,260**	**26,544,260**
Total comprehensive income for the year			
Profit for the year	-	606,021	606,021
Balance at 31 December 2023	**8,500,000**	**18,650,281**	**27,150,281**
Total comprehensive income for the year			
Profit for the year	-	1,769,207	1,769,207
Balance at 31 December 2024	**8,500,000**	**20,419,488**	**28,919,488**

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
For the years ended 31 December 2024 and 2023

	Notes	2024 B$	2023 B$
Cash flows from operating activities			
Profit before income tax		2,100,810	682,902
Adjustments for:			
Provision for doubtful debts	7	118,496	4,326
Depreciation	13	45,445	51,011
Interest income from fixed deposits	10,11	(1,093,794)	(1,073,363)
Unrealised foreign exchange gains		(34,584)	(30,910)
Operating cash inflow (outflow) before changes in operating assets and liabilities		**1,136,373**	**(366,034)**
Changes in operating assets and liabilities			
Decrease (increase) in:			
Other receivables		68,009	3,863
Insurance contracts assets		337,345	(195,158)
Reinsurance contract asset		1,485,548	(2,367,269)
(Decrease) increase in:			
Other creditors and accruals		(8,078)	214,000
Insurance contract liabilities		(3,149,107)	3,986,575
Reinsurance contract liabilities		(170,029)	284,616
Cash (used in) generated from operations		(299,939)	1,560,593
Tax paid	9	(302,770)	(47,689)
Net cash (used in) generated from operating activities		**(602,709)**	**1,512,904**
Cash flows from investing activities			
Interest received from fixed deposits	10,11	1,243,686	1,022,903
Acquisition of fixed deposits with financial institutions	11	(7,300,000)	(47,630,000)
Maturity of fixed deposits with financial institutions	11	27,710,000	45,305,000
Purchase of property and equipment	13	(26,002)	(60,675)
Net cash generated from (used in) investing activities		**21,627,684**	**(1,362,772)**
Net increase in cash and cash equivalents		**21,024,975**	**150,132**
Cash and cash equivalents at beginning of financial year	10	3,710,203	3,438,163
Effect on currency translation on cash and cash equivalents		30,033	121,908
Cash and cash equivalents at end of financial year		**24,765,211**	**3,710,203**

The accompanying notes form an integral part of these 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 13 June 2025.

1. DOMICILE AND ACTIVITIES

Audley Insurance Company Sdn Bhd (the "Company") is incorporated in Brunei Darussalam and has its registered office at F10 & F11, 1st 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 persons, agencies, corporations and selected individuals.

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”) Accounting Standards.

2.2. Basis of measurement

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

2.3. Functional and presentation currency

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

2.4. Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS Accounting Standards 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.

2.5. Changes in accounting policies and disclosures

(a) Amendment to existing standards adopted by the Company

The Company has applied the following amendment to the existing standards for the first time for their annual reporting period commencing 1 January 2024.

- *Amendments to International Accounting Standards (IAS) 1, "Classification of Liabilities as Current or Non-current"*

  Amendments made to IAS 1, 'Presentation of Financial Statements' in 2020 and further clarifications made in 2022 on the liabilities' classification as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).

  Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

  The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants that the entity must comply with within 12 months from the reporting date. The disclosures include:

  - the carrying amount of the liability;
  - information about the covenants; and
  - facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

  The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of a convertible note.

The adoption of the above amendment did not have a material impact on the financial statements of the Company.

(b) New and amended standards not yet effective and not yet adopted by the Company

The following new standards and amendments to existing standards are not mandatory for the 31 December 2024 reporting period and have not been early adopted by the Company:

- *Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026)*

  On 30 May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

  - clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
  - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
  - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
  - update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

- *IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)*

  IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

The new or amended accounting standards and interpretations listed above are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Company. There are no other relevant standards, interpretations, and amendments that are effective beginning on or after 1 January 2025 that are expected to have a material impact on the Company's financial statements.

3. MATERIAL ACCOUNTING POLICIES

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

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.

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.

3.2. Financial instruments

Financial assets

Recognition and derecognition

The Company recognises financial assets 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.

Classification and measurement

Financial assets shall be measured in accordance to their respective classifications at amortised cost, or fair value through profit or loss on the basis of both the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

A financial asset shall be measured at amortised cost if both of the following conditions are met, which is the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company's cash equivalents, short-term placements, other receivables are classified as financial assets at amortised cost.

Impairment

The Company recognises a loss allowance for expected credit losses (ECL) on financial assets that are measured at amortised cost. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company recognises lifetime ECL for financial assets measured at amortised cost. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

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 creditors and accruals.

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. Property and equipment

Recognition and measurement

Items of property 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 property and equipment have different useful lives, they are accounted for as separate items (major components) of property 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 the statement of comprehensive income.

Depreciation

Depreciation is based on the cost of an asset less its residual value.

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-financial assets

The carrying amounts of the Company's non-financial 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 exceeds its estimated recoverable amount.

The recoverable amount of an asset 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. 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.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

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) and Supplemental Contributory Pension (SCP) are recognised as an expense in profit or loss in the periods during which related services are rendered by employees.

TAP and SCP now known as Skim Persaraan Kebangsaan ("SPK") Under Section 26 of the Order, the laws of Brunei Darussalam which relate to retirement benefits schemes shall apply to the employees of the Company. The Company participates in TAP and SCP. The two schemes has been replaced with SPK starting July 2023.

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 liabilities, 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 it is more likely than not that an inflow of benefits will occur. However, when the inflow of benefits is virtually certain an asset is recognised in the statement of financial position, because that asset is no longer considered to be contingent.

3.7. Insurance and reinsurance contract treatment

Classification of insurance contracts

Products sold by the Company are classified as insurance contracts when 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. Insurance risk is significant if, and only if, an insured event could cause the Company to pay significant additional benefits.

This assessment is made on a contract-by-contract basis at the contract issue date. In making this assessment, the Company considers all its substantive rights and obligations, whether they arise from contract, law or regulation.

The Company determines whether it contains significant insurance risk, by assessing if a insured event could cause the Company to pay to the policyholder additional amounts that are significant in any single scenario with commercial substance even if the insured event is extremely unlikely or the expected present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows from the insurance contract.

A contract classified as an insurance contract remains classified as an insurance contract until all rights and obligations are extinguished or expired.

The Company holds reinsurance contracts to mitigate certain risk exposure, and these are facultative arrangements.

Separation of components from insurance and reinsurance contracts

The Company assesses its insurance and reinsurance contracts to determine whether they contain distinct components which must be accounted for under another IFRS Accounting Standards instead of under IFRS 17. After separating any distinct components, the Company applies IFRS 17 to all remaining components of the insurance and reinsurance contracts.

Non-distinct investment components need to be separated out in the presentation of insurance revenue and insurance service expense because investment components are not included as part of revenue recognition and any variance to the investment component is offset against the CSM.

Currently, the Company's insurance and reinsurance contracts do not include any embedded derivatives, distinct investment component or non-insurance services.

Unit of account

IFRS 17 requires an entity to establish portfolios of insurance contracts. Each portfolio comprise contracts which are subject to similar risks and managed together, and is divided into three groups based on its profitability status:

(a) Contracts that are onerous at initial recognition;

(b) Contracts that at initial recognition have no significant possibility of becoming onerous subsequently, if any; and

(c) Others.

Insurance contracts within a group of contracts cannot be more than one year apart, therefore each group of insurance contracts is further divided by year of the contract recognition date. The resulting groups represent the level at which the recognition and measurement accounting policies are applied. The groups are established on initial recognition and their composition is not reassessed subsequently.

The Company divides portfolios of reinsurance contracts by applying the same principles with the underlying insurance contracts set out above, except that the references to onerous contracts refer to contracts on which there is a net gain or net loss on initial recognition. All accounting groups within the same contract boundaries can be included in the same group if their initial recognition date is within the same year.

Contract boundary

Contract recognition relates to when is a contract would be recognised as part of the Company's liabilities. The Company recognises groups of insurance contracts it issues from the earliest of the following:

(a) The beginning of the coverage period of the group of contracts. The coverage period of a group of contracts begins when the Company is required to pay the policyholder if a covered event occurs;

(b) The date when the first payment from a policyholder in the group becomes due. If there is no contractual due date, the first payment from the policyholder is deemed to be due when it is received; or

(c) For a group of onerous contracts, when the group becomes onerous.

Subsequently, new contracts are added to the group when they are issued or initiated, provided that all contracts in the group are issued or initiated in the same year.

The contract boundary is when there is no obligation from the Company to provide insurance services and the Company cannot compel the policyholder to pay considerations.

For a group of insurance contracts, the Company measures all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that existing during the reporting period in which the Company can compel the contribution to be paid, or in which the Company has a substantive obligation to provide services.

If the terms and conditions that relates to the Company's ability to reassess the risk, as well as to renew, amend or terminate the contract has changed, another contract boundary assessment is required for the affected contracts.

A substantive obligation to provide services ends when:

(a) The Company has the practical ability to reassess the risks of the particular contract and, as a result can set a price or level of benefits that fully reflects those risks; or

(b) Both of the following criteria are satisfied:

- The Company has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio; and

- the pricing of the contributions for coverage up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

Reinsurance contracts

The Company recognises groups of reinsurance contracts:

(a) If the reinsurance contracts provide proportionate coverage at the later of the beginning of the coverage period of the group or the initial recognition of any underlying contract; and

(b) In all other cases, from the beginning of the coverage period of the group. The coverage period is the period during which the Company receives coverage for claims arising from the retroceded portions of the underlying insurance contracts.

The contract boundary for a reinsurance ends depends on the substantive obligation to pay considerations and substantive rights to receive service by the cedant, which would be up to the contract boundary of the ceded underlying insurance contracts including future underlying new business contracts covered by the reinsurance contracts, unless:

(a) both the reinsurance operator and the cedant have the unilateral right to terminate the contract on predetermined terms; and

(b) the reinsurance operator has the unilateral right to fully reprice the contract.

Measurement of insurance contracts issued and reinsurance contacts held under GMM

Initial measurement

On initial recognition, the Company measures a group of insurance contracts at the total of:

- The fulfilment cash flows (FCF), which comprise estimates of future cash flows, adjusted to reflect the time value of money and the associated financial risks, and a risk adjustment for non-financial risks; and

- The contract service margin (CSM), which representing the unearned profit the Company will recognize as it provides service under the insurance contracts in the group.

The measurement of the fulfilment cash flows of a group of insurance contracts does not reflect non-performance risk.

The risk adjustment for non-financial risk for a group of insurance contracts is the compensation required for bearing uncertainty about the amount and timing of the cash flows that arise from non-financial risk.

On initial recognition of a group of insurance contracts, if the total of the fulfilment cash flows, any derecognised asset for insurance acquisition cash flows and any cash flows arising at that date is a net inflow, then the group is not onerous. In this case, the CSM is measured as the equal and opposite amount of the net inflow, which results in no income or expenses arising on initial recognition.

If the total is a net outflow, then the group is onerous, and the Company shall recognize a loss in profit or loss for the net outflow. A loss component of the liability for remaining coverage is created to depict any losses recognized, which determines the amounts that are subsequently presented in profit or loss as reversals of losses on onerous groups and are consequently excluded from the determination of insurance revenue.

The liability for remaining coverage (LRC) is the Company's obligation to investigate and pay valid claims for covered events that have not yet occurred (i.e. the obligation that relates to the unexpired portion of the coverage period) and at initial recognition, comprises all remaining expected future cash inflows and cash outflows under an insurance contract plus the CSM for that contract.

The liability for incurred claims (LIC) is the Company's obligation to investigate and pay valid claims for covered events that have already occurred, including events that have occurred but for which claims have not been reported, and other incurred insurance expenses. At initial recognition of a group of contracts, the liability for incurred claims is nil as no covered events have occurred.

Subsequent measurement

- Insurance contracts issued

  The CSM at the end of the reporting period represents the profit in the group of insurance contracts that has not yet been recognized in profit or loss because it relates to the future service to be provided under the contracts in the group.

  For a group of insurance contracts, the carrying amount of the CSM of the group at the end of the reporting period equals the carrying amount at the beginning of the reporting period adjusted, as follows:

  (a) the effect of any new contracts added to the group (see Note (iv) Recognition);

  (b) interest accreted on the carrying amount of the CSM during the reporting period, measured at the discount rates at initial recognition.

  (c) the changes in fulfilment cash flows relating to future service, except to the extent that:

    - such increases in the fulfilment cash flows exceed the carrying amount of the CSM, giving rise to a loss; or

    - such decreases in the fulfilment cash flows are allocated to the loss component of the liability for remaining coverage.

(d) the effect of any currency exchange differences on the CSM; and

(e) the amount recognised as insurance revenue because of the transfer of services in the period, determined by the allocation of the CSM remaining at the end of the reporting period (before any allocation) over the current and remaining coverage period.

The locked-in rate is derived based on year-to-date weighted average discount rate for each annual cohort. The Company adopts the bottom-up approach to derive the discount rates applied.

The changes in fulfilment cash flows relating to future service that adjust the CSM comprise of:

(a) experience adjustments that arise from the difference between the contribution receipts (and any related cash flows such as insurance acquisition cash flows and insurance contribution taxes) and the estimate, at the beginning of the period, of the amounts expected. Differences related to contributions received (or due) related to current or past services are recognised immediately in profit or loss while differences related to contributions received (or due) for future services are adjusted against the CSM.

(b) changes in estimates of the present value of future cash flows in the LRC, except those relating to the time value of money and changes in financial risk (recognised in the profit or loss rather than adjusting the CSM).

(c) differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period.

(d) changes in the risk adjustment for non-financial risk that relate to future service.

Except for changes in the risk adjustment, adjustments to the CSM noted above are measured at discount rates that reflect the characteristics of the cash flows of the group of insurance contracts at initial recognition.

The Company measures the carrying amount of a group of insurance contracts at the end of each reporting period as the sum of:

- the liability for remaining coverage comprising fulfilment cash flows related to future service allocated to the group at that date and the CSM of the group at that date; and

- the liability for incurred claims for the Company comprised the fulfilment cash flows related to past service allocated to the group at that date.

- Reinsurance contracts held

The measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued, with the exceptions as the following:

(a) the Company shall include in the estimates of the present value of the future cash flows for the group of reinsurance contracts held the effect of any risk of non-performance by the issuer of the reinsurance contract, including the effects of collateral and losses from disputes.

(b) the Company determines the risk adjustment for non-financial risk so that it represents the amount of risk being transferred by the reinsurance operator.

(c) the Company recognize a net cost or net gain instead of unearned profit at initial recognition in the balance sheet as a CSM and releases this to the profit or loss as the reinsurance operator renders services, except for the net cost that relates to events before initial recognition. The Company recognizes such a cost immediately in profit or loss as an expense.

(d) changes in the fulfilment cash flows are recognised in profit or loss if the related changes arising from the underlying ceded contracts have been recognised in the statement of comprehensive income. Alternatively, changes in the fulfilment cash flows adjust the CSM.

(e) changes in the fulfilment cash flows that result from changes in the risk of non-performance by the issuer of a reinsurance contract held do not relate to future service and not adjust the CSM.

Presentation

The Company has presented separately, in the statement of financial position, the carrying amount of groups of insurance contracts issued that are assets, groups of insurance contracts issued that are liabilities, reinsurance contracts held that are assets and reinsurance contracts held that are liabilities.

Any assets or liabilities for insurance acquisition cash flows paid or received before the corresponding insurance contracts recognised are included in the carrying amount of the related groups of insurance contracts issued.

The Company disaggregates the total amount recognised in the statement of profit or loss and other comprehensive income into an insurance service result, comprising insurance revenue and insurance service expense, and insurance finance income or expense.

The Company does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion and includes the entire change as part of the insurance service result.

The Company separately presents income or expenses from reinsurance contracts held from the expense or income from insurance contracts issued.

Insurance revenue

The Company's insurance revenue depicts the provision of coverage and other services arising from a group of insurance contracts at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services.

Insurance revenue from a group of insurance contracts is therefore the relevant portion for the period of the total consideration for the contracts, i.e. the amount of contribution paid to the Company adjusted for a financing effect (time value of money) and excluding any distinct investment components.

The total consideration for a group of contracts covers amounts related to the provision of services and is comprised of:

(a) insurance services expenses, excluding any amounts allocated to the loss component of the liability for remaining coverage.

(b) risk adjustment for non-financial risk, excluding any amounts allocated to the loss component of the liability for remaining coverage.

(c) release of the CSM.

(d) amounts related to insurance acquisition cash flows.

Loss components

The Company has grouped contract that are onerous at initial recognition separately from contracts in the same portfolio that are not onerous at initial recognition.

Groups that were not onerous at initial recognition can also subsequently become onerous if assumptions and experience changes.

The Company has established a loss component of the liability for remaining coverage for any onerous group depicting the future losses recognised.

A loss component represents a notional record of the losses attributable to each group of onerous insurance contracts (or contracts profitable at inception that have become onerous). The loss component is released based on a systematic allocation of the subsequent changes in the fulfilment cash flows to:

- the loss component of LRC; and
- the LRC excluding the loss component.

The loss component is also updated for subsequent changes in estimates of the fulfilment cash flows related to future service. The systematic allocation of subsequent changes to the loss component results in the total amounts allocated to the loss component being equal to zero by the end of the coverage period of a group of contracts (since the loss component will have been materialised in the form of incurred claims). The Company determined the percentage allocation for the loss component as the proportion of the loss component to the sum of present value of claims and expenses and risk adjustment.

Insurance finance income and expense

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

- the effect of the time value of money and change in the time value of money;
- the effect of financial risk and change in financial risk.

The Company recognise insurance finance income or expenses on insurance contracts issued between profit and loss. The Company’s financial investments backing the insurance portfolios are measured at amortised cost.

The Company systematically allocates the expected total insurance finance income or expenses over the duration of the group of contracts to the profit and loss using discount rates determined on initial recognition of the group of contracts for current discount rates.

Net income or expense from reinsurance contracts held

The Company presents separately on the face of the statement of profit or loss the amounts expected to be recovered from reinsurance operators, and an allocation of the reinsurance contributions paid. The Company treats reinsurance cash flows that are contingent on claims on the underlying contracts as part of the claims at are expected to be reimbursed under the reinsurance contract held and excludes investment components and commissions from an allocation of reinsurance contributions presented on the face of the statement of profit or loss.

3.8. 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 statement of comprehensive income.

3.9. Revenue recognition

Insurance revenue (Note 3.7)

Interest income

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

3.10. 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. 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 liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

(a) the initial recognition of goodwill; or
(b) the initial recognition of an asset or liability in a transaction which:

- is not a business combination;
- at the time of the transaction, affects neither accounting;
- profit nor taxable profit (tax loss); and
- at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

The measurement of deferred tax liabilities and deferred tax assets shall reflect the tax consequences that would follow from the manner in which the entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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 Accounting Standards 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.

4.1. Measurement of Insurance contracts issued and reinsurance contracts held

The Company applies the GMM as a measurement model of all its insurance contracts issued and reinsurance contracts held. When measuring liabilities for remaining coverage, GMM includes estimates for future cash flows, an adjustment to reflect the time value of money and the financial risks related to future cashflows and a risk adjustment for non-financial risk.

The judgements exercised in the valuation affect the amounts recognised in the financial statements as assets or liabilities of insurance contracts issued and reinsurance contracts held. Further details of the related material accounting policies, key risk and variables, and the sensitivities of assumptions to the key variables are provided in Note 3.7, Note 20.2, and Note 20.3.

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques such as Claims Development. The main assumption underlying the techniques is that the Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios.

Discount rate

Insurance contract liabilities are calculated by discounting expected future cash flows at a risk-free rate with an adjustment for illiquidity contribution. The risk-free rate references traded instruments that contain negligible levels of credit risk, are highly liquid, with reliable prices, and cover a broad range of maturities, including longer dated durations and terms such as Government bond, swap rates, or even low risk corporate bonds.

The Company will use bottom-up approach for determining discount rates. Brunei Government Bond Yield Curve will be used as the proxy for risk-free rate adjusted for illiquidity premium, if any.

Risk adjustment for non-financial risk

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

The risk adjustment also reflects the degree of diversification benefit the Company includes when determining the compensation, it requires for bearing that risk; and both favourable and unfavourable outcomes in a way that reflects the Company's degree of risk aversion.

The Company has estimated the risk adjustment using a confidence level approach at the 75th percentile, which aligned local statutory reporting requirements and deemed to be market consistent. Under the confidence level approach, the risk adjustment is the difference between the present value of future cash flows calculated by stressing non-economic assumptions, i.e. the stressed liability, and the best estimated liability.

4.2. Uncertain tax positions

In determining the income tax liabilities, management has estimated the amount of capital allowances and the taxability or deductibility of certain income or expense, respectively, ("uncertain tax positions"). The Company has recognised the tax liability on these uncertain tax positions.

5. Insurance Revenue

	2024 B$	2023 B$
Insurance Revenue		
Amounts relating to changes in liabilities for remaining coverage		
CSM recognised for services provided	8,595,710	8,758,517
Change in risk adjustment for non-financial risk for risk expired	971,392	607,315
Expected incurred claims and other insurance service expenses	3,423,039	2,706,233
Other	4,400,047	4,685,791
Recovery of insurance acquisition cash flows	1,070,075	1,001,096
Total insurance revenue	**18,460,263**	**17,758,952**

6. Net investment result

The following table analyses the Company's net investment result in the statement of comprehensive income.

	2024 B$	2023 B$
Total investment return	**1,093,794**	**1,073,363**
Net finance income / (expense) from insurance contracts		
Interest accreted	(1,176,157)	(1,030,506)
Effects of changes in interest rates and other financial assumptions	551,223	667,277
Total net finance expense from insurance contracts	**(624,934)**	**(363,229)**
Net finance income from reinsurance contracts		
Interest accreted	698,443	533,362
Other	(256,278)	(386,473)
Net finance income from reinsurance contracts	**442,165**	**146,889**

7. Other expenses

	2024 B$	2023 B$
Legal and professional fees	126,656	281,470
Provision for doubtful debts	118,496	4,326
Other expenses	57,385	86,348
	302,537	**372,144**

8. Employee Compensation

In 2024, total employee compensation consisting of staff salaries, bonuses, and other related costs, amounted to B$193,216 (2023 - $174,322).

9. Income taxes

Deferred income tax assets (liabilities), net as at 31 December consist of:

	2024 B$	2023 B$
Excess of net book value over tax written-down value	(9,682)	(9,216)
Unrealised foreign exchange gain (loss)	6,398	(3,946)
Provision for doubtful debts	22,891	969
	19,607	**(12,193)**

A reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rate is as follows:

	2024 B$	2023 B$
Statutory income tax at 18.5%	388,650	126,337
Income tax effect of:		
Non-deductible expenses	4,644	4,063
Tax Incentives	(5,298)	(4,642)
Tax Credits	(28,058)	(21,127)
Statutory income tax exemption	(27,750)	(27,750)
Overprovision of tax in the prior years	(585)	-
Income tax expense	**331,603**	**76,881**

Details of income tax expense for the years ended 31 December follow:

	2024 B$	2023 B$
Current	363,988	196,378
Current – Overprovision of tax in the prior years	(585)	-
Deferred	(31,800)	(119,497)
Income tax expense	**331,603**	**76,881**

Movements of income tax payable for the years ended 31 December follow:

	2024 B$	2023 B$
At 1 January	196,793	48,104
Charged to profit or loss	363,988	196,378
Income tax paid	(302,770)	(47,689)
Tax refund	106,562	-
Overprovision of tax in the prior years	(585)	-
	363,988	**196,793**

The Company has recognised deferred tax asset of in respect of tax losses as it is probable that taxable profits for the next two years will be available against which the tax losses can be utilised.

10. Cash and cash equivalents

	2024 B$	2023 B$
Cash on hand	583	300
Cash at bank	1,434,628	2,709,903
Cash equivalents	23,330,000	1,000,000
	24,765,211	**3,710,203**

Cash equivalents pertain to fixed deposit with financial institutions amounting to B$23,330,000 (2023 - B$1,000,000) 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 movement in cash and cash equivalents as at 31 December follows:

	2024 B$	2023 B$
As at January 1	1,000,000	1,030,000
Additions	53,615,000	1,000,000
Maturities	(31,285,000)	(1,030,000)
As at 31 December	**23,330,000**	**1,000,000**

The weighted average interest rate per annum relating to deposits with financial institutions at the reporting date is 3.03% (2023 - 2.15%). Interest income on fixed deposits and cash at bank amounts to B$246,490 (2023 - B$85,841).

11. Short-term placements

	2024 B$	2023 B$
Statutory deposit with BDCB	1,000,000	1,000,000
Fixed deposits with financial institutions	7,300,000	27,710,000
	8,300,000	**28,710,000**

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$1,000,000 registered in favour of Brunei Darussalam Central Bank (BDCB).

The fixed deposits with financial institutions aggregating B$7,300,000 (2023 - B$27,710,000) 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. Fixed deposits bear weighted average effective profit rate of 3.26% (2023 - 3.70%). Interest receivable from fixed deposits amounts to B$163,296 (2023 - B$313,188) (Note 12). Interest income on fixed deposits amounts to B$847,304 (2023 - B$987,522).

The movement in short-term placements as at 31 December follows:

	2024 B$	2023 B$
As at January 1	28,710,000	26,385,000
Additions	7,300,000	47,630,000
Maturities	(27,710,000)	(45,305,000)
As at 31 December	**8,300,000**	**28,710,000**

12. Other receivables

	Notes	2024 B$	2023 B$
Accrued interest receivable from fixed deposits	10,11	163,296	313,188
Receivables from Collector of income tax (CIT)		107,522	960
Deposits		6,400	6,400
Others		-	68,009
		277,218	**388,557**

13. Plant and equipment, net

	Office Equipment and Computer B$	Office Furniture B$	Office Renovation B$	Total B$
Cost				
1 January 2023	158,102	78,210	109,800	346,112
Additions	60,675	-	-	60,675
31 December 2023	218,777	78,210	109,800	406,787
Additions	26,002	-	-	26,002
31 December 2024	**244,779**	**78,210**	**109,800**	**432,789**
Accumulated depreciation				
1 January 2023	154,575	63,542	45,750	263,867
Depreciation	14,383	14,668	21,960	51,011
31 December 2023	168,958	78,210	67,710	314,878
Depreciation	23,484	-	21,961	45,445
31 December 2024	**192,442**	**78,210**	**89,671**	**360,323**
Carrying amounts				
31 December 2023	49,819	-	42,090	91,909
31 December 2024	**52,337**	**-**	**20,129**	**72,466**

Breakdown of depreciation expense allocation to the group of insurance contracts during the year:

	2024			2023		
	Directly Attributable	Non directly attributable	Total	Directly Attributable	Non directly attributable	Total
	B$	B$	B$	B$	B$	B$
Depreciation	24,683	20,762	45,445	27,706	23,305	51,011

14. Other creditors and accruals

Other payables include accrued expenses related to salaries, actuarial fees and audit fees amounting to B$554,093 (2023 - B$562,171), which are classified as current liabilities.

15. Significant related party transactions

Compensation of key management personnel

Key management personnel are defined as those persons having 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:

	2024 B$	2023 B$
Salaries and bonuses	145,849	121,410

There are no other benefits paid to key management personnel.

16. Insurance Contract

The following table analyses insurance contracts by remaining coverage and incurred claims.

	2024			
	Liabilities for Remaining Coverage			
	Excluding Loss Component	Loss Component	Liability for Incurred Claims	Total
	B$	B$	B$	B$
Opening assets	(2,230,353)	1,168,024	166,974	(895,355)
Opening liabilities	1,306,978	115,997	7,891,924	9,314,899
Opening (assets) / liabilities	**(923,375)**	**1,284,021**	**8,058,898**	**8,419,544**
Changes in the statements of total comprehensive income				
Insurance revenue	(18,460,263)	-	-	(18,460,263)
Insurance service expense				
Incurred claims and other insurance service expenses	-	(59,729)	3,554,785	3,495,056
Amortisation of insurance acquisition cash flows	1,070,075	-	-	1,070,075
Losses and reversal of losses on onerous contracts	-	123,855	-	123,855
Adjustments to liabilities for incurred claims	-	-	(117,448)	(117,448)
Insurance service expenses	**1,070,075**	**64,126**	**3,437,337**	**4,571,538**
Investment components and premium refunds	-	-	-	-
Insurance service result	**(17,390,188)**	**64,126**	**3,437,337**	**(13,888,725)**
Net finance expenses from insurance contracts	231,138	-	393,796	624,934
Total changes in the statements of total comprehensive income	**(17,159,050)**	**64,126**	**3,831,133**	**(13,263,791)**
Cash flows				
Premiums received	18,290,642	-	-	18,290,642
Claims and other insurance service expenses paid	-	-	(6,672,620)	(6,672,620)
Insurance acquisition cash flows	(1,093,670)	-	-	(1,093,670)
Total cash flows	**17,196,972**	**-**	**(6,672,620)**	**10,524,352**
Net closing balance	**(885,453)**	**1,348,147**	**5,217,411**	**5,680,105**
Closing assets	(2,066,125)	1,174,318	356,980	(534,827)
Closing liabilities	1,180,672	173,829	4,860,431	6,214,932
Closing liabilities / (closing assets)	**(885,453)**	**1,348,147**	**5,217,411**	**5,680,105**

	2023			
	Liabilities for Remaining Coverage			
	Excluding Loss Component	Loss Component	Liability for Incurred Claims	Total
	B$	B$	B$	B$
Opening assets	(2,048,617)	1,163,627	176,476	(708,514)
Opening liabilities	1,247,657	118,192	3,875,468	5,241,317
Opening (assets) / liabilities	**(800,960)**	**1,281,819**	**4,051,944**	**4,532,803**
Changes in the statements of total comprehensive income				
Insurance revenue	(17,758,952)	-	-	(17,758,952)
Insurance service expense				
Incurred claims and other insurance service expenses	-	(35,017)	6,819,625	6,784,608
Amortisation of insurance acquisition cash flows	1,001,096	-	-	1,001,096
Losses and reversal of losses on onerous contracts	-	37,219	-	37,219
Adjustments to liabilities for incurred claims	-	-	(1,838,032)	(1,838,032)
Insurance service expenses	**1,001,096**	**2,202**	**4,981,593**	**5,984,891**
Investment components and premium refunds				
Insurance service result	**(16,757,856)**	**2,202**	**4,981,593**	**(11,774,061)**
Net finance expenses from insurance contracts	265,549	-	97,680	363,229
Total changes in the statements of total comprehensive income	**(16,492,307)**	**2,202**	**5,079,273**	**(11,410,832)**
Cash flows				
Premiums received	17,374,033	-	-	17,374,033
Claims and other insurance service expenses paid	-	-	(1,072,319)	(1,072,319)
Insurance acquisition cash flows	(1,004,141)	-	-	(1,004,141)
Total cash flows	**16,369,892**	**-**	**(1,072,319)**	**15,297,573**
Net closing balance	**(923,375)**	**1,284,021**	**8,058,898**	**8,419,544**
Closing assets	(2,230,353)	1,168,024	166,974	(895,355)
Closing liabilities	1,306,978	115,997	7,891,924	9,314,899
Closing liabilities / (closing assets)	**(923,375)**	**1,284,021**	**8,058,898**	**8,419,544**

The following table analyses insurance contracts by measurement components.

	2024			
	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
	B$	B$	B$	B$
Opening assets	(4,363,100)	254,164	3,213,581	(895,355)
Opening liabilities	6,810,154	1,154,871	1,349,874	9,314,899
Opening liabilities / (opening assets)	**2,447,054**	**1,409,035**	**4,563,455**	**8,419,544**
Changes in the statements of total comprehensive income				
Changes that relate to current services				
CSM recognised for services provided	-	-	(8,595,710)	(8,595,710)
Change in risk adjustment for non-financial risk for risk expired	-	-	-	-
Experience adjustments	(5,299,422)	-	-	(5,299,422)
Changes that relate to future services				
Contracts initially recognised in the year	(7,755,706)	1,638,379	6,117,327	-
Changes in estimates that adjust the CSM	(223,820)	(40,155)	263,975	-
Changes in estimates that result in losses and reversal of losses on onerous contracts	33,123	-	90,732	123,855
Changes that relate to past services				
Adjustments to liabilities for incurred claims	1,034,347	(1,151,795)	-	(117,448)
Insurance service result	**(12,211,478)**	**446,429**	**(2,123,676)**	**(13,888,725)**
Net finance expenses from insurance contracts	239,332	137,878	247,724	624,934
Total changes in the statements of total comprehensive income	**(11,972,146)**	**584,307**	**(1,875,952)**	**(13,263,791)**
Cash flows (see page 31)	10,524,352	-	-	10,524,352
Net closing balance	**999,260**	**1,993,342**	**2,687,503**	**5,680,105**
Closing assets	(2,823,714)	887,287	1,401,600	(534,827)
Closing liabilities	3,822,974	1,106,055	1,285,903	6,214,932
Closing liabilities / (closing assets)	**999,260**	**1,993,342**	**2,687,503**	**5,680,105**

	2023			
	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
	B$	B$	B$	B$
Opening assets	(3,058,213)	215,403	2,134,296	(708,514)
Opening liabilities	3,268,990	595,100	1,377,227	5,241,317
Opening liabilities / (opening assets)	**210,777**	**810,503**	**3,511,523**	**4,532,803**
Changes in the statements of total comprehensive income				
Changes that relate to current services				
CSM recognised for services provided	-	-	(8,758,517)	(8,758,517)
Change in risk adjustment for non-financial risk for risk expired	-	-	-	-
Experience adjustments	(1,214,732)	-	-	(1,214,732)
Changes that relate to future services				
Contracts initially recognised in the year	(9,776,961)	646,728	9,130,233	-
Changes in estimates that adjust the CSM	(270,344)	2,010	268,334	-
Changes in estimates that result in losses and reversal of losses on onerous contracts	27,688	165	9,367	37,220
Changes that relate to past services				
Adjustments to liabilities for incurred claims	(1,729,390)	(108,642)	-	(1,838,032)
Insurance service result	**(12,963,739)**	**540,261**	**649,417**	**(11,774,061)**
Net finance expenses from insurance contracts	(97,557)	58,271	402,515	363,229
Total changes in the statements of total comprehensive income	**(13,061,296)**	**598,532**	**1,051,932**	**(11,410,832)**
Cash flows (see page 32)	15,297,573	-	-	15,297,573
Net closing balance	**2,447,054**	**1,409,035**	**4,563,455**	**8,419,544**
Closing assets	(4,363,100)	254,164	3,213,581	(895,355)
Closing liabilities	6,810,154	1,154,871	1,349,874	9,314,899
Closing liabilities / (closing assets)	**2,447,054**	**1,409,035**	**4,563,455**	**8,419,544**

17. Reinsurance Contracts

The following table analyses reinsurance contracts by remaining coverage and incurred claims.

	2024			
	Assets for remaining coverage			
	Excluding Loss Recovery Component	Loss-Recovery Component	Assets for Incurred Claims	Total
	B$	B$	B$	B$
Opening assets	676,484	-	3,678,797	4,355,281
Opening liabilities	(1,110,982)	-	196,014	(914,968)
Opening assets / (opening liabilities)	**(434,498)**	**-**	**3,874,811**	**3,440,313**
Changes in the statements of total comprehensive income				
Allocation of reinsurance premiums paid	(13,110,323)	-	-	(13,110,323)
Amounts recoverable from reinsurers	-	-	-	-
Recoveries of incurred claims and other insurance service expenses	-	(25,447)	1,180,929	1,155,482
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	45,611	-	45,611
Adjustments to assets for incurred claims	-	-	(313,474)	(313,474)
Investment components and premium refunds	-	-	-	-
Effect of changes in non-performance risk of reinsurers	592	-	24,865	25,457
Net expense from reinsurance contracts	**(13,109,731)**	**20,164**	**892,320**	**(12,197,247)**
Net finance income from reinsurance contracts	201,531	-	240,634	442,165
Total changes in the statements of total comprehensive income	**(12,908,200)**	**20,164**	**1,132,954**	**(11,755,082)**
Cash flows				
Premiums paid net of ceding commissions and other directly attributable expenses paid	13,823,232	-	-	13,823,232
Amounts received	-	-	(3,425,291)	(3,425,291)
Total cash flows	**13,823,232**	**-**	**(3,425,291)**	**10,397,941**
Net closing balance	**480,534**	**20,164**	**1,582,474**	**2,083,172**
Closing assets	1,217,916	20,164	1,582,474	2,820,554
Closing liabilities	(737,382)	-	-	(737,382)
Closing assets / (closing liabilities)	**480,534**	**20,164**	**1,582,474**	**2,083,172**

	2023			
	Assets for remaining coverage			
	Excluding Loss Recovery Component	Loss-Recovery Component	Assets for Incurred Claims	Total
	B$	B$	B$	B$
Opening assets	638,203	-	1,349,809	1,988,012
Opening liabilities	(794,705)	-	164,353	(630,352)
Opening assets / (opening liabilities)	**(156,502)**	**-**	**1,514,162**	**1,357,660**
Changes in the statements of total comprehensive income				
Allocation of reinsurance premiums paid	(13,712,966)	-	-	(13,712,966)
Amounts recoverable from reinsurers	-	-	-	-
Recoveries of incurred claims and other insurance service expenses	-	-	3,835,972	3,835,972
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	-	-	-
Adjustments to assets for incurred claims	-	-	(1,523,965)	(1,523,965)
Effect of changes in non-performance risk of reinsurers	89	-	1,129	1,218
Net expense from reinsurance contracts	**(13,712,877)**	**-**	**2,313,136**	**(11,399,741)**
Net finance income from reinsurance contracts	76,696	-	70,193	146,889
Total changes in the statements of total comprehensive income	**(13,636,181)**	**-**	**2,383,329**	**(11,252,852)**
Cash flows				
Premiums paid net of ceding commissions and other directly attributable expenses paid	13,358,185	-	-	13,358,185
Recoveries from reinsurance	-	-	(22,680)	(22,680)
Total cash flows	**13,358,185**	**-**	**(22,680)**	**13,335,505**
Net closing balance	**(434,498)**	**-**	**3,874,811**	**3,440,313**
Closing assets	676,484	-	3,678,797	4,355,281
Closing liabilities	(1,110,982)	-	196,014	(914,968)
Closing assets / (closing liabilities)	**(434,498)**	**-**	**3,874,811**	**3,440,313**

The following table analyses reinsurance contracts by measurement components.

	2024			
	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
	B$	B$	B$	B$
Opening assets	3,302,117	564,472	488,692	4,355,281
Opening liabilities	(4,264,717)	259,197	3,090,552	(914,968)
Opening assets / (opening liabilities)	**(962,600)**	**823,669**	**3,579,244**	**3,440,313**
Changes that relate to current services				
CSM recognised for services provided	-	-	(7,008,080)	(7,008,080)
Change in risk adjustment for non-financial risk for risk expired	-	-	-	-
Experience adjustments	(4,921,313)	-	-	(4,921,313)
Changes that relate to future services				
Contracts initially recognised in the year	(8,149,165)	1,165,476	6,983,689	-
Changes in recoveries or losses on onerous underlying contracts that adjust the CSM	-	-	20,164	20,164
Changes in estimates that adjust the CSM	615,160	(25,144)	(590,016)	-
Changes in estimates that result in losses and reversal of losses on onerous contracts	-	-	-	-
Changes that relate to past services				
Changes to incurred claims component	712,034	(1,025,508)	-	(313,474)
Effect of changes in non-performance risk of reinsurers	25,456	-	-	25,456
Net expenses from reinsurance contracts	**(11,717,828)**	**114,824**	**(594,243)**	**(12,197,247)**
Net finance income from reinsurance contracts	63,367	99,938	278,860	442,165
Total changes in the statements of total comprehensive income	**(11,654,461)**	**214,762**	**(315,383)**	**(11,755,082)**
Cash flows (see page 35)	10,397,941	-	-	10,397,941
Net closing balance	**(2,219,120)**	**1,038,431**	**3,263,861**	**2,083,172**
Closing assets	1,135,131	453,055	1,232,368	2,820,554
Closing liabilities	(3,354,251)	585,376	2,031,493	(737,382)
Closing assets / (closing liabilities)	**(2,219,120)**	**1,038,431**	**3,263,861**	**2,083,172**

	2023			
	Estimates of present value of future cash flows	**Risk adjustment for non-financial risk**	**CSM**	**Total**
	B$	**B$**	**B$**	**B$**
Opening assets	988,390	242,400	757,222	1,988,012
Opening liabilities	(2,972,772)	201,479	2,140,941	(630,352)
Opening assets / (opening liabilities)	**(1,984,382)**	**443,879**	**2,898,163**	**1,357,660**
Changes that relate to current services				
CSM recognised for services provided	-	-	(5,696,731)	(5,696,731)
Change in risk adjustment for non-financial risk for risk expired	-	-	-	-
Experience adjustments	(4,180,263)	-	-	(4,180,263)
Changes that relate to future services				
Contracts initially recognised in the year	(9,162,310)	554,389	8,607,921	-
Changes in recoveries or losses on onerous underlying contracts that adjust the CSM	2,614,049	(3,025)	(2,611,024)	-
Changes in estimates that adjust the CSM	-	-	-	-
Changes in estimates that result in losses and reversal of losses on onerous contracts	-	-	-	-
Changes that relate to past services				
Changes to incurred claims component	(1,303,933)	(220,032)	-	(1,523,965)
Effect of changes in non-performance risk of reinsurers	1,218	-	-	1,218
Net expenses from reinsurance contracts	**(12,031,239)**	**331,332**	**300,166**	**(11,399,741)**
Net finance income from reinsurance contracts	(282,484)	48,458	380,915	146,889
Total changes in the statements of total comprehensive income	**(12,313,723)**	**379,790**	**681,081**	**(11,252,852)**
Cash flows (see page 36)	13,335,505	**-**	-	13,335,505
Net closing balance	**(962,600)**	**823,669**	**3,579,244**	**3,440,313**
Closing assets	3,302,117	564,472	488,692	4,355,281
Closing liabilities	(4,264,717)	259,197	3,090,552	(914,968)
Closing assets / (closing liabilities)	**(962,600)**	**823,669**	**3,579,244**	**3,440,313**

18. Insurance and Reinsurance Contracts

The following tables summarise the effect on the measurement components arising from the initial recognition of insurance and reinsurance contracts not measured under the PAA in the year.

Insurance Contracts

	2024		
	Profitable contracts issued	Onerous contracts issued	Total
	B$	B$	B$
Insurance acquisition cash flows	333,472	-	333,472
Claims and other insurance service expenses payable	4,948,677	-	4,948,677
Estimates of present value of cash outflows	5,282,149	-	5,282,149
Estimates of present value of cash inflows	(13,037,855)	-	(13,037,855)
Risk adjustment for non-financial risk	1,638,379	-	1,638,379
CSM	6,117,327	-	6,117,327

	2023		
	Profitable contracts issued	Onerous contracts issued	Total
	B$	B$	B$
Insurance acquisition cash flows	239,179	-	239,179
Claims and other insurance service expenses payable	3,015,220	-	3,015,220
Estimates of present value of cash outflows	3,254,399	-	3,254,399
Estimates of present value of cash inflows	(13,031,360)	-	(13,031,360)
Risk adjustment for non-financial risk	646,728	-	646,728
CSM	9,130,233	-	9,130,233

Reinsurance Contracts

	2024		
	Contracts without loss-recovery component	Contracts initiated with loss-recovery component	Total
	B$	B$	B$
Estimates of present value of cash inflows	(4,170,195)	-	(4,170,195)
Estimates of present value of cash outflows	12,319,360	-	12,319,360
Risk adjustment for non-financial risk	(1,165,474)	-	(1,165,474)
Income recognised on initial recognition	-	-	-
CSM	6,983,689	-	6,983,689

	2023		
	Contracts without loss-recovery component	Contracts initiated with loss-recovery component	Total
	B$	B$	B$
Estimates of present value of cash inflows	(3,182,512)	-	(3,182,512)
Estimates of present value of cash outflows	12,344,822	-	12,344,822
Risk adjustment for non-financial risk	(554,389)	-	(554,389)
Income recognised on initial recognition	-	-	-
CSM	8,607,921	-	8,607,921

Contractual Service Margin

The following table illustrates when the insurance funds expect to recognise the remaining CSM as revenue for contracts not measured under the PAA.

	2024							
	1 year or less	**1 – 2 years**	**2 – 3 years**	**3 – 4 years**	**4 – 5 years**	**5 -10 years**	**More than 10 years**	**Total**
Insurance contracts	2,687,503	-	-	-	-	-	-	2,687,503
Reinsurance contracts	3,263,861	-	-	-	-	-	-	3,263,861

	2023							
	1 year or less	**1 – 2 years**	**2 – 3 years**	**3 – 4 years**	**4 – 5 years**	**5 -10 years**	**More than 10 years**	**Total**
Insurance contracts	4,563,130	325	-	-	-	-	-	4,563,455
Reinsurance contracts	3,579,148	96	-	-	-	-	-	3,579,244

19. Share capital

	Number of shares	
	2024	**2023**
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.

20. Risk management

20.1. 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.

20.2. 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 singed 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 show the concentration of net insurance contract liabilities by type of contract:

	2024			2023		
	Insurance	Reinsurance held	Net	Insurance	Reinsurance held	Net
	B$	B$	B$	B$	B$	B$
Line of business						
Aviation	(427,628)	737,382	309,754	(845,034)	822,189	(22,845)
Cargo	178,779	(148,359)	30,420	129,157	(112,448)	16,709
Contractor's All Risks	(107,200)	(13,716)	(120,916)	(50,321)	87,968	37,647
Energy	119,472	(118,556)	916	120,921	(110,460)	10,461
Fire	103,973	(79,192)	24,781	87,775	(36,231)	51,544
Marine	5,309	(2,690)	2,619	5,766	(1,666)	4,100
Miscellaneous	378,891	(277,967)	100,924	433,164	(163,657)	269,507
Property All Risks	3,778,659	(1,068,423)	2,710,236	6,856,502	(3,186,737)	3,669,765
Personal Accident	156,314	(126,103)	30,211	52,870	4,810	57,680
Public Liability	1,369,974	(881,896)	488,078	1,510,948	(686,246)	824,702
Workmen Compensation	123,562	(103,652)	19,910	117,796	(57,835)	59,961
	5,680,105	**(2,083,172)**	**3,596,933**	**8,419,544**	**(3,440,313)**	**4,979,231**

(c) 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 31 December 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 5%. 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 and claims liabilities are as follows:

	Change in assumption	Impact on equity before tax gross of reinsurance	Impact on equity before tax net of reinsurance
		B$	B$
2024			
Ultimate Loss Ratio	+ 5%	(328,325)	(203,307)
Ultimate Loss Ratio	- 5%	328,325	203,307
Discount rate	+ 50bps	77,081	41,350
Discount rate	- 50bps	(78,463)	(42,085)
2023			
Ultimate Loss Ratio	+ 5%	(444,002)	(216,873)
Ultimate Loss Ratio	- 5%	444,002	216,873
Discount rate	+ 50bps	91,552	38,531
Discount rate	- 50bps	(93,503)	(39,284)

(d) 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.

The following tables show the estimates of cumulative incurred claims, including both claims notified and IBNR for each successive accident year at each reporting date, together with cumulative payments to date.

The table details the claims development for accident years 2016 to 2024.

Analysis of claims development - Gross of reinsurance for 2024

Underwriting year	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
	B$	B$	B$	B$	B$	B$	B$	B$	B$	B$
At end of first financial year									5,408,355	5,408,355
One year later								4,585,253		4,585,253
Two years later							2,433,502			2,433,502
Three years later						2,917,730				2,917,730
Four years later					1,835,728					1,835,728
Five years later				2,132,297						2,132,297
Six years later			854,417							854,417
Seven years later		301,015								301,015
Eight years later	986,942									986,942
Current estimates of loss reserves	**986,942**	**301,015**	**854,417**	**2,132,297**	**1,835,728**	**2,917,730**	**2,433,502**	**4,585,253**	**5,408,355**	**21,455,239**
Cumulative payments	(936,942)	(301,015)	(849,954)	(1,776,697)	(1,824,308)	(2,431,672)	(1,379,299)	(4,525,007)	-	(14,024,894)
Gross Unpaid Claims	**50,000**	**-**	**4,463**	**355,600**	**11,420**	**486,058**	**1,054,203**	**60,246**	**5,408,355**	**7,430,345**
Unexpired Portion	-	-	-	-	-	-	(25)	(925)	(3,090,438)	(3,091,388)
Expired Portion	**50,000**	**-**	**4,463**	**355,600**	**11,420**	**486,058**	**1,054,178**	**59,321**	**2,317,917**	**4,338,957**
Expenses										225,330
Risk Adjustment										1,002,299
Discounting										(349,175)
Gross Liabilities for Incurred Claims										**5,217,411**

Analysis of claims development - Net of reinsurance for 2024

Underwriting year	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
	B$	B$	B$	B$	B$	B$	B$	B$	B$	B$
At end of first financial year									2,653,128	2,653,128
One year later								1,112,683		1,112,683
Two years later							1,647,689			1,647,689
Three years later						2,926,130				2,926,130
Four years later					1,832,623					1,832,623
Five years later				2,129,713						2,129,713
Six years later			854,417							854,417
Seven years later		300,925								300,925
Eight years later	986,942									986,942
Current estimates of loss reserves	**986,942**	**300,925**	**854,417**	**2,129,713**	**1,832,623**	**2,926,130**	**1,647,689**	**1,112,683**	**2,653,128**	**14,444,250**
Cumulative payments	(936,942)	(301,015)	(849,954)	(1,776,697)	(1,824,308)	(2,441,004)	(1,420,783)	(1,048,898)	-	(10,599,601)
Gross Unpaid Claims	**50,000**	**(90)**	**4,463**	**353,016**	**8,315**	**485,126**	**226,906**	**63,785**	**2,653,128**	**3,844,649**
Unexpired Portion	-	-	-	-	-	-	-	(183)	(904,804)	(904,987)
Expired Portion	**50,000**	**(90)**	**4,463**	**353,016**	**8,315**	**486,126**	**226,906**	**63,602**	**1,748,324**	**2,939,662**
Expenses										225,330
Risk Adjustment										694,454
Non-performance risk										6,996
Discounting										(231,505)
Gross Liabilities for Incurred Claims										**3,634,937**

Analysis of claims development - Gross of reinsurance for 2023

Underwriting year	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
	B$	B$	B$	B$	B$	B$	B$	B$	B$	B$
At end of first financial year									5,743,974	5,743,974
One year later								2,195,921		2,195,921
Two years later							2,221,553			2,221,553
Three years later						1,837,017				1,837,017
Four years later					2,134,106					2,134,106
Five years later				856,204						856,204
Six years later			301,298							301,298
Seven years later		988,121								988,121
Eight years later	17,509,432									17,509,432
Current estimates of loss reserves	**17,509,432**	**988,121**	**301,298**	**856,204**	**2,134,106**	**1,837,017**	**2,221,553**	**2,195,921**	**5,743,974**	**33,787,626**
Cumulative payments	(17,509,432)	(936,942)	(301,015)	(849,954)	(1,776,697)	(1,823,530)	(1,748,356)	(85,782)	-	(25,031,708)
Gross Unpaid Claims	-	**51,179**	**283**	**6,250**	**357,409**	**13,487**	**473,197**	**2,110,139**	**5,743,974**	**8,755,918**
Unexpired Portion	-	-	-	-	-	(882)	-	(34)	(1,631,202)	(1,632,118)
Expired Portion	-	**51,179**	**283**	**6,250**	**357,409**	**12,605**	**473,197**	**2,110,105**	**4,112,772**	**7,123,800**
Expenses										362,594
Risk Adjustment										1,121,998
Discounting										(549,494)
Gross Liabilities for Incurred Claims										**8,058,898**

20.3. Financial risk management

(a) Introduction and overview

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

- Liquidity risk
- Currency risk
- Interest rate risk
- Credit 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) 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 financial assets 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 table below summarises the Company's financial instruments and insurance contract balances by remaining maturity. Financial instruments are presented on a contractual undiscounted cash flow basis, while insurance contract balances are presented based on estimated present value of the future cash flows.

The Company applies the discounted approach for insurance contract balances, consistent with IFRS 17, to reflect the present value of future cash flows. Non-insurance contract balances are presented on an undiscounted basis, in line with IFRS 7, to reflect actual contractual obligations.

2024	**1 year or less B$**	**1 - 2 years B$**	**2 - 3 years B$**	**3 – 4 years B$**	**4 – 5 years B$**	**More than 5 years or no fixed maturity B$**	**Total B$**	**Carrying amount B$**
Assets								
Cash and cash equivalents	24,765,211	-	-	-	-	-	24,765,211	24,765,211
Short-term placements	8,300,000	-	-	-	-	-	8,300,000	8,300,000
Other receivables*	169,696	-	-	-	-	-	169,696	169,696
	33,234,907	-	-	-	-	-	33,234,907	33,234,907
Liabilities								
Other creditors and accruals	554,093	-	-	-	-	-	554,093	554,093
Insurance contract (assets) liabilities, net	(2,065,451)	1,675,621	502,675	231,900	73,901	580,614	999,260	999,260
Reinsurance contract (assets) liabilities, net	3,083,832	(438,732)	(127,186)	(79,619)	(31,515)	(187,660)	2,219,120	2,219,120
Provision for taxation	363,988	-	-	-	-	-	363,988	363,988
	1,936,462	1,236,889	375,489	152,281	42,386	392,954	4,136,461	4,136,461
	31,298,445	**(1,236,889)**	**(375,489)**	**(152,281)**	**(42,386)**	**(392,954)**	**29,098,446**	**29,098,446**

** Excluding corporate income tax receivable*

2023	**1 year or less B$**	**1 - 2 years B$**	**2 - 3 years B$**	**3 – 4 years B$**	**4 – 5 years B$**	**More than 5 years or no fixed maturity B$**	**Total B$**	**Carrying amount B$**
Assets								
Cash and cash equivalents	3,710,203	-	-	-	-	-	3,710,203	3,710,203
Short-term placements	28,710,000	-	-	-	-	-	28,710,000	28,710,000
Other receivables*	319,588	-	-	-	-	-	319,588	319,588
	32,739,791	-	-	-	-	-	32,739,791	32,739,791
Liabilities								
Other creditors and accruals	562,171	-	-	-	-	-	562,171	562,171
Insurance contract (assets) liabilities, net	(3,141,623)	3,618,399	378,875	360,947	206,070	1,024,386	2,447,054	2,447,054
Reinsurance contract (assets) liabilities, net	3,428,866	(1,348,925)	(175,020)	(236,062)	(105,891)	(600,368)	962,600	962,600
Provision for taxation	196,793	-	-	-	-	-	196,793	196,793
	1,046,207	2,269,474	203,855	124,885	100,179	424,018	4,168,618	4,168,618
	31,693,584	**(2,269,474)**	**(203,855)**	**(124,885)**	**(100,179)**	**(424,018)**	**28,571,173**	**28,571,173**

** Excluding corporate income tax receivable*

(c) 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 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.

(d) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument, insurance contract assets and/or liabilities 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.

2024	USD	GBP	EUR	AUD	JPY
	B$	B$	B$	B$	B$
Financial and reinsurance contract assets					
Cash and cash equivalents	184,728	906,887	220,293	-	-
Reinsurance contract assets, net	1,827,002	9,479	1,199	126	-
	2,011,730	**916,366**	**221,492**	**126**	**-**
Financial and insurance contract liabilities					
Insurance contract liabilities, net	(4,418,448)	(685,798)	(15,411)	(188,740)	(479)
Net financial and insurance asset / (liabilities)	**(2,406,718)**	**(230,568)**	**(206,081)**	**(188,614)**	**(479)**

2023	USD	GBP	EUR	AUD	JPY
	B$	**B$**	**B$**	**B$**	**B$**
Financial and reinsurance contract assets					
Cash and cash equivalents	1,190,891	1,099,164	295,164	-	-
Reinsurance contract assets, net	-	3,863,573	858	-	-
	1,190,891	**4,962,737**	**296,022**	**-**	**-**
Financial and insurance contract liabilities					
Insurance contract liabilities, net	(465,898)	(5,188,771)	(586,035)	(2,017,513)	-
Reinsurance contract liabilities, net	(240,640)	-	-	(107)	-
	(706,538)	**(5,188,771)**	**(586,035)**	**(2,017,620)**	**-**
Net financial and insurance asset / (liabilities)	**484,353**	**(226,834)**	**(290,013)**	**(2,017,620)**	**-**

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.

	Profit or loss		Equity	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
2024				
USD				
Cash and cash equivalents	18,473	(18,473)	18,473	(18,473)
Reinsurance contract assets, net	182,700	(182,700)	182,700	(182,700)
Insurance contract liabilities, net	441,845	(441,845)	441,845	(441,845)
GBP				
Cash and cash equivalents	90,689	(90,689)	90,689	(90,689)
Reinsurance contract assets, net	948	(948)	948	(948)
Insurance contract liabilities, net	68,580	(68,580)	68,580	(68,580)
EUR				
Cash and cash equivalents	22,029	(22,029)	22,029	(22,029)
Reinsurance contract assets, net	120	(120)	120	(120)
Insurance contract liabilities, net	1541	(1,541)	1541	(1,541)

	Profit or loss		Equity	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
2023				
USD				
Cash and cash equivalents	119,089	(119,089)	119,089	(119,089)
Insurance contract liabilities, net	46,590	(46,590)	46,590	(46,590)
Reinsurance contract liabilities, net	24,064	(24,064)	24,064	(24,064)
GBP				
Cash and cash equivalents	109,916	(109,916)	109,916	(109,916)
Reinsurance contract assets, net	386,357	(386,357)	386,357	(386,357)
Insurance contract liabilities, net	518,877	(518,877)	518,877	(518,877)
EUR				
Cash and cash equivalents	29,516	(29,516)	29,516	(29,516)
Insurance contract liabilities, net	58,604	(58,604)	58,604	(58,604)
Reinsurance contract assets, net	86	(86)	86	(86)

(e) 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.

The 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, and 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.

(f) Credit ratings

The Company uses the Standard & Poor’s agency credit ratings to categorize exposures according to the degree of risk of default.

The Company does not invest in non-investment grade assets.

The Standard & Poor’s ratings are as follows:

Investment grade	Highest quality	AAA
	High quality	AA+ to AA-
	Strong payment capacity	A+ to A-
	Adequate payment capacity	BBB+ to BBB-
Speculative grade	Likely to fulfil obligations, ongoing uncertainty	BB+ to BB-
	High credit risk	B+ to B-
	Very high credit risk	CCC+ to CCC-
	Near default with possibility of recovery	CC
	Default	D

(g) 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.

To minimize credit risk exposure of cash and cash equivalents, the Company maintains its cash in bank in a commercial bank belonging to major banks in Brunei Darussalam. For short-term placements, exposure is minimal because they are placed in banks that are highly rated by credible credit rating agencies like Standard & Poor's Financial Services.

Concentration risk

The table below provides information regarding the credit risk exposure of the Company by industry. The amounts represent the maximum amount exposure to credit risk. The credit risk analysis below is presented in line with how the Company manages the risk. The Company manages its credit exposure based on the carrying value of the financial instruments and insurance and reinsurance contract assets.

2024	**Financial services**	**Total**
	B$	**B$**
Cash and cash equivalents*	24,764,628	24,764,628
Short-term placements	7,300,000	7,300,000
Other receivables**	163,296	163,296
Reinsurance contract assets	2,820,554	2,820,554
Total credit risk exposure	**35,048,478**	**35,048,478**

** Excluding cash on hand*
*** Excluding deposits and corporate income tax receivable*

2023	**Financial services**	**Total**
	B$	**B$**
Cash and cash equivalents*	3,709,903	3,709,903
Short-term placements	27,710,000	27,710,000
Other receivables**	381,197	381,197
Reinsurance contract assets	4,355,281	4,355,281
Total credit risk exposure	**36,156,381**	**36,156,381**

** Excluding cash on hand*
*** Excluding deposits and corporate income tax receivable*

Credit exposure by credit rating

The table below provides information regarding the credit risk exposure of the Company by classifying assets according to the Standard & Poor's credit ratings of counterparties:

2024	Investment grade	Not rated	Total
	B$	B$	B$
Cash and cash equivalents	24,764,628	-	24,764,628
Short-term placements*	7,300,000	-	7,300,000
Other receivables**	163,296	-	163,296
Reinsurance contract assets	2,820,554	-	2,820,554
Total credit risk exposure	**35,048,478**	-	**35,048,478**

** Excluding cash on hand*
*** Excluding deposits and corporate income tax receivable*

2023	Investment grade	Not rated	Total
	B$	B$	B$
Cash and cash equivalents*	3,709,903	-	3,709,903
Short-term placements	27,710,000	-	27,710,000
Other receivables**	381,197	-	381,197
Reinsurance contract assets	4,355,281	-	4,355,281
Total credit risk exposure	**36,156,381**	-	**36,156,381**

** Excluding cash on hand*
*** Excluding deposits and corporate income tax receivable*

Expected credit losses amounts to B$123,733 (2023 - B$5,328).

20.4. 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.

20.5. 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.

31 December 2024 **Financial assets**	**Loans and receivables** **B$**	**Other financial liabilities** **B$**	**Total** **B$**
Cash and cash equivalents	24,765,211	-	24,765,211
Short-term placements	8,300,000	-	8,300,000
Other receivables	170,826	-	170,826
	33,236,037	**-**	**33,236,037**
Financial liabilities			
Other payables	**-**	**535,243**	**535,243**
31 December 2023			
Financial assets			
Cash and cash equivalents	3,710,203	-	3,710,203
Short-term placements	28,710,000	-	28,710,000
Other receivables	320,548	-	320,548
	32,740,751	**-**	**32,740,751**
Financial liabilities			
Other payables	**-**	**497,077**	**497,077**