

# NEGAT INSURANCE BROKER SHARE COMPANY

## FINANCIAL STATEMENTS AND AUDIT REPORT 07 JULY 2025

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የተመሰከረላቸው ሂሳብ አዋቂዎች (ዩኔ)  
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**INDEPENDENT AUDITORS' REPORT ON THE ACCOUNTS OF  
NIGAT INSURANCE BROKER SHARE COMPANY*****Qualified Opinion***

We have audited the financial statements of Nigat Insurance Broker Share Company set out on pages 3 to 10, which comprise balance sheet at 07 July 2025, the statement of profit and loss, the statement of cash flow, the statement of change in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies specified on page 7.

In our opinion except for the effect of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 07 July 2025, and its financial performance and its cash flows for the year then ended in accordance with Generally Accepted Accounting Principles,

***Basis for Qualified Opinion***

1. Bank reconciliation has not been performed for the cash at bank balances.
2. We have noted difference on cash balance between the ledger and bank statement of Birr 1,096,430.09.

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 Ethiopian Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

***Responsibilities of Directors for the Financial Statements***

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with Generally Accepted Accounting Principles, and for such internal control as directors determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### *Reports on Other Legal and Regulatory Requirements*

We have no comment to make on the report of your Directors so far as it related to these financial statements In accordance with the commercials code of Ethiopia of 2021(proclamation) No 1243/2021 recommend approval of the financial statement.

In addition we have no any objection on the proposed dividend distribution presented by the Board of directors and recommend approval of the proposed dividend as per article 349 (2) of the commercial code of Ethiopia.

*Taf - Shi & Ay*  
Tafesse, Shisema and Ayalew Certified Audit Partnership  
Chartered Certified Accountants (UK)  
Authorized Auditors (ETH)

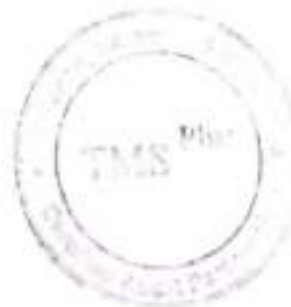


Addis Ababa  
7 November 2025

**NIGAT INSURANCE BROKER SHARE COMPANY**  
**BALANCE SHEET**  
**AS AT 7 JULY 2025**

Currency: Ethiopian Birr

	<u>Notes</u>		<u>2024</u>
<b>NON CURRENT ASSETS</b>			
Fixed assets	1a, 2	<u>1,690,394.06</u>	<u>1,812,217</u>
<b>CURRENT ASSETS</b>			
Debtors and prepayments	3	1,457,927.30	472,432
Shareholder's account		835,123.27	-
Cash at bank	4	<u>3,440,546.39</u>	<u>4,712,084</u>
		<u>5,733,596.96</u>	<u>5,184,516</u>
<b>CURRENT LIABILITIES</b>			
Creditors and accruals	5	1,535,478.86	2,023,005
Profit tax payable	6	603,675.73	349,740
		<u>2,139,154.59</u>	<u>2,372,745</u>
<b>NET CURRENT ASSETS</b>		<u>3,594,442.37</u>	<u>2,811,771</u>
		<u>5,284,836.43</u>	<u>4,623,988</u>
<b>FINANCED BY:</b>			
Capital		3,222,000.00	3,222,000
Legal reserve	8	451,225.96	366,404
Profit and loss account	7	1,611,612.47	1,035,586
		<u>5,284,836.43</u>	<u>4,623,988</u>



**NIGAT INSURANCE BROKER SHARE COMPANY**  
**PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 07 JULY 2025**

Currency: Ethiopian Birr

REVENUE	Note	2025	2024
Commission income	1b	6,412,208.93	4,927,195
Interest income		109,875.22	73,121
		<u>6,522,084.15</u>	<u>5,000,316</u>
<b>GENERAL AND ADMINISTRATIVE EXPENSE</b>			
			<u>2024</u>
Salary and related		1,829,072.00	1,613,640
Transportation Allowance		36,180.00	28,920
Representation Allowance		172,017.00	154,104
Provident Fund		129,141.90	111,024
Pension Contribution		11,979.00	7,986
Wages		7,200.00	4,800.00
Office Rent		120,313.12	78,517.48
Membership and Subscription		-	-
Fuel		439,120.80	315,720.53
Compensation		79,044.91	61,434.89
Stationery		6,050.48	6,719.15
Audit fee		15,000.00	20,400.00
Insurance Expense		101,122.30	115,740.67
Repair and maintenance		275,169.25	206,899.77
Bank Service Charge		6,412.02	2,260.00
Board member fee		216,000.00	171,000.00
Utility		6,533.48	6,201.02
Depreciation		431,447.92	434,588
Interest expense		9,345.63	3,523
Penalty		300.00	300
Miscellaneous		58,475.40	45,560
Licensing and Regulation		10,000.00	10,000
Business Acquisition		129,949.64	52,441
		<u>4,089,874.85</u>	<u>3,451,778</u>
Profit before tax		2,432,209.30	1,548,538
Profit tax		735,775.12	458,447
Net profit after tax		1,696,434.18 ✓	1,090,090
Legal reserve		84,821.71 ✓	54,505
		<u>1,611,612.47</u>	<u>1,035,586</u>

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**NIGAT INSURANCE BROKER SHARE COMPANY**  
**STATEMENT OF CASH FLOW**  
**FOR THE YEAR ENDED 07 JULY 2025**

**Cash flow from operating activities**

		<b>2024</b>
Net Profit before tax	2,432,209.30	1,548,538
Adjustment for non-cash items	-	-
Depreciation	431,447.92	434,588
Opening Balance Depreciation	-	-
Operating profit before working capital changes	<u>2,863,657.22</u>	<u>1,983,125</u>
Changes in working capital		
Increase(decrease) in debtors	(985,495.49)	(345,419)
Decrease in shareholders payable	(835,123.27)	-
Withholding tax receivable	-	1,675,496
Increase(decrease) in creditors and accruals	(487,526.17)	-
Profit Tax Paid	(349,739.71)	(267,371)
Withholding tax paid	(132,099.39)	(108,708)
<b>Net cash from operating activities</b>	<u>73,673.19</u>	<u>2,937,124</u>
<b><u>Cash flow from investing activities</u></b>		
Fixed asset Purchase	-	-
Fixed asset Aujgment	(309,624.59)	-
<b>Net cash from investing activities</b>	<u>(309,624.59)</u>	<u>-</u>
<b><u>Cash flow from financing activities</u></b>		
Dividend paid	(1,035,585.84)	(800,164)
Capital increment in cash	-	-
<b>Net cash flow from financing activities</b>	<u>(1,345,210.43)</u>	<u>(800,164)</u>
Net increase in cash and cash equivalents	(1,271,537.24)	2,136,959
Cash and cash equivalent at the beginning of the year	4,712,083.72	2,575,124
<b>Cash and cash equivalent at the end of the year</b>	<u><u>3,440,546.39</u></u>	<u><u>4,712,084</u></u>

**Components of cash and cash equivalents**

Cash on hand and at bank	<u>3,440,546.39</u>	<u>4,712,084</u>
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**NIGAT INSURANCE BROKER SHARE COMPANY**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 07 JULY 2025**

	<u>Paid up Capital</u>	<u>Legal Reserve</u>	<u>Retained Earning</u>	<u>Total</u>
Balance at 07 July 2024	<u>3,222,000.00</u>	<u>366,402.25</u>	<u>1,035,585.84</u>	<u>4,623,988.09</u>
Additional Shares issued	-	-	-	-
Dividend declared	-	-	(1,035,585.84)	(1,035,585.84)
Transfer to legal reserve	-	84,821.71	-	84,821.71
Net profit for the year	-	-	1,611,612.47	1,611,612.47
Prior year adjustment	-	-	-	-
Balance at 07 July 2025	<u>3,222,000.00</u>	<u>451,223.96</u>	<u>1,611,612.47</u>	<u>5,284,836.43</u>



**NIGAT INSURANCE BROKER SHARE COMPANY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 07 JULY 2025**

**I. ACCOUNTING POLICIES**

The principal accounting policies adopted by the company are stated below:-

**a) Fixed assets**

Fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated using the straight line method for fixed assets acquired after 7 July 2016 in accordance with the new income tax regulation and pooling method is used for the balance of the pool in accordance with the repealed proclamation.

	<u>Pooling</u>	<u>Straight line</u>
Computer and Accessories	25%	20%
All other fixed assets	20%	15%

**b) Income and expense recognition**

Income and expenses are recognized on accrual basis, i.e., when revenue is earned and expense incurred.

**2. FIXED ASSETS (CONSOLIDATED)**

<b>COST</b>	<b>Balance</b>			<b>Balance</b>
	<b>07.07.24</b>	<b>Additions</b>	<b>Ajustment</b>	<b>07.07.25</b>
Office equipment	55,470.15			55,470.15
Computer and accessories	45,130.44			45,130.44
Motor vehicles	3,384,538.64	-	309,624.59	3,694,163.23
	<u>3,485,139.23</u>	<u>-</u>	<u>309,624.59</u>	<u>3,794,763.82</u>
<b>DEPRECIATION</b>				
Office equipment	49,992.11	1,095.60		51,087.71
Computer and accessories	44,409.41	180.26		44,589.67
Motor vehicles	1,578,520.42	430,171.96		2,008,692.37
	<u>1,672,921.94</u>	<u>431,447.82</u>		<u>2,104,369.76</u>
<b>NET BOOK VALUE</b>	<u>1,812,217.29</u>			<u>1,690,394.06</u>



**NIGAT INSURANCE BROKER SHARE COMPANY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 07 JULY 2025**

Currency: Ethiopian Birr

**2.1. FIXED ASSETS (POOLING)**

COST	Balance	Additions	Aujstment	Balance
	08.07.24			07.07.25
Office equipment	55,470.15	-		55,470.15
Computer and accessories	25,043.48	-		25,043.48
Motor vehicles	591,549.20			591,549.20
	<u>672,062.83</u>	<u>-</u>		<u>672,062.83</u>
<b>DEPRECIATION</b>	-			
Office equipment	49,992.13	1,095.60		51,087.73
Computer and accessories	24,322.45	180.26		24,502.71
Motor vehicles	535,431.50	11,223.54		546,655.04
	<u>609,746.08</u>	<u>12,499.40</u>		<u>622,245.48</u>
<b>NET BOOK VALUE</b>	<u>62,316.75</u>			<u>49,817.35</u>

**2.2. FIXED ASSETS (STRAIGHT LINE)**

COST	Balance	Additions	Aujstment	Balance
	08.07.24			07.07.25
Motor Vehicle	2,792,989.44	-	309,634.25	2,792,989.44
Computer and accessories	20,086.96			20,086.96
	<u>2,813,076.40</u>		<u>309,634.25</u>	<u>2,813,076.40</u>
<b>DEPRECIATION</b>				
Motor Vehicle	1,043,088.92	418,948.42		1,462,037.34
Computer and accessories	20,086.96	-		20,086.96
	<u>1,063,175.88</u>	<u>418,948.42</u>		<u>1,482,124.30</u>
<b>NET BOOK VALUE</b>	<u>1,749,900.52</u>			<u>1,330,952.10</u>



**NIGAT INSURANCE BROKER SHARE COMPANY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 07 JULY 2025**

Currency: Ethiopian Birr

**3. DEBTORS AND PREPAYMENTS**

		<u>2024</u>
Staff receivable	876,648.84	376,414
VAT receivable	-	3,671
Prepaid rent	43,418.71	36,949
Prepaid insurance	80,804.94	53,132
Prepaid Utility	2,221.76	2,245
Dividend tax payable	19.69	20
Vat payable	417,656.92	-
Profit Tax payable	37,156.44	-
	<u>1,457,927.30</u>	<u>472,432</u>

**4. CASH AT BANK**

Cash at bank	3,440,546.39	4,712,084
	<u>3,440,546.39</u>	<u>4,712,084</u>

**5. CREDITORS AND ACCRUALS**

Income tax	54,310.70	46,469
Vat payable	-	169,954
Accruals	35,400.00	20,400
Withholding tax Payable	1,446.89	794
Provident fund	377,119.30	204,930
Pension	1,633.50	1,087
Staff Payable	1,054,619.54	862,919
Dividend payable	-	716,451
VAT receivable	10,948.93	-
	<u>1,535,478.86</u>	<u>2,023,005</u>

**6. PROVISION FOR PROFIT TAX**

Profit before tax	2,432,209.30	1,548,538
Less: Interest income	(109,875.22)	(73,121)
	<u>2,322,334.08</u>	<u>1,475,417</u>
Add disallowable items	-	-
Penalty	300.00	300
Business Acquisition	129,949.64	52,441
Interest expense	-	-
	<u>2,452,583.72</u>	<u>1,528,158</u>
Provision for profit tax	735,775.12	458,447
Less: Withholding tax receivable	(132,099)	(108,708)
Profit tax payable	<u>603,675.73</u>	<u>349,740</u>



**NIGAT INSURANCE BROKER SHARE COMPANY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 07 JULY 2025**

Currency: Ethiopian Birr

**7. PROFIT AND LOSS ACCOUNT**

		<u>Balance 2024</u>
Opening balance	1,035,585.84	800,164
Current year adjustment	-	-
Dividend paid	- 1,035,585.84	(800,164)
Opening Balance Depreciation	-	-
Add: Current year's net profit	<u>1,611,612.47</u>	<u>1,035,586</u>
Profit carried forward to the balance sheet	<u>1,611,612.47</u>	<u>1,035,586</u>

**8. LEGAL RESERVE**

Opening balance	366,402.25	311,898
Opening balance difference		
Current year transfer	<u>84,821.71</u>	<u>54,505</u>
Carried forward to the balance sheet	<u>451,223.96</u>	<u>366,402</u>

