CIC AFRICA INSURANCE (SS) LIMITED

ANNUAL REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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DIRECTORS

Eng.William Wol	- Chairman
Andrew Murunga	-Managing Director
Patrick Nyaga	
Gordon Owour	
Elizabeth Lugor	
Rosemary Githaiga	-Deceased on 7 December 2022

REGISTERED OFFICE
CIC Plaza
South Kololo Airport Road
Juba, South Sudan

SENIOR MANAGEMENT

Patrick Nyaga	– Group Chief Executive Office
Andrew Murunga	– Managing Director
Phillip Kimani	– Group Chief Finance Officer
Gail Odongo	– Group Company Secretary/Chief Legal Officer
Pamela Oyugi	– Group Human Resources Manager

AUDITOR

PricewaterhouseCoopers LLP
Certified Public Accountants (Kenya)
PwC Tower,Waiyaki way ,Chiromo Road
P.O Box 43969-00100
Nairobi, Kenya

PRINCIPAL BANKER
The Co-operative Bank of South Sudan
Juba, South Sudan

The directors submit their report together with the audited financial statements of CIC Africa Insurance (SS) Limited (the "company") for the year ended 31 December 2022 which dislose the state of affairs of the Company.

1. INCORPORATION

The Company is incorporated in South Sudan under the Companies Act, 2012 of South Sudan and is domiciled in South Sudan. The address of the registered office is set out on page 1.

2. DIRECTORATE
The directors who held office during the year and to the date of this report are set out on page 1.

3. PRINCIPAL ACTIVITIES

The principal activities of the Company continue to be transaction of general, medical and life insurance business.

4. COMPANY RESULTS

	Inflation adjusted		Historical cost	
	2022 SSP'000'	2021 SSP'000'	2022 SSP'000'	2021 SSP'000
Profit for the year	287,986	608,776	255,369	699,896
Total assets	7,457,776	4,947,528	7,473,726	5,598,789
Net assets	2,691,440	1,757,231	2,645,984	1,992,773

5. DIVIDENDS

The directors do not recommend payment of a dividend (2021: Nil).

6. AUDITOR

PricewaterhouseCoopers LLP continues in office with the accordance with the company' s Articles of Association. The directors monitor the effectiveness, objectivity and independence of the auditor. This responsibility includes the approval of the audit engagement contract and the associated fees.

BY ORDER OF THE BOARD

Company Secretary

26 MAY 2023

The directors are required to prepare financial statements for each financial year that give a true and fair view of the financial position of the Company as at the end of the financial year and of its profit or loss for that year. The directors are responsible for ensuring that the Company keeps proper accounting records that are sufficient to show and explain the transactions of the Company; disclose with reasonable accuracy at any time the financial position of the Company; and that enables them to prepare financial statements of the Company that comply with the requirements of the International Financial Reporting Standards. They are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors accept responsibility for the preparation and presentation of these financial statements in accordance with International Financial Reporting Standards. They also accept responsibility for:

i) Designing, implementing and maintaining such internal control as they determine necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error;
ii) Selecting suitable accounting policies and applying them consistently; and
iii) Making accounting estimates and judgements that are reasonable in the circumstances.

Having assessed the Company's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the Company's ability to continue as a going concern.

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

The financial statements were approved by the Board of Directors on ..26...MAY..... 2023 and signed on its behalf by:

....	....
Eng.William Wol	Andrew Murunga
Chairman	Managing Director

pwc

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CIC AFRICA INSURANCE (SS) LIMITED

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of CIC Africa Insurance (SS) Limited (the "Company") set out on pages 7 to 78 which comprise the statement of financial position at 31 December 2022, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended and the notes to the financial statements, which include significant accounting policies and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of CIC Africa Insurance (SS) Limited at 31 December 2022, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 are independent of the company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information except to the extent otherwise explicitly stated in this report we do 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 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, 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CIC AFRICA INSURANCE (SS) LIMITED (CONTINUED)

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 ISAs 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 ISAs, we exercise professional judgement and maintain professional scepticism 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 the directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CIC AFRICA INSURANCE (SS) LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements (continued)

We communicate with the directors 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.

Richard Njoroge

FCPA Richard Njoroge, Practising Certificate Number 1244
Engagement partner responsible for the audit
For and on behalf of PricewaterhouseCoopers LLP
Certified Public Accountants
Nairobi

29 June 2023

CIC AFRICA INSURANCE (SS) LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Inflation adjusted		Historical cost	
		2022 SSP '000'	2021 SSP'000	2022 SSP'000'	2021 SSP'000'
Gross earned premiums	3(a)	1,416,701	627,355	1,568,666	755,520
Reinsurance premiums ceded	3(b)	(75,982)	(75,174)	(83,114)	(93,068)
Net earned premiums		1,340,719	552,181	1,485,552	662,452
Commissions earned	4	20,134	5,161	21,801	6,167
Interest revenue calculated using the effective interest method	5(a)	128,199	76,736	146,503	93,024
Other investment income	5(b)	90,614	84,095	100,656	98,524
Other gains	6	168,387	30,516	168,387	34,509
Foreign exchange gain	7	818,401	1,126,664	961,652	1,347,510
		2,566,454	1,875,353	2,884,551	2,242,186
Gross benefits and claims paid	8	(1,080,998)	(650,669)	(1,237,085)	(788,658)
Claims ceded to reinsurers	8	102,568	666	102,677	837
Gross change in insurance contract liabilities	8	(448,386)	(120,040)	(473,673)	(135,093)
Net benefits and claims		(1,426,816)	(770,043)	(1,608,081)	(922,914)
Commissions expense	9	(148,727)	(67,837)	(168,666)	(82,539)
Operating and other expenses	10	(765,038)	(467,631)	(852,435)	(535,132)
Increase in expected credit losses	10(b)	-	(1,508)	-	(1,705)
Gain on net monetary position	11(a)	62,113	40,442	-	-
		(2,278,468)	(1,266,577)	(2,629,182)	(1,542,290)
Profit before income tax		287,986	608,776	255,369	699,896
Income tax expense	11(b)	-	-	-	-
Profit for the year		287,986	608,776	255,369	699,896
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Revaluation gain on land and building	12	470,030	361,194	397,842	372,148
Other comprehensive income for the year		470,030	361,194	397,842	372,148
Total comprehensive income for the year		758,016	969,970	653,211	1,072,044

CIC AFRICA INSURANCE (SS) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Notes	Inflation adjusted		Historical cost	
		2022	2021	2022	2021
		SSP'000'	SSP'000'	SSP'000'	SSP'000'
ASSETS					
Property and equipment	12	1,030,447	563,947	1,038,908	641,224
Intangible asset	12(b)	14,698	8,519	17,172	9,634
Investment property	13	1,532,592	827,546	1,532,592	935,829
Financial assets at amortised cost- loans and receivables	19	-	899	-	1,016
Investment in collective Investment scheme at fair value through profit or loss	14	496,526	301,566	496,526	341,025
Receivables arising out of direct insurance arrangements	17(a)	123,839	54,366	123,839	61,480
Receivables from reinsurance arrangements	17(b)	84,305	254,220	84,305	287,484
Reinsurance share of liabilities	18	6,507	1,119	6,507	1,265
Deferred acquisition costs	20	59,563	22,930	64,578	26,332
Other receivables	21	78,190	184,744	78,190	208,918
Related party loan	15	1,290,018	698,508	1,290,018	789,906
Restricted deposit with financial institution	16	2,686,283	2,003,217	2,686,283	2,265,334
Cash and bank balances	32(b)	54,808	25,947	54,808	29,342
Total assets		7,457,776	4,947,528	7,473,726	5,598,789
EQUITY AND LIABILITIES					
Equity					
Share capital	22(b)	447,869	508,942	15,800	15,800
Retained earnings	23(a)	1,240,093	714,841	1,692,793	1,437,424
Revaluation reserve	23(b)	1,003,478	533,448	937,391	539,549
		2,691,440	1,757,231	2,645,984	1,992,773
Liabilities					
Liabilities arising out of reinsurance arrangements	24	88,173	34,973	88,173	39,549
Non-life Insurance contracts liabilities	25	714,358	220,397	714,358	249,236
Life insurance contracts liabilities	26	33,743	22,278	33,743	25,193
Provision for unearned premium reserve and unexpired risk	27	437,479	185,596	498,885	208,154
Due to related parties	28	151,727	13,854	151,727	15,667
Other payables	29	523,912	567,675	523,912	641,955
Finance lease obligation payable	30	144,433	91,695	144,433	103,693
Pension administration fund	31	2,672,511	2,053,829	2,672,511	2,322,569
		4,766,336	3,190,297	4,827,742	3,606,016
Total equity and liabilities		7,457,776	4,947,528	7,473,726	5,598,789

The financial statements on pages 7 to 78 were approved and authorised for issue by the Board of Directors on 26 MAY...2023 and signed on its behalf by:

Chairman
Eng.William Wol

Managing Director
Andrew Murunga

CIC AFRICA INSURANCE (SS) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

2021 Inflation adjusted	Share capital SSP'000 (Note 22)	Revaluation reserve SSP'000 (Note 23b)	Retained earnings SSP'000 (Note 23a)	Total SSP'000'
At 1 January 2021	484,945	163,655	(200,832)	447,768
Profit for the year	-	-	608,776	608,776
Other comprehensive income	-	361,194	-	361,194
Total comprehensive income for the year	-	361,194	608,776	969,970
Effects of hyperinflationary accounting on opening balances	23,997	8,599	306,897	339,493
At 31 December 2021	508,942	533,448	714,841	1,757,231
2022 Inflation adjusted At 1 January 2022	508,942	533,448	714,841	1,757,231
Profit for the year	-	-	287,986	287,986
Other comprehensive income	-	470,030	-	470,030
Total comprehensive income for the year	-	470,030	287,986	758,016
Effects of hyperinflationary accounting on opening balances	(61,073)	-	237,266	176,193
At 31 December 2022	447,869	1,003,478	1,240,093	2,691,440

CIC AFRICA INSURANCE (SS) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

2021 Historical cost	Share Capital SSP'000' (Note 22)	Revaluation reserve SSP'000' (Note 23b)	Retained earnings SSP'000' (Note 23a)	Total SSP'000'
At 1 January 2021	15,800	167,401	737,528	920,729
Profit for the year	-	-	699,896	699,896
Other comprehensive income	-	372,148	-	372,148
Total comprehensive income for the year	-	372,148	699,896	1,072,044
At 31 December 2021	15,800	539,549	1,437,424	1,992,773
2022 Historical cost				
At 1 January 2022	15,800	539,549	1,437,424	1,992,773
Profit for the year	-	-	255,369	255,369
Other comprehensive income	-	397,842		397,842
Total comprehensive income for the year	-	397,842	255,369	653,211
At 31 December 2022	15,800	937,391	1,692,793	2,645,984

CIC AFRICA INSURANCE (SS) LIMITED
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Inflation adjusted		Historical cost	
		2022 SSP'000'	2021 SSP'000'	2022 SSP'000'	2021 SSP'000'
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated from operations	32(a)	(129,691)	841,271	(558,136)	311,148
Interest income	5	128,199	76,736	143,503	93,024
Additions on collective investments	14	-	(25,759)	-	(29,130)
Withdrawals from collective investments	14	-	52,469	-	59,335
Additions in restricted deposits	16	(492,612)	(641,370)	(492,612)	(725,292)
Withdrawals from restricted deposits	16	954,649	-	954,649	-
Net cash generated from operating activites		460,545	303,347	47,404	(290,915)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property and equipment	12	(1,652)	(1,706)	(1,936)	(2,127)
Purchase of intangible property	12(b)	(8,863)	(8,519)	(10,609)	(9,634)
Proceeds from settlement of related party loan	15	-	142,643	-	161,308
Staff loans advanced	19	(14,748)	(19,915)	(14,748)	(22,521)
Repayment of staff loan	19	15,764	17,509	15,764	19,800
Net cash used in investing activities		(9,499)	130,012	(11,529)	146,826
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of finance lease	30(b)	(10,409)	(3,770)	(10,409)	(4,263)
Net cash used in financing activities		(10,409)	(3,770)	(10,409)	(4,263)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		440,637	429,589	25,466	(148,352)
CASH AND CASH EQUIVALENTS AT 1 JANUARY		25,947	148,683	29,342	177,694
Change in monetary value on opening balances		(411,776)	(552,325)	-	-
CASH AND CASH EQUIVALENTS AT 31 DECEMBER		54,808	25,947	54,808	29,342

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance, Basis of preparation and presentation currency

(i) Statement of compliance

The financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS), interpretations issued by the IFRS Interpretations Committee (IFRIC) Interpretations applicable to companies reporting under IFRS.

(ii) Basis of preparation

The financial statements comprise the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, and notes to the financial statements. The Company presents its statement of financial position broadly in increasing order of liquidity.

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of estimates and assumptions. It also requires management to exercise its judgement in the process of applying the accounting policies adopted by the Company. Although such estimates and assumptions are based on the directors' best knowledge of the information available, actual results may differ from those estimates. The judgements and estimates are reviewed at the end of each reporting period, and any revisions to such estimates are recognised in the period in which the revision is made. The areas involving the judgements of most significance to the financial statements, and the sources of estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial year, are disclosed in note 2.

The financial statements of the Company are prepared under the historical cost convention. For the purpose of fair presentation in accordance with International Accounting Standard 29 (IAS 29) "Financial Reporting in Hyperinflationary Economies", this historical cost information has been restated for changes in the general purchasing power of the South Sudanese Pound and appropriate adjustments and reclassifications have been made. Accordingly, the inflation adjusted financial statements represent the primary financial statements of the Company. The historical cost financial statements have been provided by way of supplementary information. IAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of a measuring unit current at the balance sheet date, and that corresponding figures for previous periods be stated in the same terms to the latest statement of financial position.

The conversion factors used to restate the financial statements at 31 December 2022, using a 2021 base year, are as follows:

	CPI	Conversion factor
31 December 2021	15,405	0.96
31 Decembr 2022	13,622	0.88

All items in the statement of profit or loss are restated by applying the relevant monthly conversion factors.
The application of the IAS 29 restatement procedures has the effect of amending certain accounting policies which are used in the preparation of the financial statements under the historical cost convention.

(iii) Functional and presentation currency

The financial statements are presented in South Sudanese Pounds, which is the Company's functional and presentation currency.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

New standards and amendments – applicable 1 January 2022

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2022:

Title	Key requirements	Effective Date *
Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37	The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.	1 January 2022
Annual Improvements to IFRS Standards 2018–2020	The following improvements were finalised in May 2020 and these amendments include minor changes to: (a). IFRS 9 Financial Instruments – clarifies which fees should be included in the 10% test for derecognition of financial liabilities. (b). IFRS 16 Leases – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.	1 January 2022
Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	The amendment to IAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities. Henceforth, the proceeds from selling such items, together with the costs of producing them, are recognised in profit or loss.	1 January 2022
COVID-19-related Rent Concessions – Amendments to IFRS 16	As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. In May 2020, the IASB made an amendment to IFRS 16 Leases which provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted. Entities applying the practical expedients must disclose this fact, whether the expedient has been applied to all qualifying rent concessions or, if not, information about the nature of the contracts to which it has been applied, as well as the amount recognised in profit or loss arising from the rent concessions. * The relief was originally limited to reduction in lease payments that were due on or before 30 June 2021. However, the IASB subsequently extended this date to 30 June 2022. If a lessee already applied the original practical expedient, it is required to continue to apply it consistently, to all lease contracts with similar characteristics and in similar circumstances, using the subsequent amendment. If a lessee did not apply the original practical expedient to eligible lease concessions, it is prohibited from applying the expedient in the 2021 amendment. However, if a lessee has not yet established an accounting policy on applying (or not) the practical expedient to eligible lease concessions, it can still decide to do so.	1 June 2020/1 April 2021*

*Applicable to reporting periods commencing on or after the given date.

The above standards did not have any significant impact on the financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ii) Forthcoming requirements

The following standards and interpretations had been issued but were not mandatory for annual reporting periods ending on 31 December 2022.

Title	Key requirements	Effective Date *
Classification of Liabilities as Current or Non-current - Amendment to IAS 1	The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting	1 January 2023 (deferred from 1 January 2022)
Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2	The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.	1 January 2023
Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37	The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.	1 January 2022
Annual Improvements to IFRS Standards 2018–2020	The following improvements were finalised in May 2020: • IFRS 9 Financial Instruments – clarifies which fees should be included in the 10% test for derecognition of financial liabilities. • IFRS 16 Leases – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives. • IFRS 1 First-time Adoption of International Financial Reporting Standards – allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption. • IAS 41 Agriculture – removal of the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41. This amendment is intended to align with the requirement in the standard to discount cash flows on a post-tax basis.	1 January 2022

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ii) Forthcoming requirements

IFRS 17, 'Insurance contracts'	The IASB issued IFRS 17, 'Insurance contracts', and thereby started a new epoch of accounting for insurers. Whereas the current standard, IFRS 4, allows insurers to use their local GAAP, IFRS 17 defines clear and consistent rules that will significantly increase the comparability of financial statements. For insurers, the transition to IFRS 17 will have an impact on financial statements and on key performance indicators. Under IFRS 17, the general model requires entities to measure an insurance contract at initial recognition at the total of the fulfilment cash flows (comprising the estimated future cash flows, an adjustment to reflect the time value of money and an explicit risk adjustment for non-financial risk) and the contractual service margin. The fulfilment cash flows are remeasured on a current basis each reporting period. The unearned profit (contractual service margin) is recognised over the coverage period. Aside from this general model, the standard provides, as a simplification, the premium allocation approach. This simplified approach is applicable for certain types of contract, including those with a coverage period of one year or less. For insurance contracts with direct participation features, the variable fee approach applies. The variable fee approach is a variation on the general model. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the contractual service margin. As a consequence, the fair value changes are not recognised in profit or loss in the period in which they occur but over the remaining life of the contract.	Annual periods beginning on or after 1 January 2023 Early application is permitted for entities that apply IFRS 9, 'Financial Instruments', and IFRS 15, 'Revenue from Contracts with Customers', at or before the date of initial application of IFRS 17. (Published May 2017)
IFRS 17, Insurance contracts Amendments	In response to some of the concerns and challenges raised, the Board developed targeted amendments and a number of proposed clarifications intended to ease implementation of IFRS 17, simplify some requirements of the standard and ease transition. The amendments relate to eight areas of IFRS 17, and they are not intended to change the fundamental principles of the standard or unduly disrupt implementation already underway.	Annual periods beginning on or after 1 January 2023 (Published June 2020)

*Applicable to reporting periods commencing on or after the given date.

The Company has not early adopted any of these standards.

Except for IFRS 17 whose impact has been dealt with in the succeeding pages, the standards are no expected to have a significant impact on the Company's financial statements.

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Forthcoming requirements (continued)

IFRS 17 "Insurance Contracts"

Oversight

IFRS 17 Steering Committee (Steer-co) exists comprising of Senior Management derived from all functional areas of the company that are impacted by IFRS 17 project. The Senior Management is assembled from Finance, Actuarial, ICT, Operations, Risk and Compliance and Internal Audit. The steering committee provides leadership and guidance on critical judgement areas as well as monitoring and overseeing the overall direction of the project. The Steering Committee reports to the Board Audit Committee on a regular basis.

There is an IFRS 17 project team which was put in place during the year 2022. The project team is responsible for the actual work on the IFRS 17 project. The project team endeavors to remain up to date, and closely monitors, all technical developments from the International Accounting Standards Board and the industry to evaluate the effects of such developments.

The Journey

The IFRS 17 implementation project involves the following key stages;

1. Development of the accounting policy framework
2. Methodology specifications
3. Project resourcing
4. Acquisition of IFRS 17 engine
5. Live build up
6. Dry runs
7. Financial impact analysis
8. User acceptance testing
9. Parallel runs
10. Go live
11. Development of revised financial reporting, management reporting and budgeting templates.
12. Development of new Key Performance Indicators (KPIs)

The IFRS 17 journey started in year 2021 with the hiring of the implementation partner. Various preliminary works were undertaken by the implementation partner with support from the various business units such as:

i) Training on the technical guidance papers on various IFRS 17 standard requirements such as Separation and Combination, measurement models, level of aggregation, modification and derecognition, expense classification and allocation, contract boundary, risk adjustment, discount rate, Contractual Service Margin, Coverage Units, Reinsurance, Transition and presentation and disclosures.

ii) Training on methodology specifications – e.g. product components separation, combination and modification, level of aggregation, measurement models, contract boundary, expense classification and allocation.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Forthcoming requirements (continued)

IFRS 17 "Insurance Contracts" (continued)

Subsequently the IFRS 17 project team was formed to spearhead the live build up of the IFRS 17 project. The following activities have been undertaken by the project team:

i) Shortlisting and selection of IFRS 17 engine vendor.
ii) Layout of the projected project plan.
iii) Planning and facilitating the acquisition of the supporting ICT infrastructure
iv) Development of the technical guidance papers and methodology specifications

The project is now in the live build up stage. This stage involves workflow and controls definition; chart of accounts update; data collection and analysis; and the population of standard master data templates in accordance with IFRS 17 engine requirements.

The project will then evolve into the other stages as enumerated above.

Measurement models

IFRS 17 consists of 3 measurement models, namely General Measurement Model (GMM), Premium Allocation Approach (PAA) and Variable Fee Approach (VFA).

Under IFRS 17, measurement is not carried out at the level of individual contracts, but on the basis of groups of contracts. To allocate individual insurance contracts to groups of contracts, we classified portfolios based on their risk profile and nature of management. Portfolios where contracts have similar risks and which have similar management were grouped together. These portfolios were then subdivided into groups of contracts on the basis of profitability and annual cohorts.

The portfolios were then classified into the 3 measurement models as indicated below.

General Measurement Model

The general measurement model, also known as the building block approach, consists of the fulfilment cash flows and the contractual service margin.

Premium Allocation Approach

All products for which coverage period is one year or less qualifies automatically for PAA in line with the standard.

This will apply for all general business products.

Some of the general business product lines e.g. engineering, fire and marine include contracts with coverage period greater than one year. However, since there is no material difference in the measurement of the liability for remaining coverage between PAA and the general measurement model, these contracts also qualify for PAA.

Liability for incurred claims

The measurement of the liability for incurred claims is identical under all three measurement models, apart from the determination of locked-in interest rates used for discounting. An explicit risk adjustment for non-financial risk is estimated separately from the other estimates for the liability for incurred claims. This risk adjustment represents compensation required for bearing uncertainty about the amount and timing of the cash flows that arises from non-financial risk. The risk adjustment forms part of the fulfilment cash flows for a group of insurance contracts.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Forthcoming requirements (continued)

IFRS 17 "Insurance Contracts" (continued)

Reinsurance contracts held

The Company applies the premium allocation approach (PAA) to all the reinsurance contracts that it holds as the coverage period is one year with 3 months' notice for cancellation.

Revenue recognition

Insurance revenue and the related insurance service expenses are recognised in the statement of profit or loss and other comprehensive income based on the concept of services provided during the period. The standard requires losses to be recognised immediately on contracts that are expected to be onerous. For insurance contracts measured under the PAA, it is assumed that contracts are not onerous at initial recognition, unless facts and circumstances indicate otherwise. The Group's focus is to grow a profitable and sustainable business and does not anticipate the recognition of onerous contracts except where the following have been identified:

- Relevant pricing decisions.
- Initial stages of a new business acquired where the underlying contracts are onerous.
- Any other strategic decisions the board considers appropriate.

Accounting policy choices

Title	IFRS 17 options	Adopted approach
Insurance acquisition cash flows	Provided that the coverage period of each contract in the group at initial recognition is no more than one year, IFRS 17 allows an accounting policy choice of either expensing the insurance acquisition cash flows when incurred or amortising them over the contract's coverage period.	Insurance acquisition cashflows will be expensed when incurred except for commission expense which will be amortised on a linear basis over the coverage period.
Liability for Remaining Coverage ("LRC") adjusted for financial risk and time value of money	Where there is no significant financing component in relation to the LRC, or where the time between providing each part of the services and the related premium due date is no more than a year, an entity is not required to make an adjustment for accretion of interest on the LRC.	Under the PAA approach there will be no accretion of interest to the LRC since the time between providing each part of the services and the related premium due date is no more than a year. Interest will however be accreted to the LRC under the GMM model due to the long term nature of the contracts under this model.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Forthcoming requirements (continued)

IFRS 17 "Insurance Contracts" (continued)

Areas of significant judgements

The following are key judgements and estimates which the Company expects to apply as a result of IFRS 17:

Discount rates

The bottom-up approach will be used to derive the discount rate. Under this approach, the discount rate is determined as the risk-free yield, adjusted for differences in liquidity characteristics between the financial assets used to derive the risk-free yield and the relevant liability cash flows (known as an 'illiquidity premium'). The risk-free rate was derived using government bonds yield curve available in the market denominated in the same currency as the product being measured. Management uses judgement to assess liquidity characteristics of the liability cash flows.

Risk adjustment

The Company has estimated the risk adjustment using a confidence level (probability of sufficiency) approach at the 75th percentile. That is, the Company has assessed its indifference to uncertainty for all product lines (as an indication of the compensation that it requires for bearing non-financial risk) as being equivalent to the 75th percentile confidence level less the mean of an estimated probability distribution of the future cash flows. The Company has estimated the probability distribution of the future cash flows, and the additional amount above the expected present value of future cash flows required to meet the target percentiles.

Transition

On the date of initial application i.e., 1 January 2022, IFRS 17 should be applied retrospectively. Where the full retrospective approach is impracticable, IFRS 17 allows for alternative transition methods.

The Company has adopted the following approach with respect to transition.

Under GMM, the Company has determined that reasonable and supportable information is available for all contracts in force at the transition date that were issued with effect from 1 January 2015. A full retrospective approach will therefore be adopted for all portfolios of contracts issued from 2015 up to the transition date of 1 January 2022 and that qualify for GMM as indicated elsewhere in this disclosure note. The contracts will be grouped into annual cohorts and data transformation will be done on annual roll over basis using estimates and assumptions that would have been applicable retrospectively if IFRS 17 had always existed in each of those reporting periods. Fair value approach will be used for contracts that are older than 2015.

Under PAA only current and prospective information is required to reflect circumstances at the transition date. In light of this, no retrospective work will be done.

Impairment of insurance and reinsurance receivables

The Company deferred the application of IFRS 9 on the impairment of direct insurance receivables and reinsurance receivables pending the implementation of IFRS 17. Effective 1 January 2023 the Company has adopted the IFRS 9 for assessing impairment of its direct insurance receivables and reinsurance receivables. Since the receivables in question are generally short term in nature and have no financing component, the effect of discounting (if any) would not be material and therefore the Group has elected to use the simplified approach permitted under IFRS 9.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Forthcoming requirements (continued)

IFRS 17 "Insurance Contracts" (continued)

Areas of significant judgements(continued)

In developing the simplified approach model, the Company has developed a provisional matrix by tracking historical receivables balances over the last 5 years disaggregated based on credit risk characteristics and further by geographical segments. The receivables are divided further into delinquency categories i.e 0 to 30 days, 31 – 60 days, 61 – 90 days, 91 – 120 days, 121 – 360 days and over 360 days.

Using the 5 year historical information, the rates at which debtors move into a write of category as time passes was determined for each delinquency category and the risk based life time ECL ratios calculated in accordance with IFRS 9 requirements.

The model will also include forward-looking estimate. This forward-looking estimate is not static and will be evaluated at the end of each reporting period considering changes in macro-economic conditions that impact the ability and continuation of debtors to pay.

Financial impact on transition to IFRS 17

As noted elsewhere in this note, the Company is at the live build up stage of the IFRS 17 model at the time of presentation of these financial statements. Once the live build up is done the systems dry run will be done and subsequently the financial impact analysis. We are therefore not able to reliably provide any financial impact analysis data at this point of the IFRS 17 project.

Impact on presentation and disclosures on transition to IFRS 17

In the statement of financial position, deferred acquisition costs and insurance related receivables will no longer be presented separately but as part of the insurance liabilities. This change in presentation will lead to a reduction in total assets of the Company, offset by a reduction in total liabilities.

The amounts presented in the statement of financial performance (statement of profit or loss and other comprehensive income) will be disaggregated into an insurance service result, consisting of the insurance revenue and the insurance service expenses, and insurance finance income and expenses. Income or expenses from reinsurance contracts held will be presented separately from the expenses or income from insurance contracts issued.

The presentation of the income statement will change as follows:

Insurance revenue
Insurance service expense
Net expense from reinsurance contracts held
Insurance service results
Interest revenue from financial assets not measured at FVTPL
Net change in investment contract liabilities
Net credit impairment losses
Net investment income
Finance expenses from insurance contracts issued
Finance income from reinsurance contracts held
Net insurance finance expenses
Other finance costs
Other operating costs
Profit before income tax

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Forthcoming requirements (continued)

IFRS 17 "Insurance Contracts" (continued)

Impact on presentation and disclosures on transition to IFRS 17 (continued)

IFRS 17 has introduced additional disclosures which would need to be provided.

The Company will be required to provide disaggregated qualitative and quantitative information about:

- Amounts recognised in its financial statements from insurance contracts issued and reinsurance contracts held within the scope of IFRS 17;
- Significant judgements, and changes in those judgements, when applying the standard; and
- The nature and extent of the risks from contracts within the scope of the standard.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Insurance contracts

Classification

The Company issues contracts that transfer insurance risk or financial risk or both. Insurance contracts are those contracts that transfer significant insurance risk. Such contracts may also transfer financial risk. As a general guideline, the Company defines significant insurance risk as the possibility of having to pay benefits on the occurrence of an insured event that are at least 10% more than the benefits payable if the insured event did not occur.

Insurance contracts are classified into two main categories depending on the duration of risk:

Long term insurance business
Includes insurance business of all or any of the following classes: namely, Ordinary life, Group life, Annuities, and Pension and business incidental to any such class of business.

Life assurance business means the business of, or in relation to, the issuing of, or the undertaking of liability to pay money on death or on the happening of any contingency dependent on the termination or continuance of human life (either with or without provision for a benefit under a continuous disability insurance contract), and includes a contract which is subject to the payment of premiums for a term dependent on the termination or continuance of human life and any contract securing the grant of an annuity for a term dependent upon human life.

Short term insurance business
This is insurance business of any class or classes that is not long term insurance business. Classes of general Insurance include Engineering insurance, Fire insurance – domestic risks, Fire insurance – industrial and commercial risks, Liability insurance, Marine insurance, Motor insurance – private vehicles, Motor insurance – commercial vehicles, Personal accident insurance, Theft insurance, Workmen's Compensation and Employer's Liability insurance and Miscellaneous insurance. Miscellaneous insurance refers to other classes of business not included under those listed above.
Motor insurance business means the business of affecting and carrying out contracts of insurance against loss of,

Revenue recognition

(i) Gross written premiums

For long term insurance business, gross recurring premiums on life contracts are recognised as revenue when payable by the policyholder. For single premium business, revenue is recognised on the date on which the policy is effective.

For shorter term insurance business, gross written premiums under insurance contracts comprise the total premiums receivable for the whole period of the cover provided by the contract and are recognised on the date on which the policy incepts.

Gross earned premiums comprise the total premiums receivable for the respective accounting period which is under consideration and are recognised up to the end of the reporting period. Unearned premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Unearned premiums are calculated on a daily pro rata basis. The proportion attributable to subsequent periods is deferred as a provision for unearned premiums. Premiums are presented gross of commission and any taxes or duties levied on premiums.

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c.) Insurance contracts (continued)

(ii) Reinsurance premiums ceded

The gross reinsurance premiums are recognised as an expense when payable or on the date on which the policy is effective. The Company's gross general written premiums under reinsurance contracts comprise the total premiums payable for the whole period of cover provided by contracts entered into during the accounting period and are recognised on the date on which the policy incepts. Premiums include any adjustments arising in the accounting period in respect of reinsurance contracts incepting in prior accounting periods. Unearned reinsurance premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date.

Unearned reinsurance premiums are deferred over the term of the underlying direct insurance policies for risks-attaching contracts and over the term of the reinsurance contract for losses-occurring contracts. Premiums are shown before deduction of commission and are gross of any taxes or duties levied on premiums.

(i) Net claims and policyholders benefits payable

For long term insurance business, gross benefits and claims include the cost of all claims arising during the year, including: internal and external claims handling costs that are directly related to the processing and settlement of claims. Death claims and surrenders are recorded on the basis of notifications received. Maturities and annuity payments are recorded when due.

Life insurance contract liabilities are recognised when contracts are entered into and premiums are charged. These liabilities are measured by using the gross premium method. The liability is determined as the sum of the discounted value of the expected future benefits, claims handling and policy administration expenses, policyholder options and guarantees and investment income (for non-market linked insurance contracts this item is excluded) from assets backing such liabilities, which are directly related to the contract, less the discounted value of the expected theoretical premiums that would be required to meet the future cash outflows based on the valuation assumptions used. The liability is either based on current assumptions or calculated using the assumptions established at the time the contract was issued, in which case a margin for risk and adverse deviation is generally included.

Furthermore, the liability for life insurance contracts comprises the provision for claims outstanding which includes an estimate of the incurred claims that have not yet been reported to the Company. Adjustments to the liabilities at each reporting date are recorded in the profit or loss.

General insurance and health claims include all claims occurring during the year, whether reported or not, related internal and external claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years. The reserve for outstanding claims is computed on the basis of the best information available at the time the records for the year are closed; and includes additional provisions for claims incurred but not reported ("IBNR") at the end of each reporting period based on the Company's experience. This is in line with the requirements of IFRS 4.

Claims handling costs include internal and external costs incurred in connection with the negotiation and settlement of claims. These costs include all direct expenses of the claims department and any part of the general administrative costs directly attributable to the claims function.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Insurance contracts (continued)

(iii) Net claims and policyholders benefits payable (continued)

Salvage and subrogation reimbursements

Some insurance contracts permit the Company to sell (usually damaged) property acquired in settling a claim (for example, salvage). The Company may also have the right to pursue third parties for payment of some or all costs (for example, subrogation). Estimates of salvage recoveries are included as an allowance in the measurement of the insurance liability for claims, and salvage property is recognised in other assets when the liability is settled. The allowance is the amount that can reasonably be recovered from the disposal of the property. Subrogation reimbursements are also considered as an allowance in the measurement of the insurance liability for claims and are recognised in other assets when the liability is settled. The allowance is the assessment of the amount that can be recovered from the action against the liable third party.

Claims ceded to reinsurers

Claims ceded to reinsurers are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

(iv) Deferred acquisition costs

Deferred acquisition costs (DAC) represent the proportion of commission expense in the periods up to the reporting date which relates to the unexpired terms of policies in force at the end of the reporting period, and are calculated on the 1/365th method on gross commissions. The 1/365th is a time apportionment method of premium whereby the unearned premium reserve is the aggregate of unearned premium calculated on a pro-rata basis, in respect of the premiums relating to the unexpired periods of the respective insurance policies at the end of the reporting period. These commissions are recognised over the period in which the related revenues are earned.

The deferred acquisition costs for reinsurers are amortised in the same manner as the underlying asset amortisation and are recorded in the statement of profit or loss.

DACs are derecognised when the related contracts period elapses.

The provision for unearned premiums represents that portion of premiums received or receivable that relates to the risks that have not yet expired at the reporting date.

(v) Reinsurance contracts held

Contracts entered into by the Company with reinsurers under which the Company is compensated for losses on one or more contracts issued by the Company and that meet the classification requirements for insurance contracts are classified as reinsurance contracts held. Contracts that do not meet these classification requirements are classified as financial assets. Insurance contracts entered into by the company under which the contract holder is another insurer are included with insurance contracts.

The Company cedes insurance risk in the normal course of business for all of its businesses. Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract.

Gains or losses on buying reinsurance are recognised in the statement of profit or loss immediately at the date of purchase and are not amortised.

These assets consist of short-term balances due from reinsurers (classified within loans and receivables), as well as longer term receivables (classified as reinsurance assets) that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Insurance contracts (continued)

(v) Reinsurance contracts held (continued)

The Company assesses its reinsurance assets for impairment on a quarterly basis. If there is objective evidence that the reinsurance asset is impaired, the Company reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in profit or loss for the year. Included in this category are receivables arising from reinsurance arrangements.

Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due.

(vi) Receivables arising out of direct insurance arrangements

Receivables are recognised when due. These include amounts due to and from agents, brokers and insurance contract holders. Insurance receivables are recognised when due and measured on initial recognition at the fair value of the consideration received or receivable. Subsequent to initial recognition, insurance receivables are measured at amortised cost, using the effective interest rate method. The carrying value of insurance receivables is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable, with the impairment loss recorded in the statement of profit or loss.

Insurance receivables are derecognised when the de-recognition criteria for financial assets are met.

(d) Income

(i) Investment income

Interest income is recognised in the statement of profit or loss as it accrues and is calculated by using the effective interest rate (EIR) method. Interest income is recognised using EIR method for all financial assets measured at amortised cost. Interest income on interest bearing financial assets measured at fair value through OCI is also recorded using the EIR method. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or liability or when appropriate, a shorter period, to the gross carrying amount of the financial asset.

The EIR (and therefore the amortised cost of the financial asset) is calculated taking into account transaction costs and any discount or premium on acquisition of the financial asset, as well as fees and costs that are an integral part of the EIR. The company recognises interest income using the EIR method.

The company calculates interest income on financial assets, other than those considered credit impaired, by applying the EIR to the gross carrying amount of the asset.

Fees and commissions that are an integral part of the effective yield of the financial asset or liability are recognised as an adjustment to the effective interest rate of the instrument. Investment income also includes dividend income which is recognised when the right to receive the payment is established.

(ii) Rental income is on a straight-line basis over the lease term. The excess of rental income on a straight-line over cash received is recognised as an operating lease asset. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Income (continued)

(iv) Fees and commission income

Commission income
Commissions earned from reinsurance premium ceded is recognised in profit or loss in the period in which it is earned. If the fees are for services provided in future periods, they are deferred and recognised over those future periods

Realised / unrealised gains and losses
Realised / unrealised gains and losses recorded in the statement of profit or loss on investments include gains and losses on financial assets and investment properties. Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the original or amortised cost and are recorded on occurrence of the sale transactions.

(e) Operating and other expenses

Expenses are recognised in profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably and is independent from transactions with equity participants. This means, in effect, that recognition of expenses occurs simultaneously with the recognition of an increase in liabilities or a decrease in assets (for example, the accrual of employee entitlements or the depreciation of equipment).

i) When economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined expenses are recognised in the statement of profit or loss on the basis of systematic and rational allocation procedures. This is often necessary in recognising the equipment associated with the using up of assets such as property and equipment. In such cases the expense is referred to as a depreciation or amortisation. These allocation procedures are intended to recognise expenses in the accounting periods in which the economic benefits associated with these items are consumed or expire.

ii) An expense is recognised immediately in profit or loss when expenditure produces no future economic benefits or when, and to the extent that future economic benefits do not qualify, or cease to qualify, for recognition in the statement of financial position as an asset.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Translation of foreign currencies

On initial recognition, all transactions are recorded in the functional currency (the currency of the primary economic environment in which the Company operates), which is South Sudan Pounds (SSP). Transactions in foreign currencies during the year are converted into the functional currency using the exchange rate prevailing at the transaction date. Monetary assets and liabilities at the end of each reporting period and on date of settlement which are expressed in foreign currencies are translated into South Sudan Pounds at rates ruling at that date. The resulting differences from conversion and translation are dealt with in profit or loss in the year in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

(g) Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses except for buildings which is measured based on revalued amounts.

Increases in the carrying amount of land and buildings arising on revaluation are dealt with through other comprehensive income and accumulated under a separate heading of revaluation reserve in the statement of changes in equity. However, if an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. There was revaluation surplus as at 31 December 2021 refer to note 12.

Decreases that offset previous increases of the same asset are dealt with through other comprehensive income and reversed from revaluation reserve in the statement of changes in equity; all other decreases are charged to profit or loss for the year. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Depreciation is calculated on a straight-line basis to write down the cost of each asset, or the revalued amount, to its residual value over its estimated useful life as follows:

Computers	4 years
Motor vehicles	4 years
Furniture, fittings and equipment	8 years
Buildings	15 years

Property and equipment are reviewed for impairment whenever there are any indications of impairment identified.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use.

The residual value, useful lives and methods of depreciation of property and equipment are reviewed at each financial year-end are adjusted prospectively, if appropriate. The carrying amounts of this property and equipment are disclosed in note 12.

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being disposed is transferred to retained earnings.

An item of property and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Property and equipment (continued)

On disposal of revalued assets, amounts in the revaluation reserve relating to that asset are transferred to retained earnings. The date of disposal of an item of property, and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied. The amount of consideration to be included in the gain or loss arising from the derecognition of property and is determined in accordance with the requirements for determining the transaction price in IFRS 15.

(h) Intangible assets

Software licence costs and computer software that is not an integral part of the related hardware are initially recognised at cost, and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Costs that are directly attributable to the production of identifiable computer software products controlled by the Company are recognised as intangible assets. The useful lives of intangible assets are assessed as either finite or indefinite. The company does not have assets with indefinite life and hence the amortisation is calculated using the straight line method to write down the cost of each licence or item of software over its estimated useful life (four years).

Amortisation begins when the asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management, even when idle. Amortisation ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognised.
Software under implementation is recognised as work in progress at historical cost less any accumulated impairment loss. The cost of such software includes professional fees and costs directly attributable to the software. The software is not amortised until it is ready for the intended use.
Intangible assets with finite lives are assessed for impairment whenever there is an indication that they may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each reporting date.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised. The date of disposal of an item of intangible asset is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied The amount of consideration to be included in the gain or loss arising from the derecognition of intangible is determined in accordance with the requirements for determining the transaction price in IFRS 15.

(i) Employee entitlements

The estimated monetary liability for employees accrued annual leave entitlement at the end of the reporting period is recognised as an expense accrual.

Retirement benefit obligations

The Company operates a defined contribution scheme for its employees. The assets of the scheme are held in separate trustee administered fund, which are funded from contributions from both the Company and employees.

The Company also contributes to a statutory defined contribution pension scheme, the National Social Security Fund (NSSF). Contributions to this scheme are determined by local statute and are currently at 17% and 8% by employee and employer respectively per month.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Employee entitlements (continued)

The Company's contributions to the defined contribution schemes are charged to profit or loss as they fall due.

Leave.
Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave accrued at the reporting date.

(J) Provisions

Provisions for liabilities are recognised when there is a present obligation (legal or constructive) resulting from a past event, it is probable that an outflow of economic resources will be required to settle the obligation and a reliable estimate can be made of the monetary value of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Onerous contracts
A provision is recognised for onerous contracts in which the unavoidable costs of meeting the obligations under the contract exceeds the economic benefits expected to be received under it. The unavoidable costs reflect the least net cost of exiting the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

(K) Fair value measurement

The Company measures financial instruments, such as investment in collective investment scheme, and non-financial assets such as investment properties and land and buildings, at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2-Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3-Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Fair value measurement (continued)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as property and investment properties. Involvement of external valuers is decided upon annually by the senior finance and investment manager who discusses the basis and assumptions with the valuer. This is then approved by the group Chief Finance Officer. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. Fair value related disclosures have been made in note 33

(m) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Date of recognition

Financial assets and liabilities are initially recognised when the company becomes a party to the contractual provisions of the instrument.

Financial assets

Initial recognition and measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the company's business model for managing them. With the exception of other receivables and amount due from related parties, which do not contain significant financing component, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. For financial assets at fair value through profit and loss, transaction costs are recognised directly in the statement of profit or loss.

For a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:
- Financial assets at amortized cost;
- Financial assets at fair value through OCI; and
- Financial assets at fair value through profit or loss

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Financial instruments (continued)

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets 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.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost include, cash and bank balances, other receivables, fixed deposit, deposits and commercial paper, government securities, staff loans and corporate bonds.

Financial assets at fair value through OCI (debt instruments)

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; 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

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Company's financial assets classified as debt instruments at fair value through OCI, include government securities.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments Designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income In the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company's financial assets designated at fair value through OCI (equity instruments) is the unquoted equity investments.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated Upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair Value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Financial instruments (continued)

Financial assets at fair value through profit or loss(continued)

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Financial assets at fair value through profit or loss comprise investment in collective investment scheme i.e. CIC Unit Trust quoted equity investments and Government Securities

De recognition other than for substantial modification

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired or:
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

Impairment of financial assets

Overview of ECL principles

IFRS 9 requires the recognition of a forward-looking expected credit loss (ECL) for all financial assets at amortised cost and at fair value through OCI other than equity investments.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss (LTECL)). unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL).

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument

Based on the above process, the Company groups its financial assets into Stage 1, Stage 2, Stage 3 and Purchased or originated credit impaired (POCI) as described below.

Stage 1: When financial assets are purchased or originated, the Company recognises an allowance based on 12mECLs. For financial assets, interest income is calculated on the gross carrying amount.

Stage 2: When a financial asset has shown a significant increase in credit risk since origination, the Company records an allowance for LTECLs. The calculation of interest income is on the gross carrying amount of the financial asset.

Stage 3: where the financial asset is credit impaired. This is effectively the point at which there has been an Incurred loss event. For financial assets in stage 3, the Company will continue to recognise lifetime ECL, but they will now recognise interest income on a net basis. As such, interest income will be calculated based on the gross carrying amount of the financial asset less ECL.

POCI: Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial Recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit adjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Financial instruments (continued)

The calculation of ECLs

The Company uses the following formula to calculate ECL:

ECL=PD*EAD*LGD

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

PD The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may Only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD The Exposure at Default is an estimate of the exposure at a future default date, considering expected changes In the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

LGD The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The Company does not have financial guarantees, loan commitments, letters of credit and financial assets which are purchased or originated credit impaired (POCI).

The maximum period for which the credit losses are determined is the contractual life of a financial asset at amortised cost unless the Company has the legal right to call it earlier.

Forward looking information

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. The Company did not provide detailed information on how the forecast economic conditions have been incorporated in the determination of ECL because the impact is not significant.

Collateral valuation

To mitigate its credit risk on financial assets, the Company seeks to use collateral, where possible. The collateral is in form of real estate or motor vehicles. Collateral, unless repossessed, is not recorded on the Company's statement of financial position. However, the fair value of collateral affects the calculations of ECLs for staff loans. It is generally assessed, at a minimum, at inception and reassessed on annual basis. Collaterals such as real estate, are valued based on data provided by third parties such as real estate valuers.

In its normal course of business, the Company does not physically repossess properties or motor vehicles but engages its procurement department to auction the asset to settle the outstanding debt. Any surplus funds are returned to the obligors. As a result of this practice, the real estate properties and motor vehicles under legal repossession processes are not recorded in the balance sheet.

Write offs

Financial assets are written off either partially or in entirety only when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount Any subsequent recoveries are credited to credit loss expense. There were no write offs over the period reported in these financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Financial instruments (continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The company's financial liabilities include other payables and amounts due to related parties.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has no liabilities in this category and has not designated any.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has no liabilities in this category and has not designated any.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

Other payables

After initial recognition, payables are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

This category generally applies to other payables and amount due to related parties

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Financial instruments (continued)

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. Income and expenses will not be offset in the profit or loss unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Company.

(n) Leases

Determination

The Company leases rental office spaces. The Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

Company acting as a lessee

On the commencement date of each lease (excluding leases with a term, on commencement, of 12 months or less and leases for which the underlying asset is of low value) the Company recognises a right-of-use asset and a lease liability.

The lease liability is measured at the present value of the lease payments that are not paid on that date. The lease payments include fixed payments, variable payments that depend on an index or a rate, amounts expected to be payable under residual value guarantees, and the exercise price of a purchase option if the Company is reasonably certain to exercise that option. The lease payments are discounted at the interest rate implicit in the lease. If that rate cannot be readily determined, the Company's incremental borrowing rate is used. The incremental borrowing rate is the internal cost of debt determined as the risk free borrowing rate adjusted for country premium.

For leases that contain non-lease components, the Company allocates the consideration payable to the lease and non-lease components based on their relative stand-alone components.

The right-of-use asset is initially measured at cost comprising the initial measurement of the lease liability, any lease payments made on or before the commencement date, any initial direct costs incurred, and an estimate of the costs of restoring the underlying asset to the condition required under the terms of the lease.

The changes in leases which do not fall under the scope of COVID 19 related concessions are treated as lease modifications. Right of use assets are re-measured and gains or losses thereof recognised in the statement of profit or loss.

Determination

The determination of whether an arrangement is, (or contains), a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Leases (continued)

Company as a lessor

Leases in which the company does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(o) Insurance contract liabilities and reinsurance assets

The provision for unearned premiums represents that portion of premiums received or receivable that relates to risks that have not yet expired at the reporting date. It is assumed that premiums are earned uniformly over the contract period. The Company used the 365th method in computing this reserve. The estimate of the incurred claims that have not yet been reported to the Company (IBNR) is computed using the basic chain ladder method. The basic assumption using this method is that claims will emerge in a similar way in each development year.

Life insurance contract liabilities are recognised when contracts are entered into and premiums are charged. These liabilities are measured by using the gross premium method. The liability is determined as the sum of the discounted value of the expected future benefits, claims handling and policy administration expenses, policyholder options and guarantees and investment income (for non-market linked insurance contracts this item is excluded) from assets backing such liabilities, which are directly related to the contract, less the discounted value of the expected theoretical premiums that would be required to meet the future cash outflows based on the valuation assumptions used. The liability is either based on current assumptions or calculated using the assumptions established at the time the contract was issued, in which case a margin for risk and adverse deviation is generally included.
A separate reserve for longevity may be established and included in the measurement of the liability.

Profits originated from margins of adverse deviations on run-off contracts are recognised in profit or loss over the life of the contract, whereas losses are fully recognised in profit or loss during the first year of run-off. The liability is derecognised when the contract expires, is discharged or is cancelled.

At each reporting date, an assessment is made of whether the recognised life insurance liabilities are adequate, net of related present value of in-force business (PVIF) and deferred acquisition cost (DAC) by using an existing liability adequacy test.

(p) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash at bank and in hand and short-term deposits with original maturities of three months or less in the statement of financial position and are subject to an insignificant risk of changes in value. Cash and cash equivalents are measured at fair value at initial recognition and subsequently measured at amortised cost. Interest income on cash and cash equivalents is recognised using the effective interest method

(q) Events after the reporting period

If the Company receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, the Company will assess if the information affects the amounts that it recognises in the Company's financial statements. The Company will adjust the amounts recognised in its financial statements to reflect any adjusting events even after the reporting period and update the disclosures that relate to those conditions in the light of the new information. For non-adjusting events after the reporting period, the Company will not change the amounts recognised in its financial statements but will disclose the nature of the non-adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable. The entity's owners have no power to amend the financial statement after issue.

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Investment property

Investment property is property held to earn rentals or for capital appreciation or both. Investment property is initially recognised at cost including the transaction costs. The Company's investment property is subsequently carried at fair value, representing the open market value at the reporting date determined by annual valuation by independent valuers.Gains or losses arising from changes in the fair value are included in determining profit or loss for the year to which they relate.

The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property.

When the Company can reliably determine the fair value of a self-constructed investment property under construction or development, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the profit or loss.

Investment property is derecognised when either it has been disposed off (i.e., at the date the recipient obtains control) or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is charged or credited to profit or loss. The date of disposal of an item of investment property is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied The amount of consideration to be included in the gain or loss arising from the derecognition of Investment property is determined in accordance with the requirements for determining the transaction price in IFRS 15.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property and equipment up to the date of the change in use.

(s) Impairment of non-financial assets

The Company assesses, at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. 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. In determining fair value less costs of disposal, an appropriate valuation model is used.

Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation surplus was taken to other comprehensive income. In this case, the impairment losses are also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimate of recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount or exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING THE COMPANY'S ACCOUNTING POLICIES

In the process of applying the accounting policies adopted by the Company, the directors make certain judgements and estimates that may affect the carrying amounts of assets and liabilities in the next financial period. Such judgements and estimates are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances. The directors evaluate these at each financial reporting date to ensure that they are still reasonable under the prevailing circumstances based on the information available.

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

The key areas of judgment in applying the entity's accounting policies are dealt with below:

a) *Valuation of insurance contract liabilities*

(i) *Life insurance contract liabilities*

Critical assumptions are made by the actuary in determining the present value of actuarial liabilities. The liability for life insurance contracts is either based on current assumptions or on assumptions established at inception of the contract, reflecting the best estimate at the time increased with a margin for risk and adverse deviation. All contracts are subject to a liability adequacy test, which reflect management's best current estimate of future cash flows.

The main assumptions used relate to mortality, morbidity, longevity, investment returns, expenses, lapse and surrender rates and discount rates. The Company bases mortality and morbidity on standard industry and Kenya's mortality tables which reflect historical experiences, adjusted when appropriate to reflect the Company's unique risk exposure, product characteristics, target markets and own claims severity and frequency experiences. For those contracts that insure risk to longevity, prudent allowance is made for expected future mortality improvements, but epidemics, as well as wide-ranging changes to lifestyle, could result in significant changes to the expected future mortality exposure. Refer to disclosures in notes 25 and 26.

(ii) Short term insurance contract liabilities

Estimates must be made both for the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred but not yet reported at the reporting date (IBNR). It can take a significant period before the ultimate claims cost can be established with certainty and for some type of policies, IBNR claims form the majority of the liability in the statement of financial position.

The main assumption underlying these techniques is that a Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, these methods extrapolate the development of paid and incurred losses, average costs per claim and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analyzed by accident years, as well as by significant business lines. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based.

b) *Impairment of financial assets*

The measurement of impairment losses under IFRS 9 across relevant financial assets requires judgement,in particular the estimation of the amount of timing of future cash flows when determining impairment losses and the assessment of a significant increase in credit risk.Other judgments applied include;determining financial condition of counter parties and forward looking information.These estimates are driven by the outcome of modelled ECL scenarios and relevant inputs used.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING THE COMPANY'S ACCOUNTING POLICIES (continued)

c) *Impairment Insurance and reinsurance receivables*

The Company reviews its individually significant insurance and reinsurance balances at each reporting date to assess whether an impairment loss should be recorded in profit or loss. Judgement by management is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. In estimating these cash flows, the Company makes judgements about the debtor's (insurance and reinsurance) financial situation. These estimate to provide debts is based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance (note 17)

d) *Revaluation of property and investment property*

Estimates are made in determining valuation of investments properties.The management uses experts in determination of the values to adopt.In performing the valuation,the valuers uses discounted cashflow projections which incorporates assumptions around the continued demand of the rental space and sustainability of growth in rent rates.The independent valuers also uses the highest and best in use principle in determining the values of the investment properties.The changes in these assumptions coud result in significant change in the carrying value of the investment property.

Management monitors the investment property market and economic conditions that may lead to significant change in values and conducts formal and independent property valuation every year and adjusts the recorded fair values accordingly for any significant change.

	Inflation adjusted		Historical cost	
	2022 SSP'000'	2021 SSP'000'	2022 SSP'000'	2021 SSP'000
3 (a) GROSS EARNED PREMIUM				
Non – Life insurance	1,340,186	595,020	1,477,916	716,249
Life Insurance	76,515	32,335	90,750	39,271.
	1,416,701	627,355	1,568,666	755,520
(b) REINSURANCE PREMIUMS CEDED				
Non-life	32,390	59,123	36,869	69,661
Life	48,893	17,170	51,546	20,457
Reinsurer share of unearned premium (note 27)	(5,301)	(1,119)	(5,301)	2,950
	75,982	75,174	83,114	93,068
4. COMMISSIONS EARNED				
Non-life	6,444	739	7,368	894
Life	13,690	4,422	14,433	5,273
	20,134	5,161	21,801	6,167
5. INVESTMENT INCOME				
(a) Interest revenue calculated using the effective interest method				
Interest on related party loan	128,199	76,736	143,503	93,024
	128,199	76,736	146,503	93,024
(b) Other investment income				
Fair value gain on collective investment scheme	26,282	16,689	30,036	20,270
Rental income	49,063	66,997	54,383	77,770
Other income	15,269	409	16,237	484
	90,614	84,095	100,656	98,524
Analysed as follows:				
Income from financial assets at fair value through profit or loss	26,282	16,689	30,036	20,270
Income from debt at amortised cost	128,199	76,736	146,503	93,024
Rental income	49,063	66,997	54,383	77,770
Other income	15,269	409	16,237	484
	218,813	160,831	247,159	191,548
6. OTHER GAINS				
Fair value gain on investment property (note 13)	168,387	30,516	168,397	34,509

7. FOREIGN EXCHANGE GAIN

	Inflation adjusted		Historical cost	
	2022 SSP'000'	2021 SSP'000	2022 SSP'000	2021 SSP'000
Foreign exchange gain	818,401	1,126,664	961,652	1,347,510

Foreign exchange gain includes the foreign exchange differences on cash held in foreign currency, receivables from insurance and reinsurance arrangements, payments of expatriates' salaries and other transactions which are denominated in foreign currencies.

8. CLAIMS AND POLICYHOLDERS' BENEFITS EXPENSE

	Inflation adjusted		Historical cost	
	2022 SSP'000'	2021 SSP'000'	2022 SSP'000'	2021 SSP'000'
Gross benefits and claims paid	1,080,998	650,669	1,237,085	788,658
Claims ceded to reinsurers	(102,568)	(666)	(102,677)	(837)
Gross change in insurance contract liabilities(general business)	448,386	120,040	473,673	135,093
Total claims and policy holders benefits expense	1,426,816	770,043	1,608,081	922,914

9. COMMISSIONS EXPENSE

Brokerage commissions	148,727	67,837	168,666	82,539

10. OPERATING AND OTHER EXPENSES

	Inflation adjusted		Historical cost	
	2022 SSP'000'	2021 SSP'000'	2022 SSP'000'	2021 SSP'000'
Staff costs (note (10(a))	260,553	164,509	295,839	199,468
Auditors' remuneration	13,349	8,427	15,036	9,530
Directors' fees	15,695	5,954	17,961	7,206
Depreciation on property and equipment (note 12)	5,182	19,181	2,094	2,358
Amortization of software	2,684	-	3,072	-
Staff welfare	76,714	41,024	89,609	49,989
Utilities	39,981	22264	44336	26862
Repairs	8,995	1,920	9891	2,404
Printing and stationery	12,433	1,667	13,549	2,092
Business advertising and promotion	7,108	2,508	8,228	3,101
Professional fees	694	955	753	1,101
Provision for doubtful insurance receivables (note 17(a))	(107,241)	102,766	(107,241)	112,916
Provision for doubtful reinsurance receivables	251,614	5,932	251,614	6,708
Bank charges	23,922	16,594	27,196	20,377
Insurance	29,519	14,964	33,674	18,796
Internet service fee	38,098	16,819	44,152	20,392
Subsistence, travel and accommodation	73,867	32,694	84,712	40,320
Other costs	11,871	9,453	17,960	11,652
	765,038	467,631	852,435	535,132

(a) STAFF COSTS

Staff costs include the following:				
- Salaries	233,419	151,167	265,769	183,358
- Pension costs	17,764	11,600	20,372	14,083
- leave pay	9,370	1,742	9,698	2,027
	260,553	164,509	295,839	199,468

(b) Allowance for expected credit losses

-Related party Loan (note 15)				
-Restricted deposits with financial institution	-	1,508	-	1,705
	-	1,508	-	1,705

11 (a) Gain on monetary position

IAS 29 Financial reporting in hyperinflationary economies requires financial statements that are prepared in the currency of a hyper-inflationary economy to be stated in terms of the value of money at the end of the reporting period. The IAS 29 approach is to restate all non-monetary balances recognised in the financial statements (including comparatives) to the year-end general purchasing power of the functional currency and requires the use of a general price index to reflect changes in purchasing power.

The restatement procedures are summarised as follows:

- Selection of a general price index - Most governments issue periodic price indices.
- Segregation of monetary and non-monetary items - Monetary items do not need to be restated, because they represent money held, to be received or to be paid.
- Restatement of non-monetary items - Non-monetary assets and liabilities are restated in terms of the measuring unit current at the end of the reporting period.
- Restatement of shareholders' equity - All components of shareholders' equity are restated by applying a general price index from the beginning of the period or the date of contribution, if later
- Restatement of the income statement - All items in comprehensive income are restated by applying the change in the general price index from the dates when the items of income and expense were originally recorded.
- Tax - Current taxes are restated with reference to movements in the general price index.
- Calculation and proof of the monetary gain or loss – The difference between the historical cost amounts and the result from the restatement of non-monetary items, shareholders' equity, items in the statement of comprehensive income and the adjustment of index-linked items to year end purchasing power.

11 (a) Loss on monetary position (continued)

Statement showing the net monetary result on account of price level changes:

	2022 SSP'000	2021 SSP'000
Monetary liabilities at 1 January	3,004,701	910,272
Increase in net monetary liabilities in the year	873,827	2,094,428
Monetary liabilities at 31 December	3,878,528	3,004,700
Expressed in purchasing power at 31 December	(4,328,857)	(2,833,818)
Loss on monetary liabilities (a)	(450,329)	(170,882)
Monetary assets at 1 January	3,524,587	1,334,761
Increase in net monetary assets in the year	783,448	2,189,826
Monetary assets at 31 December	4,308,035	3,524,587
Expressed in purchasing power at 31 December	4,820,477	(3,313,263)
Gain on monetary assets (b)	512,442	211,324
Net gain on monetary position (c=a+b)	62,113	40,442

11(b) INCOME TAX

According to section 64 of the South Sudan Taxation Act 2009, the Company is exempt from income tax and hence no provision for income tax has been made in these financial statements.

12 PROPERTY AND EQUIPMENT

2022 Inflation adjusted	Land and Building SSP'000'	Motor Vehicles SSP'000'	Furniture fittings & Equipment SSP'000'	Computers SSP'000'	Total SSP'000'
COST/VALUATION					
At 1 January 2022	623,886	50,221	163,707	14,403	852,217
IAS 29 restatement	(72,188)	(5,811)	(18,942)	(1,667)	(98,608)
Additions	-	-	1,031	621	1,652
Revaluation gain	470,030	-	-	-	470,030
At 31 December 2022	1,021,728	44,410	145,796	13,357	1,225,291
ACCUMULATED DEPRECIATION					
At 1 January 2022	-	50,221	150,728	13,232	214,181
IAS 29 restatement	-	(5,811)	(17,440)	(1,267)	(24,518)
Charge for the year	-	-	4,904	277	5,181
At 31 December 2022	-	44,410	138,192	12,242	194,844
CARRYING AMOUNT					
At 31 December 2022	1,021,728	-	7,604	1,115	1,030,447

*At the end of the year, land and building were revalued, resulting in a revaluation gain/ loss of SSP 470,030,478
There are no property and equipment pledged as security for liabilities. There are no contractual commitments for the acquisition of property and equipment.

2021 Inflation adjusted	Land and Building SSP'000'	Motor Vehicles SSP'000'	Furniture fittings & Equipment SSP'000'	Computers SSP'000'	Total SSP'000'
COST/VALUATION					
At 1 January 2021	223,443	50,221	169,796	12,938	456,398
IAS29 restatement	(32,941)	(5,811)	(25,031)	(1,907)	(65,690)
Additions	-	-	-	1,706	1,706
Revaluation gain	361,194	-	-	-	361,194
At 31 December 2021	551,696	44,410	144,765	12,737	753,608
ACCUMULATED DEPRECIATION					
At 1 January 2021	-	50,221	135,188	12,410	197,819
IAS 29 restatement	-	(5,811)	(19,929)	(1,598)	(27,338)
Charge for the year	-	-	18,028	1,152	19,180
At 31 December 2021	-	44,410	133,287	11,964	189,661
CARRYING AMOUNT					
At 31 December 2021	551,696	-	11,478	773	563,947

*At the end of the year, land and building were revalued, resulting in a revaluation gain of SSP 361,193,939

12. PROPERTY AND EQUIPMENT (continued)

2022 Historical cost	Land and Building SSP'000'	Motor Vehicles SSP'000'	Furniture fittings & Equipment SSP'000'	Computers SSP'000'	Total SSP'000'
COST/VALUATION					
At 1 January 2022	623,886	1,597	21,509	4,484	651,476
Additions	-	-	1,192	744	1,936
Revaluation gain	397,842	-	-	-	397,842
At 31 December 2022	1,021,728	1,597	22,701	5,228	1,051,254
ACCUMULATED DEPRECIATION					
At 1 January 2022	-	1,597	5,993	2,662	10,252
Charge for the year	-	-	1,485	609	2,094
At 31 December 2022	-	1,597	7,478	3,271	12,346
CARRYING AMOUNT					
At 31 December 2022	1,021,728	-	15,223	1,957	1,038,908

2021 Historical cost	Land and Building SSP'000'	Motor Vehicles SSP'000'	Furniture fittings & Equipment SSP'000'	Computers SSP'000'	Total SSP'000'
COST/VALUATION					
At 1 January 2021	251,737	1,597	21,509	2,358	277,201
Additions	-	-	-	2,127	2,127
Revaluation gain	372,148	-	-	-	372,148
At 31 December 2021	623,885	1,597	21,509	4,485	651,476
ACCUMULATED DEPRECIATION					
At 1 January 2021	-	1,597	4,407	1,890	7,894
Charge for the year	-	-	1,586	772	2,358
At 31 December 2021	-	1,597	5,993	2,662	10,252
CARRYING AMOUNT					
At 31 December 2021	623,885	-	15,516	1,823	641,224

There are no property and equipment pledged as security for liabilities. There are no contractual commitments for the acquisition of property and equipment.

12. PROPERTY AND EQUIPMENT (continued)

If the land and building were measured using the cost model, the carrying amount would be as follows:

	Historical cost 2022 SSP'000	2021 SSP'000
Cost	21,186	21,186
Accumulated depreciation	(10,593)	(9,710)
Carrying amount	10,593	11,476

The property was revalued on 31 December 2022 by Kenval Realtors Ltd. Refer to note 13 for detailed disclosures.

12(B). INTANGIBLE ASSEST

	Inflation adjusted		Historical Cost	
	2022 SSP'000'	2021 SSP'000'	2022 SSP'000'	2021 SSP'000'
At 1 January	12,725	3,091	11,095	1,460
IAS 29 restatment	(1,473)	(358)	-	-
Additions	8,863	8,519	10,609	9,634
At 31 December	20,115	11,252	21,704	11,094
Amortization				
At January	3,091	3,091	1,460	1,460
IAS 29 restatement	(358)	(358)	-	-
Amortization	2,684	-	3,072	-
At 31 December	5,417	2,733	4,532	1,460
Carrying amount at 31 December	14,698	8,519	17,172	9,634

13. INVESTMENT PROPERTY

CIC Plaza was revalued on 31 December 2022 by registered valuers, Kenval Realtors Ltd, on the basis of open market value. Kenval Realtors Ltd are industry specialists in valuing these types of investment properties.

The total cost of the land and building, which was acquired under finance lease, is US Dollar 2.2 million which includes purchase price of US Dollar 1.8 million and minimum lease rentals of US Dollar 2,000 per month for the next 14 years.

The land and building were valued at US Dollar 3.82million which has been split between investment property and land and building under property and equipment in the ratio of 60:40 respectively on the basis of pro-rata occupancy by the company and by tenants.

	Inflation adjusted		Historical cost	
	2022 SSP'000	2021 SSP'000'	2022 SSP'000	2021 SSP'000'
At 1 January	827,546	345,410	935,829	377,606
Foreign exchange gains	428,376	463,116	428,376	523,714
Hyperinflation adjustments	108,283	(11,496)	-	-
Fair value gain	168,387	30,516	168,387	34,509
At 31 December	1,532,592	827,546	1,532,592	935,829

There are no contractual commitments in respect of the investment properties as at 31 December 2022.

14. INVESTMENT IN COLLECTIVE INVESTMENT SCHEME AT FAIR VALUE THROUGH PROFIT OR LOSS

	Inflation adjusted		Historical Cost	
	2022 SSP'000'	2021 SSP'000'	2022 SSP'000'	2021 SSP'000'
At 1 January	301,566	116,258	341,025	127,094
Additions	-	25,759	-	29,130
Withdrawals	-	(52,469)	-	(59,335)
Fair value gains	26,282	16,689	30,036	20,270
Foreign exchange gains	125,465	10,818	125,465	223,866
Hyperinflation adjustments	43,213	184,511	-	-
At 31 December	496,526	301,566	496,526	341,025

This relates to investment in CIC Unit Trust – Money Market Fund which is a collective Investment Scheme regulated by the Kenyan Capital Markets Authority. The closing balance of the fund as at 31 December 2022 was KShs 90,763,111 converted at the closing exchange rate of SSP 5.45 to the Kshs.

15 RELATED PARTY LOAN

	Inflation adjusted		Historical cost	
	2022	2021	2022	2021
	SSP'000'	SSP'000'	SSP'000'	SSP'000'
At January	698,508	327,869	789,906	358,430
Withdrawals	-	(142,643)	-	(161,308)
Interest accrued	125,358	76,736	143,566	93,024
Foreign exchange gains	356,546	441,934	356,546	499,760
Hyperinflation adjustments	109,606	(5,388)	-	-
	1,290,018	698,508	1,290,018	789,906

16. RESTRICTED DEPOSIT WITH FINANCIAL INSTITUTION

At January	2,003,217	545,197	2,265,334	596,016
Additions	492,612	641,370	492,612	725,292
withdrawals	(954,649)	-	(954,649)	-
Expected credit loss allowance	-	(1,508)	-	(1,705)
Hyperinflation adjustments	262,391	(63,084)	-	-
Foreign exchange gains	880,049	878,928	880,049	943,115
Interest accrued	2,663	2,314	2,937	2,616
	2,686,283	2,003,217	2,686,283	2,265,334

Deposits with KCB Bank Kenya Limited amounted to SSP 158,083,783 which relate to staff loan collateral held at the bank and which are not available for use in the company's day to day operations.The carrying amounts disclosed above reasonably approximate fair value at the reporting date. An analysis of changes in the gross carrying amount and corresponding ECL allowances in deposits with financial institutions have been disclosed in note 33(iii).

17. DIRECT INSURANCE AND REINSURERS RECEIVABLES

(a) Receivables arising out of direct insurance arrangements

Receivables arising out of direct insurance arrangements relate to premiums earned as a result of risks underwritten but whose amounts had not been received at the end of the year.

	Inflation adjusted		Historical	
	2022	2021	2022	2021
	SSP'000'	SSP'000'	SSP'000'	SSP'000'
Gross Receivables	322,694	325,044	322,694	367,576
Provision for doubtful debts	(198,855)	(270,678)	(198,855)	(306,096)
At 31 December	123,839	54,366	123,839	61,480
Movement of provisions				
At 1 January	(306,096)	(167,913)	(306,096)	(189,884)
Decrease/Increase in provisions	107,241	(102,765)	107,241	(116,212)
At 31 December	(198,855)	(270,678)	(198,855)	(306,096)

17. DIRECT INSURANCE AND REINSURERS RECEIVABLES (continued)

b) Receivables arising out of reinsurance arrangements

Receivables arising out of reinsurance arrangements relate to reinsurers portion of claims incurred which had not been recovered from reinsurers as at the reporting date.

	Inflation adjusted		Historical cost	
	2022	2021	2022	2021
	SSP'000'	SSP'000'	SSP'000'	SSP'000'
Gross receivables	342,627	260,152	342,627	294,192
Provision for doubtful debts	(258,322)	(5,932)	(258,322)	(6,708)
At 31 December	84,305	254,220	84,305	287,484
Movement of provisions				
At 1 January	6,708	-	6,708	-
Increase in provision for impairment	251,614	5,932	251,614	6,708
At 31 December	258,322	5,932	258,322	6,708

18. REINSURANCE SHARE OF LIABILITIES

Reinsurance share of liabilities represents the reinsurer's portion of the premium written in years up to the reporting date, which relates to the unexpired terms of policies in force at the end of each reporting period.

	Inflation adjusted		Historical Cost	
	2022	2021	2022	2021
	SSP'000'	SSP'000'	SSP'000'	SSP'000'
At 1 January	1,119	3,856	1,265	4,215
Change in the reinsurance share of liabilities non life	5,242	(2,291)	5,242	(2,950)
Hyperinfaltion adjustment	146	(446)		
At 31 December	6,507	1,119	6,507	1,265

19 FINANCIAL ASSETS AT AMORTISED COST – LOANS & RECEIVABLES

	Inflation Adjusted		Historical Cost	
	2022	2021	2022	2021
	SSP'000'	SSP'000'	SSP'000'	SSP'000'
At 1 January	899	2,988	1,016	3,266
Loans advanced	14,748	19,915	14,748	22,521
Loan repayment	(15,764)	(17,509)	(15,764)	(19,800)
Hyper inflation adjustment	117	(345)		
Foreign exchange gain	-	(4,150)	-	(4,971)
At 31 December	-	899	-	1,016
Maturity profile of staff loans				
Within 1 year	-	899	-	1,016

An analysis of changes in the gross carrying amount and corresponding ECL allowances in deposits with financial institutions have been disclosed in note 33(iii)

The loans refer to amounts given to staff and have collateral held on them. On staff resignation, the credit quality of each loan is assessed whether it is acceptable within the parameters used to measure and monitor credit risk.

20. DEFERRED ACQUISITION COSTS

	Inflation Adjusted		Historical Cost	
	2022	2021	2022	2021
	SSP'000	SSP'000'	SSP'000	SSP'000'
At January	22,930	84,110	26,332	24,142
Net movement in the year	36,633	(61,180)	38,246	2,190
At December	59,563	22,930	64,578	26,332

Deferred acquisition costs relate to insurance contracts determined as explained in note 1 (c)

21. OTHER RECEIVABLES

	Inflation adjusted		Historical cost	
	2022	2021	2022	2021
	SSP'000	SSP'000'	SSP'000	SSP'000'
Other receivables	78,190	184,744	78,190	208,918
Expected credit loss allowance	-	-	-	-
	78,190	184,744	78,190	208,918

The carrying amounts disclosed above reasonably approximate fair value at the reporting date.

An analysis of changes in the gross carrying amount and corresponding ECL allowances in deposits with financial institutions has been disclosed in note 33(iii).

22. SHARE CAPITAL

(a) Authorised share capital

One million (1,000,000) ordinary shares with a par value of USD 5 each at the time of incorporation of the Company.

The shareholding structure as at 31 December 2022 was as follows:

Name	No. of shares	%
CIC Insurance Group PLC	690,000	69%
Co-operative Bank of South Sudan Limited	310,000	31%
	1,000,000	100%

22. SHARE CAPITAL (continued)

(b) Issued and fully paid share capital

	Inflation Adjusted 2022 SSP'000'	Inflation Adjusted 2021 SSP'000'	Historical Cost 2022 SSP'000'	Historical Cost 2021 SSP'000'
CIC Insurance Group PLC	796,256	310,455	10,902	10,902
Co-operative Bank of South Sudan Limited	357,738	198,487	4,898	4,898
	1,153,994	508,942	15,800	15,800

(c) Reconciliation of issued and fully paid shares

At 1 January	1,000,000	1,000,000	1,000,000	1,000,000
Isued during the year	-	-	-	-
At 31 December	1,000,000	1,000,000	1,000,000	1,000,000

23. (a) RETAINED EARNINGS

The retained earnings balance represents the amount available for distribution as dividend to the shareholders of the Company.

(b) REVALUATION RESERVE

The revaluation reserve represents the surpluses on the revaluation of CIC Plaza and is not distributable as dividends.

24. LIABILITIES ARISING OUT OF REINSURANCE ARRANGEMENTS

Payables arising out of reinsurance arrangements relate to the premiums ceded which had not been paid to the reinsurers as at the reporting date

	Inflation Adjusted 2022 SSP'000'	Inflation Adjusted 2021 SSP'000'	Historical Cost 2021 SSP'000'	Historical Cost 2020 SSP'000'
At 1 January	34,973	20,049	39,549	21,918
Hyperinflation adjustment	4,576	(2,320)	-	-
Reinsurance premiums ceded	48,624	17,244	48,624	17,631
At 31 December	88,173	34,973	88,173	39,549

25. NON-LIFE INSURANCE CONTRACTS LIABILITIES

Claims reported and claims handling expenses:				
At 1 January	220,397	98,193	249,236	121,392
Incurred but not reported	305,581	71,828	305,581	132,901
Claims incurred in the year	1,267,790	685,499	1,396,626	766,285
Payments for claims and claims handling expenses	(1,079,410)	(635,123)	(1,237,085)	(771,342)
At 31 December	714,358	220,397	714,358	249,236

26. LIFE INSURANCE CONTRACT LIABILITIES

The actuarial valuation was carried out by The CIC Insurance Group resident actuary, as at 31 December and estimated an actuarial value of policyholders' liabilities of SSP 33,74,094

	Inflation Adjusted		Historical Cost	
	2022 SSP'000'	2022 SSP'000'	2022 SSP'000'	2021 SSP'000'
At 1 January	22,278	16,414	25,193	17,944
Change in actuarial adjustments	8,409	6,988	8,550	7,249
Hperinflation adjustments	3,056	(1,124)	-	-
At 31 December	33,743	22,278	33,743	25,193

27. PROVISIONS FOR UNEARNED PREMIUM AND UNEXPIRED RISKS

The unearned premiums reserve represents the portion of the premiums written in years up to the reporting date, which relates to the unexpired terms of policies in force at the end of each reporting period. The movement in the reserve is shown below:

Inflation adjusted	Gross	Reinsurance	Net
2022	SSP'000'	SSP'000'	SSP'000'
At 1 January	185,596	(1,119)	184,477
Movement in the year			
Gross written premiums	1,637,793	(128,755)	1,509,038
Gross earned premiums	(1,416,701)	123,454	(1,293,247)
Change in the year (net)	221,092	(5,301)	215,791
Hyperinflation adjustments	30,791	(87)	30,704
At 31 December	437,479	(6,507)	430,972
2021			
At 1 January	508,801	(3,410)	505,391
Movement in the year			
Gross written premiums	575,387	(26,227)	549,160
Gross unearned premiums	(595,020)	28,836	(566,184)
Change in the year net	(19,633)	2,609	(17,024)
Hyperinflation adjustments	(303,572)	(318)	(303,890)
At 31 December	185,596	(1,119)	184,477

27 PROVISIONS FOR UNEARNED PREMIUM AND UNEXPIRED RISKS (contined)

Historical	Gross	Reinsurance	Net
2022	SSP'000'	SSP'000'	SSP'000'
At 1 January	208,154	(1,265)	206,889
Movement in the year			
Gross written premiums	1,594,067	(128,755)	1,465,312
Gross earned premiums	(1,303,336)	123,454	(1,179,882)
Change in the year (net)	290,731	(5,301)	285,430
At 31 December	498,885	(6,566)	492,319
2021			
At 1 January	230,356	(4,215)	226,141
Movement in the year			
Gross written premiums	650,676	(29,658)	621,018
Gross unearned premiums	(672,878)	32,608	(640,270)
Change in the year (net)	(22,202)	2,950	(19,252)
At 31 December	208,154	(1,265)	206,889

28 RELATED PARTY BALANCES AND TRANSACTIONS

The Company is a subsidiary of CIC Insurance Group PLC, incorporated in Kenya, which owns 69% of the shares of the Company, while Co-operative Bank of South Sudan owns 31% of the shares of the Company. The other related parties include staff members of the Company, whose transactions have been disclosed in notes 10(a) and 19 for the details of interest and staff loans, respectively, and investments in a collective investments scheme, which is a fund managed by CIC Asset Management, a wholly owned subsidiary of CIC Insurance Group PLC. The transactions with the investment scheme during the year and balance at year-end have been disclosed in note 14.In addition, the company has an interest bearing unsecured loan advanced to the CIC Insurance Group PLC disclosed in note 15

The amounts due to related parties are non-interest bearing and the balances are not secured. There were no commitments made between the company and any related party.
These amounts arise from payments for expenses made by the parent Company on behalf of the subsidiary during its formative stages.

28. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

The following are balances and transactions with related parties as at 31 December 2022 and during the year then ended.

	Inflation adjusted		Historical cost	
	2022 SSP'000'	2021 SSP'000'	2022 SSP'000'	2021 SSP'000'
Related party balances				
Due to:				
CIC Insurance Group PLC	151,727	13,854	151,727	15,667
Receipts from related parties:				
CIC Insurance Group PLC	173,678	186,242	173,678	210,611
Payments to related parties				
CIC Insurance Group PLC	21,951	172,388	21,951	194,944

The remuneration of directors and other members of key management during the year were as follows:

	Inflation Adjusted		Historical Cost	
	2022 SSP '000'	2021 SSP '000'	2022 SSP '000'	2021 SSP '000'
Directors' fees	15,695	5,954	17,961	7,206
Key management personnel compensation				
Salaries	86,487	61,220	98,946	13,004
Hardship allowance	16,922	10,258	19,348	1,781
Leave allowance	1,407	624	1,618	182
Pension contribution	4,463	2,647	5,105	1,211
	109,279	74,749	125,017	16,178

The carrying amounts disclosed above reasonably approximate fair value at the reporting date.

29. OTHER PAYABLES

	Inflation Adjusted		Historical Cost	
	2022 SSP'000	2021 SSP'000'	2022 SSP'000	2021 SSP'000'
Sundry creditors*	361,693	512,360	361,693	579,401
Gratuity	73,871	32,687	73,871	36,965
Surtax and excise tax	57,608	4,655	57,608	5,263
Accrual for expenses	11,880	10,312	11,880	11,661
Stamp duty	14,656	6,597	14,656	7,461
Training levy	4,204	1,064	4,204	1,204
	523,912	567,675	523,912	641,955

*Sundry creditors relates to accrued staff benefits, audit fees, amounts due to related party as well accrued expenses due to various service providers.
The carrying amounts disclosed above reasonably approximate fair value at the reporting date.

30. FINANCE LEASE COMMITMENTS

The Company entered into finance lease agreement in July 2015. The lease is for 15 years with an option of renewal upon expiry of the lease. The lease agreement does not provide for escalation clauses for the lease rentals. The lease arrangement does not have contingent rent provision. The future minimum lease payments under the finance lease are as follows:

(a) Company as lessee

	Inflation adjusted		Historical cost	
	2022 SSP'000'	2021 SSP'000'	2022 SSP'000'	2021 SSP'000'
		Minimum lease		Minimum lease
Not later than one year	16,048	9,169	16,048	10,369
Later than 1 year but not later than 5 years	80,240	45,847	80,240	51,846
Later than 5 years	48,145	36,679	48,145	41,478
Total minimum lease payments	144,433	91,695	144,433	103,693

* The present values of the minimum lease payments have not been determined since it is not practicable to determine the interest rate implicit in the lease and the incremental borrowing rate is not available due to the nature of the market in which the Company operates.

(b) Movements in finance lease balances

	Inflation adjusted		Historical cost	
	2022 SSP'000'	2021 SSP'000'	2022 SSP'000'	2021 SSP'000
At January	91,695	42,811	103,693	46,802
Repayment	(10,409)	(3,770)	(10,409)	(4,263)
Foreign exchange gain	51,149	53,816	51,149	61,154
Inflation effect	11,998	(1,162)	-	-
At 31 December	144,433	91,695	144,433	103,693

31. PENSION ADMINISTRATION FUND

	Inflation Adjusted		Historical Cost	
	2022 SSP'000	2021 SSP'000'	2022 SSP'000	2021 SSP'000'
Pension contribution	848,394	641,370	848,394	725,292
Investment income	44,070	31,268	50,890	35,359
Policy holders (net)	892,464	672,638	899,284	760,651
Administrative expenses	(1,378,056)	(107,362)	(1,378,056)	(121,410)
Total outflow	(1,378,056)	(107,362)	(1,378,056)	(121,410)
Net movement for the year	(485,592)	565,276	(478,772)	639,241
Balance as at the beginning of the year	2,053,829	509,920	2,322,569	630,393
Foreign currency gain	828,714	931,102	828,714	1,052,935
Hperinflation adjustments	275,560	47,531	-	-
Net fund value	2,672,511	2,053,829	2,672,511	2,322,569

32 NOTES TO THE STATEMENT OF CASH FLOWS

	Notes	Inflation adjusted 2022 SSP'000'	Inflation adjusted 2021 SSP'000'	Historical Cost 2022 SSP'000'	Historical Cost 2021 SSP'000'
(a) Reconciliation of profit before tax to cash generated from operations:					
Profit before tax for the year		287,986	608,776	255,369	699,896
Adjustments for:					
Allowance for expected credit losses	10(b)	-	1,508	-	1,705
Depreciation on property and equipment	12	5,181	19,180	2,094	2,358
Amortization of intangible assest	12(b)	2,684	-	3,072	-
Fair value gain on valuation of investment property	13	(168,387)	(30,516)	(168,387)	(34,509)
Fair value gain on collective investments	14	(26,282)	(16,689)	(30,036)	(20,270)
Fair value gain on fixed deposit	16	(2,663)	(2,314)	(2,937)	(2,616)
Foreign exchange gain	7	(1,841,584)	(1,175,157)	(1,995,349)	(2,208,939)
Effects of loss on net monetary position	11(a)	(62,113)	(40,442)	-	-
Interest income on debt securities at amortised cost	5(b)	(128,199)	(76,736)	(143,503)	(93,024)
ECL provisions for insurance receivables	17(a)	103,945	102,765	103,945	112,916
Amortization of deferred acquisition cost		-	66,414	-	4,130
Working capital changes;					
Decrease in provision for unearned premiums		251,883	(323,205)	290,731	(22,202)
Increase in actuarial policy holders benefit		11,465	7,763	8,550	7,248
Increase in receivables arising out of direct insurance arrangements		(69,473)	(126,161)	(62,359)	(135,323)
Decrease/(increase) in reinsurance share of liabilities		(5,388)	2,291	(5,242)	2,950
Decrease/(Increase) in receivables from reinsurance arrangements		169,915	(146,503)	203,179	(154,318)
Increase in deferred acquisition costs		(36,633)	(5,588)	(38,246)	(6,320)
Increase in other receivable		106,554	(134,559)	130,728	(146,875)
Decrease in other payables		(43,763)	447,793	(118,043)	493,749
Increase in insurance contract liabilities		505,426	122,204	473,672	127,844
Decrease in amounts due to reinsurers		53,200	17,244	48,624	17,631
Increase in related party balances		137,873	(20,706)	136,060	(27,059)
Increase in pension admin funds		618,682	1,543,909	349,942	1,692,176
Net cash generated used in operations		(129,691)	841,271	(558,136)	311,148
(b) Cash and cash equivalents		54,808	25,947	54,808	29,342

*There are no restrictions on the cash and bank balances held and all the balances are available for use in the Company's day to day operations.

33. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks, including insurance risk, financial risk, credit risk, foreign currency and exchange rates. The Company's overall risk management programme focuses on the identification and management of risks and seeks to minimise potential adverse effects on its financial performance, by use of underwriting guidelines and capacity limits, reinsurance planning, credit policy governing the acceptance of clients, and defined criteria for the approval of intermediaries and reinsurers.

The disclosures below summarise the way the Company manages key risks:

Insurance risk

The risk under any one insurance contract arises from 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. For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Company faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random and the actual number and number of claims and benefits will vary from year to year from the level established using statistical techniques.

Insurance risk in the Company arises from:

(a) Fluctuations in the timing, frequency and severity of claims and claims settlements relative to expectations;
(b) Unexpected claims arising from a single source;
(c) Inaccurate pricing of risks or inappropriate underwriting of risks when underwritten;
(d) Inadequate reinsurance protection or other risk transfer techniques; and,
(e) Inadequate reserves

(a), (b) and (c) can be classified as the core insurance risk, (d) relates to reinsurance planning, while (e) is about reserving.

Core insurance risk

This risk is managed through:

- Diversification across a large portfolio of insurance contracts;
- Careful selection guided by a conservative underwriting philosophy;
- Continuous monitoring of the business performance per class and per client and corrective action taken as deemed appropriate;
- A minimum of one review of each policy at renewal to determine whether the risk remains within the acceptable criteria;
- Having a business acceptance criterion which is reviewed from time to time based on the experience and other developments; and,
- Having a mechanism of identifying, quantifying and accumulating exposures to contain them within the set underwriting limits.

Reinsurance planning

Reinsurance purchases are reviewed periodically to verify that the levels of protection being sought reflect developments in exposure and risk appetite of the Company. The basis of these purchases is underpinned by the Company's experience, financial modelling by and exposure of the reinsurance broker.

The reinsurance is placed with providers who meet the Company's counter party security requirements.

33. RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Life Insurance contracts

Life insurance contracts offered by the Company include: whole life and term assurance.
Whole life and term assurance are conventional regular premium products when lump sum benefits are payable on death or permanent disability.

Pensions are contracts where retirement benefits are expressed in the form of an annuity payable at retirement age. If death occurs before retirement, contracts generally return the value of the fund accumulated or premiums. Most contracts give the policyholder the option at retirement to take a cash sum at guaranteed conversion rates allowing the policyholders the option of taking the more valuable of the two. Provision of additional death benefits may be provided by cancellation of units or through supplementary term assurance contracts. This includes the deposit administration contracts

The main risks that the Company is exposed to are as follows:

- Mortality risk – risk of loss arising due to policyholder death experience being different than expected
- Morbidity risk – risk of loss arising due to policyholder health experience being different than expected
- Longevity risk – risk of loss arising due to the annuitant living longer than expected
- Investment return risk – risk of loss arising from actual returns being different than expected
- Expense risk – risk of loss arising from expense experience being different than expected
- Policyholder decision risk – risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected

These risks do not vary significantly in relation to the location of the risk insured by the Company, type of risk insured or by industry.

The Company's underwriting strategy is designed to ensure that risks are well diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors, the use of medical screening in order to ensure that pricing takes account of current health conditions and family medical history, regular review of actual claims experience and product pricing, as well as detailed claims' handling procedures. Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Company has the right not to renew individual policies, it can impose deductibles and it has the right to reject the payment of fraudulent claims. Insurance contracts also entitle the Company to pursue third parties for payment of some or all costs. The Company further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the Company. The company is committed to underwriting quality business by improving underwriting and claims management processes.

33. RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Material judgement is required in determining the liabilities and in the choice of assumptions. Assumptions in use are based on past experience, current internal data, external market indices and benchmarks which reflect current observable market prices and other published information. Assumptions and prudent estimates are determined at the date of valuation and no credit is taken for possible beneficial effects of voluntary withdrawals. Assumptions are further evaluated on a continuous basis in order to ensure realistic and reasonable valuations.

The key assumptions to which the estimation of liabilities is particularly sensitive are, as follows:

Mortality and morbidity rates

Assumptions are based on standard industry and national tables, according to the type of contract written. They reflect recent historical experience and are adjusted when appropriate to reflect the Company's own experiences. An appropriate, but not excessive, prudent allowance is made for expected future improvements. Assumptions are differentiated by sex, underwriting class and contract type.
An increase in rates will lead to a larger number of claims (and claims could occur sooner than anticipated), which will increase the expenditure and reduce profits for the shareholders.

Longevity

Assumptions are based on standard industry and national tables, adjusted when appropriate to reflect the Company's own risk experience. An appropriate, but not excessive, prudent allowance is made for expected future improvements. Assumptions are differentiated by sex, underwriting class and contract type.
An increase in longevity rates will lead to an increase in the number of annuity payments to be made, which will increase the expenditure and reduce profits for the shareholders.

Investment return

The weighted average rate of return is derived based on a model portfolio that is assumed to back liabilities, consistent with the long–term asset allocation strategy. These estimates are based on current market returns as well as expectations about future economic and financial developments.
An increase in investment return would lead to an increase in profits for the shareholders.

Expenses

Operating expenses assumptions reflect the projected costs of maintaining and servicing in–force policies and associated overhead expenses. The current level of expenses is taken as an appropriate expense base, adjusted for expected expense inflation if appropriate.
An increase in the level of expenses would result in an increase in expenditure, thereby reducing profits for the shareholders.

Lapse and surrender rates

Lapses relate to the termination of policies due to non–payment of premiums. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using statistical measures based on the Company's experience and vary by product type, policy duration and sales trends.
An increase in lapse rates early in the life of the policy would tend to reduce profits for shareholders, but later increases are broadly neutral in effect.

33. RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Sensitivities

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross and net liabilities, profit before tax and equity. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis.

It should be noted that movements in these assumptions are non–linear. Sensitivity information will also vary according to the current economic assumptions, mainly due to the impact of changes to both the intrinsic cost and time value of options and guarantees. When options and guarantees exist, they are the main reason for the asymmetry of sensitivities. The method used for deriving sensitivity information and significant assumptions made did not change from the previous period.

	31-Dec-22 inflation adjusted		31-Dec-21 Historical cost	
	SSP '000'	% change	SSP '000'	% change
Main basis	42,325		58,309	
Expenses plus 10%	42,516	0.45%	58,098	-0.36%
Mortality and other claims				
Mortality plus 10%	44,852	5.97%	62,241	6.74%
Interest rate less 20%	42,325	0.00%	58,809	0.00%
Withdrawals plus 25%	42,325	0.00%	58,309	0.00%

33. RISK MANAGEMENT OBJECTIVES AND POLICIES (continued

Non-life insurance contracts

The Company purchases reinsurance as a part of its risks mitigation programme. Reinsurance ceded is placed on both a proportional and a non–proportional basis. The majority of proportional reinsurance is quota–share reinsurance which is taken out to reduce the overall exposure of the Company to certain classes of business. Non–proportional reinsurance is primarily excess–of–loss reinsurance designed to mitigate the Company's net exposure to catastrophe losses. Retention limits for the excess–of–loss reinsurance vary by product line.

Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Although the company has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements. The company's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the company substantially dependent upon any single reinsurance contract. There is no single counterparty exposure that exceeds 5% of total reinsurance assets at the reporting date.

The Company principally issues the following types of general insurance contracts: motor, household, commercial and business interruption. Healthcare contracts provide medical expense coverage to policyholders and are not guaranteed as renewable. Risks under non–life insurance policies usually cover twelve months' duration.

For general insurance contracts, {the most significant risks arise when there is fire, motor accidents, property losses or medical claims for longer tail claims that take some years to settle, there is also inflation risk. For healthcare contracts, the most significant risks arise from lifestyle changes, epidemics and medical science and technology improvements. These risks do not vary significantly in relation to the location of the risk insured by the Company, type of risk insured and by industry.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts. The variability of risks is improved by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors. Furthermore, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are all policies and procedures put in place to reduce the risk exposure of the Company. The Company further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities.

The Company uses commercially available proprietary risk management software to assess catastrophe exposure. However, there is always a risk that the assumptions and techniques used in these models are unreliable or that claims arising from an unmodelled event are greater than those arising from a modelled event.

The Company has also limited its exposure by imposing maximum claim amounts on certain contracts as well as the use of reinsurance arrangements in order to limit exposure to catastrophic.

The purpose of these underwriting and reinsurance strategies is to limit exposure to catastrophes based on the Company's risk appetite as decided by management. The overall aim is currently to restrict the impact of a single catastrophic event to approximately 50% of shareholders' equity on a gross basis and 10% on a net basis. In the event of such a catastrophe, counterparty exposure to a single reinsurer is estimated not to exceed 2% of shareholders' equity. The Board may decide to increase or decrease the maximum tolerances based on market conditions and other factors.

33. RISK MANAGEMENT OBJECTIVES AND POLICIES (continued

Key assumptions

The principal assumption underlying the liability estimates is that the Company's future claims development will follow a similar pattern to past claims development experience. This includes assumptions in respect of average claim costs, claim handling costs, claim inflation factors and claim numbers for each accident year. Additional qualitative judgements are used to assess the extent to which past trends may not apply in the future, for example: once–off occurrence; changes in market factors such as public attitude to claiming: economic conditions: as well as internal factors such as portfolio mix, policy conditions and claims handling procedures. Judgement is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.
Other key circumstances affecting the reliability of assumptions include variation in interest rates, delays in settlement and changes in foreign currency rates.

Sensitivities

The insurance claim liabilities are sensitive to the key assumptions in the table below. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process.

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross and net liabilities, profit before tax and equity. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis.
It should be noted that movements in these assumptions are non–linear. The method used for deriving sensitivity information and significant assumptions did not change from the previous period

31/12/2022	Change in assumptions SSP'000'	Increase/(decrease) on inflation profit before tax SSP'000'
Outstanding claims	+10/-10	40,878
Incurred but not reported	+10/-10	30,558
31/12/2021		
Outstanding claims	+10/-10	11,634
Incurred but not reported	+10/-10	7,183

Claims reserving

The Company's reserving policy is guided by the prudence concept. Estimates are made of the estimated cost of settling a claim based on the best available information on registration of a claim, and this is updated as and when additional information is obtained, and periodic reviews done to ensure that the reserves are adequate. Management is regularly provided with claims settlement reports to inform on the reserving performance.

33. RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Financial risk

The Company is exposed to a range of financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilities. In particular, the key financial risk is that the proceeds from its financial assets are not sufficient to fund the obligations arising from insurance policies as they fall due. The most important components of this financial risk are market risk (currency risk, interest rate risk), credit risk and liquidity risk.

These risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements.

(i) Currency risk

Foreign currency exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. The Company primarily transacts in USD, but a portion of the Company's assets and liabilities are denominated in other currencies. The net impact on the Company's operating results and retained earnings due to changes in foreign exchange rates was significant due to depreciation of the South Sudanese Pound against the US Dollar, which depreciated from SSP 432.054 to the US Dollar as at 31 December 2021 all other currencies is immaterial.

	Change in USD rate	Effect on pre-tax profit and equity
2022		SSP'000'
	+20%	163,680
	-20%	(163,680)
2021		
	+20%	225,333
	-20%	(225,333)

The movement in the pre-tax profit and equity is a result of changes in fair values of monetary assets and liabilities denominated in US dollar.

(ii) Interest rate risk

Interest rate risk arises primarily from investments in money market fund. The sensitivity analysis for interest rate risk illustrates how changes in the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates at the reporting date.

The Company's management monitors the sensitivity of reported interest rate movements on a monthly basis by assessing the expected changes in the different portfolios due to a parallel movement of 5% in all yield curves of financial assets and financial liabilities. These particular exposures illustrate the Company's overall exposure to interest rate sensitivities included in the Company's Asset and Liability Management (ALM) framework and its impact in the Company's profit or loss.

An increase/decrease of 5% in interest yields would cause the profit for the year and equity to increase/decrease by SSP '000' 60,203

(iii) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation.

33. RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Credit risk (continued)

The following policies and procedures are in place to mitigate the Company's exposure to credit risk:

- A Company credit risk policy which sets out the assessment and determination of what constitutes credit risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company's risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.
- Net exposure limits are set for each counterparty or group of counterparties, and industry segment (i.e., limits are set for investments and cash deposits, and minimum credit ratings for investments that may be held).
- Reinsurance is placed with counterparties that have a good credit rating and concentration of risk is avoided by following policy guidelines in respect of counterparties' limits that are set each year by the board of directors and are subject to regular reviews. At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance purchase strategy, ascertaining suitable allowance for impairment.
- The credit risk in respect of customer balances incurred on non–payment of premiums or contributions will only persist during the grace period of 120 days specified in the policy document until expiry, when the policy is either paid up or terminated. Commission paid to intermediaries is netted off against amounts receivable from them to reduce the risk of doubtful debts.

The company's maximum exposure to credit risk for the components of the statement of financial position at 31 December 2022 and 2021 is the carrying amounts as presented in the statement of financial position.
The Company actively manages its product mix to ensure that there is no significant concentration of credit risk.

The Company's internal rating process

The Company's investment team prepares internal ratings for financial instruments in which counterparties are rated using internal grades. These are used to determine whether an instrument has had a significant increase in credit risk and to estimate the ECl's.

i. Credit risk *(Continued)*

The company reassess the internal credit rating of the financial instruments at every reporting period and considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due as well as other forward-looking information. This would result in change in the internal credit rating.
The Company's internal credit rating grades is as follows:

Internal rating grade	Internal rating description
0	High grade
1	High grade
2	Standard grade
3	Sub-standard grade
4	Past due but not impaired
5	Individually impaired

Significant increase in credit risk,default and cure

33. RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Credit risk (continued)

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument is subject to 12mECL or LTECL that is (Financial assets at amortized cost- Government securities, Financial Assets at amortized cost- Corporate Bonds, Financial Assets at amortized cost-Loan, Financial Assets at amortized cost-Commercial Papers, Due from related party, Deposits with financial institutions, Other receivables and Cash and bank balances , the Company assesses whether there has been a significant increase in credit risk since initial recognition.
The Company considers that there has been a significant increase in credit risk when any contractual payments are more than 30 days past due. In addition, the Company also considers a variety of instances that may indicate unlikeness to pay by assessing whether there has been a significant increase in credit risk. Such events include:

- Internal rating of the counterparty indicating default or near default
- The counterparty having past due liabilities to public creditors or employees
- The counterparty filing for bankruptcy application
- Counterparty's listed debt or equity suspended at the primary exchange because of rumors or facts of financial difficulties.

The Company considers a financial instrument defaulted and, therefore, credit impaired for ECL calculations in all cases when the counterparty becomes 90 days past due on its contractual payments. The Company may also consider an instrument to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full. In such cases, the Company recognizes a lifetime ECL.
In rare cases when an instrument identified as defaulted, it is the Company's policy to consider the financial instrument as "cured" and therefore re-classified out of credit-impaired when none of the default criteria have been present for at least twelve consecutive months.
The company actively manages its product mix to ensure there is no significant concentration of credit risk.

33. RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Credit risk (continued)

An analysis of changes in the gross carrying amount and corresponding ECLs is, as follows:

FINANCIAL ASSETS AT AMORTISED COST – LOANS & RECEIVABLES

Inflation adjusted	2022 SSP'000	2021 SSP '000
Stage 1	-	1,016
Stage 2	-	-
Stage 3	-	-
Total loans & receivables	-	1,016
Less: Loss Allowance	-	-
Net carrying amount	-	1,016

RESTRICTED DEPOSIT WITH FINANCIAL INSTITUTION

Inflation adjusted	2022 SSP '000	2021 SSP '000
Stage 1	2,687,988	2,007,938
Stage 2	-	-
Stage 3	-	-
Total restricted deposit with financial institution	2,287,988,	2,007,938
Less: Loss allowance	(1,705)	(1,705)
Net carrying amount	2,686,283	2,006,233

RELATED PARTY LOAN

Inflation adjusted	2022 SSP '000	2021 SSP '000
Stage 1	1,290,018	698,508
Stage 2	-	-
Stage 3	-	-
Total related party loan receivable	1,290,018	698,508
Less: Loss Allowance	-	-
Net carrying amount	1,290,018	698,508

33. RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iv) Credit risk (continued)

OTHER RECEIVABLES

Inflation adjusted	2022 SSP '000	2021 SSP '000
Stage 1	78,190	184,744
Stage 2	-	-
Stage 3	-	-
Total loans & receivables	78,190	184,744
Less: Loss Allowance	-	-
Net carrying amount	78,190	184,744

DIRECT INSURANCE AND REINSURERS RECEIVABLES

Aging analysis of direct and reinsurers receivables

Inflation adjusted

2022	< 30 days SSP'000'	31 to 60 days SSP'000'	61 to 90 days SSP'000'	91 to 120 days SSP'000'	Over 120 days SSP'000'	Total SSP'000'
Receivables arising out of reinsurance arrangements	-	-	-	-	342,627	342,627
ECL on reisurance receivables	-	-	-	-	(258,322)	(258,322)
Receivables arising out of direct insurance arrangements	17,959	66,566	5,728	48,391	184,050	322,694
ECL on receivables from direct insurance arrangements	(2,586)	(9,319)	(836)	(8,017)	(178,097)	(198,855)
Total	15,373	57,247	4,892	40,374	90,258	208,144

2021	< 30 days SSP'000'	31 to 60 days SSP'000'	61 to 90 days SSP'000'	91 to 120 days SSP'000'	Over 120 days SSP'000'	Total SSP'000'
Receivables arising out of reinsurance arrangements	-	-	-	-	260,152	260,152
ECL on reisurance receivables	-	-	-	-	(5,932)	(5,932)
Receivables arising out of direct insurance arrangements	5,847	34,660	19,500	38,730	226,307	325,044
ECL on receivables from direct insurance arrangements	(1,389)	(8,540)	(5,148)	(10,565)	(245,036)	(270,678)
Total	4,458	26,120	14,352	28,165	235,491	308,586

33. RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Credit risk (continued)

For assets to be classified as"past–due and impaired" contractual payments must be in arrears for more than 120 days. No collateral is held as security for the financial assets held.

The exposure to individual counterparties is also managed through other mechanisms, such as the right of offset where counterparties are both debtors and creditors of the Company.

The customers under the fully performing category are paying their debts as they continue trading. The default rate is low.
Management makes regular reviews to assess the degree of compliance with the Company's procedures on credit. Exposures to individual policyholders and group of policyholders are collected within the ongoing monitoring of the controls associated with regulatory solvency. Where there exists significant exposure to individual policyholders, or homogenous group of policyholders, a financial analysis equivalent to that conducted for reinsurers is carried out by the management.

(iv) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. In respect of catastrophic events there is also a liquidity risk associated with the timing differences between gross cash out–flows and expected reinsurance recoveries.
The following policies and procedures are in place to mitigate the Company's exposure to liquidity risk:

- A Company's liquidity risk policy which sets out the assessment and determination of what constitutes liquidity risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.
- Guidelines are set for asset allocations, portfolio limit structures and maturity profiles of assets, in order to ensure sufficient funding available to meet insurance obligations.
- Contingency funding plans are in place, which specify minimum proportions of funds to meet emergency calls as well as specifying events that would trigger such plans.
- The Company's catastrophe excess–of–loss reinsurance contracts contain clauses permitting the immediate draw down of funds to meet claim payments should claim events exceed a certain size.

Maturity profiles

The following table summarises the maturity profile of the financial assets, financial liabilities and insurance contract liabilities of the Company based on remaining undiscounted contractual obligations, including interest payable and receivable. For insurance contracts liabilities and reinsurance assets, maturity profiles are determined based on estimated timing of net cash outflows from the recognised insurance liabilities. Unearned premiums have been excluded from the analysis as they are not contractual obligations. Repayments which are subject to notice are treated as if notice were to be given immediately.

The Company maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseen interruption of cash flows. The Company also has committed lines of credit that it can access to meet liquidity needs.

33. RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(iv) Liquidity risk (continued)

The table below provides a contractual maturity analysis of the Company's financial assets and liabilities:

31 Dec 2022 inflation adjusted	6 months or on demand SSP'000'	Between 6 months and 1 year SSP'000'	More than 1 year SSP'000'	Total SSP'000'
Financial assets				
Staff Loans	-	-	-	-
Investment in loans	-	-	1,290,018	1,290,018
Restricted deposits with financial institution	-	-	2,686,283	2,686,283
Investment in collective investment scheme	496,526	-	-	496,526
Other receivables	78,190	-	-	78,190
Receivables arising out of direct insurance arrangements	123,839	-	-	123,839
Receivables arising out of reinsurance arrangements	84,305	-	-	84,305
Cash and bank balances	54,808	-	-	54,808
	837,668	-	3,976,301	4,813,969
Financial Liabilities				
Due to related parties	151,727	-	-	151,727
Finance lease obligation	-	16,048	128,385	144,433
Payables arising from reinsurance arrangements	88,173	-	-	88,173
Non-life insurance contract liabilities	714,358	-	-	714,358
Life insurance contract liabilities	33,743	-	-	33,743
Pension administration fund	2,672,511	-	-	2,672,511
Other payables*	373,574	-	-	373,574
	4,034,086	16,048	128,385	4,178,519
Net Liquidity gap	(3,196,418)	(16,048)	3,847,916	635,450

*Other payables excludes statutory levies and payroll provisions.

33. RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(iv) Liquidity risk (continued)

The table below provides a contractual maturity analysis of the Company's financial assets and liabilities:

	6 months or on demand	Between 6 months and 1 year	More than 1 year	Total
31 Dec 2021 Inflation adjusted	SSP'000'	SSP'000'	SSP'000'	SSP'000'
Financial Assets				
Staff Loans	899	-	-	899
Investment in Loans			698,509	698,509
Restricted deposits with financial institution	-	-	2,003,217	2,003,217
Investment in collective investment scheme	301,566	-	-	301,566
Other receivables	184,744	-	-	184,744
Receivables arising out of direct insurance arrangements	54,366	-	-	54,366
Receivables arising out of reinsurance arrangements	254,220	-	-	254,220
Cash and bank balances	25,947	-	-	25,947
	821,742	-	2,701,726	3,523,468
Financial Liabilities				
Due to related parties	13,854	-	-	13,854
Finance lease obligation	-	9,169	82,526	91,695
Payables arising from reinsurance arrangements	34,973	-	-	34,973
Non-life insurance contract liabilities	220,397	-	-	220,397
Life insurance contract liabilities	22,278	-	-	22,278
Pension administration fund	2,053,829	-	-	2,053,829
Other payables*	522,672	-	-	522,672
	2,868,003	9,169	82,526	2,959,698
Net Liquidity gap	(2,046,261)	(9,169)	2,619,200	563,770

*Other payables excludes statutory levies and payroll provisions.

33. RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(v) Liquidity risk (continued)

The table below provides a contractual maturity analysis of the Company's financial assets and liabilities:

31 Dec 2022 Historical Cost	6 months or on demand SSP'000'	Between 6 months and 1 year SSP'000'	More than 1 year SSP'000'	Total SSP'000'
Financial Assets				
Staff Loans	-	-	-	-
Loan investment	-	-	1,290,018	1,290,018
Restricted deposits with financial institution	-	-	2,686,283	2,686,283
Investment in collective investment scheme	496,526	-	-	496,526
Other receivables	78,190	-	-	78,190
Receivables arising out of direct insurance arrangements	123,839	-	-	123,839
Receivables arising out of reinsurance arrangements	84,305	-	-	84,305
Cash and bank balances	54,808	-	-	54,808
	837,668	-	3,976,301	4,813,969
Financial Liabilities				
Due to related parties	151,727	-	-	151,727
Finance lease obligation	-	16,048	128,385	144,433
Payables arising from reinsurance arrangements	88,173	-	-	88,173
Non-life insurance contract liabilities	714,358	-	-	714,358
Life insurance contract liabilities	33,743	-	-	33,743
Pension administration fund	2,672,511	-	-	2,672,511
Other payables*	373,574	-	-	373,574
	4,034,086	16,048	128,385	4,178,519
Net Liquidity gap	(3,196,418)	(16,048)	3,847,916	635,450

*Other payables excludes statutory levies and payroll provisions.

33. RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(ii) Liquidity risk (continued)

The table below provides a contractual maturity analysis of the Company's financial assets and liabilities:

31 Dec 2021 Historical Cost	6 months or on demand SSP'000'	Between 6 months and 1 year SSP'000'	More than 1 year SSP'000'	Total SSP'000'
Financial Assets				
Staff Loans	1,016	-	-	1,016
Loan Investments	-	-	789,906	789,906
Restricted deposits with financial institution	-	-	2,265,334	2,265,334
Investment in collective investment scheme	341,025	-	-	341,025
Other receivables	208,918	-	-	208,918
Receivables arising out of direct insurance arrangements	61,480	-	-	61,480
Receivables arising out of reinsurance arrangements	287,484	-	-	287,484
Cash and bank balances	29,342	-	-	29,342
	929,265	-	3,055,240	3,984,505
Financial Liabilities				
Due to related parties	15,667			15,667
Finance lease obligation	-	10,369	102,656	113,025
Payables arising from reinsurance arrangements	39,549	-	-	39,549
Non-life insurance contract liabilities	249,236	-	-	249,236
Life insurance contract liabilities	25,193	-	-	25,193
Pension administration fund	2,322,569	-	-	2,322,569
Other payables*	575,336	-	-	575,336
	3,227,550	10,369	102,656	3,340,575
Net Liquidity gap	(2,298,285)	(10,369)	2,952,584	643,930

*Other payables excludes statutory levies and payroll provisions

33. RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(v) Capital management

The Company has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:

The Company's objectives in managing its capital are:

- To maintain the required level of stability of the Company thereby providing a degree of security to policyholders
- To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and shareholders
- To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets
- To align the profile of assets and liabilities taking account of risks inherent in the business
- To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders
- To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximize shareholders value.

The Company seeks to optimise the structure and sources of capital to ensure it consistently maximizes returns to the shareholders and policyholders. However, in order to maintain or adjust the capital structure, the Company may limit the amount of dividends paid to shareholders.

The Company met the minimum regulatory capital requirement as detailed below:

	Inflation Adjusted		Historical cost	
	2022	2021	2022	2021
	SSP'000'	SSP'000'	SSP'000'	SSP'000'
Regulatory capital requirements	15,800	15,800	15,800	15,800
Capital held at 31 December:				
Share capital	1,153,994	508,942	15,800	15,800
Retained earnings	533,968	714,841	1,692,793	1,437,424
Revaluation reserve	1,003,478	533,448	937,391	539,549
	2,691,440	1,757,231	2,645,984	1,992,773

No changes were made in the objectives, policies and processes for managing capital during the year ended 31 December 2022.

34. FAIR VALUE MEASUREMENT

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; unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair value hierarchy:

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

This hierarchy requires the use of observable market data when available. The Company considers relevant and observable market prices in its valuations where possible.

34. FAIR VALUE MEASUREMENT (continued)

The following table shows an analysis of financial and non-financial assets recorded at fair value by level of the fair value hierarchy.

Inflation adjusted	Level 1 SSP'000'	Level 2 SSP'000'	Level 3 SSP'000'	Total SSP'000'	Carrying amount SSP'000'
31 Dec 2022					
Investments in collective investment scheme at FVTPL	-	496,526	-	496,526	496,526
Owner occupied property and equipment	-	-	1,021,728	1,021,728	1,021,728
Investment property	-	-	1,532,592	1,532,592	1,532,592
	-	496,526	2,554,320	3,050,846	3,050,846

	Level 1 SSP'000'	Level 2 SSP'000'	Level 3 SSP'000'	Total SSP'000'	Carrying amount SSP'000'
31 Dec 2021 Inflation Adjusted					
Investments in collective investment scheme at FVTPL	-	301,566	-	301,566	301,566
Owner occupied property and equipment	-	-	551,697	551,697	551,697
Investment property	-	-	827,546	827,546	827,546
	-	301,566	1,379,243	1,680,809	1,680,809

Historical Cost	Level 1 SSP'000'	Level 2 SSP'000'	Level 3 SSP'000'	Total SSP'000'	Carrying amount SSP'000'
31 Dec 2022					
Investments in collective investment scheme at FVTPL	-	496,526	-	496,526	496,526
Owner occupied property and equipment	-	-	1,021,728	1,021,728	1,021,728
Investment property	-	-	1,532,592	1,532,592	1,532,592
	-	496,526	2,554,320	3,050,846	3,050,846

	Level 1 SSP'000'	Level 2 SSP'000'	Level 3 SSP'000'	Total SSP'000'	Carrying amount SSP'000'
Historical Cost 31 Dec 2021					
Investments in collective investment scheme at FVTPL	-	341,025	-	341,025	341,025
Owner occupied property and equipment	-	-	623,886	623,886	623,886
Investment property	-	-	935,829	935,829	935,829
	-	341,025	1,559,715	1,900,740	1,900,740

34. FAIR VALUE MEASUREMENT (continued)

Description of valuation techniques used, and key inputs used in valuation of financial and non-financial assets.

Significant increases (decreases) in price of similar properties in the market would result into significant higher (lower) fair value of the investment property.

	Level	Valuation technique	Significant observable/unobservable Inputs	Average per year
Investment property and owner-occupied property	3	Comparative Method of Valuation & Depreciated Replacement Cost Method	Price of similar properties in the market.	
Investment in collective investment scheme	2	Net Asset Value	Current unit price of underlying unitised assets	

The carrying value of financial assets not held at fair value approximates their fair value

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