



Cornerstone

Unaudited Consolidated and Separate Statement of Financial Position As at 30 September, 2014

	2014 Group N	2013 Group N	2014 Company N	2013 Company N
ASSETS				
Cash and cash equivalents	3,007,788	3,649,383	3,102,598	3,715,242
Financial assets	5,596,369	4,575,512	5,532,210	4,500,767
Trade receivable	105,253	56,613	105,253	56,613
Other receivables and prepayments	711,166	637,420	811,720	578,304
Reinsurance assets	2,046,341	2,221,541	2,046,341	2,221,541
Deferred acquisition cost	315,074	245,488	315,074	245,488
Investment in subsidiaries	-	-	(0)	59,879
Finance lease receivables	164,007	110,594	-	-
Investment properties	1,288,680	1,288,680	1,288,680	1,288,680
Property, plant and equipment	673,479	602,432	670,878	598,856
<i>Intangible assets - Software</i>	32,599	29,168	32,599	26,333
Deferred tax assets	236,562	236,562	170,722	170,722
Statutory deposits	500,000	500,000	500,000	500,000
Total Assets	14,677,318	14,153,393	14,576,074	13,962,425
Liabilities:				
Investment contract liabilities	1,353,306	1,303,049	1,353,306	1,303,049
Insurance contract liabilities	4,932,443	4,528,243	4,932,443	4,528,243
Trade payables	35,892	518,337	35,892	518,337
Other payables	534,075	580,449	498,480	548,296
Trust and managed fund	128,253	199,749	-	-
Deferred tax liabilities	-	-	-	-
Finance lease obligations	0	-	0	-
Income tax liabilities	173,807	110,887	101,644	90,268
Employees retirement benefit obligations	11,414	10,251	8,144	7,967
Total Liabilities	7,169,190	7,250,965	6,929,909	6,996,160
EQUITY & LIABILITIES				
<i>Share capital & reserves:</i>				
Ordinary share capital	4,410,005	4,410,005	4,410,005	4,410,005
Share premium	1,947,166	1,947,166	1,947,166	1,947,166
Treasury shares	(48,175)	(48,175)	(48,175)	(48,175)
Contingency reserve	1,148,801	1,148,801	1,148,801	1,148,801
Retained earnings (General Reserve)	50,332	(555,369)	188,368	(491,532)
Total Equity	7,508,129	6,902,428	7,646,165	6,966,265
Total Equity & Liabilities	14,677,318	14,153,393	14,576,074	13,962,425


Emmanuel Otitolaiye
 Head of Finance
 FRC/2014/ICAN/0000008524


Ganiyu Musa
 Group Managing Director
 FRC/2013/ICAN/0000003110



Cornerstone

Unaudited Consolidated and Separate Statement of Profit or Loss and Other Comprehensive income for the period ended September 30, 2014

	30-Sep-13 Group	30-Sep-13 Group	30-Sep-13 Company	30-Sep-13 Company
	N	N	N	N
Gross Premium written	4,823,267	4,434,002	4,823,267	4,434,002
Gross Premium Income	4,313,153	4,057,557	4,313,153	4,057,557
Change in unearned premium	(474,306)	(598,031)	(474,306)	(598,031)
Premium income	3,838,846	3,459,526	3,838,846	3,459,526
Reinsurance Expenses	(1,391,670)	(1,132,899)	(1,391,670)	(1,132,899)
Net premium income(prior year adjustment)	2,447,176	2,326,627	2,447,176	2,326,627
Fees and commission income	174,694	202,541	174,694	202,541
Net underwriting income	2,621,870	2,529,168	2,621,870	2,529,168
Insurance claims and benefits paid- Gross	1,205,867	1,557,886	1,205,867	1,557,886
Insurance claims recoverable from reinsurance	(561,981)	(688,058)	(561,981)	(688,058)
Net Claims expenses	643,887	869,828	643,887	869,828
Underwriting expenses - Gross	726,463	672,146	726,463	672,146
Deferred underwriting expenses	(69,586)	(104,185)	(69,586)	(104,185)
Net Underwriting expenses	656,877	567,961	656,877	567,961
Underwriting result	1,321,106	1,091,379	1,321,106	1,091,379
Investment income	775,418	580,230	700,905	492,327
Fair value changes in investment property	-	-	-	-
Fair value changes in financial assets-FVTPL	-	-	-	-
Net realized gain/(loss)	44,578	112,825	(1,052)	113,016
Other operating income	82,391	34,172	79,736	33,582
Allowance for impairment on other assets	(183,753)	(328,360)	(59,879)	(324,519)
Management expenses	588,685	462,410	584,092	458,162
Other expenses	81,328	67,340	76,606	63,058
Employee benefit expenses	632,921	591,001	615,375	575,433
Management expenses	(1,302,935)	(1,120,751)	(1,276,072)	(1,096,653)
Total operating expenses	(1,486,688)	(1,449,111)	(1,335,951)	(1,421,172)
Results of operating activities	736,806	369,495	764,745	309,132
Finance costs	(54,472)	(29,646)	(9,299)	(9,236)
Profit before tax	682,334	339,849	755,446	299,896
Income tax expense	(76,633)	(34,025)	(75,545)	(30,030)
Profit for the year from continuing operations	605,701	305,824	679,900	269,866
Retained profit for the year	605,701	305,824	679,900	269,866
Total Comprehensive Income for the year	605,701	305,824	679,900	269,866



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Consolidated and Separate Statement of Financial Position

Statement of Changes in Equity for the year ended 30 September, 2014 Group

	Share Capital	Share Premium	Contingenc y Reserve	Retained Earnings	Treasury shares	Total
	N'000	N'000	N'000	N'000	N'000	N'000
As at 1 January 2014	4,410,005	1,947,166	1,148,801	(555,369)	(48,175)	6,902,428
Profit for the year				605,701		605,701
Other Comprehensive Income:						-
Changes in fair value of AFS Investments				-		-
Total Comprehensive Income	-	-	-	605,701		605,701
Transfer to Contingency Reserve				-		-
As at 30 September, 2014	4,410,005	1,947,166	1,148,801	50,332	(48,175)	7,508,129

Treasury shares:

Included in other reserves is an amount of N=48,175,000 which represent the cost of the Company's shares bought through it's subsidiary for the purpose of staff share scheme which the Company intends to operate in the future.

Statement of Changes in Equity for the year ended 30 September, 2014 Company

					N'000	N'000
As at 1 January 2014	4,410,005	1,947,166	1,148,801	(491,532)	(48,175)	6,966,265
Profit for the year				679,900		679,900
Other Comprehensive Income:				-		-
Changes in fair value of AFS Investments				-		-
Total Comprehensive Income	-	-	-	679,900		679,900
Transfer to Contingency Reserve				-		-
As at 30 September, 2014	4,410,005	1,947,166	1,148,801	188,368	(48,175)	7,646,165



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Life Business

Revenue Account

For the year ended 30 September, 2014

			2014	2013
	Individual Life	Group Life	Total	Total
Income	N' 000	N' 000	N' 000	
Gross premium written	147,994	1,009,416	1,157,411	1,088,349
Unearned premium		(115,628)	(115,628)	(463,726)
Net Premium	147,994	893,789	1,041,783	624,623
Reinsurance cost	(5,331)	(264,621)	(269,952)	(315,723)
Premium retained	142,663	629,168	771,832	308,900
Fee and Commission received	485	58,504	58,989	27,192
Direct claims paid	2,277	421,065	423,342	599,275
Increase in provision for outstanding claims	-	103,242	103,242	
Gross claims incurred	2,277	524,308	526,585	599,275
Less: reinsurance recoveries	(130)	(109,988)	(110,118)	(440,798)
Net claims incurred	2,147	414,320	416,467	158,477
Underwriting expenses	2,136	120,730	122,866	85,740
Underwriting Profit	138,865	152,622	291,487	91,875

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Dr. Okechukwu Enelamah | Paul Kokoricha | Peter Amedaji [Alternate] | Dominic Ichaba | Toks Bello | Ganiyu Musa Managing Director/CEO |



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General Business revenue account
For the period ended September 30, 2014

						Total	Total
	Motor	Fire	General Accident	Oil and Gas	Marine	SEPT, 2014	SEPT 2013
	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
Income							
Direct premium	971,622	507,174	656,438	651,785	281,720	3,068,739	2,695,215
Inward premium	2,739	14,239	4,678	-	-	21,656	22,438
Gross premium written	974,362	521,413	661,115	651,785	281,720	3,090,395	2,717,652
(Increase)/decrease in unearned premium	(67,903)	(74,486)	(78,997)	(119,566)	(18,040)	(358,993)	(307,355)
Gross premium earned	906,458	446,927	582,118	532,219	263,680	2,731,402	2,410,298
Outward reinsurance premium	45,973	464,332	118,625	397,537	120,577	1,147,044	889,325
(Increase)/decrease in unexpired reinsurance cost	(24,872)	(46,240)	131,504	(77,657)	(8,060)	(25,325)	(179,024)
Reinsurance cost	21,101	418,092	250,129	319,880	112,517	1,121,719	710,301
Net premium earned	885,357	28,836	331,989	212,339	151,163	1,609,683	1,699,997
Commission earned	11,665	35,864	29,057	990	38,204	115,781	90,315
Total income	897,022	64,700	361,047	213,329	189,366	1,725,464	1,790,312
Expenses							
Gross Claims paid	300,049	140,287	210,472	264,507	124,206	1,039,522	846,684
Increase in outstanding claims provision	(74,037)	(267,260)	133,471	(147,192)	(16,515)	(371,533)	(179,555)
Gross claims incurred	226,011	(126,973)	343,944	117,315	107,692	667,989	667,129
Reinsurance claims recoveries	(8,431)	(53,025)	(282,935)	(53,507)	(53,965)	(451,863)	(207,439)
Net claims incurred	217,580	(179,999)	61,009	63,809	53,726	216,125	459,690
Aquisition cost	125,631	45,439	67,041	33,558	37,673	309,342	268,739
Maintenance cost	83,743	30,293	44,694	22,372	25,115	206,217	179,159
Underwriting expenses	209,374	75,731	111,735	55,930	62,789	515,559	447,898
	23%	17%	19%	11%	24%	19%	
Total Expenses	426,954	(104,267)	172,744	119,739	116,515	731,685	907,588
Underwriting profit/(loss)	470,068	168,967	188,303	93,590	72,851	993,779	882,724

Sulaiman

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Cornerstone

Consolidated and Separate Statement of Cash flows for the period ending 30th September 2014

	2014 Group N' 000	2013 Group N' 000	2014 Company N' 000	2013 Company N' 000
Cash flows from operating activities:				
Profit for the year	454,737	510,401	528,937	433,980
Taxation	59,859	33,523	58,771	(34,327)
Profit before taxation	514,596	543,924	587,708	399,653
<i>Adjustments to reconcile profit after taxation to net cash flow from operating activities:</i>				
Depreciation on property and equipment	102,067	74,974	83,989	72,915
Amortization of computer software	17,019	14,041	17,019	14,041
(Decrease)/increase in provision for unexpired risks	423,625	216,535	423,625	216,535
Allowance for impairment on receivables	183,753	341,756	(59,879)	331,153
Provision/(write back) for diminution in value of investments	98,074	-	98,074	-
Gain on disposal of financial asset	(775,418)	-	-	264,549
Allowances on advances under finance lease	(53,413)	50,459	-	-
Dividend income	(234,082)	(439,017)	(223,952)	(412,684)
Income from other incomes	(81,354)	7,122	-	7,122
Fair value changes in Financial assets	-	-	-	-
Interest income	(417,410)	-	(193,007)	-
Foreign exchange (gain)/or loss	(1,037)	279,740	(1,037)	37,066
(Profit)/loss on sale of property and equipment	-	37,066	-	-
Net cash flow from operating activities before changes in operating assets/liabilities	(223,579)	1,126,600	732,539	930,350
<i>(Increase)/decrease in operating assets:</i>				
Trade debtors	(55,777)	(260,682)	(55,777)	(260,682)
Finance lease receivables	(53,413)	61,077	(53,413)	-
Advances under finance lease	-	-	-	-
Deferred acquisition cost	(19,899)	8,008	(19,899)	8,008
Other assets	(60,252)	-	(222,367)	(750,690)
Reinsurance assets	175,200	(237,372)	175,200	(237,372)
Financial assets	(1,020,857)	-	(1,031,443)	-
<i>Increase/(decrease) in operating liabilities:</i>				
Obligation under finance lease	0	(52,817)	0	(52,817)
Outstanding claims	32,453	337,788	32,453	337,788
Trade payables	(482,640)	(83,954)	(482,640)	(83,954)
Other payables	46,050	37,379	49,492	230,546
Deposit administration	50,257	218,280	50,257	218,280
Employee retirement benefit obligation	1,163	10,806	177	9,887
Trust and managed funds	-	99,828	-	-
Net cash flow from operating activities before changes in operating assets/liabilities	(1,611,294)	1,264,941	(825,420)	349,344
Income tax paid	-	(76,742)	5,398	(42,597)
Net cash flow from operating activities	(1,611,294)	1,188,199	(820,022)	306,747
Cashflows from investing activities:				
Additions to intangible assets	(14,700)	(13,975)	(14,700)	(13,975)
Proceeds from sale of property and equipment	17,066	2,853	17,066	2,853
Purchase of property and equipment	(142,650)	(105,122)	(126,024)	(105,085)
Additions to investment properties	-	(2,500)	-	(2,500)
Purchase of financial assets	(146,632)	-	-	-
Increase of investment in subsidiary	-	-	-	(48,000)
Investment redeemed during the year	260,026	257,334	265,332	167,356
Proceeds on the disposal of financial assets	245,097	430,454	146,238	430,454
Redemption of AMCON bond	100,000	-	100,000	-
Dividends received	234,082	203,450	223,952	-
Interest received	417,410	104,040	378,878	-
Net cashflow from investing activities	969,699	876,534	990,743	431,103
Net increase in cash and cash equivalents	(641,595)	2,064,733	170,722	737,850
Cash and cash equivalents, beginning of year	3,649,383	1,584,650	2,931,876	2,194,026
Cash and cash equivalents, end of the period	3,007,788	3,649,383	3,102,598	2,931,876

NOTES TO THE FINANCIAL STATEMENTS

4 Operating segments

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Executive to allocate resources to the segments and to assess their performance.

The Group's reportable segments under IFRS 8 are therefore identified as follows:

- Non-life insurance;
- Life insurance;
- Halal Islamic Insurance;
- Asset management; and
- Cornerstone Leasing and Investment

The other segment includes corporate expenses and other activities not related to the core business segments and which are not reportable segments due to their immateriality. Certain expenses, finance costs and taxes are not allocated across the segments.

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of central corporate expenses, certain finance costs and tax expense. This is the measure reported to the Group's Chief Executive for the purposes of resource allocation and assessment of segment

4.a The following is an analysis of the Group's revenue and result by reportable segment in 2014

	2014						Consolidated
	Non life	Life	Halal Takaful	Assets Mgt	Cornerstone Leassing	Eliminations	
	N	Life N	N	N	N	N	N
Income:							
Gross written premiums	3,090,395	353,117	-	-	-	-	3,443,512
Less: Investment contracts	-	804,293	-	-	-	-	869,640
Gross insurance premium income	3,090,395	1,157,411	65,347	-	-	-	4,313,153
Net changes in unearned premiums	(358,993)	(115,628)	314	-	-	-	(474,306)
Net insurance premium income	2,731,402	1,041,783	65,660	-	-	-	3,838,846
Insurance premium ceded to reinsurers	(1,147,044)	(340,991)	-	-	-	-	(1,488,035)
Changes in insurance premium ceded to	25,325	71,040	-	-	-	-	96,365
Net Insurance Premium ceded to reinsurers	(1,121,719)	(269,952)	-	-	-	-	(1,391,670)
Net insurance premium revenue	1,609,683	771,832	65,660	-	-	-	2,447,176
Fees and commission income	115,705	58,989	-	-	-	-	174,694
Net Income	1,725,388	830,820	65,660	-	-	-	2,621,870
Insurance claims and benefits paid- Gross (including loss adjustment expenses)	(667,997)	(526,585)	(11,286)	-	-	-	(1,205,867)
Insurance claims recoverable from reinsurance	451,863	110,118	-	-	-	-	561,981
Net Claims expenses	(216,133)	(416,467)	(11,286)	-	-	-	(643,887)
Underwriting expenses-Gross	(585,061)	(122,866)	(18,536)	-	-	-	(726,463)
Deferred underwriting expenses	69,586	-	-	-	-	-	69,586
Net Underwriting cost	(515,475)	(122,866)	(18,536)	-	-	-	(656,877)
Underwriting results	993,780	291,487	35,839	-	-	-	1,321,106
Investment income	407,889	281,721	10,723	22,435	36,240	-	759,008
Fair value changes in investment property	-	-	-	-	-	-	-
Fair value changes in financial assets- FVTPL	(12,900)	-	-	-	-	-	(12,900)
Net realized gain/(loss)	(5,168)	4,116	-	45,630	-	-	44,578
Other operating income	75,117	4,620	-	153	2,502	-	82,391
	1,458,718	581,944	46,562	68,218	38,742	-	2,194,184
Allowance for impairment on receivables	-	(16,204)	-	-	(231,910)	-	(248,114)
Management expenses	(1,105,039)	(132,169)	(26,857)	(3,485)	(23,296)	-	(1,290,846)
Other expenses	-	-	-	-	-	-	-
Finance costs	(8,571)	(729)	-	(1,844)	(43,411)	-	(54,554)
Employee benefit expenses	-	-	-	-	-	-	-
Total Expenses	(1,113,609)	(149,101)	(26,857)	(5,329)	(298,618)	-	(1,593,514)
Segment profit or loss before taxation	345,108	432,843	-	62,889	-	(259,875)	600,670
Taxation	-	-	-	(560)	(529)	-	(1,088)
Segment profit or loss after tax	345,108	432,843	-	62,329	(260,404)	-	599,582

The accounting policies of the reportable segments are the same as the Group's accounting policies.

Segment result represents the result of each segment without allocation of certain expenses, finance costs and income tax. This is the measure reported to the Group's Chief Executive for the purpose of resource allocation and assessment of segment performance.

The following is an analysis of the Group's revenue and result by reportable segment in 2013

	2013						
	Non life	Life	Halal Takaful	Assets Mgt	Cornerstone Leassing	Eliminations	Consolidated
	R	Life R	R	R	R	R	R
Income:							
Gross written premiums	2,475,315	1,922,014	103,803	-	-	-	4,501,132
Less: Investment contracts	-	(647,937)	(77,576)	-	-	-	(725,513)
Gross insurance premium income	2,475,315	1,274,077	26,227	-	-	-	3,775,619
Net changes in unearned premiums	(307,355)	(265,433)	(16,910)	-	-	-	(589,697)
Net insurance premium income	2,167,960	1,008,645	9,317	-	-	-	3,185,922
Insurance premium ceded to reinsurers	(920,339)	(655,667)	-	-	-	-	(1,576,006)
Changes in insurance premium ceded to	179,024	245,875	-	-	-	-	424,899
Net Insurance Premium ceded to reinsurers	(741,315)	(409,792)	-	-	-	-	(1,151,107)
Net insurance premium revenue	1,426,645	598,853	9,317	-	-	-	2,034,815
Fees and commission income	96,065	33,388	-	-	-	-	129,453
Net Income	1,522,710	632,241	9,317	-	-	-	2,164,268
Insurance claims and benefits paid- Gross (including loss adjustment expenses)	(667,129)	(845,147)	(1,664)	-	-	-	(1,513,939)
Insurance claims recoverable from reinsurance Companies	207,439	439,763	-	-	-	-	647,202
Net Claims expenses	(459,690)	(405,384)	(1,664)	-	-	-	(866,738)
Underwriting expenses-Gross	455,817	160,997	7,082	-	-	-	623,896
Deferred underwriting expenses	(47,739)	(53,666)	-	-	-	-	(101,405)
Net Underwriting cost	408,078	107,332	7,082	-	-	-	522,492
Underwriting results	1,471,098	334,189	14,735	-	-	-	1,820,022
Investment income	343,507	217,720	11,041	-	-	-	572,269
Fair value changes in investment property	-	-	-	-	-	-	-
Fair value changes in financial assets-FVTPL	-	-	-	-	-	-	-
Net realized gain/(loss)	24,546	2,345	-	23,055	63,707	-	113,654
Other operating income	272,647	1,839,151	554,254	25,777	23,055	63,707	2,505,945
Allowance for impairment on receivables	-	-	-	-	-	-	-
Management expenses	(1,185,432)	(86,542)	(4,842)	(8,508)	(39,032)	-	(1,324,355)
Other expenses	-	-	-	-	-	-	-
Employee benefit expenses	-	-	-	-	-	-	-
Total Expenses	(1,185,432)	(86,542)	(4,842)	(8,508)	(39,032)	-	(1,324,355)
Segment profit or loss before taxation	653,719	467,712	20,935	14,548	24,675	-	1,181,589
Taxation	-	-	-	-	-	-	-
Segment profit or loss after tax	653,719	467,712	20,935	14,548	24,675	-	1,181,589

Segment result represents the result of each segment without allocation of certain expenses, finance costs and income tax. This is the measure reported to the Group's Chief Executive for the purpose of resource allocation and assessment of segment performance.

4.c Revenue from major products and services

The Group's revenue from major products and services is disclosed in the segment revenue tables.

4.d Geographical information

The Group's revenue and information about its segment net assets by geographical location are as follows:

	Revenue		Net assets	
	2014	2013	2014	2013
	N	N	N	N
Within Nigeria	3,443,512	5,823,799	7,001,956	6,661,524
Outside Nigeria	-	-	-	-
	<u>3,443,512</u>	<u>5,823,799</u>	<u>7,001,956</u>	<u>6,661,524</u>

4.e Information about major customers

The Group does not derive revenue from an individual policyholder or intermediary that represents 10% or more of the groups total revenue.

5 Cash and cash equivalents

	Group		Company	
	2014	2013	2014	2013
	N	N	N	N
Cash	1,542	1,025	1,492	975
Short-term deposits (including demand and time deposits)	3,006,247	3,648,358	3,101,105	3,714,267
Cash and cash equivalents (as per statement of financial statements and cash flows)	<u>3,007,788</u>	<u>3,649,383</u>	<u>3,102,598</u>	<u>3,715,242</u>

Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group. All deposits are subject to an average variable interest rate of 13% (2013: 13%).

The carrying amounts disclosed above reasonably approximate fair value at the reporting date.

6 Financial assets

6.a Classification – carrying amount

	2014	2013	2014	2013
	N	N	N	N
Available-for-sale investments (AFS)				
Carried at fair value	698,377	105,605	688,896	96,035
Carried at fair value (unlisted security)	229,722	123,143	205,669	123,143
Carried at cost(unlisted securities)	<u>629,932</u>	<u>567,832</u>	<u>653,986</u>	<u>567,832</u>
	1,558,032	796,580	1,548,551	787,010
Fair value through profit or loss (FVPT)				
Unlisted securities	3,199,375	3,050,480	3,169,697	2,919,662
Held-to-maturity investments carried at amortised cost (HTM)	838,962	728,452	813,962	794,095
	<u>5,596,369</u>	<u>4,575,512</u>	<u>5,532,210</u>	<u>4,500,767</u>

6a(i)	CAPIC(see note i below)	530,529	468,429	530,529	468,429
	Nigeria Oil & Gas Pool (NAL)	5,258	5,258	5,258	5,258
	Nigeria Liability Insurance Pool	6,646	6,646	6,646	6,646
	OAK Pension Limited	50,000	50,000	50,000	50,000
	Sterling Assurance	37,500	37,500	37,500	37,500
	HALAL TAKAFUL		24,054		
		<u>629,932</u>	<u>567,833</u>	<u>653,986</u>	<u>567,833</u>

6a(ii) Details of unlisted securities includes:

	Fair value				
	MTN Nigeria Communication	3,199,375	3,050,480	3,169,697	2,919,662
	CONSOLIDATED BREWERIES	29,689	16,743	29,689	16,743
	WAMCO Nigeria Limited	172,000	104,000	172,000	104,000
	Food concepts Limited	3,980	2,400	3,980	2,400
	ARM ETHICAL FUND-TAKAFUL	24,054		24,054	
		<u>229,722</u>	<u>123,143</u>	<u>229,722</u>	<u>123,143</u>

i This represent the company's investment in CAPIC, a real estate investment fund

6.b Carrying amount at 31 May 2014 - Group

	FINANCIAL INSTRUMENTS CLASSIFICATION BUCKETS				
	Fair Value	Amortised Cost			Total N
	Available for sale N	Fair value through profit or loss N	Held to maturity N		
Debt securities					
- Federal Government	-	-	-	-	-
- State Government	-	-	623,145	-	623,145
- Corporate	-	-	98,940	-	98,940
			722,086	-	722,086
Equities					
- Listed	698,377	-	-	-	698,377
- Unlisted	629,932	3,199,375	-	-	3,829,307
	1,328,309	3,199,375	-	-	4,527,684
Total financial assets	1,328,309	3,199,375	722,086	-	5,249,770
Within one year	1,328,309	-	-	-	1,328,309
More than one year	-	3,199,375	722,086	-	3,921,460
	1,328,309	3,199,375	722,086	-	5,249,770

Carrying amount at 31 May 2013 - Company

	FINANCIAL INSTRUMENTS CLASSIFICATION BUCKETS				
	Fair Value	Amortised Cost			Total N
	Available for sale N	Fair value through profit or loss N	Held to maturity N		
Debt securities					
- Federal Government	-	-	-	-	-
- State Government	-	-	623,145	-	623,145
- Corporate	-	-	73,940	-	73,940
	-	-	697,086	-	697,086
Equities					
- Listed	688,896	-	-	-	688,896
- Unlisted	629,932	3,169,697	-	-	3,799,629
	1,318,829	3,169,697	-	-	4,488,526
Total financial assets	1,318,829	3,169,697	697,086	-	5,185,611
Within one year	1,318,829	-	-	-	1,318,829
More than one year	-	3,169,697	697,086	-	3,866,782
	1,318,829	3,169,697	697,086	-	5,185,611

Asset Hypothecation	NON-LIFE	Takaful	TOTAL	NON-LIFE POLICY HOLDERS	SHARE POLICY HOLDERS	LIFE POLICY HOLDERS	SHARE POLICY HOLDERS	Takaful Policy holders
Cash and cash Equivalents	1,912,508	209,177	####	1,827,424	96%	85,084	90%	882,821
Fair value through profit and loss carried at fair value	1,550,839		####	232,626	15%	1,318,213	10%	160,167
Available for sales at (Fair value)-unlisted	175,980		####	35,196	20%	140,784	0%	-
Available for sales at cost -unlisted	529,766		####	105,953	20%	423,813	2%	693
Available for sales at cost -listed	320,769		####	320,769	100%	-	100%	307,116
amortised cost(HTM)	448,709		####	448,709	100%	-	100%	312,108
Investment in property	512,900		####	435,965	85%	76,935	74%	570,624
	5,451,471	209,177	####	3,406,642		2,044,829		2,233,530
								1,873,915
								####
								3,974

INSURANCE FUNDS	NON-LIFE	Takaful	TOTAL
Investment contract liabilities	197,048	####	
Insurance contract liabilities	3,677,573	-	####
	3,677,573	197,048	####

	2014 N	Group 2013 N	Company 2014 N	2013 N
7 Trade Receivable				
Due from policyholders	1,338,837	1,232,367	1,338,837	1,232,367
Allowance for impairment	(1,233,584)	(1,175,754)	(1,233,584)	(1,175,754)
	105,253	56,613	105,253	56,613

	2014 N	Group 2013 N	Company 2014 N	2013 N
8 Other receivables and prepayments				
Loans and advances	167,059	251,269	-	-
Due from Subsidiaries	202,965	33,110	510,463	339,941
Loans to policyholders	100,599	79,264	100,599	79,264
Other receivables	141,784	196,623	95,253	101,162
Interest receivable	46,418	75,299	-	-
Rent prepayment	28,966	23,605	28,203	23,415
Prepayments	77,202	45,571	77,202	45,571
	764,993	704,741	811,720	589,353
Allowance for impairment	(53,827)	(67,321)	-	(11,050)
	711,166	637,420	811,720	578,303
				(222,367)
Within one year	711,166	637,420	811,720	578,303
More than one year	-	-	-	-
	711,166	637,420	811,720	578,303
The carrying amount is a reasonable approximation of fair value				

	2014 N	Group 2013 N	Company 2014 N	2013 N
9 Reinsurance assets				
Reinsurer share of outstanding claims	1,394,578	1,176,931	1,394,578	1,176,931
Reinsurer share of Incurred but not reported	117,693	117,693	-	-
Prepaid reinsurance	587,151	587,151	771,786	675,421
Reinsurance receivable	2,099,422	1,881,775	2,381,996	2,557,196
Allowance for impairment (reinsurance receivable)	(335,655)	(335,665)	(335,655)	(335,655)
	1,763,767	1,546,110	2,046,341	2,221,541
Within one year	2,046,341	2,221,541	2,046,341	2,221,541
More than one year	-	-	-	-
provision for Reinsurance asset				

	<u>2,046,341</u>	<u>2,221,541</u>	<u>2,046,341</u>	<u>2,221,541</u>
Reinsurance assets are valued after an allowance for their recoverability and the carrying amount is a reasonable approximation of fair value.				

Deferred acquisition costs (DAC)

	2014		2013
			R
At 1 January 2014	245,488	-	132,208
Acquisition cost paid during the year	726,463		1,011,462
Total acquisition cost	971,951		1,143,670
Acquisition cost amortised(charged to statement of profit and loss)	(656,877)		(898,182)
At 31 May 2014	315,074	-	245,488

11 Investment in subsidiaries	Company		2012
	2013		R
Cornerstone Assets Management Limited	-		-
Cornerstone Leasing & Investment limited	(0)		59,879
	(0)		59,879
Movement in Investment in Subsidiaries			
Cornerstone Leasing & Investment Company limited			
At 1 January	59,879		30,827
Additions	-		-
Disposals	-		-
Impairment losses/gain	(59,879)		29,052
At 31 December	(0)		59,879
	(0)		59,879

12 **Finance lease receivables**

The Group entered into finance lease arrangements for certain of its equipments and motor vehicles. All leases are denominated in Naira. The average term of finance leases entered into is 3 years.

Amounts receivable under finance leases

	Minimum Lease Payments		Present Value of Minimum Lease Payments	
	2014 N	2013 N	2012 N	2013 N
Not later than one year				
Later than one year and not later than 5 years	223,932	246,547		
Later than 5 years				
Accrued income receivable	35,131			
Less: unearned finance income	259,063 (839)	246,547 (5,080)	-	-
	258,224	241,467	-	-
Allowance for uncollectible lease payments				
- Specific allowance	(60,197)	(122,402)		
- General allowance	(244)	(409)		
- Interest-in-suspense	(33,776)	(8,062)		
	164,007	110,594	-	-

13 Investment Properties

	Notes	2014 N	Group 2013 N	Company 2014 N	2013 N
At 1 January		1,288,680	1,288,680	1,288,680	1,275,780
Additions during the year		-	-	-	-
Disposals during the year		-	-	-	-
Fair value Gains/(Losses)		-	-	-	12,900
At 31 May		<u>1,288,680</u>	<u>1,288,680</u>	<u>1,288,680</u>	<u>1,288,680</u>

Investment properties are stated at fair value, which has been determined based on valuations performed by Jide Taiwo & Co (Estate Surveyors and Valuers) as at 31 December 2013. The Valuer is an industry specialist in valuing these types of investment properties. The fair value is supported by market evidence and represents the amount at which the assets could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction at the date of valuation, in accordance with standards issued by the International Valuation Standards Committee. Valuations are performed on an annual basis and the fair value gains and losses are reported in profit or loss. The profits or losses on disposal are also reported in profit or loss as they occurred.

14 Property and equipment

14a Property and equipment- Group

	Property N	Leasehold Improvement N	Motor Vehicles N	Equipment N	Furniture & Fittings N	Total N
Cost:						
At 1 January 2014	475,113	1,275	312,070	247,608	76,928	1,112,994
Additions during the year	13,145	-	78,134	37,133	14,237	142,650
Disposals during the year	-	-	-	-	-	-
At 30 June, 2014	<u>488,258</u>	<u>1,275</u>	<u>390,204</u>	<u>284,741</u>	<u>91,165</u>	<u>1,255,644</u>
Accumulated Depreciation:						
At 1 January 2014	74,624	-	185,084	206,882	42,697	510,562
Charge for the year	7,781	-	23,293	16,691	23,838	71,602
Disposals	-	-	-	-	-	-
At 30 June, 2014	<u>82,405</u>	<u>1,275</u>	<u>208,377</u>	<u>223,573</u>	<u>66,535</u>	<u>582,164</u>
Carrying Amount:						
At 30 June, 2014	<u>405,854</u>	<u>-</u>	<u>181,827</u>	<u>61,168</u>	<u>24,630</u>	<u>673,479</u>
At 31 December 2013	<u>400,489</u>	<u>-</u>	<u>126,985</u>	<u>40,726</u>	<u>34,232</u>	<u>602,432</u>

- (i) Leased motor vehicles and generators with net book values of N3.195 million (2012: N4.950million) and N1.371million (2012: N3.20 million) respectively are included in the above property and equipment accounts. The related obligation is disclosed in note 14 below.
- (ii) The Group had no capital commitments as at the balance sheet date (2012: Nil).
- (iii) Land and buildings were professionally revalued on 31 December 2013 by Jide Taiwo and Co.(Estate Surveyors and Valuers) on the basis of forced sale value. The values were incorporated in the books at that date. The surplus that arose on the revaluation was credited to revaluation reserve. The deferred tax liability arising from the recognition of the revaluation surplus was incorporated in the financial statements. See note 21(a) below.

14 Property and equipment- Company

	Property	Leasehold Improvement	Motor Vehicles	Equipment	Furniture & Fittings	Total
Cost:	N	N	N	N	N	N
At 1 January 2014	475,113	1,275	307,143	246,773	76,901	1,107,205
Additions during the year	13,145	-	78,134	37,049	14,237	142,566
Disposals during the year	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-
At 30 June, 2014	488,258	1,275	385,277	283,822	91,138	1,249,771
Accumulated Depreciation:	N	N	N	N	N	N
At 1 January 2014	74,624	1,275	183,709	206,054	42,687	508,349
Charge for the year	7,781	-	22,262	16,678	23,824	70,544
Disposals	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-
At 30 June, 2014	82,405	1,275	205,971	222,732	66,511	578,893
Carrying Amount:						
At 30 June, 2014	405,854	-	179,307	61,090	24,627	670,878
At 31 December 2013	400,489	-	123,434	40,719	34,214	598,856

15 Intangible assets - Group/company

	GROUP	COMPANY		Total
Cost:			N	N
At 1 January 2014	76,595	73,760	-	-
Additions	14,700	14,700	-	-
At 31 June 2014	91,295	88,460	-	-
Amortisation:				
At 1 January 2014	47,427	47,427	-	-
Charge for the year	11,270	11,270	-	-
At 31 May 2014	58,697	58,697	-	-
Carrying Amount:				
At 31 June 2014	32,599	29,763	-	-
At 31 December 2012	29,168	26,333	-	-

16 Statutory Deposits

	Group	Company	
	2013	2012	2012
	N	N	N
Deposits with CBN	500,000	500,000	500,000
Analysis:			
Non-Life Business	300,000	300,000	300,000
Life Business	200,000	200,000	200,000
Others (describe)	-	-	-
	500,000	500,000	500,000

In line with section 10 (3) of the Insurance Act of Nigeria, a deposit of 10% of the regulatory share capital is kept with the Central Bank of Nigeria. The amount held will increase or decrease in relation to the amount of paid up share capital in issue. The cash amount held is considered to be a restricted cash balance.

17 Investment Contract Liabilities

	Group	Company	
	2014	2013	2013
	N	N	N
Financial guarantee contracts	1,353,306	1,303,049	1,303,049
- At 1 January	1,303,049	1,229,957	1,229,957
- Adjustment to opening balance	-	-	-
- Addition in the period	510,116	510,576	510,576
- Withdrawals	(459,859)	(437,484)	(437,484)
- Guaranteed interest	(0)	-	(0)
	1,353,306	1,303,049	1,303,049
Current	1,353,306	1,303,049	1,353,306
Non-current	-	-	-

18 Insurance contract liabilities

18.a Carrying amount	Gross	Reinsurers' asset	Net	
	2014	2013	2014	2013
	N	N	N	N
Life:				
Participating life				
- Life Fund	663,385	663,385	71,040	138,998
- Claims Outstanding	103,242	474,516	371,274	327,483
Non-participating life				
- Life Fund	1,342	1,342	-	1,342
- Claims Outstanding	-	-	-	-
Unearned premiums	115,628	-	-	115,628
Total life	1,254,870	1,036,001	398,523	283,210
Non-life:				
Outstanding claims	(143,055)	1,728,049	1,871,104	907,031
IBNR	-	-	160,064	151,712
	1,728,049	1,871,104	1,067,095	1,011,414
Unearned premiums	1,949,524	1,590,532	700,746	675,421
Unexpired risks	-	30,607	-	-
	1,949,524	1,621,139	700,746	675,421
Total non-life	3,677,573	3,492,243	1,767,841	1,686,835
Within one year	4,932,443	4,528,244	2,166,364	1,970,045
More than one year	4,932,443	4,528,244	2,166,364	1,970,045

19 Trade and other payables

	Group		Company	
	2014 N	2013 N	2014 N	2013 N
Due to policyholders				-
Arising out of reinsurance	35,892	518,337	35,892	518,337
20 Other payables				
Deposits received from policy holders	-	52,895		52,895
Accrued expenses	140,050	177,649	128,139	166,458
Other liabilities	394,025	349,905	370,342	328,944
	534,075	580,449	498,480	548,297
Within one year	35,892	518,337	35,892	518,337
More than one year	-	-	-	-
	35,892	518,337	35,892	518,337
21 Trust and Managed Fund				
	2014 N	2013 N	2014 N	2013 N
	128,253	199,749		

22 Finance Lease Obligations

The Group leased certain of its properties, plants & equipment under a finance lease arrangement. The average lease term is 4 years. The Group has options to purchase the equipment for a nominal amount at the end of the lease terms. The Group's obligations under finance leases are secured by the lessors' title to the leased assets.

Interest rates underlying all obligations under finance leases are fixed at respective contract dates ranging from ...% to ...% (2021: ...% to ...%) per annum.

	GROUP		COMPANY		PRESENT VALUE of Minimum Lease	
	Minimum Lease Payments		Minimum Lease Payments			
	2014	2013	2014	2013	2012	2011
	¥	¥	¥	¥	¥	¥
Not later than one year	-	758	-	758		
payment made during the period	(0)	(758)	(0)	(758)		
Later than 5 years		-		-		
	(0)	-	(0)	-	-	-
Less: future finance charges	-	-	-	-		
	(0)	-	(0)	-	-	-

23 a Income taxes

874,311

	2014	Group	2013	Company	2013
	N		N	N	N
a) Per Statement of Profit or Loss and Other Comprehensive Income:					
Recognised in profit or loss:					
Income tax based on the taxable profit/loss for the year	76,633		34,025	75,545	30,030
Education tax	-		-	-	-
Information technology development levy (NITDA)	-		-	-	-
Capital gain tax	-		-	-	-
Prior year under provision	-		-	-	-
Current tax charge/(Income) for the year	76,633		34,025	75,545	30,030
Deferred taxation	-		(76,043)	-	(108,349)
Income tax expense	76,633		(42,018)	75,545	(78,319)
b) Current Tax Liabilities/(Assets) as per Statement of Financial Position:					
At 1 January	110,887		110,508	90,268	73,932
Adjustment to opening balance	-		-	-	-
Charge for the year	76,633		44,636	75,545	43,548
Payment during the year	(13,713)		(44,257)	(64,169)	(27,212)
At 31 December	173,807		110,887	101,644	90,268

The charge for income tax in these financial statements is based on the provisions of the Companies Income Tax Act, CAP C21 LFN 2004 as amended and Education Tax Act, CAP E4 LFN 2004.

23 b Deferred Taxation

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

	2014	Group	2013	Company	2013
	N		N	N	N
Deferred tax assets:					
- Deferred tax asset to be recovered after more than 12 months	-		-	-	-
- Deferred tax asset to be recovered within 12 months	236,562		236,562	170,722	170,722
	236,562		236,562	170,722	170,722
Deferred tax liabilities:					
- Deferred tax liability to be recovered after more than 12 months	202,079		202,079	-	-
- Deferred tax liability to be recovered within 12 months	34,483		34,483	34,483	34,483
	236,562		236,562	34,483	34,483
Total	-		-	136,239	136,239

The net movement on the deferred income tax account is as follows:

	Group		Company	
	2014	2013	2014	2013
	N	N	N	N
At beginning of year	236,562	202,079	170,722	136,239
charge/(credit) to profit or loss	-	34,483	-	34,483
Tax charged to equity net of transfers to retained earnings	-	-	-	-
At December	<u>236,562</u>	<u>236,562</u>	<u>170,722</u>	<u>170,722</u>

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

(a) Deferred Tax Assets:

	2013			
	Insurance liabilities		Others	Total
			Accruals not	
	Insurance Contracts	Claims liabilities	Losses	
	N	N	N	N
At 1 January	-	-	236,562	236,562
Charged/(credited) to the profit or loss	-	-	-	-
Charged/(credited) to equity	-	-	-	-
Exchange differences	-	-	-	-
At December	<u>-</u>	<u>-</u>	<u>236,562</u>	<u>236,562</u>

	2012			
	Insurance liabilities		Others	Total
			Accruals not	
	Insurance Contracts	Claims liabilities	Losses	
	N	N	N	N
At 1 January	-	-	202,079	202,079
Charged/(credited) to the profit or loss	-	-	#REF!	#REF!
Charged/(credited) to equity	-	-	-	-
Exchange differences	-	-	-	-
At December	<u>-</u>	<u>-</u>	<u>#REF!</u>	<u>#REF!</u>

Liabilities for short-term insurance claims are deducted from the Company tax returns, generating a temporary difference that is reversed on settlement of the claims. This is expected to occur within the next year.

The Company is carrying forward tax losses in a number in operations that is expected to be recovered over the next few years as expected taxable profits emerge.

(b) Deferred Tax Liabilities:

	2013			
	Deferred Charges and other intangible assets	Unrealised appreciation of investments	Convertible bond	Other Assets
	N	N	N	N
At 1 January	34,483	-	-	-
Charged/(credited) to the profit or loss	-	-	-	-
Charged/(credited) to equity	-	-	-	-
Exchange differences	-	-	-	-
At December	<u>34,483</u>	<u>-</u>	<u>-</u>	<u>-</u>

	2012			
	Deferred Charges and other intangible assets	Unrealised appreciation of investments	Convertible bond	Other Assets
	N	N	N	N
At 1 January	34,483	-	-	-
Charged/(credited) to the profit or loss	-	-	-	-
Charged/(credited) to equity	-	-	-	-
Exchange differences	-	-	-	-
At December	<u>34,483</u>	<u>-</u>	<u>-</u>	<u>-</u>

Acquisition costs incurred for insurance are fully deductible for tax purposes. The liability will reverse along with the amortisation of these intangible assets. The unrealised fair value changes (gains or losses) will be taxed on realisation of the net gains or losses.

The solvency regulations in the Nigeria require the Company to establish a contingency reserve to be utilised against abnormal future losses arising in certain classes of business. The regulations prescribe that the reserve is increased every year by an amount that is calculated as a percentage of higher of 1% of gross premium and 10% of profit for the year in accordance with Section 22(1)(b) of the Insurance

24 **Employees' Retirement Obligations**

	Group		Company	
	2014	2013	2014	2013
	N	N	N	N
Pensions (outstanding liability)	11,414	38,521	8,144	37,602
Gratuity:				
At January	38,522	27,716	37,602	27,716
Net Pension Expense for the reporting period	28,271	10,806	29,635	9,886
Net Employees' Retirement Obligations	11,414	38,522	8,144	37,602
	2014	2013	2014	2013
	N	N	N	N
Company's obligations for:				
– Pension benefits	11,414	10,251	8,144	7,967
At January		38,521		37,602
Pension expenses for the reporting period		32,551		31,627
payment during the year		(60,821)		(61,262)
Total	11,414	10,251	8,144	7,967
Income statement charge for (Note):				
– Pension benefits	30,886	39,518	30,116	7,967
– Gratuity	-	-	-	-
Total	30,886	39,518	30,116	7,967
(a) Pension benefits				

The Company operates defined contribution pension plan based on the New Pension Act 2004.

25 **Share Capital and Premium**

	2013		2012	
	Share Capital	Share Premium	Share Capital	Share Premium
	N	N	N	N
Balance at 31 May 2014	4,410,005	1,947,166	4,410,005	1,947,166
Issued capital comprises:				
8,820,010,000 fully paid ordinary shares (31 December 2011):			2013	2012
			N	N
			4,410,005	4,410,005
			4,410,005	4,410,005
25a	Share Premium	Treasury Share	Share premium	Treasury Shares
	2014	2013	2014	2013
	N	N	N	N
Balance at 31 May 2014	1,947,166	48,175	1,947,166	48,175
25b	Contingency reserves			
	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
Opening Balance	975,978	849,633	975,978	849,633
Transfer from retained earnings	129,406	126,345	129,406	126,345
Closing balance	1,105,384	975,978	1,105,384	975,978
25c	Retained earnings			
	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
Opening balance	(1,257,509)	(1,641,566)	(1,265,168)	(1,572,804)
Transfer to contingency reserves	(129,406)	(126,345)	(129,406)	(126,345)
Statement of Comprehensive income	605,701	510,402	679,899	433,981
Closing balance	(781,214)	(1,257,509)	(714,675)	(1,265,168)

26 Net insurance premium income

	Group		Company	
	2014	2013	2014	2013
	N	N	N	N
Non-life insurance premiums	3,090,395	2,699,890	3,090,395	2,699,890
Life insurance premiums	1,157,411	1,314,077	1,157,411	1,314,077
Investment contracts with DPF	343,203	298,870	343,203	298,870
Halal Takaful Insurance	232,259	121,165	232,259	121,165
Gross written premiums	4,823,267	4,434,002	4,823,267	4,434,002
Less: Investment contract Liabilities	(510,116)	(376,446)	(510,116)	(376,446)
	4,313,153	4,057,557	4,313,153	4,057,557
Change in unearned premiums	(474,306)	(598,031)	(474,306)	(598,031)
Gross earned premiums	3,838,846	3,459,526	3,838,846	3,459,526
Non-life reinsurance premiums	1,147,044	889,325	1,147,044	889,325
Life reinsurance premiums	340,991	676,157	340,991	676,157
Takaful reinsurance premium	-	-	-	-
Gross written reinsurance premiums	1,488,035	1,565,482	1,488,035	1,565,482
Change in reinsurance unearned premiums	(96,365)	(432,583)	(96,365)	(432,583)
26.b Reinsurers' share of gross earned premiums	1,391,670	1,132,899	1,391,670	1,132,899
Net insurance premium income	2,447,176	2,326,627	2,447,176	2,326,627

26c Net insurance premium income: The error made in previous year by adding fee and commission to net premium income is corrected)

27 Fee and commission income

	Group		Company	
	2014	2013	2014	2013
	N	N	N	N
Reinsurance commissions and profit commission	174,694	202,541	174,694	202,541
Investment contract fee	-	-	-	-
Asset management fee income	-	-	-	-
Fees for surrender charges	-	-	-	-
Fees for death benefit charges	-	-	-	-
Other policyholders' administration fees	-	-	-	-
Net change in deferred fee and commission income	-	-	-	-
Fee and commission income	174,694	202,541	174,694	202,541

28 Insurance Claims and benefits paid

	Group		Company	
	2014	2013	2014	2013
	N	N	N	N
Gross paid				
Life business	423,342	103,242	526,585	110,118
Non-life business	1,039,530	(371,533)	667,997	451,863
Investment contracts - with DPF	-	-	-	-
Takaful	11,286	-	11,286	-
	1,474,159	(268,291)	1,205,867	561,981
Investment contracts - without DPF	-	-	-	-
	1,474,159	(268,291)	1,205,867	561,981
Reinsurance's share	-	-	-	-
Net				
Life business	416,467			
Non-life business	216,133			
Investment contracts - with DPF	-			
Takaful	11,286			
	643,887			
Investment contracts - without DPF	-			
	643,887			

	Group		Company	
	2014	2013	2014	2013
	N	N	N	N
Gross				
Life business	922,125	262,669	666,245	403,576
Life business	889,977	425,389	889,977	464,588
Takaful	1,664	-	1,664	-
	1,813,766	688,058	1,557,886	869,828
IBNR	(255,880)	-	-	-
	1,557,886	688,058	1,557,886	869,828

29 Underwriting Expenses (Fees, commissions and other acquisition expenses)

	2014	Group	2013	2014	Company	2013
	N		N	N		N
Underwriting expense- General	585,061		495,726	585,061		495,726
Underwriting expense- Life	122,866			122,866		169,337
Takaful	18,536			18,536		7,082
Deferred underwriting expenses	(69,586)		(104,185)	(69,586)		(104,185)
	<u>656,877</u>		<u>391,541</u>	<u>656,877</u>		<u>567,961</u>

	2014	Group	2013	2014	Company	2013
	N		N	N		N
Investment income						
Dividend income	234,082		110,764	223,952		103,066
Interest income	417,410		376,418	378,878		327,998
Others (describe)	123,926		93,048	98,074		61,263
	<u>775,418</u>		<u>580,230</u>	<u>700,905</u>		<u>492,327</u>
30a Fair value changes in financial assets-FVTPL	-		-	-		-
Gain/(Loss) on disposal of financial asset	44,578		-	(1,052)		-
30c Other operating income						
Exchange gain/(Loss)	1,037		112825	1,037		113,016
Miscellaneous income	81,354		34,172	78,699		33,582
	<u>82,391</u>		<u>146,997</u>	<u>79,736</u>		<u>146,598</u>

	2014	Group	2013	2014	Company	2013
	N		N	N		N
Allowance on premium and other receivables - Life Business	16,204		-	16,204		-
Allowance on premium and other receivables - non-life Business	43,675		324,519	43,675		324,519
Other allowances	123,874		3,841	-		-
	<u>183,753</u>		<u>328,360</u>	<u>59,879</u>		<u>324,519</u>

	2014	Group	2013	2014	Company	2013
	N		N	N		N
Management expenses						
Depreciation	0.45	102,067	70,557	101,008		68,533
Amortisation of computer software		-	-	-		-
Directors' costs	(0.29)	19,140	26,850	19,140		26,350
Advertising and corporate promotional expenses	(0.32)	32,946	48,586	32,946		48,618
Administrative expenses	0.47	171,592	116,968	169,107		115,396
NITDA levy		-	-	-		-
Allowance for bank balances		-	-	-		-
Rents and rates	0.09	20,524	18,887	20,524		18,887
Finance charges		-	-	-		-
Consultancy fees	0.18	67,356	57,125	66,306		56,941
Maintenance expenses	0.52	90,446	59,334	90,446		59,334
Staff training and development	0.74	23,987	13,774	23,987		13,774
Other expenses		60,627	50,329	60,627		50,329
Auxiliary staff costs	0.20					
		<u>588,685</u>	<u>462,410</u>	<u>584,092</u>		<u>458,162</u>

	2014	Group	2013	2014	Company	2013
	N		N	N		N
Employee benefit expense						
Wages and Salaries		602,035	567,112	585,258		552,168
Social security costs		30,886	23,889	30,116		23,265
Defined contribution pension costs						
		<u>632,921</u>	<u>591,001</u>	<u>615,375</u>		<u>575,433</u>

	2014	Group	2013	2014	Company	2013
	N		N	N		N
Other expenses						
Statutory due	-	32,507	24,652	32,507		24,620
Audit expenses		24,500	23,170	20,000		18,920
AGM Expenses		6,046		7,929		
Subscription		11,220	6,891	11,070		6,891
others		7,055	12,627	5,100		12,627
		<u>81,328</u>	<u>67,340</u>	<u>76,606</u>		<u>63,058</u>

33 Finance costs

	Group		Company	
	2014	2013	2014	2013
	N	N	N	N
Interest on financial liabilities at amortised cost	12,758	1,281	-	-
Net interest expense/(income) on defined benefit obligations	32,333	19,088	-	-
Allowance for bank balances	9,381	9,276	9,299	9,236
	<u>54,472</u>	<u>29,646</u>	<u>9,299</u>	<u>9,236</u>

34 Income tax expense/income

	Group		Company	
	2014	2013	2014	2013
	N	N	N	N
Current tax expense/(income) in respect of the current year	76,633	34,025	75,545	30,030
Adjustments recognised in the current year in relation to the current tax of prior years	-	-	-	-
Education levy	-	-	-	-
Information technology development levy (ITDL)	-	-	-	-
Capital gain tax (iv)	-	-	-	-
Total current tax	<u>76,633</u>	<u>34,025</u>	<u>75,545</u>	<u>30,030</u>
Deferred tax expense recognised in the current year	-	-	-	-
Income tax expense	<u>76,633</u>	<u>34,025</u>	<u>75,545</u>	<u>30,030</u>

35 Profit for the year
Profit for the year has been arrived at after charging/(crediting)

	2014 N	2013 N
Net foreign exchange losses/(gains)		37,066
Depreciation of property and equipment	71,602	72,915
Amortisation of intangible assets	11,270	14,041
Staff costs and other expenses	632,921	678,506
Central costs	516,299	733,691
Auditors' remuneration	22,000	22,000
Impairment on receivables	183,753	331,153
Change in fair value of investment property	-	67,100
NAICOM Levy	32,507	35,928

36 Share-based payments

Employee share option plan of the Company

Details of the employee share option plan of the Company:

The Group has a share option scheme for executives and senior employees of the Company and its subsidiaries. In accordance with the terms of the plan, as approved by shareholders at a previous annual general meeting, executives and senior employees with more than five years' service with the Group may be granted options to purchase ordinary shares.

Each employee share option converts into one ordinary share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.
As at 31st December 2013, no staff of the group had exercised the options.

37 Earnings per share

	2013 per kobo	2012 per kobo
Basic earnings per share:		
From continuing operations	0.07	5.82
Total basic earnings per share	<u>0</u>	<u>6</u>
Diluted earnings per share:		
From continuing operations	6.91	5.82
Total diluted earnings per share	<u>7</u>	<u>6</u>

37.1 Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows.

	2013 N	2012 N
Profit for the year attributable to owners of the Company	605,701	510,402
Earnings used in the calculation of basic earnings per share	<u>605,701</u>	<u>510,402</u>
Profit for the year from discontinued operations used in the calculation of basic earnings per share from discontinued operations		-
Earnings used in the calculation of basic earnings per share from continuing operations	<u>605,701</u>	<u>510,402</u>
Weighted average number of ordinary shares for the purpose of basic earnings per share	8,820,010	8,820,010
Treasury shares	<u>(48,175)</u>	<u>(48,175)</u>
	8,771,835	8,771,835

38 Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns and comply with the regulators' capital requirements of the markets in which the Group operates while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings. Reinsurance is also used as part of capital management. Other capital such as subordinated debt, preference shares and borrowings are also considered by the Group.

The regulatory capital (as required under Insurance Act 2003 and NAICOM Guideline) within the Group have been maintained and preserved over the reporting periods. The regulatory capital within the Insurance Industry in Nigeria, in which the entity has its major operations is as follows:

** Life business	N 2 Billion
** Non-life business	N 3 Billion
*** Composite business	N 5 Billion

The Group equally measures its capital using an economic capital model which is the Group's own assessment of the amount of capital it needs to hold and takes into account both financial and non-financial assumptions. The economic capital is used within the FSA's/Solvency II/NAICOM requirement on Individual Capital Assessment (ICA). Developments in the Solvency II project are being monitored.

The Group is subject to externally imposed capital requirements in all the countries in which it issues insurance and investment contracts. In most cases the required capital is determined by the application of percentages to premiums, claims, reserves and expenses. The Group fully complied with all externally imposed capital requirements throughout the year.

There were no changes made to the capital base nor to the objectives, policies and processes for managing capital.

The table below sets out the capital that is managed by the Group on an IFRS and regulatory basis:

	2013	2012
	£	£
Shareholders' equity	7,508,129	6,027,464
Adjustments for goodwill and other inadmissible assets	-	-
Capital resources on a regulatory basis	7,508,129	6,027,464

39 Financial risk management

The Group monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The Group may seek to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

39.a Valuation bases

Fair value is the amount for which an asset could be exchanged or liability being settled between knowledgeable, willing parties in an arms length transaction.

Fair values are determined at prices quoted in active markets. In the current environment, such price information is typically not available for all instruments and the Group applies valuation techniques to measure such instruments. These valuation techniques make maximum use of market observable data but in some cases management estimate other than observable market inputs within the valuation model. There is no standard model and different assumptions would generate different results.

Fair values are subject to a control framework designed to ensure that input variables and output are assessed independent of the risk taker. These inputs and outputs are reviewed and approved by a valuation committee. The Group has minimal exposure to financial assets which are valued at other than quoted prices in an active market.

The table below shows financial assets carried at fair value through profit or loss by valuation method.

	2013	2012
	£	£
Quoted prices in active markets (level 1)	1,328,309	844,503
Valuation technique:		
Market observable data (level 2)	229,722	585,004
Other than observable market data (level 3)		
	1,558,032	1,429,507

Fair value measurements recognised in the consolidated statement of financial position.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	2013			
	Level 1	Level 2	Level 3	Total
	£	£	£	£
FINANCIAL ASSETS				
Financial Assets at FVTPL:				
Equity Shares		3,199,375		3,199,375
Bonds/Debtentures				-
Redeemable Notes				-
	-	3,199,374.8	-	3,199,374.8
Financial Assets at AFS:				
Equity Shares	1,328,309	201,689	#####	1,533,978
Bonds/Debtentures				-
Redeemable Notes				-
	#####	201,688.8	#####	1,533,978.0
Held to Maturity (HTM)				
Bonds/Debtentures		838,962		838,962
Redeemable Notes				-
	-	838,961.9	-	838,961.9
Loans and Receivables (L&R)				
Bonds/Debtentures				-
Redeemable Notes				-
	-	-	-	-
Total Financial Assets	#####	4,240,025.4	#####	5,572,314.7

FINANCIAL LIABILITIES

Financial Liabilities at FVTPL:
Derivative financial liabilities
Bonds/Debentures
Other derivative financial liabilities

Financial Liabilities at Amortised Cost:
Bank Loans
Bank Overdrafts
Bonds/Debentures

Total Financial Liabilities

Level 1	Level 2	Level 3	Total
N	N	N	N
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

FINANCIAL ASSETS

Financial Assets at AFS:
Equity Shares
Bonds/Debentures
Redeemable Notes

Held to Maturity (HTM)
Bonds/Debentures
Redeemable Notes

Total Financial Assets

Level 1	Level 2	Level 3	Total
N	N	N	N
844,503	2,366,571	-	3,211,074
-	-	-	-
-	-	-	-
-	-	-	-
844,503	2,366,571	-	3,211,074
-	585,004	-	585,004
-	585,004	-	585,004
-	-	-	-
844,503	2,951,575	-	3,796,078

FINANCIAL LIABILITIES

Financial Liabilities at Amortised Cost:
Bank Loans
Bank Overdrafts
Bonds/Debentures

Total Financial Liabilities

Level 1	Level 2	Level 3	Total
N	N	N	N
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

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Market risk

Market risk is the risk of adverse financial impact as a consequence of market movements such as currency exchange rates, interest rates and other price changes. Market risk arises due to fluctuations in both the value of assets held and the value of liabilities.

The Group has established policies and procedures in order to manage market risk.

Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

The Group has minimal exposure to currency risk as the Group's financial assets are primarily matched to the same currencies as its insurance and investment contract liabilities. As a result, foreign exchange risk arises from other recognised assets and liabilities denominated in other currencies.

Carrying amounts of the Group's foreign currency denominated assets and liabilities:

2013						
	Nair a	Sterling N	Euro N	US dollars N	Other s N	Total N
Assets	####	3,478	7,595	429,455	-	14,677,318
Liabilities	####	-	-	-	-	(7,169,190)
	####	3,478	7,595	429,455	-	7,508,129
2012						
	Nair a	Sterling N	Euro N	US dollars N	Other s N	Total N
Assets	####	47,393	58,275	77,245	-	12,176,761
Liabilities	####	(23,933)	(29,429)	(39,009)	-	(6,149,297)
	####	23,460	28,846	38,236	-	6,027,464

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 10% increase and decrease in the Sterling against the relevant foreign currencies. A 10% sensitivity rate is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. For each sensitivity the impact of change in a single factor is shown, with other assumptions unchanged.

2013					
	Naira N	Sterling N	Euro N	US dollars N	Total N
10% increase Pre tax profit Shareholders' equity	####	4628	5543	7633	768,371
10% decrease Pre tax profit Shareholders' equity	####	3786	4536	6245	628,667
2012					
	Naira N	Sterling N	Euro N	US dollars N	Total N
10% increase Pre tax profit Shareholders' equity	####	1,737	2,136	2,831	446,324
10% decrease Pre tax profit Shareholders' equity	####	1,421	1,748	2,317	365,175

The Group's method for sensitivity to currency rate fluctuations has not changed significantly over the year

Interest rate risk management

Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group is exposed to interest rate risk as entities in the Group invest in long term debt at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings and by limited use of interest rate swap contracts and forward interest rate contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite.

Interest rate risk also exists in products sold by the Group. The Group manages this risk by adopting close asset/liability matching criteria, to minimise the impact of mismatches between asset and liability values arising from interest rate movements.

The Group has no significant concentration of interest rate risk.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the balance sheet date. A 0.5% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

	2013 N	2012 N
0.5% increase Pre tax profit Shareholders' equity	716,450	571,122
0.5% decrease Pre tax profit Shareholders' equity	648,217	516,729

The Group's method for sensitivity to interest rate fluctuations has not changed significantly over the year.

Interest rate risk exposures from options and guarantees embedded in insurance liabilities

The Group's insurance contracts and investment contracts with DPF have certain options and guarantees that transfer interest rate risk to the Group. These options and guarantees within contracts written in the Group's overseas life operations are:

- options to surrender the insurance contract or the investment contract with DPF where the surrender value (i.e. the strike price of the option) is either a fixed amount or a fixed amount plus interest at a rate that ranges from 2.5% to 0.5% depending on the year in which the contract was issued; and
- guaranteed annuity options where the Group has guaranteed at the inception of certain contracts that it will be paying a life annuity to the surviving policyholders at their retirement dates which will be calculated using the higher of the current annuity rate at that date or the guaranteed annuity rate set in the contract. The guaranteed rate has fixed at inception both the level of mortality risk and the interest rate that will be used to calculate the annuity payments. Interest rates guarantees are within a range from 0.5% to 2.5% depending on the year in which the contract was issued.

Under IFRS the Group is not required to, and does not, measure these options and guarantees as embedded derivatives at fair value. Their impact on the Group's profit is considered at each reporting date in the context of the Group's liability adequacy test. However these options and guarantees expose the Group to interest rate risk. The analysis of the options and guarantees embedded in liabilities from insurance contracts and investment contracts with DPF is detailed in the following table:

	2013 N	2012 N
Carrying amount of liabilities from insurance contracts and investment contracts with DPF		
Option to surrender at a fixed amount		
Option to surrender at a fixed amount plus interest		
at 2.5%		1,203,115
at 2.0%		
at 1.0%		
at 0.5%		
Other types of surrender options		
Total	-	1,203,115
Carrying amount of liabilities from insurance contracts With a guaranteed annuity option		
at 2.5%		27,127
at 2.0%		
at 1.0%		
at 0.5%		
Without a guaranteed annuity option		
Total	-	27,127

The Group's method for sensitivity to interest rate fluctuations has not changed significantly over the year.

Other price risk management

The Group is exposed to equity price risks arising from equity investments primarily from investments not held for unit-linked business. The shares included in financial assets represent investments in listed and unlisted securities that present the Group with opportunity for return through dividend income and capital appreciation. Equity investments designated as available-for-sale are held for strategic rather than trading purposes.

The Group has no significant concentration of price risk.

Equity price sensitivity analysis

The sensitivity analyses set out below show the impact of a 10% increase and decrease in the value of equities on profit before tax and shareholders' equity based on the exposure to equity price risk at the reporting date.

	2013 R	2012 R
10% increase Pre tax profit Shareholders' equity	750,567	561,442
10% decrease Pre tax profit Shareholders' equity	614,100	459,362

The Group's method for sensitivity to equity prices has not changed significantly from the prior year.

The Group's method for sensitivity to equity prices has not changed significantly from the prior year.

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Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The key areas of exposure to credit risk for the Group are in relation to its investment portfolio, reinsurance programme and to a lesser extent amounts due from policyholders and intermediaries.

The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent to investment grade and above.

This information is supplied by independent rating agencies where available and if not available the Group uses other publicly available financial information and its own trading records to rate its major policyholders and reinsurers.

The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

Receivables consist of a large number of policyholders, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties. Concentration of credit did not exceed 5% of gross monetary assets at any time during the year. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group writes unit-linked business where the policyholder bears the investment risk on the assets held. The shareholders' risk is limited to the extent that income arising from asset management charges is based on the value of those assets.

Except as detailed in the following table, the carrying amount of financial assets and reinsurance assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained:

	Maximum credit risk 2013 R	2012 R
Letters of credit provided by banks on behalf of reinsurers	Nil	Nil

The following table shows aggregated credit risk exposure for assets with external credit ratings.

The majority of debt securities are investment grade and the Group has very limited exposure to sub-prime or alt-A.

Reinsurance assets are reinsurers' share of outstanding claims and IBNR and reinsurance receivables. They are allocated below on the basis of ratings for claims paying ability.

Loans and receivables from policyholders, agents and intermediaries generally do not have a credit rating.

Unit-linked assets are excluded from this analysis.

	AAA R	AA R	A R	2013 R	BBB R	Not rated R	Carrying Amount R
Debt securities							
- Federal Government							-
- State Government		573,145	56,906				630,052
- Corporate			92,034				92,034
Loans and receivables							
- Corporate Loans							-
- Individual Loans							-
- Mortgage Loans							-
- Mutual Funds/Unit Trusts							-
Reinsurance Receivables							
Reinsurance Assets		251,496	1,294,624		675,421		2,221,541
Insurance receivables			105,253				105,253
Tenor Deposits (> 90 days)	####						500,000
Cash and cash equivalents	####		2,954,432		-		3,649,383
	####	824,641.2	#####		675,421.0	-	7,198,262.6

	2012					
	AAA	AA	A	BBB	Not rated	Carrying Amount
	N	N	N		N	N
Debt securities						
- Federal Government	####					72,383
- State Government		240,000	124,366			364,366
- Corporate			55,226			55,226
Loans and receivables						
- Corporate Loans						-
- Individual Loans						-
- Mortgage Loans						-
- Mutual Funds/Unit Trusts					1,884,363	1,884,363
Reinsurance Receivables		521,362			207,024	728,386
Reinsurance Assets			1,189,389			1,189,389
Insurance receivables	####					500,000
Tenor Deposits (> 90 days)	####		1,925,498	250,000		2,491,497
Cash and cash equivalents	####					
	####	761,362	3,294,479	250,000	2,091,387	7,285,610

The following table shows the carrying value of assets that are neither past due nor impaired, the ageing of assets that are past due but not impaired and assets that have been impaired.

42 Unit linked assets are excluded from this analysis.

	2013					
	Net her past due nor	Past due less than 30 days	Past due 31 to 90 days	Past due more than 90 days	past due and impaired	Carrying Amount
	N	N	N	N	N	N
Debt securities						
- Federal Government	####					-
- State Government	####					630,052
- Corporate	####					92,034
Loans and receivables						
- Corporate Loans						-
- Individual Loans						-
- Mortgage Loans						-
- Mutual Funds/Unit Trusts						-
Reinsurance Receivables			2,046,341			2,046,341
Reinsurance Assets		105,253				105,253
Insurance receivables						-
Tenor Deposits (> 90 days)	####					3,649,383
Cash and cash equivalents	####					
	####	105,253	2,046,341	-	-	6,523,062

	2012					
	Net her past due nor	Past due less than 30 days	Past due 31 to 90 days	Past due more than 90 days	past due and impaired	Carrying Amount
	N	N	N	N	N	N
Debt securities						
- Federal Government	####					72,383
- State Government	####					364,366
- Corporate	####					55,226
Loans and receivables						
- Corporate Loans						-
- Individual Loans						-
- Mortgage Loans						-
- Mutual Funds/Unit Trusts						-
Reinsurance Receivables			1,930,865			1,930,865
Reinsurance Assets			1,884,363			1,884,363
Insurance receivables						-
Tenor Deposits (> 90 days)	####			250,000		750,000
Cash and cash equivalents	####					2,241,497
	####	-	3,815,228	-	250,000	7,298,700

43 Liquidity risk

Liquidity risk is the risk that the Group cannot meet its obligations associated with financial liabilities as they fall due.

The Group has adopted an appropriate liquidity risk management framework for the management of the Group's liquidity requirements. The Group manages liquidity risk by maintaining banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of assets and liabilities. The Group is exposed to liquidity risk arising from clients on its insurance and investment contracts. In respect of catastrophic events there is liquidity risk from a difference in timing between claim payments and recoveries thereon from reinsurers.

Liquidity management ensures that the Group has sufficient access to funds necessary to cover insurance claims, surrenders, withdrawals and maturing liabilities. In practice, most of the Group's assets are marketable securities which could be converted in to cash when required.

	2013					
	< 1 month	1 - 3 months	3 - 12 months	1 - 5 years	> 5 years	Total
	N	N	N	N	N	N
Insurance contract liabilities						-
- Life	136,095	64,292	102,058	68,829		371,274
- Non-life	20,925	127,852	1,513,516	203,024	5,786	1,871,103
Investment contract liabilities						-
- With DPF						-
- Without DPF						-
Unallocated divisible surplus						-
Borrowings						-
Derivative liabilities						-
Trade and other liabilities						-
	157,020	192,144	1,615,574	271,853	5,786	2,242,377
	2012					
	< 1 month	1 - 3 months	3 - 12 months	1 - 5 years	> 5 years	Total
	N	N	N	N	N	N
Insurance contract liabilities						-
- Life	35,824	196,784	139,788	70,872		443,268
- Non-life	16,904	121,951	1,211,022	276,259	2,386	1,628,522
Investment contract liabilities						-
- With DPF						-
- Without DPF						-
Unallocated divisible surplus						-
Borrowings						-
Derivative liabilities						-
Trade and other liabilities						-
	52,728	318,735	1,350,810	347,131	2,386	2,071,790

The following table details the Group's expected maturity for its non-derivative assets. The tables below have been drawn up based on the undiscounted contractual maturities of the assets including interest that will be earned on those assets except where the Group anticipates that the cash flow will occur in a different period.

Unit-linked assets and reinsurers' share of unearned premiums are excluded from this analysis.

	2013					
	< 1 month	1 - 3 months	3 - 12 months	1 - 5 years	> 5 years	Total
	N	N	N	N	N	N
Debt securities						-
- Federal Government						-
- State Government				630,052		630,052
- Corporate				92,034		92,034
Loans and receivables						-
- Corporate Loans						-
- Individual Loans						-
- Mortgage Loans						-
- Mutual Funds/Unit Trusts						-
Reinsurance Receivables						-
Reinsurance Assets		2,221,541				2,221,541
Insurance receivables		-				-
Tenor Deposits (> 90 days)					500,000	500,000
Cash and cash equivalents	694,951	2,954,432				3,649,383
	694,951	5,175,973	-	722,086	500,000	7,093,010
	2012					
	< 1 month	1 - 3 months	3 - 12 months	1 - 5 years	> 5 years	Total
	N	N	N	N	N	N
Debt securities						-
- Federal Government				72,383		72,383
- State Government				164,366	200,000	364,366
- Corporate				55,226		55,226
Loans and receivables						-
- Corporate Loans						-
- Individual Loans						-
- Mortgage Loans						-
- Mutual Funds/Unit Trusts						-
Reinsurance Receivables		1,930,865				1,930,865
Reinsurance Assets		1,884,363				1,884,363
Insurance receivables		-				-
Tenor Deposits (> 90 days)						-
Cash and cash equivalents	227,124	2,264,373			500,000	2,991,497
	227,124	6,079,601	-	291,975	700,000	7,298,700

Although the Group has access to financing facilities, the Group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

Liquidity Gap Analysis

	2013					
	< 1 month	1 - 3 months	3 - 12 months	1 - 5 years	> 5 years	Total
	N	N	N	N	N	N
Financial & Insurance Assets	694,951	5,175,973		722,086	500,000	7,093,010
Financial & Insurance Liabilities	(157,020)	(192,144)	(1,615,574)	(271,853)	(5,786)	(2,242,377)
	537,931	4,983,829	(1,615,574)	450,233	494,214	4,850,633
	2012					
	< 1 month	1 - 3 months	3 - 12 months	1 - 5 years	> 5 years	Total
	N	N	N	N	N	N
Financial & Insurance Assets	227,124	6,079,601	-	291,975	700,000	7,298,700
Financial & Insurance Liabilities	(86,254)	(362,484)	(1,492,101)	(1,358,809)		(3,299,648)
	140,870	5,717,117	(1,492,101)	(1,066,834)	700,000	3,999,052

44 Insurance risk management

The Group accepts insurance risk through its insurance contracts and certain investments contracts where it assumes the risk of loss from persons or organisations that are directly subject to the underlying loss. The Group is exposed to the uncertainty surrounding the timing, frequency and severity of claims under these contracts.

The Group manages its risk via its underwriting and reinsurance strategy within an overall risk management framework. Pricing is based on assumptions which have regard to trends and past experience. Exposures are managed by having documented underwriting limits and criteria. Reinsurance is purchased to mitigate the effect of potential loss to the Group from individual large or catastrophic events and also to provide access to specialist risks and to assist in managing capital. Reinsurance policies are written with approved reinsurers on either a pro-rata or excess of loss treaty basis.

Regulatory capital is also managed (though not exclusively) by reference to the insurance risk to which the Group is exposed.

45 Non-life insurance

The Group writes property, liability and motor risks primarily over a twelve month duration. The most significant risks arise from natural disasters, climate change and other catastrophes (i.e. high severity, low frequency events). A concentration of risk may also arise from a single insurance contract issued to a particular demographic type of policyholder, within a geographical location or to types of commercial business. The relative variability of the outcome is mitigated if there is a large portfolio of similar risks.

The concentration of non-life insurance by the location of the underlying risk is summarised below by reference to liabilities.

	Gross		Reinsurance		Net	
	2012	2013	2012	2013	2012	2013
	N	N	N	N	N	N
- Within Nigeria	3,235,318	1,050,679	919,420	#####	2,315,898	
	3,235,318	1,050,679	919,420	#####	2,315,898	

The concentration of non-life insurance by type of contract is summarised below by reference to liabilities.

	Gross		Reinsurance		Net	
	2012	2013	2012	2013	2012	2013
	N	N	N	N	N	N
Property	697,598	336,441	359,730	#####	337,868	
Motor	390,140	8,431	48,273	#####	341,867	
Liability	560,491	53,025	489,867	#####	70,624	
Others	8,968	53,965	28,505	#####	(19,537)	
	-	-	-	-	-	-
	1,657,197	451,863	926,375	#####	730,822	

Assumptions and sensitivities

The risks associated with the non-life insurance contracts are complex and subject to a number of variables which complicate quantitative sensitivity analysis. The Group uses several statistical and actuarial techniques based on past claims development experience. This includes indications such as average claims cost, ultimate claims numbers and expected loss ratios. The key methods used by the Group for estimating liabilities are:

- chain ladder;
- expected loss ratio;
- benchmarking; and
- Bornhuetter-Ferguson.

Included within the insurance contract liabilities are provisions for asbestos and environmental related claims arising from policies written many years ago. The Group has minimal exposure to these risks, the exposure of which is determined by the number of claims filed and the Court process.

The Group considers that the liability for non-life insurance claims recognised in the balance sheet is adequate. However, actual experience will differ from the expected outcome.

Some results of sensitivity testing are set out below, showing the impact on profit before tax and shareholders' equity gross and net of reinsurance. For each sensitivity the impact of a unchanged change in a single factor is shown, with other assumptions.

	Pre tax profit		Shareholders' equity	
	2013	2012	2013	2012
	N	N	N	N
Non-Life Insurance:				
5% increase in loss ratios		222,932		4,141,860.00
- Gross		222,932		4,141,860.00
- Net				
5% decrease in loss ratios		222,932		4,141,860.00
- Gross		222,932		4,141,860.00
- Net				
Weather event in Nigeria— industry loss				
- Gross				
- Net				
10% increase in expenses		958,781		4,877,709
- Gross		958,781		4,877,709
- Net		722,488		4,641,416
10% decrease in expenses		824,990		4,743,918
- Gross		824,990		4,743,918
- Net		631,659		4,550,587

The Group's method for sensitivity testing has not changed significantly from the prior year.

46 Claims development tables

The following tables show the development of claims over a period of time on both a gross and net of reinsurance basis. In 2012, in the year of adoption of IFRS, only 5 years were required to

The cumulative claims estimates and payments for each accident year are translated into Nigerian Naira at the year rates that applied at the end of each accident year.

2013 Analysis of claims development – Gross
Analysis of claims development – Gross

	2008 N	2009 N	2010 N	2011 N	2012 N	2013 N	Total N
<i>Estimate of ultimates:</i>							
End of accident year	59,726,639	195,339,493	#####	422,262,455	513,424,226	369,460,686	####
1 year later	447,611,654	313,071,471	#####	193,836,320	454,638,525	-	####
2 years later	135,833,189	61,818,850	82,648,412	59,309,796	-	-	####
3 years later	18,790,857	20,421,304	17,822,291	-	-	-	####
4 years later	6,502,253	23,950,672	-	-	-	-	####
5 years later	2,208,127	-	-	-	-	-	####
Cumulative Payment	670,672,718	614,601,789	#####	675,408,571	968,062,752	369,460,686	####
Current estimate of ultimate claims	670,672,718	618,790,081	#####	711,619,904	1,206,836,678	#####	####
	-	4,188,292	28,928,807	36,211,333	238,773,927	#####	####
<i>Liability in Statement of Financial Position</i>							####

Analysis of claims development – Reinsurance

	2008 N	2009 N	2010 N	2011 N	2012 N	2013 N	Total N
<i>Estimate of ultimates:</i>							
End of accident year	-	35,415,967	#####	200,208,002	181,349,151	86,928,901	####
1 year later	159,972,167	133,261,682	#####	38,002,926	237,789,046	-	####
2 years later	94,990,705	29,844,983	15,958,625	20,564,750	-	-	####
3 years later	11,993,170	14,857,136	9,552,486	-	-	-	####
4 years later	4,482,762	4,135,975	-	-	-	-	####
5 years later	2,255,551	-	-	-	-	-	####
Cumulative Recoveries	273,694,355	217,515,743	#####	258,775,678	419,138,197	86,928,901	####
Current estimate of ultimate Recoveries	273,694,355	221,242,040	#####	281,615,896	547,232,608	933,331,463	####
	-	3,726,297	10,350,703	22,840,218	128,094,412	846,402,562	####
<i>Asset in Statement of Financial Position</i>							####

Analysis of claims development – Net

	2008 N	2009 N	2010 N	2011 N	2012 N	2013 N	Total N
<i>Estimate of ultimates:</i>							
End of accident year	59,726,639	159,923,526	#####	222,054,452	332,075,075	282,531,786	####
1 year later	287,639,487	179,809,789	#####	155,833,394	216,849,480	-	####
2 years later	40,842,484	31,973,867	66,689,787	38,745,047	-	-	####
3 years later	6,797,687	5,564,167	8,269,806	-	-	-	####
4 years later	2,019,491	19,814,697	-	-	-	-	####
5 years later	47,424	-	-	-	-	-	####
Cumulative Net Payment	396,978,364	397,086,046	#####	416,632,893	548,924,555	282,531,786	####
Current estimate of net ultimate claims	396,978,364	397,548,041	#####	430,004,008	659,604,070	999,130,517	####
	-	461,995	18,578,104	13,371,115	110,679,515	716,598,731	####
<i>Liability in Statement of Financial Position</i>							####

47 **Life insurance and investment contracts with DPF**

The Group writes life, pensions and annuities business with or without discretionary participating features. The most significant risks arise from mortality, persistency, longevity, morbidity, expense variations and investment returns.

Concentration of risk may arise from geographic regions, epidemics, accumulation of risks and market risk. The concentration of life insurance and investment contracts with DPF by location of the underlying risk is summarised below by reference to liabilities.

	Gross		Reinsurance		Net	
	2012	2013	2012	2013	2012	2013
	N	N	N	N	N	N
Life insurance:						
- Within Nigeria	1,477,218	340,991	544,540		932,678	
	1,477,218	340,991	544,540	-	932,678	
Investment contracts with DPF:						
- Within Nigeria	1,229,957	-	-		1,229,957	
	1,229,957	-	-	-	1,229,957	

The concentration of life insurance and investment contracts with DPF by type of contract is summarised below by reference to liabilities.

	Gross		Reinsurance		Net	
	2012	2013	2012	2013	2012	2013
	N	N	N	N	N	N
Protection						
Pensions	1,453,728	340,991	544,540		909,188	
Annuities					-	-
Healthcare					-	-
Others	23,490	-	-		23,490	
Life insurance	1,477,218	340,991	544,540	-	932,678	
Investment contracts with DPF					-	-

Assumptions and sensitivities

The risks associated with the life insurance and investment contracts with DPF are complex and subject to a number of variables which complicate quantitative sensitivity analysis. The key assumptions in quantifying these liabilities include mortality, persistency, longevity, morbidity, expense variations, investment return and discount rates.

Some results of sensitivity testing are set out below showing the impact on profit before tax and shareholders' equity before and after reinsurance. For each sensitivity the impact of a change in a single factor is shown, with other assumptions unchanged.

48 **Contingent liabilities and contingent assets**

48a **Contingent liabilities**

	2013	2012
	¥	¥
Legal proceedings and regulation (i)	78,544	131,278
(i) An entity in the Group is a defendant in a legal action involving the alleged failure of the entity to supply goods in accordance with the terms of contract. The directors believe, based on legal advice, that the action can be successfully defended and therefore no losses (including for costs) will be incurred. The legal claim is expected to be settled in the course of the next eighteen months.		

49 **Related parties**

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

50 **Transactions with related parties**

The Group enters into transactions with its subsidiaries, associates, joint ventures and its key management personnel in the normal course of business. The transactions with related parties are made at normal market prices and conducted at arms length.

	2013	2012
	¥	¥
Sale of:		
Insurance and investment contracts to subsidiaries	-	-
Insurance and investment contracts to key management personnel	-	3,557

51 **Balances with related parties**

The following balances were outstanding at the end of the reporting period

51.1 (1) Receivables from and payables to related parties are as follows:

	2013	2012
	¥	¥
Receivables from related parties:		
- Subsidiaries	256,910	603,406
- Key management personnel	0	0
	256,910	603,406

The Group considered the outstanding balances at the reporting date are unsecured and non-interest bearing. The settlements will involve physical delivery of cash.

In relation to the balances with related parties, there was no allowance for impairments on receivables at the end of the reporting period and no bad debt expense d in the year (2012: Nil).

51.2 (2) Loans from and payables to related parties are as follows:

Loans from related parties:
- Subsidiaries

	2013	2012
	N	N
	1,371	1,849
	<u>1,371</u>	<u>1,849</u>

52 Compensation of key management personnel

Key management personnel of the Group includes all directors, executive and non-executive, and senior management. The summary of compensation of key management personnel for the year is as follows:

	2013	2012
	N	N
Salaries	270,318	275,464
Fees	26,500	26,500
Post-employment pension benefits	33,014	34,011
Total compensation to key management personnel	<u>329,832</u>	<u>335,975</u>

Staff Directors Costs

	Group	Group	Company	Company
	2013	2012	2013	2012
Wages and salaries	273,388	275,464	260,200	262,276
Pension and costs	34,947	35,210	32,999.71	33,263
Total staff directors cost	<u>308,335</u>	<u>310,674</u>	<u>293,200</u>	<u>295,539</u>

53 Disclosure of Contraventions

In accordance with section 1.17 of the 2011 NAICOM Operational Guidelines, the penalties imposed on the company were a fine of N1,825,000 imposed by NAICOM in respect of non-disclosure in the initial rendition of the 2011 Accounts submitted to NAICOM for approval.

54 Events after the reporting period

There are no events after the reporting period that could have had a material effect on the state of affair of the company as at 31st December 2013 which have not been adequately provided for or disclosed

55 Approval of financial statements

The financial statements were approved by the board of directors and authorised for issue on March 2014.

APPENDICES

APPENDIX 1: First-time Adoption of IFRS

APPENDIX 2: Reconciliation of IFRS with NGAAP Financials at Transition date and 1st IFRS Comparative date

APPENDIX 3: Explanatory Notes on Reconciliation of IFRS with NGAAP Financials at Transition date and 1st IFRS Comparative date

APPENDIX 4: Application of Shadow Accounting

APPENDIX 5: Embedded Value based on Actuarial Model

APPENDIX 6: Glossary of Insurance and Related Accounting Terminologies