



# Arthur Morris & Company Limited

Chartered Professional Accountants

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## Independent Auditor's Report

### To the Board of Directors

We have audited the accompanying condensed financial statements of Radiant Ltd. (the "Company"), which comprise the condensed balance sheet as of December 31, 2018, and the related condensed statement of income and condensed statement of capital and surplus for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Condensed Financial Statements

Management is responsible for the preparation and fair presentation of the condensed financial statements based on the financial reporting provisions of The Insurance Act 1978, amendments thereto and the Insurance Account Rules 2016 with respect to Condensed General Purpose Financial Statements (the "Legislation"). Management is also responsible for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these condensed financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the condensed financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the condensed financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the condensed financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the condensed financial statements 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the condensed financial statements.

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

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**Basis for Adverse Opinion on Accounting Standards Generally Accepted in the United States of America**

As described in Note 3 to the condensed financial statements, the condensed financial statements are prepared by the Company based on the financial reporting provisions of the Legislation, which is a basis of accounting other than accounting standards generally accepted in the United States of America.

The effects on the condensed financial statements of the variances between the basis of accounting described in Note 3 and accounting standards generally accepted in the United States of America are material.

**Adverse Opinion on Accounting Standards Generally Accepted in the United States of America**

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on accounting standards generally accepted in the United States of America” paragraph, the condensed financial statements referred to above do not present fairly, in accordance with accounting standards generally accepted in the United States of America, the financial position of the Company as of December 31, 2018, or the results of its operations or its cash flows for the year then ended.

**Opinion on Condensed Financial Statements**

In our opinion, the condensed financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2018, and the results of its operations for the year then ended, in accordance with the financial reporting provisions of the Legislation.

*Arthur Morris+ Company Limited*

**Hamilton, Bermuda**  
**April 30, 2019**

**CONDENSED CONSOLIDATED BALANCE SHEET**

Radiant Ltd.

As at  
expressed in [000s]

**December 31, 2018**

**United States Dollars**

LINE No.		2018	2017
1.	CASH AND CASH EQUIVALENTS	13,616,772	12,898,157
2.	QUOTED INVESTMENTS:		
(a)	Bonds and Debentures		
	i. Held to maturity		
	ii. Other		
(b)	Total Bonds and Debentures	-	-
(c)	Equities		
	i. Common stocks		
	ii. Preferred stocks		
	iii. Mutual funds		
(d)	Total equities	-	-
(e)	Other quoted investments		
(f)	Total quoted investments	-	-
3.	UNQUOTED INVESTMENTS:		
(a)	Bonds and Debentures		
	i. Held to maturity		
	ii. Other		
(b)	Total Bonds and Debentures	-	-
(c)	Equities		
	i. Common stocks		
	ii. Preferred stocks		
	iii. Mutual funds		
(d)	Total equities	-	-
(e)	Other unquoted investments		
(f)	Total unquoted investments	-	-
4.	INVESTMENTS IN AND ADVANCES TO AFFILIATES		
(a)	Unregulated entities that conduct ancillary services		
(b)	Unregulated non-financial operating entities		
(c)	Unregulated financial operating entities		
(d)	Regulated non-insurance financial operating entities		
(e)	Regulated insurance financial operating entities		
(f)	Total investments in affiliates	-	-
(g)	Advances to affiliates	1,544,949	
(h)	Total investments in and advances to affiliates	1,544,949	-
5.	INVESTMENTS IN MORTGAGE LOANS ON REAL ESTATE:		
(a)	First liens		
(b)	Other than first liens		
(c)	Total investments in mortgage loans on real estate	-	-
6.	POLICY LOANS		
7.	REAL ESTATE:		
(a)	Occupied by the company (less encumbrances)		
(b)	Other properties (less encumbrances)		
(c)	Total real estate	-	-
8.	COLLATERAL LOANS		
9.	INVESTMENT INCOME DUE AND ACCRUED		
10.	ACCOUNTS AND PREMIUMS RECEIVABLE:		
(a)	In course of collection	500,000	-
(b)	Deferred - not yet due		
(c)	Receivables from retrocessional contracts		
(d)	Total accounts and premiums receivable	500,000	-
11.	REINSURANCE BALANCES RECEIVABLE:		
(a)	Foreign affiliates		
(b)	Domestic affiliates		
(c)	Pools & associations		
(d)	All other insurers		
(e)	Total reinsurance balance receivable	-	-
12.	FUNDS HELD BY CEDING REINSURERS		

**CONDENSED CONSOLIDATED BALANCE SHEET**

Radiant Ltd.

As at  
expressed in ['000s]

**December 31, 2018**

**United States Dollars**

LINE No.		2018	2017
13.	SUNDRY ASSETS:		
(a)	Derivative instruments		
(b)	Segregated accounts companies - long-term business - variable annuities		
(c)	Segregated accounts companies - long-term business - other		
(d)	Segregated accounts companies - general business		
(e)	Deposit assets		
(f)	Deferred acquisition costs		
(g)	Net receivables for investments sold		
(h)	Deferred Tax Asset	107,870	131,058
(i)	Income Tax Recoverable	2,237,954	1,265,634
(j)	Other Sundry Assets (Specify)		
(k)	Total sundry assets	2,345,824	1,396,692
14.	LETTERS OF CREDIT, GUARANTEES AND OTHER INSTRUMENTS		
(a)	Letters of credit		
(b)	Guarantees		
(c)	Other instruments		
(e)	Total letters of credit, guarantees and other instruments	-	-
15.	TOTAL	18,007,545	14,294,849
<b>TOTAL INSURANCE RESERVES, OTHER LIABILITIES AND STATUTORY CAPITAL AND SURPLUS</b>			
16.	UNEARNED PREMIUM RESERVE		
(a)	Gross unearned premium reserves	2,215,325	2,648,350
(b)	Less: Ceded unearned premium reserve		
i.	Foreign affiliates	-	-
ii.	Domestic affiliates	-	-
iii.	Pools & associations	-	-
iv.	All other insurers	177,063	283,384
(c)	Total ceded unearned premium reserve	177,063	283,384
(d)	Net unearned premium reserve	2,038,262	2,364,966
17.	LOSS AND LOSS EXPENSE PROVISIONS:		
(a)	Gross loss and loss expense provisions	5,176,459	2,603,290
(b)	Less: Reinsurance recoverable balance		
i.	Foreign affiliates		
ii.	Domestic affiliates		
iii.	Pools & associations		
iv.	All other reinsurers		
(c)	Total reinsurance recoverable balance	-	-
(d)	Net loss and loss expense provisions	5,176,459	2,603,290
18.	OTHER GENERAL BUSINESS INSURANCE RESERVES		
19.	TOTAL GENERAL BUSINESS INSURANCE RESERVES	7,214,721	4,968,256
<b>LONG-TERM BUSINESS INSURANCE RESERVES</b>			
20.	RESERVE FOR REPORTED CLAIMS		
21.	RESERVE FOR UNREPORTED CLAIMS		
22.	POLICY RESERVES - LIFE		
23.	POLICY RESERVES - ACCIDENT AND HEALTH		
24.	POLICYHOLDERS' FUNDS ON DEPOSIT		
25.	LIABILITY FOR FUTURE POLICYHOLDERS' DIVIDENDS		
26.	OTHER LONG-TERM BUSINESS INSURANCE RESERVES		
27.	TOTAL LONG-TERM BUSINESS INSURANCE RESERVES		
(a)	Total Gross Long-Term Business Insurance Reserves	-	-
(b)	Less: Reinsurance recoverable balance on long-term business		
(i)	Foreign Affiliates		
(ii)	Domestic Affiliates		
(iii)	Pools and Associations		
(iv)	All Other Insurers		
(c)	Total Reinsurance Recoverable Balance	-	-
(d)	<b>Total Net Long-Term Business Insurance Reserves</b>	-	-

**CONDENSED CONSOLIDATED BALANCE SHEET**

Radiant Ltd.

As at  
expressed in ('000s)

December 31, 2018

United States Dollars

LINE No.		2018	2017
<b>OTHER LIABILITIES</b>			
28.	INSURANCE AND REINSURANCE BALANCES PAYABLE	3,724,718	880,935
29.	COMMISSIONS, EXPENSES, FEES AND TAXES PAYABLE	-	-
30.	LOANS AND NOTES PAYABLE	-	-
31.	(a) INCOME TAXES PAYABLE	-	-
	(b) DEFERRED INCOME TAXES	-	-
32.	AMOUNTS DUE TO AFFILIATES	717	14,635
33.	ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	48,618	51,549
34.	FUNDS HELD UNDER REINSURANCE CONTRACTS:		
35.	DIVIDENDS PAYABLE		
36.	SUNDRY LIABILITIES:		
(a)	Derivative instruments		
(b)	Segregated accounts companies		
(c)	Deposit liabilities		
(d)	Net payable for investments purchased		
(e)	Other sundry liabilities (specify)		
(f)	Other sundry liabilities (specify)		
(g)	Other sundry liabilities (specify)		
(h)	Total sundry liabilities	-	-
37.	LETTERS OF CREDIT, GUARANTEES AND OTHER INSTRUMENTS:		
(a)	Letters of credit		
(b)	Guarantees		
(c)	Other instruments		
(d)	Total letters of credit, guarantees and other instruments	-	-
38.	TOTAL OTHER LIABILITIES	3,774,053	947,119
39.	TOTAL INSURANCE RESERVES AND OTHER LIABILITIES	10,988,774	5,915,375
<b>CAPITAL AND SURPLUS</b>			
40.	TOTAL CAPITAL AND SURPLUS	7,018,771	8,379,474
41.	TOTAL	18,007,545	14,294,849
		TRUE	TRUE

**CONDENSED CONSOLIDATED STATEMENT OF INCOME**

Radiant Ltd.

As at  
expressed in ['000s]

December 31, 2018  
United States Dollars

LINE No.		2018	2017
	<b>GENERAL BUSINESS UNDERWRITING INCOME</b>		
1.	GROSS PREMIUMS WRITTEN		
	(a) Direct gross premiums written	7,940,000	8,060,855
	(b) Assumed gross premiums written		
	(c) Total gross premiums written	7,940,000	8,060,855
2.	REINSURANCE PREMIUMS CEDED	396,000	685,000
3.	NET PREMIUMS WRITTEN	7,544,000	7,375,855
4.	INCREASE (DECREASE) IN UNEARNED PREMIUMS	326,704	382,751
5.	NET PREMIUMS EARNED	7,870,704	7,758,606
6.	OTHER INSURANCE INCOME		
7.	TOTAL GENERAL BUSINESS UNDERWRITING INCOME	7,870,704	7,758,606
	<b>GENERAL BUSINESS UNDERWRITING EXPENSES</b>		
8.	NET LOSSES INCURRED AND NET LOSS EXPENSES INCURRED	9,591,759	13,197,617
9.	COMMISSIONS AND BROKERAGE		
10.	TOTAL GENERAL BUSINESS UNDERWRITING EXPENSES	9,591,759	13,197,617
11.	<b>NET UNDERWRITING PROFIT (LOSS) - GENERAL BUSINESS</b>	(1,721,055)	(5,439,011)
	<b>LONG-TERM BUSINESS INCOME</b>		
12.	GROSS PREMIUMS AND OTHER CONSIDERATIONS:		
	(a) Direct gross premiums and other considerations		
	(b) Assumed gross premiums and other considerations		
	(c) Total gross premiums and other considerations	-	-
13.	PREMIUMS CEDED		
14.	NET PREMIUMS AND OTHER CONSIDERATIONS:		
	(a) Life		
	(b) Annuities		
	(c) Accident and health		
	(d) Total net premiums and other considerations	-	-
15.	OTHER INSURANCE INCOME		
16.	TOTAL LONG-TERM BUSINESS INCOME	-	-
	<b>LONG-TERM BUSINESS DEDUCTIONS AND EXPENSES</b>		
17.	CLAIMS - LIFE		
18.	POLICYHOLDERS' DIVIDENDS		
19.	SURRENDERS		
20.	MATURITIES		
21.	ANNUITIES		
22.	ACCIDENT AND HEALTH BENEFITS		
23.	COMMISSIONS		
24.	OTHER		
25.	TOTAL LONG-TERM BUSINESS DEDUCTIONS AND EXPENSES	-	-
26.	INCREASE (DECREASE) IN POLICY RESERVES (ACTUARIAL LIABILITIES):		
	(a) Life		
	(b) Annuities		
	(c) Accident and health		
	(d) Total increase (decrease) in policy reserves	-	-

**CONDENSED CONSOLIDATED STATEMENT OF INCOME**

Radiant Ltd.

As at  
expressed in ['000s]

**December 31, 2018**  
**United States Dollars**

LINE No.	2018	2017
27. TOTAL LONG-TERM BUSINESS EXPENSES	-	-
28. <b>NET UNDERWRITING PROFIT (LOSS) - LONG-TERM BUSINESS</b>	<u>-</u>	<u>-</u>
29. <b>COMBINED NET UNDERWRITING RESULTS BEFORE THE UNDERNOTED ITEMS</b>	<u>(1,721,055)</u>	<u>(5,439,011)</u>
<b>UNDERNOTED ITEMS</b>		
30. COMBINED OPERATING EXPENSE		
(a) General and administration	147,430	155,274
(b) Personnel cost		
(c) Other		
(d) Total combined operating expenses	<u>147,430</u>	<u>155,274</u>
31. COMBINED INVESTMENT INCOME - NET	<u>156,728</u>	<u>18,471</u>
32. COMBINED OTHER INCOME (DEDUCTIONS)		
33. COMBINED INCOME BEFORE TAXES	<u>(1,711,757)</u>	<u>(5,575,814)</u>
34. COMBINED INCOME TAXES (IF APPLICABLE):		
(a) Current	(374,242)	(1,864,397)
(b) Deferred	23,188	(129,446)
(c) Total	<u>(351,054)</u>	<u>(1,993,843)</u>
35. COMBINED INCOME BEFORE REALIZED GAINS (LOSSES)	(1,360,703)	(3,581,971)
36. COMBINED REALIZED GAINS (LOSSES)		
37. COMBINED INTEREST CHARGES		
38. <b>NET INCOME</b>	<u>(1,360,703)</u>	<u>(3,581,971)</u>

**CONDENSED CONSOLIDATED STATEMENT OF CAPITAL AND SURPLUS**

Radiant Ltd.

As at **December 31, 2018**  
expressed in ['000s] **United States Dollars**

LINE No.		2018	2017
1.	<b>CAPITAL:</b>		
(a)	Capital Stock		
	(i) Common Shares	120,000	120,000
	authorized 120,000 shares of par		
	value \$ 1,000 each issued and		
	fully paid 120,000 shares		
	(ii)		
	(A) Preferred shares:		
	authorized _____ shares of par		
	value _____ each issued and		
	fully paid _____ shares		
	aggregate liquidation value for –		
	2018 _____		
	2017 _____		
	(B) Preferred shares issued by a subsidiary:		
	authorized _____ shares of par		
	value _____ each issued and		
	fully paid _____ shares		
	aggregate liquidation value for –		
	2018 _____		
	2017 _____		
	(iii) Treasury Shares		
	repurchased _____ shares of par		
	value _____ each issued		
(b)	Contributed surplus	1,755,100	1,755,100
(c)	Any other fixed capital		
	(i) Hybrid capital instruments		
	(ii) Guarantees and others		
	(iii) Total any other fixed capital	-	-
(d)	Total Capital	1,875,100	1,875,100
2.	<b>SURPLUS:</b>		
(a)	Surplus - Beginning of Year	6,504,374	10,086,345
(b)	Add: Income for the year	(1,360,703)	(3,581,971)
(c)	Less: Dividends paid and payable		
(d)	Add (Deduct) change in unrealized appreciation (depreciation) of investments		
(e)	Add (Deduct) change in any other surplus		
(f)	Surplus - End of Year	5,143,671	6,504,374
3.	<b>MINORITY INTEREST</b>		
4.	<b>TOTAL CAPITAL AND SURPLUS</b>	7,018,771	8,379,474



**Schedule X**

**RADIANT LTD.**

**NOTES TO CONDENSED GENERAL PURPOSE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Matters to be set forth in a General Note to the Financial Statements**

1. Radiant Ltd. (the "Company") was incorporated as an exempted company on July 19, 2011 under the laws of Bermuda. Effective July 10, 2013, the Company was registered as a Class 3A insurer under the Insurance Act 1978, amendments thereto and related regulations. The Company is a wholly-owned subsidiary of Radiant Holdings Corporation ("RHC") which is wholly-owned by Gemini Financial Holding Corporation ("GFHC"). RHC and GFHC are both incorporated in Delaware, U.S.A.
2. The Company provides property catastrophe excess of loss reinsurance on a fully-collateralized basis to Olympus Insurance Company ("Olympus"), an affiliated primary insurance company writing Homeowners and Dwelling Property business in Florida, U.S.A. The Company provides reinsurance for \$3,000,000 per loss occurrence excess of a retention of \$1,000,000 and \$6,000,000 in the aggregate in respect of all loss occurrences. During the year, the Company entered into a retrocession reinsurance contract with Aeolus Re Ltd. which cedes any second event losses in excess of a retention of \$1,000,000 to a limit of \$3,000,000 any one loss occurrence and in the aggregate. The Company also entered into an adverse development cover reinsurance contract with Olympus where it provides reinsurance for the lesser of i) 100% of any adverse development on Olympus's ultimate net loss and loss adjustment expenses for accident years 2017 and prior, or ii) \$5,000,000.
3. These condensed financial statements have been prepared in accordance with generally accepted accounting principles in the U.S. adjusted for filters prescribed by Insurance Account Rules 2016 and Related Regulations and are not intended to be presented in conformity with generally accepted accounting principles.
4. The Insurer's significant accounting policies are as follows:

(a) Premiums

Premiums written are recorded on the accruals basis and are included in income on a pro-rata basis over the period the coverage is provided with the unearned portion deferred in the condensed statutory balance sheet. Reinsurance premiums ceded are similarly pro-rated over the period the coverage is provided with the unearned portion being deferred in the condensed statutory balance sheet net of unearned premiums. The Adverse Development Cover earned premium is based on management's best estimate of loss development as the treaty has no finite life. Premium is recognized in proportion to the losses incurred under the contract. Unearned premium will be recognized proportionately to future loss developments.

(b) Loss and loss expense provisions

Loss and loss expense provisions include a provision for losses incurred but not reported and are recorded as reported by the reinsured. Such liabilities are necessarily based on estimates and while the directors and management believe that the amounts are fairly stated, the ultimate liability may be in excess of, or less than, the amounts provided. The methods of making such estimates and for establishing the resulting provisions are continually reviewed and any adjustments resulting therefrom are reflected in the periods in which they become known.

(c) Cash and time deposits

The Company considers all cash on hand, money market funds, deposits with financial institutions that can be withdrawn without prior notice or penalty, and short-term deposits with an original maturity of ninety days or less as equivalent to cash.

5. Premium: Refer to Note 4(a)  
Investment income: N/A

Commission income: N/A

6-14 N/A

15. See Matters to be set forth in a General Note to the Financial Statements, item 2 and see matters set forth in Notes to the Balance Sheet, note 4.

16. There is a planned commutation of all outstanding Catastrophe Excess of Loss Reinsurance contracts, except the current treaty year. In addition, there is a planned commutation of all outstanding Catastrophe Aggregate Excess of Loss Reinsurance contracts, except the 2017-2018 treaty year. All contracts are being commuted at Olympus' actuarial central estimate, which should result in no gain or loss on the commutation by either party.

17. N/A

### **RADIANT LTD.**

#### **NOTES TO CONDENSED GENERAL PURPOSE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED DECEMBER 31, 2018**

#### **Matters to be set forth in Notes to the Statement of Capital and Surplus**

1(a) Capital Stock

		<b>2018</b>	<b>2017</b>
	<b>Authorized:</b>		
120,000	Ordinary Shares of \$1 par value each	\$ 120,000	\$120,000
	<b>Issued and fully paid:</b>		
120,000	Ordinary Shares of \$1 par value each	\$ 120,000	\$120,000

1(b) N/A

2(c) N/A

#### **Matters to be set forth in Notes to the Balance Sheet**

1. Cash and time deposits of \$12,477,740 (2017: \$12,051,466) are held in trust on behalf of Olympus as collateral for future liabilities.

2-3. N/A

4. During the year, the Company issued a Note to Gemini Financial Services Corporation in the amount of \$1,500,000, with a variable interest rate equal to the Prime rate. The principal amount and accrued interest was repaid in full on April 30, 2019. At December 31, 2018, accrued interest amounted to \$44,949 and interest earned amounted to \$44,949.

5-9. N/A

10. Premium receivable amounting to \$500,000 (2017: \$nil) is outstanding from Olympus relating to the June 1, 2018 renewal.

11-12. N/A

13. Effective July 19, 2011, the Company made an irrevocable election under Section 953(d) of the Internal Revenue Code of 1986, as amended, to treat the Company as a domestic insurance company for United States federal income tax purposes. As a result of the "domestic election" the Company will continue to be subject to U.S. taxation on its worldwide income as if it were a U.S. corporation. In connection with the Section 953(d) election the Company has also elected to be

included in the consolidated tax return of GFHC and therefore all taxes accrued are due to the Parent for the Company's portion of the related consolidated tax.

The Company reports its liability and expense for income taxes under the requirements of accounting guidance issued by the Financial Accounting Standards Board related to accounting for income taxes. Deferred income taxes reflect the impact of temporary differences between the amounts of assets and liabilities recognized for financial reporting purposes and such amounts recognized for income tax purposes, measured by applying currently enacted laws. As of December 31, 2017, the Company measures its deferred tax items at an effective tax rate of 21%. Although realization is not assured, management believes it is more likely than not that the entire deferred federal income tax asset will be realized. The amount of the deferred federal income tax considered realizable could be reduced in the near term if estimates of future taxable income are reduced.

Temporary differences between generally accepted accounting principles in the U.S. and U.S. tax accounting exist for the reserve for losses and loss adjustment expenses and unearned premiums, resulting in a deferred tax asset of \$107,870 (2017: \$131,058). No valuation allowance has been established as based on the available evidence, the deferred tax asset will more likely than not be realized.

14. N/A

16. See Matters to be set forth in a General Note to the Financial Statements, item 4(a).

17. See Matters to be set forth in a General Note to the Financial Statements, item 4(b).

	<b>2018</b>	<b>2017</b>
Gross loss and loss expense provisions at beginning of year	2,603,290	397,598
Less: Reinsurance recoverable at beginning of year	-	-
Net loss and loss expense provisions at beginning of year	2,603,290	397,598
Current year	9,558,327	12,166,118
Prior years	33,432	1,031,499
Total net incurred losses and loss expenses	9,591,759	13,197,617
Net loss and loss expenses paid or payable related to:		
Current year	4,643,850	10,118,522
Prior years	2,374,740	873,403
Total losses and loss expenses paid or payable	7,018,590	10,991,925
Foreign exchange and other	-	-
Net loss and loss expense provisions at end of year	5,176,459	2,603,290
<b>Gross loss and loss expense provisions at end of year</b>	<b>5,176,459</b>	<b>2,603,290</b>

As a result of changes in estimates of insured events in prior years, the liability for losses and loss adjustment expenses increased by \$33,432 and \$1,031,499 for the years ended December 31, 2018 and 2017, respectively.

20. -21. N/A

22-27. N/A

28. The Company has losses payable to Olympus amounting to \$727,225 (2017: \$420,935) as of December 31, 2018.

29-30. N/A

31. See Matters to be set forth in Notes to the Balance Sheet, item 13.

32. Amounts due to affiliates totaling \$717 (2017: \$14,635) are unsecured, repayable on demand and non-interest bearing and relate to administrative expenses paid by the parent on behalf of the Company.

33. Accounts payable and accrued liabilities of \$48,618 (2017: \$51,549) pertain to management and audit fees.

34-37. N/A

**Matters to be set forth in Notes to the Statement of Income**

6-36. N/A