

NEM INSURANCE PLC
REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

Consolidated Statement of Financial Position

		Group		Parent	
		Dec. 2013	Dec. 2012	Dec. 2013	Dec. 2012
	Notes	N'000	N'000	N'000	N'000
Assets					
Cash and cash equivalents	1	3,865,965	3,125,679	3,836,821	2,947,856
Financial assets	2	2,624,638	1,350,967	2,373,132	1,350,967
Trade receivables	3	496,007	981,032	347,494	887,009
Reinsurance assets	4	65,496	129,501	65,496	92,512
Deferred acquisition cost	5	513,387	325,944	472,346	298,151
Other receivables and prepayments	6	278,712	237,634	219,552	224,150
Investment in a subsidiary	7	-	-	175,396	175,396
Investment properties	8	468,974	459,813	468,974	459,813
Statutory deposit	9	349,200	342,879	320,000	320,000
Intangible asset	10	18,851	27,085	15,772	27,085
Property and equipment	11	1,284,191	828,586	1,245,149	797,208
Income Tax Credit	16.1	80,456	-	87,745	-
Total assets		10,045,877	7,809,120	9,627,877	7,580,147
Liabilities					
Insurance contract liabilities	12	4,787,052	3,027,556	4,419,597	2,819,395
Trade payables	13	48,510	23,367	48,510	1,532
Other payables	14	167,874	168,727	127,699	161,751
Book overdraft	1.2	9,848	-	9,848	-
Retirement benefit obligations	15	170,838	160,205	170,838	160,205
Current Income Tax Liability	16.1	-	21,949	-	14,164
Deferred tax liability	16.3	166,062	106,671	166,062	106,671
		5,350,184	3,508,475	4,942,554	3,263,718
Equity					
Issued share capital	17	2,640,251	2,640,251	2,640,251	2,640,251
Share premium	18	272,551	272,551	272,551	272,551
Contingency reserve	19	1,696,986	1,434,193	1,664,960	1,417,120
Retained earnings	20	30,366	(101,902)	52,022	(69,047)
Available for sale reserve	21	9,978	53,411	9,978	53,411
Other Reserves-employee benefit actuarial surplus	22	45,562	2,141	45,562	2,141
Total Equity		4,695,693	4,300,645	4,685,323	4,316,427
Total equity and liabilities		10,045,877	7,809,120	9,627,877	7,580,147

NEM INSURANCE PLC
REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

Consolidated Statement of Comprehensive Income

		Group		Parent	
		2013	2012	2013	2012
	Notes	N'000	N'000	N'000	N'000
Gross premiums written	23	8,933,345	9,652,556	8,261,325	9,246,217
(Increase) in unearned income		(1,142,383)	(317,374)	(1,010,503)	(202,335)
Gross premium income	23	7,790,962	9,335,182	7,250,821	9,043,882
Reinsurance expenses	24	(366,222)	(218,147)	(324,527)	(180,163)
Net premium income	23	7,424,740	9,117,035	6,926,294	8,863,719
Fee and commission income	25	14,873	13,737	1,035	1,951
Net underwriting income		7,439,613	9,130,771	6,927,329	8,865,670
Claims expenses	26	(3,070,271)	(2,934,435)	(2,965,052)	(2,879,691)
Underwriting expenses	27	(2,538,188)	(2,567,359)	(2,488,051)	(2,533,363)
Underwriting profit		1,831,155	3,628,978	1,474,226	3,452,616
Investment Income	28	444,972	274,717	396,959	258,062
Fair value (loss)/gain	29	370,276	215,582	370,276	215,582
Other income	30	18,973	6,250	18,889	5,011
Revaluation gain on investment properties	8	9,161	(23,307)	9,161	(23,307)
Impairments	31	(366,940)	(1,960,905)	(236,615)	(1,960,905)
Other operating and admin. expenses	32	(1,763,187)	(1,476,068)	(1,526,006)	(1,309,657)
Profit before tax		544,410	665,246	506,889	637,401
Income taxes	16.2	(149,350)	(209,934)	(137,981)	(203,326)
Profit after tax		395,060	455,312	368,908	434,075
Other Comprehensive Income					
Fair value loss on available for sale	21	(43,433)	(41,092)	(43,433)	(41,092)
Actuarial profit on defined benefit plan	22	43,421	2,141	43,421	2,141
		395,048	416,361	368,896	395,124
Basic earnings per share (kobo)	33	7	9	7	8

NEM INSURANCE PLC
REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

Statement of Change in Equity - Parent

Parent	Issued Share Capital	Share Premium	Retained Earnings	AFS Reserve	Other Reserves	Contingency Reserves	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At January 1, 2013	2,640,251	272,551	(69,047)	53,411	2,141	1,417,120	4,316,427
Profit for the year	-	-	368,908				368,908
Transfer to contingency reserves	-	-	(247,840)			247,840	-
Other Comprehensive Income				(43,433)	43,421		(12)
Actuarial gain on defined benefit plan	-	-					-
Distribution to Owners							-
Dividend paid during the year	-	-					-
As at December 31, 2013	2,640,251	272,551	52,022	9,978	45,562	1,664,960	4,685,323

NEM INSURANCE PLC
REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

Consolidated Statement of Cash Flows

	Group		Parent	
Note	Dec. 2013 N'000	Dec. 2012 N'000	Dec. 2013 N'000	Dec. 2012 N'000
Operating profit before taxation	544,410	680,594	506,889	652,749
Adjustment for items not involving the movement of cash:				
Depreciation & Amortisation	135,888	120,146	119,949	109,118
Increase in insurance payables	1,759,496	1,122,196	1,600,202	988,088
(Increase) in deferred insurance asset	(123,439)	(113,539)	(147,181)	(69,393)
Profit on disposal of assets	(2,384)	3,440	(2,384)	3,440
Fair value loss/(gain) on quoted investment	(370,276)	(256,674)	(370,276)	(256,674)
Cash flow changes before changes in working capital	1,943,695	1,556,162	1,707,199	1,427,327
CHANGES IN WORKING CAPITAL				
Decrease in insurance receivables	485,024	(405,266)	539,514	(317,529)
(Increase) in loans and receivables	(1,267,778)	(284,468)	(1,022,164)	(284,468)
(Increase) in other Trade Recievables & prepayment	(46,969)	(30,192)	4,599	(31,296)
Increase in other payables	34,923	154,126	23,559	138,739
Tax paid	(192,364)	(129,090)	(180,499)	(123,344)
Net cash inflows from operating activities	956,532	861,273	1,072,209	809,430
CASH FLOWS FROM INVESTING ACTIVITIES				
Intangible assets	11,313	(13,210)	11,313	(13,210)
Proceed of disposal	2,384	1,071	2,384	1,071
Unrealised gain/(Loss) on equity	370,276	215,582	370,276	215,582
Statutory deposit	(6,321)	71,960		
Disposal/(purchase of investments)	(9,175)	78,021	(9,175)	72,195
Purchase of intangible asset	(4,106)		-	-
Purchase of plant and equipment	(590,467)	(252,721)	(567,890)	(244,562)
Net cash outflows investment activities	(226,095)	100,702	(193,091)	31,076
CASH FLOWS FROM FINANCIAL ACTIVITIES				
Dividends paid to equity holders of the parent	-	(264,025)	-	(264,025)
Net cash outflows from financial activities	-	(264,025)	-	(264,025)
Total cash flow	730,437	697,951	879,117	576,481
Cash and cash equivalent at January 1,	3,125,679	2,427,729	2,947,856	2,371,375
Cash and cash equivalent at December 31,	3,856,117	3,125,679	3,826,973	2,947,856
Represented by:				
Cash and cash equivalent at December 31	1.3 3,856,117	3,125,679	3,826,973	2,947,856

The accounting policies on pages 22 to 49 and the accompanying notes on pages 57 to 110 form an integral part of these financial statements.