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**UNAUDITED FINANCIAL  
STATEMENTS FOR  
PERIOD ENDED**

**March 31, 2021**



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## Report and Financial Statements for Period ended March 31, 2021

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	Note	31-3-2021 Company N'000	31-12-2020 Company N'000
<b>ASSETS</b>			
Cash and cash equivalents	3	3,541,992	3,375,996
Financial assets	4	3,165,272	3,003,027
Trade receivable	5	119,937	83,679
Reinsurance assets	6	2,878,635	1,025,756
Deferred acquisition cost	7	93,058	119,379
Other receivables and prepayments	8	229,976	213,113
Investment in subsidiaries	9	1,576,300	1,576,300
Investment properties	11	165,000	289,439
Goodwill	12	-	-
<i>Intangible assets - Software</i>	13	26,051	25,299
Property, plant and equipment	14	3,029,398	2,990,799
Statutory deposits	15	355,000	355,000
Deferred tax asset	21.1	-	-
<b>Total Assets</b>		<b>15,180,620</b>	<b>13,057,786</b>
<b>Liabilities:</b>			
Insurance contract liabilities	16	4,881,302	2,849,493
Trade payables	17	360,651	686,295
Employees retirement benefit obligations	18	-	-
Provision and other payables	19	473,048	488,717
Income tax liabilities	20	161,790	30,969
Deferred Tax Liabilities	21.2	310,094	310,094
<b>Total Liabilities</b>		<b>6,186,886</b>	<b>4,365,569</b>
<b>EQUITY &amp; LIABILITIES</b>			
<i>Share capital &amp; reserves:</i>			
Minimum paid up capital	22	6,933,333	6,933,333
Share premium	23	663,600	663,600
Statutory Contingency reserves	24	1,176,082	1,121,845
Retained earnings	25	(1,634,024)	(1,881,304)
Other Component of Equity			
Asset revaluation reserve	26a	1,809,597	1,809,597
Fair value reserve	26b	45,146	45,146
Non-Controlling interest(NCI)	38	-	-
<b>Total Equity</b>		<b>8,993,734</b>	<b>8,692,217</b>
<b>Total Equity &amp; Liabilities</b>		<b>15,180,620</b>	<b>13,057,786</b>

These financial statements were approved by the Board on 26 April 2021 and signed on its behalf by:

**Mojeed Somorin**  
Chief Finance Officer  
FRC/2017/ICAN/00000016849

**Kenneth Egbarar**  
Managing Director/CEO  
FRC/2015/CIIN/00000011953

The accompany notes on pages 5 to 20 forms an integral part of these financial statements.

Statement of Profit or Loss and Other  
Comprehensive income for the period ended March 31, 2021



	Note	January- March 2021 Company N'000	January- March 2020 Company N'000	First Quarter 2021 Company N'000	First Quarter 2020 Company N'000
Gross Premium written		1,807,902	1,093,916	1,807,902	1,093,916
Gross Premium Income	28	1,826,356	681,454	1,826,356	681,454
Reinsurance Expenses	29	(336,689)	(219,995)	(336,689)	(219,995)
<b>Net premium income</b>		<b>1,489,667</b>	<b>461,459</b>	<b>1,489,667</b>	<b>461,459</b>
Fees and commission income	30	41,795	61,500	41,795	61,500
<b>Net underwriting income</b>		<b>1,531,462</b>	<b>522,960</b>	<b>1,531,462</b>	<b>522,960</b>
Insurance claims and benefits paid- Gross (including loss adjustment expenses)	31	(389,514)	(71,421)	(389,514)	(71,421)
Underwriting expenses	32	(394,068)	(116,284)	(394,068)	(116,284)
<b>Underwriting result</b>		<b>747,880</b>	<b>335,255</b>	<b>747,880</b>	<b>335,255</b>
Investment income	34	65,573	111,730	65,573	111,730
Fair value changes in financial asset	4a&b	(53)	(9,267)	(53)	(9,267)
Fair value changes in investment pr	11	-	-	-	-
Other operating income	35	1,978	4,188	1,978	4,188
Impairment of financial assets	36	-	-	-	-
Management expenses	36	(379,306)	(388,605)	(379,306)	(388,605)
<b>Profit\Loss) before tax</b>		<b>436,071</b>	<b>53,301</b>	<b>436,071</b>	<b>53,301</b>
Income tax expense	34	(134,555)	(15,990)	(134,555)	(15,990)
<b>Profit\Loss) for the year from continui</b>		<b>301,516</b>	<b>37,311</b>	<b>301,516</b>	<b>37,311</b>

The accompany notes on pages 5 to 20 forms an integral part of these financial statements.





		2021 Company N'000	2020 Company N'000
<b>Cash flows from operating activities</b>			
	<b>Notes</b>		
Premium received	28	1,807,902	1,093,916
Commission received	30	41,795	61,500
Reinsurance receipts in respect of claims	31(a)	1,902,062	110,709
Other operating receipts	35	5,909	3,858
Cash paid to and on behalf of employees	36	(166,471)	(147,763)
Reinsurance premium paid	29	(258,178)	(367,321)
Insurance benefits and claims paid	31	(241,195)	(321,219)
Underwriting expenses	32	(403,892)	(202,012)
Cash paid to intermediaries and other suppliers		(1,392,229)	(101,253)
Company income tax paid	20	(3,734)	-
<b>Net cash used in/from operating activities</b>		<b>1,291,969</b>	<b>130,415</b>
<b>Cash flow from Investing Activities</b>			
		-	-
Purchase of property and equipment	14	(55,393)	(151,158)
Purchase of intangible assets	13b	(3,925)	-
Proceed from sale of property and equipment		396	600
Proceed from sales of equity investment			
Dividend income	34	2	-
Interest receivables	34	65,571	111,730
Purchase of held to maturity		(1,132,623)	(1,132,623)
Redemption/repayment of HTM			
Purchase of investment property	11	-	-
<b>Net cash provided by investing activities</b>		<b>(1,125,973)</b>	<b>(1,171,451)</b>
<b>Cash flow from Financing Activities</b>			
Dividend paid		-	-
<b>Net cash provided by financing activities</b>		<b>-</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalent		165,996	(1,041,035)
Cash and cash equivalent at the beginning		3,375,996	3,659,345
Cumulative effect of transition to IFRS 9( ECL)			
<b>Cash and cash equivalent at the end of the year</b>		<b>3,541,992</b>	<b>2,618,310</b>

The accompanying notes on pages 5 to 20 forms an integral part of these financial statements.



### General information

Veritas Kapital Assurance plc ('the company') was initially incorporated under the name of Kapital Insurance Company Limited as a private Limited liability company on the 8 September, 1973. On 14 March 2007, it acquired and merged with two other insurance companies and became a public liability company. Its shares are quoted on the Nigeria Stock Exchange.

Its Head office is located at 497 Abogo Largema Street, off Constitution Avenue, Central Business District, Abuja, Nigeria.

The principal business of the company is underwriting of non-life insurance risks. The Company has 93.46% equity interest in Health Care Security Limited and 70% interest in Veritas Glanvills Pensions Limited. These two subsidiary companies together with the Company constitute the Group.

### Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are disclosed under General information on the Reporting Entity and Summary of Significant Accounting Policies. These policies have been consistently applied to all the years presented unless otherwise stated.

### 3 Cash and cash equivalents

	Parent 31-Mar-21 N'000	Parent 31-Dec-20 N'000
This comprises of :		
Cash at hand	800	683
Cash at Bank	925,125	62,880
Staff gratuity fund assets	9,239	9,239
Short term deposit (3a)	2,612,194	3,308,559
	<u>3,547,357</u>	<u>3,381,361</u>
Adjustment for ECL on Short Term Deposit (note 3.1)	(5,365)	(5,365)
Total	<u><u>3,541,992</u></u>	<u><u>3,375,996</u></u>

#### 3.1 Movement in Adjustment ECL

01-Jan-21	5,831	13,560
Opening ECL adjustment on transition date	-	-
Charge during the year	-	(7,729)
31-Mar-21	<u><u>5,831</u></u>	<u><u>5,831</u></u>

In compliance with section 19(3) of Insurance Act 2003, the short term deposit is financed as follows:

Financed by Insurance fund	4,881,302	2,849,493
Financed by other funds	(2,269,108)	459,066
Total short term deposit	<u><u>2,612,194</u></u>	<u><u>3,308,559</u></u>

For cashflow purposes, Cash and cash equivalent represents balances held with banks in Nigeria, Placement with financial institutions, treasury bills and bonds. Placements with financial institutions comprises of term deposits with maturity of less than 90 days from the value date of the investment.



	Parent 31-Mar-21 N'000	Parent 31-Dec-20 N'000
<b>4 Financial Assets</b>		
This comprises of:		
Fair value through profit or loss-quoted equities (note 4a)	58,361	58,414
Amortised Cost (Note 4b)	2,921,926	2,759,627
Fair Value through OCI (Note 4e)	184,985	184,985
	<u>3,165,272</u>	<u>3,003,027</u>
Current	-	-
Non-current	3,179,446	3,017,559
	<u>3,179,446</u>	<u>3,017,559</u>

a These are quoted equities on the Nigerian Stock Exchange. The fair value is determined by reference to the quoted closing bid price at the end of the reporting period and are derived as follows:

	Company 31-Mar-21 N'000	Company 31-Dec-20 N'000
<b>Cost</b>		
Balance at 1 January	57,419	50,664
Additions during the year	(67,256)	6,755
Disposal during the year	-	-
Balance, at March 31, 2021	<u>(9,837)</u>	<u>57,419</u>
<b>Market value reserve</b>		
Balance at 1 January	995	(4,048)
Disposal in the year	-	-
Fair value gain/loss	8,789	5,043
Balance, at March 31, 2021	<u>9,784</u>	<u>995</u>
<b>Fair value as at March 31, 2021</b>	<u>(53)</u>	<u>58,414</u>

b Investment at amortised cost are measured using the effective interest method and assessed for impairment for uncollectibility at the end of each reporting period.

	Parent 31-Mar-21 N'000	Parent 31-Dec-20 N'000
FGN treasury bills		
ECL Charge- FGN Treasury bill		
State/FGN government bonds		
Corporate bond	2,936,100	2,759,627
ECL Charge- Tak Agro Bond	-	-
	<u>2,936,100</u>	<u>2,759,627</u>
Balance at 1 January	2,774,160	1,212,740
Addition during the year	161,940	1,561,420
Redemption / Repayment during the year	-	-
Accrued Interest		
Balance, at March 31, 2021	<u>2,936,100</u>	<u>2,774,160</u>
Expected credit loss		
	<u>2,936,100</u>	<u>2,774,160</u>

c The fair value of some of the unlisted equity investments could not be reliably determined at the end of the reporting period. As such, those unlisted equity investments have been accounted for at cost less impairment. Management believes that the recoverable amount of these unlisted investments is not significantly different from the carrying amount.

	Parent 31-Mar-21 N'000	Parent 31-Dec-20 N'000
<b>d Cost</b>		
Balance at 1 January	51,574	46,616
Fair value (loss) / gain	4,958	4,958
Reclassification to quoted shares		
Balance, at March 31, 2021	<u>56,532</u>	<u>51,574</u>
<b>Impairment loss</b>		
Balance at 1 January	-	-
Impairment charge during the year	-	-
Balance, at March 31, 2021	<u>-</u>	<u>-</u>
<b>Fair value as at March 31, 2021</b>	<u>56,532</u>	<u>51,574</u>

e Fair value through other comprehensive income

	Parent 31-Mar-21 N'000	Parent 31-Dec-20 N'000
Fair value at 1 January	181,285	43,716
Transfer from Available for sale on transition to IFRS 9		
Additions during the year	137,569	137,569
Fair value (loss)/gain		
	<u>318,854</u>	<u>181,285</u>





	Parent 31-Mar-21	Parent 31-Dec-20
<b>5 Trade receivables</b>	<b>N'000</b>	<b>N'000</b>
a. This comprises of:		
Premium receivable from insurance brokers	491,457	491,457
Premium receivable from insurance agents	55,270	55,270
Premium receivable from policy holders	33,158	33,158
Premium receivable from insurance companies	278,037	241,779
	<u>857,922</u>	<u>821,664</u>
Less:		
Impairment of premium receivables	(737,985)	(737,985)
	<u>119,937</u>	<u>83,679</u>
<b>Age analysis of gross trade receivables are as follows</b>		
0-90 days	119,937	83,679
91-180 days	-	-
Above 180 days	744,144	744,144
	<u>864,081</u>	<u>827,823</u>
<b>6 Reinsurance assets</b>		
This is analysed as follows:		
Prepaid reinsurance( see note(a) below)	545,620	702,476
Reinsurer' share of outstanding claims	2,333,016	340,511
Reinsurers share of claims paid (see note (c )below	-	-
	<u>2,878,635</u>	<u>1,042,987</u>
a Movement in prepaid reinsurance is as follows:		
Balance 1 January	702,476	96,019
Additions during the year	258,178	3,370,171
Amortized in the year - reinsurance expenses (note 29)	(336,689)	(2,762,106)
Balance at 31 March	<u>545,620</u>	<u>702,476</u>
b Movement in reinsurer' share of outstanding claims		
Balance at 1 January	340,511	293,940
Movement in Reinsurers/coinsurer's' share of outstanding claims reported during the	1,992,505	46,571
Balance at 31 March	<u>2,333,016</u>	<u>340,511</u>
c Movement in reinsurance share of claims Paid		
At 1 January	-	-
Movement in Reinsurers/co-assurers' share of outstanding claims reported during	-	-
Balance at 31 March	<u>-</u>	<u>-</u>
<b>7 Deferred acquisition cost</b>		
a This is analysed as follows:		
Agric	6,706	9,826
Motor	24,528	20,081
Fire	14,946	42,818
General Accident	15,086	9,154
Marine	2,230	3,582
Aviation	3,606	3,304
Engineering	3,231	9,467
Oil and Gas	19,591	18,941
Bond	3,133	3,258
Total	<u>93,058</u>	<u>120,433</u>
The movement in deferred acquisition cost is as follow:		
Acquisition Cost brought forward	120,432	107,340
Acquisition costs paid during the period (note 32)	403,892	518,295
Total	<u>524,324</u>	<u>625,635</u>
Amortised during the year (see note 32.)	(394,068)	(505,203)
Acquisition costs carried forward	<u>130,256</u>	<u>120,432</u>



	Parent 31-Mar-21 N'000	Parent 31-Dec-20 N'000
<b>8 Other receivables and prepayments</b>		
The balance is analysed as follow:		
Receivables from staff (See Note (a)below)	36,384	25,433
Deposit for investment (See Note (b)below)	28,346	28,346
Commercial papers (See Note (c)below)	217,460	217,460
Prepayment	7,816	9,095
Inventory	101	81
Receivables from Related parties (See Note (f) below)	143,033	158,033
Fees receivables and other receivables (See note (d) below)	99,003	78,575
Prepaid recapitalisation expenses	22,250	19,450
Withholding tax Recievable	35,720	35,720
	<u>590,115</u>	<u>572,194</u>
Impairment of other receivables and prepayment(See Note (g)below)	<u>(360,139)</u>	<u>(359,081)</u>
	<u><b>229,976</b></u>	<u><b>213,113</b></u>

a

Receivables from staff consist of amount due from staff in respect of unutilized upfront allowances.

	Parent 31-Mar-21 N'000	Parent 31-Dec-20 N'000
At 1 January	25,433	12,549
Addition	20,000	20,000
Interest on Loans		
Impairment charge during the year		
Utilized during the year	<u>(18,004)</u>	<u>(5,120)</u>
At 31 March	<u><b>36,384</b></u>	<u><b>25,433</b></u>

b Deposit for investment represent net balances with Chapel hill for purchase of quoted equities on the Nigeria Stock exchange and investment in other financial instruments. A deed assigning 437,686 units of Lighthouse share in Systemspecs was entered into on 23 December 2019 in consideration for its balance of N93.1 million and N44.4 million net balance due on Back-up Network Limited commercial papers.

c Commercial papers represents receivables from the following entities

a) Back-up Network Ltd	-	-
b) TKM Mestro Nigeria Ltd	131,649	131,649
c) Off-shore intergrated Concession Ltd	39,711	39,711
d) Kruger Brent Global Services Ltd	46,099	46,099
	<u><b>217,460</b></u>	<u><b>217,460</b></u>

These commercial paper have being impaired by the company as they are in doubt of recovery.

d Fee receivables includes fees and commission receivable on RSA assets and administrative fee as at year end.

f This relates to amount recoverable from;

1. Subsidiary - Veritas Glanvills Pensions Limited as at December 31, 2020 for property situated at Plot 1698 C and D Oyin Jolayemi street, V.I. Lagos disposed to the latter in 2018. The transaction was carried out at arm's length. The sales price was based on the most recent valuation carried out by Osas and Oseji estate surveyors and valuers. The sum outstanding is N81 million.

Associate - Goldlink Insurance Plc as at 31 December 2020 for various reimbursable expenses incurred on their behalf amounting to N62.03 million.

g Balance, beginning of year	358,055	344,459
Provision no longer required	(358,055)	(13,693)
Impairment charge during the year		
Balance, end of the period	<u><b>360,139</b></u>	<u><b>358,055</b></u>

## 9 Investment in Subsidiaries

Veritas Kapital has 2 subsidiaries as at 31 December 2020. The details of the subsidiaries and principal activities are detailed below:

	31-Mar-21 N'000	31-Dec-20 N'000
Veritas Glanvills Pension Limited at cost(See Note (a)below)	1,160,000	1,160,000
Health Care Security Limited at cost (See Note (b)below)	416,300	416,300
	<u><b>1,576,300</b></u>	<u><b>1,576,300</b></u>

Veritas Glanvills Pension Limited has issued share ordinary share capital of 1.5 billion units of N1 each.

a

Veritas Kapital holds 1.05 billion (70%): The company was incorporated on 20 May 2005, and licenced by National Pension Commission to carry on business of a Pension Fund Administrator on 19 June 2007. Its principal place of business is Lagos.



- b Health Care Security Limited has issued ordinary share capital of 429,075,000 units of N1 each. Veritas Kapital holds 401,000,000 units (93.5%): The company carries on the business of a health maintenance organisation, and its principal place of business is Abuja.

Summarized financial information in respect of each of the Group's subsidiaries is set out below. The summarized financial information below represents amounts before intragroup eliminations.

	Healthcare Security	
	31-Mar-21	31-Mar-20
	N'000	N'000
Total revenue	68,772	59,549
Profit/ (loss) before tax	14,522	20,884
Total assets	648,839	674,928
Total liabilities	92,497	134,325
Shareholders fund	556,342	540,603

	Veritas Glanvills Pension Limited	
	31-Mar-21	31-Mar-20
	N'000	N'000
Total revenue	302,346	256,322
Profit/ (loss) before tax	81,193	32,781
Total assets	2,007,411	1,769,441
Total liabilities	395,877	386,620
Shareholders fund	1,611,533	1,382,821



	Parent 31-Mar-21 N'000	Parent 31-Dec-20 N'000
<b>10 Investment in Associates</b>	1,010,650	1,010,650
Share of associate loss (see note(a)below)	(1,010,650)	(1,010,650)
	-	-

**Goldlink Insurance Plc**

Veritas Kapital holds 1,268,064,351 (2018: 1,268,314,351) ordinary shares representing 51.53% (2020:51.53%) holdings in Goldlink Insurance Plc as at 31/03/2021.

Goldlink Insurance Plc became associate company of Veritas Kapital in 2011 but was taken over by the regulatory authority- National Insurance Commission for infraction of insurance regulations and its Board of Directors was dissolved in 2012.

Though Veritas Kapital holds majority shares in Goldlink Insurance Plc. (51.53%) the investment has been treated as an associate and accounted for using equity method at both the Company and Group level.

In arriving at the decision to treat the investment as an associate, the Board of Directors considered if Veritas Kapital has control over Goldlink Insurance Plc based on the requirements of IFRS 10. IFRS 10.5 states that an investor regardless of the nature of its involvement with an entity is required to determine whether it is a parent by assessing whether it controls the investee.

Specifically, IFRS 10 states that an investor controls an investee if and only if the investor has the following:

- Power over the investee;
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect the amount of the investor's returns.

Based on assessment carried out, Directors concluded that Veritas Kapital does not have the power over the investee because the relevant activities of Goldlink Insurance Plc are subject to direction of the NAICOM instituted Board of Directors. The Board of Directors report directly to NAICOM on all its activities and resolutions are subject to the NAICOM (RS10:B37).

**Assessment of share of Profit/loss in Associate**

On initial assessment, the shareholders fund for Goldlink Insurance Plc as at 31 December 2017 was in deficit of N6.177 billion. Veritas Kapital's shares of the shareholder's fund of Goldlink Insurance Plc. as at that date was N2.45 billion.

However, IAS 28:38-39 states that, the investor ceases to recognise its share of the investee's losses once it has reduced its investment to zero. Hence the share of loss recognised is limited to N1.01 billion.

Based on a reassessment carried out in 2018, Veritas Kapital's share of associate loss stood at the shareholder's fund of the associate stood at N 3.18 billion. Hence, the share of loss recognised is limited to N1.01 billion.

**11 Investment properties**

Investment property comprises of landed properties and buildings held for the purpose of capital appreciation and rental income and are carried at fair value. The fair value of the Investment properties has been determined by external, independent professional valuers, Messrs. OSAS & OSAS and Partners (FRC/2012/NIESV/000000522) as at 31 December 2020, having appropriate recognised professional qualifications and recent experience in the locations and categories of the Investment properties being valued. The properties have been valued using the depreciated replacement cost and market value approaches. Valuations are performed on an annual basis and the fair value gains and losses are recognised in the profit or loss account. The valuations were based on market data such as discount rates, rental risk and reversionary rates.

The movement in the fair value of investment properties as at 31 December 2020 is as follows:

	Parent 31-Mar-21 N'000	Parent 31-Dec-20 N'000
Balance at 1 January	289,440	412,112
Addition	-	-
Disposal	(124,440)	(122,672)
Fair value (loss)\gain	-	-
Balance at 31 March	165,000	289,440

**Measurement of fair value**

**a Fair value hierarchy.**

The fair value measurement for the investment properties of N165,000 (2020:N289,440) has been categorised as a level 3 fair value based on the inputs into the valuation technique used.

**b Valuation technique and significant unobservable inputs**

The following table shows the valuation technique used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

Valuation technique	between key unobservable inputs and fair value
The fair values are determined by applying the direct market evidence comparative method of valuation to derive the open market value. This valuation model reflects the current price on actual transaction for similar properties in the neighborhood in recent time. References were made to prices of land and comparable properties in the neighborhood .The data obtained were analysed and adjustments was made to reflect differences in site area and the actual location , quality of construction and off-site facilities.	The estimated fair value would increase(decrease) if the rate of development in the area increases(decreases), quality of the building increases (decreases), influx of people and/or business to the area increases(decreases)



12 Goodwill	31-Mar-21 N'000	31-Dec-20 N'000
The goodwill is arising on acquisitions in the following subsidiaries:		
FUG Pension	-	-
Healthcare Securities	-	-
	<hr/>	<hr/>
	-	-

Impairment charge relates to goodwill arising on acquisition of Healthcare Security Limited which was fully impaired at year end.

**The calculation of value-in-use was based on the following key assumptions**

- The cashflows were projected based on the company's approved budget. The cashflows were based on past experiences and were adjusted to reflect expected future performances of the company.

-A terminal growth rate (averaging 2.8% for HCSL and 4.6% for VGPL )was applied in determining the terminal cash flows

- Discount rates (averaging 21.88% for HCSL and 30.9% for VGPL), representing post-tax weighted average cost of capital (WACC), was applied in determining the value in use. Using an iterative process, the pre-tax discount rate of 30.3% for HCSL and 44.9% for VGPL was estimated. The growth rate used to extrapolate terminal cashflows for goodwill impairment testing is consistent with the long term sustainable growth rate for the company.

- The key assumptions described above may change as economic and market conditions change. The Group estimates that reasonably possible changes in these assumptions would not cause the recoverable amount of either CGU to decline below the carrying amount

Assessment of impairment on goodwill was developed by the management of the company.

**13 Intangible assets - Software**

This comprises of acquired computer software which does not form part of a related hardware.

	Parent 31-Mar-21 N'000	Parent 31-Dec-20 N'000
	26,051	25,299
<b>Computer software</b>		
<b>Cost</b>		
Balance, at 1 January	294,254	293,802
Additions	3,925	451
Balance, 31 March	<hr/> 298,179	<hr/> 294,254
<b>Accumulated amortisation</b>		
Balance, at 1 January	268,955	253,550
Amortisation expense	3,172	15,405
Balance, 31 March	<hr/> 272,128	<hr/> 268,955
Carrying amount as at 31 March	<hr/> 26,051	<hr/> 25,299



Parent  
Property, plant and equipment

	Leasehold land	Building	Computer Hardware	Office Machinery	Motor vehicles	Office furniture and fittings	Work in progress	Total
Cost/Valuation	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January, 2021	911,386	1,901,614	202,877	96,497	387,076	114,773	2,355	3,616,578
Additions							55,393	55,393
Revaluation adjustments	-	-	-	-	-	-	-	-
Disposals			(1,731)	(79)	(16,109)	-		(17,919)
As at 31 March, 2021	911,386	1,901,614	201,145	96,419	370,968	114,773	57,748	3,654,053
Accumulated depreciation								
At 1 January, 2021	-	-	180,810	65,414	266,943	112,610	-	625,777
Depreciation expenses			1,613	2,314	12,643	225	-	16,795
Revaluation adjustments								-
Disposals			(1,731)	(78)	(16,109)			(17,918)
As at 31 March, 2021	-	-	180,692	67,650	263,477	112,835	-	624,654
Carrying amount as at 31 March	911,386	1,901,614	20,454	28,769	107,490	1,938	57,748	3,029,398

Parent

	Leasehold land	Building	Computer Hardware	Office computer equipment	Motor vehicles	Office furniture and fittings	Work in progress	Total
Cost/Valuation	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January, 2020	901,272	1,794,614	186,537	76,779	319,100	115,674	67,056	3,461,033
Additions		117,481	19,964	20,965	67,976	236	3,297	229,919
Revaluation adjustments	-	-	-	-	-	-	-	-
Disposals			(3,624)	(1,247)		(1,137)	(67,056)	(73,065)
As at 31 December, 2020	901,272	1,912,095	202,877	96,497	387,076	114,773	3,297	3,617,887
Accumulated depreciation								
At 1 January, 2020	-	-	176,090	54,605	229,406	107,559	-	567,660
Depreciation expenses			7,136	12,028	37,538	6,191	-	62,892
Revaluation adjustments								-
Disposals			(2,416)	(1,219)	-	(1,139)		(4,774)
As at 31 December, 2020	-	-	180,809	65,414	266,944	112,610	-	625,777
Carrying amount 31 December	901,272	1,912,095	22,067	31,083	120,133	2,163	3,297	2,992,109

a) Land and Building was independently valued by Osas&Osas and Partners, Estate surveyors & Valuers(FRC/2012/000000000522) in December 2020 to ascertain the open market value of land and building .Land and building as at 31 March 2021 was N2,813,000,000 (2020:N2,813,000,000)



	Parent 31-Mar-21 N'000	Parent 31-Dec-20 N'000
15 Statutory deposit	355,000	355,000

This represent amount deposited with the Central bank of Nigeria (CBN) as at September, 2020 in pursuant to section 9(1) and section 10(3) of insurance Act 2003. Interest income earned on this deposit is included in investment income. See note (34).

	Parent 31-Mar-21 N'000	Parent 31-Dec-20 N'000
16 Insurance contract liabilities		
<i>Outstanding claims(see Note(a) below)</i>		
Claims incurred but not reported	2,787,135	736,872
	489,338	489,338
	3,276,473	1,226,210
Unexpired Risk Reserves-Gross Direct-AURR	3,760	3,760
Unearned premium(see Note (b) below)	1,601,070	1,619,524
	4,881,302	2,849,493

a	<b>Provision for outstanding claims</b>		
	Motor insurance	9,600	22,312
	Fire insurance	144,246	157,993
	General accident insurance	109,901	94,806
	Marine insurance	8,909	6,158
	Engineering	85,229	125,847
	Aviation	48,365	73,321
	Oil and gas	385,328	534,298
	Bond	-	3,644
	Agric	1,995,557	207,831
	PHI		-
		2,787,135	1,226,210

a(i) Movement in outstanding claims can be analysed as follows:

	Balance, beginning of the year	1,136,132	1,113,141
	Increase/(Decrease) in outstanding claims(see note 31)	2,050,381	22,991
		3,186,513	1,136,132
		399,379	359,232
		Parent 31-Mar-20 N'000	Parent 31-Dec-20 N'000

a(ii) Movement in IBNR is analysed as follows:

	At 1 January	202,014	202,014
	Increase/ (decrease) in IBNR (see note 31)	-	0
	At 28 February	202,014	202,014

b Reserve for unearned premium

	Agric insurance	870,176	200,785
	Motor insurance	236,906	180,861
	Fire insurance	147,729	99,001
	General accident insurance	119,288	15,464
	Marine insurance	15,688	36,202
	Engineering	67,198	15,641
	Aviation	16,624	107,324
	Oil and gas	112,073	16,291
	Bond	15,388	947,955
		1,601,070	1,619,524

b(i) Movement in unearned premium can be analysed as follows:

	Balance, beginning of the year	1,621,701	687,020
	Increase/(Decrease) in unearned premium(see note 28)	(18,453)	934,681
		1,603,248	1,621,701

c The investment in respect of this insurance funds is as stated in Note 3b.

## 17 Trade payables

Trade payables represent amounts payable to reinsurance, co-insurers, agents and brokers at year end. The carrying amounts disclosed below approximate the fair values at the reporting date.

	Parent 31-Mar-21 N'000	Parent 31-Dec-20 N'000
This is analysis as follows:		
Co-insurance premium	311,709	676,530
Commission payable	48,942	9,765
	360,651	686,295





	Parent 31-Mar-21 N'000	Parent 31-Dec-20 N'000
<b>18 Retirement benefit obligation</b>		
a .Gratuity Scheme		
Balance, beginning of period	-	-
Contributions in the period( see note (b) below)	-	-
Balance, end of period	<u>-</u>	<u>-</u>

#### Pension scheme

The employees of the Company are members of a state arranged Pension scheme (Pension Reform Act, 2004) which is managed by several Pension Funds Administrators. The only obligation of the Company with respect to this pension plan is to make the specified contributions.

	Parent 31-Mar-21 N'000	Parent 31-Dec-20 N'000
<b>19 Provision and other payables</b>		
This is analysed as follows:		
Life insurance fund (Note 19a)	131,417	131,417
PAYE tax, VAT, NHF and other remittable deductions	25,840	26,693
Staff accounts	26,407	28,764
Accrued professional fees	103,632	46,148
Accrued NAICOM levy	24,724	85,671
Accrued penalty charge	-	0
Supplies & Services Bills Payables	-	134,459
Other accruals and payables	136,744	11,280
Unclaimed dividends	15,046	15,046
Due to employees	9,239	9,239
Pension Protection fund	-	-
	<u>473,048</u>	<u>488,718</u>

Life insurance fund arose from the business of the defunct Kapital Insurance Company Limited that ceased life business in 2007 because the emerged Veritas Kapital is not licensed to carry on life business. The fund was kept in abeyance pending transfer to a life assurance company.

	Parent 31-Mar-21 N'000	Parent 31-Dec-20 N'000
<b>20 Income tax liabilities</b>		
Company income tax	134,555	13,900
Education tax	-	2,768
Under/ (over) provision in prior years	-	70,873
Per income statement	<u>134,555</u>	<u>87,541</u>
Balance at beginning of the year	30,969	40,923
Withholding tax utilised	-	(86,474)
Payments/adjustment	(3,734)	(11,021)
Per statement of financial position	<u>161,790</u>	<u>30,969</u>

#### 21.1 Deferred tax asset

	Parent 31-Mar-21 N'000	Parent 31-Dec-20 N'000
At 1 January	-	-
Charge to income statement	-	-
At 31 March	<u>-</u>	<u>-</u>

#### 21.2 Deferred tax liability

	Parent 31-Mar-21 N'000	Parent 31-Dec-20 N'000
At 1 January	310,094	542,136
Write back	-	(232,042)
Charge for the period on building revaluation	-	-
Other Charges for the year	-	-
Charge on revaluation of investment property	-	-
At 31 March	<u>310,094</u>	<u>310,094</u>



	31-Mar-21 N'000	31-Dec-20 N'000
<b>22 Issued and paid up share capital</b>		
<b>a Authorised</b>		
14 billion ordinary shares of 50 kobo each	7,000,000	7,000,000
<b>b Issued and fully paid</b>		
Balance, beginning of year	6,933,333	6,933,333
Bonus shares issued from share premium	-	-
Balance, at March 31, 2021	<u>6,933,333</u>	<u>6,933,333</u>

All shares rank equally with regard to the Company's residual assets.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at the meetings of the Company.

	Parent 31-Mar-21 N'000	Parent 31-Dec-20 N'000
<b>23 Share premium</b>		
Share premium comprises additional paid-in capital in excess of their par value.		
Balance, beginning of year	663,600	663,600
Transfer to share capital	-	-
Balance, end of the period	<u>663,600</u>	<u>663,600</u>

**24 Statutory contingency reserve**  
In compliance with Section 21 (1) of Insurance Act 2003, the contingency reserve for non-life insurance business is credited with the greater of 3% of total premiums, or 20% of the net profits and the amount shall accumulate until it reaches the amount of greater of minimum paid-up capital or 50 percent of net premium. The movement in the account is as follows:-

	Parent 31-Mar-21 N'000	Parent 31-Dec-20 N'000
Balance, beginning of year	1,121,845	939,949
Transfer from retained earnings	54,237	181,896
Balance, end of the period	<u>1,176,082</u>	<u>1,121,845</u>

**25 Retained earnings**  
The retained earnings are carried forward recognised income net of expenses plus current period profit attributable to shareholders.

	Parent 31-Mar-21 N'000	Parent 31-Dec-20 N'000
Balance, beginning of year	(1,881,303)	(2,440,338)
Impact of transition to IFRS 9	-	-
Transferred from statement of Profit or loss for the year	357,516	740,931
Transfer to Contingency Reserve	(54,237)	(181,896)
Dividend paid(see note 25.1 below)	-	-
Balance, end of the period	<u>(1,578,024)</u>	<u>(1,881,303)</u>

**26a Assets revaluation reserve**  
Assets revaluation reserve represents the net accumulated change in the fair value of land and buildings until the asset is derecognized or impaired.

	Parent 31-Mar-21 N'000	Parent 31-Dec-20 N'000
<b>Land</b>		
Balance, beginning of year	756,182	746,068
Revaluation gain	-	10,114
Balance, end of the period	<u>756,182</u>	<u>756,182</u>
<b>Building</b>		
Balance, beginning of year	1,053,415	1,063,896
Revaluation surplus	-	(10,481)
Balance, end of the period	<u>1,053,415</u>	<u>1,053,415</u>
<b>Carrying amount</b>	<u>1,809,597</u>	<u>1,809,597</u>

**26b Available for sale reserve**  
Balance, beginning of year 45,146 41,446  
Movement during the year - 3700  
45,146 45,146

**27 Earnings per share**  
Basic earnings per share (kobo)

The calculation of basic earnings per share was based on the profit after tax attributable to ordinary shareholders, and a weighted average number of ordinary shares outstanding on that date calculated as follow:



	Parent 31-Mar-21 N'000	Parent 31-Dec-20 N'000
Profit after tax attributable to equity holders	357,516	37,311
Weighted average number of ordinary shares at end the period	6,933,333	6,933,333
Basic Profit/earnings per share (kobo)	0.05	0.01
The Company does not have any instrument with a dilutive effect on its capital, hence, the basic earnings per share is same as diluted earnings per share		
	31-Mar-21 N'000	31-Mar-20 N'000
<b>28 Gross premium</b>		
Gross premium earned (see note (a)below)	1,791,027	381,715
Inward reinsurance premium (see note (b)below)	16,875	13,899
Gross written premium	1,807,902	395,615
Changes in unearned premium (see note 16 b(i))	18,454	(32,613)
	<b>1,826,356</b>	<b>363,001</b>
<b>a Gross premium earned is further analysed as follows:</b>		
Fire	162,100	499,222
General accident	79,735	217,243
Marine	14,778	16,346
Motor	152,472	130,413
Oil and gas	185,187	100,260
Aviation	151,579	40,436
Engineering	61,218	70,739
Bond	-	-
Agriculture	983,958	162
Return Premium	-	-
PHI Premium	-	-
	<b>1,791,027</b>	<b>1,074,821</b>
<b>b Inward reinsurance premium</b>		
Fire	3,638	1,871
Motor	3,816	4,199
General accident	670	1,275
Aviation	-	47
Engineering	5,840	1,952
Marine	277	1,978
Oil and gas	556	5,514
Bond	-	-
Agriculture	2,078	2,260
	<b>16,875</b>	<b>19,094</b>
<b>29 Reinsurance cost</b>		
Reinsurance cost	258,178	15,924
Movement in prepaid reinsurance	78,511	47,639
Reinsurance expenses (note 6a)	<b>336,689</b>	<b>63,563</b>
<b>30 commission income</b>	<b>41,795</b>	<b>23,416</b>
<b>31 Claims expenses</b>		
Direct claims paid	241,195	162,334
Changes in outstanding claims	2,050,381	(169,923)
Actuarial losses in outstanding claims	-	-
PHI claims	-	-
Gross claims incurred	2,291,577	(7,589)
Reinsurance recovery(see note 31(a)below)	(1,902,062)	(110,667)
	<b>389,514</b>	<b>(118,256)</b>
<b>31a Analysis of reinsurance recoverable</b>		
Reinsurance recovery on paid claims	1,902,062	23,159
Reinsurance recoverable on outstanding claims		87,508
Total reinsurance recoverable	<b>1,902,062</b>	<b>110,667</b>
<b>32 Underwriting expenses</b>		
Acquisition cost paid during the year	403,892	78,942
Movement in deferred acquisition	(9,824)	(12,682)
Cost during the year(See note 7)	394,068	66,260
Maintenance cost during the year	-	-
Total underwriting expenses	<b>394,068</b>	<b>66,260</b>

	Parent 31-Mar-21 N'000	Parent 31-Mar-20 N'000
<b>33 Impairment of financial assets</b>		
Impairment charge on other assets	-	-
Impairment charge on unquoted equities	-	-
<b>ECL ECL charge</b>	-	-
	<u>-</u>	<u>-</u>
<b>34 Investment income</b>		
Profit\Loss on disposal of investments property	(13,440)	(1,281)
Interest income-FGN Treasury bill	-	7,166
Interest received from:		
Staff loan-interest		
Dividends from equity investments at FVTPL	2	-
Interest income on Bond	47,683	39,380
RSA asset based fee	-	-
Short term deposits	27,592	66,466
Statutory deposit	3,736	-
	<u>65,573</u>	<u>111,730</u>
Further analysed as follows:		
Attributable to policy holders fund	13,770	13,815
Attributable to shareholders funds.	51,802	51,970
	<u>65,573</u>	<u>65,785</u>
<b>35 Other operating income</b>		
Rental and other incomes	5,850	3,858
Bad debt write-off recovered	-	-
Profit on sale of investment		
Profit on sale of asset	2,491	330
RSA administrative fee income	-	-
Staff Mortgage loan-interest	93	-
Exchange gain	(6,515)	-
Admin charges- Formal sector	-	-
Sundry income	59	-
Prov. no longer required- Other loans & Receivables	-	-
	<u>1,978</u>	<u>4,188</u>
<b>36 Management expenses</b>		
Staff costs	166,471	147,763
Directors' allowances and expenses	44,949	38,304
Depreciation and amortisation	19,967	17,784
Professional fees	96,479	106,166
Audit fees	6,250	4,558
Marketing and advertisement	7,301	23,454
Administrative expenses	17,914	19,863
NITDA information technology levy	-	-
Repairs and maintenance	1,151	2,188
Travel costs and allowances	2,976	8,224
NAICOM Levy	2,657	4,058
Donation	-	-
Electricity and power	5,006	4,264
ECL charge	-	-
Penalty charge	250	-
Subscription	1,088	1,328
Printing and stationeries	693	1,204
Information technology expenses	6,152	9,446
Pension protection fund levy	-	-
Rent and rate	-	-
	<u>379,306</u>	<u>388,605</u>
<b>37 Income tax expense</b>		
Education tax	-	-
Company income tax	134,555	77,771
Under provision in prior years	-	-
Deferred tax expense	-	-
	<u>134,555</u>	<u>77,771</u>
<b>38 Security Trading Policy</b>		

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule), Veritas Kapital Insurance Plc (the Company) maintains effective Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company shares. The Policy is regularly reviewed and updated by the Board. Relevant persons are prohibited from dealing in the Company's share both when they are in possession of material non-public information about the company's activities as well as during "closed period".



The solvency margin for the company as at 31 March 2021 is as follows:

Assets	Total Assets	Inadmissible Assets	Admissible Assets
Cash and cash equivalents	3,541,992	1,594,835	1,947,157
Financial assets	3,165,272		3,165,272
Trade receivable	119,937		119,937
Reinsurance assets	2,878,635		2,878,635
Deferred acquisition cost	93,058		93,058
Other receivables and prepayments	229,976	229,976	-
Investment in subsidiaries	1,576,300		1,576,300
Investment in associates	-		-
Investment properties	165,000	55,000	110,000
Goodwill	-		-
Intangible assets-Software	26,051		26,051
Property, Plant and equipment	3,029,398	1,812,999	1,216,399
Statutory deposits	355,000		355,000
<b>Total Admissible Assets</b>	<b>15,180,620</b>	<b>3,692,810</b>	<b>11,487,809</b>
Insurance contract liabilities	4,881,302		4,881,302
Trade payables	360,651		360,651
Employees retirement benefit obligations	-		-
Provision and other payables	393,048		393,048
Income tax liabilities	185,790		185,790
Deferred Tax Liabilities	310,094	310,094	-
<b>Total Admissible liabilities</b>	<b>6,130,886</b>	<b>310,094</b>	<b>5,820,792</b>
Solvency margin			<b>5,667,017</b>
The Higher of:			
A. Minimum Capital requirement			<u>3,000,000</u>
B. 15% of net premium ( Premium less reinsurance)			<u>223,450</u>
Higher of A and B	3,000,000		<u>3,000,000</u>
Solvency ratio			<u>189%</u>



## PARENT UNDERWRITING REVENUE ACCOUNT

for the period ended March 31, 2021

	FIRE	G/ACCIDENT	MARINE	MOTOR	OIL & GAS	AVIATION	ENGINEERIN	BOND	AGRIC	MARCH 2021	MARCH 2020
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
<b>INCOME</b>											
Direct premium	162,100	79,735	14,778	152,472	185,187	151,579	61,218	-	983,958	1,791,027	1,074,821
Inward premium	3,638	670	277	3,816	556	-	5,840	-	2,078	16,875	19,094
<b>Gross premium written</b>	<b>165,738</b>	<b>80,405</b>	<b>15,054</b>	<b>156,289</b>	<b>185,743</b>	<b>151,579</b>	<b>67,058</b>	<b>0</b>	<b>986,036</b>	<b>1,807,902</b>	<b>1,093,916</b>
(Increase)/Decrease in provision for unexpired risks	33,131	(20,287)	(224)	(36,121)	(4,748)	(983)	(30,996)	903	77,779	18,454	(412,462)
<b>Gross premium earned</b>	<b>198,869</b>	<b>60,118</b>	<b>14,830</b>	<b>120,168</b>	<b>180,994</b>	<b>150,596</b>	<b>36,062</b>	<b>903</b>	<b>1,063,814</b>	<b>1,826,356</b>	<b>681,454</b>
Outward premium	(88,792)	(41,416)	(8,613)	(19,226)	-	-	(24,452)	-	(75,680)	(258,178)	(367,321)
Prepaid reinsurance	(53,755)	(23,800)	(2,016)	3,583	7,219	-	2,805	186	(12,732)	(78,511)	147,326
<b>Net Premium earned</b>	<b>56,322</b>	<b>(5,097)</b>	<b>4,201</b>	<b>104,525</b>	<b>188,213</b>	<b>150,596</b>	<b>14,415</b>	<b>1,089</b>	<b>975,403</b>	<b>1,489,667</b>	<b>461,459</b>
Commission Received	23,590	12,425	2,498	312	-	618	7,336	-	(4,983)	41,795	61,500
<b>TOTAL OPERATING INCOME</b>	<b>79,913</b>	<b>7,327</b>	<b>6,699</b>	<b>104,837</b>	<b>188,213</b>	<b>151,214</b>	<b>21,750</b>	<b>1,089</b>	<b>970,420</b>	<b>1,531,462</b>	<b>522,960</b>
<b>Claims Expenses</b>											
Gross claims paid	(52,265)	(13,359)	(5,389)	(28,057)	(137,260)	(3)	(4,861)	-	-	(241,195)	(321,219)
Increase/(Decrease) in provision for outstanding claims	(33,222)	(47,037)	(4,384)	7,200	24,595	(1,610)	(436)	-	(1,995,487)	(2,050,381)	139,089
<b>Gross claims incurred</b>	<b>(85,487)</b>	<b>(60,396)</b>	<b>(9,774)</b>	<b>(20,857)</b>	<b>(112,666)</b>	<b>(1,613)</b>	<b>(5,297)</b>	<b>-</b>	<b>(1,995,487)</b>	<b>(2,291,577)</b>	<b>(182,130)</b>
Reinsurance claims recoveries	-	11,211	7,626	4,227	27,040	18	7,807	-	1,844,133	1,902,062	110,709
<b>Net claims incurred</b>	<b>(85,487)</b>	<b>(49,185)</b>	<b>(2,147)</b>	<b>(16,629)</b>	<b>(85,625)</b>	<b>(1,595)</b>	<b>2,510</b>	<b>-</b>	<b>(151,354)</b>	<b>(389,514)</b>	<b>(71,421)</b>
<b>Underwriting Expenses</b>											
Acquisition cost	(33,800)	(16,086)	(2,838)	(17,705)	(40,249)	(29,565)	(14,321)	-	(239,946)	(403,892)	(202,012)
Movement in deferred Acquisition cost	(4,886)	4,078	(47)	3,776	984	156	6,202	(181)	(257)	9,824	85,728
<b>Acquisition &amp; maintenance costs less deferred cost</b>	<b>(38,686)</b>	<b>(12,008)</b>	<b>(2,885)</b>	<b>(13,929)</b>	<b>(39,265)</b>	<b>(29,409)</b>	<b>(8,119)</b>	<b>(181)</b>	<b>(240,204)</b>	<b>(394,068)</b>	<b>(116,284)</b>
<b>TOTAL DIRECT EXPENSES</b>	<b>(124,173)</b>	<b>(61,194)</b>	<b>(5,032)</b>	<b>(30,559)</b>	<b>(124,890)</b>	<b>(31,004)</b>	<b>(5,609)</b>	<b>(181)</b>	<b>(391,558)</b>	<b>(783,582)</b>	<b>(187,705)</b>
<b>UNDERWRITING PROFIT:</b>											
2021	(44,260)	(53,866)	1,667	74,279	53,941	120,209	16,141	908	578,862	747,880	335,255
2020	(88,881)	(5,670)	(26,356)	206,000	473,391	10,375	(77,608)	(9,113)	(146,886)	-	335,255

The statement of significant accounting policies and the accompanying notes to the account form an integral part of these financial statements

