



Salam

Takaful Insurance Co. Ltd

**Audited Financial Statements
for the Year Ended 31st December 2020**

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Corporate information

Salam Takaful Insurance Co. Limited was incorporated as a Private Limited Liability Company with the Corporate Affairs Commission (CAC.) on 20th day of June, 2016 and got operational License with National insurance Commission (NAICOM) on 10th February, 2020. The company in February 2020 got approval of its products and commences business on 9th March, 2020 in the Abuja Head office same year.

Salam Takaful Insurance Co. Ltd is a premier Shariah compliant General and Family (Life) Insurance Operator. Salam Takaful Insurance Ltd was established to provide Takaful insurance in Nigeria with the insight of expansion in west Africa as an international leader in Takaful.

The Contract of Takaful as a business venture is based on the Islamic profit sharing of Mudarabah principle. In this regard clients of Takaful known as Participants shall be entitled to earn returns on the Contributions (premium) paid in consideration for their participation in Takaful products provided by Salam Takaful Insurance Co. Ltd subject to the declaration of profit at the end of the financial year.

Mission

To achieve stakeholders' expectations through developing diversified range of Takaful products and services, delivery quality customers services designing innovative products and setting claims fairly and promptly.

Vision

To be the Takaful operator of 'First Choice' through the provision of value-added Takaful services in

RC: 1343317

Tax Identification Number (TIN): 19933017-0001

Website: Website www.salamtakafulinsurance.com

E-mail

info@salamtakafulinsurance.com

Phone: +MD: 0806647 2972 & 08187 194979;

Accountant: 08037 110 777 & 09090 88 1805

- Corporate Head Office: - No. 65 Ibrahim Taiwo Street, Faggae LGA,
Kano.
- Branch Office: - No. 3 Abba Gana Street, Garki II, Abuja.
- Independent Auditors: - James Amana & Co
No. 5 Firoro Road,
Ungwan Boro,
Sabo-Tasha, Kaduna.
Kaduna State
- Bankers- - Sterling Bank Plc
Niger street Kano
- Taj Bank
73 Ralph Shodeinde Street, Central
Business District, ABUJA- FCT.
- Jaiz Bank
73 Ralph Shodeinde Street, Central
Business District Abuja - FCT
- Regulatory Authority: - National Insurance Commission (NAICOM)
Plot 1239, Ladoke Akintola, Boulevard,
Garki Abuja
- Tax Authority: - Federal Inland Revenue Service,
No 1 Zaria Road, Kano1 MSTO, KANO
- Retakaful Companies: - African Reinsurance Corporation, Cairo –
Egypt.
WAICA Reinsurance Corporation Plc,
Freetown - Sierra Leone.
ZEP-RE (PTA Reinsurance Company),
Khatoum- Sudan.
- Actuary: - O & A Hedge Acturial Consulting
Suite 21, 1st Floor, Motorways Centre
Motorways Avenue Alausa, Ikeja Lagos,
Nigeria.

Board of Directors

Musbahu Muhammad Bashir	- Chairperson – Appointed June 20 th 2016
Adekunle Abdulrafiu Kasim	- Managing Director – Appointed March 6 th 2019
Ummahani Ahmad Amin	- Director – Appointed April 12 th 2018
Nura Mohammed Dankadai	- Director – Appointed April 12 th 2018
Surayyah Muktar Hanga	- Director – Appointed June 20 th 2018
Fatima Zarah Bashir	- Director – Appointed June 20 th 2018
Jamil M. Hassan	- Independent Director – Appointed April 12 th 2018

Management Team:

Adekunle A. Kasim	- Managing Director/CEO
John Johnson	- AGM Administration & Operation
Naif Hassan	- Snr Mgr General Takaful
Is'hag Abolore Afolabi	- Snr Mgr Life Takaful
Hussaina Umar Yuguda (Barr)	- Mgr Compliance
Juliet Aliyu (Mrs)	- Manager HR
Gerald Mirilla	- Manager IT
Shittu Kafilat Gbemisola (Mrs)	- Manager I Mkting
Yaya Aminu Abubakar	- Manager I Mkting
Haruna I. Osumah	- Asst Mgr Finance & Accounts

Directors' Report

The Directors have the pleasure in presenting their report on the affairs on Salam Takaful Insurance Co. Ltd together with the audited financial statements and auditors for the year ended 31st December, 2020.

1. Legal form

Salam Takaful Insurance Co. Ltd was incorporated 20th June, 2016 by the Corporate Affairs Commission. On 10th February 2020, the National Insurance Commission granted the company license to engage in composite Takaful operations. Furthermore. On 10th February 2020 it was granted approval to commence business on the following general & family products respectively.

GENERAL PRODUCTS:

Salam Household Takaful Policy	Salam Erection All Risk Takaful Policy
Salam Public Liability takaful	Salam Machinery Breakdown Takaful
Salam Employer's Liability Takaful Policy	Salam Consequential Loss Takaful
Salam Group Personal Accident Takaful P.	Salam Money in Transit Takaful
Salam All Risk Takaful Policy	Salam Motor (Commercial) Takaful
Salam Electronic Equipment Takaful Policy	Salam Motor (Private) Takaful
Salam Tricycle Takaful Policy	Salam Professional Indemnity Takaful
Salam Fidelity Guarantee Takaful	
Salam Goods in Transit Takaful Policy	
Salam Fire and Special Perils Takaful Policy	
Salam Contractor's All Risk Takaful Policy	
Salam Burglary & House Breaking Takaful	

FAMILY PRODUCTS:

Salam Group Family Takaful Policy
Salam World Traveler Care Takaful Policy
Salam Credit Family Takaful Policy
Salam Umrah and Ziyarah Takaful Policy
Salam Mortgage Takaful Policy

2. Operating results:

The following is a summary of the Company's operating results:

	31ST DECEMBER, 2020	
	Family Takaful	General Takaful
	₹	₹
Attributable to participants' funds:		
Gross contribution written	17,570,130	69,213,757
Changes in Uearned Contributions Reserve	(3,923,374)	(31,662,230)
Changes in Family Individual Life Fund	(3,275,114)	-
Takaful contributions Earned	10,371,642	37,551,527
Retakaful share of contributions	(3,213,497)	(11,391,276)
Net Earned contributions	7,158,145	26,160,252
Fee & Commission Income	927,195	2,085,912
Gross Takaful Income	8,085,340	28,246,163
Takaful Expenses:		
Claim Expenses	-	(12,496,167)
Direct Charges on risk Fund	(184,464)	(707,099)
Total Takaful Expenses	(184,464)	(13,203,265)
	7,900,876	15,042,898
Underwritten Movement:		
Underwritten Expenses	(4,148,657)	(15,020,611)
Underwritten Profit	3,752,219	22,287
Profit/(Loss) after Zakat and Taxation	3,752,219	22,287

Directors' Report Contn.

3. Statement of Director's Responsibility on the Financial Statements

Section 334 and 335 of the Companies and Allied Matters Act CAP C20 LFN 2004; require the directors to prepare financial statements for each financial year that give a true and fair view of the state of the financial affairs of the company at the end of each financial year and its profit or loss and cash flows.

The directors are also to ensure that the statement comply with the provision of the applicable provision of the Insurance Act: 2003 and the companies and Allied Matter act CAP C20 LFN 2004.

These responsibilities include ensuring that the company:

- a. Keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the company and comply with requirement of companies and allied matters Act of 2003.
- b. Establish adequate internal controls to safeguard its assets and to prevent fraud and other irregularities.
- c. Prepare its financial statements using suitable accounting policies supported reasonable and prudent judgements.

The directors accept responsibility for the annual statement, which have been prepared using appropriate accounting policies supported by reasonable prudent judgement and estimates, in conformity with:

- International Accounting Standard
- Relevant guideline issued by NAICOM
- ..The requirement of insurance Act 2003
- The requirements of the companies and allied matters Act

The directors are of the opinion that the financial statement given a true and fair view of the state of the financial affairs of the company and of its profit for the year. The directors also accept responsibility of the maintenance of accounting records that may be relied upon in the preparation of financial statements as well as adequate systems of internal control.

Nothing has come to the attention of the directors to indicate that the company will not remain a going concern for at least the next twelve months from the date of this statement.

Directors' Report Contn.

4. Directors/Advisers

The following directors served during the year ended 31st December, 2020:

Alhaji Musbahu Muhammad Bashir	-	Chairman
Adekunle Kassim Abdulrafiu	-	Managing Director/CEO
Ummahani Ahmad Amin	-	Non- Executive Director
Nura Mohammed Dankadai	-	Non- Executive Director
Surayyah Muktr Hanga	-	Non- Executive Director
Fatima Zarah Bashir	-	Non- Executive Director
Jamil M. Hassan	-	Independent Director

Advisory Council of Experts (ACE) members:

Prof. Younes Soualhi	Chairman
Prof Ibrahim Muhammad,	Member
Dr. Mansur Isa Yelwa,	Member
Alh. Inaoliji-Tella Gbade	Member

Company Secretary/Legal adviser:

The Metropolitan Law Firm.
No. 11 Sani Zangon Daura Estate, Kado, Abuja

Registered Office:

No. 12A Yalinga Street,
Wuse II, Abuja.

Auditors:

James Amana & Co.
Chartered accountants,
No. 5 Firoro Road
Ungwan Boro
Sabo-Tasha
Kaduna.

5. Directors' Interest**a. Directors Shareholding**

The direct interests of the directors in the issued share capital of the Company as at 31st December 2020

SIGNIFICANT SHAREHOLDERS (Owning 3% and Above)			
Name of shareholders	No. of Shares	Amount =N=	% of Amount
ALHAJI (DR.) MUSBAHU MOHAMMAD BASHIR	180,700,001	180,700,001	86.05
UMMAHANI AHMAD AMIN	21,000,000	21,000,000	10.00
ADEKUNLE ABDULRAFIU KASIM	6,300,000	6,300,000	3.00

Other shareholders (Owning less than 3%)			
Name of shareholders	No. of Shares	Amount =N=	% of Amount
ZARAH FATIMA M. BASHIR	999,999	999,999	0.48
SURAYYAH ABBAS SULEIMAN	999,999	999,999	0.48
MOHAMMED ABBAS SULEIMAN	1	1	0.00
Total	210,000,000	210,000,000	100

b. Analysis of Shareholding

The ordinary shareholding structure of the company as at 31 December, 2020 is as follows:-

Range of S/holding	No. of Shareholders	No. of Shares of	Percentage (%) Shareholding
1 – 100,000,000	1	29,299,999	13.95
100,000,001– 3,000,000,000	5	180,700,001	86.05
Total	6	210,000,0000	100

6. Human Resources

a. **Employment of Disabled Persons**

It is the policy of the company that there is no discrimination in considering applications for employment including those of physically challenged persons. All employees whether physically challenged or not are given equal opportunities to develop their knowledge and qualify for promotion in furtherance of their careers.

b. **Employees involvement and training**

The company is to keep employees fully informed as much as possible regarding the company's performance and progress. Views of employees are sought where practicable on matters which particularly affect them as employees. The company runs an open-door management policy.

Management, professional and technical expertise are the company's major assets and investment in developing such skills is continuous.

c. Employee Analysis

The average number of employees during the year ended 31st December,

2020 vis-à-vis total work force is provided below:

Executive Director	1
Independent Director	1
Non-Executive Director	5
Management /Permanent Staff	9
Management Staff	3
Support Staff	52
Total	<u>71</u>

d. Employees Health, Safety and Welfare at work

The company maintains business premises designed with a view to guaranteeing the safety and healthy living conditions of its employees and customers alike. Employees are adequately insured against occupational and other hazards. Financial provision is also made for all employees in respect of transportation, housing, medical expenses and meals.

The company operates a contributory pension plan for the benefit of its employees.

7. Property, Plant and Equipment

- a. Movements in property, plant and equipment are shown in note 8 on page 45 of the financial statements
- b. Intangible assets Computer Software

Movements in intangible assets-computer software are shown in note 7 on page 44 of the financial statements.

8. Audit Committee

As at the date of this report Audit Committee has not been constituted.

The function of the audit committee is as stated in section 359(6) of the Companies and Allied Matters Act, CAP

C20 LEN 2004.

9. Auditors

Messrs. Amana & Co. (Chartered Accountants) have been appointed as statutory auditors in 2020 as required by the relevant section of the company and allied matters Act CAP C20 LFN 2004.

The Metropolitan Law Firm.
Company Secretary
FRC/2020/002/00000021638

Directors' Report Contn.

Introduction

The Board of directors have pleasure in presenting a Corporate Governance Report of Salam Takaful Insurance Ltd together with the audited financial statements and the auditor's report for the year ended 31st December 2020.

The Board of Directors

Salam Takaful Insurance Co. Ltd, Is governed by the board of directors and they have the ultimate responsibility to provide entrepreneurial leadership for the company within a framework of prudent effective controls, set the company's strategic direction, objectives values and standards and ensure that the necessary financial material and human resources are in place for the company to meet its objectives and review management performance and ensure that its obligations to shareholders and other stakeholders are understood and met.

Responsibilities of the Board of Directors

- Determine board structure, size and composition, including appointment and removal of directors, succession planning for the board
- Approval of resolutions and corresponding documentation for shareholders in general meeting(s), shareholders circulars, prospectus and principal
- Approval of the company's strategy, medium and short-term plan
- Approval of mergers and acquisitions, branch expansion and establishment of subsidiaries
- Approval of policy documents on significant issues including enterprise risk management, human resources, corporate governance
- Approval of remuneration policy and packages of the company
- Recommendation to shareholders of the appointment, removal and the remuneration of auditors.

The Board of Directors performs its functions either as a full Board or through the established Committees of the Board:

Without prejudice to the roles of these committees, the full board retains ultimate responsibility for the management of risk of the organisation and the committees meet at least once in a quarter and present their reports on the board.

BOARD MEETINGS ATTENDANCE

The following table shows frequency of the meeting of Board of Directors during the financial year ended December, 2020

S/N	Directors	23 rd July, 2020	28 th July, 2020
	Alhaji Musbahu M. Bashir	√	√
	Adekunle Kasim	√	√
	Hajia Ummahani Ahmad	√	√
	Jamil M. Hassan	√	√
	Zarah Fatima M. Bashir	×	√
	Surayyah Muktar Hanga	×	√
	Nura Mohammed Dankadai	×	×

3. Accountancy and Audit

a. Financial reporting

The Board of Directors is responsible for the preparation of financial statements of the company and ensures that the financial statements are prepared in accordance with statutory requirements and applicable financial reporting standards, They also ensure timely publication of the financial statements to enhance accurate and continuous disclosure of information to all stakeholders.

b. Management provides the board of directors with regular financial updates to enable them give a balanced and understandable assessment of the company's position b
The Internal Control and Risk Management

The board of directors is responsible for reviewing the effectiveness of the company's internal controls and ensuring that the controls are functional and effective.

4. Management Committee

The management Committee comprise the senior management of the company and has been established to identify, analyze, and make recommendation on risks arising from day-to-day activities. They also ensure that risk limit as contained in the Board and Regulatory policies are complied with. Members of the management committee make contributions to the respective Board Committee and also ensure that recommendation of the Board Committee is effectively and efficiently Implemented. They meet weekly and frequently as the need arises.

5. Company Secretary/Legal Adviser

The Secretary plays a role in the company's corporate governance and is responsible to the board of directors in respect of compliance with the board procedures and ensuring good information flows within and between the board members and management.

6. Certification

The board of directors accepts responsibilities for the financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates in conformity with the Accounting & Auditing organisation for Islamic Financial Institutions Standards (AAOIFI,s), International Financial Reporting standards (IFRS), National Insurance act, 2003.

The Board of Directors also accepts responsibility for the maintenance of accounting records that may be relied upon in preparation of financial statement as well as adequate system of internal financial control

The board of directors are of the opinion that the financial statements give a true and fair view of the state of the financial position of the company and of its statement of Financial Performance.

Nothing has come to the attention of the board of directors to indicate that the company will not remain a going concern for at least twelve months from the date of this statement.

Statement of Directors' Responsibilities in Relation to the Financial Statements


The directors accept responsibility for the preparation of the annual financial statements that give a true and fair view of the statement of financial position of the company at the end of the year and of its comprehensive income as required by the Company and Allied Matter Act Nigeria and Insurance Act of Nigeria. The responsibilities include ensuring that the Company:

1. Keep proper accounting records that disclose with reasonable accuracy, the financial position
2. Establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities
3. Prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates, which are all consistently applied.
4. The Directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates in conformity With:
 - Accounting & Auditing Organization for Islamic Financial Institutions Standard (AAOIFIs)
 - International Financial Reporting Standards (IFRS) as issued by the International Accounting _ Standards Board
 - The requirements of the Insurance Act:
 - Relevant guidelines and circulars issued by the National Insurance Commission (NAICOM)The requirements of the Companies and Allied Matters Act. Financial Reporting Council Act of Nigeria

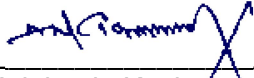
The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements as well as adequate systems of internal control.

Nothing has come to the attention of the directors to indicate that the company will not remain a going concern for at least twelve months from the date of this statement.

By order of the Board



Alhaji Musbahu M. Bashir
Chairman
FRC/2021/003/00000023366



Adekunle Kasim
Managing Director/CEO
FRC/2015/CIIN/00000011607

Report of Audit Committee

We have examined the Auditor's Report for the year ended 31st December, 2020 in accordance with the provisions of Section 359 of the Companies and Allied Matters Act Cap Laws of the Federation of Nigeria 2004.

It is our opinion that the Audit report is consistent with our view and scope of planning of the Audit. The Management Letter prepared by the External Auditors has received adequate and satisfactory responses from the Company's Management. Furthermore, we are satisfied that the Company's Accounting Policies are in conformity with the statutory requirement and agreed ethical practices.



Jamil M. Hassan
Chairman, Board Audit Committee

Members of the Audit Committee

Jamil M. Hassan	Chairman
Fatima Sarah Bashir	Member
Surayyah Muktar Hanga	Member
Nura Muhammad Dankadai	Member

Report of the Advisory Council of Experts (ACE)

We, the members of Salam Takaful Insurance Advisory Council of Experts (ACE) hereby witness that in line with the code of conduct guiding our advisory function, we have reviewed all the activities, policies and transactions made by Salam Takaful Insurance Co. Ltd during the year ending 31st December, 2020 and confirm same to be in compliance with Shariah principles. The Salam Takaful Insurance has committed itself to the principles and rules of the Shariah in their decisions, directives and management,

The management of the Company is responsible for ensuring that the Company conducts its business in accordance with the principles of Shariah. It is our responsibility to form an independent opinion, based on our review of the operations of the Company.

In our opinion:

1. The contracts used by the Company during the year ended 31 December 2020 are in accordance with the templates approved by ACE;
2. The contracts, transactions and dealings entered into by the Company during the year ended 31 December 2020 that we have reviewed are in compliance with the principles of Shariah.
3. The allocation of profit distribution between the Shareholder's Fund, Participants' Investment Fund and Participants' Risk Fund conform to the basis that had been approved by us in accordance to the principles of Shariah; and
4. All earnings that have been realised/unrealised from sources or by means prohibited by the principles of Shariah and the remedial action plans are disclosed.

This opinion has been rendered based on information provided by the Management. We, the Members of the ACE, do hereby confirm, to the best of our knowledge and understanding, that the operations of the company for the year ended 31 December 2020 have been conducted in conformity with the Principles of Shariah.

The ACE wishes to thank the Board of Directors, Management and Staff of Salam Takaful Insurance Co. Ltd for their cooperation with the ACE, and their commitment to the ideals of Takaful practices. The ACE prays to Almighty Allah to grant Salam Takaful Insurance Co. Ltd every success.

Dated: 31st December, 2020,

Prof. Younes Soualhi.

Chairman



Prof Ibrahim Muhammad.

Member



Dr. Mansur Isa Yelwa.

Member



Alh. Inaoliji-Tella Gbade.

Member



Management's Discussion and Analysis

Management's Discussion and Analysis is provided to assist readers in understanding our financial performance during the periods presented and significant trend which may impact our future performance. This discussion should be read in conjunction with our financial Statements and the related notes thereto included elsewhere in this Annual Report.

It is intended to enhance the understanding of the audited financial statements and accompanying notes and should therefore be read in conjunction with these documents.

Business Objective and Strategy

The Company is registered and incorporated in Nigeria as a Takaful Insurance which is based on the Islamic profit sharing of Mudarabah principles. The Company provides both General and Family Takaful Products in Nigeria with the insight of expansion in West Africa as International Leader in Takaful insurance. To achieve this, it is the company's wish to strengthen service delivery through the deployment of modern Information Technology techniques and branch/agency network expansion. Intensification of direct and indirect marketing activities by awareness creation amongst others will also contribute to the achievement of target

Mission

To achieve stakeholders' expectations through developing diversified range of Takaful products and services, delivery quality customers services designing innovative products and settling claims fairly and promptly.

Vision

Takaful Services in Nigeria

To be the Takaful operator of 'First Choice' through the provision of value-added Takaful services.

Operating results:

The following is the summary of the Company's operating results;

	Share Holders	Family Takaful	General Takaful
	RM	RM	RM
Attributable to participants' funds:			
Gross contribution written	-	17,570,130	69,213,757
Changes in Unearned Contributions Reserve		(3,923,374)	(31,662,230)
Changes in Family Individual Life Fund		(3,275,114)	-
Takaful contributions Earned	-	10,371,642	37,551,527
Retakaful share of contributions	-	(3,213,497)	(11,391,276)
Net Earned contributions		7,158,145	26,160,252
Fee & Commission Income	-	927,195	2,085,912
Gross Takaful Income		8,085,340	28,246,163
Claim Expenses	-	-	(12,496,167)
Direct Charges on risk Fund		(184,464)	(707,099)
Total Takaful Expenses	-	(184,464)	(13,203,265)
		7,900,876	15,042,898
Wakalah Fee Income	19,169,268		
Underwritten Expenses	(7,548,997)		
Underwritten Expenses		(4,148,657)	(15,020,611)
Underwritten Profit	11,620,271	3,752,219	22,287
Investment Income	-	-	-
Management Expenses	(263,562,542)	-	-
Profit/(Loss) before Zakat and Taxation	(251,942,272)	3,752,219	22,287
Taxation	(1,744,229)	-	-
Profit/(Loss) after Zakat and Taxation	(253,686,501)	3,752,219	22,287
Assets			
Cash and cash equivalent	46,243,499	11,706,638	28,896,225
Takaful receivables	-		1,137,257
Retakaful contract assets	-	1,360,236	6,422,527
Deferred acquisition cost	5,589,352		
Prepayments and other receivables	5,856,687	479,109	408,595
Prepaid wakalah fee	-	2,879,395	12,664,892
Property, plant and equipment	17,394,788	-	-
Statutory deposit	210,000,000	-	-
Total Assets	285,084,326	16,425,378	49,529,496
Liabilities and Equity			
Liabilities			
Takaful contract liabilities	-	7,198,487	42,595,346
Takaful payables	-	4,841,874	5,490,055
Other payables and accruals	10,484,128	632,797	1,421,808
Deferred wakalah fee	15,544,287	-	-
Taxation	1,744,229	-	-
Deposit for Share	300,998,183		
Total Liabilities	328,770,827	12,673,158	49,507,209
Equity			
Share capital	210,000,000	-	-
Contingency Reserve	-	562,833	2,076,413
Retained earnings	(253,686,501)	3,189,386	(2,054,126)
Shareholders' Fund	(43,686,501)	3,752,219	22,287
Total Equity and Liabilities	285,084,326	16,425,378	49,529,496

Liquidity, Capital Resources & Risk Factors

The company's cash investment continues to be in accordance with its investment policy and complies with the regulatory requirements. -The Company's investment strategy is supported by a focus on highly liquid Islamic financial instrument such as mudarabah term deposit. We expect our investment income to grow considerably in the years as we are poised to take advantage of the other investment product. in Islamic financing such as sukuk etc

Internal Control over Financial Reporting

Management is also responsible for establishing and maintaining adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standard (IFRS).

It should be recognized that due to inherent limitations, any controls, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and may not prevent or detect misstatements. Projections of any evaluations of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Additionally, management is required to use judgement in evaluating controls and procedures.

Risk Analysis and Evaluation

Risk analysis helps in making informed decisions with respect to which risk response to adopt and what method to use. The Company consider risks based on the combination of the consequence of occurrence (severity) and likelihood of occurrence (frequency), respectively. Risk evaluation involves comparing the level of risk found during the analysis process with the risk criteria established.

The Company Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company Audit Committee is assisted in its oversight role by Internal Audit. internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Company has exposure to the following risks from its use of financial instruments:

- i Insurance risk
- ii Credit risk
- iii. Liquidity risk
- iv Market risk
- v Operational risk
- vi Shariah risk
- vii Compliance risk

Independent Auditors' Report
the Members of Salam Takaful Insurance Co. Ltd
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Salam Takaful Insurance Co. Ltd, which comprise the statements of financial position as at 31st December 2020 the statements of financial performance and other comprehensive income and statement of cash flows for the year ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements give a true and fair view of the financial position of Salam Takaful Insurance Co. Ltd as at 31st December 2020, and its financial performance and cash flows for the year then ended in accordance with the International Accounting Standards as issued by the International Accounting Standards board (IASB), Companies and Allied Matters Act CAP C20 LFN 2004 and the Financial Reporting Council of Nigeria Act No. 6, 2011.

Basis of 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 to the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and other independence requirements applicable to performing audits of Salam Takaful Insurance Co. Ltd. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing the audit of Salam Takaful Insurance Co. Ltd. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters (KAM)

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Key Audit Matters	How the matters were addressed in the audit
	Our audit procedures amongst others include:
The Company incurred huge net losses of about N253m	<ul style="list-style-type: none"> ❖ We re-evaluated management's use of Going – Concern in the preparation of financial statements ❖ We discussed with management on how future funding is expected to offset these huge losses and ability to carry on business

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement in the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

In connection with our audit of the financial statements, our responsibility is to read the other information 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.

The directors are responsible for the other information. The other information comprises the Director's Report, Corporate Governance Report, and Report of the Audit Committee as required by the Companies and Allied Matters Act, CAP C20, Law of the Federation of Nigeria 2004, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. Other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of financial statements, our responsibility is to read the other information 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 obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the relevant standards issued by the Financial Reporting Council of Nigeria, the provisions of the Companies and Allied Matters, CAP C20 Laws of the Federation of Nigeria 2004 and for such internal control as the Directors determine necessary to the presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances/ but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Conclude on the appropriateness of the directors' 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 Funds 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.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the funds audit. We remain solely responsible for our audit opinion.

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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

In our opinion, proper books of account have been kept by the Fund, so far as appears from our examination of those books; The Company's statements of financial position and statement of financial performance and other comprehensive income are in agreement with the books of account,



James Amana
FRC/2013/ICAN/000000003472
For James Amana & Co
Chartered Accountants



Kaduna, Nigeria
Dated

Accounting Policies

The discussion and analysis of financial condition and results of operations are based upon our financial Statements, which have been prepared in accordance with International Financial Accounting Standards (IFRS) & Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). The preparation of these financial Statements requires to make estimates and judgments that affect the reported amounts of assets, liabilities, contributions and expenses and related disclosures, We evaluate our estimates on an ongoing basis, based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, Actual results may differ from these estimates under different assumptions or conditions.

Forward looking Statements

Certain information contained in this discussion is or may be considered forward-looking Forward " looking Statements are those not based on historical information, but rather, relate to future operations, strategies financial results, or other developments, and contain terms such as "may,' 'expects, ' should," "believes," 'anticipates," intends, "estimates, " 'projects," "goals, " "objectives" or similar expressions.

Forward-looking Statements are based upon estimates and assumptions. These statements may change due to business uncertainties, economic uncertainties, competitive uncertainties and other factors, many of which are beyond our control. Additionally, our business decisions are also subject to change. We do not publicly update or revise any forward-looking statements as a result of new information, future developments or otherwise.

On our own part, the Company is making plan to introduce more Takaful products into the Nigeria market especially in the area of Agric Takaful based products and economic viable products to meet the ordinary Nigerian demand. The Company also hope to take full advantage of the enforcement of compulsory insurance by the Regulator (NAICOM) and to partner with both the Commission (NAICOM) and Takaful Company(ies) in creating more awareness about the Takaful Insurance industry in the Country. .

Performance Management

The company will continue with its quarterly nationwide performance review as a means of focusing and driving marketing activities. This will also aid in monitoring and matching actual performance with budget.

Accounting Policies

1.0 Reporting Entity

Salam Takaful Insurance Co. Limited was incorporated as a Private Limited Liability Company with the Corporate Affairs Commission (CAC.) on 20th day of June, 2016 and got operational License with National insurance Commission (NAICOM) on 10th February, 2020. The company in February 2020 got approval of its products and commences business on 9th March, 2020 in the Abuja office same year by National Insurance Commission (NAICOM) as composite Takaful Operator to transact both Family & General insurance businesses.

The principal activities of the Company include the provision of both General & Family Takaful Insurance services, claim settlement, undertaking investment activities as well as profit sharing to the participants.

The Contract of Takaful as a business venture is based on the Islamic profit sharing of Mudarabah principle. In this regard, clients of Takaful known as Participants shall be entitled to earn returns on the Contributions (premium) paid in consideration for their participation in Takaful products provided by Salam Takaful Insurance Co. Ltd subject to the declaration of profit at the end of the financial year.

The following is a summary of the significant accounting policies adopted by the Company in the preparation of its financial statements.

1.1 Basis of Accounting

The financial statements have been prepared in accordance with:

- International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).
- Financial Reporting Council of Nigeria Act,
- The Insurance Act of Nigeria
- National Insurance Commission (NAICOM) guidelines and circulars.
- Accounting and Auditing Organization for Islamic Financial Institution Standards (AAOIFI)
- The Requirements of the Companies and Allied Matters Act.

1.2 Going Concern

These financial statements have been prepared using appropriate accounting policies, supported by reasonable judgments and estimates. The directors have a reasonable expectation, based on an appropriate assessment of a comprehensive range of factors, that the Company has adequate resources to continue as going concern for the foreseeable future

Accounting Policies

1.3 Reporting Currency

These financial statements are presented in Nigerian Naira (N), which is the Company's functional and presentation currency.

1.4 Basis of Measurement

These financial statements have been prepared under the historical cost convention, modified by the valuation of investment property, available-for-sale financial assets insurance liabilities, and financial assets and liabilities designated at fair value.

1.5 Takaful Insurance Model and Contract Adopted

The Company chosen model is hybrid which is based on AI-Mudarabah (Partnership) and AI-Wakalah (Agency). This model promotes the cooperative risk sharing among Participants whilst the Company earns a fee for the services provided as agent or "Wakil" of participant In other words, the Company derives part of its revenue from upfront deductible fee on the contributions.

In addition, there is profit sharing on AI-Mudarabah on the investment of the Takaful fund between the Company and the Participants. Underwriting surplus of the Takaful pool will be shared among Participants that have not incurred any losses.

The Following are the fee Earn by the Operator on each product of General and Family. Takaful Business and the Profits Sharing on AI-Mudarabah between the operator and the participants:

Product Class	AI-Wakalah (Agency)	AI-Mudarabah (Partnership)
1. Motor Takaful	20%	80%
2. General Takaful		
3. Credit Family	20%	80%
4. Mortgage Takafu	20%	80%
5. Fire Takaful	20%	80%
6. Engineering Takaful	20%	80%
7. Group Family	20%	80%
8. Education Takaful	20%	80%
9. Salam Comfort	20%	80%
10. World traveler Takaful	20%	80%
11. Salam comfort save	20%	80%
12. Hajj & Umarah	20%	80%
13. Salam Group Mortgage	20%	80%
14. Salam Comfort Plus	20%	80%

Accounting Policies

1.6 Use of Estimates and Judgement

The preparation of financial statements is in conformity with IFRSs which requires management to make judgement, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances; the result of which basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods. Information about significant areas of estimation of uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in note to the financial statements.

Property, Plant and Equipment

I Recognition and Measurement

Items of property and equipment are carried at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Any gain or loss on disposal of an item of property and equipment is recognized in profit or loss.

ii Depreciation

Depreciation is calculated to write off the cost of items of property and equipment less estimated residual value using the straight-line method over the estimated useful lives, and is generally recognized in profit or loss, The estimated useful lives of significant items of property and equipment for current and comparative periods are as follows:

Category	Depreciation (%)
Motor Vehicle	25
Computer Equipment	25
Building	2
Furniture & fittings	20
Intangible	10

iii. De-recognition

An item of property and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal Any gain or loss arising on

Accounting Policies

derecognition of the asset (calculated as the difference between the net disposed proceeds and the carrying amount of the asset is included in profit or loss in the year the asset is derecognized.

iv. **Reclassification to Investment Property**

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising on this remeasurement is recognized in profit or loss to the extent that it reverses a previous impairment loss on the specific property with any remaining gain recognized in and presented in the revaluation reserve. Any loss is recognized in profit or loss.

1.8 **Intangible Assets**

Intangible assets comprise computer software including cost of software development and are stated at cost less accumulated amortization and any accumulated impairment losses.

Intangible assets are amortized from the date that they are available for use. Software under development is not amortized until the assets are ready for its intended use.

Amortization is recognized in profit and loss on a straight-line basis over the expected useful economic life of computer software of between 1 to 3 years.

Amortization methods, useful lives and residual values are reviewed at the end of each period and adjusted, as appropriate.

1.9 **Takaful Receivables**

Takaful receivables are recognized when due and measured on initial recognition at the fair value of the consideration received or receivable. Subsequently to initial recognition, takaful receivables are measured at amortized cost, using the effective profit method.

1.10 **Deferred Acquisition Costs (DAC)**

Commissions and other acquisition costs that vary with and are related to securing new contracts and renewing existing contracts are capitalized as an intangible asset (DAC). All other costs are recognized as expenses when incurred. The DAC is subsequently amortized over the life of the contracts as follows:

For long-term insurance contracts with fixed and guaranteed terms, DAC is amortized in line with premium revenue using assumptions consistent with those used in calculating future policy benefit liabilities; and For long-term insurance contracts without fixed terms, DAC is amortized over the expected total life of the contract Company as a constant percentage of estimated gross profit margins (including investment income) arising from these contracts. The pattern of expected profit margins is based on historical and anticipated future experience and is updated at the end of each accounting period. The resulting change to the carrying value of the DAC is charged to revenue.

Accounting Policies

1.11 Liability Adequacy Test

At each end of the reporting period, liability adequacy tests are performed to ensure the adequacy of the contract liabilities net of related Deferred Acquisition Cost (DAC) and Value of Business Acquisition (VOBA) assets. In performing these tests, current best estimates of future contractual cash flows and claims handling and administration expenses, as well as investment income from the assets backing such liabilities, are used. Any deficiency is immediately charged to profit or loss initially by writing off DAC

or VOBA and by subsequently establishing a provision for losses arising from liability adequacy tests (the unexpired risk provision)

As set out in (a) above, long-term insurance contracts with fixed terms are measured based on assumptions set out at the inception of the contract-. When the liability adequacy test requires the adoption of new best estimate assumptions, such assumptions (without margins for adverse deviation) are used for the subsequent measurement of these liabilities,

1.12 Other Assets

Receivables and other sundry debtors are classified as other assets and are stated at cost less allowances for doubtful amounts. Allowances and write offs are recognized when a receivable is deemed not collectable based on the original terms of the contract. Subsequent recoveries are credited to the statement of comprehensive income. Prepayments are stated at cost net of amortization.

1.13 Cash and Cash Equivalent

Cash and cash equivalents consist of cash on hand balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Company in the management of their short-term commitments.

1.14 Statutory Deposit

Statutory deposit represents a minimum deposit maintained by Takaful Operator, Salam Takaful Insurance Co. Ltd. The amount is held by CBN (Central Bank of Nigeria) pursuant to Section 10(3) of the Insurance Act 2003. Statutory deposit is measured at cost.

1.15 Takaful Product Classification

Takaful contracts are contracts under which the General Takaful Fund and Family Takaful Fund (collectively referred to as "the fund") underwrite/accept significant risks (by pooling the risks in a risk fund) from Participants of the funds ("the participant") by

Accounting Policies

agreeing to compensate the participant or other beneficiary if a specified uncertain future event ("the insured event") adversely affects the participant or other beneficiary, Takaful risk is risk other than financial risk. Financial risk is the risk of possible future change in one or more of a specified financial or non-financial variable. The takaful operator does not sell financial risk contracts.

Contracts where insignificant takaful risks are accepted by the funds are classified as either investment contracts or service contracts. There are currently no such contracts in the funds' portfolios.

Once a contract has been classified as a takaful risk contract, it remains a takaful contract for the remainder of its lifetime, even if the takaful risk reduces significantly during this period, unless all rights and obligations are extinguished or expired.

1.16 Qard

Any deficits arising in the 'Takaful funds are made good via a benevolent loan, or Qard, granted by the Takaful Operator to the Takaful funds. Qard is stated at cost less any provision for impairment losses, In the Takaful funds, the Qard is stated at cost. The Qard shall be repaid from future surpluses of the Takaful funds.

Qard receivables are assessed by Takaful Operator at each reporting date whether there is any Indication of impairment; An impairment loss of Qard is recognized if its carrying amount exceeds its recoverable amount.

The recoverable amount is the net surplus of the Participants' Risk Fund (PRF) or part of the Participants' Risk Fund where the Participants' Risk Fund is managed under smaller sub-funds (PRF). The net surplus of the PRF is the amount of the PRF less the best estimate value of liabilities calculated according to valuation methods prescribed via Guidelines on Valuation Basis of Liabilities for General Takaful Business and Guidelines on Valuation Basis of Liabilities for Family Takaful Business). In deriving the net surplus of the PRF, the value of the PRF should be as at that point in time and there should not be assumption of growth of the PRF.

Impairment losses are recognized in profit or loss. Impairment losses are subsequently reversed in profit or loss if objective evidence exists that the Qard receivable is no longer impaired.

1.16 Provision for Outstanding Claims

A liability for outstanding claims is recognized in respect of direct takaful business the amount of outstanding claims is the best estimate of the expenditure required together with related expenses less recoveries, if any, to settle the present obligation at the end of the reporting period. Any difference between the current estimated cost and subsequent settlement is dealt with in the takaful statement of profit or loss and other comprehensive income of the Company in the year in which the settlement takes place.

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Provision is also made for the cost of claims (together with related expenses) and Incurred but Not Reported Claims (IBNR) at the end of the reporting period, by adding 10% of outstanding claims amount.

1.17 Contribution Liabilities

The unearned contribution reserves ("UCR") represent contributions received after wakalah fee deduction for risks that have not yet expired. Generally, the reserve is released over the term of the contract and is recognized in the statement of profit and loss and other comprehensive income of General Takaful Fund.

In determining the UCR at the reporting date the most prevalent. 1/365 method, is used. At each reporting date, the company reviews its unexpected claims over unearned contributions at portfolio level. This calculation uses current estimation of future contractual losses (taking into consideration current loss ratios) prior to taking account of the contributions at portfolio level. This calculation uses current estimation of future contractual losses (taking into consideration current loss ratios) prior to taking of the investment return expected to arise on sets relating to the relevant General Takaful technical provisions.

1.18 Investment Contracts

Investment contracts are those contracts that transfer financial risk with significant .

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Insurance risk with no significant insurance risk. Investment contracts are measured at amortized cost.

The Participants Investment Funds (PIF) refers to the fund in which a portion of the contributions paid by takaful participants for a takaful certificate is allocated for the purpose of saving and/or investment. The PIF is individually owned by the participants. In managing the PIF, the Company adopted the appropriate investment and management strategies to achieve returns that are in line with the participants reasonable expectations and where relevant, to ensure the availability of funds for future tabarru apportionment into the PRF. The investment risk exposures for the PIF are borne by the participants.

1.19 Commission and Acquisition Cost

In line with Takaful Guidelines issued by NAICOM, Takaful Operators shall bear the costs relating to the operation of the Takaful-Insurance business. These costs include commission paid to intermediaries and agency fees.

Gross commission and agency expenses, which are costs and income derived from retakaful companies in the course of ceding contributions to retakaful are charged to participant account in the period in which they are incurred.

1.20 Wakalah Fee

The Company manages the general takaful operations for the Participants' and charges wakalah fee to Participants' Takaful Fund (PTF) on gross contributions recognized for each class of business to meet the general and administrative expenses of the Company including commissions to agents. Wakalah fee is recognised as income in Shareholders' Fund on the same basis on which the related contribution revenue is recognized. Unearned portion of wakalah fee is recognised as a liability of Shareholders' Fund and an asset of the Participants' Takaful Fund (PTF).

1.21 Retakaful

The Company enters into retakaful treaties in the normal course of business for the purpose of limiting its net loss potential and to reduce significantly the new business strain of the credit-related block of business. Retakaful arrangements do not relieve the Company from its obligations to participants. Retakaful contributions and claim recoveries are presented in profit or loss and statement of financial position.

The company also assumes co-takaful risk in the normal course of business for its General Takaful contracts. Contributions and claims on assumed co-takaful are recognized as revenue or expenses in the same manner as they would be if the co-takaful were considered direct business, taking into account the product classification of the business undertaken. Retakaful assets comprise of the retakaful share of contributions and claims obligations. The assets are subject to impairment test.

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1.22 Retakaful Claims Recoveries

Retakaful recoverable are estimated in manner consistent with time outstanding claims provision and claims incurred associated with the re-insurers policies and are accordance with the related insurance contract. They are measured at their carrying amount less impairment. Amounts recoverable under re-takaful contracts are assessed impairment at each reporting date. If there is objective evidence of impairment the company reduces the carrying of its insurance assets to its recoverable amount.

1.23. Trade Payables

Trade payables are recognized when due and measured on initial recognition at time fair value of the consideration received less directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest rate method. Trade payables are recognized as financial liabilities.

1.24 Impairments

Financial Assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security*. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

In assessing collective impairment, the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

Losses are recognized in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

1.28 Actuarial Valuation

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Actuarial valuation of the life fund is conducted annually to determine the net liabilities on the existing policies and the adequacy of the assets representing the insurance fund as at the date of valuation. All deficits arising therefrom are charged to the statement of profit or loss and other comprehensive income while the surplus is appropriated to the shareholders and credited to the statement of profit or loss and other comprehensive income.

1.26 Employee Benefits/Personnel Expenses**i Short term Benefits**

Short-term employee benefit obligations include wages, salaries and other benefits which the company has a present to pay, as a result of employees' services provided up to the reporting date. The accrual is calculated on an undiscounted basis, using current salary rates. A provision is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the company has a present legal constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Post-Employment Benefits

The company operates a defined contributory retirement scheme as stipulated in the pension reform act 2014. Under the defined contribution scheme, the company pays fixed contributions of 10% to a separate entity- pension fund administrators; employees also pay a fixed contribution of 8% to the same entity. Once the contributions have been paid, the company retains no legal or constructive obligation to pay further contributions if the fund does not hold enough assets to finance benefits accruing under the retirement benefit plan. The company's obligations are recognized in the statement of Profit or Loss and Other Comprehensive Income.

1.28 Profit & Investment Income

Profit & investment income is recognized on a time proportion basis.

1.29 Earnings Prohibited by Shariah

The Company is committed to avoid recognizing any income generated from non-Islamic sources. Accordingly, all non-Islamic income is credited to a charity account where the Company uses these funds for charitable purposes.

1.30 Management Expenses

Management expenses are expenses other than claims, investments and underwriting expenses. They include salaries and wages, depreciation charges and other nonoperating expenses. Management expenses are charged to the Takaful Operator Statement of Comprehensive Incomes in the accounting period in which they are incurred.

Accounting Policies

1.31 Financial Risk Management**1.32 Risk Management Framework**

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Company Audit Committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risk faced by the Company. The Company Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Company has exposure to the following risks from its use of financial instruments:

- Insurance risk
- Credit risk
- Liquidity risk
- Market risk
- Operational risk
- Shariah risk

- Compliance risk

i Insurance Risk

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

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 the amount of claims and benefits will vary from year to year from the level established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected by a change in any subset of the portfolio. -the Company has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently target population of risks to reduce the variability of the expected outcome. Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered

Accounting Policies

ii. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer counterparty to a financial instrument fails to meet its contractual obligations» Key areas where the company is exposed to credit risk

- i. Retakaful Company's share of insurance liabilities;
- ii. Amounts due from reinsures in respect of claims already paid
- iii. Amounts due from insurance contract holders;
- iv. Amounts due from insurance intermediaries;
- v. Amounts due from loans and receivables;
- vi. Amounts due from investment securities: and
- vii. Amounts due from money market. and cash positions

The Company structures the levels of credit risk it accepts by placing limits on its exposure to a single counterparty, or Company of counterparties, and to geographical and industry segments. Such risks are subject to an annual or more frequent review. Limits on the level of credit risk by category and territory are approved quarterly by the Board of Directors.

iii. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure,

as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. The Company does not maintain any lines of credit as it does not envisage any liquidity stress that would stretch its liquidity position.

iv. Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

v. Operational risk

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Operational risk refers to the risk of loss resulting from inadequate or ineffective or failed internal resources (people, processes and systems) or from external events. Operational risk is inherent in all activities of the Company and can transverse multiple activities include outsourcing. It includes a wide spectrum of heterogeneous risks such as fraud, physical damage, business disruption, transaction failures, legal and regulatory breaches, epidemic and pandemic outbreak, as well as employee health and safety hazards. Operational risk may result in direct financial losses as well as indirect financial losses due to reputational damage.

The Company cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Company is able to minimise risks to an acceptable level. Controls include effective segregation of duties, access controls, system validation, enhanced authorization and reconciliation procedures, continuous staff education, appropriate assessment processes, and engagement of internal audit for assurance.

VI. Shariah Risk

Shariah risk is defined as potential Shariah non-compliance that contributes to adverse reputation, financial losses and opportunity costs resulting from ineffective governance, incompetent employees and improper transactional and operational execution. The Company mitigates such risk by initiating, monitoring and adhering to a robust Shariah Risk Management Framework.

Vii. Compliance Risk

Compliance risk is the risk of legal or regulatory sanctions, financial loss or reputational damage which a financial institution may suffer as a result of its failure to comply with legal and regulatory requirements applicable to its activities.

Consequently, the exposure to this risk can damage the Company's reputation, lead to legal or regulatory sanctions and/or financial loss.

The Company has employed a Chief compliance officer to oversee and monitor all compliance aspects in observing the regulatory requirements. In this respect, the Company has developed a Compliance framework and other relevant internal policies

and procedures to ensure compliance with all applicable laws and guidelines issued by the regulatory authorities

1.33 Capital Management

The Boards policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and sustain future development of the business. The Board of Directors Monitors the return on capital, which the company defines as result

Accounting Policies

from operating activities divided by total shareholders' equity, The Board of Directors also monitors Hoe level of dividends to ordinary shareholders.

The solvency margin for the Operator (Shareholding's Fund as at 31st Decemer, 2020 is as follows:

	Total Asset 2020 RM	Admissible Assets RM	Inadmissible Assets RM
Assets			
Cash and cash equivalent	46,243,499	46,243,499	
Deferred acquisition cost	5,589,352	5,589,352	
Prepayments and other receivables			
Receivable from Participant funds	5,727,659	5,727,659	
Prepaid staff medical expenses	129,028		(129,028)
Property, plant and equipment	17,394,788	17,394,788	
Statutory deposit	210,000,000	210,000,000	
Total Admissible Assets		284,955,298	(129,028)
Other payables and accruals	10,484,128	10,484,128	
Deferred wakalah fee	15,544,287	15,544,287	
Taxation	1,744,229	1,744,229	
Deposit for Share	300,998,183		(300,998,183)
Total Admissible Liabilities	328,770,827	27,772,644	(300,998,183)
Solvency Margin		257,182,654	
Minimum Capital Base		(200,000,000)	
		57,182,654	
Solvency Ratio		128.59%	

1.34 Related Parties

These represent transactions with related parties, i.e. parties are considered to be related. one party has the ability to control the other party or exercise significant influence over the other party in financial and operating decisions and directors of the Company and companies which they are key management personnel. Related parties comprise the shareholders, directors, key management personnel and business entities in which they are interested or have the ability to control or exercise significant

influence financial and operating decisions. The transactions entered into on terms and which the directors consider to be comparable with those adopted for arm's length transactions with third parties.

1.35 Shariah Supervisory Board

The Company business activities are subject to the supervision of a Shariah Supervisory Board consisting of three members appointed by the Board of Directors the Shariah Supervisory

Accounting Policies

Board performs a supervisory role in order to determine whether the operations of the Company are conducted in accordance with Islamic Shariah rules and principles.

There were no events that occurred subsequent to the reporting date that require adjustment or disclosures in the financial statements.

- 1.36 There are no comparative figures, this is the first set of financial statements prepared by the company since the commencement of operation on 9th March, 2020 for general and family respectively.

SUPLUS DISTRIBUTION

2.00 General Takaful Fund

The General Takaful Fund is maintained in accordance with the requirement of the NAICOM guideline and consists of accumulated surplus/deficit and actuarial reserves. Any actuarial deficit in the General Takaful Fund will be made good by the Takaful Operator via a Qard. Surplus arising in each financial year is distributable in accordance with the terms and conditions prescribed by the surplus distribution policy, endorsed by the Shariah Committee and Board of Directors and approved by NAICOM

The General Takaful under-writing results are determined for each class of the business after taking into account retakaful, contributions liabilities, claims liabilities, and wakalah fees. To determine the surplus from risks fund, the Qard repayment, as well as Contingency Reserve is taken into consideration

ii Contribution Income

Contribution for direct and co-takaful business is recognized in respect of risk assumed during the particular financial year as soon as the amount be reliably measured based on issuance of certificates, and in accordance with the principles of Shariah as advanced by the company's Shariah Committee. Contributions in respect of risks incepted before the reporting date for which accrued for at the reporting date.

Inward retakaful contributions are accounted for upon notification by the ceding companies or upon receipts of the statement of accounts.

Outward retakaful contributions are recognized in the same financial year as the original certificate to which the retakaful relates

2.1 Family Takaful Fund

The family takaful underwriting results are determined after taking into account contributions, retakaful costs, net benefits incurred and wakalah fees.

Accounting Policies

The family takaful fund is maintained in accordance with the requirements of the NAICOM Takaful guidelines 2013 and includes the amount attributable to participants.

The family takaful fund surplus/deficit is determined by an annual actuarial valuation of the family takaful fund. Any actuarial deficit in the family takaful fund will be made good by the shareholder's fund via a benevolent loan or Qard.

Surplus distributable to the participants is determined after deducting benefits paid and payable, retakaful, provisions, reserves, wakalah fees, taxation and surplus administration charge transferred to the shareholder's fund. The surplus may be distributed to the shareholder and participants in accordance with the terms and conditions prescribed by the Company's ACE.

Family takaful revenue consists of gross contributions and investment income. Revenue is accounted for on accrual basis and as approved by the Company Shariah Committee, Unrealized income is deferred and receipts in advance are treated as liabilities on the statements of financial position.

i Contribution Recognition

Contribution is recognized as soon as the amount of contribution can be reliably measured in accordance with the principles of Shariah. First year contribution is recognized on assumption of risks and subsequent contributions are recognized on due dates. Contributions outstanding at the reporting date are recognized as income for the period provided, they are within the grace period allowed for payment and there are sufficient funds available in the participants' accounts to cover such contributions due.

ii Provision for Outstanding Claims

Claims and settlement costs that are incurred during the financial year are recognized when a claimable event occurs and/or the Company is notified,

Claims and provision for claims arising on family takaful certificates settlement costs, are accounted for using the case basis method, and for this purpose the benefits payable under a takaful certificates are recognized as follows:

Maturity or other certificate benefit payments due on specified dates are treated as claims payable those due date; and

Death, surrender and other benefits without due dates are treated as claims payable on receipt of intimation of death of the certificate holder or occurrence of contingency covered.

3 Events Occurring After the Reporting Period
Coronavirus Disease 2019 ("COVID-19")

Accounting Policies

COVID-19 pandemic has developed rapidly in 2020 and disrupted many business operations around the world. Measures taken by various governments to contain the pandemic, including the imposition of lockdowns and temporary closure of businesses, have affected economic activity.

The Company was not excluded from such measures and had taken a number of steps to monitor and prevent the effects of the COVID-19 within the Company, primarily by imposing

social distancing and "work from home" arrangements for the employees. This required the Company to invest in certain IT related infrastructure and capabilities.

As at the reporting date, the impact of COVID-19 pandemic to the Company's profitability, solvency and liquidity was limited.

The Company's outlook amidst this period is moderately cautious, as it expects a slight reduction in contributions due to the overall slowdown of the economy and marginally higher claims from attritional losses from business interruptions compared to its initial business plan that was prepared in the beginning of the year.

This, however, will be offset by the mitigation plans that the Company has put in place, including accelerating the opportunities to provide new takaful cover to the participants whilst continuously exploring cost containment measures.

Up to the date of the financial statements, the Company has not observed significant impacts arising from the COVID-19 outbreak on the Company's claims performance and, consequentially, to the valuation of Takaful certificate liabilities as at 31 December, 2020.


Consequently, it is not possible to estimate the full impact of the outbreak's short-term and long-term effects on the performance of the Company or the various governments' varying efforts to combat the outbreak and support businesses. Whilst the measures taken by the various governments may not as yet have an immediate and pronounced impact on the insurance industry in particular, it is expected that there may be a knock-on effect on the business operations and performance of the Company in the coming financial years. The Company will continue to monitor the progress of the outbreak and the impact, if any, to the Company's financial statements.


The management is of the view that there were no other matters, other than those described above, arising as a result of the on-going pandemic that would have a significant impact on the carrying values of the Company's assets and liabilities as at 31 December, 2020


STATEMENT OF FINANCIAL POSITION

		Share Holders	Family Takaful	General Takaful	December 31, 2020
	Notes	₦	₦	₦	₦
Assets					
Cash and cash equivalent	4	46,243,499	11,706,638	28,896,225	86,846,362
Takaful receivables	5	-	-	1,137,257	1,137,257
Retakaful contract assets	6	-	1,360,236	6,422,527	7,782,763
Deferred acquisition cost	7	5,589,352	-	-	5,589,352
Prepayments and other receivables	8	5,856,687	479,109	408,595	6,744,392
Intangible asset	9	-	-	-	-
Prepaid wakalah fee	10	-	2,879,395	12,664,892	15,544,287
Property, plant and equipment	11	17,394,788	-	-	17,394,788
Statutory deposit	12	210,000,000	-	-	210,000,000
Total Assets		285,084,326	16,425,378	49,529,496	351,039,200
Liabilities and Equity					
Liabilities					
Takaful contract liabilities	13	-	7,198,487	42,595,346	49,793,833
Takaful investment contract	14	-	-	-	-
Takaful payables	15	-	4,841,874	5,490,055	10,331,929
Other payables and accruals	16	10,484,128	632,797	1,421,808	12,538,733
Deferred wakalah fee	17	15,544,287	-	-	15,544,287
Taxation	18	1,744,229	-	-	1,744,229
Deposit for Share	19	300,998,183	-	-	300,998,183
Total Liabilities		328,770,827	12,673,158	49,507,209	390,951,195
Equity					
Share capital	20	210,000,000	-	-	210,000,000
Share premium		-	-	-	-
Contingency Reserve	21	-	562,833	2,076,413	2,639,246
Retained earnings	22	(253,686,501)	3,189,386	(2,054,126)	(252,551,240)
Shareholders' Fund		(43,686,501)	3,752,219	22,287	(39,911,995)
Total Equity and Liabilities		285,084,326	16,425,378	49,529,496	351,039,200

The financial statement were approved by the Board of Directors of Salam Takaful Co. Nig Ltd in its meeting on/....., 2021 and signed on its behalf by:


Adekunle A. Koro....
Managing Director/CEO
FRC/2015/CIIN/00000011607


Alhaji Musbahu Muhammad Bashir
Chairman
FRC/2021/003/00000023366


Haruna I. Osumah
Chief Financial Officer
FRC/2020/001/00000020800

The notes on pages 44 to 53 form an integral part of these financial statements

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Share Holders	Family Takaful	General Takaful	December 31, 2020
	Notes	₹	₹	₹	₹
Attributable to participants' funds:					
Takaful Income:					
Gross contribution written	23a	-	17,570,130	69,213,757	86,783,887
Changes in Unearned Contributions Reserve	23b		(3,923,374)	(31,662,230)	(35,585,604)
Changes in Family Individual Life Fund	23b		(3,275,114)	-	(3,275,114)
Takaful contributions Earned		-	10,371,642	37,551,527	47,923,170
Retakaful share of contributions	24	-	(3,213,497)	(11,391,276)	(14,604,773)
Net Earned contributions			7,158,145	26,160,252	33,318,397
Fee & Commission Income	25	-	927,195	2,085,912	3,013,107
Gross Takaful Income			8,085,340	28,246,163	36,331,504
Takaful Expenses:					
Claim Expenses	26	-	-	(12,496,167)	(12,496,167)
Direct Charges on risk Fund	27		(184,464)	(707,099)	(891,563)
Total Takaful Expenses		-	(184,464)	(13,203,265)	(13,387,730)
			7,900,876	15,042,898	22,943,774
Underwritten Movement:					
Wakalah Fee Income	28	19,169,268			19,169,268
Underwritten Expenses	29	(7,548,997)			(7,548,997)
Underwritten Expenses	29		(4,148,657)	(15,020,611)	(19,169,268)
Underwritten Profit		11,620,271	3,752,219	22,287	15,394,777
Investment Income	30	-	-	-	-
Management Expenses	31	(263,562,542)	-	-	(263,562,542)
Profit/(Loss) before Zakat and Taxation		(251,942,272)	3,752,219	22,287	(248,167,765)
Provision for Zakat		-	-	-	-
Taxation		(1,744,229)	-	-	(1,744,229)
Profit/(Loss) after Zakat and Taxation		(253,686,501)	3,752,219	22,287	(249,911,995)
Loss per Share		(1.21)			(1.19)

The Statement of significant accounting policies and the accompanying notes to the accounts form an integral part of these financial statements

STATEMENT OF CHANGE IN EQUITY

	Share Holder	Retained Earnings	Participants Funds	Contingency Reserve	December 31, 2020
	₹	₹	₹	₹	₹
At 1 January 2020					
Addition to Paid up Share capital	210,000,000			-	210,000,000
Transfer from profit or Loss	-	(253,686,501)	-	-	(253,686,501)
Shareholder Fund	-	-	-	-	-
Family Takaful	-	-	3,752,219	-	3,752,219
General Takaful	-	-	22,287	-	22,287
Transfer to Contingency reserve	-	-			-
Family Takaful			(562,833)	562,833	-
General Takaful			(2,076,413)	2,076,413	-
Divident/Suplus distribution					-
Shareholder Fund					-
Family Takaful					-
General Takaful	-	-	-	-	-
Underwritten Expenses	210,000,000	(253,686,501)	1,135,261	2,639,246	(39,911,995)

The Statement of significant accounting policies and the accompanying notes to the accounts form an integral part of these financial statements

STATEMENT OF CASH FLOWS

	Share Holders	Family Takaful	General Takaful	December 31, 2020
	₹	₹	₹	₹
Cash flows from operating activities				
Contributions received	-	17,570,130	37,551,527	55,121,657
Retakaful contributions paid	-	(4,573,733)	(17,813,803)	(22,387,536)
Prepayment and other Receivables	(5,856,687)	(479,109)	(408,595)	(6,744,392)
Takaful receivables	-	-	(1,137,257)	(1,137,257)
Takaful payables	-	-	5,490,055	5,490,055
Acquisition Expenses	(5,589,352)	-	-	(5,589,352)
Deferred wakalah fee	15,544,287	(2,879,395)	(12,664,892)	-
Claims paid during the year	-	-	(12,496,167)	(12,496,167)
Retakaful Payables	-	4,841,874	42,595,346	47,437,220
Claims recovered from retakaful	-	-	-	-
Other Payable, Provision and Accruals	10,484,128	632,797	1,421,808	12,538,733
Underwritten Expenses	(7,548,997)	(4,148,657)	(15,020,611)	(26,718,265)
Wakalah fee Income	19,169,268	-	-	19,169,268
Commission	-	927,195	2,085,912	3,013,107
Cash paid to and on behalf of employees	(92,403,451)	-	-	(92,403,451)
Insurance Benefit and Claim paid	-	-	-	-
Other administrative expenses paid	(165,502,729)	(184,464)	(707,099)	(166,394,292)
Net cash used in operating activities	(231,703,534)	11,706,638	28,896,225	(191,100,671)
Cash flows from investing activities				
Acquisition to intangible assets	-	-	-	-
Acquisition to property, plant and equipment	(23,051,150)	-	-	(23,051,150)
Statutory deposit with CBN	(210,000,000)	-	-	(210,000,000)
Net cash used in investing activities	(233,051,150)	-	-	(233,051,150)
Cashflow from financing activities				
Deposit for shares	300,998,183	-	-	300,998,183
Share Capital	210,000,000	-	-	210,000,000
Net cash generated from financing activities	510,998,183	-	-	510,998,183
Net incr./((decr.) in cash and cash equivt.	46,243,499	11,706,638	28,896,225	86,846,362
Cash and cash equivalents at 1 January	-	-	-	-
Cash and cash equivalents at 31 December	46,243,499	11,706,638	28,896,225	86,846,362

The Statement of significant accounting policies and the accompanying notes to the accounts form an integral part of these financial statements

Notes to the financial Statements

	Share Holders	Family Takaful	General Takaful	December 31, 2020
	₹	₹	₹	₹
4 Cash and cash equivalents				
This Comprises of				
Cash at hand		-	-	-
Current accounts balances	46,243,499	11,706,638	28,896,225	86,846,362
Mudarabah Bank Deposits/Placements				-
	46,243,499	11,706,638	28,896,225	86,846,362
5 Trade Receivables				
This comprises of Contribution/fee receivable from the following;				
Due from Family Takaful Fund	-	-	-	-
Due from General Takaful Fund	-	-	-	-
Due from Insurance Brokers	-	-	1,137,257	1,137,257
Retakaful companies	-	-	-	-
Impairment				
	-	-	1,137,257	1,137,257
The Age analysis of outstanding Takaful Receivable for General Takaful Fund is as follows:				
		₹	₹	
Due within 30 days			1,137,257	
Due after 30 days			-	
			1,137,257	
6 Retakaful contract assets				
This is analysed as follows;				
Prepaid Retakaful	-	1,360,236	3,597,638	4,957,874
Claims Recovery	-		2,824,889	2,824,889
		1,360,236	6,422,527	7,782,763
7 Deferred Acquisition Cost				
At 1 January	-			
Addition during the year	13,129,166	-	-	13,129,166
Deffered Acquisition Cost Carried Forward	5,589,352	-	-	5,589,352
Amortised in the year (Note 29.1)	(7,539,814)	-	-	(7,539,814)

Notes to the financial Statements (Cont'd)

	Share Holders	Family Takaful	General Takaful	December 31, 2020
	₹	₹	₹	₹
NOTES TO THE FINANCIAL STATEMENTS				
	Shareholders	Family Takaful	General Takaful	Total
	₹	₹	₹	₹
8 Prepayment & Other Receivables				
a Prepaid staff medical expenses (Note 8.1)	129,028			129,028
Receivables from Retakaful (Note 8.1)	-	479,109.00	408,595.44	887,704
Sundry Debtors	-	-	-	-
Receivable from Participant Funds (Note 6.2)	5,727,659	-	-	5,727,659
Inventory	-	-	-	-
	5,856,687	479,109.00	408,595.44	6,744,392

8.1 Prapayment of N129,028 under Shareholders fund is prepaid medical expenses for staff. The prepaid amount of N479,109 and N408,595.44 under Family and General Fund respectively were erroneous over payments to Retakaful Company that has not be recovered as at 31st December, 2020

8.2 These are Wakalah Fee receivable by the operator as at 31st December, 2020 but has been subsequently cleared in 2021.

9 Intangible Assets

As at Incorporation	-	-	-	-
Additions during the year	-	-	-	-
At 31 December	-	-	-	-

9.2 Accumulated Amortisation/Impairment

	-	-	-	-
	-	-	-	-
Carrying Amount 31 December, 2020	-	-	-	-

The Intangible asset represents computer software acquired and cost of Network connectivity as part of the total asset of the Company

10 Prepaid wakalah fee	2,879,395	12,664,892	15,544,287
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Prepaid wakalah fee are recognised in Statements of Financial Position in order to match them in the period they are incurred. they will be amortised over the term of the various policies and recognised as wakalah expenses and the corresponding "deferred wakalah fee income (Note 15) recognised as Walalah Fee Income in the Statement of Profit or Loss in subsequent period.

Notes to the financial Statements (Cont'd)

	Share Holders	Family Takaful	General Takaful	December 31, 2020	
	₹	₹	₹	₹	
11 Property, plant and equipment				Total	
	Building	Motor Vehicles	Office & Computer Equipment	Furniture & Fittings	
	₹	₹	₹	₹	₹
Cost:					
As at Incorporation		-	-	-	-
Additions during the year		10,000,000	10,922,650	2,128,500	23,051,150
At 31 December 2020	-	10,000,000	10,922,650	2,128,500	23,051,150
Depreciation:					
As at Incorporation					
Additions during the year		2,500,000	2,730,663	425,700	5,656,363
At 1 January 2020		2,500,000	2,730,663	425,700	5,656,363
Netbook Value:					
At 31 December 2020		7,500,000	8,191,988	1,702,800	17,394,788

Notes to the financial Statements (Cont'd)

	Share Holders	Family Takaful	General Takaful	December 31, 2020
	₦	₦	₦	₦
12 Statutory deposits	210,000,000	-	-	210,000,000
Statutory deposit represents the company's deposit with the Central Bank of Nigeria (CBN) in line with Section 10 (3) of Insurance Act 2003 and NAICOM Takaful Operational Guidelines 2013.				
13 Takaful contract liabilities				
Movement in Takaful Insurance contract liabilities				
13.1 Unearned Contributions Reserve (UCR)				
Movement in Unearned Contributions Reserve				
(UCR) (Note 13.1a))		3,923,374	31,662,230	35,585,604
Movement in Outstanding Claim	-	-	925,000	925,000
Movement in Incurred But Not Reported (IBNR) (Note 13.1c))		-	10,008,116	10,008,116
Movement in Family Individual Life Fund (Note 13.1d)		3,275,114		3,275,114
Total Unearned Contributions Reserve (UCR)		7,198,487	42,595,346	49,793,833
13(a) Movement in Unearned Contributions Reserve (UCR)				
At 1 January	-	-		-
Increase/(decrease) during the year	-	3,923,374	31,662,230	35,585,604
At 31 December		3,923,374	31,662,230	35,585,604
13(b) Movement in Outstanding Claim				
At 1 January	-			-
Increase/(decrease) during the year	-		925,000	925,000
At 31 December		-	925,000	925,000
13(c) Movement in Incurred But Not Reported (IBNR)				
At 1 January				
Increase/(decrease) during the year	-		10,008,116	10,008,116
At 31 December			10,008,116	10,008,116
13(d) Movement in Family Individual Life Fund				
At 1 January	-			-
Increase/(decrease) during the year (P or L)	-	3,275,114		3,275,114
At 31 December		3,275,114		3,275,114

Notes to the financial Statements (Cont'd)

	Share Holders	Family Takaful	General Takaful	December 31, 2020
	₹	₹	₹	₹

The Age analysis of outstanding claims for general takaful is as follows:

	₹	₹
0-90 days		925,000
91-180 days		-
181-270 days		-
366 days and above		-
		<u>925,000</u>

Analysis of claims reported & IBNR by class for general takaful business

	Claim reported	IBNR	Total
Fire & Special Peril	100,000	5,559,879	5,659,879
Commercial Vehicle	825,000	3,736,100	4,561,100
Engineering		2,209	2,209
General Accident		694,246	694,246
Marine Cargo		15,682	15,682
	<u>925,000</u>	<u>10,008,116</u>	<u>10,933,116</u>

- 14 Investment Contract Liability
Movement in Investment contract liabilities is as follows
Balance as at beginning of the year
addition
withdrawal
Acturial Valuation adjustment
Balance as at the end of the year

15 Takaful Payables

Payable to shareholders (Note 15.1)	-	4,726,983	1,000,677	5,727,659
Commission payable	-	114,891	328,994.39	443,886
Retakaful Payables	-	-	4,160,384	4,160,384
Retakaful Recoverables	-	-	-	-
	-	<u>4,841,874</u>	<u>5,490,055</u>	<u>10,331,929</u>

- 15.1 Payable to shareholders, are Wakalah Fee payable to the operator as at 31st December, 2020 but has been subsequently paid in 2021 (Note 6.2)

Notes to the financial Statements (Cont'd)

	Share Holders	Family Takaful	General Takaful	December 31, 2020
	₦	₦	₦	₦
16 Provision and Other Payables				
NAICOM Supervisory Level	-	173,841	692,138	865,979
Accrued Expenses (Note 15.1)	5,202,000	-	-	5,202,000
Due to Operator	-	-	-	-
Deferred Commission Income (Note 16.2)	-	458,955	729,671	1,188,626
NHF Payable	24,200	-	-	24,200
Withholding Tax	-	-	-	-
Pension	3,374,594	-	-	3,374,594
Staff Pay As You Earn	-	-	-	-
NSITF	941,667	-	-	941,667
ITF	941,667	-	-	941,667
	<u>10,484,128</u>	<u>632,797</u>	<u>1,421,808</u>	<u>12,538,733</u>
16.1 The Accrued Expenses consist are staff Medical expenses of N902,000.45, Provision for Actuary fee of N3,225,000 and Audit fee N1,075,000 fees includes VAT.				
16.2 Movement in Deferred Commission income				
Deferred Commission Income b/fwd	-	-	-	-
Deferred Commission Income during the year	-	1,386,151	2,815,582	4,201,733
Deferred Commission Income earned during the year	-	(927,195)	(2,085,912)	(3,013,107)
Deferred Commission Income c/fwd		<u>458,955</u>	<u>729,671</u>	<u>1,188,626</u>
17 Deferred Wakalah Fee Income				
Deferred Wakalah fee income are recognised in Statement of Financial Position in order to match them in the period earned. It will be recognised over the term of the various policies involved as wakalah fee income and the corresponding transaction "prepaid wakalah expenses in Note 8, recognised as Walalah expenses in the Statement of Profit or Loss in subsequent period.				
18 Current Tax Payables				
Company Income Tax	-	-	-	-
Education Tax	-	-	-	-
Provisional Tax	-	-	-	-
Deferred Tax Liability	1,744,229	-	-	1,744,229
	<u>1,744,229</u>	<u>-</u>	<u>-</u>	<u>1,744,229</u>

Notes to the financial Statements (Cont'd)

	Share Holders	Family Takaful	General Takaful	December 31, 2020
	₹	₹	₹	₹
19 Deposit for Share				
As at Incorporation				
Addition during the period	300,998,183			300,998,183
	300,998,183			300,998,183
20 Share Capital				
Authorised Share capital				
As at Incorporation	210,000,000			210,000,000
Addition during the period				
21 Contingency Reserve		562,833	2,076,413	2,639,246
	Shareholder	Family Takaful	General Takaful	December 31.12.20
22 Movement in Retained Earnings and Participant Funds				
As at 1st January	-	-	-	-
Surplus received from Retakaful	-	-	-	-
Profit/Surplus/(loss) during the year	(253,686,501)	3,752,219	22,287	(249,911,995)
Transfer to contingency reserve	-	(562,833)	(2,076,413)	(2,639,246)
Dividend to shareholders during the yr	-	-	-	-
Surplus distr. to participant during the year	-	-	-	-
As ta December 31, 2020	(253,686,501)	3,189,386	(2,054,126)	(252,551,240)
23a Gross Contribution Earned				
The contributions received from the participants analysed below:				
Fire & Special Peril		-	27,611,884	27,611,884
Private Motors		-	17,459,666	17,459,666
Commercial Vehicles		-	15,565,753	15,565,753
General Accident		-	7,265,188	7,265,188
Engineering		-	176,121	176,121
Marine Cargo		-	1,135,145	1,135,145
Group Family Takaful		12,835,872	-	12,835,872
Individual Family Takaful		4,734,257	-	4,734,257
a. Gross Contribution Written		17,570,130	69,213,757	86,783,887

Notes to the financial Statements (Cont'd)

	Share Holders	Family Takaful	General Takaful	December 31, 2020
	₹	₹	₹	₹
23b Changes in Unearned Contribution				
Fire & Special Peril		-	12,897,763	12,897,763
Private Motors		-	7,795,128	7,795,128
Commercial Vehicles		-	6,820,851	6,820,851
General Accident		-	2,972,104	2,972,104
Engineering		-	162,460	162,460
Marine Cargo		-	1,013,924	1,013,924
Group Family Takaful		3,923,374	-	3,923,374
Individual Family Takaful		3,275,114	-	3,275,114
		7,198,487	31,662,230	31,662,230
Gross Contribution Earned	-	10,371,642	37,551,527	55,121,657
24 Retakaful Contribution				
Fire & Special Peril		-	5,851,263	5,851,263
Private Motors		-	3,600,286	3,600,286
Commercial Vehicles		-	3,277,878	3,277,878
General Accident		-	2,259,487	2,259,487
Engineering		-	-	-
Marine Cargo		-	-	-
Group Family Takaful		3,002,387	-	3,002,387
Individual Family Takaful		1,571,347	-	1,571,347
		4,573,733	14,988,914	19,562,647
Change in Retakaful Contribution				
Fire & Special Peril		-	2,768,736	2,768,736
Private Motors		-	-	-
Commercial Vehicles		-	-	-
General Accident		-	828,902	828,902
Engineering		-	-	-
Marine Cargo		-	-	-
Group Family Takaful		737,209	-	737,209
Individual Family Takaful		623,027	-	623,027
		1,360,236	3,597,638	4,957,874
		3,213,497	11,391,276	14,604,773

Notes to the financial Statements (Cont'd)

	Share Holders	Family Takaful	General Takaful	December 31, 2020
	₹	₹	₹	₹
25 Fee & Commission				
Fire & Special Peril			2,194,224	2,194,224
Private Motors			-	-
Commercial Vehicles			-	-
General Accident			621,359	621,359
Group Family Takaful		600,477	-	600,477
Individual Family Takaful		785,673	-	785,673
		<u>1,386,151</u>	<u>2,815,582</u>	<u>4,201,733</u>
Movement in deferred commission income		-	-	-
Fire & Special Peril		-	515,637	515,637
Private Motors		-	-	-
Commercial Vehicles		-	-	-
General Accident			214,034	214,034
Group Family Takaful		147,442	-	147,442
Individual Family Takaful		311,514	-	311,514
		<u>458,955</u>	<u>729,671</u>	<u>1,188,626</u>
		<u>927,195</u>	<u>2,085,912</u>	<u>3,013,107</u>
Fee and Commission Income comprises commission receivable from Retakaful Companies for business ceded during the financial year				
26 Claims Expenses				
Claim paid during the year	-	-	4,387,940	4,387,940
Changes in outstanding Claims (Note 13 (b))	-	-	925,000	925,000
Changes in Claims incurred but not yet reported (Note 13 (c))	-	-	10,008,116	10,008,116
Gross Claim Incurred	-	-	15,321,056	15,321,056
Retakaful Claim Recovery (Note 26 (b))	-	-	(2,824,889)	(2,824,889)
			<u>12,496,167</u>	<u>27,817,222</u>
26b Retakaful Claim Recovery				
Claim recovered from retakaful Operation			-	-
Changes in retakaful share of outstanding claims			2,824,889	2,824,889
Changes in retakaful share of IBNR			-	-
			<u>2,824,889</u>	<u>2,824,889</u>
27 Direct Charges on risk Fund				
Jualah Fee and Direct Cost			-	-
1% NAICOM Supervisory Level		175,701	692,138	867,839
Bank Charges		8,763	14,961	23,724
		<u>184,464</u>	<u>707,099</u>	<u>891,563</u>

Note to the financial Statements (Cont'd)

	Share Holders	Family Takaful	General Takaful	December 31, 2020
	₦	₦	₦	₦
28 Wakalah Fee Income				
The Agency fee received from General and family Takaful is as follows:				
Fire & Spec Peril	5,885,648			5,885,648
Private Motor	3,865,815			3,865,815
Commercial Vehicles	3,497,961			3,497,961
General Accident	1,717,234			1,717,234
Engineering	5,465			5,465
Marine Cargo	48,488			48,488
Group Family Takaful	3,564,999			3,564,999
Individual Family Takaful	583,657			583,657
Wakalah Fee Income	19,169,268	-	-	19,169,268
29 Underwritten Expenses				
Acquisition cost during the year (Note 29 a)	13,129,166			13,129,166
Changes in acquisition cost	(5,589,352)			(5,589,352)
Acquisition Expenses	7,539,814			7,539,814
Maintenance Expenses	9,183			9,183
Wakalah Expenses (Note 29b)		4,148,657	15,020,611	19,169,268
Underwritten Expenses	7,548,997	4,148,657	15,020,611	26,718,265
29a In line with section 6 sub-section 2 of the Takaful Guidelines issued by NAICOM. The Takaful Operator shall bore the costs relating to Takaful Business including and not limited to commission to intermediaries, premium collections.				
29b Wakalah Fee Expenses				
The Agency fee charge in respect of general and family Takaful is analysed below:				
Fire & Spec Peril		-	5,885,648	5,885,648
Private Motor		-	3,865,815	3,865,815
Commercial Vehicles		-	3,497,961	3,497,961
General Accident		-	1,717,234	1,717,234
Engineering		-	5,465	5,465
Marine Cargo		-	48,488	48,488
Group Family Takaful		3,564,999	-	3,564,999
Individual Family Takaful		583,657	-	583,657
Wakalah Fee Expenses		4,148,657	15,020,611	19,169,268

Note to the financial Statements (Cont'd)

	Shareholders	Family Takaful	General Takaful	Total
	₦	₦	₦	₦
30 Investment and Other Income				
The investment income represent the profit received on the maturity of Mudarabah Term Deposit with banks, while bi-annual is from CBN, but non was realised this period				
31 Management Expenses				
Staff Salary and Allowances	84,202,056			84,202,056
Other Staff Cost	3,748,813			3,748,813
Director's Expenses	2,599,300			2,599,300
Shariah ACE Fee & Expenses	1,580,000			1,580,000
Agency Expenses	626,000			626,000
Audit and Accountancy	1,075,000			1,075,000
Actuary Fee	3,225,000			3,225,000
Repairs & Maintenance	35,100			35,100
Marketing & Publicity	2,760,152			2,760,152
Transportation & Hotels Expenses	19,986,840			19,986,840
Local Transport	49,900			49,900
Conference and Meetings	566,000			566,000
Incorporation & P. Exp. (Note 31 a)	107,987,853			107,987,853
Printing & Stationery	1,949,650			1,949,650
Administrative Expenses (Note 31 b)	16,746,125			16,746,125
Repair & Maintenance (Note 31 c)	727,345			727,345
Corporate Social Responsibility	10,000,000			10,000,000
Bank Charges	41,046			41,046
Depreciation & Amortisation	5,656,363			5,656,363
	263,562,542			263,562,542
31 a. Incorporation & Pre-Operation Cost				-
Incorporation Expenses and others	79,881,693			79,881,693
Salaries & Allowances	9,000,000			9,000,000
Business Promotion	11,000,000			11,000,000
Professional Services	1,250,000			1,250,000
Bidding Expenses	2,401,026			2,401,026
Industrial Training Fund	111,517			111,517
Nigeria Social Insurance Trust Fund	111,517			111,517
Transportation & Accommodation	4,232,100			4,232,100
	107,987,853			107,987,853

All pre-operational transaction has been fully expensed into the 2020 financial statement as the product approval and commencement of business fully took place

Note to the financial Statements (Cont'd)

	Shareholders	Family Takaful	General Takaful	Total
	₹	₹	₹	₹
b Administrative Expenses				
Rent	8,000,000			8,000,000
Utility	114,700			114,700
Subscription	1,458,732			1,458,732
Security Services	-			-
Cleaning & Sanitation	88,290			88,290
Fuel and Lubricant	645,350			645,350
Insurance	247,500			247,500
Medical Expenses	-			-
Telephone and Postage	67,400			67,400
ITF Dues	830,150			830,150
NSITF Dues	830,150			830,150
Postage & Courier	-			-
Other Administrative Expenses	-			-
Employer's contribution pension	4,452,583			4,452,583
Newspaper & Periodical	-			-
Entertainment	11,270			11,270
	16,746,125			16,746,125
c Repairs & Maintenance				-
Building	218,250			218,250
Vehicle	-			-
Office equipment	27,700			27,700
Office furniture	5,200			5,200
Computer	-			-
Generators	476,195			476,195
Electricals	-			-
	727,345			727,345

Note to the financial Statements (Cont'd)**32 Hypothecation of Assets**

The Company structured its assets to meet the requirement of the Insurance Act 2003 such that policyholders' assets and funds are not merged with shareholders'. In particular, Investment securities and takaful funds hypothecated to policyholders are distinguished from those owned by the shareholders.

The Asset hypothecated are shown below

	Notes	Shareholders ₹	Family Takaful ₹	General Takaful ₹	Total ₹
Assets					
Cash and cash equivalent	4	46,243,499	11,706,638	28,896,225	86,846,362
Takaful receivables	5	-	-	1,137,257	1,137,257
Retakaful contract assets	6	-	1,360,236	6,422,527	7,782,763
Deffered acquisition cost	7	5,589,352	-	-	5,589,352
Prepayments and other receivab	8	6,744,392	-	-	6,744,392
Prepaid wakalah fee	10	-	2,879,395	12,664,892	15,544,287
Property, plant and equipment	11	17,394,788	-	-	17,394,788
Statutory deposit	12	210,000,000	-	-	210,000,000
		285,972,031	15,946,269	49,120,901	351,039,200
Takaful Funds					
Takaful contract liabilities	13	-	7,198,487	42,595,346	49,793,833
Takaful investment contract	14	-	-	-	-
Takaful payables	15	-	4,841,874	5,490,055	10,331,929
Other payables and accruals	16	10,484,128	632,797	1,421,808	12,538,733
Deferred wakalah fee	17	15,544,287	-	-	15,544,287
Taxation	18	1,744,229	-	-	1,744,229
Deposit for Share	19	300,998,183	-	-	300,998,183
		328,770,827	12,673,158	49,507,209	390,951,195
Surplus in asset cover		(42,798,796)	3,273,110	(386,309)	(39,911,994)

33 Surplus Distribution**Family Takaful**

As at the time of this report the Board of Directors has not yet proposed the amount to be distributed to the qualifying participant, same will be implemented immediately the Board of Director propose and subsequently approve within the next four (4) Months.

Regulatory Segment Information

Family Takaful Revenue Account

	Individual ₹	Group ₹	Total ₹
Income			
Gross contribution written	4,734,257	12,835,872	17,570,130
Changes in unearned contribution	(3,275,114)	(3,923,374)	(7,198,487)
Takaful contribution earned	1,459,144	8,912,499	10,371,642
Gross Retakaful Contributions	(1,571,347)	(3,002,387)	(4,573,733)
Changes in Retakaful Contribution	623,027	737,209	1,360,236
Net earned contribution	510,824	6,647,321	7,158,145
Commision Received	785,673	600,477	1,386,151
Change in Commision Received	(311,514)	(147,442)	(458,955)
Total takaful income	984,984	7,100,356	8,085,340
Investment income	-	-	-
Other income	-	-	-
Fair Value Change on Valuation of Investment	-	-	-
Total income	984,984	7,100,356	8,085,340
Expenses:			
Gross benefits and claims paid	-	-	-
Surrenders	-	-	-
Annuity payments	-	-	-
Increase in individual life fund	-	-	-
Increase in annuity fund	-	-	-
Changes in outstanding claims provision	-	-	-
Gross claims incurred	-	-	-
Retakaful recoveries	-	-	-
Net claims incurred			
Provision for unexpired risk	-	-	-
Wakalah fee	(583,657)	(3,564,999)	(4,148,657)
Movement in investment contract	-	-	-
Direct Charges	(2,361)	(6,402)	(8,763)
1% NAICOM Supervisory Level	(47,343)	(128,359)	(175,701)
Total takaful expenses	(633,361)	(3,699,760)	(4,333,121)
Underwriting Result			
Underwritten Surplus/(Deficit)	351,623	3,400,596	3,752,219

Regulatory Segment Information (Contn)

General Takaful Revenue Account

	Fire & Special Peril	Private Motor	Commercial Vehicles	General Accident	Engineering	Marine Cargo	Total
	₹	₹	₹	₹	₹	₹	₹
Gross contribution written	27,611,884	17,459,666	15,565,753	7,265,188	176,121	1,135,145	69,213,757
Changes in unearned contribution	(12,897,763)	(7,795,128)	(6,820,851)	(2,972,104)	(162,460)	(1,013,924)	(31,662,230)
Takaful contribution earned	14,714,121	9,664,538	8,744,902	4,293,084	13,661	121,221	37,551,527
Retakaful share of contributions(Ceded)	(5,851,263)	(3,600,286)	(3,277,878)	(2,259,487)	-	-	(14,988,914)
Changes in retakaful share of contribution	2,768,736	-	-	828,902	-	-	3,597,638
Net earned contribution	11,631,594	6,064,251	5,467,024	2,862,499	13,661	121,221	26,160,252
Prepaid Retakaful Cost	-	-	-	-	-	-	-
Earned Contribution	11,631,594	6,064,251	5,467,024	2,862,499	13,661	121,221	26,160,252
Commission Received	2,194,224	-	-	621,359	-	-	2,815,582
Change Commission Income	(515,637)	-	-	(214,034)	-	-	(729,671)
	-	-	-	-	-	-	-
Total takaful income	13,310,181	6,064,251	5,467,024	3,269,824	13,661	121,221	28,246,163
Investment income	-	-	-	-	-	-	-
Wakalah fee	(5,885,648)	(3,865,815)	(3,497,961)	(1,717,234)	(5,465)	(48,488)	(14,984,086)
Total income	7,424,533	2,198,436	1,969,064	1,552,590	8,197	72,733	13,262,078
Expenses:							
Gross claims paid	(894,390)	-	(3,493,550)	-	-	-	(4,387,940)
Increase /Decrease in outstanding claims	(100,000)	-	(825,000)	-	-	-	(925,000)
Changes in claims Incured but not yet reported	(5,559,879)	-	(3,736,100)	(694,246)	(2,209)	(15,682)	(10,008,116)
Gross claims incurred	(6,554,269)	-	(8,054,650)	694,246	2,209	15,682	(15,321,056)
Retakaful share of claims incurred	2,824,889	-	-	-	-	-	2,824,889
Net claims incurred	(3,729,380)	-	(8,054,650)	(694,246)	(2,209)	(15,682)	(12,496,167)
Direct Charges	(5,969)	(3,774)	(3,365)	(1,570)	(38)	(245)	(14,961)
Jualah Fee and Direct Cost	-	-	-	-	-	-	-
1% NAICOM Supervisory Level	(276,119)	(174,597)	(155,658)	(72,652)	(1,761)	(11,351)	(692,138)
Total takaful expenses	(4,011,467)	(178,371)	(8,213,672)	(768,468)	(4,008)	(27,279)	(13,203,265)
Underwriting Result	3,413,065	2,020,066	(6,244,608)	784,122	4,188	45,454	22,287

Regulatory Segment Information (Contn)

Family Takaful

Statement of Financial Position By Participants` Funds

	Individual	Group	Total
	₹	₹	₹
Assets			
Cash and cash equivalent	3,154,344	8,552,293	11,706,638
Retakaful contract assets	366,515	993,722	1,360,236
Prepayments and other receivables	129,096	350,013	479,109
Prepaid wakalah fee	116,441	2,762,954	2,879,395
Property, plant and equipment			-
Statutory deposit			-
Total Assets	3,766,395	12,658,982	16,425,378
Liabilities			
Takaful contract liabilities	1,939,627	5,258,861	7,198,487
Takaful investment contract	-	-	-
Takaful payables	1,304,639	3,537,235	4,841,874
Other payables and accruals	170,507	462,290	632,797
Deposit for Share	-	-	-
Total Liabilities	3,414,772	9,258,386	12,673,158
Share capital	-	-	-
Share premium	-	-	-
Contingency Reserve	-	-	-
Retained earnings	351,623	3,400,596	3,752,219
Risk/Participant's Fund	351,623	3,400,596	3,752,219
Participant Fund	3,766,395	12,658,982	16,425,378

Regulatory Segment Information (Contn)

General Takaful

Statement of Financial Position By Participants` Funds

	Fire & Special Peril	Private Motor	Commercial Vehicles	General Accident	Engineering	Marine Cargo	Total
	₹	₹	₹	₹	₹	₹	₹
Assets							
Cash and cash equivalent	11,527,754.53	7,289,279.47	6,498,585.29	3,033,161.55	73,529.32	473,914.57	28,896,225
Takaful receivables	453,693.12	286,881.19	255,762.16	119,374.90	2,893.86	18,651.66	1,137,257
Retakaful contract assets	2,562,179.59	1,620,128.45	1,444,387.33	674,155.98	16,342.76	105,333.11	6,422,527
Prepayments and other receivables	163,003.57	103,071.12	91,890.63	42,889.20	1,039.71	6,701.20	408,595
Intangible asset							-
Prepaid wakalah fee	8,456,660	5,209,254	(3,401,363)	2,111,183	36,358	252,800	12,664,892
Property, plant and equipment							-
Statutory deposit							-
Total Assets	23,163,291	14,508,614	4,889,262	5,980,765	130,164	857,400	49,529,496
Liabilities							
Takaful contract liabilities	16,992,832	10,744,981	9,579,434	4,471,123	108,388	698,588	42,595,346
Takaful investment contract	-	-	-	-	-	-	-
Takaful payables	2,190,183	1,384,906	1,234,680	576,277	13,970	90,040	5,490,055
Other payables and accruals	567,211	358,661	319,756	149,244	3,618	23,318	1,421,808
Deposit for Share	-	-	-	-	-	-	-
Total Liabilities	19,750,226	12,488,548	11,133,870	5,196,643	125,976	811,946	49,507,209
Share capital	-	-	-	-	-	-	-
Share premium	-	-	-	-	-	-	-
Contingency Reserve	-	-	-	-	-	-	-
Retained earnings	3,413,065	2,020,066	(6,244,608)	784,122	4,188	45,454	22,287
Risk/Participant's Fund	3,413,065	2,020,066	(6,244,608)	784,122	4,188	45,454	22,287
Participant Fund	23,163,291	14,508,614	4,889,262	5,980,765	130,164	857,400	49,529,496

Regulatory Segment Information (Contn)

Movement in Participant Fund Earnings By Portfolio

Family Takaful

Movement in Participants' Funds

During the year

2020

	Individual	Group	Total
	₹	₹	₹
Balance as at January 1	-	-	-
Underwritten profit for the year	351,623	3,400,596	3,752,219
Transfer to contingency reserve	(52,743)	(510,089)	(562,833)
Surplus paid during the year	-	-	-
Qard Hassan refund to operator	-	-	-
Total	298,879	2,890,507	3,189,386

Movement in Participant Fund Earnings By Portfolio

General Takaful

Movement in Participants' Funds During the year	Fire & Special Peril ₹	Private Motor ₹	Commercial Vehicles ₹	General Accident ₹	Engineering ₹	Marine Cargo ₹	Total ₹
2020							
Balance as at January 1	-	-	-	-			
Underwritten profit for the year	3,413,065	2,020,066	(6,244,608)	784,122	4,188	45,454	22,287
Transfer to contingency reserve	(828,357)	(523,790)	(466,973)	(217,956)	(5,284)	(34,054)	(2,076,413)
Surplus paid during the year	-	-	-	-	-	-	-
Qard Hassan refund to operator	-	-	-	-	-	-	-
Total	2,584,709	1,496,276	(6,711,581)	566,166	(1,095)	11,399	(2,054,126)

Other National Disclosure

OTHER NATIONAL DISCLOSURES

Other National Disclosure

Statement of Value Added

	₹	%
The Statement of Value Added for the year ended December 31st 2020 is as follows		
Contribution Income	86,783,887	
Retakaful, Claims, Commission and services	(236,891,839)	
Add:		
Investment and other Income	-	
Value (Lost)/Added	<u>(150,107,952)</u>	<u>100</u>
Applied As follows		
To Pay Employee:		
Salaries and Other Staff Cost	92,403,451	(62)
To Pay Government:		
Taxation		
Earning for the year		
Retained in the Business		
Depreciation & Ammortisation	5,656,363	(4)
Retained Loss for the year	(248,167,765)	165
	<u>(150,107,952)</u>	<u>100</u>

Value Added represents the additional wealth which the company has been able to create by its own and its employees' efforts. This statement shows the allocation of that wealth among the employees, shareholders, government and that retained for the future creation of more wealth.

Other National Disclosure (Contn)

Five Years Financial Summary

A. Statement of Financial Position

	2020
Assets	₹
Cash and cash equivalent	86,846,362
Takaful receivables	1,137,257
Retakaful contract assets	7,782,763
Deffered acquisition cost	5,589,352
Prepayments and other receivables	6,744,392
Intangible asset	-
Prepaid wakalah fee	15,544,287
Property, plant and equipment	17,394,788
Statutory deposit	210,000,000
Total Assets	351,039,200
	-
Liabilities and Equity	-
Liabilities	-
Takaful contract liabilities	49,793,833
Takaful investment contract	-
Takaful payables	10,331,929
Other payables and accruals	12,538,733
Deferred wakalah fee	15,544,287
Taxation	1,744,229
Deposit for Share	300,998,183
Total Liabilities	390,951,195
	-
Equity	
Share capital	210,000,000
Share premium	-
Contingency Reserve	2,639,246
Retained earnings	(252,551,240)
Shareholders' Fund	(39,911,995)
	-
Total Equity and Liabilities	351,039,200

Other National Disclosure (Contn)

Five Years Financial Summary

b. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2020
	RM
Attributable to participants' fund:	
Gross contribution written	86,783,887
	-
Gross contribution Earned	47,923,170
Retakaful share of contributions	(14,604,773)
Net contribution	33,318,397
Fee & Commission Income	3,013,107
Gross Takaful Income	36,331,504
Claim Expenses	(12,496,167)
Wakalah Fee Income	19,169,268
Underwritten Profit	15,394,777
Underwritten Expenses	(7,548,997)
Other Underwritten Expenses	(891,563)
Underwritten Profit	15,394,777
Management Expenses	(263,562,542)
Other Expenses	(891,563)
Profit/(Loss) before Zakat and Taxation	(248,167,765)
	-
Provision for Zakat	-
	-
Taxation	(1,744,229)
	-
Profit/(Loss) after Zakat and Taxation	(249,911,995)
	-
Loss per Share	(1.19)