EEB ENERGY RE LTD.
(Incorporated in Bermuda)

Financial Statements
December 31, 2018
(expressed in U.S. dollars)

Deloitte Ltd.
Corner House
20 Parliament Street
P.O. Box HM 1556
Hamilton HM FX
Bermuda

Tel: + 1 (441) 292 1500
Fax: + 1 (441) 292 0961
www.deloitte.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholder of EEB Energy RE Ltd.

Opinion

We have audited the accompanying financial statements of EEB Energy RE Ltd. (the "Company"), which comprise the statement of financial position as at December 31, 2018, and the statement of income and comprehensive income, statement of changes in shareholder's equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with the 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 ethical requirements of the Chartered Professional Accountants of Bermuda that are relevant to our audit of the financial statements in Bermuda, 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 opinion.

Responsibilities of Management's for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs, and for such internal control as management 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, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility 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 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 control.

- 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.

We communicate with those charged with governance 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.

Deloitte Ltd.

February 1, 2019

EEB Energy Re Ltd.

Statement of Financial Position

As at December 31, 2018

(expressed in U.S. dollars)

	December 31, 2018 $	December 31, 2017 $
Assets		
Cash and cash equivalents (note 3)	4,165,222	8,234,467
Insurance balances receivable (note 8)	1,162,015	871,977
Recoverable for losses and loss related expenses (note 4)	15,026,217	14,522,823
Short term investments	5,000,000	-
Accrued interest on investments	40,681	-
Funds withheld	20,273	808,097
Deferred reinsurance premium	2,768,905	3,774,325
Total assets	28,183,313	28,211,689
Liabilities		
Accrued liabilities	46,774	49,524
Reinsurance balance payable (note 8)	1,053,296	1,156,758
Losses payable	235,075	243,254
Reserve for losses and loss expenses (note 4)	15,026,217	14,522,823
Unearned premium reserve	2,979,276	4,150,781
Deferred commission	276,891	386,698
Funds withheld payable	14,616	762,664
	19,632,145	21,272,502
Shareholder's equity		
Share capital – Authorized, issued and fully paid common shares of par value $1 each (note 6)	120,000	120,000
Retained earnings	8,431,168	6,819,187
Total liabilities and shareholder's equity	28,183,313	28,211,689

Approved by the Board of Directors

____________________ Director ____________________ Director

____________________ Date ____________________ Date

The accompanying notes are an integral part of these financial statements.

EEB Energy Re Ltd.

Statement of Income and Comprehensive Income

For the year ended December 31, 2018

(expressed in U.S. dollars)

	2018 $	2017 $
UNDERWRITING INCOME:		
Gross written premium	8,434,378	11,352,369
Ceded written premium	(7,810,595)	(10,271,114)
Net written premium	623,783	1,081,255
Net change in unearned premium reserve	1,171,505	(293,282)
Net change in deferred reinsurance premium	(1,005,420)	256,291
Net premium earned	789,868	1,044,264
Ceding commission income	890,935	1,019,251
	1,680,803	2,063,515
UNDERWRITING EXPENSES:		
Gross claims paid (note 4)	2,415,530	2,966,245
Reinsurance recoveries (note 4)	(2,415,530)	(2,966,245)
Change in reserve for losses and loss expenses	503,394	10,592,146
Change in recoverable for losses and loss expenses	(503,394)	(10,592,146)
	-	-
UNDERWRITING INCOME	1,680,803	2,063,515
NET INVESTMENT INCOME	102,542	6,720
FOREIGN EXCHANGE LOSS	4,762	26,811
GENERAL AND ADMINISTRATIVE EXPENSES	(176,126)	(122,775)
NET INCOME	1,611,981	1,974,271
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME	1,611,981	1,974,271

EEB Energy Re Ltd.

Statement of Changes in Shareholder's Equity

For the year ended December 31, 2018

(expressed in U.S. dollars)

	Share capital $	Contributed surplus $	Retained earnings $	Total Shareholder's equity $
December 31, 2016	120,000	-	4,844,916	4,964,916
Comprehensive income for the year	-	-	1,974,271	1,974,271
December 31, 2017	120,000	-	6,819,187	6,939,187
Comprehensive income for the year		-	1,611,981	1,611,981
December 31, 2018	120,000	-	8,431,168	8,551,168

The accompanying notes are an integral part of these financial statements.

EEB Energy Re Ltd.
Statement of Cash Flows
December 31, 2018

(expressed in U.S. dollars)

	2018 $	2017 $
Cash flows from operating activities		
Net income for the year	1,611,981	1,974,271
Adjustments for non-cash items included in net income:		
Change in non-cash balances relating to operations:		
Insurance balances receivable	(290,038)	(735,337)
Recoverable from losses and loss related expenses	387,849	(10,592,146)
Fund Withheld – Assumed	787,824	(69,504)
Fund Withheld – Ceded	(748,048)	(685,236)
Deferred reinsurance premium	1,005,420	(256,290)
Reinsurance balance payable	(103,462)	871,754
Losses payable	(8,179)	(276,463)
Accrued liabilities	(2,750)	18,616
Accrued Interest on Investments	(40,681)	-
Reserve for losses and loss expenses	(387,849)	10,592,146
Unearned premium reserve	(1,171,505)	293,282
Deferred commission	(109,807)	34,894
Net cash provided by operating activities	930,755	1,169,987
Cash flows from financing activities		
Purchase of Investments, being cash used in financing activities	(5,000,000)	-
Net (decrease)/increase in cash and cash equivalents	(4,069,245)	1,169,987
Cash and cash equivalents at beginning of year	8,234,467	7,064,480
Cash and cash equivalents at end of year	4,165,222	8,234,467

(expressed in U.S. dollars)

1. The Company and its affiliates

EEB Energy Re Ltd. a Class 1 insurer incorporated under the laws of Bermuda, is a wholly-owned subsidiary of Grupo Energia Bogota S.A. E.S.P., a company incorporated in Colombia. The principal activity is the insurance of risks of its parent and affiliated companies.

The Company insures the following risks of its shareholder, Grupo Energia Bogota S.A. E.S.P. and its related entities covering property damage and business interruption, general liability, sabotage and terrorism and business interruption and construction all risk exposures. All coverages are fronted by commercial insurers with an A.M. Best security rating or equivalent of A- or higher.

The property material damage coverage is provided on a claims incurred basis, incepting on May 5th, 2013. The Company provides coverage of $190m i.r.o Calidda and Contugas, $100m i.r.o Transpontadora de Gas Internacional, $35m i.r.o. Grupo Energia Bogota S.A. E.S.P.and $10m i.r.o. Trecsa combined single limit in excess of the deductibles. The property material damage deductibles are between 2% and 10% of the loss and/or minimum 5smmlv or $500 each and every loss depending on location and coverage and for business interruption it is between 15 and 21 days depending on location. This coverage is retroceded to reinsurers with an A.M. Best security rating or equivalent of A- or higher.

The Sabotage and Terrorism coverage is provided on a claims incurred basis, incepting on March 5th, 2013. The Company provides coverage of $100m i.r.o Calidda and Contugas and Transpontadora de Gas Internacional, $35m i.r.o. Grupo Energia Bogota S.A. E.S.P. de Bogota and $10m i.r.o. Trecsa combined single limit in excess of the deductibles. The Sabotage and Terrorism deductibles are between 5% and 10% of the loss and/or minimum $500 each and every loss depending on location and coverage and for business interruption it is between 15. This coverage is retroceded to reinsurers with an A.M. Best security rating or equivalent of A- or higher.

The general liability coverage is provided on a claim incurred basis incepting on September 18, 2015. The Company provides coverage of $10m ir.o. Trecsa with deductibles of 10% each and every loss minimum $15,000. This coverage is retroceded to reinsurers with an A.M. Best security rating or equivalent of A- or higher.

The construction all risk coverage for the Cusiana project of Transportadora de Gas Internacional incepted on December 11, 2015. The Company provides property coverage up to $23,229,243 in excess of deductibles, combine limit each and every loss. The risks covered include a myriad of risks for energy and energy-related businesses that are inherent in construction projects, from inception to completion and for one year following completion. This coverage is 100% retroceded to reinsurers with an A.M. Best security rating or equivalent of A- or higher.

These risks are 100% retroceded to reinsurers with A.M. Best ratings or equivalent of A- or higher

2. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

(a) **Statement of compliance**
The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

(expressed in U.S. dollars)

2. *Summary of significant accounting policies (cont'd)*

(b) **Basis of presentation**

The Company's financial statements have been prepared under the historical cost basis, except for investments, which are recorded at fair value and with changes in fair value, and other financial assets and other financial liabilities.

The Company has prepared its Financial Statements in conformity with IFRS 4 "Insurance Contracts", effective January 1, 2006 and believes it is in compliance with the requirements as prescribed by the IASB in its first phase of the standard. IFRS 4 is an interim measure until the IASB completes the second phase of its project on insurance contracts.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Key sources of estimation uncertainty are described in these significant accounting policies.

(c) **Premiums written and acquisition costs**

Premiums written are recognized and acquisition costs are expensed on a pro rata basis over the terms of the policy. Certain of the policies provide for premium adjustments based on the results of premium base reviews. The Company has considered such adjustments using estimates of the ultimate premiums, and in the opinion of management, future adjustments to premiums will not have a material effect on the financial position of the Company.

(d) **Reinsurance premiums ceded**

Reinsurance premiums ceded are expensed over the term of the reinsurance policies.

(e) **Reserve for losses and loss related expenses**

The reserve for losses and loss related expenses include estimates for outstanding claims and settlement expenses incurred at the balance sheet date including an estimate for the cost of claims incurred but not reported at that date. Such reserve is based on loss adjusters' evaluations and management's best estimates on an undiscounted basis and, in the opinion of management, is adequate. Future adjustments to the amounts recorded as of December 31, 2018, resulting from the continual review process, as well as differences between estimates and ultimate settlements, will be reflected in the Company's statements of comprehensive income of future years when such adjustments become known.

(f) **Reinsurance**

The Company enters into reinsurance contracts in the normal course of business in order to limit the potential for losses arising from certain exposures. Outwards reinsurance premiums are accounted for in the same period as the related premiums for the direct or inwards reinsurance business being reinsured.

Reinsurance liabilities comprise premiums payable for outwards reinsurance contracts and are recognized as an expense when due.

Reinsurance assets include balances due from reinsurance companies for paid and unpaid losses. Reinsurance assets are measured consistently with the amounts associated with the underlying insurance contracts and in accordance with the terms of the reinsurance contract.

(expressed in U.S. dollars)

2. *Summary of significant accounting policies (cont'd)*

(g) Translation of foreign currencies

Monetary assets and liabilities originating in other currencies are translated into U.S. dollars (the functional currency) at the rates of exchange in effect at the balance sheet date. Non-monetary items originating in other currencies are translated into U.S. dollars at the rates of exchange in effect at the dates when the transactions occurred. Revenue and expense items are translated into U.S. dollars at the rate of exchange prevailing at the time of the transaction. The resulting exchange gains or losses are recognized in net income.

(h) Cash and cash equivalents

Cash and cash equivalents include amounts held in banks. Short term investment represents time deposits and carried at amortized cost.

(i) Application of new and revised IFRSs

New and revised IFRSs in issue-adopted

IFRS 15 Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers ("IFRS 15"), which replaces IAS 11 – Construction Contracts, IAS 18 Revenue and IFRIC 13 – Customer Loyalty Programmes, as well as various other interpretations regarding revenue. IFRS 15 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers, except for contracts that are within the scope of the standards on leases, insurance contracts and financial instruments. IFRS 15 also contains enhanced disclosure requirements. The directors of the Company have assessed the standard and determined that it has no material impact on the financial statements and related disclosures.

IFRIC 22 Foreign Currency Transactions and Advance Consideration

The interpretations specify that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability and that if there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The directors of the Company have assessed the standard and determined that it has no material impact on the financial statements and related disclosures.

New and revised IFRSs in issue-Not yet adopted

IFRS 9 Financial Instruments

In July 2014, the IASB issued IFRS 9 – Financial Instruments ("IFRS 9"), which brings together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39.

Classification and measurement – Financial assets are classified and measured based on the business model within which they are managed and the contractual cash flow characteristics of the financial assets. Financial liabilities are classified in a similar manner as under IAS 39 except that for financial liabilities measured at fair value will have fair value changes resulting from changes in the Company's credit risk recognized in Other Comprehensive Income ("OCI") instead of net income, unless this would create an accounting mismatch.

(expressed in U.S. dollars)

2. *Summary of significant accounting policies (cont'd)*

New and revised IFRSs in issue-Not yet adopted (cont'd)

IFRS 9 Financial Instruments

Impairment – The measurement of impairment of financial assets is based on an expected credit loss model. It is no longer necessary for a triggering event to have occurred before credit losses are recognized. IFRS 9 also includes new disclosure requirements about expected credit losses and credit risk.

Hedge accounting – The new general hedge accounting model more closely aligns hedge accounting with risk management activities undertaken by entities when hedging their financial and non-financial risk exposures. It will provide more opportunities to apply hedge accounting to reflect their actual risk management activities.
The directors of the Company are currently assessing the impact this standard will have on future financial statements and related disclosures and do not anticipate that the application of this standard will have a material impact on the Company's financial statements.

It is not possible to assess the effect of adopting IFRS 9 as the company has elected to apply the deferral approach permitted by IFRS 4 (with the result that the Standard will be considered alongside IFRS 17).

IFRS 17 Insurance Contracts

In May 2017, the IASB published IFRS 17 Insurance Contracts, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 that was issued in 2005. IFRS 17 applies to all types of insurance contracts as well as to certain guarantees and financial instruments with discretionary participation features. In contrast to the requirements in IFRS 4, which are largely based on grandfathering of previous local accounting policies, IFRS 17 provides a comprehensive and consistent approach to insurance contracts. The core of IFRS 17 is the general model, supplemented by a specific adaption for contracts with direct participation features (the variable fee approach) and a simplified approach (the premium allocation approach) mainly for short-duration contracts.

The main features of the new accounting model for insurance contracts are, as follows: the measurement of the present value of future cash flows incorporating an explicit risk adjustment and remeasured every reporting period (the fulfilment cash flows); a contractual service margin that is equal and opposite to any day one gain in the fulfilment cash flows of a group of contracts, representing the unearned profit of the insurance contracts to be recognised in profit or loss over the service period (coverage period); the presentation of insurance revenue and insurance service expenses in the statement of comprehensive income based on the concept of insurance services provided during the period; and extensive disclosures to provide information on the recognised amounts from insurance contracts and the nature and extent of risks arising from these contracts.

The impact of the adoption of IFRS 17 has yet to be fully assessed by the Group but it is expected there will be significant impacts relating to the measurement and presentation of the contracts in scope of the standard. This standard applies to annual reporting periods beginning on or after 1 January 2021.

(expressed in U.S. dollars)

3. *Cash and cash equivalents*

	2018	2017
	$	$
Cash at banks	4,165,222	8,234,467
	4,165,222	8,234,467

Interest rates during the year were 0.1% (2017 – 0.1%) for the cash account.

4. *Reserve for losses and loss expenses*

The activity in reserve for losses and loss related expenses as at December 31, 2018 and 2017 is summarized as follows:

	Gross		Reinsurer's share		Net	
	2018	2017	2018	2017	2018	2017
	$	$	$	$	$	$
Balance at January 1	14,522,823	3,930,677	(14,522,823)	(3,930,677)		-
Incurred losses related to:						
Current Year	4,181,130	5,976,737	(4,181,130)	(5,976,737)		-
Prior Year	(1,262,206)	7,581,654	1,262,206	(7,581,654)		-
	2,918,924	13,558,391	(2,918,924)	(13,558,391)		-
Paid losses related to						
Current Year	-	(1,156)	-	1,156		-
Prior Year	(2,415,530)	(2,965,089)	2,415,530	2,965,089		-
	(2,415,530)	(2,966,245)	2,415,530	2,966,245		-
Balance at December 31	15,026,217	14,522,823	(15,026,217)	(14,522,823)		-

(expressed in U.S. dollars)

5. Reinsurance

Reinsurance contracts do not relieve the Company from its obligations to policyholders. Failure of reinsurers to honour their obligations could result in losses to the Company; consequently, allowances would be established for amounts deemed uncollectible. The Company evaluates the financial condition of its reinsurers and monitors concentrations of credit risk arising from similar geographic regions, activities, or economic characteristics of the reinsurers to minimize its exposure to significant losses from reinsurer insolvencies. Loss reserves considered recoverable from reinsurers were $15,026,217 and $14,522,823 at December 31, 2018 and 2017, respectively.

Deferred reinsurance premiums of $2,768,905 and $3,774,325 as of December 31, 2018 and 2017, respectively were associated with several reinsurers, all having an A.M. Best rating or equivalent of A- or above. At December 31, 2018, no provision for uncollectible amounts was considered necessary.

6. Share capital

Share capital consists of 120,000 common shares with a par value of $1, which were authorized, issued and fully paid as at December 31, 2018 and 2017.

7. Financial risk management

The Company is exposed to market risk, credit risk, liquidity risk, interest rate risk, and currency risk among others, arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below.

Market risk
Market risk is the risk of adverse financial impact as a consequence of market movements such as currency exchange rates, interest rates and other price changes. Market risk arises due to fluctuations in both the value of assets held and the value of liabilities. Management's procedures to manage those market movements are discussed in the section below.

Credit risk and concentration of credit risk
Credit risk arises from the failure of the counterparty to perform according to the terms of a contract.

The Company's activities expose it to a variety of financial risks: credit risk and liquidity risk.

Management key areas where the Company is exposed to credit risk are:

- Cash and cash equivalents
- Insurance balances receivable
- Recoverable for outstanding losses and loss related expenses

The Company does not require collateral or other security to support financial instruments with credit risk.

The Company is party to financial instruments with concentration and credit risks in the normal course of business. All of the Company's cash were on deposit with high credit quality financial institutions. As of December 31, 2018 and 2017, the Company had deposited, with a financial institution, a total of $4,165,222 and $8,234,467 respectively.

The Company's outstanding losses and loss related expenses recoverable from reinsurers are due from various reinsurers including various Lloyds' market syndicates. In the opinion of the Company's management, this diversification of purchased reinsurance will limit the concentration of credit risk affecting the Company.

(expressed in U.S. dollars)

7. *Financial risk management* (cont'd)

Reinsurance is used to manage insurance risk. This does not however discharge the Company's liability as a primary insurer. If a reinsurer fails to pay a claim for any reason, the Company remains liable for the payment to the policy holder.

Liquidity risk
Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost. The Company manages this risk by investing significantly in highly liquid short term investments which are classified as cash and cash equivalents.

Liquidity and interest risk tables
The contractual maturity of reinsurance balance payable is disclosed in Note 7. The following tables detail the Company's remaining contractual maturity for its financial liabilities.

The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

	Less than 3 months $	3 months to 1 year $	1 to 5 years $	Total $
Financial liabilities:				
2018				
Accrued liabilities	46,774	-	-	46,774
Reinsurance balance payable	-	1,053,296	-	1,053,296
Reserves for losses and loss related expenses	-	15,261,292	-	15,261,292
	46,774	16,314,588	-	16,361,362
2017				
Accrued liabilities	49,524	-	-	49,524
Reinsurance balance payable	-	1,156,758	-	1,156,758
Reserves for losses and loss related expenses	-	14,766,077	-	14,766,077
	49,524	15,922,835	-	15,972,359

Currency risk
Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company's assets and liabilities are denominated in U.S. dollars, the functional currency.

Insurance Risk
The Company accepts insurance risk through its insurance contracts where it assumes the risk of loss from the ultimate Parent and its affiliates that are directly subject to the underlying loss. The Company is exposed to the uncertainty surrounding the timing, frequency and severity of claims under these contracts.

(expressed in U.S. dollars)

8. Insurance balance receivable / reinsurance balance payable

At December 31, 2018, the Company had insurance balances receivable of $1,162,015 (2017: $871,977) related to the premium to be received for the Property - Gas & Energy and Sabotage and Terrorism - Gas & Energy policies.

At December 31, 2018, the Company had insurance balances payable of $1,053,296 (2017: $1,156,758) related to the Property - Gas & Energy and Sabotage and Terrorism - Gas & Energy policies.

9. Capital risk management and statutory financial reporting

The Company is required by its licence to comply with various provisions of The Act regarding solvency and liquidity. These provisions have been met. The required minimum statutory capital and surplus under the Act as of December 31, 2018 and 2017, was $124,757 and $216,251, respectively. As of December 31, 2018 and 2017, the Company's actual statutory capital and surplus under the Act was $8,551,168 and $6,939,187, respectively, and accordingly there is no restriction on the amount of retained earnings available for the payment of dividends to shareholders. Actual statutory capital and surplus, as determined using statutory principles, is as follows:

	2018 $	2017 $
Total shareholder's equity	8,551,168	6,939,187
Less: Non-admitted assets:		
Prepaid expenses	-	-
Statutory capital and surplus	8,551,168	6,939,187

10. Taxation

Under current Bermuda law the Company is not required to pay any taxes in Bermuda on either income or capital gains. The Company has received an undertaking from the Minister of Finance in Bermuda that in the event of any such taxes being imposed the Company will be exempted from taxation until the year 2035.

11. Approval of the financial statements

The financial statements were approved by the Board of Directors on February 1, 2019.