

STACO INSURANCE PLC

MANAGEMENT ACCOUNTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

STACO INSURANCE PLC**FINANCIAL HIGHLIGHTS**

	2022	2021	Growth
	N'000	N'000	%
Major statement of financial position			
Total assets	1,957,938	3,401,188	(42.43)
Shareholders' funds	<u>(11,519,583)</u>	<u>(9,351,354)</u>	23.19

Major statement of comprehensive income

Gross premium	180,552	251,265	(28.14)
Net premium earned	115,713	286,111	(59.56)
Investment income	7,177	8,092	(11.31)
Other income	(84,701)	108,864	(177.80)
Net underwriting and claims expenses	(842,697)	(114,676)	634.85
(Loss)/profit before taxation	(2,148,228)	(1,035,884)	(107.38)
(Loss)/profit after taxation	<u>(2,168,228)</u>	<u>(1,086,988)</u>	<u>(99.47)</u>

Information per 50k ordinary share

Earnings per share (kobo)	(23)	(12)	(99.47)
Net assets (kobo)	0	0	(0.42)
Stock exchange quotation (kobo) at 30 September	50	50	-
Price earning ratio	<u>(0.46)</u>	<u>(0.23)</u>	<u>-</u>

STACO INSURANCE PLC

**STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022**

		30 September 2022 N'000	31 December 2021 N'000
ASSETS			
Cash and cash equivalents	8	172,327	86,312
Financial assets	9	77,328	87,394
Trade receivables	10	15,095	3,788
Reinsurance assets	11	405,576	418,615
Other receivables and prepayments	12	765,455	768,736
Deferred acquisition cost	13	18,539	11,308
Investment in subsidiary	14	-	-
Investment properties	15	-	1,520,000
Deffered tax assets	16.1	-	-
Leased assets	17	(0)	-
Property ,plant and equipment	18	199,195	205,035
Statutory deposit	19	300,000	300,000
Intangible asset	20	4,424	-
Total assets		<u>1,957,938</u>	<u>3,401,188</u>
LIABILITIES			
Insurance contract liabilities	21	3,992,221	3,171,521
Financial Liabilities	22	7,076,454	6,699,884
Trade payables	23	741,809	741,573
Other payables	24a	1,406,276	1,896,804
Deferred tax liabilities	16.1	98,050	98,050
Employee benefit liability	26	-	-
Taxation	27	162,710	144,710
Total liabilities		<u>13,477,520</u>	<u>12,752,543</u>
EQUITY			
Issued share capital	28	4,670,544	4,670,544
Share premium	28c	434,164	434,164
Revaluation reserve	28d	1,595,299	1,595,299
Fair value reserve	28e	14,815	14,815
Contingency reserve	28f	2,321,955	2,316,539
Retained earnings	28g	(20,556,360)	(18,382,715)
Shareholders' funds		<u>(11,519,583)</u>	<u>(9,351,354)</u>
Total Liabilities and Equity		<u>1,957,938</u>	<u>3,401,188</u>

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY :



.....
Debowale Ajayi
Chief Financial Officer
FRC/2013/ICAN/00000005027



.....
Wale Banmore
Managing Director/CEO
FRC/2013/CIIN/00000003075



.....
Muhammad Sidi Aliyu
Chairman
FRC/2020/003/00000021442

STACO INSURANCE PLC

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER, 2022**

		01.07 - 30.09 2022	30 September 2022	01.07 - 30.09 2021	30 September 2021
	Note	N'000	N'000	N'000	N'000
Gross Premiums written	29	106,712	180,552	85,096	251,265
Gross Premium Income	29a	26,481	136,297	65,744	311,689
Reinsurance expenses	29b	20,869	(20,584)	(15,983)	(25,578)
Net Premium Income	29	47,351	115,713	49,760	286,111
Fees and Commission Income	30	196	1,925	2,879	5,441
Net underwriting Income		47,547	117,638	52,639	291,551
Claims expense	31	(1,776)	(820,244)	40,442	(60,041)
Underwriting expenses	32	(7,261)	(22,453)	(12,349)	(54,635)
Net underwriting and claims expenses		(9,038)	(842,697)	28,094	(114,676)
Underwriting results	7	38,509	(725,059)	80,733	176,875
Investment income	33	7,085	7,177	7,859	8,092
Net realised gain/(loss) on financial assets	34	-	-	-	-
Other income	35	(0)	(84,701)	2	108,864
Operating and administrative expenses	36	(108,911)	(1,194,148)	(417,567)	(1,118,212)
Interest on convertible bond	37	(50,499)	(151,497)	(48,500)	(139,629)
Impairment loss on trade receivables	38	-	-	-	(71,875)
Profit / (Loss) before taxation		(113,816)	(2,148,228)	(377,473)	(1,035,884)
Taxation	27.1	-	(20,000)	-	(51,104)
Profit / (Loss) for the year		(113,816)	(2,168,228)	(377,473)	(1,086,988)
Other comprehensive income					
Net fair value gain (loss) on available for sale financial assets	28e	-	-	-	-
Foreign exchange translation gain/(loss)	28f	-	-	-	-
Appreciation/Loss on investment in subsidiary		-	-	-	-
Total comprehensive income/(loss) for the year		(113,816)	(2,168,228)	(377,473)	(1,086,988)
Profit/(Loss) attributable to:					
Owner of equity		(113,816)	(2,168,228)	(377,473)	(1,086,988)
Non controlling interest		-	-	-	-
		(113,816)	(2,168,228)	(377,473)	(1,086,988)
Total comprehensive income/(loss) attributable to :					
Owner of equity		(113,816)	(2,168,228)	(377,473)	(1,086,988)
Non controlling interest		-	-	-	-
		(113,816)	(2,168,228)	(377,473)	(1,086,988)
Earning per share(kobo)					
- Actual			(23)		(12)
- Adjusted			(23)		(12)

STACO INSURANCE PLC

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER, 2022**

	Share Capital N'000	Share Premium N'000	Revaluation Reserve N'000	Fair value		Retained Earnings N'000	Total Equity N'000
				(Available for sale) Reserve N'000	Contingency Reserve N'000		
Balance as at 1 January 2021	4,670,544	434,164	1,595,299	14,815	2,306,755	(16,959,361)	(7,937,784)
Total comprehensive income for the year	-	-	-	-	-	-	-
Issue of share capital	-	-	-	-	-	-	-
Transfer to contingency reserve	-	-	-	-	7,538	(7,538)	-
Transfer from (to) retained earning	-	-	-	-	-	(1,086,988)	(1,086,988)
Dividend	-	-	-	-	-	-	-
Revaluation surplus	-	-	-	-	-	-	-
Balance as at 30 September 2021	<u>4,670,544</u>	<u>434,164</u>	<u>1,595,299</u>	<u>14,815</u>	<u>2,314,293</u>	<u>(18,053,886)</u>	<u>(9,024,771)</u>
Balance as at 1 January 2022	4,670,544	434,164	1,595,299	14,815	2,316,539	(18,382,715)	(9,351,354)
Total comprehensive income for the year	-	-	-	-	-	-	-
Issue of share capital	-	-	-	-	-	-	-
Transfer to contingency reserve	-	-	-	-	5,417	(5,417)	-
Transfer from (to) retained earning	-	-	-	-	-	(2,168,228)	(2,168,228)
Dividend	-	-	-	-	-	-	-
Revaluation surplus	-	-	-	-	-	-	-
Balance as at 30 September 2022	<u>4,670,544</u>	<u>434,164</u>	<u>1,595,299</u>	<u>14,815</u>	<u>2,321,955</u>	<u>(20,556,360)</u>	<u>(11,519,583)</u>

STACO INSURANCE PLC

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER, 2022

		30 September 2022 N'000	30 September 2021 N'000
Cash flow from operating activities			
Premium received from policy holders		169,244	304,511
Reinsurance receipts in respect of claims		4,241	5,577
Reinsurance cost		(7,545)	(20,703)
Cash paid to and on behalf of employees		(241,281)	(532,195)
Other operating cash payments/receipts		99,678	(692,283)
Commission paid		(25,714)	(37,326)
Maintenance expenses paid		(3,969)	(6,608)
Claims paid		(48,041)	(95,808)
Tax paid		(2,000)	(11,000)
Net cash provided by operating activities	44	<u>(55,387)</u>	<u>(1,085,835)</u>
Cash flow from investing activities			
Purchase of property, plant and equipment	18	-	(278)
Purchase of intangible asset		(4,424)	-
Fund placement proceed		8,405	18,300
Dividend received		-	-
Interest received		7,177	8,092
Proceeds from sales of assets		-	2,963
Net cash provided by investing activities		<u>11,158</u>	<u>29,077</u>
Cash flow from financing activities			
Change in borrowings		113,722	666,710
Proceeds from issue of share capital		-	-
Repayment of finance lease liabilities		-	-
Net cash used in financing activities		<u>113,722</u>	<u>666,710</u>
Net increase/(decrease) in cash and cash equivalents		69,493	(390,048)
Cash and cash equivalents at the beginning of the year		86,312	413,034
Cash and cash equivalents at the end of the year		<u>155,805</u>	<u>22,986</u>
Represented by:			
Cash at bank and in hand	8	172,327	22,986
Cashbook overdrawn		-	-
		<u>172,327</u>	<u>22,986</u>

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2022

RISK MANAGEMENT FRAMEWORK (CON'TD)

CAPITAL MANAGEMENT

The Group's objectives with respect to capital management are to maintain a capital base that is structured to exceed regulatory and to best utilize capital allocations

Insurance industry regulator measures the financial strength of Non-life insurers using a solvency margin model, NAICOM generally expects non-life insurer to comply with this capital adequacy requirement.

Section 24 of the Insurance Act 2003 defines Solvency Margin of a Non-life insurer as the difference between the admissible assets and liabilities and this shall not be less than 15% of net premium income (gross premium income less re-insurance premium paid) or the minimum capital base (3 billion) whichever is higher.

The test compares insurers' capital against the risk profile. The regulator indicated that the insurer should produce a minimum solvency margin of 100%. During the period, the Group consistently operated above the minimum. The regulator has the authority to request more extensive reporting and can place restrictions on the Group's operations as deemed necessary if the Group falls below this requirement.

The solvency margin for the Company as at 30 September 2022 is as follows:

ASSETS:

	ADMISSIBLE N'000	IN ADMISSIBLE N'000	TOTAL N'000
Cash and cash equivalents	172,327	-	172,327
Financial assets	77,328	-	77,328
Insurance receivables	15,095	-	15,095
Reinsurance assets	405,576	-	405,576
Other receivables	-	765,455	765,455
Deferred acquisition cost	18,539	-	18,539
Investment in subsidiary	-	-	-
Investment properties and land	-	-	-
Leased assets	(0)	-	(0)
Property and equipment	199,195	-	199,195
Statutory deposit	300,000	-	300,000
Intangible assets	-	4,424	4,424
Total assets	1,188,059	769,879	1,957,938

LIABILITIES

Investment contract liabilities	-	-	-
Insurance contract liabilities	3,992,221	-	3,992,221
Borrowings	7,076,454	-	7,076,454
Trade payables	741,809	-	741,809
Other payables	1,406,276	-	1,406,276
Deferred tax liabilities	-	98,050	98,050
Current income tax liabilities	162,710	-	162,710
Total liabilities	13,379,470	98,050	13,477,520

SOLVENCY MARGIN (12,191,411)

MINIMUM REQUIRED 3,000,000

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER, 2022**

RISK MANAGEMENT FRAMEWORK (CON'TD)

CAPITAL MANAGEMENT

The Company further developed an internal capital adequacy model that assesses the risk of assets, policy liabilities and other exposures by applying various factors. The model calculates the capital required for each class of the broad risks identified by the Company and aggregates through co-variance methodology that considers the relationship between these risk categories.

As at period end, the Company showed a negative solvency margin of N12,191,411.49 and a solvency ratio of (406.38)%

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER, 2022

7 SEGMENT INFORMATION- COMPANY

Segment Information

Following the management approach of IFRS 8, the company is organised into eight operating segments. These segments distribute their products through various forms of brokers, agencies, and direct marketing programs. Management identifies its reportable segments by product line. These segments and their respective operations for the period ended 30 September, 2022 are as follows:

	Fire N'000	General Accident N'000	Motor Vehicle N'000	Oil and Gas N'000	Marine N'000	Aviation N'000	Bond N'000	Engineering N'000	Total N'000
Gross premium written	29,460	34,897	75,135	-	32,877	-	7,844	338	180,552
Gross premium income	25,800	30,925	73,420	-	7,795	(8,365)	5,506	1,216	136,297
Re-insurance expenses	(13,211)	(1,695)	(5,678)	-	-	-	-	-	(20,584)
Net premium income	12,588	29,230	67,742	-	7,795	(8,365)	5,506	1,216	115,713
Fee income and commission	1,925	-	-	-	-	-	-	-	1,925
Investment returns	14,514	29,230	67,742	-	7,795	(8,365)	5,506	1,216	117,638
Net underwriting income	(18,259)	(14,052)	(10,547)	-	(893)	-	-	(4,290)	(48,041)
Claim expenses(Gross) Insurance claims recovered / recoverable from reinsurers	17,243	13,679	9,005	(778,825)	(33,829)	(1,983)	-	2,505	(772,204)
Net insurance benefits and claims	(1,016)	(373)	(1,542)	(778,825)	(34,722)	(1,983)	-	(1,785)	(820,244)
Underwriting expenses	(5,019)	(6,399)	(8,043)	-	(2,109)	-	(638)	(244)	(22,453)
Total expenses	(6,035)	(6,772)	(9,585)	(778,825)	(36,831)	(1,983)	(638)	(2,029)	(842,697)
Reportable segment profit	8,479	22,458	58,157	(778,825)	(29,036)	(10,347)	4,868	(812)	(725,059)

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2022

SEGMENT INFORMATION CONT'D- COMPANY

The segment information provided by Management for the reporting segments for the year ended 30 September, 2021

	Fire N'000	General Accident N'000	Motor Vehicle N'000	Oil and Gas N'000	Marine N'000	Aviation N'000	Bond N'000	Engineering N'000	Total N'000
Gross premium written	44,931	38,351	88,230	306	59,907	98	11,474	7,969	251,265
Gross premium income	71,335	74,501	163,552	278	(12,305)	103	6,306	7,919	311,689
Re-insurance expenses	(21,094)	-	-	-	(2,430)	-	(381)	(1,673)	(25,578)
Net premium income	50,241	74,501	163,552	278	(14,735)	103	5,925	6,246	286,111
Fee income and commission	4,370	-	-	-	538	-	93	440	5,441
Investment returns	-	-	-	-	-	-	-	-	-
Net underwriting income	54,611	74,501	163,552	278	(14,197)	103	6,017	6,686	291,551
Claim expenses(Gross)	(12,951)	(12,454)	(20,882)	(44,559)	(3,807)	(600)	-	(553)	(95,808)
Insurance claims recovered from reinsurers	(15,977)	(30,487)	75,787	237	3,874	220	5,523	(3,410)	35,767
Net insurance benefits and claims	(28,928)	(42,941)	54,905	(44,322)	67	(380)	5,523	(3,963)	(60,041)
Underwriting expenses	(14,894)	(15,212)	(18,941)	(8)	(3,111)	(21)	(1,264)	(1,184)	(54,635)
Total expenses	(43,823)	(58,153)	35,964	(44,331)	(3,044)	(401)	4,259	(5,147)	(114,676)
Reportable segment profit	10,789	16,348	199,516	(44,053)	(17,241)	(298)	10,276	1,539	176,875

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2022

	30 September 2022 N'000	31 December 2021 N'000
8 CASH AND CASH EQUIVALENTS		
Cash in hand	1,108	1,464
Due from banks and other financial institutions (note 8.1)	<u>171,218</u>	<u>84,849</u>
	<u>172,327</u>	<u>86,312</u>
8.1 Due from banks and other financial institutions		
Balances held with banks	118,907	24,133
Placement with banks	<u>52,311</u>	<u>60,716</u>
	<u>171,218</u>	<u>84,849</u>
<p>Short-term deposits are made for varying period of one day and three months depending on the immediate cash requirement of the group.</p> <p>For the purpose of cash flows, cash and cash equivalents comprises include cash and bank balances (as above)</p>	<u>172,327</u>	<u>86,312</u>

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2022

	30 September 2022 N'000	31 December 2021 N'000
9 FINANCIAL ASSETS		
The group financial assets are summarised below by measurement category :		
Held to maturity (Note 9.1)	(1,668)	6,776
Loans and receivables (Note 9.2)	2,316	3,939
Available for sale financial asset (Note 9.3)	76,680	76,680
	<u>77,328</u>	<u>87,394</u>
9.1 Held to maturity		
Government securities	141	141
Treasury bills	(1,809)	6,635
	<u>(1,668)</u>	<u>6,776</u>
Due within 12 months	-	141
Due after 12 months	(1,668)	6,635
	<u>(1,668)</u>	<u>6,776</u>
There are no impaired held to maturity investments at 30 September 2022 (2021 nil)		
9.2 Loan and receivables		
Staff loan	2,316	3,939
	<u>2,316</u>	<u>3,939</u>
	<u>2,316</u>	<u>3,939</u>
Due within 12 months	(11,621)	(9,999)
Due after 12 months	13,937	13,937
	<u>2,316</u>	<u>3,939</u>
9.2a		
Staff loan	110,600	112,222
Allowance for impairment (Note 9.2c)	(108,283)	(108,283)
	<u>2,316</u>	<u>3,939</u>

For loans and receivables exceeding 12 months, the estimated fair values of the loans and receivables are the discounted amount of the estimated future cash flows expected to be received. Expected cash flows are discounted factor at current market rates to determine fair value. For loans and receivables with maturity period of below 12 months, no discounting was applied.

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2022

9.2b Movement on the provision for impaired loans and receivables are as follows :

Company	Staff loan	Total
	N'000	N'000
At beginning of year	108,283	108,283
Provision for impairment	-	-
Provision no longer required	-	-
Amount written off during the year as uncollectible	-	-
Unused amount reversed	<u>108,283</u>	<u>108,283</u>

	30 September 2022 N'000	31 December 2021 N'000
9.3 Available for sale investment		
Listed	-	-
Unlisted	<u>76,680</u>	<u>76,680</u>
	<u>76,680</u>	<u>76,680</u>
Due within 12 months	-	-
Due after 12 months	<u>76,680</u>	<u>76,680</u>
	<u>76,680</u>	<u>76,680</u>

The Group investment in unquoted equity financial instrument could not be fair valued as there were no observable data for which the entity could be fair valued, the carrying amount was based on cost less impairment.

The quoted equity financial instrument are measured at market value, the cumulative gain or loss are recognised in other comprehensive income.

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2022

	30 September 2022 N'000	31 December 2021 N'000
10 TRADE RECEIVABLES		
Due from agents	-	-
Due from brokers	2,412,156	2,400,848
Due from Reinsurance companies	-	-
	<u>2,412,156</u>	<u>2,400,848</u>
Allowance for impairment (Note 10.1)	(2,397,061)	(2,397,061)
	<u>15,095</u>	<u>3,788</u>
Due within 12months	15,095	3,788
Due after 12 months	-	-
	<u>15,095</u>	<u>3,788</u>

10.1 Movement on the allowance for impairment of receivables arising out of direct insurance arrangements are as follows:

	N'000
At beginning of year	2,397,061
Provision for impairment	-
Provision no longer required	-
Amount written off during the year as uncollectible	-
At end of period	<u><u>2,397,061</u></u>

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2022

	30 September 2022 N'000	31 December 2021 N'000
11 REINSURANCE ASSETS		
Prepaid reinsurance (note 11.1)	38,922	44,589
Reinsurance recoverable	133,479	133,479
Reinsurance projection on IBNR (Note 11.3)	230,718	230,718
Prepaid M&D Deposit - Re-Insurance	2,458	9,830
	405,576	418,615
Due within 12months	118,175	131,214
Due after 12 months	287,401	287,401
	405,576	418,615
11.1 Movement in prepaid reinsurance		
At beginning of year	84,677	84,677
Additions during the year	34,483	34,483
Amortisation during the year	(20,584)	(74,571)
At end of period	98,576	44,589
<p>There were no indicators of impairment for re-insurance assets. Therefore, no impairment allowance is required in respect of these assets. The carrying amounts disclosed above is in respect of the reinsurance contracts which approximate the fair value at the</p>		
	30 September 2022	31 December 2021
12 OTHER RECEIVABLES AND PREPAYMENTS		
Accrued income (Note 12.2)	55	-
Prepayment (Note 12.2)	5,093	8,429
Other receivables (Note 12.1)	760,307	760,307
	765,455	768,736
Due within 12months	765,455	768,736
Due after 12 months	-	-
	765,455	768,736
12.1 Other receivables		
Stock- consumables	-	-
Deposit for assets	-	-
Other sundry debtors	3,053,855	3,053,855
	3,053,855	3,053,855
Allowance for impairment (Note 9.2c)	(2,293,548)	(2,293,548)
	760,307	760,307

STACO INSURANCE PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER, 2022

	30 September 2022	31 December 2021
13 DEFERRED ACQUISITION COST		
At beginning of year	11,308	28,432
Additions during the year	25,714	47,937
Amortisation during the year	<u>(18,484)</u>	<u>(65,061)</u>
At end of period	<u>18,539</u>	<u>11,308</u>
Due within 12months	18,539	11,308
Due after 12 months	-	-
	<u>-</u> 18,539 <u>-</u>	<u>-</u> 11,308 <u>-</u>
14 INVESTMENT IN SUBSIDIARY		
14.1 The following table illustrates the summarized financial information of the company's investment in Staco Sierra Leone Limited		
Share of the Subsidiary's statement of financial position:		
Assets	-	-
Liabilities	-	-
Equity	<u>-</u>	<u>-</u>
Share of Subsidiary's reserves and profit or loss:		
Contingency reserve	-	-
Retained earnings	<u>-</u>	<u>-</u>
Carrying amount of the investment	<u>-</u>	<u>-</u>
14.2 Appreciation/(Diminution) in investment		
Carrying amount of the investment	-	-
Cost of investment	<u>-</u>	<u>-</u>
Appreciation in investment	<u>-</u>	<u>-</u>
This represents 60% holding in the ordinary share capital of Staco Sierra Leone Limited, a subsidiary incorporated and operating in Sierra Leone		
14.3 Disposal of Investment in Subsidiary		
Carrying amount of the investment		
Fair value reserve	<u>-</u>	<u>-</u>
Cost of Investment	<u>-</u>	<u>-</u>
Disposal/Proceed of Investment	<u>-</u>	<u>-</u>
Professional charge on Disposal	<u>-</u>	<u>-</u>
Gain/(Loss) on Disposal of Investment	<u>-</u>	<u>-</u>
15 INVESTMENT PROPERTIES		
At 1 January	1,520,000	1,520,000
Addition during the year	-	-
Revaluation surplus	-	-
Disposal	(760,000)	-
Impairment Loss on Investment	<u>(760,000)</u>	<u>-</u>
At end of period	<u>-</u>	<u>1,520,000</u>
Cost/Valuation at 30 September, 2022 is represented by:		
Valuation	(1,025,000)	495,000
Cost	<u>1,025,000</u>	<u>1,025,000</u>
	<u>-</u>	<u>1,520,000</u>

Investment properties are carried at fair value which are determined by independent professional valuers .The determination of fair value of the investment properties was supported by market evidence. The modalities and process utilized extensive analysis of market data and other sector specific peculiarities corroborated with available database derived from previous experience.

The investment property is a landed property held for the purpose of capital appreciation.It is a bare land located at No 13 Glover Road ,Ikoyi in Eti Osa Local Government Area of Lagos State.

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2022

	30 September 2022 N'000	31 December 2021 N'000
16 DEFERRED TAX ASSETS		
At 1 January	-	-
Charge for the period	-	-
At 30 September 2022	<u>-</u>	<u>-</u>

The movement in deferred income tax liabilities during the year is as follows:

16.1 DEFERRED TAX LIABILITY	N'000	N'000
At 1 January	98,050	98,050
Charge for the period	-	-
At 30 September 2022	<u>98,050</u>	<u>98,050</u>

The movement in deferred income tax liabilities during the year is as follows:

STACO INSURANCE PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER, 2022**

17 LEASED ASSETS

	Furniture Fittings and equipment N'000	Motor Vehicle N'000	TOTAL N'000
Cost			
At 1 January 2022	-	31,750	31,750
Additions	-	-	-
Disposal	-	-	-
At 30 September 2022	<u>-</u>	<u>31,750</u>	<u>31,750</u>
Accumulated depreciation			
At 1 January 2022	-	31,750	31,750
Charge for the period	-	-	-
Disposal	-	-	-
At 30 September 2022	<u>-</u>	<u>31,750</u>	<u>31,750</u>
Carrying value			
At 30 September 2022	<u>-</u>	<u>(0)</u>	<u>(0)</u>
At 31 December 2021	<u>-</u>	<u>-</u>	<u>-</u>

STACO INSURANCE PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER, 2022**

18 PROPERTY, PLANT AND EQUIPMENT

	Land and Building N'000	Plant and Machinery N'000	Furniture Fittings and equipment N'000	Motor Vehicle N'000	Work in Progress N'000	TOTAL N'000
Cost						
At 1 January 2022	170,000	37,846	369,434	1,187,002	-	1,764,282
Additions	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-
Disposal	-	-	-	-	-	-
Revaluation surplus (Note 27d)	-	-	-	-	-	-
At 30 September 2022	<u>170,000</u>	<u>37,846</u>	<u>369,434</u>	<u>1,187,002</u>	<u>-</u>	<u>1,764,282</u>
Accumulated depreciation						
At 1 January 2022	25,360	22,636	338,150	1,173,101	-	1,559,247
Charge for the period	-	1,182	4,049	610	-	5,840
Disposal	-	-	-	-	-	-
At 30 September 2022	<u>25,360</u>	<u>23,818</u>	<u>342,199</u>	<u>1,173,711</u>	<u>-</u>	<u>1,565,087</u>
Carrying value						
At 30 September 2022	<u>144,640</u>	<u>14,028</u>	<u>27,235</u>	<u>13,291</u>	<u>-</u>	<u>199,195</u>
At 31 December 2021	<u>144,640</u>	<u>15,210</u>	<u>31,283</u>	<u>13,901</u>	<u>-</u>	<u>205,035</u>

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2022

	30 September 2022		31 December 2021
	N'000		N'000
19 STATUTORY DEPOSIT			
This represents amount deposited with Central Bank of Nigeria (CBN) in accordance with section 10(3) of the Insurance Act, 2003	<u>300,000</u>		<u>300,000</u>
Due within 12 months	- -		-
Due after 12 months	<u>300,000</u> -		<u>300,000</u>
	<u>300,000</u> -		<u>300,000</u>

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2022

	30 September 2022 N'000	31 December 2021 N'000
20 INTANGIBLE ASSET		
Goodwill (Note 20.1)	-	-
Software (Note 20.2)	4,424	-
	<u>4,424</u>	<u>-</u>
20.1 Intangible Asset - Goodwill		
Cost		
At 1 January	-	-
Addition	-	-
At 30 September 2022	<u>-</u>	<u>-</u>
Amortisation		
At 1 January	-	-
Amortisation	-	-
At 30 September 2022	<u>-</u>	<u>-</u>
Carrying value		
At 30 September 2022	<u>-</u>	<u>-</u>
20.2 Intangible Asset - Software		
Cost		
At 1 January	-	-
Cost capitalised	4,424	-
At 30 September 2022	<u>4,424</u>	<u>-</u>
Amortisation		
At 1 January	-	-
Amortisation	-	-
At 30 September 2022	<u>-</u>	<u>-</u>
Carrying value		
At 30 September 2022	<u>4,424</u>	<u>-</u>

The intangible assets of the company comprised of goodwill and computer software. The computer softwares are accounted for using the cost model of IAS 38 i.e cost less accumulated amortization and less accumulated impairment. The amortization is charged to income statement in line with the Company's policy.

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2022

	30 September 2022 N'000	31 December 2021 N'000
21 INSURANCE CONTRACT LIABILITIES		
General business (note 21.1)	3,992,221	3,171,521
Life business (note 21.2)	-	-
Total insurance liabilities	<u>3,992,221</u>	<u>3,171,521</u>
Due within 12 months	3,992,221	3,171,521
Due after 12 months	-	-
	<u>3,992,221</u>	<u>3,171,521</u>
21.1 General business liabilities		
Outstanding claims provision (note 21.1a)	3,511,346	2,805,488
Claims incurred but not reported (note 20.1b)	351,135	280,549
Provision for unearned premium (note 21.1c)	129,740	85,485
Total general business insurance contract liability	<u>3,992,221</u>	<u>3,171,521</u>

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2022

	30 September 2022 N'000	31 December 2021 N'000
Outstanding claims provision - General business		
21.1a		
Movement in outstanding claims provision		
At 1 January	2,805,488	2,804,178
Claims incurred in the current year	753,899	125,124
Claims paid during the year	<u>(48,041)</u>	<u>(123,815)</u>
At 30 September 2022	<u>3,511,346</u>	<u>2,805,488</u>
Claims incurred but not reported (IBNR) provision		
21.1b		
Movement in IBNR provision		
At 1 January	280,549	280,418
Movement during the year	<u>70,586</u>	<u>131</u>
At 30 September 2022	<u>351,135</u>	<u>280,549</u>

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2022

21.1c Unearned Premium

	Unearned premium 2022	Movement	Unearned premium 2021
Fire	14,051	3,660	10,391
Engineering	1,773	(878)	2,651
Motor	47,821	1,716	46,106
General Accident	30,309	3,972	26,337
Marine	25,082	25,082	-
Bond	2,339	2,339	-
Oil and gas	-	-	-
Aviation	8,365	8,365	-
	129,740	44,255	85,485

These provision represent the liability for short term insurance contracts for which the Group's obligations are not expired at period end, The unearned premium provision relates to the casualty insurance contracts for which the group expect to pay claims in excess of the related unearned premium provision.

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2022

	30 September 2022 N'000	31 December 2021 N'000
21.2 Life insurance liabilities		
Provision for outstanding claims	-	-
Life liability (note 20.2a)	-	-
	<u>-</u>	<u>-</u>
21.2a The movement on the life funds account during the year was as follows :		
At 1 January	-	-
Increase/(decrease) during the year	-	-
At 30 September 2022	<u>-</u>	<u>-</u>
22 FINANCIAL LIABILITIES		
Convertible bond (Note 21.1)	4,904,346	4,752,849
Short term loan	<u>2,172,108</u>	<u>1,947,035</u>
	<u>7,076,454</u>	<u>6,699,884</u>
22.1 Convertible Bond		
This represents zero coupon JPY 1,200,000,000 direct, unconditional, unsubordinated and unsecured European bond with option issued on 9 November, 2007 to Daewoo Securities Europe Limited. The Bonds were issued with the option to subscribe for the ordinary Shares of the company with a yield of 4.25% per annum while the tenor of the convertible option is valid up to year 2029.		
As 1 January	4,752,849	4,564,720
Movement during the year(Note 22.2)	<u>151,497</u>	<u>188,129</u>
At 30 September 2022	<u>4,904,346</u>	<u>4,752,849</u>
22.2 Movement during the year		
Interest and default charges on the bond	151,497	188,129
Exchange gain / loss	-	-
Payments during the year	-	-
Provision no longer required	-	-
	<u>151,497</u>	<u>188,129</u>
22.3 Short term loan	<u>2,172,108</u>	<u>1,947,035</u>

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2022

	30 September 2022 N'000	31 December 2021 N'000
23 TRADE PAYABLES		
Insurance companies	511,942	513,115
Reinsurance payables (Note 23.1)	229,867	228,458
Agents & Brokers	-	-
	<u>741,809</u>	<u>741,573</u>
23.1 Reinsurance payables		
Reinsurance premium payable	229,867	228,458
Minimum deposit payable	-	-
	<u>229,867</u>	<u>228,458</u>
24a OTHER PAYABLES		
Lease obligation	4,387	4,387
Accruals	147,689	144,134
Other creditors (note 24.1)	1,254,200	1,748,283
	<u>1,406,276</u>	<u>1,896,804</u>
24.1 The breakdown of other creditors is as below:		
Tax payables	-	-
Unclaimed Dividend	42,848	42,848
Sundry payables	1,211,351	1,705,435
	<u>1,254,200</u>	<u>1,748,283</u>
The carrying amounts disclosed above approximate the fair value at the reporting date. All amount are payable within one year.		
Due within 12 months	1,254,200	1,748,283
Due after 12 months	-	-
	<u>1,254,200</u>	<u>1,748,283</u>

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2022

	30 September 2022 N'000	31 December 2021 N'000
26 EMPLOYEE BENEFIT LIABILITY		
Gratuity scheme		
The Group has a post employment benefit scheme which is not funded		
The movement in the defined benefit obligation over the year is as follows:		
At beginning of year	-	-
Current service cost		
Benefits paid	-	-
At 30 September 2022	<u>-</u>	<u>-</u>
Due within 12 months	-	-
Due after 12 months	-	-
	<u>-</u>	<u>-</u>

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2022

	30 September 2022 N'000	31 December 2021 N'000
27 TAXATION		
27.1 Charge		
Income	20,000	20,000
Education tax		
Tax audit/Prior year under provision	-	51,104
Technology tax		
	<u>20,000</u>	<u>71,104</u>
Deferred tax (note 15)	-	-
Charge for the period	<u>20,000</u>	<u>71,104</u>
27.2 Tax liability		
The movement on tax payable account during the year is as follows:		
At 1 January	144,710	94,607
Payments during the year	(2,000)	(21,000)
Charge for the period	20,000	71,104
At 30 September 2022	<u>162,710</u>	<u>144,710</u>

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2022

	30 September 2022 N'000	31 December 2021 N'000
28 EQUITY		
28a Share capital		
Authorised		
9 billion(2012 -7 billion) ordinary shares of 50k each	<u>6,500,000</u>	<u>6,500,000</u>
Issued and fully paid		
9,341,087,609 units of ordinary shares of 50k each	<u>4,670,544</u>	<u>4,670,544</u>
At 1 January	4,670,544	4,670,544
Issued during the year	-	-
At 30 September 2022	<u>4,670,544</u>	<u>4,670,544</u>
28c Share premium	<u>434,164</u>	<u>434,164</u>
Premium arising from the issue of shares are reported in the share premium account.		
28d Revaluation reserve		
At 1 January	1,595,299	1,595,299
Addition during the year (Note 18)	-	-
Disposal during the year	-	-
At 30 September 2022	<u>1,595,299</u>	<u>1,595,299</u>
Under current regulations, assets revaluation reserve is not available for distribution to shareholders either as dividends or bonus shares. No provision was made for deferred capital gains tax as the property is not meant for sale in the foreseeable future.		
28e Fair value reserves		
At the beginning of the year	14,815	14,815
Additions during the year	-	-
Disposal on investment in Subsidiary(Note 14.2)	-	-
At end of the period	<u>14,815</u>	<u>14,815</u>

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2022

	30 September 2022 N'000	31 December 2021 N'000
28f Contingency reserve		
<p>In accordance with the Insurance act, a contingency reserve is credited with the greater of 3% of total premiums or 20% of profits for general business and 1% of total premiums or 10% of profits for life business. This shall accumulate until it reaches the amount of greater of minimum paid- up capital or 50 percent of net premium.</p>		
At the beginning of the year	2,316,539	2,306,755
Transfer from profit and loss	5,417	9,784
At end of the Period	<u>2,321,955</u>	<u>2,316,539</u>
28g Retained Earnings		
<p>General reserve consist of undistributed profits from previous years.</p>		
At the beginning of the year	(18,382,715)	(16,959,361)
Transfer from profit and loss	(2,168,228)	(1,413,571)
Transfer to contingency reserve	(5,417)	(9,784)
Revaluation of investment assets	-	-
At end of the year	<u>(20,556,360)</u>	<u>(18,382,715)</u>
Translation reserve (Note 28f(i))	-	-
	<u>(20,556,360)</u>	<u>(18,382,715)</u>

STACO INSURANCE PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER, 2022**

29	NET PREMIUM INCOME	01.07 -	30	01.07 -	30
		30.09	September	30.09	September
		2022	2022	2021	2021
		N'000	N'000	N'000	N'000
a	Gross Premium written	106,712	180,552	85,096	251,265
	Change in unearned premium provision	(80,230)	(44,255)	(19,352)	60,424
	Gross premium income	26,481	136,297	65,744	311,689
b	Reinsurance expenses:				
	Premium ceded to reinsurers	742	7,545	11,108	20,703
	Amortised M & D	2,458	7,373	-	-
	Changes in reinsurance unearned premium reserve	(24,069)	5,667	4,875	4,875
	Prepaid reinsurance	-	-	-	-
		20,869	(20,584)	(15,983)	(25,578)
	Net premium income	47,351	115,713	49,760	286,111

30	FEES AND COMMISSION INCOME	01.07 -	30	01.07 -	30
		30.09	September	30.09	September
		2022	2022	2021	2021
		N'000	N'000	N'000	N'000
	Fee income arising on insurance contracts	196	1,925	2,879	5,441
		196	1,925	2,879	5,441

STACO INSURANCE PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER, 2022**

31 CLAIMS EXPENSES

	01.07 - 30.09 2022	30 September 2022	01.07 - 30.09 2021	30 September 2021
	N'000	N'000	N'000	N'000
Gross benefit and claims paid (Note 31.1)	42,191	48,041	13,382	95,808
Movement in Outstanding claims (Note 31.2)	(38,848)	776,444	(49,736)	(30,190)
	3,343	824,485	(36,355)	65,618
Claims and Benefits recovered from Reinsurers (Note 31.3)	(1,566)	(4,241)	(4,088)	(5,577)
Net Claims Expenses	1,776	820,244	(40,442)	60,041

31.1 GROSS BENEFIT AND CLAIMS PAID

	01.07 - 30.09 2022	30 September 2022	01.07 - 30.09 2021	30 September 2021
	N'000	N'000	N'000	N'000
Fire	14,916	18,259	3,121	12,951
Engineering	3,777	4,290	-	553
Motor	8,892	10,547	6,924	20,882
General Accident	13,713	14,052	849	12,454
Marine	893	893	1,888	3,807
Bond	-	-	-	-
Oil and gas	-	-	-	44,559
Aviation	-	-	600	600
Others	-	-	-	-
Total benefits and claims paid	42,191	48,041	13,382	95,808

The insurance claims comprise of claims paid, claims expenses paid including loss

31.2 MOVEMENT IN OUTSTANDING CLAIMS

	01.07 - 30.09 2022	30 September 2022	01.07 - 30.09 2021	30 September 2021
	N'000	N'000	N'000	N'000
General business (Note 31.2a)	(38,848)	776,444	(49,736)	(30,190)
Life business	-	-	-	-
	(38,848)	776,444	(49,736)	(30,190)

STACO INSURANCE PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER, 2022**

31.1 Breakdown of claims and benefit recoverable from reinsurers

	01.07 - 30.09 2022 N'000	30 September 2022 N'000	01.07 - 30.09 2021 N'000	30 September 2021 N'000
Fire	1,536	4,211	4,088	4,723
Engineering	-	-	-	549
Motor	30	30	-	130
General Accident	-	-	-	-
Marine	-	-	-	-
Bond	-	-	-	-
Oil and gas	-	-	-	175
Aviation	-	-	-	-
	1,566	4,241	4,088	5,577

31.1 Breakdown of movement in outstanding claims

	01.07 - 30.09 2022 N'000	30 September 2022 N'000	01.07 - 30.09 2021 N'000	30 September 2021 N'000
Fire	(14,916)	(13,033)	6,823	20,700
Engineering	(3,777)	(2,505)	-	3,958
Motor	(7,419)	(8,975)	(44,825)	(75,657)
General Accident	(12,736)	(13,679)	171	30,487
Marine	-	33,829	(11,905)	(3,874)
Bond	-	-	-	(5,523)
Oil and gas	-	778,825	-	(62)
Aviation	-	1,983	-	(220)
	(38,848)	776,444	(49,736)	(30,190)

31.3 Claim Expenses Recovered from Reinsurers

	01.07 - 30.09 2022 N'000	30 September 2022 N'000	01.07 - 30.09 2021 N'000	30 September 2021 N'000
General business	1,566	4,241	4,088	5,577
Life business	-	-	-	-
	1,566	4,241	4,088	5,577

Insurance recoveries and recoverable consist of actual amount recovered from the reinsurers.

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2022

	01.07 - 30.09 2022	30 September 2022	01.07 - 30.09 2021	30 September 2021
	N'000	N'000	N'000	N'000
32 UNDERWRITING EXPENSES				
Acquisition expenses (Note 32.1)	4,208	18,484	9,556	48,027
Maintenance expenses (Note 32.2)	3,053	3,969	2,792	6,608
	<u>7,261</u>	<u>22,453</u>	<u>12,349</u>	<u>54,635</u>
33.1a Breakdown of acquisition expenses				
Acquisition cost paid by company	3,216	6,965	10,123	22,219
Acquisition cost deducted at source by Brokers	14,024	18,749	3,007	15,107
	<u>17,240</u>	<u>25,714</u>	<u>13,130</u>	<u>37,326</u>
Movement in DAC	(13,032)	(7,230)	(3,574)	10,701
Acquisition expenses charged	<u>4,208</u>	<u>18,484</u>	<u>9,556</u>	<u>48,027</u>
Movement in DAC				
Opening DAC 01/01/2022	-	11,308	-	28,432
Less: Closing DAC 30/09/2022	<u>(13,032)</u>	<u>(18,539)</u>	<u>(3,574)</u>	<u>(17,731)</u>
	<u>(13,032)</u>	<u>(7,230)</u>	<u>(3,574)</u>	<u>10,701</u>
32.1 Breakdown of acquisition expenses				
	01.07 - 30.09 2022	30 September 2022	01.07 - 30.09 2021	30 September 2021
	N'000	N'000	N'000	N'000
Fire	2,411	5,400	1,210	7,769
Engineering	31	68	833	1,100
Motor	3,627	6,316	1,780	8,408
General Accident	5,989	6,703	3,420	7,262
Marine	5,121	6,403	4,563	10,730
Bond	62	824	1,307	2,037
Oil and gas	-	-	(1)	-
Aviation	-	-	20	20
	<u>17,240</u>	<u>25,714</u>	<u>13,130</u>	<u>37,326</u>

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2022

32.2 Breakdown of maintenance expenses

	01.07 - 30.09 2022	30 September 2022	01.07 - 30.09 2021	30 September 2021
	N'000	N'000	N'000	N'000
Fire	323	423	603	1,636
Engineering	4	4	95	105
Motor	1,567	2,216	932	2,630
General Accident	442	560	335	505
Marine	635	663	707	1,566
Bond	83	103	116	151
Oil and gas	-	-	4	14
Aviation	-	-	1	1
	3,053	3,969	2,792	6,608
33 INVESTMENT INCOME				
Investment income	7,054	7,054	7,624	7,624
Dividend income	-	-	-	-
Held-to-maturity , loans and receivables	31	122	72	230
Cash and cash equivalents	-	-	162	237
Net investment income	7,085	7,177	7,859	8,092
33.1 Investment Income Distribution				
Share -shareholders	7,085	7,177	7,859	8,092
Share -policy holder	-	-	-	-
	7,085	7,177	7,859	8,092
34 NET REALISED GAIN/(LOSS) ON FINANCIAL ASSETS				
Realized gain/(loss) on disposal of financial asset	-	-	-	-
Impairment of financial assets	-	-	-	-
	-	-	-	-
35 OTHER INCOME				
Provision no longer required - other receivables	-	-	-	-
Provision no longer required -trade receivables	-	-	-	-
Foreign exchange translation gain/(loss)	-	-	-	108,035
Revaluation of investment assets	-	-	-	-
Gain / (Loss) on disposal of fixed assets	-	(84,720)	-	872
Excess interest charges	-	-	-	-
Sundry income	(0)	19	2	(43)
Provision no longer required:				
Financial assets	-	-	-	-
Impairment of PPE - Motor Vehicles	-	-	-	-
	(0)	(84,701)	2	108,864

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2022

	01.07 - 30.09 2022	30 September 2022	01.07 - 30.09 2021	30 September 2021
	N'000	N'000	N'000	N'000
36 OPERATING AND ADMINISTRATIVE EXPENSE				
Management expenses comprise:				
Employee benefits expense (Note 36.1)	62,262	241,281	108,137	532,195
Depreciation-Property, plant and equipments	2,334	5,840	11,016	18,032
Depreciation -leased asset	-	-	-	-
Amortization -Intangible assets	-	-	-	-
Impairment loss on PPE	-	-	-	-
Auditors remuneration	1,750	5,250	5,250	5,250
Directors' emolument	650	2,266	31	11,181
Finance cost (Note 36.2)	91	102,256	251,727	339,458
Operating expenses	41,824	77,255	41,406	212,096
Impairment loss on other receivables	-	-	-	-
Impairment loss on Investment	-	760,000	-	-
	<u>108,911</u>	<u>1,194,148</u>	<u>417,567</u>	<u>1,118,212</u>
36.1 Employee benefits expense				
Salaries and wages	55,576	218,821	101,903	297,293
Pension	4,324	13,138	(108)	10,108
Medical	328	6,988	4,404	9,893
Staff training	1,334	1,634	994	2,145
Terminal benefit	700	700	943	212,756
	<u>62,262</u>	<u>241,281</u>	<u>108,137</u>	<u>532,195</u>
36.2 Finance Cost				
Finance cost is made up of interest on finance lease, bank charges and interest on overdrawn bank accounts within the reporting period.	<u>91</u>	<u>102,256</u>	<u>251,727</u>	<u>339,458</u>
37 INTEREST ON CONVERTIBLE BOND				
Interest on bond (Note 22.2)	<u>50,499</u>	<u>151,497</u>	<u>48,500</u>	<u>139,629</u>
Interest was being charged at 4.25% per annum upto 2012. Upon rescheduling the loan, interest is now charged at 10% per annum.				
38 IMPAIRMENT LOSS ON TRADE RECEIVABLES				
Impairment loss on trade receivables	-	-	-	<u>71,875</u>

