Coronation Insurance Plc

Unaudited Interim Financial Statements

the period ended 30 June 2021

CORONATION INSURANCE PLC

INTRODUCTION

Coronation Insurance Plc’s unaudited Interim Financial Statements complies with the applicable legal requirements of the Nigerian Securities and Exchange Commission regarding interim financial statements. These financial statements contain extract of the unaudited financial statements prepared in accordance with IAS 34 ‘Interim Financial Reporting’ its interpretation issued by the International Accounting Standards and adopted by the Financial Reporting Council of Nigeria. Due to rounding numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

We confirmed that Coronation Insurance Plc has:

a. adopted a code of conduct regarding securities transactions by its directors on terms no less exacting than the required standard set out in the Financial Reporting Council of Nigeria (FRC), International Financial Reporting Standards (IFRS) and provisions of Rule 17.15(d) of the Listings Rules;

b. made specific enquiry of all directors and hereby confirm that its directors have complied with the required standard set out in the Listings Rules and in the Company's code of conduct regarding securities transactions by directors

In line with the provisions of Rule 2.2 of the Rules Governing Free Float Requirements, the shareholding pattern of the Company is disclosed at page 3 of the unaudited Financial Statements for the period ended 30th June, 2021.

We confirm that the Company's free float is in compliance with the Exchange's free float requirements for the Main Board on which the Company is listed

Analysis of shareholders

The shareholding pattern of the Company as at June 30th 2021 is as stated below:

30 June 2021

Range	Number of Shareholders	No. of shares held	% of number of shareholders	% of number of shares held
1-1,000	652,046	128,391,705	79.21	0.54
1001-5000	124,089	265,822,485	15.07	1.11
5001-10000	21,463	155,671,954	2.61	0.65
10001-50000	20,041	411,209,567	2.43	1.71
50001-100000	2,597	179,273,333	0.32	0.75
100001-500000	2,226	451,298,186	0.27	1.88
500001-1000000	320	230,056,813	0.04	0.96
1000001-5000000	334	637,734,404	0.04	2.66
5000001-10000000	52	351,999,528	0.01	1.47
10000001-50000000	44	926,648,363	0.01	3.86
50000001-100000000	9	676,646,514	0.00	2.82
100000001-500,000,000	7	1,188,168,158	0.00	4.95
500000001-1,000,000,000	2	1,321,119,744	0.00	5.51
1000000001-5,000,000,000	2	2,261,492,220	0.00	9.43
5000000001-100,000,000,000	2	14,806,371,018	0.00	61.71
	823,234	**23,991,903,992**	**100.00**	**100.00**

Consolidated and Seperate Statements of Financial Position

	Notes	Group 2021 30-Jun N'000	Group 2020 31-Dec N'000	Company 2021 30-Jun N'000	Company 2020 31-Dec N'000
ASSETS					
Cash and cash equivalents	9	6,010,257	2,409,304	3,271,077	837,091
Financial assets at fair value through OCI	10	10,480,427	14,711,696	1,405,605	3,718,298
Trade receivables	11	258,774	70,181	201,985	57,518
Reinsurance assets	12	7,007,715	4,868,100	5,076,028	3,615,541
Deferred acquisition cost	13	571,810	410,093	334,667	273,245
Other receivables & prepayments	14	1,120,623	692,201	656,846	586,765
Investment property	17	80,480	80,480	80,480	80,480
Investment in associates	15	10,451,971	11,199,306	5,423,440	5,423,440
Investment in subsidiaries	16	-	-	9,259,506	9,259,506
Intangible assets	19	741,678	513,106	315,781	364,227
Property and equipment	18	3,382,877	3,451,949	3,163,707	3,199,229
Right of use asset	14b	170,258	151,758	-	-
Current income tax asset	14	-	31,996	-	-
Deferred tax asset	23a	438,322	438,322	438,322	438,322
Statutory deposit	20	704,810	695,070	300,000	300,000
TOTAL ASSETS		41,420,002	39,723,562	29,927,444	28,153,661
LIABILITIES					
Insurance contract liabilities	25	14,249,988	10,904,867	9,139,333	7,066,561
Investment contract liabilities	26	990,952	1,120,526	-	-
Trade payables	21	361,787	201,665	114,130	136,939
Other payables	22	1,777,304	2,268,485	1,151,614	998,116
Lease liability	22b	106,476	83,163	932,632	939,751
Current income tax	24	129,083	176,000	11,364	43,359
TOTAL LIABILITIES		17,615,589	14,754,706	11,349,074	9,184,726
EQUITY					
Equity attributable to owners					
Share capital	27	11,995,952	11,995,952	11,995,952	11,995,952
Share premium	28	4,612,938	4,612,938	4,612,938	4,612,938
Contingency reserves	29	3,476,499	3,311,312	2,870,801	2,723,639
Other reserves	30	937,529	2,549,744	765,144	1,074,593
Retained earnings	31	2,781,494	2,498,910	(1,666,465)	(1,438,187)
TOTAL EQUITY		23,804,413	24,968,856	18,578,370	18,968,935
TOTAL LIABILITIES AND EQUITY		41,420,002	39,723,562	29,927,444	28,153,661

These financial statements were approved by the board of directors (BOD) on 29th July 2021 and signed on behalf of the board of directors by the directors listed below:

Mutiu Sunmonu
FRC/2014/IODN/00000006187
Chairman

Adeyinka Adekoya
FRC/2016/CIIN/00000013893
Managing Director

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

Coronation Insurance Plc

Consolidated Statements of Profit or LossFor the period ended 30th June 2021

(All amounts in Naira thousands unless otherwise stated)

		GROUP				COMPANY			
		2021	2020	2021	2020	2021	2020	2021	2020
		3 Months JUN	3 Months JUN	YTD JUN	YTD JUN	3 Months JUN	3 Months JUN	YTD JUN	YTD JUN
	Note	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Gross written premium	1a	3,085,667	5,231,013	8,314,065	9,339,692	1,950,711	3,766,135	4,905,401	6,124,237
Movement in Unearned premium	1b	452,649	(1,085,384)	(1,315,760)	(1,238,436)	188,506	(853,339)	(654,581)	(400,524)
Gross premium income		**3,538,317**	**4,145,629**	**6,998,305**	**8,101,257**	**2,139,218**	**2,912,796**	**4,250,820**	**5,723,712**
Reinsurance expenses	1c	(1,243,444)	(2,763,137)	(2,386,330)	(4,451,510)	(797,046)	(2,443,114)	(1,595,318)	(3,814,928)
Net premium Income	**1**	**2,294,873**	**1,382,493**	**4,611,975**	**3,649,746**	**1,342,172**	**469,682**	**2,655,502**	**1,908,784**
Fees and commission income	3	206,821	601,033	434,976	1,034,190	120,334	390,178	270,959	681,702
Net underwriting income		**2,501,694**	**1,983,525**	**5,046,951**	**4,683,936**	**1,462,506**	**859,860**	**2,926,461**	**2,590,486**
Claims Paid	2a	(1,225,276)	(410,348)	(2,863,811)	(1,556,099)	(544,774)	(157,750)	(1,452,237)	(814,218)
Movement in Outstanding Claims	2b	(2,078,814)	(724,796)	(1,834,207)	(1,082,545)	(1,806,464)	(334,761)	(1,418,191)	(721,587)
Claims expense recoverable	2c	1,658,101	421,290	1,799,401	1,167,264	1,337,107	121,997	1,256,121	698,971
Net claims expenses	**2**	**(1,645,989)**	**(713,854)**	**(2,898,617)**	**(1,471,380)**	**(1,014,131)**	**(370,513)**	**(1,614,306)**	**(836,834)**
Underwriting expenses	4	(718,243)	(547,372)	(1,255,024)	(1,194,619)	(421,087)	(369,334)	(805,803)	(812,643)
Increase in individual life fund	1b	(1,262)	(29,270)	(1,262)	(29,270)	-	-	-	-
Total underwriting expenses		**(2,365,495)**	**(1,290,496)**	**(4,154,903)**	**(2,695,268)**	**(1,435,218)**	**(739,847)**	**(2,420,110)**	**(1,649,477)**
Total underwriting profit		**136,199**	**693,029**	**892,048**	**1,988,668**	**27,287**	**120,013**	**506,352**	**941,008**
Investment income	5a	458,372	213,513	1,018,191	500,234	371,375	488,834	516,625	612,420
Net realized gain on financial assets	5b	429,772	-	429,772	-	429,772	14,239	429,772	14,239
Profit on deposit administered contracts	5f	56,108	68,050	56,108	68,050	-	-	-	-
Other operating income	6	22,137	208,045	390,409	347,895	830	141,279	243,819	153,339
Total investment and other income		**966,390**	**489,608**	**1,894,481**	**916,179**	**801,977**	**644,352**	**1,190,216**	**779,998**
Net income		**1,102,589**	**1,182,638**	**2,786,529**	**2,904,847**	**829,265**	**764,366**	**1,696,568**	**1,721,006**
Impairment on other assets	12 & 14	(25,589)	-	(25,589)	-	(25,589)	1,598	(25,589)	1,598
Impairment on financial assets (ECL)	7	-	-	-	-	-	(40,335)	-	(40,335)
Employee benefit expenses	8	(310,079)	(255,664)	(592,790)	(522,627)	(163,464)	(149,426)	(313,292)	(319,193)
Other operating expenses	7	(1,252,180)	(714,780)	(2,327,961)	(1,970,788)	(787,567)	(488,451)	(1,418,830)	(1,165,804)
Total operating expenses		**(1,587,849)**	**(1,191,956)**	**(2,946,340)**	**(2,714,927)**	**(976,620)**	**(676,613)**	**(1,757,711)**	**(1,523,734)**
Operating profit		**(485,260)**	**(9,318)**	**(159,811)**	**189,920**	**(147,356)**	**87,752**	**(61,144)**	**197,272**
Share of Profit of Associate	5d	222,924	379,712	565,470	634,790	-	-		-
Profit before tax		**(262,336)**	**370,394**	**405,658**	**824,710**	**(147,356)**	**87,752**	**(61,144)**	**197,272**
Income tax		11,937	(77,207)	(7,816)	(170,268)	(14,693)	(4,864)	(19,972)	(82,133)
Profit after tax		**(250,399)**	**293,187**	**397,842**	**654,442**	**(162,048)**	**82,888**	**(81,115)**	**115,139**
Other Comprehensive Income, net of tax:									
Exch. Diff. on translation of foreign operation		-	-	-	-	-	-	-	-
Net fair value gain/(loss) on AFS financial asset		141,389	145,320	(152,547)	145,320	70,306	-	(80,969)	-
Share of Other Comprehensive Income of Associate	5e	(336,758)	430,923	(930,302)	479,430	-	-		-
Total Other Comprehensive Income		**(195,369)**	**576,242**	**(1,082,849)**	**624,749**	**70,306**	**-**	**(80,969)**	**-**
		-	-			-	-		
Total comprehensive income/loss		**(445,768)**	**869,429**	**(685,007)**	**1,279,191**	**(91,742)**	**(32,252)**	**(162,085)**	**-**
		-				-			
Basic Earning Per Share (Kobo)		(2)	(0)	2	2	3	(0)	(0)	(2)

Consolidated Statements of Changes in Equity - Group
For the period ended 30 June 2021
(All amounts in Naira thousands unless otherwise stated)

	Share capital	Share premium	Other reserves	Contingency reserves	Retained earnings	Total equity
Balance at 1 January 2021	11,995,952	4,612,938	2,549,744	3,311,312	2,498,910	24,968,856
Total comprehensive income for the year						
Profit for the year	-	-	-	-	397,842	397,842
Other comprehensive income			(1,082,849)			(1,082,849)
						-
Total other comprehensive income/(loss) for the year			(1,082,849)	-	397,842	(685,007)
Total comprehensive income/(loss) for year	11,995,952	4,612,938	1,466,895	3,311,312	2,896,752	24,283,849
Transactions with equity holders, recorded directly in equity:						
Shares issued during the year - Rights issue	-	-	-	-	-	-
Interim appropriation account			(49)		119,787	119,738
Foreign currency translation				13,012		13,012
Recycling to PorL on Eurobond disposal			(228,670)			(228,670)
Adjustment in opening balance			(300,646)	(51,047)		(351,694)
Reconciliation reserves			-		(31,823)	(31,823)
Share issue costs	-	-	-	-	-	-
Transfer to contingency reserves	-	-	-	203,223	(203,223)	-
						-
Total transactions with owners	-	-	(529,366)	165,187	(115,258)	(479,437)
Balance at 30 June 2021	11,995,952	4,612,938	937,529	3,476,499	2,781,494	23,804,413

Statement of Changes in Equity - Company
For the period ended 30 June 2021
(All amounts in Naira thousands unless otherwise stated)

	Share Capital	Share premium reserves	Other reserves	Contingency reserves	Retained earnings	Total equity
Balance at 1 January 2021	11,995,952	4,612,938	1,074,593	2,723,639	(1,438,187)	18,968,935
Total comprehensive income for the year						
Profit for the year	-	-	-	-	(81,115)	(81,115)
						-
Other comprehensive income			(80,969)			(80,969)
						-
						-
Total other comprehensive income/(loss) for the year	-	-	(80,969)	-	(81,115)	(162,085)
Total comprehensive income/(loss) for year	11,995,952	4,612,938	993,624	2,723,639	(1,519,303)	18,806,850
Transactions with equity holders, recorded directly in equity:						
Shares issued during the year - Rights issue	-	-	-	-	-	-
Share issue costs	-	-	-	-	-	-
Recycling to PorL on Eurobond disposal			(228,480)			(228,480)
Transfer to contingency reserves	-	-	-	147,162	(147,162)	-
						-
Total transactions with owners	-	-	(228,480)	147,162	(147,162)	(228,480)
Balance at 30 June 2021	11,995,952	4,612,938	765,144	2,870,801	(1,666,465)	18,578,370

Statement of cash flows for the year ended 30 June 2021

	Group 2021 30-Jun N'000	Group 2020 31-Dec N'000	Company 2021 30-Jun N'000	Company 2020 31-Dec N'000
Operating activities				
Premiums received	8,125,472	15,801,411	4,760,934	11,586,274
Fees and commission received	434,976	2,109,390	270,959	1,750,144
Fees and commission paid	(1,093,307)	(2,964,455)	(744,381)	(1,935,203)
Reinsurance premiums paid	(3,480,685)	(8,548,866)	(2,181,895)	(7,868,009)
Gross claims paid to policy holders	(2,863,811)	(3,743,924)	(1,452,237)	(1,862,827)
Reinsurance recoveries on claims	754,142	780,560	581,538	777,670
Payments to employees	(577,465)	(1,095,625)	(297,967)	(676,819)
Other operating cash payments	(2,009,498)	(1,882,676)	(1,182,557)	(1,729,751)
Other operating cash receipts	490,967	12,422	362,742	295,589
Receipts from Investment contract	549,160	903,058	-	-
Payments to Investment contract	(419,586)	(962,186)	-	-
Premium received in advance	5,444	799,150	-	-
Cash paid for statutory deposit	-	-	-	-
Tax paid	(28,738)	(91,442)	(51,967)	(68,959)
Net cash generated from operating activities	**(112,929)**	**1,116,819**	**65,168**	**268,109**
Cash flows from investing activities				
Disposal of deposit for shares	-	-	-	-
Purchases of property and equipment	(166,148)	(430,019)	(117,735)	(314,632)
Purchases of intangible assets	(311,814)	(158,294)	(34,569)	(31,740)
Proceeds from sale of property and equipment		-		-
Purchases of investment in associates and subsidiaries	-	-	-	(3,898,591)
Purchases of investment securities	(6,620,395)	(16,678,677)	(3,212,650)	(7,721,148)
Proceeds from redemption of investment securities	10,168,236	12,566,447	5,213,492	7,207,990
Proceeds from sale of investment properties	-	53,055	-	53,055
Rental income received	-	1,367	-	1,367
Dividend income received	-	-	382,617	425,004
Other dividend income received	56,108	25,058	9,550	25,058
Interest income received	635,574	884,819	128,113	411,533
Net cash used in investing activities	**3,761,560**	**(3,736,244)**	**2,368,818**	**(3,842,104)**
Cash flows from financing activities				
Proceeds from issue of shares	-	3,898,591	-	3,898,591
Principal payment on lease	(40,958)	(22,576)	-	-
Lease payments (interest)	(13,924)	(6,387)	-	-
Net cash used in financing activities	**(54,882)**	**3,869,628**	**-**	**3,898,591**
Cash and cash equivalents at beginning of year	2,410,919	1,153,511	838,200	506,399
Effect of exchange rate fluctuations on cash held	7,205	7,205	-	7,205
Net increase in cash and cash equivalents	3,593,749	1,250,202	2,433,986	324,597
Cash and cash equivalent at end of year	**6,011,872**	**2,410,919**	**3,272,186**	**838,200**

Summary of Cash and cash equivalents

For the purposes of the statement of cash flow, cash and cash equivalents is as follows:

	Group 2021 30-Jun N'000	Group 2020 31-Dec N'000	Company 2021 30-Jun N'000	Company 2020 31-Dec N'000
Cash at bank and in hand	1,127,332	1,337,157	586,670	371,081
Money market placements	4,884,541	1,073,762	2,685,515	467,119
	6,011,872	**2,410,920**	**3,272,186**	**838,199**

1. Reporting entity

Coronation Insurance Plc (formerly Wapic Insurance Plc) ("Wapic" or ''the Company") together with its subsidiaries (collectively "the Group") is a public liability company domiciled in Nigeria with operations in Nigeria and Ghana. Coronation Insurance Plc (formerly Wapic Insurance Plc) was incorporated on 14 March 1958 as a private limited liability Company under the name of West African Provincial Insurance Company Limited. It became a public limited liability company in 1990 when the Company's shares were listed on the Nigerian Stock Exchange. The Group secured a life insurance business license from National Insurance Commission (NAICOM) in 2000, and became a composite insurance business. The Group separated the life business and transferred the related assets and liabilities to its subsidiary, Intercontinental Life Assurance Limited (now Coronation Life Assurance Limited (formerly Wapic Life Assurance Limited)), on 1 March 2007 through which it continues to provide life assurance services. Coronation Insurance Ghana Limited (formerly Wapic Insurance Ghana Limited), a wholly owned subsidiary of Coronation Inaurance Plc (formerly Wapic Insurance Plc), was incorporated on 21 January 2008 to carry on general insurance business in Ghana from 19 February 2008. The address of the Group's corporate office is 119, Awolowo Road, Ikoyi. The Group is principally engaged in the business of underwriting life and non-life insurance risks and also issues a diversified portfolio of investment contracts products to provide its customers with asset management solutions for their savings and target investment plans.

Going concern

These financial statements have being prepared on the going concern basis. The Group and Company has no intention or need to reduce substantially its business operations. The management believes that the going concern assumption is appropriate for the Group and Company due to sufficient capital adequacy ratio, healthy solvency margin 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 Group and Company is carried out to ensure that there are no going concern threats to the operation of the Group and Company.

2. Basis of preparation

(a) Statement of compliance with International Financial Reporting Standards

The financial statements have been prepared in accordance with, and comply with, International Financial Reporting Standards (IFRS), in the manner required by Companies and Allied Matters Act of Nigeria, the Insurance Act of Nigeria, relevant National Insurance Commission (NAICOM) guidelines and circulars and the Financial Reporting Council of Nigeria Act (FRCN Act), to the extent that these laws are not in conflict with the requirement of IFRS.

The financial statements were authorised for issue by the directors on 29 July 2021.

(b) Functional and presentation currency

The financial statements are presented in Nigerian currency (Naira) which is the Group's functional currency. Except otherwise indicated, financial information presented in Naira have been rounded to the nearest thousand.

(c) Basis of measurement

The financial statements have been prepared on a historical cost basis except for the following:

• financial instruments at fair value through profit or loss are measured at fair value;
• financial instruments at fair value through other comprehensive income are measured at fair value;
• investment properties are measured at fair value;
• land and building are carried at revalued amount; and
• Insurance liabilities are measured at present value of future cashflows.

(d) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in note 4 of the financial statements.

(e) Regulation

The Group is regulated in Nigeria by the National Insurance Commission (NAICOM) under the National Insurance Act of Nigeria. The Act specifies certain provisions which have impact on financial reporting as follows:

i) section 22 (1b) requires maintenance of contingency reserves for life business at specified rates as set out under note 3.12 to cover fluctuations in securities and variation in statistical estimates;

ii) section 22 (1a) requires the maintenance of a general reserve fund which shall be credited with an amount equal to the net liabilities on policies in force at the time of the actuarial valuation and an additional 25 percent of net premium for every year between valuation date;

iii) section 10(3) requires insurance companies in Nigeria to deposit 10 per centum of the minimum paid up share capital with the Central Bank of Nigeria.

iv) section 25 (1) requires an insurance company operating in Nigeria to invest and hold investments in Nigeria assets equivalent to not less than the amount of policy holders' funds in such accounts of the insurer.

v) the requirement to provide 10 per cent for outstanding claims in respect of claims incurred but not reported at the end of the year under review under section 20 (1b). However, claims incurred but not reported liabilities have been estimated in line with accounting policy 3.12 to comply with IFRS;

vi) the requirement for additional provision of 25 per cent of net premium to general reserve fund under section 22 (1a) as actuarial valuations on life insurance liabilities are currently carried out on a yearly basis in line with IFRS.

Section 59 of the Financial Reporting Council of Nigeria Act, (FRCN Act) provides that in matters of financial reporting, if there is any inconsistency between the FRCN Act and other Acts which are listed in section 59(1) of the FRCN Act, the FRCN Act shall prevail. The Financial Reporting Council of Nigeria acting under the provisions of the FRCN Act has promulgated IFRS as the national financial reporting framework of Nigeria. Consequently, the provisions of section 20(1b) and 22(1a) of the National Insurance Act, which conflict with the provisions of IFRS have not been adopted:

i) the requirement to provide 10 per cent for outstanding claims in respect of claims incurred but not reported (IBNR) at the end of the year under review under section 20 (1b);
ii) the requirement for additional provision of 25 per cent of net premium to general reserve fund under section 22 (1a).

(f) Reporting period
The statement of financial position has been prepared for a 12 month period.

(g) Changes in accounting policies
Except for the changes below, the Group has consistently applied the accounting policies as set out in Note 3 to all periods presented in these financial statements.

Standards and interpretations effective for the first time for 31 December 2020 year end
(i) Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Group, but may impact future periods should the Group enter into any business combinations.

(ii) Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark- based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

(iii) Amendments to IAS 1 and IAS 8 Definition of Material
The amendments provide a new definition of material that states, “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to, the Group.

(iv) Conceptual Framework for Financial Reporting issued on 29 March 2018
The amendments provide a new definition of material that states, “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to, the Group.

(v) Amendments to IFRS 16 COVID-19 Related Rent Concessions
On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification.
The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no impact on the consolidated financial statements of the Group.

Standards and interpretations not yet effective

The Company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Company's accounting periods beginning on or after 01 January 2021or later periods:

(i) Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

If a parent loses control of a subsidiary which does not contain a business, as a result of a transaction with an associate or joint venture, then the gain or loss on the loss of control is recognised in the parents' profitor lossonly to the extent of the unrelated investors' interest in the associate or joint venture. The remaining gain or loss is eliminated against the carrying amount of the investment in the associate or joint venture. The same treatment is followed for the measurement to fair value of any remaining investment which is itself an associate or joint venture. If the remaining investment is accounted for in terms of IFRS 9, then the measurement to fair value of that interest is recognised in full in the parents' profitor loss.
The effective date of the amendmentis to be determined by the IASB.
It is unlikely that the amendment will have a material impact on the Group's consolidated and separate financial statements.

(ii) IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) which was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

The Group does not expect to adopt the new standard before 1 January 2022.

(iii) Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a

liability not impact its classification
The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The amendments are not expected to have a material impact on the Group.

(iv) Reference to the Conceptual Framework IV Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential "day 2" gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.
At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements. The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively. The amendments are not expected to have a material impact on the Group.

(v) Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification.
The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no impact on the consolidated financial statements of the Group.

(vi) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.
The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.
The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. The amendments are not expected to have a material impact on the Group.

(vii) IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The amendments is not applicable to the Group.

(viii) IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received by the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

(ix) Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

On 27 August 2020, the IASB published Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. With publication of the phase two amendments, the IASB has completed its work in response to IBOR reform. The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform

The amendments include a practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest. Inherent in allowing the use of this practical expedient is the requirement that the transition from an IBOR benchmark rate to an RFR takes place on an economically equivalent basis with no value transfer having occurred. Any other changes made at the same time, such as a change in the credit spread or maturity date, are assessed. If they are substantial, the instrument is derecognised. If they are not substantial, the updated effective interest rate (EIR) is used to recalculate the carrying amount of the financial instrument, with any modification gain or loss recognised in profit or loss.

The practical expedient is required for entities applying IFRS 4 that are using the exemption from IFRS 9 (and, therefore, apply IAS 39) and for IFRS 16 Leases, to lease modifications required by IBOR reform.

Relief from discontinuing hedging relationships

The amendments permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Permitted changes include redefining the hedged risk to reference an RFR and redefining the description of the hedging instruments and/or the hedged items to reflect the RFR. Entities are allowed until the end of the reporting period, during which a modification required by IBOR reform is made, to complete the changes. Any gains or losses that could arise on transition are dealt with through the normal requirements of IFRS 9 and IAS 39 to measure and recognise hedge ineffectiveness.

Amounts accumulated in the cash flow hedge reserve aredeemed to be based on the RFR. The cash flow hedge reserve is released to profit or loss in the same period or periods in which the hedged cash flows based on the RFR affect profit or loss.

For the IAS 39 assessment of retrospective hedge effectiveness, on transition to an RFR, entities may elect on a hedge-by-hedge basis, to reset the cumulative fair value changes to zero. This relief applies when the exception to the retrospective assessment ends.

The amendments provide relief for items within a designated Company of items (such as those forming part of a macro cash flow hedging strategy) that are amended for modifications directly required by IBOR reform. The reliefs allow the hedging strategy to remain and not be discontinued. As items within the hedged Company transition at different times from IBORs to RFRs, they will be transferred to sub-Companys of instruments that reference RFRs as the hedged risk.

As instruments transition to RFRs, a hedging relationship may need to be modified more than once. The phase two reliefs apply each time a hedging relationship is modified as a direct result of IBOR reform. The phase two reliefs cease to apply once all changes have been made to financial instruments and hedging relationships, as required by IBOR reform.

Separately identifiable risk components

The amendments provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component. The relief allows entities upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months.

IFRS 7 Financial Instruments: Disclosures includes the following:

• How the entity is managing the transition to RFRs, its progress and the risks to which it is exposed arising from financial instruments due to IBOR reform

• Disaggregated by each significant IBOR benchmark, quantitative information about financial instruments that have yet to transition to RFRs

• If IBOR reform has given rise to changes in the entity's risk management strategy, a description of these changes

Effective for annual periods beginning on or after 1 January 2021

3 Significant accounting policies

Except for the changes explained above, the significant accounting policies set out below have been consistently applied to all periods presented in these financial statements.

3.1 Cash and cash equivalents

Cash and cash equivalents include cash in hand and at bank, call deposits and short term highly liquid financial assets with original maturities of three months or less from the acquisition date, which are subject to insignificant risk of changes in their fair value and are used by the Group in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

For the purpose of cashflow, cash and cash equivalents comprise of cash in hand and bank, short term bank deposits and treasury bills with a maturity of 90 days or less.

3.2 (a) Financial instruments

Recognition and derecognition

Financial instruments are recognised initially when the Group becomes a party to the contractual provisions of the instrument.

Regular-way purchases and sales of financial assets are recognised on settlement date which is the date on which the Group parts with or receives economic resources for the purchase or sale of the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

Financial assets that are transferred to a third party but do not qualify for derecognition are presented in the statement of financial position as pledged assets, if the transferee has the right to sell or re-pledge them.

Derecognition of a financial liability occurs only when the obligation is extinguished. A financial liability is said to be extinguished when the obligation is discharged, cancelled or expired.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. Income and expense will not be offset in profit or loss unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Group.

i) Financial assets

(a) Classification

The Group’s financial assets include cash and short term deposits, loan and other receivables, staff loans, quoted and unquoted equity instruments, treasury bills and bonds. The Group classifies its financial assets in the following categories:

-Amortised cost

-Fair value through other comprehensive income (FVOCI) and

-Fair value through profit or loss (FVTPL)

Classification of debt instruments

Management classifies its financial assets into any of the asset categories above on the basis of both:

-The Group’s business model for managing the financial assets.

-The contractual cash flows characteristics of the financial assets.

1. Business Model Assessment

The business model assessment is one of the two steps to classify financial assets. The business model assessment of the Group’s financial instruments is performed at a level that reflects how groups of financial assets are managed together to achieve a particular business objective.

Judgment is needed to determine the level of aggregation to which the business model assessment is applied. That determination is made on the basis of how the Group manages its business, it is not made at the level of an individual asset, rather the Group performs this assessment at a higher level of aggregation which is at a portfolio level.

If cash flows are realised in a way that is different from the Group’s expectations at the date that the Group assessed the business model (for example, if the Group sells more or fewer financial assets than it expected when it classified the assets), this does not:

- give rise to a prior period error in the Group’s financial statements (as defined in IAS 8 Accounting policies, changes in accounting estimates and errors)

-change the classification of the remaining financial assets held in that business model (i.e., those assets that the Group recognised in prior periods and still holds), as long as the Group has considered all relevant information that was available at the time that it made the business model assessment.

However, when the Group assesses the business model for newly originated or newly purchased financial assets, it considers information about how cash flows were realised in the past, along with all other relevant information. Where there was a change in the way that cash flows are realised, then this will affect the classification of new assets recognised in the future.

Hold-to-collect business model
Where the Group's objective is to hold the asset (or portfolio of assets) to collect the contractual cashflows, the asset (or portfolio of assets) are classified under the 'hold to collect' business model. Financial assets that are held within this business model are measured at amortised cost (provided the asset also meets the contractual cash flow test – see below). Such assets are managed to realise cash flows by collecting contractual payments over the life of the instrument.

In determining whether cash flows are going to be realised by collecting the financial assets' contractual cash flows, the Group considers the frequency and value of sales in prior periods, the timing of the sale of assets, the reasons for those sales, and the Group's expectations about future sales activity.

In accordance with IFRS 9, sales in themselves do not determine the business model and cannot be considered in isolation. However, information about past sales and expectations about future sales provide evidence related to how the Group's stated objective for managing the financial assets is achieved and, specifically, how cash flows are realised.

Hold-to-collect contractual cash flows and sell
Where the Group's objective is to hold a group of financial assets to collect the contractual cashflows and then to sell those financial assets, the portfolio of assets are classified under the 'hold to collect and sell' business model. The FVOCI measurement category is mandatory for portfolios of financial assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets (provided the asset also meets the contractual cash flow test).

Collecting contractual cash flows and selling are fundamental to achieving the objective of the business model.
Compared to the business model with an objective to hold financial assets to collect contractual cash flows, this business model will typically involve greater frequency and value of sales. This is because selling financial assets is integral to achieving the business model's objective rather than only incidental to it. There is no threshold for the frequency or value of sales that can or must occur in this business model.

Other business models
IFRS 9 requires financial assets to be measured at fair value through profit or loss (FVTPL) if they are not held within either a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

A business model that results in measurement at FVTPL is where the financial assets are held for trading or where the assets are managed on a fair value basis. In each case, the Group manages the financial assets with the objective of realising cash flows through the sale of the assets. The Group makes decisions based on the assets' fair values and manages the assets to realise those fair values.

2. The contractual cash flows assessment – the Solely Payments of Principal and Interest (SPPI) test
This assessment aims to identify whether the contractual cash flows are solely payments of principal and interest on the principal amount outstanding.
The SPPI test is based on the premise that it is only when the variability in the contractual cash flows arises to maintain the holder's return in line with a 'basic lending arrangement' that the application of the effective interest method provides useful information about the uncertainty, timing and amount of the financial asset's contractual cashflows.
The effective interest method is essentially to spread interest revenue or expense over time. Amortised cost or FVOCI measurement is only appropriate for simple cash flows that have low variability such as those of loans and receivables and debt securities.

Classification of equity instruments
Investment in equity instruments are always measured at fair value. The Group has elected to irrevocably designate non-trading equity instruments at FVOCI as permitted by IFRS 9. Equity investments that are held for trading (including all equity derivative instruments such as warrants ane rights issues) are required to be classified at fair value through profit or loss.

The Group may acquire an investment in an equity instrument that is not held for trading. At initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to present changes in fair value in other comprehensive income rather than profit or loss.

Amounts presented in OCI are not subsequently transferred to profit or loss, even on derecognition. However, the cumulative gain or loss may be transferred within equity. Equity investments are not subject to any impairment requirements.

Dividends from such investments should be recognised in profit or loss when the right to receive payment is probable and can be measured reliably, unless the dividend clearly represents a recovery of part of the cost of the investment, in which case they are recognised in other comprehensive income.

(b) Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

i) Amortised Cost

Financial instruments are measured at amortised cost, using the effective interest rate method.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation of any difference between that initial amount and the maturity amount, and for financial assets, adjusted for any impairment allowance.

The impairment loss is reported as a deduction from the carrying value of the loan (using an allowance account) and recognised in profit or loss as ‘impairment charges’.

Effective interest rate method

The effective interest method is a method used in calculating the amortised cost of a financial asset or financial liability and in the allocation and recognition of the interest income or expense in profit or loss over the relevant period.

The effective interest method differs from the straight-line method in that the amortisation under the effective interest method reflects a constant return on the carrying amount of the asset or the liability. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts, over the expected life of the financial instrument to the gross carrying amount of a financial asset or to the amortised cost of a financial liability. It is the internal rate of return of the financial asset or liability for that period.

ii) Fair value through Other Comprehensive Income

For the Group’s investment in debt instruments measured at FVOCI, all movements in fair value should be taken through other comprehensive income except for the recognition of impairment losses, interest revenue in line with the effective interest rate method, foreign exchange gains and losses arising on derecognition of the asset which are recognised in the profit or loss.

Therefore, fair value changes will be split in the interest income on an effective interest basis (which are posted to profit or loss) and fair value gains or losses (which are posted to other comprehensive income).

All equity investments held by the Group are required to be measured at fair value through profit or loss. However, the Group can make the irrevocable election to present in other comprehensive income changes in the fair value of an investment in an equity instrument that is not held for trading. Where the Group elects the irrevocable option, amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss. Nevertheless, the Group may transfer the cumulative gain or loss within equity. Dividends on such equity instruments are recognised in profit or loss in ‘Dividend income’ when the Group’s right to receive payment is established.

The Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

iii) Fair value through profit or loss

These assets and liabilities are measured at fair value, with the unrealised gains and losses arising from changes in fair included directly in profit or loss and are reported as ‘Net gains/ (losses) on financial instruments classified as held for trading’

The carrying value of trading positions in financial instruments includes accrued interest. Fair value changes recognised through profit or loss in the statement of comprehensive income on such instruments includes items such as interest and dividends, if related to those trading positions.

(d) Impairment of financial assets

The Group will assess on a forward looking basis, the expected credit losses (“ECL”) associated with its debt instruments carried at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts.

No impairment is recognised on equity investments. This is because the fair value changes would incorporate impairment gains or losses if any.

General Approach
Under the general approach, at each reporting date, the Group recognises a loss allowance based on either 12-month ECLs or lifetime ECLs, depending on whether there has been a significant increase in credit risk on the financial instrument since initial recognition. The changes in the loss allowance balance are recognised in profit or loss as an impairment gain or loss.

The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement bases:
· 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality

· Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis or when a loan becomes credit impaired respectively.

Staging
Stage 1: On origination, a financial asset (provided that it is not a purchased or originated credit impaired asset) will be in stage 1 of the general model for expected credit losses. Financial assets that have not had a significant increase in credit risk since initial recognition or that (upon assessment and option selected by the Group) have low credit risk at the reporting date remain in stage 1.

For these assets, 12-month expected credit losses (‘ECL’) are recognised and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12-month ECL are the ECL that result from default events that are possible within 12 months after the reporting date. It is not the expected cash shortfalls over the 12-month period but the entire credit loss on an asset, weighted by the probability that the loss will occur in the next 12 months.

Stage 2: Financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date and this option is taken by the Group) but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognised and interest revenue is still calculated on the gross carrying amount of the asset.

Lifetime ECL are the ECL that result from all possible default events over the maximum contractual period during which the Group is exposed to credit risk. ECL are the weighted average credit losses, with the respective risks of a default occurring as the weights.
The Group, when determining whether the credit risk on a financial instrument has increased significantly, considers reasonable and supportable (both historical and forward-looking) information available, in order to compare the risk of a default occurring at the reporting date with the risk of a default occurring at initial recognition of the financial instrument.

Stage 3: This includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECLs are recognised and interest revenue is calculated on the net carrying amount (that is, net of credit allowance). This is done by applying the EIR in subsequent reporting periods to the amortised cost of the financial asset.

When the Group has no reasonable expectations of recovering the financial asset, then the gross carrying amount of the financial asset can be directly reduced in its entirety via a write off. A write-off constitutes a derecognition event.

Simplified approach
The simplified approach does not require the Group to track the changes in credit risk, but, instead, requires the Group to recognise a loss allowance based on lifetime ECLs at each reporting date, right from origination.

The Group recognizes lifetime ECLs at each reporting period for trade receivables or other receivables that result from transactions within the scope of IFRS 15 and that do not contain a significant financing component.

Measurement of expected credit losses

The standard defines credit loss as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e., all cash shortfalls), discounted at the original EIR

ECLs are a probability-weighted estimate of credit losses over the expected life of the financial instrument (i.e., the weighted average of credit losses with the respective risks of a default occurring as the weights).
When measuring ECLs, in order to derive an unbiased and probability-weighted amount, the Group should evaluate a range of possible outcomes. This involves identifying possible scenarios that specify:

a. The amount and timing of the cash flows for particular outcomes
b. The estimated probability of these outcomes
c. Exposure at default (EAD): The EAD estimates the percentage of exposure the Group might lose if the borrower defaults.

Probability of default (PD)

12 Month PDs

12 month PD is the probability of a loan defaulting within the next 12 months. 12-month PD estimates are required to calculate 12-month ECLs for accounts classified as Stage 1. These PD estimates also form the basis of the lifetime PD curves, which are required to calculate lifetime ECLs for accounts classified as Stage 2. 12 Months PD is used computed using the Group's data

Lifetime PDs

Lifetime PD curves are required to calculate expected credit losses for Stage 2 and Stage 3 accounts. Ideally, lifetime PD curves should be developed based on internal default data. However, the Group does not have sufficient history of internal default data to build credible curves so it has derived lifetime PD curves using S & P's "2017 Annual Sovereign Default Study and Rating Transition".

Loss given default (LGD)

LGD is the share of an asset that is lost when a borrower defaults. The recovery rate is defined as 1 minus the LGD, the share of an asset that is recovered when a borrower defaults. Loss given default is facility-specific because such losses are generally understood to be influenced by key transaction characteristics such as the presence of collateral and the degree of subordination.

Exposure at default (EAD)

EAD is equal to the current amount outstanding at the expected point of default in case of fixed exposures like staff loans and investment securities. This is derived using the original carrying amount, interest rate and tenor of the facility.

3.3 Other receivables and prepayments

Other receivables are measured at amortised cost less accumulated impairment losses while prepayment are carried at cost less accumulated impairment losses.

3.4 Reinsurance assets and reinsurance liabilities

Reinsurance assets represent balances due from reinsurance contracts. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due. The details of recognition and measurement of reinsurance contracts assets and liabilities have been set out under note 3.17 (e).

3.5 Deferred acquisition cost

Acquisition costs comprise insurance commissions, brokerage and other related expenses arising from the generation and conclusion of insurance contracts. The proportion of acquisition costs that correspond to the unearned premiums are deferred as an asset and recognized in the subsequent period. They are recognised on a basis consistent with the related provisions for unearned premiums.

3.6 Investment property

Investment property comprises investment in land or buildings held primarily to earn rental income or capital appreciation or both.

Investment property is initially recognized 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 cost of day to day servicing of an investment property. Investment property is subsequently measured at fair value with any change therein recognised in profit or loss. Fair values are determined individually, on a basis appropriate to the purpose for which the property is intended and with regard to recent market transactions for similar properties in the same location.

Fair values are reviewed annually by independent valuer, registered with the Financial Reporting Council (FRC) of Nigeria as well as holding a recognized and relevant professional qualification and with relevant experience in the location and category of investment property being valued.

Subsequent expenditure on investment property is capitalized only if future economic benefit will flow to the Group; otherwise they are expensed as incurred.

Investment properties are disclosed separately from the property and equipment used for the purposes of the business.

The Group separately accounts for a dual purpose property as investment property if it occupies only an insignificant portion. Otherwise, the portion occupied by the Group is treated as property and equipment.

3.7 Intangible assets

Software

Recognition of software acquired is only allowed if it is probable that future economic benefits attributable to this intangible asset will flow to the Group.

Software acquired is initially measured at cost. The cost of acquired software comprises its purchase price, including any import duties and non-refundable purchase taxes, and any directly attributable expenditure on preparing the asset for its intended use. After initial recognition, software acquired is carried at its cost less any accumulated amortization and any accumulated impairment losses. Maintenance costs should not be included.

Internally developed software is capitalized when the Group has the intention and demonstrates the ability to complete the development and use of the software in a manner that will generate future economic benefits, and can reliably measure the costs to complete the development. The capitalized costs include all costs directly attributable to the development of the software. Internally developed software is stated at capitalized cost less accumulated amortization and impairment.

Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. Amortisation is recognised in the statement of profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use since this most closely reflects the expected pattern of consumption of future economic benefits embodied in the asset. Software has a finite useful life with the estimated useful life of software being five years. Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Upon disposal of software or when no future economic benefits are expected to flow from its use, such software are derecognise from the books. Gains or losses arising on disposal of assets are determined by comparing proceeds with their carrying amounts and are recognised in profit or loss in the year of derecognition.

3.8 Property and equipment

Recognition and measurement

All items of property and equipment except land and buildings are initially recognised at cost and subsequently measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Land and buildings are initially recognised at cost and subsequently carried at revalued amounts, being fair value at the date of revaluation less subsequent accumulated depreciation and impairment losses, if any.

When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognised net within other income in profit or loss.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the profit and loss account during the financial period in which they are incurred.

Subsequent costs on replacement parts on an item of property are recognized in the carrying amount of the asset and the carrying amount of the replaced or renewed component is derecognized.

Depreciation

Depreciation is calculated on property and equipment on a straight line basis to write down the cost of each asset to its residual value over its estimated useful life. Depreciation methods, useful lives and residual values are reassessed at each reporting date.

No depreciation is charged on items of property and equipment until they are available for use.

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.

Depreciation is computed as follows:

Land	-	Over the lease period
Buildings	-	Over 50 years
Office equipment	-	Over 5 years
Computer hardware	-	Over 3 years
Furniture and fittings	-	Over 5 years
Motor vehicles	-	Over 4 years

Revaluation of land and building

Land and building is valued on an open market basis by qualified property valuers at least once every 3 years if there are evidences of significant changes in the carrying value.

When an individual property is revalued, any increase in its carrying amount (as a result of revaluation) is transferred to a revaluation reserve, except to the extent that it reverses a revaluation decrease of the same property previously recognised as an expense in the statement of profit or loss.

When the value of an individual property is decreased as a result of a revaluation, the decrease is charged against any related credit balance in the revaluation reserve in respect of that property. However, to the extent that it exceeds any surplus, it is recognised as an expense in the statement of profit and loss.

Derecognition
An item of property and equipment is derecognised when it is disposed of or where no future economic benefits are expected from its use or disposal. Gains and losses arising on derecognition are calculated as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss as other income. Where a revalued asset is disposed or scrapped, the revaluation reserve balance in respect of that asset is transferred as a reserve reclassification from other reserves to retained earnings.

Impairment of non-financial assets
The carrying amounts of the Group's non-financial assets are considered to be impaired when there exist any indication that the asset's recoverable amount is less than the carrying amount, it is then assessed for impairment to determine the recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are carried at the lowest levels for which they are separately identifiable cash flows (cash generating units). Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised. Reversals of impairment losses are recognised in profit or loss.

3.9 Statutory deposit
These deposits represent bank balances required by the insurance regulator of the Group to be placed with the Central Bank of Nigeria (and the Central bank of Ghana for its subsidiary) and are based on 10% of the statutory minimum capitalisation. These deposits are not available for day to day use and are stated at amortised cost.

3.10 Share capital, dividend on ordinary shares, earnings per share, retained earnings & revaluation reserve

(i) Share capital
The Group classifies ordinary shares as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to issue of shares are recognized as deductions from equity net of any tax effects.

(ii) Dividend on ordinary shares
Dividends on the Group's ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the Group's shareholders.

(iii) Earnings per share
The Group presents basic earnings per share for its ordinary shares. Basic earnings per share are calculated by dividing the profit attributable to ordinary shareholders of the Group by the number of shares outstanding during the year.

Adjusted earnings per share is determined by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares adjusted for the bonus shares issued. A diluted earnings per share is determined where appropriate.

(iv) Diluted Earnings per share
The Group determines diluted earnings per share based on profit attirbutable to ordinary shareholders and weighted-average number of ordinary shares outstanding after adjustment for effect of all dilutive potential ordinary shares

(v) Retained earnings/(deficit)
This account accumulates net profits or losses from operations.

(vi) Revaluation reserve
Revaluation reserve represents the fair value differences on the revaluation of items of property, plant and equipment as at the balance sheet date. If an asset's carrying amount is increased as a result of a revaluation, the increase is recognised in other comprehensive income and accumulated in revaluation reserve. The increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. If an assets carrying amount is decreased as a result of a revaluation, the decrease is recognised in profit or loss, however, the decrease shall be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The revaluation surplus in respect of an item of property, plant and equipment is transferred to retained earnings when the asset is derecognised. This involves transferring the whole of the surplus when the asset is retired or disposed and some of the surplus are transfered to retained earnings as the asset is used by the entity. The amount of the surplus transfered is the difference between depreciation based on the revalued carrying amount of the asset and the depreciation based on the asset's original cost. Transfers from revaluation reserve to retained earnings are not made through profit or loss.

3.11 Life insurance contract liabilities
The recognition and measurement of insurance contracts have been set out under note 3.17. Insurance contracts.
The reserves include Incurred But Not Reported (IBNR), Unearned Premium Reserve (UPR) and Life fund and these liabilities arising from life insurance contracts are determined as follows:

(a). Life fund
This is made up of liabilities on life policies in force as determined by qualified actuaries at the reporting date. Surplus or deficit arising from the periodic valuation of the life insurance contracts are recognised in profit and loss.

(b). Reserving methodology and assumptions
Data segmentation
The data used for reserving is segmented into the 2 classes as follows:
Individual business
Group business

Valuation and assumptions
The valuation for both the individual business and Group business utilises various assumptions which include:

- the valuation age is taken as Age Last Birthday at the valuation date;
- the period to maturity is taken as the full term of the policy less the expired term.
- full credit is given to premiums due between valuation date and the end of the premium paying term.

For all individual risk business, the gross premium method of valuation was used.
Reserves were calculated via a cashflow projection approach, taking into account future office premiums, expenses and benefit payments. Future cashflows were discounted back to the valuation date at the valuation rate of interest.

An unexpired premium reserve (UPR) was included for Group life business after allowing for acquisition expenses at a ratio of 15% of premium. The UPR is tested against an Additional Unexpired Risk Reserve (AURR) for adequacy and an AURR may also be held to allow for any inadequacies in the UPR for meeting claims in respect of the unexpired period. The claim rates underlying the AURR were based on pooled historical scheme claims experience. Allowance was made for IBNR (Incurred But Not Reported) claims in Group Life to take care of the delay in reporting claims. This was based on a loss ratio approach, which uses historical claims experience to estimate the expected claims, from which the IBNR portion is determined.

3.12 Contingency reserves

The Group maintains contingency reserves in accordance with the provisions of the Nigerian Insurance Act to cover fluctuations in securities and variations in statistical estimates. For life business, the reserve is calculated at the rate equal to the higher of 1% of gross premiums and 10% of net profit while for Non-Life business, the reserve is calculated at the rate equal to the higher of 3% of gross premiums and 2% of net profit.

3.13 Liability adequacy test
The liability for insurance contracts is tested for adequacy by discounting current estimates of all future contractual cash flows and comparing this amount to the carrying value of the liability net of deferred acquisition costs. Where a shortfall is identified, an additional provision is made and the Group recognizes the deficiency in the statement of profit or loss. Insurance contract liabilities are subject to liability adequacy testing on an annual basis. The method of valuation and assumptions used, the cash flows considered and the discounting and aggregation practices adopted have been set out as part of note 3.11.

The recognition of liability for investment contracts have been set out under note 3.18. Reserve for investment contract liabilities have been taken as the amount standing to the credit of the policy holders at the valuation date.

3.14 Trade and other payables
Trade Payables:
Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date is less than one year, discounting is omitted.

Other payables:
Other payables are initially recognised at fair value and subsequently measured at amortised cost.

3.15 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

3.16 Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of the asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using the tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax is realizable or the deferred income tax liability is payable.

Deferred income tax assets are recognised to the extent that it is possible that future profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments subsidiaries and associates, except where the Group controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets against current tax liabilities and when deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different entities where there is an intention to settle the balances on a net basis.

The tax effects of carry-forwards of unused losses or unused tax credits are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilized.

3.17 Insurance contracts

The Group enters into insurance contracts as its primary business activities. Insurance contracts are those that the Group accepts significant insurance risk from another party (the policy holder) by agreeing to compensate the policy holder or other beneficiary, if a specified uncertain future event (the insured event) adversely affects the policy holder or the other beneficiary. The Group as a guide defines significant insurance risk as the possibility of having to pay benefit on the occurrence of an insured event that are at least 10% more than the benefit payable if the insured event did not occur.

Life insurance contracts are issued to indemnify the insured life, the dependent or other thirdparty in the event of death, permanent disability, loss of job or on survival to maturity of the contract with the sums assured. These contracts insure events associated with human life (for example, death or survival) over a long duration.

In addition, the Group has short term life insurance contracts which protect the policyholders from the consequences of events (such as death or disability) over usually an annual period. Guaranteed benefits paid on occurrence of the specified insurance event are either fixed or linked to the extent of the economic loss suffered by the insured or the beneficiary.

Recognition and measurement

(a) Gross premium written

Premiums and annuity considerations written and/or receivable under life insurance contracts are stated gross of commission and recognised when due. Premium written relates to risks assumed during the period.

(b) Claims expenses

Claims and benefits relating to life insurance contracts are recognised as expense on notification. The measurement of life insurance contract liabilities has been set out under note 3.11. Claims expenses are expenses related to the settlement of insurance risk obligations.

(c) Claims expenses recoverable

Claims expenses recoverable are amounts recoverable on the gross claims expenses. This is estimated in manner consistent with the outstanding claims provision and claims incurred associated with the polices and are in accordance with the related insurance contract. They are measured at their carrying amount less impairment charges. Amounts recoverable under reinsurance contracts are assessed for impairment at each reporting date. If there is objective evidence of impairment, the Group reduces the carrying amount of its insurance assets to its recoverable amount and recognizes the impairment loss in profit or loss as a result of an event that occurred after its initial recognition, that the Group may not recover all amounts due and that the event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer.

(d) Deferred income

Deferred income represents a portion of commission received on reinsurance contracts which are booked during the financial year and are deferred based on the tenor of the underlying contracs. It is calculated by applying the reinsurance commission income ratio of prepaid reinsurance to reinsurance cost.

(e) Reinsurance contracts held

Contracts entered into by the Group with reinsurers under which the Group is compensated for losses on one or more contracts issued by the Group and that meet the definition requirements for insurance contracts are reclassified as reinsurance contracts. Insurance contracts entered into by the Group under which the contract holder is another insurer are covered as insurance contracts.

Reinsurance assets consist of short-term balances due from reinsurers, as well as longer term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in compliance with the terms of each reinsurance contracts. Reinsurance liabilities are primarily premiums payable for the reinsurance contracts and are recognised as an expense when due. The Group had the right to set-off re-insurance payables against the amount due from re-insurance and brokers in line with the agreed arrangement between both parties.

Reinsurance expense represents outward reinsurance premiums and are accounted for in the same accounting period as the premiums for the related direct insurance or reinsurance business assumed.

(f) Unearned premiums

Unearned premiums are those proportions of premiums written in the year that relate to periods of risks after the reporting date. It is computed separately for each insurance contract using a time proportionate basis, or another suitable basis for uneven risk contracts.

3.18 Income tax

Income tax 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 balance sheet date and any adjustment to tax payable in respect of previous years.

3.19 Investment contracts

Investment contracts are those contracts that transfer financial risks with no significant insurance risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

The Group enters into investment contracts with guarantee returns and other businesses of savings nature. Those contracts are recognised as liabilities and are measured at amortised cost at amount payable at each reporting date. The Group does not have contracts with discretionary participating features.

Individual deposit-based business comprises the various Wapic Trust, Wapic Gold, Wapic Cash and Wapic Val policies and their reserve comprises of the amount standing to the credit of the policyholders (account balance) at the valuation date. The life cover element (and corresponding risk premiums where applicable) was unbundled from the deposit components and reserves were calculated using a gross premium cash flow approach as described above. The rate of return applied on the policyholders balance are also in accordance with the terms and conditions of each product.

3.20 Fees and commission income

Fees and commissions are recognized on ceding business to the re-insurer and undertaking policy adminsitration for collectively administered policies. Commission are earned and credited to profit or loss over the period the service is provided.

3.21 Underwriting expenses

Underwriting expenses are made up of acquisition and maintenance expenses comprising commission and policy expenses, proportion of staff cost and insurance supervision levy.

Underwriting expenses for insurance contracts are recognized as expense when incurred, with the exception of acquisition costs which are recognized on a time apportionment basis in respect of risk.

3.22 Income recognition

(i) Gross premium income

Gross written premiums recognised for assumed insurance risks during the year are amortised over the period of the insurance contract. The gross premiums written are recognised as gross premiums income by adjusting for the movement in the unearned premiums reserves for insurance risks brought forward from the last year at the beginning of the year and the required unearned premiums reserves for the outstanding insurance risks at the end of the year. The recognised gross premiums income represent the earned portion of all insurance contracts in force during the year both from preceeding years and the current year.

(ii) Fees and commission income

Fees and commission income are recognised on the commission and policy admin fees received in respect of businesses ceded out to reinsurance companies and other insurance companies and fees earned from other related financial services during the period.

(iii) Investment income

Investment income comprise interest income earned on short-term deposits, rental income. and income earned on trading of securities including all realized and unrealized fair value changes, dividends and foreign exchange differences. Investment income, other than interest income, is recognised at fair value and on an accrual basis.

Interest income is recognised in the profit or loss as it accrues and is calculated using the effective interest rate method. Fees and commissions that form part of an integral part of the effective yield of a financial instrument are recognised as an adjustment to the effective interest rate of the instrument.

(iv) Other operating income

Other operating income comprises of profit from sale of property and equipment, interest income earned on staff loans and net foreign exchange gain. Interest income is recognised in the profit or loss as it accrues and is calculated using the effective interest rate method.

(v) Dividend income

Dividend is recognized when the Group's right to receive the dividend has been established. The right to receive dividend is established when the dividend has been duly declared.

3.23 Employee benefits

Short-term benefits

Short-term employee benefit obligations include wages, salaries and other benefits which the Group has a present obligation to pay, as a result of employees' services provided up to the reporting date. The accrual is calculated on an undiscounted basis, using current salary rates.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. These expenses are recognised in the profit or loss for the related period.

Post employment benefits

The Group operates a defined contributory retirement scheme as stipulated in the Pension Reform Act 2014. Under the defined contribution scheme, the Group pays fixed contributions of 10% to a separate entity – Pension Fund Administrators; employees also pay a minimum fixed percentage contribution of 8% to the same entity. Once the contributions have been paid, the Group retains no legal or constructive obligation to pay further contributions if the Fund does not hold enough assets to finance benefits accruing under the retirement benefit plan. The Group's obligations are recognized in the profit and loss.

Termination Benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits when it is demonstrably committed either to terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal, or to provide termination benefits as a result of an offer made to encourage voluntarily redundancy if it is probable that the offer will be accepted and the number of acceptances can be estimated. Benefits falling due more than 12 months after reporting sheet date are discounted to present value.

3.24 Foreign currency transactions

The Nigerian Naira is the Group's functional and reporting currency. Foreign currency transactions are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate ruling at the reporting sheet date; the resulting foreign exchange gain or loss is recognized in profit or loss.

Unrealized exchange differences on non-monetary financial assets (investments in equity instruments) are a component of the change in their entire fair value and are recognised in equity (translation reserve). For a non-monetary financial asset held for trading or designated at fair value through profit or loss, unrealized exchange differences are recognized in profit or loss. For non-monetary financial investments available-for-sale, unrealized exchange differences are recorded in other comprehensive income and transfer to equity when the asset is sold or becomes impaired.

3.25 Management and other operating expenses

Management and other operating expenses are expenses other than claims and underwriting expenses. They include depreciation expenses and other operating expenses. They are recognised on an accrual basis.

3.26 Segment reporting

A segment is a distinguishable component of the Group that is engaged in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Group's primary format for segment reporting is based on business segments. Significant geographical regions have been identified as the secondary basis of reporting.

3.27 Dividends

Dividend distribution to the Group's shareholders is recognized as a liability in the financial statements in the period in which the dividends are approved by the Group's shareholders. Dividends paid to shareholders are subject to witholding tax deduction at the appropriate rate. Dividends that are proposed but not yet declared are disclosed in the notes to the financial statements.

3.28 Leases

The Company leases several assets including buildings and land. Lease terms are negotiated on an individual basis and contain different terms and conditions, including extension options. The lease period ranges from 1 year to 40 years. The lease agreements do not impose any covenants; however, leased assets may not be used as security for borrowing purposes. Contracts may contain both lease and non-lease components. The Company has elected not to separate lease and non-lease components and instead accounts for these as a single lease component. Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities

At commencement date of a lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. Lease liabilities include the net present value of the following lease payments:- fixed payments (including in-substance fixed payments), less any lease incentives receivable- variable lease payment that are based on an index or a rate- amounts expected to be payable by the Company under residual value guarantees- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period in which the event or condition that triggers the payment occurs. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Company's incremental borrowing rate is used, being the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset. The lease term refers to the contractual period of a lease.

Right of use Assets

Right-of-use assets are measured at cost comprising the following: - the amount of the initial measurement of lease liability- any lease payments made at or before the commencement date less any lease incentives received- any initial direct costs, and- restoration costs. Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Extension and termination options

Extension and termination options are included in the property leases. These are used to maximize operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable only by the Company.

Operating leases

Leases where the lessor retains the risks and rewards of ownership of the underlying asset are classified as operating leases. Payments made under operating leases are recognised on profit or loss on a straight-line basis over the period of the lease.

3.29 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or the Group has a present obligation as a result of past events which is not recognised because it is not probable that an outflow of resources will be required to settle the obligation; or the amount cannot be reliably estimated. Contingent liabilities normally comprise of legal claims under arbitration or court process in respect of which a liability is not likely to crystallise.

3.30 Actuarial valuation

Actuarial valuation of the life fund is conducted annually to determine the liabilities on the existing policies and the adequacy of the assets representing the insurance fund as at the date of valuation. All surpluses and deficits arising therefrom are charged to the profit or loss.

3.31 Related party

Related parties refers to persons or entities that are related to the entity preparing the financial statements. At every reporting date, the Group discloses every transaction it had carried out during the period with its related parties.

4 Critical accounting estimates and judgments

Management makes estimates and assumptions that affect the reported amounts of assets and liabilities. The underlying judgments of the selection and disclosure of the Group's critical accounting policies and estimates, and the application of these policies and estimates are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty

(i) Determination of fair values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of techniques as described in accounting policy 3.2(b). Further disclosures on the Group's valuation methodology have been made on note 6 (Fair value hierarchy). For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

(ii) Actuarial valution of insurance contracts liabilities

The estimation of the ultimate liability arising from claims made under insurance contracts is one of the Group's most critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimate of the liability that the Group will ultimately pay for such claims. The ultimate cost of outstanding claims is estimated by using a standard actuarial claims projection technique called the Basic Chain Ladder (BCL).

The main assumption underlying these techniques is that the Group'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 analyzed by accident years and 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.

For Life Insurance contracts, the liabilities are estimated using appropriate and acceptable base tables of standard mortality according to the type and nature of the insurance contracts. Assumptions such as expenses inflation, valuation interest rate, mortality and claims experience are considered in estimating the required reserves for individual life contracts fund and the incurred but not reported claims under the Group life and non-life insurance contracts. The sensitivities to various valuation index for the life business is included under note 5 (Sensitivity Analysis).

(iii) Expected Credit Loss

The determination of Expected Credit Loss on financial assets requires the use of techniques as described in accounting policy 3.2(a). Further disclosures on the Company's valuation methodology have been made on note 3.2(d) (impairment) . Determination of expected credit loss requires varying degrees of judgement on the probability at default, loss given defaault, uncertainty of forward looking information and other risks affecting the specific instrument.

Coronation Insurance Plc.

Statement of Financial Position as at 30 June 2021

		GROUP	COMPANY
		June 2021	**June 2021**
		N'000	**N'000**
1	Net Premium Income		
	Gross Written Premium (Note 1a)	8,314,065	4,905,401
	Unearned Premium (Note 1b)	(1,315,760)	(654,581)
	Reinsurance Cost (Note 1c)	(2,386,330)	(1,595,318)
	Net Premium Income	**4,611,975**	**2,655,502**
a	*Analysis of Gross Written Premium*		
	Motor	1,282,180	556,596
	Fire	578,320	419,382
	General Accident	677,729	535,806
	Marine	342,038	319,439
	Aviation	-	-
	Engineering	1,402,739	1,374,928
	Oil & Energy	1,694,000	1,694,000
	Bond	5,250	5,250
	Group Life	1,059,002	-
	Individual Life	37,095	-
	Bancassurance Premium	392,956	-
	Co-Assurance Premium	842,756	-
		8,314,065	**4,905,401**
b	*Analysis of Unearned Premium*		
	Motor	(288,844)	(164,051)
	Fire	91,579	95,302
	General Accident	(327,475)	(294,144)
	Marine	(17,615)	(20,506)
	Aviation	-	-
	Engineering	125,967	109,411
	Oil & Energy	(378,523)	(378,523)
	Bond	(2,070)	(2,070)
	Group Life	(518,779)	-
	Individual Life	(1,262)	-
	Sub Total	**(1,317,023)**	**(654,581)**
c	*Analysis of Reinsurance Expenses*		
	Motor	(177,331)	(76,405)
	Fire	(331,811)	(245,299)
	General Accident	(238,557)	(172,561)
	Marine	(120,728)	(109,084)
	Aviation	-	-
	Engineering	(514,404)	(496,492)
	Oil & Energy	(493,457)	(493,457)
	Bond	(2,021)	(2,021)
	Group Life	(49,438)	-
	Individual Life	(18,281)	-
	Facultative Outward Group Life	(359,577)	-
	Co-assurance Premium (Outward)	(261,235)	-
	Movement in Prepaid reinsurance cost - Group life	182,282	-
	Movement in Prepaid reinsurance cost - Individual life	(1,773)	-
	Sub Total	**(2,386,330)**	**(1,595,318)**

2	Claims Expenses Incurred		
	Gross Claims Paid (Note 2a)	(2,863,811)	(1,452,237)
	Movement in Outstanding Claim (Note 2b & 2c)	(1,834,207)	(1,418,191)
	Claims Recoverable (Note 2d & 2e & 2f&e2)	1,181,474	1,256,121
	Net Claims Expenses	**(3,516,544)**	**(1,614,306)**
a	*Analysis of Gross Claims Paid*		
	Motor	(565,817)	(251,603)
	Fire	(418,230)	(414,978)
	General Accident	(451,830)	(397,904)
	Marine	(48,544)	(48,544)
	Aviation	(801)	(801)
	Engineering	(105,788)	(94,183)
	Oil & Energy	(244,223)	(244,223)
	Bond	-	-
	Group Life	(1,021,830)	-
	Individual Life	(6,747)	-
	Sub Total	**(2,863,811)**	**(1,452,237)**
b	*Analysis of Movement in Outstanding Claims*		
	Motor	(22,848)	(19,215)
	Fire	(1,304,970)	(1,198,455)
	General Accident	118,279	119,015
	Marine	(9,393)	(6,707)
	Aviation	(0)	(0)
	Engineering	57,476	60,926
	Oil & Energy	(130,228)	(130,228)
	Bond	-	-
	Group Life	(160,012)	-
	Individual Life	-	-
	Sub Total	**(1,451,696)**	**(1,174,665)**
c	*Analysis of Movement in Outstanding Claims IBNR*		
	Motor	(20,319)	(20,319)
	Fire	(25,939)	(25,939)
	General Accident	(23,426)	(23,426)
	Marine	(37,383)	(37,383)
	Aviation	(3,943)	(3,943)
	Engineering	(13,910)	(13,910)
	Oil & Energy	(116,170)	(116,170)
	Bond	(2,436)	(2,436)
	Group Life	(138,984)	-
	Individual Life	-	-
	Total	**(382,511)**	**(243,526)**
d	***Analysis of Reinsurance Recovery***		
	Motor	46,484	7,218
	Fire	266,802	265,096
	General Accident	287,261	254,931
	Marine	25,253	25,253
	Aviation	435	435
	Engineering	33,542	23,649
	Oil & Energy	0	0
	Bond	-	-
	Group Life	(108,471)	-
	Individual Life	-	-
	Sub Total	**551,305**	**576,581**

e Analysis of Movement in Outstanding Claims Recoverables

Motor	(21,369)	(444)
Fire	988,409	918,571
General Accident	(213,278)	(209,535)
Marine	(4,311)	(7,184)
Aviation	(0)	(0)
Engineering	(48,069)	(46,493)
Oil & Energy	4,104	4,104
Bond	-	-
Group Life	(212,306)	-
Individual Life	-	-
Total	**493,180**	**659,019**

f Analysis of Movement in Outstanding Claims IBNR Recoverables

Motor	77,223	(9,254)
Fire	9,983	10,203
General Accident	21,280	1,599
Marine	15,295	15,295
Aviation	554	554
Engineering	545	1,828
Oil & Energy	271	271
Bond	24	24
Group Life	11,813	-
Individual Life	-	-
Total	**136,989**	**20,521**

e Analysis of Movement in Paid Claims Recoverables

Group Life - Outstanding claims	-	-
Group Life - Paid Claim- Treaty Recoveries	-	-
Individual Life	-	-
Non- Life	-	-
Total	**-**	**-**

3 Fees and Commission Income

Motor	27,726	16,540
Fire	80,181	54,706
General Accident	66,208	46,656
Marine	35,943	32,159
Aviation	-	-
Engineering	83,779	77,972
Oil & Energy	42,565	42,565
Bond	363	363
Group Life	17,303	-
Coinsurance Commission Reciverables	73,118	-
Individual Life	1,853	-
Policy admin fee income	4,154	-
Coinsurance Commission Reciverables	34,099	-
Deferred fees and commission cost - Group	(32,521)	-
Deferred fees and commission cost - Individual	206	-
Total	**434,976**	**270,959**

4	**Underwriting Expenses**		
	Motor	167,371	67,524
	Fire	94,854	68,410
	General Accident	100,447	79,014
	Marine	35,978	33,242
	Aviation	-	-
	Engineering	264,708	260,157
	Oil & Energy	297,457	297,457
	Bond	-	-
	Maintenance expenses	153,582	-
	Maintenance expenses- Investment Link products	-	-
	Bancassurance Commission	51,363	-
	Group Life	160,448	-
	Individual Life	18	-
	Deferred acquisition cost	(71,202)	-
	Total	**1,255,024**	**805,803**

5a	**Investment income**		
	Interest income	1,006,829	127,221
	Interest on statutory deposit	11,248	6,787
	Dividend income from equity investment	114	114
	Dividend income from Associate	-	382,503
	Rental income	-	-
	Gain/(loss) on disposal of investment property	-	-
	Net FV Gain /Loss on Financial Asset	-	
		1,018,191	**516,625**
	Net realised (loss)/gain on financial assets	429,772	429,772
	Total	**1,447,963**	**946,397**

5b	**Fair Value Gain/ Loss through profit or loss**		
	Equity	0	0
	Investment Property	-	-
		0	**0**

5c	**Fair Value Gain/ Loss through other comprehensive income**		
	Equity securities	(17,637)	-
	Fixed income securities	(134,911)	(80,969)
	Property and equipment revaluation gain/(loss)	-	-
	ECL on FVOCI (reclassification)	-	-
		(152,547)	**(80,969)**

5d	**Share of Profit of Associate**		
	Coronation Merchant Bank	519,927	-
	Coronation Securities Ltd	45,543	-
		565,470	**-**

5e Share of Other Comprehensive income of Associate

Coronation Merchant Bank	(919,009)	-
Coronation Securities Ltd	(11,293)	-
	(930,302)	**-**

5f Profit on deposit administered contracts

Income:		
Investment income	56,108	-
Other income	-	-
	56,108	**-**
Less: expenses		
Guaranteed interest	-	-
Policy admin expenses	-	-
Other expenses	-	-
	56,108	**-**

6 Other Operating Income

Rental income from property Investment	-	7,119
Gain/(loss) on sale of properties and equipments	10,425	-
Foreign exchange gain/(loss)	376,065	234,269
Interest on staff loans	3	3
Recoverables from Reinsurance	1,345	1,345
Sundry income	2,572	1,083
	390,409	**243,819**

7 Operating Expenses

Other staff related expenses	248,175	163,866
Professional Fees	661,948	344,584
Corporate Strategy	140	-
Corporate Branding	132,046	83,375
Office Expenses	454,336	236,297
Depreciation	235,221	153,257
Amortization of Intangible assets	83,242	83,015
Repairs & Maintenance	55,229	8,579
Running Cost	109,768	102,547
Board Expenses	137,918	132,148
Transport and travels expenses	3,202	2,146
Annual dues	97,548	67,008
Other Expenses	7,994	-
Audit expenses	43,991	16,125
Telephone and postages	31,190	11,753
Electricity and water	15,314	8,726
Priniting and stationery	10,698	5,404
Impairment on Financial assets	-	-
Impairment on Other assets	25,589	25,589
	2,353,550	**1,444,419**

8	**Employee Benefit Expense**		
	Staff Cost	474,942	258,085
	Employee Benefit - Below Market Staff Loans	-	-
	Pension Cost-Define Contribution Plan	-	-
	Directors Emoluments	117,848	55,207
		592,790	**313,292**
9	**Cash and Cash equivalents**		
	Cash at hand	63,749	-
	Cash and call Balance with local banks	1,063,583	586,670
	Money Market Placement	4,884,541	2,685,515
	Interest Receivable on Fixed Deposit	-	-
	ECL	(1,615)	(1,108)
		6,010,257	**3,271,077**
10	**Financial Assets**		
	Held to Maturity (HTM)/ Amortised cost (Note 10a)	1,713,214	-
	Available for Sale (AFS) / FVOCI (Note 10c)	8,777,088	1,408,157
		10,490,302	**1,408,157**
	Impairment (ECL)	(9,875)	(2,551)
		10,480,427	**1,405,605**
a	***Analysis of HTM Securities***		
	- Bonds and Notes	1,455,503	-
	Interest Receivable on Bonds	-	-
	Carrying amount at amortised cost	**1,455,503**	**(0)**
b	***Analysis of HFT Securities***		
	- Quoted/ Listed Equities	-	-
	- Fair value adjustment	-	-
	Carrying amount	**-**	**-**
c	***Analysis of AFS Securities***		
	Unquoted/ Unlisted Equities	807,726	738,411
	Quoted Equities	15	15
	Fixed Income Securities	-	
	- Government bond	3,124,218	79,490
	- Corporate eurobond	1,940,255	-
	- Treasury bills	1,399,514	590,241
	Carrying amount	**7,271,728**	**1,408,157**

11 Trade Receivables

Due from Agents	158,794	108,322
Due from Brokers	15,466,872	14,785,738
Due from Bancassurance	(670,714)	-
Due from Reinsurers	-	-
Due from Insurance companies	(14,520,607)	(14,520,607)
	434,346	**373,453**
Less: Impairment on Trade Receivables	(175,572)	(171,468)
Total	**258,774**	**201,985**

Movement in Impairment Allowance

At start of period	166,554	170,658
Reclassification of provision	-	-
Recoveries during the year	-	-
Write-off during the period	-	-
Exchange difference	-	-
At end of period	**166,554**	**170,658**

12 Reinsurance Assets

Reinsurance Share of IBNR	407,475	158,903
Reinsurance Recoverables from OCR	3,859,903	3,327,485
Reinsurance Recoverables on Return Premium	-	-
Recoverable from Paid Claims	555,427	-
Reinsurance share of AURR	-	-
Reinsurance assets - Prepaid reins (MDP)	101,306	101,306
Treaty receivables	199,327	199,327
Prepaid Reinsurance Asset	1,886,811	1,289,713
	7,010,249	**5,076,734**
Less: Impairment allowance	(2,534)	(706)
Total	**7,007,715**	**5,076,028**
	-	-

Provision

	-	-
At start of period	(706)	(706)
Movements during the period	-	-
Exchange difference	-	-
At end of period	**(706)**	**(706)**

13 Deferred Acquisition Cost

Balance brought forward	599,317	372,952
Addition during the period	73,738,627	73,638,796
Amortised during the year	(73,766,134)	(73,677,081)
Balance carried forward	**571,810**	**334,667**

14 Other Receivables and Prepayments

Intercompany receivables	-	26,998
Other Debtors	1,828,541	1,268,684
Deposit for Shares	145,804	145,804
Staff Debtors	40,455	40,455
Prepaid expenses	851,825	516,179
Current income tax asset	33,409	-
Other receivables - Related: Dividend Rec Subs	36,047	36,047
	2,936,080	**2,034,166**
Impairment Allowance	(1,815,457)	(1,377,320)
	1,120,623	**656,846**

14b Right of Use Asset

Right of use asset	170,258	-
Accumulated depreciation of right of use asset	-	-
	170,258	**-**

Provision		
At start of period	(1,172,763)	(1,172,763)
Reclassification	-	-
Movements during the period	(197,742)	(204,558)
At end of period	**(1,370,505)**	**(1,377,320)**

**Breakdown of Other Debtors		
Profund Securities	21,785	21,785
WHT Tax Credit Note Received	75,296	75,296
Summit Finance Limited	3	3
Tropics Finance Limited	728,106	728,106
Triumph Bank Limited	238,194	238,194
Oil View Estate - Olushola Oyinloye	4,000	4,000
Oil Veiw Estate - Okorafor Ebenezer	23,000	23,000
Interest Receivable on Statutory Deposit	7,857	7,857
Receivable from Etuna in Respect of Close Estate	78,434	78,434
Withholding Tax Receivable	45,556	45,556
Expense Recoverable	14,493	14,493
Other Debtors - Others	541,043	31,959
	1,777,769	**1,268,684**

15 Investment in associates

Coronation Merchant Bank Limited/Coronation Securities Limited		
- Opening balance	11,199,306	5,423,440
- Additions/(disposals)	-	-
- Interim audit adjustment:	-	-
Share of profit during the year	-	-
Share of other comprehensive income during the year	-	
- Dividend received during the year	(382,503)	-
- Withholding Tax receivable on dividend received	-	-
- Share of profit during the period	565,470	-
- Share of other comprehensive income during the period	(930,302)	-
	10,451,971	**5,423,440**

16 Investment in subsidiaries

Coronation Insurance Ghana Limited	-	1,460,915
Exchange gain/loss	-	-
Coronation Life Assurance Limited	-	7,798,591
	-	**9,259,506**

17 Investment Properties

Investment Property (Note 16a)	80,480	80,480
Investment Property W.I.P (Note 16b)	-	-
	80,480	**80,480**

a Investment Properties

- Ocean Garden Lekki Epe	76,000	76,000
- Magboro Estate	4,480	4,480
	80,480	**80,480**

18a	**Property, Plant & Equipment**		
	Cost	5,939,555	5,145,129
	Accumulated Depreciation	(2,556,678)	(1,981,423)
	Net Book Value	**3,382,877**	**3,163,707**
19	**Intangible Assets**		
	Cost	1,430,850	945,381
	Accumulated Depreciation	(689,172)	(629,600)
	Net Book Value	**741,678**	**315,781**
20	**Statutory deposit**		
	At start of period	704,810	300,000
	Additions during the period	-	-
	Exchange Difference	-	-
	At end of period	**704,810**	**300,000**
21	**Trade Payables**		
	Reinsurance	592,040	463,152
	Coinsurance	130,197	25,193
	Brokers/Agents	(360,451)	(374,216)
		361,787	**114,130**
22	**Provisions & Other Payables**		
	Premium Deposit	5,444	-
	Commission payables	16,575	-
	Reinsurance Commission Received in advance	255,940	193,273
	Accrued expenses	1,040,862	664,429
	Other tax payables	187,870	156,181
	Policy deposits and unclaimed bank items	(91,779)	-
	Staff loan deduction	8,058	-
	NSITF	638	-
	Provident Fund	1,420	-
	Sundry Creditors	591,823	444,693
	Impairment of payable on United Steel	67,414	-
	Bank Overdraft	-	-
	Transist/Unclaimed Bank Items	(300,694)	(300,694)
	Customers Deposits	(6,268)	(6,268)
	Total	**1,777,304**	**1,151,614**
22b	**Right of Use Liability**		
	Rent Received in Advance	106,476	968,228
	Accumulated Amortization of right of use Liability		(35,597)
	Right of Use Liability	**106,476**	**932,632**

****Breakdown of Sundry Creditors**		
Other creditors - Withholding tax liability	26,445	26,445
Other creditors - PAYE	92,300	92,300
Other creditors - VAT	37,436	37,436
Other creditors - Fixed assets creditors	-	-
Other creditors - Expense payable	-	-
Other creditors - Unclaimed dividend/Others	109,875	109,875
Other creditors - Others	323,234	176,105
Stale cheques	1,583	1,583
Unclaimed bank deposits	949	949
	591,823	**444,693**

23	**Deferred Income Tax**		
	Deferred Tax Assets (Note 23a)	22,923	-
	Deferred Tax Liabilities (Note 23b)	-	-
	Total	**22,923**	**-**
a	**Deferred Tax Assets**		
	At start of period	446,780	438,322
	Exchange difference	(648)	-
	Charge for the period	15,114	-
	Revaluation of property & equipment	-	-
	At end of period	**461,245**	**438,322**
24	**Current Income Tax liabilities**		
	At start of period	236,798	103,727
	Exchange difference	-	-
	Charge for the period	(7,298)	19,972
	Payments during the period	(139,843)	(112,335)
	Acquisition through business integration	-	-
	At end of period	**89,657**	**11,364**
	Tax Charge for the Year		
	Company Income Tax Charge	(27,270)	-
	Interim & Full Year Appropriation Adjustment	-	-
	Minimum tax	-	-
	Education tax	-	-
	Under/(over) provision from prior year	19,972	19,972
	Information Technology Development Levy	-	-
	National fiscal stabilisation levy	-	-
	Total Charge for the period	**(7,298)**	**19,972**
	Deferred tax liability/(assets)charge for the period	(15,114)	-
	Income tax expense	**(22,413)**	**19,972**
25	**Insurance Contract Liabilities**		
a	Claims payable	1,787	(0)
b	Claims reported and loss adjustment expenses (Note 25a)	7,459,982	5,496,975
c	Outstanding claims IBNR (Note 25b)	2,129,486	1,216,100
d	Unearned Premium (Note 25c)	4,442,722	2,426,258
e	Life Fund (Note 25d)	216,012	-
	Total	**14,249,988**	**9,139,333**
a	***Outstanding claims***		
	Motor	700,786	74,963
	Fire	2,291,446	2,131,228
	General accident	516,651	470,409
	Marine	1,619,795	1,598,398
	Aviation	18,024	18,024
	Engineering	393,198	367,320
	Oil and Energy	832,134	832,134
	Bond	4,500	4,500
	Life business: - Group Life	1,083,449	-
	- Individual Life	-	-
	Total	**7,459,982**	**5,496,975**

b	**Outstanding claims IBNR**		
	Motor	41,438	41,438
	Fire	154,382	154,382
	General accident	68,225	68,225
	Marine	44,835	44,835
	Aviation	17,205	17,205
	Engineering	278,217	278,217
	Oil and Energy	609,363	609,363
	Bond	2,436	2,436
	Life business: - Group Life:	-	-
	- Opening	913,385	-
	Interim Audit Adjustment	-	-
	- Movement during the year	38,841	-
		2,168,327	**1,216,100**

c	**Unearned Premium**		
	Motor	1,002,044	398,280
	Fire	273,604	150,814
	General Accident	625,924	518,789
	Marine	155,087	137,693
	Aviation	-	-
	Engineering	387,940	366,502
	Oil and Energy	850,829	850,829
	Bond	3,351	3,351
	Group Life:	-	-
	UPR		-
	- Opening	592,759	-
	- Movement during the year	551,182	-
		4,442,722	**2,426,258**
d	Life fund		
	At start of year	283,173	-
	Opening fund reconciliation adjustment	-	-
	Interim Audit Adjustment	-	-
	Transfer from revenue account	1,262	-
	At the end of year	**284,435**	**-**

26	**Investment Contract Liabilities**		
	At start of period	990,952	-
	Additions	-	-
	Withdrawals	-	-
	Guarantee interest	-	-
	Guarantee interest - Interim Audit Adjustment	-	-
	Guarantee interest - Full Year Audit Adjustment	-	-
	Release of surplus reserves	-	-
	Opening fund reconciliation adjustment	-	-
	At end of period	**990,952**	**-**

26.1	**Group Deposit Administration - Investmnent Contract**		
	At start of period	54,472	-
	Additions	-	-
	Withdrawals	-	-
	Guaranteed interest	-	-
	At end of period	**54,472**	**-**

26.2 Individual Deposit Administration - Investment Contract

At start of period	936,480	-
Additions	-	-
Withdrawals	-	-
Guaranteed interest	-	-
At end of period	**936,480**	**-**

27 Share capital

	Number	Number
Authorised:	30,000,000,000	30,000,000,000
Issued:	23,991,679,506	23,991,679,506
Issued and fully paid:		
At start of the year	11,995,952	11,995,952
Movements	-	-
At end of year	**11,995,952**	**11,995,952**

28 Share premium

At start of the year	4,612,938	4,612,938
Movements	-	-
At end of year	**4,612,938**	**4,612,938**

29 Contingency reserve

At start of period	3,311,312	2,723,639
Exchange Gain/Loss on Cedi Opening Balance	13,012	-
Opening Balance adjustment	(51,047)	-
Full Year Appropriation Adjustment	-	-
Appropriation from profit and loss accounts	203,223	147,162
At end of year	**3,476,499**	**2,870,801**

30 Other reserves

At start of period	2,549,744	1,074,593
Revaluation reserve	(152,786)	(80,969)
Recycling to PorL on Eurobond disposal	(228,480)	(228,480)
Available for sale fair value reserve	-	-
Adjustment in opening balance	(300,646)	-
Revaluation reserve on property	-	-
Deferred tax on revaluation	-	-
Share of Associate other comprehensive income	(930,302)	-
Reconciliation reserves	-	-
At end of year	**937,529**	**765,144**

31 Retained earnings

At start of the year	2,498,910	(1,438,187)
Interim & Full Year Appropriation Adjustment	119,787	-
Transfer from profit or loss	397,842	(81,115)
Transfer to contigency reserve	(203,223)	(147,162)
Reconciliation reserves	(31,823)	-
Share of Associate profit at start of year	-	-
Dividend paid during the year	-	-
Movement in Share of Associate profit during the year	-	-
Transfer to revaluation Reserve	-	-
At end of year	**2,781,494**	**(1,666,465)**