

STACO INSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS

PERIOD ENDED 31 MARCH 2018

STACO INSURANCE PLC

FINANCIAL HIGHLIGHTS

	Group 2018 N'000	Group 2017 N'000	Group Growth %	Company 2018 N'000	Company 2017 N'000	Company Growth %
Major statement of financial position						
Total assets	9,263,749	9,193,763	0.76	8,527,497	8,241,793	3.47
Shareholders' funds	<u>(110,902)</u>	<u>443,649</u>	<u>(125.00)</u>	<u>(234,521)</u>	<u>258,251</u>	<u>(190.81)</u>
Major statement of comprehensive income						
Gross premium	1,757,117	1,899,844	(7.51)	1,596,995	1,761,200	(9.32)
Net premium earned	1,191,428	1,754,400	(32.09)	986,217	1,582,032	(37.66)
Investment income	65,239	48,690	33.99	38,625	48,690	(20.67)
Other income	18,439	113,058	(83.69)	18,439	113,058	(83.69)
Net underwriting and claims expenses	(1,051,494)	(908,186)	15.78	(1,031,801)	(888,063)	16.19
(Loss)/profit before taxation	(359,980)	312,112	215	(497,385)	221,876	324.17
(Loss)/profit after taxation	<u>(374,980)</u>	<u>279,612</u>	<u>234</u>	<u>(507,385)</u>	<u>196,876</u>	<u>357.72</u>
Information per 50k ordinary share						
Earnings per share (kobo)	(4)	2	293	(5)	2	363.76
Net assets (kobo)	0.99	0.98	0.76	1	1	0.03
Stock exchange quotation (kobo) at 31 March	50	50	-	50	50	-
Price earning ratio	<u>(0.08)</u>	<u>0.04</u>	<u>-</u>	<u>(0.11)</u>	<u>0.04</u>	<u>-</u>

STACO INSURANCE PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

		Group 31 March 2018 N'000	Group 31 December 2017 N'000	Company 31 March 2018 N'000	Company 31 December 2017 N'000
ASSETS	Note				
Cash and cash equivalents	8	1,339,375	1,360,873	942,253	976,660
Financial assets	9	706,966	841,157	403,752	392,074
Trade receivables	10	389,455	347,200	289,715	60,137
Reinsurance assets	11	1,096,557	1,060,294	1,070,557	1,060,294
Other receivables and prepayments	12	330,691	317,708	211,642	203,980
Deferred acquisition cost	13	277,001	161,135	261,801	161,135
Investment in subsidiary	14	-	-	327,937	327,936
Investment properties	15	1,520,000	1,520,000	1,520,000	1,520,000
Deferred tax assets	16.1	7,820	7,820	-	-
Leased assets	17	201,819	212,847	201,819	212,847
Property, plant and equipment	18	3,041,365	3,004,624	2,945,324	2,970,730
Statutory deposit	19	300,000	300,000	300,000	300,000
Intangible asset	20	52,699	60,105	52,699	56,000
Total assets		9,263,749	9,193,763	8,527,497	8,241,793
LIABILITIES					
Insurance contract liabilities	21	4,250,041	3,701,877	3,983,505	3,299,495
Financial Liabilities	22	4,633,195	4,444,846	4,633,195	4,444,846
Trade payables	23	86,663	104,773	1,365	87,653
Other payables	24a	24,141	117,840	20,398	37,993
Deferred tax liabilities	16.1	98,050	98,050	98,050	98,050
Employee benefit liability	26	9,910	6,027	-	-
Taxation	27	51,624	108,635	25,506	15,506
Total liabilities		9,153,624	8,582,048	8,762,018	7,983,542
EQUITY	28				
Issued share capital	28a	4,670,544	4,670,544	4,670,544	4,670,544
Share premium	28c	434,164	434,164	434,164	434,164
Revaluation reserve	28d	1,595,299	1,595,299	1,595,299	1,595,299
Fair value reserve	28e	178,553	163,938	431,756	417,141
Contingency reserve	28f	2,166,445	2,118,535	2,125,248	2,077,338
Retained earnings	28g	(9,155,908)	(8,538,831)	(9,491,533)	(8,936,237)
Shareholders' funds		(110,902)	443,649	(234,521)	258,251
Non controlling interest	28h	221,028	168,066	-	-
		110,126	611,715	(234,521)	258,251
Total Liabilities and Equity		9,263,750	9,193,763	8,527,497	8,241,793

Approved by the Board of Directors on 25th April 2018.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY :



Jide Omotere
Chief Financial Officer
FRC/2013/ICAN/00000002180



Bayo Fakorede
Managing Director
FRC/2013/CIIN/00000004099



Muhammad Sidi Aliyu
Chairman
FRC/2020/003/00000021442

STACO INSURANCE PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2018

		Group 31 March 2018 N'000	Group 31 March 2017 N'000	Company 31 March 2018 N'000	Company 31 March 2017 N'000
Gross Premiums written	Note 29	1,757,117	1,899,844	1,596,995	1,761,200
Gross Premium Income	29a	1,514,958	2,061,624	1,309,746	1,878,107
Reinsurance expenses	29b	(323,530)	(307,224)	(323,530)	(296,074)
Net Premium Income	29	1,191,428	1,754,400	986,217	1,582,032
Fees and Commission Income	30	46,442	34,419	46,442	34,419
Net underwriting Income		1,237,870	1,788,818	1,032,659	1,616,451
Claims expense	31	(807,374)	(434,829)	(795,092)	(427,168)
Underwriting expenses	32	(244,120)	(473,357)	(236,709)	(460,896)
Net underwriting and claims expenses		(1,051,494)	(908,186)	(1,031,801)	(888,063)
Underwriting results	7	186,376	880,632	858	728,388
Investment income	33	65,239	48,690	38,625	48,690
Net realised gain/(loss) on financial assets	34	-	-	-	-
Other income	35	18,439	113,058	18,439	113,058
Operating and administrative expenses	36	(591,692)	(654,273)	(516,964)	(592,265)
Interest on convertible bond	37	(38,342)	(75,994)	(38,342)	(75,994)
Impairment loss on trade receivables	38	-	-	-	-
Profit / (Loss) before taxation		(359,980)	312,112	(497,385)	221,876
Taxation	27.1	(15,000)	(32,500)	(10,000)	(25,000)
Profit / (Loss) for the year		(374,980)	279,612	(507,385)	196,876
Other comprehensive income					
Net fair value gain (loss) on available for sale financial assets	28e	14,615	(21,889)	14,615	(21,889)
Foreign exchange translation gain/(loss)	28f	-	(60,264)	-	-
Appreciation on investment in subsidiary		-	-	-	-
Total comprehensive income/(loss) for the year		(360,364)	197,460	(492,770)	174,987
Profit/(Loss) attributable to:					
Owner of equity		(427,942)	243,518	(507,385)	196,876
Non controlling interest		52,962	36,094	-	-
		(374,980)	279,612	(507,385)	196,876
Total comprehensive income/(loss) attributable to :					
Owner of equity		(413,326)	161,366	(492,770)	174,987
Non controlling interest		52,962	36,094	-	-
		(360,364)	197,460	(492,770)	174,987
Earning per share(kobo)					
- Actual		(4)	2	(5)	2
- Adjusted		(4)	2	(5)	2

STACO INSURANCE PLC

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2018

GROUP

	Share Capital N'000	Share Premium N'000	Revaluation Reserve N'000	Fair value (Available for sale) Reserve N'000	Contingency Reserve N'000	Retained Earnings N'000	Non Controlling Interest N'000	Total Equity N'000
Balance as at 1 January 2017	4,670,544	434,164	1,595,299	61,491	1,952,489	(5,660,870)	111,126	3,164,243
Total comprehensive income for the year	-	-	-	(21,889)	-	-	-	(21,889)
Issue of share capital	-	-	-	-	-	-	-	-
Transfer to contingency reserve	-	-	-	-	56,995	(56,995)	-	-
Transfer from (to) retained earning	-	-	-	-	-	279,612	-	279,612
Translation reserve	-	-	-	-	-	(107,419)	-	(107,419)
Transfer from (to) non controlling interest	-	-	-	-	-	-	36,094	36,094
Dividend	-	-	-	-	-	-	-	-
Revaluation surplus	-	-	-	-	-	-	-	-
Balance as at 31 March 2017	<u>4,670,544</u>	<u>434,164</u>	<u>1,595,299</u>	<u>39,602</u>	<u>2,009,484</u>	<u>(5,545,672)</u>	<u>147,220</u>	<u>3,350,641</u>
Balance as at 1 January 2018	4,670,544	434,164	1,595,299	163,938	2,118,535	(8,538,831)	168,066	611,715
Total comprehensive income for the year	-	-	-	14,615	-	-	-	14,615
Issue of share capital	-	-	-	-	-	-	-	-
Transfer to contingency reserve	-	-	-	-	47,910	(47,910)	-	-
Transfer from (to) retained earning	-	-	-	-	-	(374,980)	-	(374,980)
Translation reserve	-	-	-	-	-	(194,187)	-	(194,187)
Transfer from (to) non controlling interest	-	-	-	-	-	-	52,962	52,962
Dividend	-	-	-	-	-	-	-	-
Revaluation surplus	-	-	-	-	-	-	-	-
Balance as at 31 March 2018	<u>4,670,544</u>	<u>434,164</u>	<u>1,595,299</u>	<u>178,553</u>	<u>2,166,445</u>	<u>(9,155,908)</u>	<u>221,028</u>	<u>110,126</u>

COMPANY

	Share Capital N'000	Share Premium N'000	Revaluation Reserve N'000	Fair value (Available for sale) Reserve N'000	Contingency Reserve N'000	Retained Earnings N'000	Total Equity N'000
Balance as at 1 January 2017	4,670,544	434,164	1,595,299	271,985	1,920,595	(5,130,611)	3,761,976
Total comprehensive income for the year	-	-	-	(21,889)	-	-	(21,889)
Issue of share capital	-	-	-	-	-	-	-
Transfer to contingency reserve	-	-	-	-	52,836	(52,836)	-
Transfer from (to) retained earning	-	-	-	-	-	196,876	196,876
Dividend	-	-	-	-	-	-	-
Revaluation surplus	-	-	-	-	-	-	-
Balance as at 31 March 2017	<u>4,670,544</u>	<u>434,164</u>	<u>1,595,299</u>	<u>250,096</u>	<u>1,973,431</u>	<u>(4,986,571)</u>	<u>3,936,964</u>
Balance as at 1 January 2018	4,670,544	434,164	1,595,299	417,141	2,077,338	(8,936,237)	258,250
Total comprehensive income for the year	-	-	-	14,615	-	-	14,615
Issue of share capital	-	-	-	-	-	-	-
Transfer to contingency reserve	-	-	-	-	47,910	(47,910)	-
Transfer from (to) retained earning	-	-	-	-	-	(507,385)	(507,385)
Dividend	-	-	-	-	-	-	-
Revaluation surplus	-	-	-	-	-	-	-
Balance as at 31 March 2018	<u>4,670,544</u>	<u>434,164</u>	<u>1,595,299</u>	<u>431,757</u>	<u>2,125,248</u>	<u>(9,491,532)</u>	<u>(234,520)</u>

STACO INSURANCE PLC

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2018

		Group 31 March 2018 N'000	Group 31 March 2017 N'000	Company 31 March 2018 N'000	Company 31 March 2017 N'000
Cash flow from operating activities	Note				
Premium received from policy holders		1,714,861	1,868,167	1,367,417	1,584,593
Reinsurance receipts in respect of claims		110,947	74,229	110,947	74,229
Reinsurance cost		(311,830)	(276,206)	(311,830)	(276,206)
Cash paid to and on behalf of employees		(257,000)	(285,561)	(246,895)	(269,248)
Other operating cash payments/receipts		(948,289)	(359,840)	(667,516)	(341,493)
Commission paid		(30,762)	(32,495)	(28,539)	(32,495)
Claims paid		(521,561)	(545,236)	(509,279)	(537,575)
Tax paid		(72,011)	-	-	-
Net cash provided by operating activities	44	<u>(315,645)</u>	<u>443,057</u>	<u>(285,694)</u>	<u>201,805</u>
Cash flow from investing activities					
Purchase of property, plant and equipment	18	(44,751)	(16,645)	(26,807)	(14,325)
Purchase of intangible asset		(9)	(4,244)	(9)	(4,244)
Fund placement proceed		90,668	(147,256)	56,477	(147,256)
Dividend received		-	-	-	-
Interest received		65,239	48,690	38,625	48,690
Net cash provided by investing activities		<u>111,148</u>	<u>(119,455)</u>	<u>68,286</u>	<u>(117,135)</u>
Cash flow from financing activities					
Change in borrowings		183,000	-	183,000	-
Proceeds from issue of share capital		-	-	-	-
Repayment of finance lease liabilities		-	(10,812)	-	(10,812)
Net cash used in financing activities		<u>183,000</u>	<u>(10,812)</u>	<u>183,000</u>	<u>(10,812)</u>
Net increase/(decrease) in cash and cash equivalents		(21,497)	312,790	(34,407.54)	73,857
Cash and cash equivalents at the beginning of the year		1,360,873	2,750,249	976,660	2,486,662
Cash and cash equivalents at the end of the year		<u>1,339,376</u>	<u>3,063,039</u>	<u>942,253</u>	<u>2,560,520</u>
Represented by:					
Cash at bank and in hand	8	1,339,375	3,063,039	942,253	2,560,520
		<u>1,339,375</u>	<u>3,063,039</u>	<u>942,253</u>	<u>2,560,520</u>

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

RISK MANAGEMENT FRAMEWORK (CON'TD)

CAPITAL MANAGEMENT

The Group's objectives with respect to capital management are to maintain a capital base that is structured to exceed regulatory and to best utilize capital allocations

Insurance industry regulator measures the financial strength of Non-life insurers using a solvency margin model, NAICOM generally expects non-life insurer to comply with this capital adequacy requirement.

Section 24 of the Insurance Act 2003 defines Solvency Margin of a Non-life insurer as the difference between the admissible assets and liabilities and this shall not be less than 15% of net premium income (gross premium income less re-insurance premium paid) or the minimum capital base (3 billion) whichever is higher.

The test compares insurers' capital against the risk profile. The regulator indicated that the insurer should produce a minimum solvency margin of 100%. During the period, the Group consistently operated above the minimum. The regulator has the authority to request more extensive reporting and can place restrictions on the Group's operations as deemed necessary if the Group falls below this requirement.

The solvency margin for the Company as at 31 March 2018 is as follows:

ASSETS:

	ADMISSIBLE N'000	IN ADMISSIBLE N'000	TOTAL N'000
Cash and cash equivalents	942,253	-	942,253
Financial assets	403,752	-	403,752
Insurance receivables	289,715	-	289,715
Reinsurance assets	1,070,557	-	1,070,557
Other receivables	-	211,642	211,642
Deferred acquisition cost	261,801	-	261,801
Investment in subsidiary	-	327,937	327,937
Investment properties and land	1,520,000	-	1,520,000
Leased assets	201,819	-	201,819
Property and equipment	2,945,324	-	2,945,324
Statutory deposit	300,000	-	300,000
Intangible assets	-	52,699	52,699
Total assets	7,935,219	592,278	8,527,497

LIABILITIES

Investment contract liabilities	-	-	-
Insurance ccontract liabilities	3,983,505	-	3,983,505
Borrowings	4,633,195	-	4,633,195
Trade payables	1,365	-	1,365
Other payables	20,398	-	20,398
Deposit for Shares	-	-	-
Deferred tax liabilities	-	98,050	98,050
Current income tax liabilities	25,506	-	25,506
Total liabilities	8,663,968	98,050	8,762,018

SOLVENCY MARGIN (728,749)

MINIMUM REQUIRED 3,000,000

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2018**

RISK MANAGEMENT FRAMEWORK (CON'TD)

CAPITAL MANAGEMENT

The Company further developed an internal capital adequacy model that assesses the risk of assets, policy liabilities and other exposures by applying various factors. The model calculates the capital required for each class of the broad risks identified by the Company and aggregates through co-variance methodology that considers the relationship between these risk categories.

As at period end, the Company showed a negative solvency margin of N728,748.74 and a solvency ratio of (124.29)%

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

7 SEGMENT INFORMATION- COMPANY

Segment Information

Following the management approach of IFRS 8, the company is organised into eight operating segments. These segments distribute their products through various forms of brokers, agencies, and direct marketing programs. Management identifies its reportable segments by product line. These segments and their respective operations for the period ended 31 March, 2018 are as follows:

Fire
General accident
Motor vehicle
Oil and gas
Marine
Aviation
Bond
Engineering

	Fire N'000	General Accident N'000	Motor Vehicle N'000	Oil and Gas N'000	Marine N'000	Aviation N'000	Bond N'000	Engineering N'000	Total N'000
Gross premium written	372,786	302,849	470,970	200,544	179,844	1,983	9,329	58,691	1,596,995
Gross premium income	287,797	169,382	347,043	207,455	227,648	5,112	22,347	42,962	1,309,746
Re-insurance expenses	(160,910)	(10,549)	(7,123)	(121,295)	(7,273)	(16,161)	(218)	-	(323,530)
Net premium income	126,887	158,833	339,920	86,160	220,376	(11,049)	22,129	42,962	986,217
Fee Income and commission	36,657	3,050	1,202	1,577	-	3,894	63	-	46,442
Investment returns									-
Net underwriting income	163,544	161,883	341,121	87,737	220,376	(7,155)	22,192	42,962	1,032,659
Claim expenses(Gross)	(238,744)	(59,760)	(166,619)	(8,100)	(21,691)	(73)	(3,750)	(10,541)	(509,279)
Insurance claims recovered / recoverable from reinsurers	(270,003)	(81,091)	(14,221)	33,089	56,800	(16,652)	(185)	6,449	(285,814)
Net insurance benefits and claims	(508,747)	(140,851)	(180,840)	24,989	35,108	(16,725)	(3,935)	(4,092)	(795,092)
Underwriting expenses	(76,732)	(46,097)	(67,299)	(7,786)	(23,465)	(491)	(4,130)	(10,709)	(236,709)
Total expenses	(585,480)	(186,948)	(248,139)	17,203	11,644	(17,216)	(8,065)	(14,801)	(1,031,801)
Reportable segment profit	(421,936)	(25,065)	92,983	104,940	232,019	(24,371)	14,127	28,161	858

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

SEGMENT INFORMATION CONT'D- COMPANY

The segment information provided by Management for the reporting segments for the year ended 31 March 2017

	Fire N'000	General Accident N'000	Motor Vehicle N'000	Oil and Gas N'000	Marine N'000	Aviation N'000	Bond N'000	Engineering N'000	Total N'000
Gross premium written	<u>490,660</u>	<u>295,885</u>	<u>496,772</u>	<u>186,611</u>	<u>246,659</u>	<u>5,337</u>	<u>7,975</u>	<u>31,301</u>	<u>1,761,200</u>
Gross premium income	452,360	244,972	611,711	286,213	223,630	12,589	2,663	43,970	1,878,107
Re-insurance expenses	(122,040)	(29,705)	(27,409)	(59,431)	(40,648)	-	(1,902)	(14,939)	(296,074)
Net premium income	330,320	215,268	584,302	226,782	182,982	12,589	760	29,031	1,582,032
Fee Income and commission	21,434	2,803	893	131	6,026	-	488	2,644	34,419
Investment returns	-	-	-	-	-	-	-	-	-
Net underwriting income	<u>351,754</u>	<u>218,070</u>	<u>585,195</u>	<u>226,913</u>	<u>189,008</u>	<u>12,589</u>	<u>1,248</u>	<u>31,674</u>	<u>1,616,451</u>
Claim expenses(Gross)	(209,482)	(45,158)	(151,827)	(3,554)	(102,686)	(1,014)	(16,000)	(7,853)	(537,575)
Insurance claims recovered from reinsurers	118,432	145,582	69,966	6,712	(261,840)	7,886	(39,848)	63,518	110,407
Net insurance benefits and claims	(91,050)	100,423	(81,862)	3,158	(364,526)	6,872	(55,848)	55,665	(427,168)
Underwriting expenses	(154,921)	(62,454)	(117,861)	(41,733)	(68,523)	(1,745)	(3,896)	(9,761)	(460,896)
Total expenses	<u>(245,972)</u>	<u>37,970</u>	<u>(199,723)</u>	<u>(38,575)</u>	<u>(433,049)</u>	<u>5,126</u>	<u>(59,744)</u>	<u>45,904</u>	<u>(888,063)</u>
Reportable segment profit	<u>105,782</u>	<u>256,040</u>	<u>385,472</u>	<u>188,338</u>	<u>(244,041)</u>	<u>17,715</u>	<u>(58,496)</u>	<u>77,578</u>	<u>728,388</u>

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

	Group 31 March 2018 N'000	Group 31 December 2017 N'000	Company 31 March 2018 N'000	Company 31 December 2017 N'000
8 CASH AND CASH EQUIVALENTS				
Cash in hand	758	430	758	332
Due from banks and other financial institutions (note 8.1)	1,338,617	1,360,443	941,495	976,328
	1,339,375	1,360,873	942,253	976,660
8.1 Due from banks and other financial institutions				
Balances held with banks	782,961	400,805	385,838	16,690
Placement with banks	555,656	959,638	555,656	959,638
	1,338,617	1,360,443	941,495	976,328
Short-term deposits are made for varying period of one day and three months depending on the immediate cash requirement of the group.				
For the purpose of cash flows, cash and cash equivalents comprises include cash and bank balances (as above)				
	1,339,375	1,360,873	942,253	976,660

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

	Group 31 March 2018 N'000	Group 31 December 2017 N'000	Company 31 March 2018 N'000	Company 31 December 2017 N'000
9 FINANCIAL ASSETS				
The group financial assets are summarised below by measurement category :				
Held to maturity (Note 9.1)	11,337	429,634	11,337	11,748
Loans and receivables (Note 9.2)	115,594	118,140	112,911	115,437
Available for sale financial asset (Note 9.3)	580,036	293,383	279,504	264,889
	706,966	841,157	403,752	392,074
9.1 Held to maturity				
Government securities	11,337	342,050	11,337	6,069
Treasury bills	-	87,584	-	5,679
	11,337	429,634	11,337	11,748
Due within 12 months	1,350	87,584	1,350	1,350
Due after 12 months	9,987	342,050	9,987	10,398
	11,337	429,634	11,337	11,748
There are no impaired held to maturity investments at 31 December 2016 (2015 nil)				
9.2 Loan and receivables				
Staff loan	115,594	118,140	112,911	115,437
	115,594	118,140	112,911	115,437
Due within 12 months	48,172	41,992	46,474	93,583
Due after 12 months	67,422	76,148	66,437	21,854
	115,594	118,140	112,911	115,437
9.2a Staff loan	118,242	120,788	115,559	118,085
Allowance for impairment (Note 9.2c)	(2,648)	(2,648)	(2,648)	(2,648)
	115,594	118,140	112,911	115,437

For loans and receivables exceeding 12 months, the estimated fair values of the loans and receivables are the discounted amount of the estimated future cash flows expected to be received. Expected cash flows are discounted factor at current market rates to determine fair value. For loans and receivables with maturity period of below 12 months, no discounting was applied.

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

9.2c Movement on the provision for impaired loans and receivables are as follows :

Group	Staff loan	Total
	N'000	N'000
At beginning of year	1,260	1,260
Provision for impairment	1,388	1,388
Provision no longer required	-	-
Amount written off during the year as uncollectible	-	-
Unused amount reversed	2,648	2,648
Company	Staff loan	Total
	N'000	N'000
At beginning of year	1,260	1,260
Provision for impairment	1,388	1,388
Provision no longer required	-	-
Amount written off during the year as uncollectible	-	-
Unused amount reversed	2,648	2,648

	Group 31 March 2018 N'000	Group 31 December 2017 N'000	Company 31 March 2018 N'000	Company 31 December 2017 N'000
9.3 Available for sale investment				
Listed	182,913	196,793	182,913	168,298
Unlisted	397,123	96,590	96,591	96,591
	580,036	293,383	279,504	264,889
Due within 12 months	-	-	-	-
Due after 12 months	580,036	293,383	279,504	264,889
	580,036	293,383	279,504	264,889

The Group investment in unquoted equity financial instrument could not be fair valued as there were no observable data for which the entity could be fair valued, the carrying amount was based on cost less impairment.

The quoted equity financial instrument are measured at market value, the cumulative gain or loss are recognised in other comprehensive income.

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

9.4 The movement in financial assets may be summarised as follows:

Group	Held to maturity N'000	Loans and receivables N'000	Available for sale N'000	Total N'000
At beginning of year	11,748	118,085	264,888	394,722
Additions	-	2,683	300,532	303,215
Disposals(sale and redemption)	(411)	(2,526)	-	(2,937)
Fair value gains/losses	-	-	14,615	14,615
Impairment losses	-	(2,648)	-	(2,648)
At end of period	<u>11,337</u>	<u>115,593</u>	<u>580,036</u>	<u>706,966</u>

Company	Held to maturity N'000	Loans and receivables N'000	Available for sale N'000	Total N'000
At beginning of year	11,748	118,085	264,888	394,722
Additions	-	-	-	-
Disposals(sale and redemption)	(411)	(2,526)	-	(2,937)
Fair value gains/losses	-	-	14,615	14,615
Impairment losses	-	(2,648)	-	(2,648)
At end of period	<u>11,337</u>	<u>112,911</u>	<u>279,504</u>	<u>403,751</u>

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

	Group 31 March 2018 N'000	Group 31 December 2017 N'000	Company 31 March 2018 N'000	Company 31 December 2017 N'000
10 TRADE RECEIVABLES				
Due from agents	-	-	-	-
Due from brokers	2,151,208	2,108,953	1,889,906	1,660,328
Due from Reinsurance companies	-	-	-	-
	<u>2,151,208</u>	<u>2,108,953</u>	<u>1,889,906</u>	<u>1,660,328</u>
Allowance for impairment (Note 10.1)	(1,761,753)	(1,761,753)	(1,600,191)	(1,600,191)
	<u>389,455</u>	<u>347,200</u>	<u>289,715</u>	<u>60,137</u>
Due within 12months	389,455	347,200	289,715	60,137
Due after 12 months	-	-	-	-
	<u>389,455</u>	<u>347,200</u>	<u>289,715</u>	<u>60,137</u>

10.1 Movement on the allowance for impairment of receivables arising out of direct insurance arrangements are as follows:

	Group N'000	Company N'000
At beginning of year	1,761,753	1,600,191
Provision for impairment	-	-
Provision no longer required	-	-
Amount written off during the year as uncollectible	-	-
At end of period	<u>1,761,753</u>	<u>1,600,191</u>

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

	Group 31 March 2018 N'000	Group 31 December 2017 N'000	Company 31 March 2018 N'000	Company 31 December 2017 N'000
11 REINSURANCE ASSETS				
Prepaid reinsurance (note 11.1)	271,855	263,355	263,355	263,355
Reinsurance recoverable	789,602	24,000	772,102	772,939
Prepaid M&D Deposit - Re-Insurance	35,100	772,939	35,100	24,000
	1,096,557	1,060,294	# 1,070,557	# 1,060,294
Due within 12months	809,156	772,893	783,156	772,893
Due after 12 months	287,401	287,401	287,401	287,401
	1,096,557	1,060,294	# 1,070,557	# 1,060,294
11.1 Movement in prepaid reinsurance				
At beginning of year	263,355	414,250	263,355	414,250
Additions during the year	332,030	1,306,613	323,530	1,306,613
Amortisation during the year	(323,530)	(1,457,508)	(323,530)	(1,457,508)
At end of period	271,855	263,355	# 263,355	# 263,355

There were no indicators of impairment for re-insurance assets. Therefore, no impairment allowance is required in respect of these assets. The carrying amounts disclosed above is in respect of the reinsurance contracts which approximate the fair value at the reporting date.

	Group 31 March 2018	Group 31 December 2017	Company 31 March 2018	Company 31 December 2017
12 OTHER RECEIVABLES AND PREPAYMENTS				
Accrued income (Note 12.2)	35,741	19,478	19,477	19,478
Prepayment (Note 12.2)	129,455	121,042	119,843	111,430
Other receivables (Note 12.1)	165,495	177,188	72,321	73,071
	330,691	317,708	211,642	203,980
Due within 12months	330,691	317,708	# 211,642	# 203,980
Due after 12 months	-	-	-	-
	330,691	317,708	# 211,642	# 203,980
12.1 Other receivables				
Stock- consumables	-	-	-	-
Deposit for assets	-	-	-	-
Other sundry debtors	2,393,661	265,021	2,300,487	160,904
	2,393,661	265,021	2,300,487	160,904
Allowance for impairment (Note 9.2c)	(2,228,166)	(87,833)	(2,228,166)	(87,833)
	165,495	177,188	72,321	73,071
12.2 The movement in other receivables and prepayments may be summarised as follows:				
Group	Accrued income N'000	Prepayment N'000	Other receivables N'000	Total N'000
At beginning of year	19,478	121,042	2,301,237	2,441,758
Additions	16,263	19,592	93,174	129,029
Realisation	-	-	(750)	(750)
Expensed during the year	-	(11,179)	-	(11,179)
Allowance for impairment	-	-	(2,228,166)	(2,228,166)
At end of period	35,741	129,455	165,495	330,691
Company	Accrued income N'000	Prepayment N'000	Other receivables N'000	Total N'000
At beginning of year	19,477	111,430	2,301,237	2,432,145
Additions	-	19,592	-	19,592
Realisation	-	-	(750)	(750)
Expensed during the year	-	(11,179)	-	(11,179)
Allowance for impairment	-	-	(2,228,166)	(2,228,166)
At end of period	19,477	119,843	72,321	211,642

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

	Group 31 March 2018 N'000	Group 31 December 2017 N'000	Company 31 March 2018 N'000	Company 31 December 2017 N'000
13 DEFERRED ACQUISITION COST				
At beginning of year	161,135	249,914	161,135	249,914
Additions during the year	268,680	717,935	246,069	717,935
Amortisation during the year	(152,813)	(806,714)	(145,402)	(806,714)
At end of period	277,001	161,135	261,801	161,135
Due within 12months	277,001	161,135	261,801	161,135
Due after 12 months	-	-	-	-
	277,001	161,135	261,801	161,135

14 INVESTMENT IN SUBSIDIARY

14.1 The following table illustrates the summarized financial information of the company's investment in Staco Sierra Leone Limited

Share of the Subsidiary's statement of financial position:

Assets	-	-	-	920,133
Liabilities	-	-	-	733,504
Equity	-	-	-	186,629

Share of Subsidiary's reserves and profit or loss:

Contingency reserve	-	-	-	41,746
Retained earnings	-	-	-	99,561
	-	-	-	141,307

Carrying amount of the investment

-	-	327,937	327,936
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14.2 Appreciation/(Diminution) in investment

Carrying amount of the investment	-	-	327,937	327,936
Cost of investment	-	-	74,733	74,733
Appreciation in investment	-	-	253,204	253,203

This represents 60% holding in the ordinary share capital of Staco Sierra Leone Limited, a subsidiary incorporated and operating in Sierra Leone

15 INVESTMENT PROPERTIES

At 1 January	1,520,000	1,520,000	1,520,000	1,520,000
Addition during the year	-	-	-	-
Revaluation surplus (Note 28c)	-	-	-	-
At end of period	1,520,000	1,520,000	1,520,000	1,520,000

Cost/Valuation at 31 March, 2018 is represented by:

Valuation	495,000	495,000	495,000	495,000
Cost	1,025,000	1,025,000	1,025,000	1,025,000
	1,520,000	1,520,000	1,520,000	1,520,000

Investment properties are carried at fair value which are determined by independent professional valuers. The determination of fair value of the investment properties was supported by market evidence. The modalities and process utilized extensive analysis of market data and other sector specific peculiarities corroborated with available database derived from previous experience.

The investment property is a landed property held for the purpose of capital appreciation. It is a bare land located at No 13 Glover Road, Ikoyi in Eti Osa Local Government Area of Lagos State.

The property was independently valued by Dennis Osamudiam (FRC/2013/NIESV/00000003727) for Dennis Osamudiam & Co on 13th December 2017 at N1,520,000,000 (2015 : N1,520,000,000) on the basis of open market value.

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

	Group 31 March 2018 N'000	Group 31 December 2017 N'000	31 Company March 2018 N'000	Company 31 December 2017 N'000
16 DEFERRED TAX ASSETS				
At 1 January	7,820	-	-	-
Charge for the period	-	7,820	-	-
At 31 March	<u>7,820</u>	<u>7,820</u>	<u>-</u>	<u>-</u>

The movement in deferred income tax liabilities during the year is as follows:

16.1 DEFERRED TAX LIABILITY	N'000	N'000	N'000	N'000
At 1 January	98,050	101,892	98,050	98,050
Charge for the period	-	(3,842)	-	-
At 31 March	<u>98,050</u>	<u>98,050</u>	<u>98,050</u>	<u>98,050</u>

The movement in deferred income tax liabilities during the year is as follows:

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

17 LEASED ASSETS -Group

	Furniture Fittings and equipment N'000	Motor Vehicle N'000	TOTAL N'000
Cost			
At 1 January 2018	-	592,767	592,767
Additions	-	-	-
At 31 March 2018	-	592,767	592,767
Accumulated depreciation			
At 1 January 2018	-	379,920	379,920
Charge for the period	-	11,028	11,028
At 31 March 2018	-	390,948	390,948
Carrying value			
At 31 March 2018	-	201,819	201,819
At 31 December 2017	-	212,847	212,847

17 LEASED ASSETS -Company

	Furniture Fittings and equipment N'000	Motor Vehicle N'000	TOTAL N'000
Cost			
At 1 January 2018	-	592,767	592,767
Additions	-	-	-
At 31 March 2018	-	592,767	592,767
Accumulated depreciation			
At 1 January 2018	-	379,920	379,920
Charge for the period	-	11,028	11,028
At 31 March 2018	-	390,948	390,948
Carrying value			
At 31 March 2018	-	201,819	201,819
At 31 December 2017	-	212,847	212,847

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

18 PROPERTY ,PLANT AND EQUIPMENT -Group

	Land and Building N'000	Plant and Machinery N'000	Furniture Fittings and equipment N'000	Motor Vehicle N'000	Work in Progress N'000	TOTAL N'000
Cost						
At 1 January 2018	2,220,609	283,478	1,109,874	1,525,813	4,226	5,144,000
Additions	-	13,831	10,318	20,601	-	44,751
Disposal	-	-	-	-	-	-
Revaluation surplus (Note 27d)	-	-	-	-	-	-
At 31 March 2018	<u>2,220,609</u>	<u>297,309</u>	<u>1,120,192</u>	<u>1,546,414</u>	<u>4,226</u>	<u>5,188,751</u>
Accumulated depreciation						
At 1 January 2018	34,401	130,987	640,875	1,333,113	-	2,139,376
Charge for the period	5,289	5,286	19,757	24,658	-	54,990
Disposal	-	-	-	-	-	-
At 31 March 2018	<u>39,691</u>	<u>136,272</u>	<u>660,632</u>	<u>1,357,771</u>	<u>-</u>	<u>2,194,366</u>
Carrying value						
At 31 March 2018	<u>2,180,918</u>	<u>161,037</u>	<u>459,560</u>	<u>188,643</u>	<u>4,226</u>	<u>3,041,365</u>
At 31 December 2017	<u>1,855,699</u>	<u>152,491</u>	<u>468,999</u>	<u>523,209</u>	<u>4,226</u>	<u>3,004,624</u>
Cost/Valuation at 31 March, 2018 is represented by:						
At Cost	996,720	222,909	969,801	1,470,493	4,226	3,664,149
At Valuation	<u>1,223,789</u>	<u>297,309</u>	<u>1,120,192</u>	<u>1,546,414</u>	<u>4,226</u>	<u>4,191,931</u>
	<u>2,220,509</u>	<u>520,218</u>	<u>2,089,993</u>	<u>3,016,907</u>	<u>8,452</u>	<u>7,856,080</u>

The property was independently valued by Dennis Osamudiam (FRC/2013/NIESV/00000003727) for Dennis Osamudiam & Co on 13th December 2017 at N2,050,509,000 (2016: N2,050,509,000) on the basis of open market value.

Depreciation expenses of N54,990 has been charged in operating and administrative expenses

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

18 PROPERTY, PLANT AND EQUIPMENT -Company

	Land and Building N'000	Plant and Machinery N'000	Furniture Fittings and equipment N'000	Motor Vehicle N'000	Work in Progress N'000	TOTAL N'000
Cost						
At 1 January 2018	2,220,609	283,478	1,066,129	1,502,862	4,226	5,077,304
Additions	-	13,831	10,045	2,931	-	26,807
Disposal						-
Revaluation surplus (Note 27d)						-
At 31 March 2018	<u>2,220,609</u>	<u>297,309</u>	<u>1,076,174</u>	<u>1,505,793</u>	<u>4,226</u>	<u>5,104,111</u>
Accumulated depreciation						
At 1 January 2018	34,401	130,987	617,912	1,323,274	-	2,106,574
Charge for the period	5,289	5,286	17,939	23,700	-	52,214
Disposal						-
At 31 March 2018	<u>39,691</u>	<u>136,272</u>	<u>635,851</u>	<u>1,346,974</u>	<u>-</u>	<u>2,158,788</u>
Carrying value						
At 31 March 2018	<u>2,180,918</u>	<u>161,037</u>	<u>440,323</u>	<u>158,820</u>	<u>4,226</u>	<u>2,945,324</u>
At 31 December 2017	<u>2,186,208</u>	<u>152,491</u>	<u>448,217</u>	<u>179,588</u>	<u>4,226</u>	<u>2,970,730</u>
Cost/Valuation at 31 March, 2018 is represented by:						
At Cost	996,820	297,309	1,076,174	1,505,793	4,226	3,880,322
At Valuation	<u>1,223,789</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,223,789</u>
	<u>2,220,609</u>	<u>297,309</u>	<u>1,076,174</u>	<u>1,505,793</u>	<u>4,226</u>	<u>5,104,111</u>

The property was independently valued by Dennis Osamudiamé (FRC/2013/NIESV/00000003727) for Dennis Osamudiamé & Co on 13th December 2017 at N2,050,509,000 (2016: N2,050,509,000) on the basis of open market value.

Depreciation expenses of N52,214 has been charged in operating and administrative expenses

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

	Group	Group	Company	Company
	31	31	31	31
	March	December	March	December
	2018	2017	2018	2017
	N'000	N'000	N'000	N'000
19 STATUTORY DEPOSIT				
This represents amount deposited with Central Bank of Nigeria (CBN) in accordance with section 10(3) of the Insurance Act, 2003	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
Due within 12 months	-	-	-	-
Due after 12 months	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

	Group 31 March 2018 N'000	Group 31 December 2017 N'000	Company 31 March 2018 N'000	Company 31 December 2017 N'000
20 INTANGIBLE ASSET				
Goodwill (Note 20.1)	-	-	-	-
Software (Note 20.2)	52,699	60,105	52,699	56,000
	52,699	60,105	52,699	56,000
20.1 Intangible Asset - Goodwill				
Cost				
At 1 January	-	50,460	-	-
Addition	-	-	-	-
At 31 March	-	50,460	-	-
Amortisation				
At 1 January	-	50,460	-	-
Amortisation	-	-	-	-
At 31 March	-	50,460	-	-
Carrying value				
At 31 March	-	-	-	-
20.2 Intangible Asset - Software				
Cost				
At 1 January	182,369	178,125	182,369	178,125
Cost capitalised	9	11,067	9	4,244
At 31 March	182,378	189,192	182,378	182,369
Amortisation				
At 1 January	126,369	108,204	126,369	108,204
Amortisation	3,310	20,883	3,310	18,165
At 31 March	129,679	129,087	129,679	126,369
Carrying value				
At 31 March	52,699	60,105	52,699	56,000

The intangible assets of the company comprised of goodwill and computer software. The computer softwares are accounted for using the cost model of IAS 38 i.e cost less accumulated amortization and less accumulated impairment. The amortization is charged to income statement in line with the Company's policy.

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

	Group 31 March 2018 N'000	Group 31 December 2017 N'000	Company 31 March 2018 N'000	Company 31 December 2017 N'000
21 INSURANCE CONTRACT LIABILITIES				
General business (note 21.1)	4,001,538	3,452,617	3,983,505	3,299,495
Life business (note 21.2)	248,503	249,260	-	-
Total insurance liabilities	<u>4,250,041</u>	<u>3,701,877</u>	<u>3,983,505</u>	<u>3,299,495</u>
Due within 12 months	4,250,041	3,701,877	3,983,505	3,299,495
Due after 12 months	-	-	-	-
	<u>4,250,041</u>	<u>3,701,877</u>	<u>3,983,505</u>	<u>3,299,495</u>
21.1 General business liabilities				
Outstanding claims provision (note 21.1a)	2,012,032	1,429,882	2,022,609	1,350,460
Claims incurred but not reported (note 20.1b)	202,261	477,649	202,261	477,649
Provision for unearned premium (note 21.1c)	<u>1,787,245</u>	<u>1,545,086</u>	<u>1,758,635</u>	<u>1,471,386</u>
Total general business insurance contract liability	<u>4,001,538</u>	<u>3,452,617</u>	<u>3,983,505</u>	<u>3,299,495</u>

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

	Group 31 March 2018 N'000	Group 31 December 2017 N'000	Company 31 March 2018 N'000	Company 31 December 2017 N'000
Outstanding claims provision - General business				
21.1a Movement in outstanding claims provision				
At 1 January	1,429,882	1,242,108	1,350,461	1,182,295
Claims incurred in the current year	1,103,711	2,534,684	1,181,427	2,500,880
Claims paid during the year	(521,561)	(2,346,910)	(509,279)	(2,332,715)
At 31 March	<u>2,012,032</u>	<u>1,429,882</u>	<u>2,022,609</u>	<u>1,350,460</u>
Claims incurred but not reported (IBNR) provision				
21.1b Movement in IBNR provision				
Movement in IBNR provision				
At 1 January	477,649	394,651	477,649	394,651
Movement during the year	(275,388)	82,998	(275,388)	82,998
At 31 March	<u>202,261</u>	<u>477,649</u>	<u>202,261</u>	<u>477,649</u>

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

21.1c Unearned Premium -Group

	Unearned premium 2018	Movement	Unearned premium 2017
Fire	446,480	84,989	361,491
Engineering	68,689	15,729	52,960
Motor	599,509	123,927	475,582
General Accident	293,136	62,715	230,421
Marine	136,222	(47,805)	184,027
Bond	7,796	(13,018)	20,814
Oil and gas	205,836	(6,911)	212,747
Aviation	969	(3,128)	4,097
Others	28,610	25,663	2,947
	1,787,245	242,159	1,545,086

These provision represents the liability for short term insurance contracts for which the Group's obligations have not expired at year end, The unearned premium provision relates to the casualty insurance contracts for which the group expect to pay claims in excess of the related unearned premium provision.

21.1c Unearned Premium -Company

	Unearned premium 2018	Movement	Unearned premium 2017
Fire	446,480	84,989	361,491
Engineering	68,689	15,729	52,960
Motor	599,509	123,927	475,582
General Accident	293,136	133,468	159,668
Marine	136,222	(47,805)	184,027
Bond	7,796	(13,018)	20,814
Oil and gas	205,836	(6,911)	212,747
Aviation	969	(3,128)	4,097
	1,758,635	287,249	1,471,386

These provision represent the liability for short term insurance contracts for which the Group's obligations are not expired at period end, The unearned premium provision relates to the casualty insurance contracts for which the group expect to pay claims in excess of the related unearned premium provision.

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

	Group 31 March 2018 N'000	Group 31 December 2017 N'000	Company 31 March 2018 N'000	Company 31 December 2017 N'000
21.2 Life insurance liabilities				
Provision for outstanding claims	-	757	-	-
Life liability (note 20.2a)	248,503	248,503	-	-
	<u>248,503</u>	<u>249,260</u>	<u>-</u>	<u>-</u>
21.2a The movement on the life funds account during the year was as follows :				
At 1 January	248,503	146,660	-	-
Increase/(decrease) during the year	-	101,843	-	-
At 31 March	<u>248,503</u>	<u>248,503</u>	<u>-</u>	<u>-</u>
22 FINANCIAL LIABILITIES				
Convertible bond (Note 21.1)	3,647,036	3,608,694	3,647,036	3,608,694
Short term loan	986,158	836,152	986,158	836,152
	<u>4,633,195</u>	<u>4,444,846</u>	<u>4,633,195</u>	<u>4,444,846</u>
22.1 Convertible Bond				
This represents zero coupon JPY 1,200,000,000 direct, unconditional, unsubordinated and unsecured European bond with option issued on 9 November, 2007 to Daewoo Securities Europe Limited. The Bonds were issued with the option to subscribe for the ordinary Shares of the company with a yield of 4.25% per annum while the tenor of the convertible option is valid up to year 2029.				
	Group 31 March 2018 N'000	Group 31 December 2017 N'000	Company 31 March 2018 N'000	Company 31 December 2017 N'000
As 1 January	3,608,694	3,039,773	3,608,694	3,039,773
Movement during the year(Note 22.2)	38,342	568,921	38,342	568,921
At 31 March	<u>3,647,036</u>	<u>3,608,694</u>	<u>3,647,036</u>	<u>3,608,694</u>
22.2 Movement during the year				
Interest and default charges on the bond	38,342	141,069	38,342	141,069
Exchange gain / loss	-	784,289	-	784,289
Payments during the year	-	-	-	-
Provision no longer required	-	(356,437)	-	(356,437)
	<u>38,342</u>	<u>568,921</u>	<u>38,342</u>	<u>568,921</u>
22.3 Short term loan	<u>986,158</u>	<u>836,152</u>	<u>986,158</u>	<u>836,152</u>

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

	Group 31 March 2018 N'000	Group 31 December 2017 N'000	Company 31 March 2018 N'000	Company 31 December 2017 N'000
23 TRADE PAYABLES				
Insurance companies	86,661	33,536	1,363	16,416
Reinsurance payables (Note 23.1)	2	71,237	2	71,237
	<u>86,663</u>	<u>104,773</u>	<u>1,365</u>	<u>87,653</u>
23.1 Reinsurance payables				
Reinsurance premium payable	2	71,237	2	71,237
Minimum deposit payable	-	-	-	-
	<u>2</u>	<u>71,237</u>	<u>2</u>	<u>71,237</u>
24a OTHER PAYABLES				
Lease obligation	7,774	15,753	7,774	15,753
Accruals	6,000	32,012	6,000	6,000
Other creditors (note 24.1)	10,367	70,075	6,624	16,240
	<u>24,141</u>	<u>117,840</u>	<u>20,398</u>	<u>37,993</u>
24.1 The breakdown of other creditors is as below:				
Tax payables	-	-	-	-
Other payables	10,367	70,075	6,624	16,240
	<u>10,367</u>	<u>70,075</u>	<u>6,624</u>	<u>16,240</u>
The carrying amounts disclosed above approximate the fair value at the reporting date. All amount are payable within one year.				
Due within 12 months	10,367	70,075	6,624	16,240
Due after 12 months	-	-	-	-
	<u>10,367</u>	<u>70,075</u>	<u>6,624</u>	<u>16,240</u>

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

Group 31 March 2018 N'000	Group 31 December 2017 N'000	Company 31 March 2018 N'000	Company 31 December 2017 N'000
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26 EMPLOYEE BENEFIT LIABILITY

Gratuity scheme

The Group has a post employment benefit scheme which is not funded

The movement in the defined benefit obligation over the year is as follows:

At beginning of year	9,910	5,818	-	-
Current service cost	-	650	-	-
Benefits paid		(441)	-	-
At 31 March	<u>9,910</u>	<u>6,027</u>	<u>-</u>	<u>-</u>
Due within 12 months	-	-	-	-
Due after 12 months	<u>9,910</u>	<u>6,027</u>	<u>-</u>	<u>-</u>

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

	Group 31 March 2018 N'000	Group 31 December 2017 N'000	Company 31 March 2018 N'000	Company 31 December 2017 N'000
27 TAXATION				
27.1 Charge				
Income	15,000	109,388	10,000	35,000
Education tax	-	-	-	-
Prior year under provision	-	-	-	-
Technology tax	-	-	-	-
	<u>15,000</u>	<u>109,388</u>	<u>10,000</u>	<u>35,000</u>
Deferred tax (note 15)	-	(3,842)	-	-
Charge for the period	<u>15,000</u>	<u>105,546</u>	<u>10,000</u>	<u>35,000</u>
27.2 Tax liability				
The movement on tax payable account during the year is as follows:				
At 1 January	108,635	86,749	15,506	21,804
Payments during the year	(72,011)	(83,660)	-	(41,298)
Charge for the period	<u>15,000</u>	<u>105,546</u>	<u>10,000</u>	<u>35,000</u>
At 31 March	<u>51,624</u>	<u>108,635</u>	<u>25,506</u>	<u>15,506</u>

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

	Group 31 March 2018 N'000	Group 31 December 2017 N'000	Company 31 March 2018 N'000	Company 31 December 2017 N'000
28 EQUITY				
28a Share capital				
Authorised 9 billion(2012 -7 billion) ordinary shares of 50k each	<u>6,500,000</u>	<u>6,500,000</u>	<u>6,500,000</u>	<u>6,500,000</u>
Issued and fully paid 9,341,087,609 units of ordinary shares of 50k each	<u>4,670,544</u>	<u>4,670,544</u>	<u>4,670,544</u>	<u>4,670,544</u>
At 1 January	4,670,544	4,670,544	4,670,544	4,670,544
Issued during the year	-	-	-	-
At 31 March	<u>4,670,544</u>	<u>4,670,544</u>	<u>4,670,544</u>	<u>4,670,544</u>
28c Share premium	<u>434,164</u>	<u>434,164</u>	<u>434,164</u>	<u>434,164</u>
Premium arising from the issue of shares are reported in the share premium account.				
28d Revaluation reserve				
At 1 January	1,595,299	1,595,299	1,595,299	1,595,299
Addition during the year (Note 18)	-	-	-	-
At 31 March	<u>1,595,299</u>	<u>1,595,299</u>	<u>1,595,299</u>	<u>1,595,299</u>
Under current regulations, assets revaluation reserve is not available for distribution to shareholders either as dividends or bonus shares.				
No provision was made for deferred capital gains tax as the property is not meant for sale in the foreseeable future.				
28e Fair value reserves				
At the beginning of the year	163,938	61,491	417,141	271,985
Additions during the year	14,615	102,447	14,615	102,447
Appreciation on investment in Subsidiary(Note 14.2)	-	-	-	42,709
At end of the period	<u>178,553</u>	<u>163,938</u>	<u>431,756</u>	<u>417,141</u>

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

	Group 31 March 2018 N'000	Group 31 December 2017 N'000	Company 31 March 2018 N'000	Company 31 December 2017 N'000
28f Contingency reserve				
In accordance with the Insurance act, a contingency reserve is credited with the greater of 3% of total premiums or 20% of profits for general business and 1% of total premiums or 10% of profits for life business. This shall accumulate until it reaches the amount of greater of minimum paid- up capital or 50 percent of net premium.				
At the beginning of the year	2,118,535	1,952,489	2,077,338	1,920,595
Transfer from profit and loss	47,910	166,046	47,910	156,743
At end of the Period	<u>2,166,445</u>	<u>2,118,535</u>	<u>2,125,248</u>	<u>2,077,338</u>
28g Retained Earnings				
General reserve consist of undistributed profits from previous years.				
At the beginning of the year	(8,538,831)	(5,613,715)	(8,936,238)	(5,821,241)
Transfer from profit and loss	(374,980)	(2,602,383)	(507,385)	(2,958,253)
Transfer to contingency reserve	(47,910)	(166,046)	(47,910)	(156,743)
Revaluation of investment assets	-	-	-	-
At end of the year	<u>(8,961,721)</u>	<u>(8,382,144)</u>	<u>(9,491,533)</u>	<u>(8,936,237)</u>
Translation reserve (Note 28f(ii))	<u>(194,187)</u>	<u>(156,687)</u>	-	-
	<u>(9,155,908)</u>	<u>(8,538,831)</u>	<u>(9,491,533)</u>	<u>(8,936,237)</u>
28g(i) Translation Reserve				
At 1 January	(156,687)	(47,155)	-	-
Movement during the year	<u>(37,500)</u>	<u>(109,532)</u>	-	-
At 31 March	<u>(194,187)</u>	<u>(156,687)</u>	-	-
28h Non-controlling Interest				
Equity	168,066	111,126	-	-
Share of profit	<u>52,962</u>	<u>56,940</u>	-	-
	<u>221,028</u>	<u>168,066</u>	-	-

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

	Group 31 March 2018 N'000	Group 31 March 2017 N'000	Company 31 March 2018 N'000	Company 31 March 2017 N'000
29 NET PREMIUM INCOME				
a Gross Premium written	1,757,117	1,899,844	1,596,995	1,761,200
Change in unearned premium provision	(242,159)	161,780	(287,249)	116,907
Gross premium income	<u>1,514,958</u>	<u>2,061,624</u>	<u>1,309,746</u>	<u>1,878,107</u>
b Reinsurance expenses:				
Premium ceded to reinsurers	(311,830)	(276,206)	(311,830)	(276,206)
Prepaid reinsurance	(11,700)	(31,019)	(11,700)	(19,869)
	<u>(323,530)</u>	<u>(307,224)</u>	<u>(323,530)</u>	<u>(296,074)</u>
Net premium income	<u>1,191,428</u>	<u>1,754,400</u>	<u>986,217</u>	<u>1,582,032</u>
	Group 31 March 2018 N'000	Group 31 March 2017 N'000	Company 31 March 2018 N'000	Company 31 March 2017 N'000
30 FEES AND COMMISSION INCOME				
Fee income arising on insurance contracts	46,442	34,419	46,442	34,419
	-	-	-	-
	<u>46,442</u>	<u>34,419</u>	<u>46,442</u>	<u>34,419</u>

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

31 CLAIMS EXPENSES

	Group 31 March 2018 N'000	Group 31 March 2017 N'000	Company 31 March 2018 N'000	Company 31 March 2017 N'000
Gross benefit and claims paid (Note 31.1)	521,561	545,236	509,279	537,575
Movement in Outstanding claims (Note 31.2)	396,761	(44,928)	396,761	(44,928)
	918,321	500,308	906,039	492,647
Claims and Benefits recovered from Reinsurers (Note 31.3)	(110,947)	(65,479)	(110,947)	(65,479)
Net Claims Expenses	807,374	434,829	795,092	427,168

31.1 GROSS BENEFIT AND CLAIMS PAID

	Group 31 March 2018 N'000	Group 31 March 2017 N'000	Company 31 March 2018 N'000	Company 31 March 2017 N'000
Fire	238,744	211,929	238,744	209,482
Engineering	10,541	7,853	10,541	7,853
Motor	177,542	154,685	166,619	151,827
General Accident	61,118	47,515	59,760	45,158
Marine	21,691	102,686	21,691	102,686
Bond	3,750	16,000	3,750	16,000
Oil and gas	8,100	3,554	8,100	3,554
Aviation	73	1,014	73	1,014
Others	-	-	-	-
Total benefits and claims paid	521,561	545,236	509,279	537,575

The insurance claims comprise of claims paid, claims expenses paid including loss adjuster fees.

31.2 MOVEMENT IN OUTSTANDING CLAIMS

	Group 31 March 2018 N'000	Group 31 March 2017 N'000	Company 31 March 2018 N'000	Company 31 March 2017 N'000
General business (Note 31.2a)	396,761	(44,928)	396,761	(44,928)
Life business	-	-	-	-
	396,761	(44,928)	396,761	(44,928)

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

31.1 Breakdown of claims and benefit recoverable from reinsurers

	Group 31 March 2018 N'000	Group 31 March 2017 N'000	Company 31 March 2018 N'000	Company 31 March 2017 N'000
Fire	79,084	43,257	79,084	43,257
Engineering	-	788	-	788
Motor	6,418	19,320	6,418	19,320
General Accident	-	6,187	-	6,187
Marine	25,444	4,676	25,444	4,676
Bond	-	-	-	-
Oil and gas	-	-	-	-
Aviation	-	-	-	-
	110,947	74,229	110,947	74,229

31.1 Breakdown of movement in outstanding claims

	Group 31 March 2018 N'000	Group 31 March 2017 N'000	Company 31 March 2018 N'000	Company 31 March 2017 N'000
Fire	349,088		349,088	(78,781)
Engineering	(6,449)		(6,449)	(63,171)
Motor	20,639		20,639	(52,256)
General Accident	81,091		81,091	(140,272)
Marine	(31,356)		(31,356)	266,114
Bond	185		185	39,792
Oil and gas	(33,089)		(33,089)	(8,468)
Aviation	16,652		16,652	(7,886)
	396,761	-	396,761	(44,928)

31.3 Claim Expenses Recovered from Reinsurers

	Group 31 March 2018 N'000	Group 31 March 2017 N'000	Company 31 March 2018 N'000	Company 31 March 2017 N'000
General business	110,947	74,229	110,947	74,229
Life business	-	-	-	-
	110,947	74,229	110,947	74,229

Insurance recoveries and recoverable consist of actual amount recovered from the reinsurers.

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

	Group 31 March 2018 N'000	Group 31 March 2017 N'000	Company 31 March 2018 N'000	Company 31 March 2017 N'000
32 UNDERWRITING EXPENSES				
Acquisition expenses (Note 32.1)	152,813	304,669	145,402	292,208
Maintenance expenses (Note 32.2)	91,307	168,688	91,307	168,688
	<u>244,120</u>	<u>473,357</u>	<u>236,709</u>	<u>460,896</u>
33.1a Breakdown of acquisition expenses				
Acquisition cost paid by company	30,762	32,495	28,539	32,495
Acquisition cost deducted at source by Brokers	222,717	264,735	217,530	242,694
	<u>253,480</u>	<u>297,231</u>	<u>246,069</u>	<u>275,190</u>
Movement in DAC	(100,667)	7,439	(100,667)	17,018
Acquisition expenses charged	<u>152,813</u>	<u>304,669</u>	<u>145,402</u>	<u>292,208</u>
Movement in DAC				
Opening DAC 01/01/2018	161,135	249,914	161,135	249,914
Less: Closing DAC 31/03/2018	<u>(261,801)</u>	<u>(242,475)</u>	<u>(261,801)</u>	<u>(232,895)</u>
	<u>(100,667)</u>	<u>7,439</u>	<u>(100,667)</u>	<u>17,018</u>
32.1 Breakdown of acquisition expenses				
	Group 31 March 2018 N'000	Group 31 March 2017 N'000	Company 31 March 2018 N'000	Company 31 March 2017 N'000
Fire	72,818	98,215	70,620	93,733
Engineering	11,809	6,827	11,809	6,827
Motor	58,112	60,623	54,955	57,729
General Accident	58,972	68,026	56,934	57,030
Marine	33,051	48,150	33,034	44,481
Bond	1,457	1,213	1,457	1,213
Oil and gas	16,869	13,101	16,869	13,101
Aviation	392	1,076	392	1,076
	<u>253,480</u>	<u>297,231</u>	<u>246,069</u>	<u>275,190</u>

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

32.2 Breakdown of maintenance expenses

	Group 31 March 2018 N'000	Group 31 March 2017 N'000	Company 31 March 2018 N'000	Company 31 March 2017 N'000
Fire	21,718	55,418	21,718	55,418
Engineering	2,769	2,366	2,769	2,366
Motor	26,962	47,185	26,962	47,185
General Accident	14,519	21,195	14,519	21,195
Marine	15,829	29,044	15,829	29,044
Bond	419	538	419	538
Oil and gas	9,001	12,583	9,001	12,583
Aviation	89	360	89	360
	91,307	168,688	91,307	168,688
33 INVESTMENT INCOME				
Investment income	24,622	17,873	24,622	17,873
Dividend income	-	-	-	-
Held-to-maturity , loans and receivables	287	700	287	700
Cash and cash equivalents	40,331	30,116	13,717	30,116
Net investment income	65,239	48,690	38,625	48,690
33.1 Investment Income Distribution				
Share -shareholders	65,239	48,690	38,625	48,690
Share -policy holder	-	-	-	-
	65,239	48,690	38,625	48,690
34 NET REALISED GAIN/(LOSS) ON FINANCIAL ASSETS				
Realized gain/(loss) on disposal of financial assets	-	-	-	-
Impairment of financial assets	-	-	-	-
	-	-	-	-
35 OTHER INCOME				
Provision no longer required -financial assets	-	2,000	-	2,000
Provision no longer required -trade receivables	-	-	-	-
Foreign exchange translation gain/(loss)	-	-	-	-
Revaluation of investment assets	-	-	-	-
Gain / (Loss) on disposal of fixed assets	-	-	-	-
Excess interest charges	-	-	-	-
Sundry income	18,439	111,058	18,439	111,058
	18,439	113,058	18,439	113,058

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

	Group 31 March 2018 N'000	Group 31 March 2017 N'000	Company 31 March 2018 N'000	Company 31 March 2017 N'000
36 OPERATING AND ADMINISTRATIVE EXPENSE				
Management expenses comprise:				
Employee benefits expense (Note 36.1)	257,000	285,561	246,895	269,248
Depreciation-Property,plant and equipments	54,990	55,008	52,214	52,164
Depreciation -leased asset	11,028	13,393	11,028	13,393
Amortization -Intangible assets	3,310	2,193	3,310	2,193
Auditors remuneration	-	-	-	-
Directors' emolument	5,275	4,932	5,275	4,910
Finance cost (Note 36.2)	10,035	26,987	5,570	26,146
Operating expenses	250,053	266,200	192,672	224,210
Impairment loss on other receivables	-	-	-	-
Exchange loss on convertible bond	-	-	-	-
	<u>591,692</u>	<u>654,273</u>	<u>516,964</u>	<u>592,265</u>
36.1 Employee benefits expense				
Salaries and wages	173,349	241,270	168,329	227,752
Medical	10,056	13,119	9,435	12,334
Staff training	12,695	23,609	8,230	21,662
Terminal benefit	60,901	7,563	60,901	7,500
	<u>257,000</u>	<u>285,561</u>	<u>246,895</u>	<u>269,248</u>
36.2 Finance Cost				
Finance cost is made up of interest on finance lease, bank charges and interest on overdrawn bank accounts within the reporting period.	<u>10,035</u>	<u>26,987</u>	<u>5,570</u>	<u>26,146</u>
37 INTEREST ON CONVERTIBLE BOND				
Interest on bond (Note 22.2)	<u>38,342</u>	<u>75,994</u>	<u>38,342</u>	<u>75,994</u>

Interest was being charged at 4.25% per annum.

38 Securities Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) Staco Insurance Plc maintains a Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The Policy undergoes periodic reviews by the Board and is updated accordingly. The Company has made specific inquiries of all its directors and other insiders and is not aware of any infringement of the policy during the period.