

**LINKAGE ASSURANCE PLC
UNAUDITED FINANCIAL STATEMENTS
AS AT 31ST MARCH 2017**

LINKAGE ASSURANCE PLC

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LINKAGE ASSURANCE PLC**Major Statement Of Financial Position Items**

	31ST MARCH 2017 N'000	31ST DECEMBER 2016 N'000
Total assets	23,138,854	20,993,122
Finanacial assets	16,395,269	15,165,751
Shareholders funds	19,003,817	17,585,340

Major Statement Of Profit Or Loss And Other Comprehensive Income Items

	31ST MARCH 2017 N'000	31ST MARCH 2016 N'000
Gross premium income	1,759,891	1,609,034
Net Premium	968,748	1,013,482
Investment and other income	1,424,142	132,261

Statement of Significant Accounting Policies

Accounting policies are the specific principles, bases, conventions, rules and practices applied by an entity in preparing and presenting financial statements:

The accounting policies set out below have been consistently applied to all periods presented in these financial statements.

Basis of preparation

1 **Going concern**

These financial statements have been prepared on the going concern basis. The company has no intention or need to reduce substantially its business operations. The management believes that the going concern assumption is appropriate for the company due to sufficient capital adequacy ratio and projected liquidity, based on historical experience that short-term obligations will be refinanced in the normal course of business. Liquidity ratio and continuous evaluation of current ratio of the company is carried out by the company to ensure that there are no going concerns threats to the operation of the company.

2 **Statement of compliance**

The interim financial statements of Linkage Assurance PLC have been prepared in accordance with IAS 34 issued by the International Accounting Standards Board (IASB).

3 **Foreign Currency Translation**

Functional and Presentation Currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates (the functional currency).

The financial statements are presented in Nigerian naira (N), which is the presentation currency, and rounded to the nearest thousand (N000) unless otherwise indicated

Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statements.

Foreign exchange gains and losses that relate to cash and cash equivalents are presented in the Income Statement within 'investment income & other income'. All other foreign exchange gains and losses are presented in the income statement within 'investment and other income' or 'other operating and administrative expenses'.

4 **Cash and cash equivalents**

Cash and cash equivalents include cash in hand and bank, unrestricted balances held with Central Bank, call deposits and short term highly liquid financial assets (including money market funds) with original maturities of three months or less from the acquisition date, which are subject to insignificant risk of changes in their value and used by the Company in the management of its short-term commitments.

For the purpose of the statement of cash flow, cash and cash equivalents consist of cash and cash equivalents.

5 **Financial instruments**

A financial asset or liability is recognised when the Company becomes a party to the contractual provisions of the instrument.

5.1 **Classification of financial assets**

The Company classifies its financial assets into the following categories:

- Financial assets at fair value through profit or loss
- Held-to-maturity investments
- Loans and receivables
- Available-for-sale financial assets

6 **Impairment of financial assets**

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. Objective evidence of impairment is established as a result of one or more events that occurred after initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Company about the following events:

- significant financial difficulty of the issuer or debtor;
- a breach of contract, such as a default or delinquency in payments;
- it becoming probable that the issuer or debtor will enter bankruptcy or other financial re-organisation;
- the disappearance of an active market for that financial asset because of financial difficulties.

Available-for-sale financial assets

Available-for-sale financial assets are impaired if there is objective evidence of impairment, resulting from one or more loss events that occurred after initial recognition but before the end of reporting period, that have an impact on the future cash flows of the asset.

An available-for-sale equity instrument is generally considered impaired if a significant or prolonged decline in the fair value of the instrument below its cost has occurred. 'Significant' is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. In this respect, a decline of 30% or more is regarded as significant, and a period of 24 months or longer is considered to be prolonged. If any such quantitative evidence exists for available-for-sale financial assets, the asset is considered for impairment, taking qualitative evidence into account.

Where there is objective evidence that an available-for-sale financial asset is impaired, the cumulative loss that had been recognised in other comprehensive income is reclassified from equity to income statement as a reclassification adjustment even though the financial asset has not been derecognised. The amount of the loss recognised in the income statement is the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any previously recognised impairment loss.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement.

Financial assets carried at cost

For financial assets carried at cost, if there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

Financial Liabilities

Financial liabilities are classified as either financial liabilities at Fair Value through Profit or loss (at FVTPL) or 'other financial liabilities'. Financial liabilities are recognised initially at fair value and in the case of loans and borrowings, less directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, insurance payables and investment contracts.

7 Investment properties

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the cost of the day-to-day servicing of an investment property.

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date.

Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the year in which they arise.

8 Property, plant and equipment

Land and buildings comprise offices occupied by the company.

Recognition and measurement

All categories of property, plant and equipment are initially recorded at cost.

Land and buildings are subsequently stated at revalued amount less depreciation and impairment losses. All other property and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Land and buildings are revalued every three (3) years. Increases in the carrying amount of land and buildings arising from revaluation are credited to revaluation reserve in other comprehensive income. Decreases that offset previous increases in land and buildings arising from revaluation are charged against the revaluation reserve while other decreases, if any, are charged to profit or loss.

Depreciation

Depreciation is provided on a straight line basis so as to allocate the cost/re-valued amounts less their residual values over the estimated useful lives of the following classes of assets. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

The estimated useful lives for the current and comparative periods are as follows:

Leasehold improvements	over the unexpired lease period
Leasehold buildings	50 years
Computer hardware and software	4 years
Furniture and office equipment	4 years
Motor vehicles	4 years

9 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

10 Insurance contracts

10.1 Classification

IFRS 4 requires contracts written by insurers to be classified as either 'insurance contracts' or 'investment contracts' depending on the level of insurance risk transferred.

The company only issues contracts that transfer insurance risks.

Insurance contracts are those contracts where a party (the policy holder) transfers significant insurance risk to another party (insurer) and the latter agrees to compensate the policyholder or other beneficiary if a specified uncertain future event (the insured event) adversely affects the policyholder, or other beneficiary.

General Insurance Business means insurance business of any class or classes not being long term insurance business. Classes of General Insurance include:

- Fire insurance business
- General accident insurance business;
- Motor vehicle insurance business;
- Engineering insurance business;
- Marine insurance business;
- Oil and gas insurance business;
- Bonds credit guarantee insurance business; and
- Miscellaneous insurance business

For all these contracts, premiums are recognised as revenue proportionally over the period of coverage. The portion of premium received on in-force contracts that relates to unexpired risk at the end of reporting date is reported as the unearned premium liability.

10.2 Recognition and Measurement of Insurance Contracts

Premium income is recognised on assumption of risks.

Premiums

Premiums comprise gross written premiums on insurance contracts entered into during the year, irrespective of whether they relate in whole or in part to a later accounting period. Premiums are shown before deductions of commissions and are gross of any taxes or duties levied on premiums.

Unearned premium provision

The provision for unearned premiums (unexpired risk) represents the proportion of premiums written in the periods up to the accounting date that relates to the unexpired terms of policies in force at the end of reporting date. This is estimated to be earned in subsequent financial periods, computed separately for each insurance contract using a time proportionate basis.

Gross premium earned

Gross premium earned includes estimates of premiums due but not yet received, less unearned premium.

Reinsurance

Reinsurance assets are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

Premiums, losses and other amounts relating to reinsurance treaties are measured over the period from inception of a treaty to expiration of the related business. The actual profit or loss on reinsurance business is therefore not recognised at the inception but as such profit or loss emerges. In particular, any initial reinsurance commissions are recognised on the same basis as the acquisition costs incurred.

Premiums ceded, claims recovered and commission received are presented in the Statement of comprehensive income and Statement of financial position separately from the gross amounts.

Claims payable

Claims incurred consist of claims and claims handling expenses paid during the financial year together with the movement in the provision for outstanding claims and incurred but not yet reported (IBNR).

Claims paid represent all payments made during the year, whether arising from events during that or earlier years.

Claims and loss adjustment expenses are charged to income as incurred based on the estimated liability for compensation owed to contract holders or third parties damaged by the contract holders.

Outstanding claims represent the estimated ultimate cost of settling all claims arising from incidents occurring prior to the end of reporting date, but not settled at that date. Outstanding claims computed are subject to liability adequacy tests to ensure that material and reasonably foreseeable losses arising from existing contractual obligations are recognised.

11 Revenue Recognition

Insurance Premium Revenue

The revenue recognition policy relating to insurance contracts

Commission Earned

The revenue recognition policy on commission

Interest income for interest bearing financial instruments, are recognised within 'investment & other income' in the income statement using the effective interest rate method. The effective interest rate is the rate that exactly discount the estimated future cash payments and receipts through the expected life of the financial asset (or, where appropriate, a shorter period) to the net carrying amount of the financial asset. The effective interest rate is calculated on initial recognition of the financial asset and is not revised subsequently.

Dividend Income

Dividend income is recognised in profit or loss when the company's right to receive payment is established.

12 Expense recognition

Management expenses

Management expenses are expenses other than claims, investments and underwriting expenses. They include employee benefits, depreciation charges and other operating expenses. Management expenses are charged to profit or loss when the goods are received or services rendered.

13 *IFRS 9 Financial Instruments*

IFRS 9, issued in November 2009, introduced new requirements for the classification and measurement of financial assets. IFRS 9 was amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of IFRS 9:

All recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

The Directors of the Company anticipate that the application of IFRS 9 in the future may have a significant impact on amounts reported in respect of the Company's financial assets and financial liabilities.

14 *Basis of measurement*

The financial statements are prepared on the historical cost basis except for the following which are measured at fair value:

- Financial instruments at fair value through profit or loss
- Available-for-sale financial assets
- Investment properties

14.1 *Insurance Contract Liabilities – General Business*

Estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for expected ultimate cost of claims incurred but not yet reported at the reporting date (IBNR). It can take a significant period of time before the ultimate claims cost can be established with certainty and for the same type of policies.

The ultimate cost of outstanding claims is estimated by using one of the ranges of standard actuarial claims projection techniques – Discounted Inflation Adjusted Chain Ladder method.

The main assumption underlying this technique is that a company's past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, this method extrapolates the development of paid and incurred losses, average costs per claim and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years, but can also be further analysed by geographical area, as well as by significant business lines and claim types.

Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgment is used to assess the extent to which past trends may not apply in future, (for example to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the likely outcome from the range of possible outcomes, taking account of all the uncertainties involved.

Similar judgments, estimates and assumptions are employed in the assessment of adequacy of provisions for unearned premium. Judgment is also required in determining whether the pattern of insurance service provided by a contract requires amortization of unearned premium on a basis other than time apportionment.

LINKAGE ASSURANCE PLC
Statement of financial position as at 31st March 2017

	Note	March 2017 N'000	March 2016 N'000	December 2016 N'000
Assets				
Cash and cash equivalents	3	3,095,790	2,609,987	2,832,859
Financial assets	4	16,395,269	14,786,707	15,165,751
Trade receivables	5	132,359	632,465	19,398
Reinsurance assets	6	470,760	425,176	653,832
Deferred acquisition cost	8	256,224	229,156	182,588
Deferred tax asset	8	-	197,166	-
Other receivables and Prepayments	9	827,267	298,830	495,308
Investment Property	10	252,000	97,000	92,000
Intangible assets	11	37,856	24,533	24,101
Property, plant and equipment	12	1,371,329	1,013,632	1,227,286
Statutory deposit	13	300,000	300,000	300,000
Total assets		23,138,854	20,614,652	20,993,122
Liabilities				
Insurance contract liabilities	14	2,525,255	2,106,512	2,542,362
Investment contract liabilities	15	-	-	-
Trade payables	16	67,298	636,403	44,339
Provision and Other payables	17	641,838	425,902	272,270
Income tax liabilities	18	720,341	452,706	364,662
Employee benefits liability		62,385	90,686	66,227
Deferred tax liabilities	19	117,922	-	117,922
Total liabilities		4,135,037	3,712,209	3,407,782
Capital and reserves				
Issued and Paid share capital	20	3,999,999	3,999,395	4,000,000
Share premium	21	729,044	729,044	729,044
Contingency reserve	22	1,457,027	1,060,117	1,172,485
Retained earnings	23	1,503,842	(154,214)	369,906
Assets revaluation reserve	24	733,656	732,771	733,656
Fair value reserves	25	10,580,250	10,535,331	10,580,250
Total equity		19,003,817	16,902,443	17,585,340
Total liabilities and reserves		23,138,854	20,614,652	20,993,122



Mr. Johnson Fagbemi
Chief Finance Officer
FRC/2013/ICAN/00000002943



Dr. Pius Apere
Managing Director/CEO
FRC/2013/CIIN/00000004256

Statement of profit or loss and other comprehensive income for the period ended 31st March 2017

		March 2017 N'000	March 2016 N'000
	Note		
Gross premium written		1,759,891	1,609,034
Movement in unexpired risk reserve		(346,360)	(119,080)
Gross premium income		1,413,531	1,489,954
Reinsurance expenses		(444,782)	(476,472)
Net premium income		968,748	1,013,482
Fees and Commission income		43,504	88,578
Net underwriting income		1,012,253	1,102,060
Claims expenses		(106,721)	168,503
Underwriting expenses		(474,170)	(480,121)
Underwriting profit		431,361	790,442
Investment income	1	1,366,958	125,012
		1,798,319	915,454
Net fair value gains/(loss) on financial assets at fair value through profit or loss		208,221	-
Other Operating income	2	57,185	7,249
		-	-
Management expenses		(285,332)	(257,021)
Profit before taxation		1,778,392	665,682
Income taxes		(355,678)	(133,136)
Profit for the period		1,422,714	532,546
Other comprehensive income			
Net balance of revaluation reserve during the year		-	-
Net fair value gain on available-for-sale financial assets		-	-
Total other comprehensive income		-	-
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation		-	-
Gain on revaluation of property		-	-
Other comprehensive (loss)/income, net of taxes		-	-
Total other comprehensive income for the period		1,422,714	532,546
Basic earnings per share attributable to equity shareholders for the year (kobo)		0.18	0.07

LINKAGE ASSURANCE PLC

Statement of Changes in equity for the period 31st March 2017

	Share capital	Share premium	Contingency Reserve	Asset revaluation reserve	Fair value reserve	Retained earnings	Total
	N'000		N'000	N'000	N'000	N'000	N'000
At 1 January 2017	3,999,999		729,044	1,172,485	733,656	10,580,250	17,581,103
Profit for the year	-	-	-	-	-	1,422,714	1,422,714
Transfer to Contingency reserve	-	-	284,543	-	-	(284,543)	-
Revaluation reserve during the year	-	-	-	-	-	-	-
Net fair value changes on AFS financial assets transferred from other comprehensive income	-	-	-	-	-	-	-
Transaction within Equity:							
Share issue during the year	-	-	-	-	-	-	-
At 31st March 2017	3,999,999		729,044	1,457,027	733,656	1,503,842	19,003,817

LINKAGE ASSURANCE PLC

Statement of Changes in equity for the period 31st December 2016

	Share capital	Share premium	Contingency Reserve	Asset revaluation reserve	Fair value reserve	Retained earnings	Total
	N'000		N'000	N'000	N'000	N'000	N'000
At 1 January 2016	3,999,396		729,044	917,387	733,656	(650,482)	16,309,250
Profit for the year	-	-	-	-	-	1,275,485	1,275,485
Transfer to Contingency reserve	-	-	255,097	-	-	(255,097)	-
Revaluation reserve during the year	-	-	-	-	-	-	-
Net fair value changes on AFS financial assets transferred from other comprehensive income	-	-	-	-	-	-	-
Transaction within Equity:							
Share issue during the year	603.9	-	-	-	-	-	604
At 31st December 2016	4,000,000		729,044	1,172,485	733,656	369,906	17,585,340

Statement of Cash Flows for the period ended 31st March 2017

		March 2017 N'000	31ST DECEMBER 2016 N'000
Operating activities			
Cash used in operations	31	510,156	313,679
Corporate tax paid		-	(72,849)
VAT paid		(26,866)	(26,866)
Net cash used in operating activities		483,290	213,964
Investing activities			
Purchase of Properties, Plant and Equipments	12	(182,005)	(157,326)
Purchase of Intangible assets		(13,633)	(5,830)
Proceeds from sale of Properties, Plant and Equipments		-	-
Purchase of financial instrument		(1,391,677)	(33,511)
Purchase of Investment Properties		-	-
Proceeds from sale of investment property		-	-
Proceeds from sale of financial instrument		-	-
Interest received		190,485	393,406
Dividend received		1,176,473	8,011
Net cash used in investing activities		(220,359)	204,751
Financing activities			
Proceeds from issue of shares		-	-
Net cash generated from /(used) in financing activities		-	-
Increase/(Decrease) / in cash and cash equivalents		262,931	418,715
At start of period		2,832,859	2,414,143
At end of period		3,095,790	2,832,858
Represented by:			
Cash and bank balances	3	364,710	241,937
Term deposits	3	2,731,081	2,590,922
Cash and cash equivalents		3,095,790	2,832,859

Segment reporting

The following is an analysis of the Company's revenue and result by reportable segment in March 2017.

	Fire	Accident	Motor	Marine	Engineering	Oil & Gas	March 2017	March 2016
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Income								
Direct received premium	141,928	199,186	271,746	108,643	53,555	965,437	1,740,495	1,595,112
Inward premium	-	-	19,397	-	-	-	19,397	13,923
Gross premium written	141,928	199,186	291,142	108,643	53,555	965,437	1,759,891	1,609,034
Changes in reserve for unexpired risks	86,516	(53,145)	41,117	35,724	26,317	(482,888)	(346,360)	(119,080)
Gross premium earned	228,444	146,040	332,259	144,367	79,872	482,549	1,413,531	1,489,954
Reinsurance expenses (Note 28)	(73,439)	(18,288)	7,643	(34,282)	(12,468)	(313,949)	(444,782)	(476,472)
Net earned premium	155,005	127,753	339,902	110,085	67,404	168,600	968,748	1,013,482
Commissions received	17,789	11,548	192	6,473	7,503	-	43,504	88,578
Total underwriting income	172,794	139,301	340,094	116,557	74,907	168,600	1,012,253	1,102,060
Expenses								
Claims expenses (Note 29)	120,560	(63,750)	(96,932)	(1,428)	9,986	(75,158)	(106,721)	168,503
Maintenance expenses	(17,097)	(23,994)	(35,071)	(13,087)	(6,451)	(116,298)	(211,999)	(194,691)
Acquisition expenses (Note 27)	(46,244)	(33,215)	(38,557)	(31,966)	(16,272)	(95,916)	(262,171)	(285,430)
Underwriting profit transferred to profit and loss account	230,013	18,341	169,534	70,076	62,169	(118,772)	431,361	790,442

NOTES TO THE ACCOUNT AS AT 31ST MARCH 2017

	March 2017 N'000	March 2017 N'000	March 2016 N'000	March 2016 N'000
1 Investment income				
Interest income	190,485		122,754	
Loss on sales of properties	-		-	
Profit on disposal unquoted securities	-		-	
Loss on disposal quoted securities	-		-	
Revaluation of investment properties	-		-	
Rental income	-		-	
Prov. no longer required	-		-	
Dividend income	1,176,473		2,259	
	<u>1,366,958</u>		<u>125,012</u>	
2 Income from other sources				
Profit on sale of fixed asset	-		-	
Sundry income	57,185		7,249	
	<u>57,185</u>		<u>7,249</u>	
	March 2017 N'000	March 2017 N'000	December 2016 N'000	December 2016 N'000
3 Cash and cash equivalents				
Cash and Bank balances		364,710	241,937	241,937
Bank (Fixed) Deposit	2,786,006		2,645,847	
Prov. For Doubful investments	(54,925)	2,731,081	(54,925)	2,590,922
		<u>3,095,790</u>		<u>2,832,859</u>
4 Financial assets				
Loans and receivables	1,232,566		199,819	
Allowance for impairment	(68,770)	1,163,796	(74,369)	125,450
Fair value through profit or loss				
Fair value through profit or loss assets comprises:				
Quoted equity instruments	4,213,718		3,635,886	
Fair value changes	16,951	4,230,668	403,609	4,039,496
Available for sale				
Available for sale financial assets comprise:				
Investment in Quoted equities	-		-	
Investment in Quoted unit trust schemes	56,554		56,554	
	<u>56,554</u>		<u>56,554</u>	
Fair value changes	-	56,554	-	56,554
Fair value of Available for sale unquoted equities				
Investment in Unquoted equities	117,647		117,647	
Fair value changes	10,761,597	10,879,244	10,761,597	10,879,244
Un-quoted equities - at cost	185,730		185,730	
Allowance for impairment	(142,114)	43,616	(142,114)	43,616
Held To Maturity Assets	32,582		32,582	
Allowance for impairment	(11,192)	21,391	(11,192)	21,391
		<u>16,395,269</u>		<u>15,165,751</u>

5 Trade receivables			
Due from broker	-	-	
Due from agents	132,359	19,398	
	<u>132,359</u>	<u>19,398</u>	
Allowance for impairment	-	-	
	<u>132,359</u>	<u>19,398</u>	
6 Reinsurance assets			
Prepaid reinsurance	185,131	151,275	
Prepaid reinsurance projection (UPR)	-	-	
Reinsurance recoverables	237,024	453,951	
Reinsurance projection on IBNR	48,606	48,606	
Adjustment for reinsurance recoverables	-	-	
	<u>470,760</u>	<u>653,832</u>	
Allowance for impairment	-	-	
	<u>470,760</u>	<u>653,832</u>	
7 Deferred tax assets			
At the beging of the period	466,933	466,933	
Increase/(decrease) in deferred tax assets	-	-	
	<u>466,933</u>	<u>466,933</u>	
Deferred tax liabilities (Note 19)	-	-	
	<u>466,933</u>	<u>466,933</u>	
8 Deferred acquisition cost			
At the beging of the period	182,588	188,129	
Increase/(decrease) in deferred acquisition cost	73,636	(5,541)	
At the end of the period	<u>256,224</u>	<u>182,588</u>	
	March	March	December
	2017	2017	2016
	N'000	N'000	N'000
9 Other receivables and Prepayments			
Sundry receivables	346,879		107,274
Investment receivables	40,854		-
Deposits with stock brokers	2,602		2,602
O/S Treaty Premium Surplus	245,805		329,921
Withholding Tax			4,154
Pension for company			-
Debtors for motor vehicile repairs	325		325
Prepayments	61,961		33,161
Loans and advances	<u>128,840</u>		<u>17,872</u>
	827,267		495,308
Allowance for impairment	-		-
	<u>827,267</u>		<u>495,308</u>
10 Investment Property			
Balance at start of period	92,000		97,000
Addition during the year	160,000		-
Fair value addition	-		(5,000)
Disposal	-		-
Balance at end of period	<u>252,000</u>		<u>92,000</u>

11 Intangible assets

	Computer software =N=	TOTAL =N=
Cost:		
At 1/1/2017	48,675	48,675
Additions for the year	16,600	16,600
At 31/03/2017	<u>65,275</u>	<u>65,275</u>
Depreciation:		
At 1/1/2017	24,574	24,574
Charge for the year	2,845	2,845
At 31/03/2017	<u>27,419</u>	<u>27,419</u>
Net Book Value:		
At 31/03/2017	<u>37,856</u>	<u>37,856</u>
At 31/12/2016	<u>24,101</u>	<u>24,101</u>

12 Property, plant and equipment

Cost:	Motor Vehicles N'000	Office Furniture & N'000	Office Equipment N'000	LAND N'000	BUILDING N'000	B/W.I.P N'000	TOTAL N'000
At 1/1/2017	527,761	123,914	257,424	462,336	329,002	237,353	1,937,790
Additions for half year	177,921	3,466	5,140	-	-	-	186,527
Revaluation surplus/(deficit)	-	-	-	-	-	-	-
Write back/ write off	-	-	-	-	-	-	-
At 31/03/2017	<u>705,683</u>	<u>127,379</u>	<u>262,564</u>	<u>462,336</u>	<u>329,002</u>	<u>237,353</u>	<u>2,124,316</u>
Depreciation:							
At 1/1/2017	346,212	107,233	208,139	-	53,441	-	715,025
Charge for the year	31,369	1,632	4,055	-	906	-	37,962
Disposal	-	-	-	-	-	-	-
Write back/ write off	-	-	-	-	-	-	-
At 31/03/2017	<u>377,581</u>	<u>108,866</u>	<u>212,194</u>	<u>-</u>	<u>54,347</u>	<u>-</u>	<u>752,987</u>
Net Book Value:							
At 31/03/2017	<u>328,102</u>	<u>18,514</u>	<u>50,370</u>	<u>462,336</u>	<u>274,655</u>	<u>237,353</u>	<u>1,371,329</u>
At 31/12/2016	<u>186,071</u>	<u>16,680</u>	<u>49,285</u>	<u>462,336</u>	<u>275,561</u>	<u>237,353</u>	<u>1,227,286</u>

13 Statutory deposit		
Balance at start of period	300,000	300,000
Addition during the year	-	-
Balance at end of period	<u>300,000</u>	<u>300,000</u>
14 Insurance contract liabilities		
Provision for unearned premium : Reserve-Unexp.Risks	1,360,274	1,013,913
Reserve for Outstanding claims provision	1,104,981	1,268,449
Reserve for IBNR Outstanding claims provision (LAT)	<u>60,000</u>	<u>260,000</u>
	1,164,981	
Re-insurance IBNR	-	-
	<u>1,164,981</u>	<u>1,528,449</u>
	<u>2,525,255</u>	<u>2,542,362</u>
15 Reserve-Unexp.Risks		
At start of period	1,013,913	1,051,456
Additions	346,360	(37,543)
At end of period	<u>1,360,274</u>	<u>1,013,913</u>
	March	December
	2017	2016
	N'000	N'000
16 Trade payables		
Due to Reinsurance	41,510	40,286
Commission payable	<u>25,788</u>	<u>4,053</u>
	<u>67,298</u>	<u>44,339</u>
17 Provision and Other payables		
Provision for audit Fees	19,900	25,000
NSITF	239	239
NHF	1,023	1,025
PAYE	-	18
Other Payable (see Note 26)	587,242	220,697
NAICOM LEVY	32,831	24,687
Pension for Staff & Company	-	-
Pension for life agents	603	603
	<u>641,838</u>	<u>272,270</u>
18 Income tax liabilities		
Balance Brought Forward	364,662	118,639
Payment during the year	-	(72,849)
Current Provision	<u>355,678</u>	<u>318,871</u>
	<u>720,341</u>	<u>364,662</u>
19 Deferred tax liabilities		
Balance at start of period	584,855	584,855
Addition during the year	-	-
	<u>584,855</u>	<u>584,855</u>
Deferred tax assets (Note 8a)	<u>(466,933)</u>	<u>(466,933)</u>
Balance at end of period	<u>117,922</u>	<u>117,922</u>
20 Issued and Paid share capital		
Balance at start of period	3,999,999	3,999,396
Addition during the year	-	604
Balance at end of period	<u>3,999,999</u>	<u>4,000,000</u>

21 Share premium		
Balance at start of period	729,044	729,044
Addition during the year	-	-
Balance at end of period	<u>729,044</u>	<u>729,044</u>
22 Contingency reserve		
Balance at start of period	1,172,485	917,387
Addition during the year	284,543	255,097
Balance at end of period	<u>1,457,027</u>	<u>1,172,485</u>
23 Retained earnings		
Balance at start of period	365,671	(650,482)
Addition during the year	1,138,171	1,020,388
Prior year adjustment	-	-
Balance at end of period	<u>1,503,842</u>	<u>369,906</u>
24 Assets revaluation reserve		
Balance at start of period	733,656	733,656
Addition during the year	-	-
Balance at end of period	<u>733,656</u>	<u>733,656</u>
25 Fair value reserves		
Balance at start of period	10,580,250	10,580,250
Addition during the year	-	-
Balance at end of period	<u>10,580,250</u>	<u>10,580,250</u>
26 Other Payable		
Vat Payable	-	-
Other Expenses Payable	38,618	33,032
Cooperative	-	9
Travel Ins.	24,285	23,270
Life Fund	-	-
Withholding Tax	-	-
	<u>62,904</u>	<u>56,312</u>

27 Acquisition expenses

	FIRE N'000	Accident N'000	MOTOR N'000	Marine N'000	Engineering N'000	Oil & Gas N'000	2017 Total N'000	2016 Total N'000
Commision Paid	28,699	44,076	33,460	21,439	10,737	193,226	331,638	330,063
Business Acquisition Cost	-	-	-	4,170	-	-	4,170	2,352
Movement in Acquisition cost deferred acquisition cost	17,545	(10,861)	5,097	6,357	5,535	(97,310)	(73,636)	(46,986)
	<u>46,244</u>	<u>33,215</u>	<u>38,557</u>	<u>31,966</u>	<u>16,272</u>	<u>95,916</u>	<u>262,171</u>	<u>285,430</u>

28 Reinsurance expense

	Fire N'000	Accident N'000	Motor N'000	Marine N'000	Engineering N'000	Oil & Gas N'000	March 2017 Total N'000	March 2016 Total N'000
Reinsurance premium paid	64,677	37,579	-	34,958	24,936	313,949	476,098	296,576
Facultative outwards	242	-	2,224	-	74	-	2,540	232,124
Less								
Prepaid reinsurance premium	8,520	(19,292)	(9,867)	(676)	(12,541)	-	(33,855)	(52,228)
	<u>73,439</u>	<u>18,288</u>	<u>(7,643)</u>	<u>34,282</u>	<u>12,468</u>	<u>313,949</u>	<u>444,782</u>	<u>476,472</u>

29 Claims expenses

	Fire N'000	Accident N'000	Motor N'000	Marine N'000	Engineering N'000	OIL & GAS N'000	March 2017 Total N'000	March 2016 Total N'000
Gross claims paid	33,266	74,864	98,276	8,147	16,361	115,845	346,759	406,752
Salvage recovery	-	-	(2,244)	-	-	-	(2,244)	(4,644)
	33,266	74,864	96,032	8,147	16,361	115,845	344,515	402,107
Changes in reserve for outstanding claims	(316,518)	7,958	7,266	(5,477)	(15,095)	(40,687)	(362,553)	(418,456)
Gross Claims incurred	(283,252)	82,823	103,298	2,670	1,265	75,158	(18,038)	(16,349)
Reinsurance claims recovered/recoverable	162,692	(19,073)	(6,366)	(1,243)	(11,251)	-	124,760	(152,153)
	<u>(120,560)</u>	<u>63,750</u>	<u>96,932</u>	<u>1,428</u>	<u>(9,986)</u>	<u>75,158</u>	<u>106,721</u>	<u>(168,503)</u>

30 Investment income

	March 2017 N'000	March 2016 N'000
Investment income attributable to Policyholders	546,783	50,005
Investment income attributable to	820,175	75,007
	<u>1,366,958</u>	<u>125,012</u>

	March	December
	2017	2016
	N'000	N'000
31 Cash flow from operating activities		
Profit before taxation	1,778,392	1,058,587
Adjustment for:		
Depreciation	41,362	131,930
Adjustment for deferred acquisition cost	(73,636)	(1,497)
Loss on disposal of investment properties	-	-
Fair value change on unquoted equities	-	(383,388)
Adjustment for impairment loss on unquoted equities	(5,599)	(10,671)
Adjustment for deferred tax	-	76,395
VAT paid	26,866	26,866
Interest received	(190,485)	(393,406)
Dividend received	(1,176,473)	(8,011)
	<hr/>	<hr/>
Net cash flow before changes in working capital	400,428	496,805
Decrease in trade and other receivables	(444,920)	(34,197)
Increase/(Decrease) in re-insurance assets	183,072	(473,986)
Decrease in trade and other payables	388,684	(259,555)
Increase/(Decrease) in insurance contract	(17,108)	584,612
Net cash used in from operating activities	<hr/> 510,156 <hr/>	<hr/> 313,679 <hr/>

Financial Summary
Statement of financial position

	March 2017 N'000	December 2016 N'000
Assets		
Cash and cash equivalents	3,095,790	2,832,859
Financial assets	16,395,269	15,165,751
Trade receivables	132,359	19,398
Reinsurance assets	470,760	653,832
Deferred acquisition cost	256,224	182,588
Other receivables and Prepayments	827,267	495,308
Investment Property	252,000	92,000
Goodwill and Other intangible assets	37,856	24,101
Property, plant and equipment	1,371,329	1,227,286
Statutory deposit	300,000	300,000
Total assets	23,138,854	20,993,122
Liabilities		
Insurance contract liabilities	2,525,255	2,542,362
Trade payables	67,298	44,339
Provision and Other payables	641,838	272,270
Income tax liabilities	720,341	364,662
Employee benefits liability	62,385	66,227
Deferred tax liabilities	117,922	117,922
Total liabilities	4,135,037	3,407,782
Capital and reserves		
Issued and Paid share capital	3,999,999	4,000,000
Share premium	729,044	729,044
Contingency reserve	1,457,027	1,172,485
Retained earnings	1,503,842	369,906
Assets revaluation reserve	733,656	733,656
Fair value reserves	10,580,250	10,580,250
Total equity	19,003,817	17,585,340
Total liabilities and reserves	23,138,854	20,993,122

	March 2017 N'000	March 2016 N'000
Statement of profit or loss and other comprehensive income		
Premium income less reinsurance	968,748	1,013,482
Underwriting results	431,361	790,442
Profit before taxation	1,778,392	665,682
Taxation	(355,678)	(133,136)
Profit for the period	1,422,714	532,546
Other comprehensive income		
Net balance of revaluation reserve during the year	-	-
Net fair value gain on available-for-sale financial assets	-	-
Total other comprehensive income	-	-
Total other comprehensive income/ (loss) for the period	1,422,714	532,546
Basic earnings per share attributable to equity shareholders for the year (kobo)	0.18	0.07