



Solid Oak Insurance PCC Limited
(Registration number 8417764-4)
(Non Domestic Insurance number NDI 011)
Financial Statements
for the year ended 31 December 2023

Solid Oak Insurance PCC Limited

(Registration number: 8417764-4)

Financial Statements for the year ended 31 December 2023

General Information

Country of incorporation and domicile	Seychelles
Nature of business and principal activities	Non-domestic, linked long term insurance business
Directors	EJ Tuohy JN Ackermann NJ Ackermann
Registered office	104, First Floor Waterside Property Eden Island Seychelles
Business address	106, First Floor Waterside Property Eden Island Seychelles
Holding company	PKF Capital Markets (Seychelles) Limited incorporated in Seychelles
Ultimate holding company	Turquoise Holdings Limited incorporated in Seychelles
Auditors	Baker Tilly Chartered Accountants Seychelles
Actuaries	Insight Actuaries & Consultants
Company registration number	8417764-4
Non Domestic Insurance number	NDI 011
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of the Seychelles Companies Ordinance 1972.
Preparer	These annual financial statements were compiled by: CC Turner Chartered Accountant (SA)

Solid Oak Insurance PCC Limited

(Registration number: 8417764-4)

Financial Statements for the year ended 31 December 2023

Index

The reports and statements set out below comprise the financial statements presented to the shareholders:

	Page
Directors' Responsibilities and Approval	3
Independent Auditor's Report	4 - 7
Actuarial Report	8
Directors' Report	9 - 11
Statement of Financial Position	12
Statement of Comprehensive Income	13
Statement of Changes in Equity	14
Statement of Cash Flows	15
Accounting Policies	16 - 19
Notes to the Financial Statements	20 - 26

Solid Oak Insurance PCC Limited

(Registration number: 8417764-4)

Financial Statements for the year ended 31 December 2023

Directors' Responsibilities and Approval

The directors are required by the Seychelles Companies Ordinance 1972, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

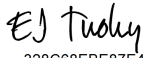
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.


The directors have reviewed the company's cash flow forecast for the year to 31 December 2024 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on page 4.


The financial statements set out on pages 12 to 26, which have been prepared on the going concern basis, were approved by the directors on 27 March 2024 and were signed on its behalf by:

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EJ Tuohy

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JN Ackermann

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NJ Ackermann

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SOLID OAK INSURANCE PCC LIMITED

This report on the separate financial statements of the Company before consolidation of the Group is made to the shareholders of Solid Oak Insurance PCC Limited (the "Company") for the purpose of compliance as stated in the basis of opinion paragraph below and in terms of our engagement to conduct the audit on their behalf. Our audit work has been undertaken so that we might state to the members those matters which we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members as a body, for our audit work, for this report, or for the opinions we have formed.

Report on the Audit of the Financial Statements

Basis of Opinion

Our opinion on the accompanying separate financial statements of Solid Oak Insurance PCC Limited prior to consolidation of financial statements of the Group has been issued for the purpose of compliance of deadlines set by the Financial Services Authority of Seychelles ("FSA") due to delay in the audit of its subsidiary, Solid Oak Insurance (Barbados) Limited carried out by another auditor. Our opinion on the final consolidated financial statements of the Group will change if the auditor of the subsidiary, Solid Oak Insurance (Barbados) Limited issues a modified opinion on the financial statements of the subsidiary.

Opinion

We have audited the accompanying separate financial statements of Solid Oak Insurance PCC Limited set out on pages 12 to 26 which comprise the separate statements of financial position at December 31, 2023, the related separate statements of profit or loss and other comprehensive income, separate statements of cash flows and separate statements changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of the Company as at December 31, 2023, and its separate financial performance and separate cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") for Small and Medium-sized Entities and comply with the Seychelles Companies Act, 1972.

We conducted our audit in accordance with International Standards on Auditing ('ISAs'). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), together with the other ethical requirements that are relevant to our audit of the financial statements in Seychelles, and we have fulfilled our other ethical responsibilities.

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

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF SOLID OAK INSURANCE PCC LIMITED** *Continued*

Other Information

The Directors are responsible for the other information.

The other information comprises the Directors' Report, which we obtained prior to the date of this Auditor's Report. Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information 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 that we obtained prior to the date of this audit report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors and Those Charged with Governance for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards ('IFRS') for Small and Medium-sized Entities and in compliance with the Seychelles Companies Act, 1972 and for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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 the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF SOLID OAK INSURANCE PCC LIMITED *Continued*

Auditor's Responsibilities for the Audit of the Financial Statements *Continued*

As part of an audit in accordance with ISAs, we exercise professional judgment 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 controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- 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.

We communicate with management, 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF SOLID OAK INSURANCE PCC LIMITED *Continued***

Report on Other Legal Regulatory Requirements

Companies Act, 1972

We have no relationship with, or interests, in the Company other than in our capacity as auditors, tax and business advisers and dealings in the ordinary course of business.

We have obtained all information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records and comply with the provisions of the Seychelles Companies Act, 1972.


BAKER TILLY
Chartered Accountants



Dated: April 9, 2024
Mahé, Seychelles

Solid Oak Insurance PCC Limited (Solid Oak)
Actuarial valuation report as at 31 December 2023

The results of the actuarial valuation are set out below.

Statement of Actuarial Values of Assets and Liabilities (US\$ '000)	31 Dec 2023	31 Dec 2022
Value of assets	1 632 372,7	1 029 500,0
Assets backing policyholder liabilities	1 631 840,2	1 029 022,9
Other assets	532,5	477,1
Value of liabilities	1 632 201,8	1 029 396,7
Policy liabilities	1 631 840,2	1 029 022,9
Current Liabilities	361,6	373,8
Value of excess assets	170,9	103,3

Solid Oak, domiciled in the Seychelles, is an authorised Non-Domestic Long-Term Insurance company. It offers long-term savings policies to individuals.

This report has been prepared in compliance with the Insurance Act (Act 11 of 2008) of the Seychelles. The report also complies with the Codes of Actuarial Reporting Requirements issued by the Financial Services Authority of Seychelles on 1 October 2018, and is in line with actuarial best practice – as appropriate given the nature of the insurance business written.

The amount of Solid Oak's insurance contract liabilities does not exceed its long-term insurance fund. Therefore, Solid Oak is solvent at 31 December 2023. Excess assets have increased from some US\$ 105,000 to some US\$ 171,000 over the year.



Louis van As – FASSA, FIA
Appointed Actuary: Solid Oak
For and on behalf of Insight Life Solutions
My primary regulator is the Actuarial Society of South Africa
25 March 2024

Solid Oak Insurance PCC Limited

(Registration number: 8417764-4)

Financial Statements for the year ended 31 December 2023

Directors' Report

The directors have pleasure in submitting their report on the financial statements of Solid Oak Insurance PCC Limited for the year ended 31 December 2023.

1. Incorporation

The company was incorporated on 16 May 2016 and was granted a license by the Financial Services Authority of Seychelles on 8 September 2016 to conduct linked long-term non-domestic insurance business.

2. Nature of business

Solid Oak Insurance PCC Limited was incorporated in Seychelles with interests in the insurance industry. The company operates worldwide.

There have been no material changes to the nature of the company's business from the prior year.

3. Listing on MERJ Exchange

The entire issued share capital of the company is listed on the Main Board of MERJ Exchange under the abbreviated name and share code "SOL" and ISIN SC79431AAH22.

4. Consolidated financial statements

The company is not required to produce consolidated financial statements in relation to the cells of the company as it does not control the boards of directors of any special purpose vehicle companies in which Solid Oak Insurance PCC Limited owns the majority of the share capital.

The investments wrapped in the housed policies are accounted for in joint or separate cells. Financial statements are prepared for the owner cell and the policyholder cell in aggregate.

The cell invests in shares that are for the benefit of that policy only and it does not form part of the company's business activities. The company has no control over the activities in the company invested in by a policy.

5. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Seychelles Companies Ordinance 1972. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these financial statements.

6. Share capital

Authorised			2023	2022
Ordinary shares			Number of shares	Number of shares
			50,000,000	50,000,000
Issued	2023	2022	2023	2022
Ordinary shares	\$	\$	Number of shares	Number of shares
	1,000	1,000	5,000,000	5,000,000

There have been no changes to the authorised or issued share capital during the year under review.

Solid Oak Insurance PCC Limited

(Registration number: 8417764-4)

Financial Statements for the year ended 31 December 2023

Directors' Report

7. Dividends

The company's dividend policy is to consider an interim and a final dividend in respect of each financial year totaling at least 85% of the annual profits after tax, after providing for budgeted capital expenditure and subject to available cash. At their discretion, the directors may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the directors may pass on the payment of dividends.

A dividend of \$ 0.10 per share was declared in US Dollars on 2 November 2023. This dividends equated to a total of \$ 500 000 (2022: \$ 725 000).

8. Directors

The directors in office at the date of this report are as follows:

Directors	Nationality
EJ Tuohy	Australian
JN Ackermann	South African
NJ Ackermann	South African / British

There have been no changes to the directorate for the period under review.

9. Directors interests in shares

As at 31 December 2023, the directors of the company held indirect beneficial interests in 24% (2022: 24%) and indirect non-beneficial interests in 40% (2022: 40%) of its issued ordinary shares, as set out below.

Interest in shares - number of shares held	2023 Direct	2022 Direct	2023 Indirect Beneficial	2022 Indirect Beneficial	2023 Indirect Non-Beneficial	2022 Indirect Non-Beneficial
Directors						
EJ Tuohy	-	-	292,933	292,933	1,038,581	1,038,581
JN Ackermann	10,446	10,446	240,000	240,000	260,000	260,000
NJ Ackermann	-	-	652,442	652,442	679,072	679,072
	10,446	10,446	1,185,375	1,185,375	1,977,653	1,977,653

10. Holding company

The company's holding company is PKF Capital Markets (Seychelles) Limited which holds 80% (2022: 80%) of the company's equity. PKF Capital Markets (Seychelles) Limited is incorporated in Seychelles.

11. Ultimate holding company

The company's ultimate holding company is Turquoise Holdings Limited which is incorporated in Seychelles.

12. Events after the reporting period

On 19 January 2024, the company delisted from MERJ Exchange and listed on SECDEX Exchange under the abbreviated name and share code "SOL" and ISIN SC79431AAH22.

During the 2023 financial year the liquidation of Solid Oak (Mauritius) Ltd commenced, which is still in process at the date of this report.

The directors are not aware of any material event or circumstance arising since the reporting date, not otherwise dealt with in this report or the financial statements, which significantly affects the financial position of the company to the date of this report.

Solid Oak Insurance PCC Limited

(Registration number: 8417764-4)

Financial Statements for the year ended 31 December 2023

Directors' Report

13. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material noncompliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company's ability to continue as a going concern.

14. Auditors

Baker Tilly, Chartered Accountants, Seychelles continued in office as auditors for the company for the period ended 31 December 2023.

15. Cells authorised and used

In 2022 the Financial Services Authority of Seychelles gave permission for the company to increase the number of cells by 100. As reported in 2022, the company allocated 70 cells to different insurance assets and the Financial Services Authority of Seychelles approved the names of these cells. 30 of these cells remain unallocated and unnamed to be used in future.

16. Property, plant and equipment

At 31 December 2023 the company's investment in property, plant and equipment amounted to \$ 18,974 (2022:\$ 7,219). Additions of \$ 15,192 (2022: \$ 7,327) were added in the current year. There were no disposals during the year (2022: \$-).

Property, plant and equipment is stated at cost less accumulated depreciation. The directors estimate that the carrying amount of property, plant and equipment at 31 December 2023 approximates its fair value.

Solid Oak Insurance PCC Limited

(Registration number: 8417764-4)

Financial Statements for the year ended 31 December 2023

Statement of Financial Position as at 31 December 2023

Figures in US Dollar	Notes	2023	2022
Assets			
Non-Current Assets			
Property, plant and equipment	2	18,974	7,219
Goodwill		-	-
Investments in subsidiaries	3	136,000	11,000
Investments in favour of policyholders	4	1,143,316,014	540,498,764
Reinsurance assets	5	488,524,152	488,524,152
		1,631,995,140	1,029,041,135
Current Assets			
Trade and other receivables	6	38,149	147,621
Cash and cash equivalents	7	339,406	311,230
		377,555	458,851
Total Assets		1,632,372,695	1,029,499,986
Equity and Liabilities			
Equity			
Share capital	8	100,000	100,000
Reserves		2,500	3,200
Retained income		67,257	57
		169,757	103,257
Liabilities			
Non-Current Liabilities			
Policyholder liability	9	1,631,840,166	1,029,022,916
Current Liabilities			
Trade and other payables	10	252,995	8,900
Loans from group companies	11	26,248	60,517
Loans from shareholders	12	11,394	29,396
Current tax payable		72,135	-
Dividend payable		-	275,000
		362,772	373,813
Total Liabilities		1,632,202,938	1,029,396,729
Total Equity and Liabilities		1,632,372,695	1,029,499,986

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EJ Tudy

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Jan Ackermann

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Nico Ackermann

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Solid Oak Insurance PCC Limited

(Registration number: 8417764-4)

Financial Statements for the year ended 31 December 2023

Statement of Comprehensive Income

Figures in US Dollar	Notes	2023	2022
Revenue	13	703,615	716,974
Cost of sales	14	(51,881)	(223,456)
Gross profit		651,734	493,518
Other income	15	4,143	3,900
Operating expenses		(570,938)	(516,241)
Operating profit (loss)	16	84,939	(18,823)
Investment revenue	17	553,696	426,587
Finance costs		-	(1,052)
Profit before taxation		638,635	406,712
Taxation	18	(72,135)	21,949
Profit for the year		566,500	428,661
Other comprehensive income		-	-
Total comprehensive income for the year		566,500	428,661

Solid Oak Insurance PCC Limited

(Registration number: 8417764-4)

Financial Statements for the year ended 31 December 2023

Statement of Changes in Equity

	Share capital	Share premium	Total share capital	Maturity insurance reserve	Maturity guarantee reserve	Total reserves	Retained income	Total equity
Figures in US Dollar								
Balance at 01 January 2022	1,000	99,000	100,000	404	3,900	4,304	295,292	399,596
Profit for the year	-	-	-	-	-	-	428,661	428,661
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	428,661	428,661
Transfer between reserves	-	-	-	(404)	(700)	(1,104)	1,104	-
Dividends	-	-	-	-	-	-	(725,000)	(725,000)
Total changes	-	-	-	(404)	(700)	(1,104)	(723,896)	(725,000)
Balance at 01 January 2023	1,000	99,000	100,000	-	3,200	3,200	57	103,257
Profit for the year	-	-	-	-	-	-	566,500	566,500
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	566,500	566,500
Transfer between reserves	-	-	-	-	(700)	(700)	700	-
Dividends	-	-	-	-	-	-	(500,000)	(500,000)
Total changes	-	-	-	-	(700)	(700)	(499,300)	(500,000)
Balance at 31 December 2023	1,000	99,000	100,000	-	2,500	2,500	67,257	169,757
Notes	8	8	8					

Solid Oak Insurance PCC Limited

(Registration number: 8417764-4)

Financial Statements for the year ended 31 December 2023

Statement of Cash Flows

Figures in US Dollar	Notes	2023	2022
Cash flows from operating activities			
Cash generated from operations	19	441,943	151,436
Interest income		153,280	12,841
Dividends received		400,416	413,746
Finance costs		-	(1,052)
Tax paid		-	(122,680)
Net cash from operating activities		995,639	454,291
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(15,192)	(7,327)
Acquisition of subsidiary		(125,000)	(11,000)
Net cash from investing activities		(140,192)	(18,327)
Cash flows from financing activities			
Movement in loans from group companies		(34,269)	60,517
Movement in shareholder loans		(18,002)	380
Dividends paid		(775,000)	(700,000)
Net cash from financing activities		(827,271)	(639,103)
Total cash movement for the year		28,176	(203,139)
Cash at the beginning of the year		311,230	514,369
Total cash at end of the year	7	339,406	311,230

Solid Oak Insurance PCC Limited

(Registration number: 8417764-4)

Financial Statements for the year ended 31 December 2023

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Seychelles Companies Ordinance 1972. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in US Dollar.

The cells presently measure their assets at carrying value which are either fair value or approximate fair value, as permitted by the International Financial Reporting Standard for Small and Medium-sized Entities.

1.1 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

Key sources of estimation uncertainty

The financial statements do not include assets or liabilities whose carrying amounts were determined based on estimations for which there is a significant risk of material adjustments in the following financial year as a result of the key estimation assumptions.

1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use and which are expected to be used for more than one period.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Computer equipment	Straight line	3 years
Furniture and fixtures	Straight line	5 years
Motor vehicles	Straight line	5 years

Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount.

Solid Oak Insurance PCC Limited

(Registration number: 8417764-4)

Financial Statements for the year ended 31 December 2023

Accounting Policies

1.2 Property, plant and equipment (continued)

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.3 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables, trade payables, investments in favour of policyholders, reinsurance assets and policyholder liabilities. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through profit and loss.

If a reliable measure of fair value is no longer available without undue cost or effort, then the fair value at the last date that such a reliable measure was available is treated as the cost of the instrument. The instrument is then measured at cost less impairment until management are able to measure fair value without undue cost or effort.

1.4 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

Solid Oak Insurance PCC Limited

(Registration number: 8417764-4)

Financial Statements for the year ended 31 December 2023

Accounting Policies

1.4 Tax (continued)

Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

1.5 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

1.6 Share capital and equity

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the year to which they relate.

1.7 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered), are recognised in the period in which the service is rendered and are not discounted.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the company's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.8 Revenue

Revenue is recognised to the extent that the company has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Interest is recognised, in profit or loss, using the effective interest rate method.

The company recognises revenue from the following major sources:

- Premium income from insurance contracts (investment wrappers)
- Premium income from annuity insurance policies
- Premium income from life pay non-participating life assurance policies
- Premium income from critical illness policies
- Premium income from wrappers with asset insurance policies (investment wrappers)
- Premium income from private placement life insurance policies (PPLI)

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it renders a service to a customer.

Solid Oak Insurance PCC Limited

(Registration number: 8417764-4)

Financial Statements for the year ended 31 December 2023

Accounting Policies

1.9 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.10 Foreign exchange

Foreign currency transactions

Exchange differences arising on monetary items are recognised in profit or loss in the period in which they arise.

All transactions in foreign currencies are initially recorded in US Dollar, using the spot rate at the date of the transaction. Foreign currency monetary items at the reporting date are translated using the closing rate. All exchange differences arising on settlement or translation are recognised in profit or loss.

Solid Oak Insurance PCC Limited

(Registration number: 8417764-4)

Financial Statements for the year ended 31 December 2023

Notes to the Financial Statements

Figures in US Dollar

2. Property, plant and equipment

	2023			2022		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Computer equipment	8,754	(4,198)	4,556	7,718	(1,482)	6,236
Furniture and fixtures	1,000	(217)	783	1,000	(17)	983
Motor vehicles	14,155	(520)	13,635	-	-	-
Total	23,909	(4,935)	18,974	8,718	(1,499)	7,219

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Depreciation	Closing balance
Computer equipment	6,236	1,037	(2,717)	4,556
Furniture and fixtures	983	-	(200)	783
Motor vehicles	-	14,155	(520)	13,635
	7,219	15,192	(3,437)	18,974

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Depreciation	Closing balance
Computer equipment	966	6,327	(1,057)	6,236
Furniture and fixtures	-	1,000	(17)	983
	966	7,327	(1,074)	7,219

3. Investments in subsidiaries

Name of subsidiary	% holding 2023	% holding 2022	Carrying amount 2023	Carrying amount 2022
Solid Oak Insurance (Barbados) Limited	100.00 %	- %	125,000	-
Solid Oak (Mauritius) Ltd	100.00 %	100.00 %	11,000	11,000
			136,000	11,000

The carrying amounts of subsidiaries are shown net of impairment losses.

Solid Oak Insurance (Barbados) Limited was incorporated on 13 January 2023 in Barbados and granted a Class 2 Insurance Company Licence effective 29 June 2023 by the Barbados Financial Services Commission. The company operates worldwide.

Solid Oak Insurance PCC Limited

(Registration number: 8417764-4)

Financial Statements for the year ended 31 December 2023

Notes to the Financial Statements

Figures in US Dollar	2023	2022
4. Investments in favour of policyholders		
At fair value		
Investment in shares	26,782,398	64,194,258
Investment with asset managers	264,506,252	128,939,091
	291,288,650	193,133,349
At amortised cost		
Investments with guaranteed returns	825,455,664	342,280,350
PKFPCC1 Bonds Senior debt with limited recourse, interest of 5% p.a. paid quarterly, 5 year bond with maturity date 30 June 2025.	101,969	50,300
PKFPCC2 Bonds Senior debt with limited recourse, interest of 20% p.a. paid quarterly, 5 year bond with maturity date 01 April 2026.	7,420	4,185
Policyholder receivable	26,462,311	5,030,580
	852,027,364	347,365,415
Total other financial assets	1,143,316,014	540,498,764
Non-current assets		
At fair value	291,288,650	193,133,349
At amortised cost	852,027,364	347,365,415
	1,143,316,014	540,498,764
5. Reinsurance assets		
At amortised cost		
Reinsurance assets	488,524,152	488,524,152
Non-current assets		
At amortised cost	488,524,152	488,524,152
Represents the reinsurance of annuity premiums received.		
6. Trade and other receivables		
Trade receivables	30,583	132,037
Deposits	2,743	2,743
Interest receivable	4,424	12,841
Prepayments	399	-
	38,149	147,621
7. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	16	-
Bank balances	339,390	311,230
	339,406	311,230

Solid Oak Insurance PCC Limited

(Registration number: 8417764-4)

Financial Statements for the year ended 31 December 2023

Notes to the Financial Statements

Figures in US Dollar	2023	2022
8. Share capital		
Authorised		
50 000 000 Ordinary shares of \$ 0.0002 each	10,000	10,000
Issued		
5 000 000 Ordinary shares of \$ 0.0002 each	1,000	1,000
Share premium	99,000	99,000
	100,000	100,000
9. Policyholder liability		
At fair value		
Annuity policies	488,524,152	488,524,152
Endowment policies	852,347,451	406,559,674
	1,340,871,603	895,083,826
At amortised cost		
Private placement life policies	290,968,563	133,939,090
Non-current liabilities		
At fair value	1,340,871,603	895,083,826
At amortised cost	290,968,563	133,939,090
	1,631,840,166	1,029,022,916
<p>The endowment policyholder liability is raised in accordance with the investment in favour of policyholders. Fair value is determined by fair value evaluation of the investment and the corresponding liability is raised.</p> <p>The fair value of the annuity policyholder liability is determined based on the reinsurance value of each premium, as the premium liability is limited to the reinsurance value.</p> <p>The value of the private placement life policies is determined based on the investments with guaranteed returns at amortised cost.</p>		
10. Trade and other payables		
Trade payables	252,235	8,900
Other accrued expenses	760	-
	252,995	8,900
11. Loans from group companies		
Subsidiaries		
Solid Oak Insurance (Barbados) Limited Unsecured, interest free with no fixed terms of repayment.	(16,248)	-
Solid Oak (Mauritius) Ltd Unsecured, interest free with no fixed terms of repayment.	(10,000)	(60,517)
	(26,248)	(60,517)

Solid Oak Insurance PCC Limited

(Registration number: 8417764-4)

Financial Statements for the year ended 31 December 2023

Notes to the Financial Statements

Figures in US Dollar	2023	2022
12. Loans from shareholders		
PKF Capital Markets (Seychelles) Limited Unsecured, interest free with no fixed terms of repayment.	(11,394)	(29,396)
13. Revenue		
Premiums received	603,520,865	354,636,146
Assets invested	(602,817,250)	(353,919,172)
Net premiums received	703,615	716,974
Commission received	-	-
	703,615	716,974
14. Cost of sales		
Rendering of services		
Commission paid	51,881	223,456
15. Other income		
Other income	4,143	3,900
16. Operating profit (loss)		
Operating profit (loss) for the year is stated after accounting for the following:		
Income from subsidiaries		
Dividends	400,416	413,746
Operating lease charges		
Premises		
• Contractual amounts	31,200	24,000
Other		
Loss (profit) on exchange differences	2,590	25,377
Depreciation on property, plant and equipment	3,437	1,074
Employee costs	169,878	70,187
17. Investment revenue		
Dividend revenue		
Subsidiaries	400,416	413,746
Interest revenue		
Other interest	153,280	12,841
	553,696	426,587

Solid Oak Insurance PCC Limited

(Registration number: 8417764-4)

Financial Statements for the year ended 31 December 2023

Notes to the Financial Statements

Figures in US Dollar	2023	2022
18. Taxation		
Major components of the tax expense (income)		
Current taxation		
Local normal tax - year	72,135	(21,949)
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Accounting profit	638,635	406,712
Tax at the applicable tax rate of 25%	17,683	17,500
Tax at the applicable tax rate of 33%	187,408	112,072
Adjusted for:		
Exempt income	(132,162)	(136,536)
Tax loss (from prior years) available for set off against future taxable income	(2,321)	6,964
Non-deductible expenses	1,527	-
Overprovision of taxation	-	(21,949)
	72,135	(21,949)

19. Cash generated from operations

Profit before taxation	638,635	406,712
Adjustments for:		
Depreciation and amortisation	3,437	1,074
Dividends received	(400,416)	(413,746)
Interest received	(153,280)	(12,841)
Finance costs	-	1,052
Changes in working capital:		
Trade and other receivables	109,472	272,359
Trade and other payables	244,095	(103,174)
	441,943	151,436

20. Directors' emoluments

2023

Directors' emoluments	Directors' emoluments	Total
JN Ackermann	9,600	9,600

2022

Directors' emoluments	Directors' emoluments	Total
JN Ackermann	9,600	9,600

Solid Oak Insurance PCC Limited

(Registration number: 8417764-4)

Financial Statements for the year ended 31 December 2023

Notes to the Financial Statements

Figures in US Dollar	2023	2022
21. Related parties		
Relationships		
Holding company	PKF Capital Markets (Seychelles) Limited	
Subsidiaries	Refer to note 3	
Fellow subsidiaries	PKF Business Solutions Limited PKF Corporate Services Limited PKF PCC	
Directors	EJ Tuohy JN Ackermann NJ Ackermann	
Other related party	DS Carter	
Related party balances		
Loan accounts - Owing (to) by related parties		
PKF Capital Markets (Seychelles) Limited	(11,394)	(29,396)
Solid Oak Insurance (Barbados) Limited	(16,248)	-
Solid Oak (Mauritius) Ltd	(10,000)	(60,517)
Interest receivable from related parties		
PKF PCC Cell 1	1,269	420
PKF PCC Cell 2	356	140
Policyholder investment		
DS Carter	1,894,000	200,000
EJ Tuohy	1,794,000	100,000
JN Ackermann	1,122,764	1,122,764
NJ Ackermann	100,000	100,000
Policyholder liability		
DS Carter	(1,894,000)	(200,000)
EJ Tuohy	(1,794,000)	(100,000)
JN Ackermann	(1,122,794)	(1,122,764)
NJ Ackermann	(100,000)	(100,000)
Investment in bonds issued by related parties		
PKF PCC Cell 1	100,700	50,300
PKF PCC Cell 2	7,064	4,185
Cash managed by related party		
PKF Capital Markets (Seychelles) Limited	13,299	2,464

Solid Oak Insurance PCC Limited

(Registration number: 8417764-4)

Financial Statements for the year ended 31 December 2023

Notes to the Financial Statements

Figures in US Dollar	2023	2022
21. Related parties (continued)		
Related party transactions		
Rent paid to related party		
PKF Capital Markets (Seychelles) Limited	31,200	24,000
Revenue received from related party as regulated intermediary		
PKF Capital Markets (Seychelles) Limited	(44,000)	(80,545)
Accounting, administration and consulting fees paid to related party		
PKF Business Solutions Limited	-	19,845
PKF Corporate Services Limited	220	-
PKF Capital Markets (Seychelles) Limited	65,598	59,597
Dividends received from related party		
Solid Oak Insurance (Barbados) Limited	(138,218)	-
Solid Oak (Mauritius) Ltd	(262,197)	(413,746)
Interest paid to (received from) related party		
PKF Capital Markets (Seychelles) Limited	-	1,052
PKF PCC Cell 1	(3,369)	(420)
PKF PCC Cell 2	(1,071)	(140)
Operating expenses recharged to related parties		
PKF Capital Markets (Seychelles) Limited	(36,000)	(8,510)
PKF Corporate Services Limited	(1,034)	(1,637)
Loan write off in favour of related party		
Solid Oak (Mauritius) Ltd	-	2,900