

**THE UNITED INSURANCE COMPANY (SUDAN)LTD**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

# THE UNITED INSURANCE CO. ( SUDAN ) LTD

## BALANCE SHEET

As at 31 December 2017

Form No (9)

	Note	31 December 2017 <u>SDG</u>	31 December 2016 <u>SDG</u>
<b><u>ASSETS</u></b>			
Cash and equivalents	3	11,716,622	12,579,346
Investments	4	100,362,112	55,229,217
Trade receivables (permiums)	5	151,936,831	119,114,357
Other receivables	6	7,283,231	5,332,792
Property and equipment (net)	7	37,724,487	22,660,163
<b>TOTAL ASSETS</b>		<b>309,023,283</b>	<b>214,915,875</b>
<b><u>LIABILITIES, POLICYHOLDERS AND PARTNERS EQUITY</u></b>			
<b><u>Liabilities</u></b>			
Technical provisions	8	60,513,246	41,705,078
Re-insurance companies balance	9	54,787,162	35,513,486
Accrued expenses	10	1,993,618	1,639,708
Other provisions	11	49,228,917	51,363,764
Other payables	12	61,628,884	30,341,875
Zakah provision	13	3,804,025	3,366,702
<b>Total Liabilities</b>		<b>231,955,852</b>	<b>163,930,613</b>
<b><u>Policyholders' Equity</u></b>			
Surplus		-	-
legal reserve		60,806,605	39,027,840
Special reserve	14	-	-
<b>Total policyholders' equity</b>		<b>60,806,605</b>	<b>39,027,840</b>
<b><u>Partners Equity</u></b>			
Capital	15	10,000,000	8,000,000
Retained earnings	16	6,260,826	3,957,422
<b>Total partners equity</b>		<b>16,260,826</b>	<b>11,957,422</b>
<b>TOTAL POLICYHOLDERS AND PARTNERS EQUITY &amp; LIABILITIES</b>		<b>309,023,283</b>	<b>214,915,875</b>

The financial statements were authorized for issue in accordance with a resolution of the directors on ....., 2018.

**Prof. Mamoun Daoud**  
Chairman

**Mohamed Abdeen Babiker**  
General Manager

**Mohammed Osman**  
Financail Manager

**THE UNITED INSURANCE CO. ( SUDAN ) LTD****STATEMENT OF INCOME & EXPENDITURE OF INSURANCE ACTIVITIES**

For the year ended 31 December 2017

Form No (10)

	Note	2017 <u>SDG</u>	2016 <u>SDG</u>
<b><u>Insurance Income</u></b>			
Gross Premiums		282,847,663	189,083,889
Less : Reinsurance share		(142,994,523)	(87,050,338)
Net retained premiums		139,853,140	102,033,551
Less : Change of current risks provisions		(13,726,237)	(15,738,385)
Net premiums		126,126,903	86,295,166
Reinsurance (Commissions)	17A	32,329,484	19,619,895
<b>Total insurance income</b>		<b>158,456,387</b>	<b>105,915,061</b>
<b><u>Insurance expenses</u></b>			
Claims paid		87,721,089	56,519,787
Less : recoveries from reinsurance & others		(34,145,664)	(23,337,833)
Net claims paid		53,575,425	33,181,954
Provision for unsettled claims		48,810,515	2,025,649
Less : recoverable amounts from reinsurance & others		(45,214,452)	(1,620,537)
Changes in provision for claims under settlement		3,190,951	(694,267)
Changes in provision for claims		1,890,981	2,215,967
Cost of insurance (Commissions )	17B	18,403,880	14,425,960
Insurance Policies' holders Gurantee Fund		570,056	457,268
<b>Total insurance expenses</b>		<b>77,631,293</b>	<b>49,586,882</b>
<b>Net surplus from operations</b>		<b>80,825,094</b>	<b>56,328,179</b>
Income from Investments		4,921,818	2,965,734
Other income	18	221,500	-
Less : General and administrative expenses	19	62,122,102	28,435,713
Less : Partners share in insurance management		-	-
Less : Partners share in investment management		-	-
<b>Surplus(deficit) oner expenses for the year</b>		<b>23,846,310</b>	<b>30,858,200</b>

**THE UNITED INSURANCE CO. ( SUDAN ) LTD****STATEMENT OF SURPLUS (DEFICIT) FOR INSURANCE POLICYHOLDERS**

For the year ended 31 December 2017

Form No (11)

	Note	2017	2016
		<u>SDG</u>	<u>SDG</u>
Balance at the beginning of the year		-	-
Surplus (deficit) for the year		<b>23,846,310</b>	30,858,200
Total		<b>23,846,310</b>	30,858,200
<b><u>Less:-</u></b>			
Bad debts		-	-
Provision for doubtful debts		<b>2,219,675</b>	1,159,284
Surplus (deficit) before Zakat and Tax		<b>21,626,635</b>	29,698,916
Zakat		<b>(1,946,728)</b>	(1,737,084)
Tax		-	-
Surplus (deficit) after Zakat and Tax		<b>19,679,907</b>	27,961,832
Less:			
Legal reserve		<b>2,951,986</b>	4,194,275
Special reserve	<b>14</b>	-	-
Surplus (deficit) available for distribution		<b>16,727,921</b>	23,767,557
Dividends		-	-
(Prior year expenses & income )		-	-
Balance of Surplus(deficit) at the end of the year		<b>16,727,921</b>	23,767,557

# THE UNITED INSURANCE CO. ( SUDAN ) LTD

## PROFIT AND LOSS (PARTNERS)

For the year ended 31 December 2017

Form No (12)

	Note	<u>2017</u>	<u>2016</u>
		<u>SDG</u>	<u>SDG</u>
<b><u>Income</u></b>			
Revenues from building rent	20	2,855,245	2,487,517
Investment income		5,505,905	3,202,041
Share of the partners for buliding management		441,627	394,179
Share of the partners for managing the investment portfolio		-	-
Other income		221,500	-
<b>Gross revenue</b>		<b>9,024,277</b>	<b>6,083,737</b>
Less: share of policy holder in the buliding revenue		2,189,688	1,907,677
		<b>6,834,589</b>	<b>4,176,060</b>
<b><u>Expenses</u></b>			
General expenses (investment committee)		340,000	160,000
Incorporation expenses		-	-
Total profit before zakat and taxation		<b>6,494,589</b>	<b>4,016,060</b>
Zakat		(291,185)	(132,032)
Taxes		-	-
Net profit available for distribution		<b>6,203,404</b>	<b>3,884,028</b>
<b><u>Distrbutions</u></b>			
Balance at the beginning of the year		57,422	73,394
Capital reserve		-	-
General reserve		-	-
Proposed dividends		-	-
Retained earnings		<b>6,260,826</b>	<b>3,957,422</b>

## THE UNITED INSURANCE CO. ( SUDAN ) LTD

### STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2017

Form No (13)

	Note	Capital	Reserves	Retained Earnings	Total
		<u>SDG</u>	<u>SDG</u>	<u>SDG</u>	<u>SDG</u>
Balance at 1 January 2016		7,000,000	-	2,473,394	9,473,394
Net profit		-	-	3,884,028	3,884,028
Dividends paid		-	-	(1,400,000)	(1,400,000)
Transfer to reserves		-	-	-	-
Capital increase		1,000,000	-	(1,000,000)	-
Balance at 31 December 2016		<u>8,000,000</u>	<u>-</u>	<u>3,957,422</u>	<u>11,957,422</u>
<b>Balance at 1 January 2017</b>		<b>8,000,000</b>	<b>-</b>	<b>3,957,422</b>	<b>11,957,422</b>
Net profit		-	-	<b>6,203,404</b>	<b>6,203,404</b>
Dividends paid		-	-	<b>(1,900,000)</b>	<b>(1,900,000)</b>
Transfer to reserves		-	-	-	-
Capital increase		<b>2,000,000</b>	-	<b>(2,000,000)</b>	-
<b>Balance at 31 December 2017</b>		<b><u>10,000,000</u></b>	<b><u>-</u></b>	<b><u>6,260,826</u></b>	<b><u>16,260,826</u></b>

**THE UNITED INSURANCE CO. ( SUDAN ) LTD****STATEMENT OF CASH FLOW**

For the year ended 31 December 2017

Form No (14)

	<b>2017</b>	2016
	<b><u>SDG</u></b>	<u>SDG</u>
<b><u>Cash flows from operating activities:</u></b>		
Net surplus (deficit) for the year	<b>6,203,404</b>	3,884,028
<b><u>Adjustments for non-cash items:</u></b>		
Depreciation of fixed assets	<b>3,495,527</b>	2,425,813
Provision for unexpired risks	<b>13,726,237</b>	15,738,385
Provision for doubtful debts	<b>(857,443)</b>	1,143,638
Profit (loss) on sale of fixed assets	<b>(221,500)</b>	(764,512)
Total adjustments	<b><u>22,346,225</u></b>	<u>22,427,352</u>
<b><u>Changes in operating assets and liabilities</u></b>		
Changes in the accounts of insurance clients	<b>(32,822,474)</b>	(32,692,393)
Changes in other receivables	<b>(1,950,439)</b>	(1,864,103)
Changes in the balances of reinsurers	<b>19,273,676</b>	1,714,691
Changes in provision for claims under the settlement	<b>3,190,950</b>	(694,268)
Change in provision for unreported claims	<b>1,890,981</b>	2,215,967
Changes in other liabilities	<b>31,287,009</b>	9,579,163
Changes in other provisions	<b>(1,277,404)</b>	19,008,626
Changes in tax and zakat	<b>437,323</b>	1,299,116
Changes in accrued expenses	<b>353,910</b>	511,936
<b>Net cash flows (used in) from the operating activities</b>	<b><u>20,383,532</u></b>	<u>(921,265)</u>
<b><u>Cash Flows from investment operations activities</u></b>		
Purchase of Fixed assets	<b>(19,500,544)</b>	(4,604,694)
Proceeds from sale of Fixed assets	<b>1,162,193</b>	950,299
Purchase of investments	<b>(45,132,895)</b>	(18,913,781)
Management of liquid resources	<b>(63,471,246)</b>	(22,568,176)
<b><u>Cash Flows from financing activities</u></b>		
Reserves	<b>21,778,765</b>	8,767,386
The increase in capital	<b>2,000,000</b>	1,000,000
Distributions and workers incentive	<b>(3,900,000)</b>	(2,400,000)
<b>Net cash from financing activities</b>	<b><u>19,878,765</u></b>	<u>7,367,386</u>
<b>Net increase in cash and cash equivalents</b>	<b>(862,724)</b>	6,305,297
<b>Cash and cash equivalents at the beginning of the year</b>	<b><u>12,579,346</u></b>	<u>6,274,049</u>
<b>Cash and cash equivalents at the end of the year</b>	<b><u><u>11,716,622</u></u></b>	<u><u>12,579,346</u></u>

# THE UNITED INSURANCE CO. ( SUDAN ) LTD

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

### **1- Incorporation and Activities**

The United Insurance Company (Sudan) Ltd.(the company) was Registered in Khartoum as a private limited liability company in 1968 under the registration certificate number 2 / 877 dated December 29, 1968 and the company is engaged in all types of insurance in accordance with the teachings of Islamic Sharia, through its main office in Khartoum, in addition to its branches spread all over Sudan, which numbered in 2017 about 18 branches and employees` number was about 160 .

The Company headquarters are located in Khartoum - Parliament Street - company Tower Building . PO 318 Khartoum - Sudan

### **2- Significant Accounting Policies**

#### **(i) Basis of preparation**

Financial statements have been prepared in accordance with The United Insurance Company standards issued by the Insurance Supervisory Authority in February 2007

Financial statements are presented the Sudanese pounds (SDG).

#### **( ii ) Accounting convention**

The Company follows the principle of historical cost and accrual basis of accounting in recording assets and liabilities, income and expenses, and general accounting records are set up to ensure separation of accounts, between policy holders and accounts of the partners .

#### **( iii) Fixed assets**

Fixed assets are stated at historical cost or value after revaluation. The cost of additions and major improvements are added to fixed assets less accumulated depreciation. Routine maintenance and repairs are charged to the income statement as an expense incurred. Gains and losses resulting from disposals are recognized in the income statement. Depreciation is calculated on the basis of straight-line over the estimated useful lives of assets except freehold land as it does not have a specific age.

Depreciation rates are as follows:-

Buildings	2.5%
Cars and motorcycles	15%
Furniture and equipment	10%
Furniture and Office Equipment	7.5% - 15%
Computer	30%

Additions during the year are calculated at the rate of 50% of annual depreciation.



# **THE UNITED INSURANCE CO. ( SUDAN ) LTD**

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## **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2017

### **( v ) Cash and cash equivalents**

Cash and cash equivalents includes cash and balances with banks and bank deposits.

### **( iv ) Accounts receivable (Premiums)**

Receivables are recognized at the balance sheet date at the original amount minus a provision for estimated uncollectible amounts, if any, as required by the Insurance Supervisory Authority and bad debts are written off.

### **(vi) Investment :**

Investments are recorded at cost less any provision for decline in value and profits are recognized when received, except Shahama profits are estimated.

### **( vii ) Accounts payable and accruals**

Liabilities are recognized for amounts payable in the future for services or materials received, whether or not billed by the supplier.

### **( viii ) Provisions**

Provisions are recognized when an obligation (legal or expected) on the company resulting from a past event, and that the cost to settle the obligation are both probable and can be reliably measured.

#### **a . Unexpired risks Provision**

Specific provision are made for unexpired risks in accordance with the requirements of the Insurance Supervisory Authority.

#### **c. Claims under settlement**

These claims under settlement are calculated on the basis of claims that have been reported and that have not paid until the date of the balance sheet.

#### **d. Claims incurred but not reported**

These claims are calculated based on the requirements of the Insurance Supervisory Authority.

#### **b. Disaster Fund**

This provision is calculated in accordance with the requirements of the Insurance Supervisory Authority.

#### **e. Policy holder guarantee fund**

This provision is calculated in accordance with the requirements of the Insurance Supervisory Authority.

# **THE UNITED INSURANCE CO. ( SUDAN ) LTD**

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## **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2017

### **(viii) Employees' end of service benefits (EOSB)**

EOSB is calculated based on length of service. The company is registered at the National Fund for Social Insurance and pays monthly contributions that accrue to employees after the end of their services with the company.

### **( x ) Taxes and zakat**

Zakat is calculated according to the requirements of circulars of Zakat Chamber.

Taxes are calculated for the business profits tax profits from investments only, according to the circulars Chamber of Taxation requirements.

### **( x ) Foreign currencies**

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

### **(xi) Supervisory Authority**

The company's activities are subject to the supervision of the Insurance Supervisory Authority and that the licensing of insurance companies to operate and control as well as to determine the reserves and investments placed as collateral for the reserve for unexpired risks and the company is not allowed to mobilise this account without the consent of the Insurance Supervisory Authority.

### **(xii) Shari'a Supervisory Board**

The company's activities are subject to the supervision of Shariah Supervisory Board, which is consisted of three members of Islamic scholars elected by the General Assembly and participates in the Board of Directors in the development of forms of insurance policies and other forms in addition to the audit of the company's operations to ensure compliance with the provisions of Islamic Sharia.

# THE UNITED INSURANCE CO. ( SUDAN ) LTD

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

### 3- CASH AND CASH EQUIVALENTS

	31-Dec-17	31-Dec-16
	<u>SDG</u>	<u>SDG</u>
Cash at bank	11,693,504	11,273,230
Cash in hand	23,118	1,306,116
	<u>11,716,622</u>	<u>12,579,346</u>

<u>4- INVESTMENT</u>	Share in companies at cost	Investment funds	Bank deposits	Total
	<u>SDG</u>	<u>SDG</u>	<u>SDG</u>	<u>SDG</u>
<b>At 1 January 2017</b>	12,078,226	20,300,000	22,850,991	55,229,217
Additions	16,755,400	13,900,695	14,476,800	45,132,895
Disposals	-	-	-	-
<b>At 31 December 2017</b>	<u>28,833,626</u>	<u>34,200,695</u>	<u>37,327,791</u>	<u>100,362,112</u>
Price decline provision	-	-	-	-
Net Value	28,833,626	34,200,695	37,327,791	100,362,112
Market price	-	-	-	-
<b>Value according to estimates made by management</b>	<u>28,833,626</u>	<u>34,200,695</u>	<u>37,327,791</u>	<u>100,362,112</u>
	(Note 4\1)	(Note 4\2)	(Note 4\3)	

### 4/1 INVESTMENT IN COMPANIES - AT COST

	31-Dec-17	31-Dec-16
	<u>SDG</u>	<u>SDG</u>
National Reinsurance Company, Ltd.(4.2.1)	4,503,932	4,503,932
Juba Insurance Company Ltd.	26,250	26,250
National Petroleum Company	3,776	3,776
Animal Resources Bank	3,660	3,660
(PTA) Reinsurance Company	23,729,675	7,014,381
Bank of Khartoum	389,732	389,732
Company Prime Health Medical Services	93,750	93,750
Sudan Telecommunication Company (Sudatel)	42,745	42,745
United partners company	40,106	-
	<u>28,833,626</u>	<u>12,078,226</u>

**4.1.1.** Within equity investments the shares of the National Reinsurance Company can only be disposed of by reference to the Insurance Supervisory Board.

# THE UNITED INSURANCE CO. ( SUDAN ) LTD

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

### 4/2 HELD TO MATURITY INVESTMENTS

#### 4.1.2 Securities held to maturity

It is a government participation certificate issued by the Ministry of Finance and is marketed through the Sudan Financial Services Company according to the participation contract, which are traded certificates in the Khartoum Stock Exchange where the average investment return of these certificates about 17% per year

### 4/3 ACCOUNT BANK DEPOSITS

	31-Dec-17	31-Dec-16
	<u>SDG</u>	<u>SDG</u>
Deposits Omdurman National Bank - Local	6,271,905	3,172,740
Deposits Omdurman National Bank - USD	1,808,819	1,452,875
Deposits Omdurman National Bank - STG	257,171	114,066
Deposits Omdurman National Bank - EURO	225,516	406,633
Deposits Sudanese Islamic Bank - Local	2,742,201	2,752,210
Deposits Faisal Islamic Bank - USD	7,185	3,788,454
Deposits Faisal Islamic Bank -EURO	5,904	4,017,443
Deposits Faisal Islamic Bank - Local	1,826,192	2,911,158
Al Nile Bank - EURO	7,682,769	-
Al Nile Bank - USD	6,359,621	-
Al Nile Bank - Local	5,102,885	317,963
Al Jazeera Bank	576,677	3,217,449
North Islamic Bank - Local	1,608,521	700,000
land bank	2,793,402	-
Bank of khartuom	9,986	-
Gulf bank	49,037	-
	<u>37,327,791</u>	<u>22,850,991</u>

Within the above investment accounts, deposits amounting to SD 13,200,850 can be disposed of only by reference to the Insurance Supervisory Board.

# THE UNITED INSURANCE CO. ( SUDAN ) LTD

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

### 5 - RECEIVABLE SUBSCRIPTIONS (PREMIUMS)

31-Dec-17                      31-Dec-16

SDG                                      SDG

Premiums under collection	<b>132,981,102</b>	107,034,661
Local Companies	<b>8,370,326</b>	8,520,138
Reinsurance companies (external)	<b>10,585,403</b>	3,559,558
	<b>151,936,831</b>	119,114,357

### 6-OTHER RECEIVABLES

31-Dec-17                      31-Dec-16

SDG                                      SDG

Advances to staff	<b>1,052,509</b>	1,081,840
Payments in advance	<b>237,940</b>	150,919
Return on investment due	<b>5,992,782</b>	4,100,033
Other receivables	-	-
	<b>7,283,231</b>	5,332,792

**THE UNITED INSURANCE CO. ( SUDAN ) LTD**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2017

**7-PROPERTY AND EQUIPMENTS (CONSOLIDATED)**

	Land	Buildings	Under construction	Vehicles	Furniture and equipments	Computers	Software	Total
	<u>SDG</u>	<u>SDG</u>	<u>SDG</u>	<u>SDG</u>	<u>SDG</u>	<u>SDG</u>	<u>SDG</u>	<u>SDG</u>
<b><u>Cost at:</u></b>								
1 January 2017	2,164,282	13,293,464	-	11,688,578	5,624,808	2,015,730	-	34,786,862
Additions	-	104,889	6,346,648	6,990,403	3,145,591	792,140	2,120,873	19,500,544
Disposals	-	-	-	(1,142,927)	-	-	-	(1,142,927)
<b>31 December 2017</b>	<b>2,164,282</b>	<b>13,293,463</b>	<b>6,346,648</b>	<b>17,536,054</b>	<b>8,770,399</b>	<b>2,807,870</b>	<b>2,120,873</b>	<b>53,144,479</b>
<b><u>Depreciation at:</u></b>								
1 January 2017	-	2,706,899	-	3,483,986	4,226,292	1,709,522	-	12,126,699
Charge for the year	-	333,648	-	2,146,699	533,069	376,067	106,044	3,495,527
Disposals	-	-	-	(202,234)	-	-	-	(202,234)
<b>31 December 2017</b>	<b>-</b>	<b>3,040,547</b>	<b>-</b>	<b>5,428,451</b>	<b>4,759,361</b>	<b>2,085,589</b>	<b>106,044</b>	<b>15,419,992</b>
<b><u>Net carrying values at:</u></b>								
<b>31 December 2017</b>	<b>2,164,282</b>	<b>10,357,806</b>	<b>6,346,648</b>	<b>12,107,603</b>	<b>4,011,038</b>	<b>722,281</b>	<b>2,014,829</b>	<b>37,724,487</b>
31 December 2016	2,164,282	10,586,565	-	8,204,592	1,398,516	306,208	-	22,660,163

**THE UNITED INSURANCE CO. ( SUDAN ) LTD**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2017

**7.1 - NET FIXED ASSETS (COMPANY'S' TOWER BUILDING)**

	<b>Land</b>	<b>Buildings</b>	<b>Under construction</b>	<b>Vehicles</b>	<b>Furniture and equipments</b>	<b>Computers</b>	<b>Soft ware</b>	<b>Total</b>
	<b><u>SDG</u></b>	<b><u>SDG</u></b>	<b><u>SDG</u></b>	<b><u>SDG</u></b>	<b><u>SDG</u></b>	<b><u>SDG</u></b>	<b><u>SDG</u></b>	<b><u>SDG</u></b>
<b><u>Cost at:</u></b>								
1 January 2017	1,007,332	10,079,281	-	-	3,340,869	-	-	14,427,482
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
<b>31 December 2017</b>	<b>1,007,332</b>	<b>10,079,281</b>	<b>-</b>	<b>-</b>	<b>3,340,869</b>	<b>-</b>	<b>-</b>	<b>14,427,482</b>
<b><u>Depreciation at:</u></b>								
1 January 2017	-	2,381,816	-	-	3,173,826	-	-	5,555,642
Charge for the year	-	251,982	-	-	167,034	-	-	419,016
Disposals	-	-	-	-	-	-	-	-
<b>31 December 2017</b>	<b>-</b>	<b>2,633,798</b>	<b>-</b>	<b>-</b>	<b>3,340,860</b>	<b>-</b>	<b>-</b>	<b>5,974,658</b>
<b><u>Net carrying values at:</u></b>								
<b>31 December 2017</b>	<b>1,007,332</b>	<b>7,445,483</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>8,452,824</b>
31 December 2016	1,007,332	7,697,465	-	-	167,043	-	-	8,871,840

**THE UNITED INSURANCE CO. ( SUDAN ) LTD**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2017

**7.2 - NET FIXED ASSETS (WITHOUT THE COMPANY'S' TOWER BUILDING )**

	<b>Land</b>	<b>Buildings</b>	<b>Under construction</b>	<b>Vehicles</b>	<b>Furniture and equipments</b>	<b>Computers</b>	<b>Soft ware</b>	<b>Total</b>
	<b><u>SDG</u></b>	<b><u>SDG</u></b>	<b><u>SDG</u></b>	<b><u>SDG</u></b>	<b><u>SDG</u></b>	<b><u>SDG</u></b>	<b><u>SDG</u></b>	<b><u>SDG</u></b>
<b><u>Cost at:</u></b>								
1 January 2017	1,156,950	3,214,183	-	11,688,578	2,283,939	2,015,730	-	20,359,380
Additions	-	104,889	6,346,648	6,990,403	3,145,591	792,140	2,120,873	19,500,544
Disposals	-	-	-	(1,142,927)	-	-	-	(1,142,927)
<b>31 December 2017</b>	<b>1,156,950</b>	<b>3,319,072</b>	<b>6,346,648</b>	<b>17,536,054</b>	<b>5,429,530</b>	<b>2,807,870</b>	<b>2,120,873</b>	<b>38,716,997</b>
<b><u>Depreciation at:</u></b>								
1 January 2017	-	325,083	-	3,483,986	1,052,466	1,709,522	-	6,571,057
Charge for the year	-	81,666	-	2,146,699	366,035	376,067	106,044	3,076,511
Disposals	-	-	-	(202,234)	-	-	-	(202,234)
<b>31 December 2017</b>	<b>-</b>	<b>406,749</b>	<b>-</b>	<b>5,428,451</b>	<b>1,418,501</b>	<b>2,085,589</b>	<b>106,044</b>	<b>9,445,334</b>
<b><u>Net carrying values at:</u></b>								
<b>31 December 2017</b>	<b>1,156,950</b>	<b>2,912,323</b>	<b>6,346,648</b>	<b>12,107,603</b>	<b>4,011,029</b>	<b>722,281</b>	<b>2,014,829</b>	<b>29,271,663</b>
31 December 2016	1,156,950	2,889,100	-	8,204,592	1,231,473	306,208	-	13,788,323



# THE UNITED INSURANCE CO. ( SUDAN ) LTD

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

### 7 - FIXED ASSETS

	31-Dec-17	31-Dec-16
	<u>SDG</u>	<u>SDG</u>
Net fixed assets of the building (note 7.1)	8,452,824	8,871,840
Net fixed assets without the building (note 7.2)	29,271,663	13,788,323
Net fixed assets (note 7)	<u>37,724,487</u>	<u>22,660,163</u>

### 8- TECHNICAL PROVISIONS

	31-Dec-17	31-Dec-16
	<u>SDG</u>	<u>SDG</u>
Reserves for unexpired risks	49,924,525	36,198,288
Claims under settlement	3,596,062	405,112
Reserve for claims incurred but not reported	6,992,659	5,101,678
	<u>60,513,246</u>	<u>41,705,078</u>

### 9-RE-INSURANCE COMPANIES

	31-Dec-17	31-Dec-16
	<u>SDG</u>	<u>SDG</u>
Local Companies	326,170	890,538
Reinsurance companies (Local)	8,193,790	134,313
Re-insurance companies (foreign)	46,267,202	34,488,635
	<u>54,787,162</u>	<u>35,513,486</u>

### 10- ACCRUED EXPENSES

	31-Dec-17	31-Dec-16
	<u>SDG</u>	<u>SDG</u>
Staff bonus	1,427,910	914,606
Other accruals	520,708	705,102
Audit fees	45,000	20,000
	<u>1,993,618</u>	<u>1,639,708</u>

# THE UNITED INSURANCE CO. ( SUDAN ) LTD

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

### 11-OTHER PROVISIONS

	31-Dec-17	31-Dec-16
	<u>SDG</u>	<u>SDG</u>
Allowance for doubtful debts	17,727,401	18,584,844
End of service benefits	14,432,698	8,585,216
Policyholders Guarantee Fund	340,897	426,147
dividend for the year	16,727,921	23,767,557
	<u>49,228,917</u>	<u>51,363,764</u>

### 12- OTHER LIABILITIES

	31-Dec-17	31-Dec-16
	<u>SDG</u>	<u>SDG</u>
Agents and Producers	6,367,926	3,212,065
Supervision fees	-	-
Other creditors	38,545,664	27,129,810
Fair value reserve	16,715,294	-
Reserves from previous years	-	-
	<u>61,628,884</u>	<u>30,341,875</u>

### 13- ZAKAH PROVISION

	31-Dec-17	31-Dec-16
	<u>SDG</u>	<u>SDG</u>
Takaful	-	-
Partners	291,185	132,032
Policy holders	3,512,840	3,234,670
	<u>3,804,025</u>	<u>3,366,702</u>

# THE UNITED INSURANCE CO. ( SUDAN ) LTD

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

### 14- POLICY HOLDERS SPECIAL RESERVE

	<b>31-Dec-17</b>	31-Dec-16
	<b><u>SDG</u></b>	<u>SDG</u>
surplus - (Deficit) retained	-	-
Special reserve	-	-
	<b>-</b>	-

### 15- CAPITAL

	<b>31-Dec-17</b>	31-Dec-16
	<b><u>SDG</u></b>	<u>SDG</u>
Authorized Capital	<b>10,000,000</b>	10,000,000
Share value -	<b>0.1</b>	0.1
Paid capital	<b>10,000,000</b>	8,000,000
Share value -	<b>0.1</b>	0.1
	<b>10,000,000</b>	8,000,000

### 16- PARTNERS' ACCOUNTS (RETAINED EARNINGS)

	<b>31-Dec-17</b>	31-Dec-16
	<b><u>SDG</u></b>	<u>SDG</u>
Retained earnings 1 january 2017	<b>57,422</b>	73,394
General reserve	-	-
Share of the partners for the current year	<b>6,203,404</b>	3,884,028
Retained earnings	-	-
Increase in capital	-	-
	<b>6,260,826</b>	3,957,422

### 17- COMMISSIONS

	<b><u>2017</u></b>	<u>2016</u>
A - commissions received	<b>32,329,484</b>	19,619,895
B - Less: commissions paid	<b>(18,403,880)</b>	(14,425,960)
	<b>13,925,604</b>	5,193,935

# THE UNITED INSURANCE CO. ( SUDAN ) LTD

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

### 18- OTHER INCOME

	<u>2017</u>	<u>2016</u>
	<u>SDG</u>	<u>SDG</u>
Policy holders	-	-
Partners	-	-
Gains from fixed assets sales	221,500	-
	<u>221,500</u>	<u>-</u>

### 19- GENERAL AND ADMINISTRATION EXPENSES

	<u>2017</u>	<u>2016</u>
	<u>SDG</u>	<u>SDG</u>
Salaries and allowances	9,213,382	5,581,597
Travel expenses	1,129,730	354,924
Board of Directors' Tickets	1,918,459	842,506
Conferences expenses	742,176	431,661
Vehicles expenses	1,721,725	1,364,966
Legal expenses	167,273	81,433
Shariah Supervisory Board's remuneration	126,000	49,800
Board of Directors' remuneration	6,430,836	2,408,390
Electricity and Water	501,691	307,002
Medical expenses	2,409,047	1,343,909
Hospitality and ex-gratia payments	488,959	308,512
General Maintenance	514,937	278,387
The company's property insurance premiums	248,275	279,913
Donations	174,624	88,530
Advertising and publicity	4,335,190	1,208,180
Government fees (collection)	49,407	56,549
Contributions of The Insurance Federation	156,609	124,251
Bank fees	161,587	109,564

# THE UNITED INSURANCE CO. ( SUDAN ) LTD

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

### 19- GENERAL AND ADMINISTRATION EXPENSES

	<b>2017</b>	2016
	<b><u>SDG</u></b>	<u>SDG</u>
Audit fees	<b>45,000</b>	40,000
Employees and workers uniform	<b>1,912,153</b>	389,978
Overtime	<b>237,835</b>	136,790
Training expenses	<b>595,284</b>	418,616
Leave expenses	<b>2,802,175</b>	690,756
Computer and an electric generator	<b>330,638</b>	154,372
Social insurance	<b>1,198,062</b>	640,694
Personal income tax	<b>1,741,648</b>	418,884
Expenses of government services	<b>317,874</b>	237,240
End of service benefits	<b>7,022,166</b>	1,947,570
Annual bonus	<b>3,700,440</b>	2,285,143
Annual depreciation	<b>3,076,511</b>	1,839,744
Rents	<b>2,958,150</b>	1,824,532
Printing and Stationery	<b>537,057</b>	394,961
Telephone, telex, and mail	<b>408,930</b>	261,181
Attorney Fees	<b>176,605</b>	48,000
Eid bonus	<b>3,031,814</b>	964,852
Insurance license renewal	<b>16,500</b>	16,500
Stamp Duty	<b>14,516</b>	55,950
Policy holders annual meeting expenses	<b>205,549</b>	263,958
Differences Exchange	-	89,095
Consultancy fees	-	96,821
Car rent	<b>1,050,000</b>	-
Other expenses	<b>253,288</b>	-
	<b><u>62,122,102</u></b>	<u>28,435,713</u>

# THE UNITED INSURANCE CO. ( SUDAN ) LTD

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

### 20- BUILDING

	<u>2017</u>	<u>2016</u>
	<u>SDG</u>	<u>SDG</u>
Building income	5,147,700	4,612,979
Expenses of the building (Note 20/1)	<u>(2,292,455)</u>	<u>(2,125,462)</u>
Net income of the building	<u><u>2,855,245</u></u>	<u><u>2,487,517</u></u>

### 20/1 - EXPENSES OF THE BUILDING

	<u>2017</u>	<u>2016</u>
	<u>SDG</u>	<u>SDG</u>
Depreciation for the year	419,020	586,069
Government duties	252,000	250,000
steries	118,080	118,080
tax	147,000	124,621
Maintenance	403,781	398,352
Security	101,088	79,223
Cleaning	21,600	27,600
Insurance	169,040	82,543
Air conditioning (cooling)	156,979	20,000
Building's management fees	503,867	438,974
	<u><u>2,292,455</u></u>	<u><u>2,125,462</u></u>

### 21- RELATED PARTY TRANSACTIONS

These transactions have been made with related parties such as the partners and senior management of the company and the companies in which they are principal owners. Pricing policies and terms related to these transactions have been adopted by the management of the company.

Balances of these transactions presented in related partes account note 5.

### 22- TAX AND ZAKAT

No provision is made for tax, as most of the Company's revenues are not taxed.

The company obtained a final clearance from the Zakat Bureau until the end of 2016. A provision has been made for the years until 2017, Management believe that there is no significant deference between the final estimation and the current year estimation.