

SACOS GROUP LIMITED
INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED
30 JUNE 2018

SACOS GROUP

GROUP VISION, MISSION AND VALUES

Vision:

To be the insurer of choice in Seychelles;
Increase market presence;
Develop, retain, attract and inspire top talent;
To attain optimal return on investments;
Increase shareholder value;
To be visible and relevant in the community;
Provide memorable customer experience;
Establish and develop strong and lasting; collaborative partnerships.

Mission:

Provide market leading insurance solutions by leveraging our financial strength and work with reinsurers, optimising investments to strengthen our financial position, by remaining committed to innovation and service excellence, in partnership with our valued employees and partners.

Values:

- Service excellence
- Trust
- Accountability
- Innovation
- Respect
- Stewardship

SACOS GROUP LIMITED

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SACOS GROUP LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2018

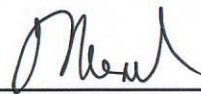
THE GROUP						
HALF YEAR 2018			HALF YEAR 2017			
Group excluding Life	Life	Consolidated	Group excluding Life	Life	Consolidated	
SCR	SCR	SCR	SCR	SCR	SCR	
Turnover	85,584,404	31,506,092	116,539,197	84,260,705	30,363,937	114,151,735
Gross written premiums	85,584,404	31,506,092	116,539,197	84,260,705	30,363,937	114,151,735
Premiums ceded to reinsurers	(25,862,521)	(3,060,344)	(28,922,865)	(29,805,698)	(2,006,871)	(31,812,569)
Change in gross unearned premium	(4,184,306)	-	(4,184,306)	(9,225,695)	-	(9,225,695)
Change in Recoverable from reinsurers - UPR	(1,955,894)	-	(1,955,894)	1,439,000	-	1,439,000
Net premium earned	53,581,683	28,445,748	81,476,132	46,668,312	28,357,067	74,552,472
Gross claims paid	(24,237,200)	(23,672,871)	(47,910,071)	(34,324,611)	(20,763,098)	(55,087,709)
Claims Paid recovered from reinsurers	2,119,230	-	2,119,230	6,650,947	-	6,650,947
Movement in gross outstanding claims	(2,533,148)	-	(2,533,148)	2,748,914	-	2,748,914
Movement in claims recoverable from reinsurers	2,358,460	-	2,358,460	5,461,570	-	5,461,570
Net claims incurred	(22,292,658)	(23,672,871)	(45,965,529)	(19,463,180)	(20,763,098)	(40,226,277)
Commission receivable from reinsurers	3,547,579	693,125	4,240,704	3,610,478	423,174	4,033,652
Commission paid to agents and brokers	(5,564,447)	(1,310,539)	(6,874,986)	(7,147,830)	(1,183,917)	(8,331,747)
Net commission paid	(2,016,868)	(617,414)	(2,634,283)	(3,537,352)	(760,743)	(4,298,094)
Underwriting surplus	29,272,157	4,155,462	32,876,320	23,667,781	6,833,226	30,028,101
Rental income	5,104,863	8,637,109	13,741,972	3,434,337	8,368,203	11,802,540
Investment income	93,756	5,362,028	5,455,784	1,086,516	4,321,715	5,408,231
Sundry income	1,494,575	529,415	2,023,989	1,263,669	853,686	2,117,355
Intercompany income	1,312,331	-	-	1,301,756	-	-
Total Other Income	8,005,525	14,528,552	21,221,746	7,086,277	13,543,605	19,328,126
Staff costs	(13,575,913)	(1,217,060)	(14,792,973)	(18,023,690)	(1,722,451)	(19,746,141)
Marketing and administrative expenses	(16,382,272)	(5,930,679)	(21,761,652)	(17,615,121)	(6,176,860)	(23,319,075)
Other operating expenses	(1,259,569)	(226,570)	(1,486,139)	(1,520,981)	(293,664)	(1,814,645)
Intercompany Recharge	5,156,320	(6,468,651)	-	3,433,258	(4,735,014)	-
Total Expenses	(26,061,434)	(13,842,960)	(38,040,764)	(33,726,534)	(12,927,989)	(44,879,860)
Profit / (loss) before taxation	11,216,248	4,841,055	16,057,302	(2,972,476)	7,448,842	4,476,366
Taxation	(2,787,402)	-	(2,787,402)	(512,485)	-	(512,485)
Profit / (loss) for the year	8,428,846	4,841,055	13,269,900	(3,484,962)	7,448,842	3,963,881
Other comprehensive income / (loss) for the year, net of tax:						
<i>Other comprehensive loss not to be reclassified to profit or loss in subsequent periods:</i>						
Fair value change on available-for-sale assets	-	14,308	14,308	-	980,026	980,026
Total comprehensive income / (loss) for the year	8,428,846	4,855,363	13,284,208	(3,484,962)	8,428,868	4,943,907

SACOS GROUP LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

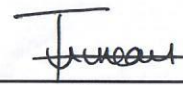
	THE GROUP					
	HALF YEAR 2018			AUDITED (FULL YEAR) 2017		
	Group excluding Life	Life	Consolidated	Group excluding Life	Life	Consolidated
SCR	SCR	SCR	SCR	SCR	SCR	
ASSETS						
Non-current assets						
Equipment	4,975,163	1,986,628	6,961,791	3,195,803	2,183,195	5,378,998
Investment properties	99,198,941	236,381,147	335,580,088	99,198,941	236,381,147	335,580,088
Intangible assets	5,079,170	17,180	5,096,350	5,659,639	22,212	5,681,851
Investment in subsidiaries	-	-	-	-	-	-
Investment in financial assets	16,176,488	67,027,566	83,204,054	16,096,019	65,357,248	81,453,267
Investment in preference share	45,000,000	-	-	45,000,000	-	-
Loans and receivables	-	39,821,962	39,821,962	-	39,821,962	39,821,962
Deferred lease rentals	-	-	-	-	-	-
Deferred tax assets	602,490	-	602,490	602,488	-	602,488
Investment in Associates	-	19,628,783	19,628,783	-	19,628,783	19,628,783
	171,032,253	364,863,267	490,895,520	169,752,891	363,394,547	488,147,437
Current assets						
Investment in financial assets	19,622,788	78,089,652	97,712,440	19,529,031	62,915,842	82,444,873
Loans and receivables	-	21,417,380	21,417,380	-	24,232,641	24,232,641
Trade and other receivables	98,842,774	10,297,716	109,140,490	73,213,749	7,598,798	80,812,548
Intercompany receivables	3,226,472	-	-	-	5,264,066	-
Cash and cash equivalents	31,347,527	17,152,382	48,499,909	16,519,962	18,120,990	34,640,952
Current tax asset	16,364,642	-	16,364,642	15,421,973	-	15,421,973
	169,404,203	126,957,130	293,134,861	124,684,714	118,132,337	237,552,986
Total assets	<u>340,436,456</u>	<u>491,820,397</u>	<u>784,030,381</u>	<u>294,437,605</u>	<u>481,526,884</u>	<u>725,700,423</u>

SACOS GROUP LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	THE GROUP					
	HALF YEAR 2018			AUDITED (FULL YEAR) 2017		
	Group excluding Life	Life	Consolidated	Group excluding Life	Life	Consolidated
EQUITY AND LIABILITIES						
Capital and reserves						
Share capital	67,000,000	3,000,000	70,000,000	67,000,000	3,000,000	70,000,000
Preference share	-	45,000,000	-	-	45,000,000	-
Retained earnings	59,606,169	(13,913,571)	45,692,599	51,177,321	(13,913,571)	37,263,750
Revaluation reserve	2,395,310	-	2,395,310	2,395,310	-	2,395,310
Total equity	129,001,479	34,086,429	118,087,909	120,572,631	34,086,429	109,659,060
Technical provisions						
Life Assurance Fund	-	439,683,828	439,683,828	-	434,828,465	434,828,465
Gross outstanding claims and IBNR	40,101,566	4,654,139	44,755,705	37,568,418	1,868,263	39,436,681
Gross unearned premiums	71,915,570	-	71,915,570	67,731,265	-	67,731,265
Policy protection fund	944,830	-	944,830	1,633,901	-	1,633,901
Mortgage protection fund	196,662	-	196,662	228,911	-	228,911
Fisheries and agricultural fund	480,226	-	480,226	480,226	-	480,226
Total technical provisions	113,638,854	444,337,967	557,976,821	107,642,721	436,696,728	544,339,449
LIABILITIES						
Non-current liabilities						
Retirement benefit obligations	4,561,069	893,567	5,454,636	4,260,819	927,135	5,187,954
	4,561,069	893,567	5,454,636	4,260,819	927,135	5,187,954
Current liabilities						
Trade and other payables	93,235,052	9,275,963	102,511,014	56,697,369	9,089,227	65,786,596
Intercompany payables	-	3,226,471	-	5,264,066	-	-
Bank overdraft	-	-	-	-	727,365	727,365
	93,235,052	12,502,434	102,511,014	61,961,435	9,816,592	66,513,960
Total liabilities	97,796,122	13,396,001	107,965,650	66,222,254	10,743,727	71,701,914
Total equity and liabilities	340,436,456	491,820,397	784,030,381	294,437,606	481,526,884	725,700,423



Jennifer Morel
Chief Executive Officer



Tacey Furneau
Financial Controller

SACOS GROUP LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2018

	THE GROUP			
	Share capital	Retained earnings	Revaluation Reserve	Total
	SCR	SCR	SCR	SCR
At 1 January 2017	70,000,000	56,256,547	-	126,256,547
Share of shareholders surplus/(deficit)		172,978	-	172,978
Total comprehensive income for the year	-	(5,165,772)	2,395,310	(2,770,462)
Dividends	-	(14,000,000)	-	(14,000,000)
At 31 December 2017	70,000,000	37,263,753	2,395,310	109,659,063
Total comprehensive income for the period	-	8,428,846	-	8,428,846
Dividends	-	-	-	-
At 30 June 2018	70,000,000	45,692,599	2,395,310	118,087,909

STATEMENT OF LIFE ASSURANCE FUND

	HALF YEAR 2018	FULL YEAR 2017
	SCR	SCR
At 1 January	434,828,464	418,409,852
Fair value change on available-for-sale assets	14,308	2,084,045
Surplus for the year	4,841,055	14,507,544
Share of surplus to shareholders	-	(172,977)
At 30 June	439,683,828	434,828,464

SACOS GROUP LIMITED
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR PERIOD 30 JUNE 2018

	THE GROUP	
	HALF YEAR 2018	HALF YEAR 2017
	SCR	SCR
<u>Cash flows from operating activities:</u>		
Profit/(Loss) before taxation	16,057,302	4,476,366
Less: Life amounts not attributable to shareholders	(4,841,055)	(7,448,842)
Profit/(Loss) before taxation attributable to shareholders	11,216,248	(2,972,476)
<i>Adjustments for:</i>		
Depreciation of equipment	676,681	783,028
(Profit) / loss on disposal of equipment	-	(175,320)
Amortisation of intangible asset	585,500	817,588
Release of Mortgage Protection Fund	(32,250)	(15,084)
Release of Fisheries and Agricultural Fund	-	(316,042)
Release of Policy Protection Fund	(689,071)	915,839
Movement in retirement benefit obligations	266,682	1,587,796
Interest income	(4,644,152)	(1,844,597)
Net movement in Life Assurance Fund	1,255,363	8,428,868
Effect of change in exchange rates	-	(980,026)
	8,635,001	6,229,574
<i>Changes in working capital:</i>		
- Trade and other receivables	(27,925,377)	(7,079,884)
- Trade and other payables	36,724,419	1,843,975
- Gross claims liabilities	5,319,024	(505,035)
Recoverable from reinsurers		
- share of notified claims	1,955,894	1,589,642
- unearned premium	(2,358,460)	2,569,845
- Unearned premium	4,184,306	9,225,695
	26,534,806	13,873,812
Net tax paid	(3,730,071)	(1,528,709)
Interest received	302,053	786,101
Retirement benefit obligation paid	-	(564,825)
Net cash inflow / (outflow) from operating activities	23,106,788	12,566,379
<u>Cash flows from investing activities:</u>		
Purchase of equipment	(2,259,475)	-
Decrease in deferred lease rental	-	10,647,256
Purchase of intangible assets	-	(29,212)
Proceed from loans and receivables	6,243,128	3,033,464
Disbursement loans and receivables	(3,304,211)	(15,076,886)
Additions to investment in financial assets	(48,709,686)	(14,307,308)
Reclassification/additions to investment properties	-	(10,747,211)
Redemption of investment in financial assets	39,509,775	4,693,632
Net cash inflow from investing activities	(8,520,467)	(21,786,265)
Net change in cash and cash equivalents	14,586,321	(9,219,886)
<u>Movement in cash and cash equivalents:</u>		
At 1 January	33,913,587	34,785,779
Change	14,586,321	(9,219,886)
Effect of change in exchange rates	-	980,026
At 30 June	48,499,909	26,545,919