

AUDITED FINANCIAL STATEMENTS FOR YEAR ENDED 31st DECEMBER 2019

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 TZS'000	2018 TZS'000
Gross written premium	22,160,007	19,434,126
Premium ceded to re-insurers	(11,529,978)	(10,080,202)
Net written premium	10,630,029	9,353,924
Change in gross unearned premium provision	32,099	(2,519,114)
Re-insurers' share of technical provisions and reserves	62,565	1,141,515
Net unearned premium	94,664	(1,377,599)
Net insurance premium revenue	10,724,693	7,976,325
Commission income	3,219,730	2,934,602
Investment income	1,232,133	865,028
Other income	1,188	178,270
Net income	15,177,744	11,954,225
Insurance claims	(10,493,368)	(26,022,130)
Re-insurers' share of claims and benefits incurred	6,401,471	22,186,842
Net insurance claims	(4,091,897)	(3,835,288)
Acquisition costs	(3,495,290)	(3,106,139)
Administrative expenses	(4,721,277)	(3,098,969)
	(8,216,567)	(6,205,108)
Profit before taxation	2,869,280	1,913,829
Taxation expense	(710,603)	(578,859)
Profit/ (Loss) for the year	2,158,677	1,334,970
Other comprehensive income / (loss)	-	-
Total comprehensive income / (loss) for the year	2,158,677	1,334,970

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	2019 TZS'000	2018 TZS'000
Assets		
Intangible assets	815,770	237,562
Deferred acquisition cost	427,719	169,065
Investment in government securities	1,641,108	1,658,953
Deposits with financial institutions	3,958,840	2,768,666
Reinsurers' share of technical provisions and reserves	12,384,368	11,336,385
Insurance receivables	25,501,023	26,986,687
Other receivables	2,653,462	2,002,973
Deferred tax	61,596	17,838
Income tax receivable	481,457	71,027
Cash and bank balances	-	264,273
	5,058	247,297
Total assets	47,930,401	45,760,726
Liabilities		
Insurance contract liabilities	34,386,621	35,838,099
Payables arising from reinsurance arrangements	2,594,460	2,713,406
Other payables	3,271,888	1,891,204
Income tax payable	200,738	-
Total liabilities	40,453,707	40,442,709
Net assets	7,476,694	5,318,017
Shareholders' equity		
Share capital	4,000,000	4,000,000
Retained earnings	1,538,128	44,251
Capital and contingency reserves	1,938,566	1,273,766
Total shareholders' equity	7,476,694	5,318,017

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 TZS'000	2018 TZS'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,869,280	1,913,829
Adjustments for:		
- Provision charge for bad debts	57,079	29,283
- Depreciation	106,521	104,383
- Amortisation	106,930	83,013
- Gain on disposal of property and equipment	(2,001)	-
Operating Profit before working capital changes	3,137,809	2,130,508
Changes in:		
- Insurance contract liabilities	(1,451,478)	24,871,611
- Receivables arising out of direct insurance arrangements	(330,136)	(898,630)
- Receivables arising out of reinsurance arrangements	(377,432)	105,582
- Reinsurer's share of technical provision and reserves	1,485,664	(21,608,915)
- Other receivables	(43,758)	(2,711)
- Payables arising out of reinsurance arrangements	(118,946)	(990,198)
- Other payables	1,007,024	670,506
- Deferred acquisition cost	17,844	(271,783)
Cash generated from operating activities	3,326,592	4,005,970
Payment of lease liability interest	(42,377)	-
Income tax paid	(656,022)	(887,439)
Net cash generated from operating activities	2,627,189	3,118,531
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property and equipment	4,356	-
Acquisition of items of property and equipment	(121,908)	(32,150)
Acquisition of intangible asset	(365,584)	(71,692)
Investment in government securities	(1,190,174)	(1,591,631)
Proceeds from / (Investment in) deposits with financial institutions	832,004	(883,520)
Net cash used in investing activities	(841,306)	(2,578,993)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease liability principle	(148,135)	-
Net increase in cash and cash equivalents	1,637,748	539,538
Movement in cash and cash equivalents during the year is as follows:		
Cash and cash equivalents as at 1 January	3,391,976	2,852,438
Cash and cash equivalents at 31 December	5,029,724	3,391,976

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Share capital TZS'000	Contingency reserves TZS'000	Retained earnings TZS'000	Total TZS'000
Balance as at 1 January 2019	4,000,000	1,273,766	44,251	5,318,017
Balance as at 1 January 2018	4,000,000	690,742	(707,695)	3,983,047
Profit for the year	-	-	1,334,970	1,334,970
Transfer to contingency reserves	-	583,024	(583,024)	-
Balance as at 31 December 2018	4,000,000	1,273,766	44,251	5,318,017
Profit for the year	-	-	2,158,677	2,158,677
Transfer to contingency reserves	-	664,800	(664,800)	-
Balance as at 31 December 2019	4,000,000	1,938,566	1,538,128	7,476,694

The above extracts are from financial statements of the Company for the year ending 31 December 2019 which have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements were audited by KPMG, Certified Public Accounts and received Unqualified Audit Report. The financial statements were approved and authorised for issue by Board of Directors in the Board Meeting held on 31 March 2020 and signed on its behalf by:

JAYESH G. SHAH
Chairman

DAVID A. SAWE
Director