STACO INSURANCE PLC

MANAGEMENT ACCOUNTS

FOR THE PERIOD ENDED 31 MARCH 2021

STACO INSURANCE PLC

FINANCIAL HIGHLIGHTS

	2021 N'000	2020 N'000	Growth %
Major statement of financial position			
Total assets	2,618,291	2,935,944	(10.82)
Shareholders' funds	(7,386,030)	(7,293,308)	1.27
Major statement of comprehensive income			
Gross premium	90,810	253,559	(64.19)
Net premium earned	90,272	285,431	(68.37)
Investment income	158	22,902	(99.31)
Other income	124,628	949	13,035.70
Net underwriting and claims expenses	(60,363)	(176,886)	(65.87)
(Loss)/profit before taxation	(87,722)	(228,804)	61.66
(Loss)/profit after taxation	(92,722)	(238,804)	61.17
Information per 50k ordinary share			
Earnings per share (kobo)	(1)	(3)	61.17
Net assets (kobo)	0	0	(0.11)
Stock exchange quotation (kobo) at 30 September	50	50	-
Price earning ratio	(0.02)	(0.05)	-

STACO INSURANCE PLC

STATEMENT OF FINANCIAL POSITION
AS AT 31 March 2021

ASSETS	Note	31 March 2021 N'000	31 December 2020 N'000
Cash and cash equivalents	**8**	90,699	403,701
Financial assets	**9**	135,994	137,863
Trade receivables	**10**	42,991	40,192
Reinsurance assets	**11**	443,267	443,267
Other receivables and prepayments	**12**	10,806	11,256
Deferred acquisition cost	**13**	26,463	28,399
Investment in subsidiary	**14**	-	-
Investment properties	**15**	1,520,000	1,520,000
Deffered tax assets	**16.1**	-	-
Leased assets	**17**	3,150	3,150
Property ,plant and equipment	**18**	44,922	48,116
Statutory deposit	**19**	300,000	300,000
Intangible asset	**20**	-	-
Total assets		**2,618,291**	**2,935,944**
LIABILITIES			
Insurance contract liabilities	**21**	3,609,219	3,633,140
Financial Liabilities	**22**	4,888,388	4,928,160
Trade payables	**23**	341,180	362,506
Other payables	**24a**	1,002,877	1,147,790
Deferred tax liabilities	**16.1**	98,050	98,050
Employee benefit liability	**26**	-	-
Taxation	**27**	64,606	59,606
Total liabilities		10,004,321	10,229,252
EQUITY	**28**		
Issued share capital	**28a**	4,670,544	4,670,544
Share premium	**28c**	434,164	434,164
Revaluation reserve	**28d**	1,407,622	1,407,622
Fair value reserve	**28e**	-	-
Contingency reserve	**28f**	2,295,235	2,292,511
Retained earnings	**28g**	(16,193,595)	(16,098,149)
Shareholders' funds		(7,386,030)	(7,293,308)
Total Liabilities and Equity		**2,618,291**	**2,935,944**

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY :

………………………………	………………………………	Muh'd S.A ………………………………
Jide Omotere	**Bayo Fakorede**	**Muhammad Sidi Aliyu**
Chief Finance Officer	Ag. Managing Director	Chairman
FRC/2013/ICAN/00000002180	FRC/2013/CIIN/00000004099	FRC/2020/003/00000021442

STACO INSURANCE PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH, 2021

	Note	31 March 2021 N'000	31 March 2020 N'000
Gross Premiums written	29	90,810	253,559
Gross Premium Income	29a	99,867	343,061
Reinsurance expenses	29b	(9,595)	(57,630)
Net Premium Income	29	90,272	285,431
Fees and Commission Income	30	2,562	12,732
Net underwriting Income		92,834	298,163
Claims expense	31	(42,046)	(117,676)
Underwriting expenses	32	(18,316)	(59,210)
Net underwriting and claims expenses		(60,363)	(176,886)
Underwriting results	7	32,471	121,277
Investment income	33	158	22,902
Net realised gain/(loss) on financial assets	34	-	-
Other income	35	124,628	949
Operating and administrative expenses	36	(202,350)	(332,901)
Interest on convertible bond	37	(42,629)	(41,030)
Impairment loss on trade receivables	38	-	-
Profit / (Loss) before taxation		(87,722)	(228,804)
Taxation	27.1	(5,000)	(10,000)
Profit / (Loss) for the year		(92,722)	(238,804)
Other comprehensive income			
Net fair value gain (loss) on available for sale financial assets	28e	-	-
Foreign exchange translation gain/(loss)	28f	-	-
Gain/(Loss) on investment in subsidiary		-	-
Total comprehensive income/(loss) for the year		**(92,722)**	**(238,804)**
Profit/(Loss) attributable to:			
Owner of equity		(92,722)	(238,804)
Non controlling interest		-	-
		(92,722)	**(238,804)**
Total comprehensive income/(loss) attributable to :			
Owner of equity		(92,722)	(238,804)
Non controlling interest		-	-
		(92,722)	**(238,804)**
Earning per share(kobo)			
- Actual		(1)	(3)
- Adjusted		(1)	(3)

STACO INSURANCE PLC

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH, 2021

	Share Capital N'000	Share Premium N'000	Revaluation Reserve N'000	Fair value (Available for sale) Reserve N'000	Contigency Reserve N'000	Retained Earnings N'000	Total Equity N'000
Balance as at 1 January 2020	4,670,544	434,164	1,595,299	333,904	2,276,213	(12,794,408)	(3,484,283)
Total comprehensive income for the year	-	-	-	-	-	-	-
Issue of share capital	-	-	-	-	-	-	-
Transfer to contigency reserve	-	-	-	-	7,607	(7,607)	-
Transfer from (to) retained earning	-	-	-	-	-	(238,804)	(238,804)
Dividend	-	-	-	-	-	-	-
Revaluation surplus	-	-	(187,677)	-	-	-	(187,677)
Balance as at 31 March 2020	4,670,544	434,164	1,407,622	333,904	2,283,820	(13,040,819)	(3,910,764)
Balance as at 1 January 2021	4,670,544	434,164	1,407,622	-	2,292,511	(16,098,149)	(7,293,308)
Total comprehensive income for the year	-	-	-	-	-	-	-
Issue of share capital	-	-	-	-	-	-	-
Transfer to contigency reserve	-	-	-	-	2,724	(2,724)	-
Transfer from (to) retained earning	-	-	-	-	-	(92,722)	(92,722)
Dividend	-	-	-	-	-	-	-
Revaluation surplus	-	-	-	-	-	-	-
Balance as at 31 March 2021	4,670,544	434,164	1,407,622	-	2,295,235	(16,193,595)	(7,386,030)

STACO INSURANCE PLC

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH, 2021

	Note	31 March 2021 N'000	31 March 2020 N'000
Cash flow from operating activities			
Premium received from policy holders		90,810	247,745
Reinsurance receipts in respect of claims		1,489	183,360
Reinsurance cost		(9,595)	(54,394)
Cash paid to and on behalf of employees		(102,217)	(130,868)
Other operating cash payments/receipts		(193,555)	(172,879)
Commission paid		(7,462)	(14,378)
Claims paid		(58,427)	(206,742)
Tax paid		-	-
Net cash provided by operating activities	44	(278,956)	(148,156)
Cash flow from investing activities			
Purchase of property,plant and equipment	18	(600)	(955)
Purchase of intangible asset		-	-
Fund placement proceed		5,667	9,775
Dividend received		-	-
Interest received		158	22,902
Proceeds from sales of assets		500	60
Net cash provided by investing activities		5,725	31,781
Cash flow from financing activities			
Change in borrowings		(39,771) 0	119,746
Proceeds from issue of share capital		-	-
Repayment of finance lease liabilities		-	-
Net cash used in financing activities		(39,771)	119,746
Net increase/(decrease) in cash and cash equivalents		(313,002)	3,371
Cash and cash equivalents at the beginning of the year		403,701	205,245
Cash and cash equivalents at the end of the year		**90,699**	**208,616**
Represented by:			
Cash at bank and in hand	8	90,699	208,616
Cashbook overdrawn		-	-
		90,699	**208,616**

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH, 2021

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 2021 is as follows:

ASSETS:	ADMISSIBLE N'000	IN ADMISSIBLE N'000	TOTAL N'000
Cash and cash equivalents	90,699	-	90,699
Financial assets	135,994	-	135,994
Insurance receivables	42,991		42,991
Reinsurance assets	443,267	-	443,267
Other receivables	-	10,806	10,806
Deferred acquisition cost	26,463	-	26,463
Investment in subsidiary	-	-	-
Investment properties and land	1,520,000	-	1,520,000
Leased assets	3,150		3,150
Property and equipment	44,922	-	44,922
Statutory deposit	300,000	-	300,000
Intangible assets	-	-	-
Total assets	**2,607,485**	**10,806**	**2,618,291**
LIABILITIES			
Investment contract liabilities	-	-	
Insurance ccontract liabilities	3,609,219	-	3,609,219
Borrowings	4,888,388	-	4,888,388
Trade payables	341,180	-	341,180
Other payables	1,002,877	-	1,002,877
Deferred tax liabilities	-	98,050	98,050
Current income tax liabilities	64,606	-	64,606
Total liabilities	**9,906,271**	**98,050**	**10,004,321**
SOLVENCY MARGIN	**(7,298,786)**		
MINIMUM REQUIRED	**3,000,000**		

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 N7,298,785.76 and a solvency ratio of (243.29)%

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH, 2021

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, 2021 are as follows:

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

	Fire ₦'000	General Accident ₦'000	Motor Vehicle ₦'000	Oil and Gas ₦'000	Marine ₦'000	Aviation ₦'000	Bond ₦'000	Engineering ₦'000	Total ₦'000
Gross premium written	26,386	17,400	28,488	1	14,652	-	2,798	1,085	90,810
Gross premium income	29,052	26,788	37,274	(27)	4,514	5	749	1,512	99,867
Re-insurance expenses	(5,965)	-	-	-	(1,967)	-	(308)	(1,354)	(9,595)
Net premium income	23,087	26,788	37,274	(27)	2,547	5	440	158	90,272
Fee Income and commission	1,491	-	-	-	538	-	93	440	2,562
Investment returns									-
Net underwritting income	24,579	26,788	37,274	(27)	3,085	5	533	598	92,834
Claim expenses(Gross)	(3,260)	(4,467)	(5,105)	(44,454)	(587)	-	-	(553)	(58,427)
Insurance claims recovered / recoverable from reinsurers	(3,366)	(8,000)	34,087	162	(9,027)	-	5,523	(3,000)	16,380
Net insurance benefits and claims	(6,625)	(12,467)	28,982	(44,292)	(9,614)	-	5,523	(3,553)	(42,046)
Underwriting expenses	(6,305)	(5,372)	(4,644)	6	(1,565)	-	(129)	(306)	(18,316)
Total expenses	(12,931)	(17,839)	24,338	(44,286)	(11,179)	-	5,393	(3,859)	(60,363)
Reportable segment profit	11,648	8,949	61,613	(44,314)	(8,094)	5	5,926	(3,261)	32,471

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH, 2021

SEGMENT INFORMATION CONT'D- COMPANY

The segment information provided by Management for the reporting segments for the year ended 31 March, 2020

	Fire	General Accident	Motor Vehicle	Oil and Gas	Marine	Aviation	Bond	Engineering	Total
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Gross premium written	60,851	40,879	92,708	5,630	33,458	1,492	8,075	10,466	253,559
Gross premium income	89,214	42,358	154,303	25,731	12,542	1,499	1,850	15,564	343,061
Re-insurance expenses	(24,282)	-	(6,902)	(17,820)	(6,149)	-	(618)	(1,103)	(56,875)
Net premium income	64,932	42,358	147,401	7,911	6,393	1,499	1,232	14,462	286,186
Fee Income and commission	5,234	-	1,155	4,261	1,562	-	177	343	12,732
Investment returns	-	-	-	-	-	-	-	-	-
Net underwritting income	70,166	42,358	148,556	12,171	7,955	1,499	1,409	14,804	298,918
Claim expenses(Gross)	(5,579)	(11,983)	(23,095)	(162,989)	(1,934)	(1,127)	-	(37)	(206,742)
Insurance claims recovered from reinsurers	(6,963)	(9,812)	2,712	170,667	(67,602)	310	-	853	90,166
Net insurance benefits and claims	(12,542)	(21,795)	(20,383)	7,679	(69,535)	(816)	-	816	(116,576)
Underwriting expenses	(15,093)	(8,757)	(19,077)	(6,076)	(6,081)	(457)	(455)	(3,214)	(59,210)
Total expenses	(27,635)	(30,551)	(39,461)	1,603	(75,616)	(1,273)	(455)	(2,398)	(175,786)
Reportable segment profit	42,531	11,806	109,095	13,774	(67,662)	226	954	12,406	123,132

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH, 2021

		31 March 2021 N'000	31 December 2020 N'000
8	**CASH AND CASH EQUIVALENTS**		
	Cash in hand	504	48
	Due from banks and other financial institutions (note 8.1)	90,195	403,653
		90,699	**403,701**
8.1	**Due from banks and other financial institutions**		
	Balances held with banks	15,750	323,541
	Placement with banks	74,445	80,112
		90,195	**403,653**

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)

90,699	**403,701**

		31 March 2021 N'000	31 December 2020 N'000
9	**FINANCIAL ASSETS**		
	The group financial assets are summarised below by measurement category :		
	Held to maturity (Note 9.1)	24,757	24,757
	Loans and receivables (Note 9.2)	14,646	16,516
	Available for sale financial asset (Note 9.3)	96,591	96,591
		135,994	**137,863**
9.1	**Held to maturity**		
	Government securities	19,078	19,078
	Treasury bills	5,679	5,679
		24,757	**24,757**
	Due within 12 months	-	-
	Due after 12 months	24,757	24,757
		24,757	**24,757**

There are no impaired held to maturity investments at 31 March 2021 (2020 nil)

9.2	**Loan and receivables**		
	Staff loan	14,646	16,516
		14,646	16,516
		14,646	**16,516**
	Due within 12 months	709	2,578
	Due after 12 months	13,937	13,937
		14,646	16,516
9.2a	Staff loan	111,836	113,705
	Allowance for impairment (Note 9.2c)	(97,190)	(97,190)
		14,646	16,516

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.

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

Company	Staff loan		Total
	N'000		N'000
At beginning of year	97,190		97,190
Provision for impairment	-		-
Provision no longer required			-
Amount written off during the year as uncollectible			-
Unused amount reversed	97,190	-	97,190

	31 March 2021 N'000	31 December 2020 N'000
9.3 Available for sale investment		
Listed	-	-
Unlisted	96,591	96,591
	96,591	**96,591**
Due within 12 months	-	-
Due after 12 months	96,591	96,591
	96,591	**96,591**

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 cummulative gain or loss are recognised in other comprehensive income.

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH, 2021

		31 March 2021 N'000	31 December 2020 N'000
10	**TRADE RECEIVABLES**		
	Due from agents	-	-
	Due from brokers	2,343,778	2,340,979
	Due from Reinsurance companies	-	-
		2,343,778	2,340,979
	Allowance for impairment (Note 10.1)		
		(2,300,787)	(2,300,787)
		42,991	**40,192**
	Due within 12months	42,991	40,192
	Due after 12 months	-	-
		42,991	**40,192**

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

	N'000
At beginning of year	2,300,787
Provision for impairment	-
Provision no longer required	-
Amount written off during the year as uncollectible	-
At end of period	2,300,787

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH, 2021

		31 March 2021 N'000	31 December 2020 N'000
11	**REINSURANCE ASSETS**		
	Prepaid reinsurance (note 11.1)	79,070	79,070
	Reinsurance recoverable	133,479	133,479
	Reinsurance Projection on IBNR	230,718	230,718
	Prepaid M&D Deposit - Re-Insurance	-	0
		443,267	**443,267**
	Due within 12months	155,866	155,866
	Due after 12 months	287,401	287,401
		443,267	**443,267**
11.1	Movement in prepaid reinsurance		
	At beginning of year	79,070	258,355
	Additions during the year	9,595	644,232
	Amortisation during the year	(9,595)	(823,516)
	At end of period	**79,070**	**79,070**

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.

		31 March 2021	31 December 2020
12	**OTHER RECEIVABLES AND PREPAYMENTS**		
	Accrued income (Note 12.2)	-	-
	Prepayment (Note 12.2)	6,156	6,607
	Other receivables (Note 12.1)	4,650	4,650
		10,806	**11,256**
	Due within 12months	10,806	11,256
	Due after 12 months	-	-
		10,806	**11,256**
12.1	**Other receivables**		
	Stock- consumables	-	-
	Deposit for assets	-	-
	Other sundry debtors	2,303,198	2,303,198
		2,303,198	2,303,198
	Allowance for impairment (Note 9.2c)	(2,298,548)	(2,298,548)
		4,650	4,650

		31 March 2021	31 December 2020
13	**DEFERRED ACQUISITION COST**		
	At begining of year	28,399	62,171
	Additions during the year	13,754	104,246
	Amortisation during the year	(15,690)	(138,018)
	At end of period	**26,463**	**28,399**
	Due within 12months	26,463	28,399
	Due after 12 months	-	-
		- **26,463**	- **28,399**

14 INVESTMENT IN SUBSIDIARY

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

	31 March 2021	31 December 2020
Share of the Subsidiary's statement of financial position:		
Assets	-	-
Liabilities	-	-
Equity	-	-
Share of Subsidiary's reserves and profit or loss:		-
Contingency reserve	-	-
Retained earnings	-	-
	-	-
Carrying amount of the investment	-	-

14.2 Appreciation/(Diminition) in investment

	31 March 2021	31 December 2020
Carrying amount of the investment	-	-
Cost of investment	-	-
Appreciation in investment	-	-

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

14.3 Disposal of Investment in Subsidiary

	31 March 2021	31 December 2020
Carrying amount of the investment	-	284,451
Fair value reserve		209,718
		74,733
Disposal/Proceed of Investment	-	279,685
Gain/(Loss) on Disposal of Investment	-	**204,952**

15 INVESTMENT PROPERTIES

	31 March 2021	31 December 2020
At 1 January	1,520,000	1,520,000
Addition during the year	-	-
Revaluation surplus	-	-
At end of period	**1,520,000**	**1,520,000**
Cost/Valuation at 31 March, 2021 is represented by:		
Valuation	495,000	495,000
Cost	1,025,000	1,025,000
	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.

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH, 2021

16	DEFERRED TAX ASSETS	31 March 2021 N'000	31 December 2020 N'000
	At 1 January	-	-
	Charge for the period	-	-
	At 31 March 2021	-	-

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

16.1	DEFERRED TAX LIABILITY	N'000	N'000
	At 1 January	98,050	98,050
	Charge for the period	-	-
	At 31 March 2021	98,050	98,050

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

STACO INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH, 2021

17 LEASED ASSETS

	Furniture Fittings and equipment N'000	Motor Vehicle N'000	TOTAL N'000
Cost			
At 1 January 2021	-	71,150	71,150
Additions	-	-	-
Disposal	-	-	-
At 31 March 2021	-	71,150	71,150
Accumulated depreciation			
At 1 January 2021	-	68,000	68,000
Charge for the period	-	-	-
Disposal	-	-	-
At 31 March 2021	-	68,000	68,000
Carrying value			
At 31 March 2021	**-**	**3,150**	**3,150**
At 31 December 2020	**-**	**3,150**	**3,150**

STACO INSURANCE PLC

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18 PROPERTY, PLANT AND EQUIPMENT

	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 2021	-	32,254	362,090	1,236,869	-	1,631,212
Additions	-	-	600	-	-	600
Reclassification	-				-	-
Disposal			(285)			(285)
Revaluation surplus (Note 27d)						-
At 31 March 2021	-	32,254	362,405	1,236,869	-	1,631,527
Accumulated depreciation						
At 1 January 2021	-	21,463	338,785	1,222,849	-	1,583,097
Charge for the period	-	394	1,347	1,767	-	3,508
Disposal						-
At 31 March 2021	-	21,857	340,132	1,224,616	-	1,586,605
Carrying value						
At 31 March 2021	**-**	**10,397**	**22,273**	**12,253**	**-**	**44,922**
At 31 December 2020	**-** 0	**10,791**	**23,305**	**14,020**	**-**	**48,116**

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NOTES TO THE FINANCIAL STATEMENTS
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	31 March 2021	31 December 2020
	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	**300,000**	**300,000**
Due within 12 months	-	-
Due after 12 months	300,000	300,000
	300,000	300,000

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		31 March 2021	31 December 2020
		N'000	N'000
20	**INTANGIBLE ASSET**		
	Goodwill (Note 20.1)	-	-
	Software (Note 20.2)	-	-
		-	-
20.1	**Intangible Asset - Goodwill**		
	Cost		
	At 1 January		
	Addition	-	-
	At 31 March 2021	-	-
	Amortisation		
	At 1 January	-	-
	Amortisation	-	-
	At 31 March 2021	-	-
	Carrying value		
	At 31 March 2021	-	-
20.2	**Intangible Asset - Software**		
	Cost		
	At 1 January	-	-
	Cost capitalised	-	-
	At 31 March 2021	-	-
	Amortisation		
	At 1 January	-	-
	Amortisation	-	-
	At 31 March 2021	-	-
	Carrying value		
	At 31 March 2021	-	-

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH, 2021

	31 March 2021 N'000	31 December 2020 N'000
21 INSURANCE CONTRACT LIABILITIES		
General business (note 21.1)	3,609,219	3,633,140
Life business (note 21.2)	-	-
Total insurance liabilities	3,609,219	3,633,140
Due within 12 months	3,609,219	3,633,140
Due after 12 months	-	-
	3,609,219	3,633,140
21.1 General business liabilities		
Outstanding claims provision (note 21.1a)	2,790,641	2,804,178
Claims incurred but not reported (note 20.1b)	647,642	648,969
Provision for unearned premium (note 21.1c)	170,936	179,993
Total general business insurance contract liability	3,609,219	3,633,140

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH, 2021

	31 March 2021 N'000	31 December 2020 N'000
21.1a Outstanding claims provision - General business		
Movement in outstanding claims provision		
At 1 January	2,804,178	2,605,435
Claims incurred in the current year	44,889	452,183
Claims paid during the year	(58,427)	(253,440)
At 31 March 2021	2,790,641	2,804,178
21.1b Claims incurred but not reported (IBNR) provision		
Movement in IBNR provision		
At 1 January	648,969	450,563
Movement during the year	(1,327)	198,406
At 31 March 2021	647,642	648,969

21.1c Unearned Premium

	Unearned premium 2021	Movement	Unearned premium 2020
Fire	40,966	(2,666)	43,632
Engineering	3,183	(427)	3,610
Motor	65,951	(8,786)	74,737
General Accident	47,466	(9,388)	56,854
Marine	11,024	10,138	886
Bond	2,347	2,049	298
Oil and gas	-	28	(28)
Aviation	-	(5)	5
	170,936	**(9,057)**	**179,993**

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

		31 March 2021 N'000	31 December 2020 N'000
21.2	**Life insurance liabilities**		
	Provision for outstanding claims	-	-
	Life liability (note 20.2a)	-	-
		-	-
21.2a	**The movement on the life funds account during the year was as follows :**		
	At 1 January	-	-
	Increase/(decrease) during the year	-	-
	At 31 March 2021	-	-
22	**FINANCIAL LIABILITIES**		
	Convertible bond (Note 21.1)	4,054,741	4,012,112
	Short term loan	833,647	916,047
		4,888,388	4,928,160

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.

	As 1 January	4,012,112	3,861,668
	Movement during the year(Note 22.2)	42,629	150,444
	At 31 March 2021	4,054,741	4,012,112
22.2	**Movement during the year**		
	Interest and default charges on the bond	42,629	150,444
	Exchage gain / loss	-	-
	Payments during the year	-	-
	Provision no longer required	-	-
		42,629	150,444
22.3	**Short term loan**	833,647	916,047

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NOTES TO THE FINANCIAL STATEMENTS
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		31 March 2021 N'000	31 December 2020 N'000
23	**TRADE PAYABLES**		
	Insurance companies	41,485	41,485
	Reinsurance payables (Note 23.1)	299,695	321,021
		341,180	362,506
23.1	**Reinsurance payables**		
	Reinsurance premium payable	299,695	321,021
	Minimum deposit payable	-	-
		299,695	321,021
24a	**OTHER PAYABLES**		
	Lease obligation	22,098	22,098
	Accruals	139,144	268,099
	Other creditors (note 24.1)	841,635	857,593
		1,002,877	1,147,790
24.1	**The breakdown of other creditors is as below:**		
	Tax payables	-	-
	Unclaimed Dividend	46,111	46,111
	Other payables	795,524	811,481
		841,635	857,593

The carrying amounts disclosed above approximate the fair value at the reporting date.All amount are payable within one year.

	31 March 2021 N'000	31 December 2020 N'000
Due within 12 months	841,635	857,593
Due after 12 months	-	-
	841,635	857,593

	31 March 2021 N'000	31 December 2020 N'000

26 EMPLOYEE BENEFIT LIABILITY

Gratuity scheme
The Group has a post emploment benefit scheme which is not funded
The movement in the defined benefit obligation over the year is as follows:

	31 March 2021 N'000	31 December 2020 N'000
At beginning of year	-	-
Current service cost		
Benefits paid	-	-
At 31 March 2021	-	-
Due within 12 months	-	-
Due after 12 months	-	-
	-	-

		31 March 2021 N'000	31 December 2020 N'000
27	**TAXATION**		
27.1	**Charge**		
	Income	5,000	10,000
	Education tax		
	Tax audit/Prior year under provision	-	-
	Technology tax		
		5,000	10,000
	Deferred tax (note 15)	-	-
	Charge for the period	5,000	10,000
27.2	**Tax liability**		
	The movement on tax payable account during the year is as follows:		
	At 1 January	59,606	49,606
	Payments during the year	-	-
	Charge for the period	5,000	10,000
	At 31 March 2021	**64,606**	**59,606**

		31 March 2021 N'000	31 December 2020 N'000
28	**EQUITY**		
28a	**Share capital**		
	Authorised		
	9 billion(2012 -7 billion) ordinary shares of 5ok each	6,500,000	6,500,000
	Issued and fully paid		
	9,341,087,609 units of ordinary shares of 50k each	4,670,544	4,670,544
	At 1 January	4,670,544	4,670,544
	Issued during the year	-	-
	At 31 March 2021	**4,670,544**	**4,670,544**
28c	**Share premium**	434,164	434,164

Premium arising from the issue of shares are reported in the share premium account.

28d	**Revaluation reserve**		
	At 1 January	1,407,622	1,407,622
	Addition during the year (Note 18)	-	-
	Disposal during the year	-	-
	At 31 March 2021	**1,407,622**	**1,407,622**

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	-	206,827
	Additions during the year	-	-
	Appreciation on investment in Subsidiary(Note 14.2)	-	(206,827)
	At end of the period	-	-

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		31 March 2021	31 December 2020
		N'000	N'000
28f	**Contingency reserve**		

In accordance with the Insurance act, a contigency 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.

	31 March 2021 N'000	31 December 2020 N'000
At the beginning of the year	2,292,511	2,272,197
Transfer from profit and loss	2,724	20,314
At end of the Period	2,295,235	2,292,511

28g Retained Earnings

General reserve consist of undistributed profits from previous years.

	31 March 2021 N'000	31 December 2020 N'000
At the beginning of the year	(16,098,149)	(15,436,062)
Transfer from profit and loss	(92,722)	(641,773)
Transfer to contingency reserve	(2,724)	(20,314)
Revaluation of investment assets	-	-
At end of the year	(16,193,595)	(16,098,149)
Translation reserve (Note 28f(i))	-	-
	(16,193,595)	(16,098,149)

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		31 March 2021	31 March 2020
29	**NET PREMIUM INCOME**	**N'000**	**N'000**
a	**Gross Premium written**	90,810	253,559
	Change in unearned premium provision	9,057	89,502
	Gross premium income	99,867	343,061
b	**Reinsurance expenses:**		
	Premium ceded to reinsureres	9,595	54,394
	Prepaid reinsurance	-	3,236
		(9,595)	(57,630)
	Net premium income	**90,272**	**285,431**

		31 March 2021	31 March 2020
		N'000	**N'000**
30	**FEES AND COMMISSION INCOME**		
	Fee income arising on insurance contracts	2,562	12,732
		-	-
		2,562	12,732

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31 CLAIMS EXPENSES

	31 March 2021	31 March 2020
	N'000	N'000
Gross benefit and claims paid (Note 31.1)	58,427	206,742
Movement in Outstanding claims (Note 31.2)	(14,891)	93,194
	43,536	**299,936**
Claims and Benefits recovered from Reinsurers (Note 31.3)	(1,489)	(182,260)
Net Claims Expenses	**42,046**	**117,676**

31.1 GROSS BENEFIT AND CLAIMS PAID

	31 March 2021	31 March 2020
	N'000	N'000
Fire	3,260	5,579
Engineering	553	37
Motor	5,105	23,095
General Accident	4,467	11,983
Marine	587	1,934
Bond	-	-
Oil and gas	44,454	162,989
Aviation	-	1,127
0thers	-	-
Total benefits and claims paid	**58,427**	**206,742**

The insurance claims comprise of claims paid, claims expenses paid

31.2 MOVEMENT IN OUTSTANDING CLAIMS

	31 March 2021	31 March 2020
	N'000	N'000
General business (Note 31.2a)	(14,891)	93,194
Life business	-	-
	(14,891)	**93,194**

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NOTES TO THE FINANCIAL STATEMENTS
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31.1 Breakdown of claims and benefit recoverable from reinsurers

	31 March 2021 N'000	31 March 2020 N'000
Fire	635	7,947
Engineering	549	2,736
Motor	130	260
General Accident	-	-
Marine	-	1,555
Bond	-	-
Oil and gas	175	170,667
Aviation	-	195
	1,489	**183,360**

31.1 Breakdown of movement in outstanding claims

	31 March 2021 N'000	31 March 2020 N'000
Fire	4,001	14,910
Engineering	3,549	1,883
Motor	(33,957)	(2,452)
General Accident	8,000	9,812
Marine	9,027	69,157
Bond	(5,523)	-
Oil and gas	13	-
Aviation	-	(116)
	(14,891)	**93,194**

31.3 Claim Expenses Recovered from Reinsurers

	31 March 2021 N'000	31 March 2020 N'000
General business	1,489	183,360
Life business	.	
	1,489	**183,360**

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

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NOTES TO THE FINANCIAL STATEMENTS
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		31 March 2021	31 March 2020
		N'000	N'000
32	**UNDERWRITING EXPENSES**		
	Acquisition expenses (Note 32.1)	15,690	48,683
	Maintenance expenses (Note 32.2)	2,626	10,527
		18,316	59,210
33.1a	**Breakdown of acquisition expenses**		
	Acquisition cost paid by company	7,462	14,378
	Acquisition cost deducted at source by Brokers	6,292	22,389
		13,754	36,766
	Movement in DAC	1,937	11,917
	Acquisition expenses charged	**15,690**	**48,683**
	Movement in DAC		
	Opening DAC 01/01/2021	28,399	63,075
	Less: Closing DAC 31/03/2021	(26,463)	(51,158)
		1,937	**11,917**

32.1 Breakdown of acquisition expenses

	31 March 2021	31 March 2020
	N'000	N'000
Fire	4,459	8,703
Engineering	217	1,770
Motor	3,102	9,519
General Accident	2,879	7,841
Marine	2,652	6,501
Bond	445	1,490
Oil and gas	-	668
Aviation	-	274
	13,754	36,766

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32.2 Breakdown of maintenance expenses

	31 March 2021 N'000	31 March 2020 N'000
Fire	827	943
Engineering	10	245
Motor	860	2,350
General Accident	158	720
Marine	745	3,628
Bond	25	74
Oil and gas	0	2,393
Aviation	-	174
	2,626	**10,527**

33 INVESTMENT INCOME

Investment income	-	21,914
Dividend income	-	-
Held-to-maturity , loans and receivables	158	313
Cash and cash equivalents	-	674
Net investment income	**158**	**22,902**

33.1 Investment Income Distribution

Share -shareholders	158	22,902
Share -policy holder	-	-
	158	22,902

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 - other receivables	-	-
Provision no longer required -trade receivables	-	-
Foreign exchange translation gain/(loss)	123,928	-
Revaluation of investment assets	-	-
Gain / (Loss) on disposal of fixed assets	580	60
Excess interest charges	-	-
Sundry income	120	889
Provision no longer required:	-	
Financial assets	-	-
Impairment of PPE - Motor Vehicles	-	-
	124,628	**949**

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		31 March 2021 N'000	31 March 2020 N'000
36	**OPERATING AND ADMINISTRATIVE EXPENSE**		
	Management expenses comprise:		
	Employee benefits expense (Note 36.1)	102,217	255,535
	Depreciation-Property,plant and equipments	3,508	13,405
	Depreciation -leased asset	-	-
	Amortization -Intangible assets	-	441
	Impairment loss on PPE		
	Auditors remuneration	1,625	3,500
	Directors' emolument	1,950	426
	Finance cost (Note 36.2)	2,111	3,662
	Operating expenses	90,939	55,931
	Impairment loss on other receivables	-	-
	Impairment loss on Investment	-	-
		202,350	332,901
36.1	**Employee benefits expense**		
	Salaries and wages	96,072	147,319
	Pension	5,072	8,756
	Medical	45	6,182
	Staff training	778	1,313
	Terminal benefit	250	91,965
		102,217	255,535
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.	2,111	3,662

37	**INTEREST ON CONVERTIBLE BOND**		
	Interest on bond (Note 22.2)	42,629	41,030

Interest was being charged at 4.25% per annum uptil 2012. Upon rescheduling the loan, interest is now charged at 10% per annum.