

Wapic Insurance Plc.

Unaudited Interim Financial Statements

For the Period Ended 30 September 2016

Wapic Insurance Plc

**Consolidated Statement of Financial Position
as at the period ended 30th September 2016**


(All amounts in Naira thousands unless otherwise stated)

	Group	Group	Company	Company
	2016	2015	2016	2015
	Sep	Dec	Sep	Dec
	N'000	N'000	N'000	N'000
Cash and cash equivalents	2,675,671	7,053,721	736,005	3,320,235
Financial assets	8,181,038	4,312,821	4,130,355	2,330,981
Trade receivables	211,166	552,079	211,166	534,723
Reinsurance assets	2,306,255	922,583	1,329,569	724,547
Deferred acquisition cost	576,664	414,545	397,435	339,529
Other receivables and prepayments	1,933,216	1,225,121	1,956,189	1,284,950
Investment in associates	6,873,482	5,244,301	5,059,810	4,364,339
Investment in subsidiaries	-	-	3,876,571	3,876,571
Investment property	258,949	674,950	223,950	639,950
Deferred tax asset	370,848	363,353	131,679	131,679
Property and equipment	3,002,211	2,374,524	2,814,515	2,284,511
Intangible assets	184,446	35,065	179,298	31,844
Statutory deposit	615,224	521,547	300,000	300,000
Total assets	27,189,172	23,694,610	21,346,541	20,163,859
Trade payables	226,582	210,576	101,813	104,066
Other payables	2,410,175	2,496,916	2,049,734	2,228,084
Current income tax liabilities	336,478	152,029	214,223	57,636
Insurance contract liabilities	6,711,806	4,676,611	4,029,211	3,200,391
Investment contract liabilities	1,048,310	1,196,180	-	-
Total liabilities	10,733,350	8,732,312	6,394,982	5,590,177
Net assets	16,455,821	14,962,298	14,951,559	14,573,682
Equity attributable to owners:				
Share capital	6,691,369	6,691,369	6,691,369	6,691,369
Share premium	6,194,983	6,194,983	6,194,983	6,194,983
Other reserves	538,244	(209,751)	97,125	19,025
Contingency reserves	1,870,153	1,625,511	1,589,888	1,389,162
Retained earnings	1,161,073	660,186	378,194	279,143
Shareholders' fund	16,455,822	14,962,298	14,951,559	14,573,682

These interim unaudited financial statements were approved by the board of directors (BOD) on 26 October 2016 and signed on behalf of the board of directors by the directors listed below:



Aigboje Aig-Imoukhuede, CON
FRC/2013/CIBN/00000001999
Chairman



Adeyinka Adekoya
FRC/2016/CIIN/00000013893
Managing Director



Oluseyi Taiwo
FRC/2013/ICAN/00000004011
Chief Finance Officer

Wapic Insurance Plc

Consolidated Statements of Profit or Loss
For the period ended 30th September 2016

(All amounts in Naira thousands unless otherwise stated)

	Group				Company			
	3 Months 2016 Sep N'000	3 Months 2015 Sep N'000	YTD 2016 Sep N'000	YTD 2015 Sep N'000	3 Months 2016 Sep N'000	3 Months 2015 Sep N'000	YTD 2016 Sep N'000	YTD 2015 Sep N'000
Gross written premium	1,917,220	1,658,531	6,405,786	5,672,885	1,074,150	1,156,028	4,191,162	4,166,013
Movement in unearned premium	81,904	(38,909)	(880,018)	(1,292,293)	252,641	22,979	(326,985)	(913,249)
Gross premium income	1,999,124	1,619,622	5,525,768	4,380,592	1,326,791	1,179,006	3,864,177	3,252,763
Reinsurance expenses	(905,390)	(495,761)	(2,281,436)	(1,428,660)	(669,320)	(438,540)	(1,784,726)	(1,254,305)
Net premium income	1,093,734	1,123,861	3,244,332	2,951,932	657,471	740,466	2,079,451	1,998,458
Fees and commission income	217,025	139,192	431,668	316,064	128,844	119,070	294,760	270,618
Net underwriting income	1,310,759	1,263,054	3,676,000	3,267,997	786,314	859,536	2,374,210	2,269,076
Claims Paid	(844,842)	(396,166)	(2,064,160)	(976,948)	(370,394)	(159,341)	(1,048,270)	(490,932)
Movement in Outstanding Claims	78,017	(343,830)	(774,473)	(486,578)	(71,241)	(187,026)	(496,258)	(378,902)
Claims expense recoverable	268,128	313,720	990,880	469,666	41,610	84,566	436,395	208,122
Net claims expenses	(498,697)	(426,277)	(1,847,753)	(993,861)	(400,025)	(261,802)	(1,108,133)	(661,713)
Underwriting expenses	(453,158)	(353,265)	(1,202,236)	(959,106)	(411,864)	(278,806)	(942,164)	(700,216)
Total underwriting expenses	(951,855)	(779,542)	(3,049,989)	(1,952,967)	(811,889)	(540,608)	(2,050,297)	(1,361,929)
Total underwriting profit	358,904	483,512	626,011	1,315,030	(25,575)	318,928	323,913	907,147
Investment income	338,806	433,587	862,195	1,219,517	391,026	239,087	660,059	656,743
Net fair value (loss)/gain on assets at fair value through profit or loss	-	-	-	18,200	-	-	-	18,200
Net realised (loss)/gain on financial assets	(2)	(1,657)	(4)	(781)	(2)	(1,657)	(4)	(781)
Other operating income	1,606,638	53,320	2,420,301	251,319	1,245,641	55,294	1,979,978	206,360
Net income	2,304,345	968,762	3,908,502	2,803,285	1,611,090	611,651	2,963,946	1,787,668
Impairment on trade receivable	34,914	(10,382)	13,977	(90,592)	23,981	18,007	3,044	(62,076)
Impairment on Other Assets	(52,911)	0	(123,460)	7,151	-	-	-	-
Interest on deposit admin funds	-	-	(73,438)	-	-	-	-	-
Employee benefit expenses	(376,053)	(294,301)	(901,775)	(830,836)	(183,297)	(153,569)	(529,139)	(527,162)
Other operating expenses	(1,010,931)	(664,670)	(2,315,322)	(1,780,754)	(646,382)	(408,617)	(1,434,222)	(1,230,166)
Operating profit	899,364	(590)	508,483	108,255	805,392	67,472	1,003,629	(31,736)
Share of profit of associate	314,245	-	999,386	-	-	-	-	-
Profit before tax	1,213,609	(590)	1,507,870	108,255	805,392	67,472	1,003,629	(31,736)
Income tax	(161,796)	15,436	(360,859)	(74,623)	(132,488)	(994)	(302,371)	(38,730)
Profit after tax	1,051,813	14,846	1,147,011	33,632	672,904	66,478	701,258	(70,466)
Other Comprehensive Income, net of tax:								
Exch. Diff. on translation of foreign operation	176,323	79,198	544,844	(20,691)	-	-	-	-
Net fair value gain on AFS financial asset	(465,467)	4,507	32,627	726,292	(442,190)	4,507	78,099	726,292
Gain on revaluation of property and equipment	-	-	-	-	-	-	-	-
Deffered tax on revaluation gain	-	-	-	-	-	-	-	-
Share of other comprehensive income of associate	206,219	-	170,385	-	-	-	-	-
Total Other Comprehensive Income	(82,925)	83,705	747,856	705,601	(442,190)	4,507	78,099	726,292
Total comprehensive income/loss	968,888	98,551	1,894,866	739,233	230,714	70,986	779,357	655,827
Basic Earning Per Share (Kobo)	0.01	(0.00)	0.01	(0.00)	0.01	0.00	0.01	(0.00)

Wapic Insurance Plc

**Consolidated Statements of Changes in Equity -Group
For the period ended 30th September 2016**

(All amounts in Naira thousands unless otherwise stated)

	Share capital	Share premium	Contingency reserves	Other reserves	Retained earnings	Total equity
Balance at 1 January 2016	6,691,369	6,194,983	1,625,511	(209,751)	660,186	14,962,298
<i>Total comprehensive income for the year</i>						
Profit for the year	-	-	-	-	1,147,011	1,147,011
Transfer to contingency reserves	-	-	244,642	-	(244,642)	-
	-	-	244,642	-	902,369	1,147,011
Other comprehensive income						
Net changes in fair value of AFS financial instruments	-	-	-	32,627	-	32,627
net Reclassification adjustments for realised net gains/loses	-	-	-	-	-	-
Foreign currency translation difference	-	-	-	544,844	-	544,844
Share of other comprehensive income of associates	-	-	-	170,524	-	170,524
Reclassification of revaluation gain net of tax on disposed property	-	-	-	-	-	-
Total other comprehensive income for the year	-	-	-	747,995	-	747,995
Total comprehensive income for year	-	-	244,642	747,995	902,369	1,895,005
Transactions with equity holders, recorded directly in equity:						
Dividend paid	-	-	-	-	(401,482)	(401,482)
Total transactions with owners	-	-	-	-	(401,482)	(401,482)
Balance at September 2016	6,691,369	6,194,983	1,870,153	538,244	1,161,073	16,455,822
	-	-	-	-	-	-

Wapic Insurance Plc

Statement of Changes in Equity -Company

For the period ended 30th September 2016

(All amounts in Naira thousands unless otherwise stated)

	Share Capital	Share premium	Contingency reserves	Other reserves	Retained earnings	Total equity
Balance at 1 January 2016	6,691,369	6,194,983	1,389,162	19,025	279,143	14,573,682
<i>Total comprehensive income for the year</i>						
Profit for the year	-	-	-	-	701,258	701,258
Transfer to contingency reserves	-	-	200,726	-	(200,726)	-
	-	-	200,726	-	500,532	701,258
Other comprehensive income						
Net changes in fair value of AFS financial instruments	-	-	-	78,099	-	78,099
Net reclassification adjustments for realised net gains/(loses)	-	-	-	-	-	-
Share of other comprehensive income of associates	-	-	-	-	-	-
Revaluation gain on property and equipment, net of tax	-	-	-	-	-	-
Total other comprehensive income for the year	-	-	-	78,099	-	78,099
Total comprehensive income for year	-	-	200,726	78,099	500,532	779,357
Transactions with equity holders, recorded directly in equity:						
Dividend paid	-	-	-	-	(401,482)	(401,482)
Total transactions with owners	-	-	-	-	(401,482)	(401,482)
Balance at September 2016	6,691,369	6,194,983	1,589,888	97,125	378,194	14,951,559
	-	-	-	-	-	-

Wapic Insurance Plc

Consolidated Statements of Changes in Equity -Group

For the period ended 30th September 2015

(All amounts in Naira thousands unless otherwise stated)

	Share capital	Share premium	Contingency reserves	Other reserves	Retained earnings	Total equity
Balance at 1 January 2015	6,691,369	6,194,983	1,436,917	325,958	(448,606)	14,200,621
<i>Total comprehensive income for the year</i>						
Profit for the year	-	-	-	-	33,632	33,632
Transfer to contingency reserves	-	-	150,386	-	(150,386)	-
	-	-	150,386	-	(116,754)	33,632
Other comprehensive income						
Net changes in fair value of AFS financial instruments	-	-	-	726,292	-	726,292
Foreign currency translation difference	-	-	-	(20,691)	-	(20,691)
Revaluation gain on property and equipment, net of tax	-	-	-	-	-	-
Reclassification - Excess depreciation transfer	-	-	-	-	-	-
Deferred tax on revaluation gain on property and equipment	-	-	-	-	-	-
Total other comprehensive income for the year	-	-	-	705,601	-	705,601
Total comprehensive income for year	-	-	150,386	705,601	(116,754)	739,233
Total transactions with owners	-	-	-	-	-	-
Balance at September 2015	6,691,369	6,194,983	1,587,303	1,031,559	(565,360)	14,939,854

Wapic Insurance Plc**Statement of Changes in Equity -Company****For the period ended 30th September 2015**

(All amounts in Naira thousands unless otherwise stated)

	Share Capital	Share premium	Contingency reserves	Other reserves	Retained earnings	Total equity
Balance at 1 January 2015	6,691,369	6,194,983	1,232,784	460,605	(188,664)	14,391,077
<i>Total comprehensive income for the year</i>						
Profit for the year	-	-	-	-	(70,466)	(70,466)
Transfer to contingency reserves	-	-	124,980	-	(124,980)	-
	-	-	124,980	-	(195,446)	(70,466)
Other comprehensive income						
Net changes in fair value of AFS financial instruments	-	-	-	726,292	-	726,292
Revaluation gain on property and equipment, net of tax	-	-	-	-	-	-
Reclassification - Excess depreciation transfer	-	-	-	-	-	-
Deferred tax on revaluation gain on property and equipment	-	-	-	-	-	-
Total other comprehensive income for the year	-	-	-	726,292	-	726,292
Total comprehensive income for year	-	-	124,980	726,292	(195,446)	655,827
Total transactions with owners	-	-	-	-	-	-
Balance at September 2015	6,691,369	6,194,983	1,357,764	1,186,897	(384,113)	15,046,900

Wapic Insurance Plc

**Consolidated Statement of Cash Flows
For the period ended 30th September 2016**

(All amounts in Naira thousands unless otherwise stated)

	Group	Group	Company	Company
	2016	2015	2016	2015
	30-Sep	30-Sep	30-Sep	30-Sep
	N'000	N'000	N'000	N'000
Cash flows from operating activities				
Premiums received	6,789,069	5,248,750	4,517,762	3,923,313
Fees and commission received	497,364	384,515	351,371	338,428
Fees and commission paid	(1,364,355)	(865,305)	(1,000,070)	(727,058)
Reinsurance premiums paid	(3,009,151)	(1,854,957)	(2,196,023)	(1,668,861)
Gross claims paid to policy holders	(2,064,160)	(976,948)	(1,048,270)	(490,932)
Reinsurance recoveries on claims	350,929	391,142	240,417	149,723
Payments to employees	(901,775)	(830,836)	(529,139)	(527,162)
Other operating cash payments	(3,220,248)	(1,749,399)	(2,091,724)	(1,076,139)
Other operating cash receipts	2,303,867	247,851	1,974,934	203,150
Tax paid	(209,374)	(176,794)	(145,783)	(131,000)
Net cashflow from operations	(827,835)	(181,981)	73,475	(6,538)
Cash flows from investing activities				
Purchases of property and equipment	(842,098)	(490,516)	(730,612)	(476,077)
Purchases of intangible assets	(159,784)	(1,712)	(158,824)	(1,712)
Proceeds from sale of property and equipment	18,464	5,282	18,047	5,023
Purchases of investment securities	(1,693,032)	(4,926,448)	(1,176,737)	(3,463,665)
Proceeds from redemption of investment securities	1,287,686	-	165,177	-
Acquisition/Improvement to investment properties	-	(22,259)	-	(22,260)
Proceeds from sale of investment properties	337,637	959,842	337,636	959,842
Rental income received	1,417	828	1,417	828
Dividend income received	135,344	64,648	358,984	46,133
Interest income received	754,076	1,245,721	328,300	653,115
Net cash (used in) / from investing activities	(160,290)	(3,164,613)	(856,612)	(2,298,772)
Cash flows from financing activities				
Proceeds from issue of shares	-	-	-	-
Dividend paid	(401,482)	-	(401,482)	-
Net cash from financing activities	(401,482)	-	(401,482)	-
Changes in cash and cash equivalents	(1,389,607)	(3,346,595)	(1,184,619)	(2,305,309)
Cash and cash equivalent at beginning of year	8,933,668	5,173,243	3,807,080	3,190,253
Net increase/(decrease) in cash and cash equivalent	(1,389,607)	(3,346,595)	(1,184,619)	(2,305,309)
Cash and cash equivalent at end of year	7,544,061	1,826,648	2,622,461	884,944

Summary of Cash and cash equivalents

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

	Group	Group	Company	Company
	2016	2015	2016	2015
	30-Sep	30-Sep	30-Sep	30-Sep
	N'000	N'000	N'000	N'000
Cash at bank and in hand	1,036,520	166,505	58,064	42,804
Money market placements	1,639,152	1,660,143	677,941	842,140
Treasury bills less than 90 days maturity	4,868,390	-	1,886,457	-
Balance, end of year	7,544,061	1,826,648	2,622,461	884,944

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

Wapic Insurance Plc

Notes to the financial statements

For the period ended 30th September 2016

1. Reporting entity

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

Going concern

These financial statements have been prepared on the going concern basis. The Group and Company has no intention or need to reduce substantially its business operations. The management believes that the going concern assumption is appropriate for the Group and Company due to sufficient capital adequacy ratio and projected liquidity, based on historical experience that short-term obligations will be refinanced in the normal course of business. Liquidity ratio and continuous evaluation of current ratio of the Group and Company is carried out to ensure that there are no going concern threats to the operation of the Group and Company.

2. Basis of preparation

(a) Statement of compliance with International Financial Reporting Standards

The financial statements have been prepared in accordance with, and comply with, International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRIC) Interpretations applicable to companies reporting under IFRS and in the manner required by Companies and Allied Matters Act of Nigeria, the Insurance Act of Nigeria, the Financial Reporting Council of Nigeria Act (FRC Act) and Nigerian Insurance Commission (NAICOM) guidelines and circulars.

These financial statements were authorised for issue by the Company’s Board of Directors on 26 October 2016.

(b) Functional and presentation currency

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

(c) Basis of measurement

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

- financial instruments at fair value through profit or loss are measured at fair value;
- available-for-sale financial assets are measured at fair value;
- investment properties are measured at fair value;
- land and building are carried at revalued amount; and
- Insurance liabilities are measured at present value of future cashflows.

(d) Use of estimates and judgments

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

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

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

(e) Regulation

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

- i) section 20 (1a) provides that provisions for unexpired risks shall be calculated on a time apportionment basis of the risks accepted in the year;
- ii) section 20 (1b) requires provision for outstanding claims to be credited with an amount equal to the total estimated amount of all outstanding claims with a further amount representing 10 per centum of the estimated figure for outstanding claims in respect of claims incurred but not reported at the end of the year under review. Under IFRS the Incurred but not Reported (IBNR) claims are included in the reserves is as determined by the Actuary;
- iii) sections 21 (1a) and 22 (1b) require maintenance of contingency reserves for general and life businesses respectively at specified rates as set out under note 3.24 to cover fluctuations in securities and variation in statistical estimates;
- iv) section 22 (1a) requires that the maintenance of a general reserve fund (insurance contract fund) which shall be credited with an amount equal to the net liabilities on policies in force at the time of the actuarial valuation and an additional 25 percent of net premium for every year between valuation date;
- v) section 24 requires the maintenance of a margin of solvency to be calculated in accordance with the Act.

The FRC Act provides that in the matters of financial reporting if there is any inconsistency between the FRC Act and of other Act or law, the FRC Act shall supercede the other Act or law. The FRC Act provides that IFRS shall be the national financial reporting framework in Nigeria. Consequently, the following provision of the National Insurance Act, which conflict with the provisions of IFRS have not been adopted:

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

(f) Changes in accounting policies

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

The following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application are applicable to the Group as of 1 January 2015.

Annual Improvements 2010-2012 Cycle

The Group has applied these improvements which are all effective for accounting periods beginning on or after 1 July 2014 for the first time in these consolidated financial statements. They include:

- i. IFRS 3 - Business Combination
- ii. IFRS 8 - Operating Segments
- iii. IAS 24 Related Party Disclosures
- iv. IAS 16 - Property, Plant and Equipment and IAS 38 - Intangible Assets
- v. IFRS 13 - Fair Value Measurement

i. IFRS 3 - Business Combination

The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IAS 39. This is consistent with the Group's current accounting policy and, thus, this amendment did not impact the Group's accounting policy.

ii. IFRS 8 - Operating Segments

The amendments are applied retrospectively and clarify that:

- An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'.

- The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities. The Group has not applied the aggregation criteria in IFRS 8.12. The Group has presented the reconciliation of segment assets to total assets in previous periods and continues to disclose the same in Note 7 in this period's financial statements as the reconciliation is reported to the chief operating decision maker for the purpose of her decision making.

iii. IAS 24 Related Party Disclosures

The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. This amendment is not relevant for the Group as it does not receive any management services from other entities.

iv. IAS 16 - Property, Plant and Equipment and IAS 38 - Intangible Assets

Both standards are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.

The carrying amount of the asset is restated to the revalued amount.

The split between gross carrying amount and accumulated depreciation is treated in one of the following ways:

- either the gross carrying amount is restated in a manner consistent with the revaluation of the carrying amount, and the accumulated depreciation is adjusted to equal the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses; or
- the accumulated depreciation is eliminated against the gross.

This is consistent with the Group's current accounting policy and, thus, this amendment did not impact the Group's accounting policy.

V. IFRS 13 - Fair Value Measurement

The amendment clarified the consequential amendments to paragraphs B5.4.12 of IFRS 9 and AG79 of IAS 39 which meant that entities no longer had the ability to measure short-term receivables and payables at invoice amounts where the impact of not discounting is immaterial. The IASB has amended the basis for conclusions of IFRS 13 to clarify that it did not intend to remove the ability to measure short-term receivables and payables at invoice amounts in such cases. This is consistent with the Group's current accounting policy and, thus, this amendment did not impact the Group's accounting policy.

Annual Improvements 2011-2013 Cycle

These improvements are effective from 1 July 2014 and the Group has applied these amendments for the first time in these consolidated financial statements. They include:

- IFRS 3 - Business Combinations
- IFRS 13 - Fair Value Measurement
- IAS 40 - Investment Property

i. IFRS 3 Business Combinations

The amendment is applied prospectively and clarifies for the scope exceptions within IFRS 3. It clarifies that Joint arrangements, not just joint ventures, are outside the scope of IFRS 3. The Group does have any joint arrangement.

ii. IFRS 13 - Fair Value Measurement

The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IAS 39. The Group does not apply the portfolio exception in IFRS 13.

iii. IAS 40 - Investment Property

The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment is applied prospectively and clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or a business combination. In previous periods, the Group has relied on IFRS 3, not IAS 40, in determining whether an acquisition is of an asset or is a business acquisition. Thus, this amendment did not impact the accounting policy of the Group.

New standards and interpretations not yet adopted

The following new or revised standards and amendments which have a potential impact on the Group are not yet effective for the year ended 31 December 2015 and have not been applied in preparing these financial statements. However, the Group's assessments of the new standards and amendments are that they are not expected to have significant impact on the Group's operations and financial position.

New or amended standards	Summary of the requirements and possible impact on consolidated financial statements
IFRS 9: Financial Instruments	<p>IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In July 2014, further changes were made to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard.</p> <p>While the Group has yet to undertake a detailed assessment of the debt instruments currently classified as available-for-sale financial assets, it would appear that they would satisfy the conditions for classification as at fair value through other comprehensive income (FVOCI) based on the current business model for these assets. Hence there will be no change to the accounting for these assets.</p> <p>There will also be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the group does not have any such liabilities. The new hedging rules align hedge accounting more closely with the group's risk management practices. As a general rule it will be easier to apply hedge accounting going forward as the standard introduces a more principles-based approach. The new standard also introduces expanded disclosure requirements and changes in presentation.</p> <p>The new impairment model is an expected credit loss (ECL) model which may result in the earlier recognition of credit losses. The Group has no hedging arrangements and is yet to assess how it would be affected by the new impairment provisions rules.</p> <p>The Group will adopt the standard when it becomes effective on 1 January 2018.</p>
IFRS 15 Revenue from Contracts with Customers	<p>This is the issued new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise transitional adjustments in retained earnings on the date of initial application (eg 1 January 2017), ie without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application.</p> <p>Management is currently assessing the impact of the new rules and has identified that the standard is not expected to have significant impact on the Group's financial statements. The Group will adopt the standard on its mandatory effective date of 1 January 2017.</p>

The following new or amended standards that have been issued but not yet effective are not expected to have a significant impact of the Group's financial statements.

The Group's assessments of the expected new standards and amendments is that they are not expected to have significant impact on the it's operations and financial position because it is not significantly exposed to their requirements.

New or amended standards	Effective date
IFRS 10 - Consolidated financial statements and IAS 28 - Investments in associates and joint ventures on sale or contribution of assets between an Investor and its Associate or Joint Venture	1 January 2016
IFRS 11 - Joint arrangements on accounting for acquisition of an interest in a joint operation	1 January 2016
IFRS 14 - Regulatory deferral accounts	1 January 2016
IAS 1 - Presentation of financial statements disclosure initiative	1 January 2016
IAS 16 - Property, plant and equipment and IAS 38 - Intangible assets on depreciation and amortisation.	1 January 2016
IAS 16 - Property, plant and equipment and IAS 41 - Agriculture on bearer plants	1 January 2016
IAS 27 - Separate financial statements on equity accounting	1 January 2016
IFRS 10, IFRS 12 and IAS 28 Investment Entities on applying the Consolidation Exception	1 January 2016
IFRS 9 - Financial instruments on general hedge accounting	1 January 2018
Annual Improvements to IFRSs 2012–2014 Cycle:	
- IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations	1 January 2016
- IFRS 7 - Financial Instruments: Disclosures - Applicability of the offsetting disclosures to condensed interim financial statements.	1 January 2016
- IFRS 7 - Financial Instruments: Disclosures - Servicing contracts.	1 January 2016
- IAS 19 - Employee Benefits	1 January 2016
- IAS 34 - Interim Financial Reporting	1 January 2016

3. Significant accounting policies

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

3.1. Cash and cash equivalents

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

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

3.2. Financial instruments

(i) Financial assets

(a) Classification

The Group's financial assets include cash and short term deposits, trade and other receivables, staff loans, quoted and unquoted equity instruments, treasury bills, bonds and debt notes.

The classification of financial assets depends on the purpose for which the investments were acquired or originated.

The Group classifies its financial assets into the following categories:

- financial assets at fair value through profit or loss;
- held-to-maturity;
- loans and receivables, and
- available-for-sale.

(b) Initial recognition

All financial instruments are initially recognized at fair value plus directly attributable transaction costs for financial instruments not classified as at fair value through profit and loss. Financial instruments are recognized when the Group has a contractual right to receive cash flows from the financial instruments or where the Group has assumed substantially all risks and rewards of ownership.

(c) Subsequent measurement

Subsequent to initial recognition, financial assets are measured either at fair value, amortised cost or cost, depending on their categorization.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated at initial recognition at fair value through profit or loss.

Financial assets classified as held for trading are acquired principally for the purpose of selling in the short term for profit purposes.

Subsequent to initial recognition, financial assets at fair value through profit or loss investments are re-measured at fair value, with gains and losses arising from changes in this value recognized in the profit or loss in the period in which they arise. The fair values of quoted instruments in active markets are based on current bid prices, while those of unquoted instruments are determined by reference to an active markets or valuation techniques.

Interest earned and dividends received while holding trading assets at fair value through profit or loss are recognised in the profit or loss. The Group holds financial assets designated at initial recognition at fair value through profit or loss in addition to those financial assets held for trading.

Held-to-maturity

Held-to-maturity investments are non-derivative financial assets with fixed determinable payments and fixed maturities that management has both the positive intention and ability to hold to maturity other than:

- those that the Group designates as available for sale;
- those that upon initial recognition has been designated as at fair value through profit or loss; and
- those that meet the definition of loans and receivables.

Such instruments as government bonds, corporate bonds and treasury bills are carried at amortised cost using the effective interest method, less impairment allowance, if any.

Held to maturity investments are measured subsequent to initial recognition at amortised cost using the effective interest rate.

The Group consider tainted any financial assets classified as held to maturity, if during the current financial year or the two preceding financial years, it has sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity (more than insignificant in relation to the total amount of held-to-maturity investments) other than sales or reclassifications that:

- are so close to maturity or the financial asset's call date (for example, less than three months before maturity) that changes in the market rate of interest would not have a significant effect on the financial asset's fair value;
- occur after substantially all of the financial asset's original principal has been collected through scheduled payments or prepayments; or
- are attributable to an isolated event that is beyond the Group's control, is non-recurring and could not have been reasonably anticipated by the Group.

Available-for-sale

Available for sale financial investments include equity and debt securities. The Group classifies as available-for-sale those financial assets that are generally not designated as another category of financial assets and strategic capital investments held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

Available-for-sale financial assets are carried at fair value. Fair values for quoted instruments are determined in the same manner as those of instruments at fair value through profit or loss. The fair values of unquoted equities and other instruments for which there is no active market, are established using appropriate valuation techniques. These inputs may include reference to the current fair value of other instruments that are substantially similar in terms of underlying cash flows and risk characteristics.

Available for sale equity instruments for which fair value cannot be reliably determined are carried at cost less impairment allowance, if any.

Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income while the investment is held and are subsequently transferred to profit or loss upon sale or de-recognition of the instrument. When available for sale instruments are impaired, the impairment loss is recognised immediately in profit or loss.

Dividends received on available-for-sale instruments are recognised in profit or loss when the Group's right to receive payment has been established.

Interest income on available for sale debt instruments are recognised in the profit or loss for the related period using the effective interest rate method.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those classified by the Group as at fair value through profit or loss or available-for-sale.

Loans and receivables consist primarily of staff loans, premium debtors, due from reinsurers, other debtors.

Loans and receivables are measured at amortised cost using the effective interest rate method, less any impairment losses. Loans granted to staff at below market rates are fair valued by reference to expected future cash flows and current market interest rates for instruments in a comparable or similar risk class and the difference between the historical cost and fair value is accounted for as employee benefits under staff costs where these are considered material.

(d) Impairment of financial assets

The carrying amounts of financial assets subsequently measured at amortised cost are reviewed at each reporting date to determine whether there is any objective evidence of impairment. A financial asset is considered to be impaired if objective evidence indicates that one or more events that have occurred since the initial recognition of the asset have had a negative effect on the estimated future cash flows of that asset and can be reliably estimated.

Observable data or evidence that the group uses to determine if an impairment allowance is required on a financial asset include:

- significant financial difficulty of a counter party;
- a breach of contract such as default of contractual terms or delinquency in interest or principal payment;
- it is probable that the counterparty will enter bankruptcy or other financial reorganisation; and
- observable data which indicates that there is a measurable decrease in the estimated future cash flows from a group of assets since the initial recognition of those assets although the decrease cannot yet be identified with the individual financial assets. In addition, for an available-for-sale financial asset, a significant or prolonged decline in the fair value below its cost is also considered objective evidence of impairment. While the determination of what is significant or prolonged is a matter of judgement. In respect of equity securities that are quoted, the group is guided by the following:

- (i) a decline is generally regarded as significant if it represent substantial fall in value below cost and
- (ii) a decline in quoted price is considered to be prolonged if decline persists for more one financial year.

Loans and receivables and held-to-maturity financial instruments

For financial assets measured at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant and or collectively for the entire portfolio or class of financial assets. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

When there is objective evidence of impairment, the amount of the impairment loss determined is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through an allowance account. The impairment loss is recognised in profit or loss.

Impairment reversals in a subsequent period arising as a result of decreases in the amount of the impairment loss is recognised where the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. The reversal is reinstated as far it does not result in the carrying amount of the financial asset that exceeds what the amortised cost would have been had the initial impairment not been recognised.

Available-for-sale financial assets

Available-for-sale financial assets are impaired if there is objective evidence of impairment, resulting from one or more loss events that occurred after initial recognition but before the statement of financial position date, that have an impact on the future cash flows of the asset.

All impairment losses are recognized through profit or loss. If any loss on the financial asset was previously recognized directly in equity as a reduction in fair value, the cumulative net loss that had been recognized in equity is transferred to the income statement and is recognized as part of the impairment loss. The amount of the loss recognized in the profit or loss is the difference between the acquisition cost and in the case of equity instruments or amortised cost in the case of debt instruments the current fair value, less any previously recognized impairment loss in the profit or loss.

When an available-for-sale financial instrument is carried at cost because fair value is not reliably measured, an impairment loss is measured as the difference between the carrying amount and the present value of estimated future cash flows discounted at current market rate of return for similar instruments.

(ii) *Financial liabilities*

The Group's financial liabilities are classified as other financial liabilities at amortised cost. They include: investment contract liabilities, trade and other payables.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value while other financial liabilities are measured at amortised cost.

In accordance with IAS 39, all financial assets and liabilities (including derivative financial instruments) have to be recognized in the financial statements and measured in accordance with their assigned categories. The table below represents the Company's classification of all its financial assets and liabilities:

Category		Classes as determined by the Company		Subclasses
Financial assets	Financial assets at fair value through profit or loss	Financial assets at fair value through profit or loss	Unlisted equity securities	Shares
	Loans and receivables	Cash and cash equivalents		Cash at bank and in hand
				Money market placements
		Trade receivables		Due from agents
				Due from policy holders/brokers
				Due from insurance companies
				Bancassurance receivables
	Reinsurance assets	Claim recoverables		
	Other receivables and prepayment	Staff loans		
	Available for sale	Investment securities	Listed equity	Shares
Unlisted equity			Shares	
Held to maturity	Investment securities	Listed debt securities	Treasury Bills	
			Corporate Bonds	
			Government Bonds	
Financial liabilities	Financial liabilities at fair value through profit or loss	Nil	Nil	Nil
	Financial liabilities at amortized cost	Trade payables		Reinsurance payable
				Customer deposits
		Other payables		Accounts payable
				Due to contractors
				Accrued expenses
Investment contract liabilities		Individual deposit administration		
		Group deposit administration		

(iii) *Fair value measurement*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non performance risk.

When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximize the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. Where an appropriate and reliable valuation technique can not be achieved the instrument is carried at cost.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price, i.e. the fair value of the consideration paid or received. If the Group determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out. If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price or at the price that best present the financial instrument.

The fair value of a demand deposit is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid. The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

(iv) Offsetting financial assets and liabilities

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the group has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(v) De-recognition of financial assets and liabilities

A financial asset is derecognized when the contractual rights of the Group to the cash flows from the asset expire, or its rights to receive the contractual cash flows on the financial asset in a transaction that transfers substantially all the risks and rewards of ownership of the financial asset are transferred, or when it assumes an obligation to pay those cash flows to one or more recipients, subject to certain criteria. Any interest in transferred financial assets that is created or retained by the Group is recognized as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or has expired.

(vi) Write-off policy

The Group writes off a financial asset (and any related allowances for impairment losses) when it determines that the assets are uncollectible. This is determined after consideration of information such as significant changes in the issuer's financial position such that the issuer can no longer pay the obligation or charge off decisions generally based on specific past due status considerations.

(vii) Trade receivables

Trade receivables are loans and receivables financial instruments specifically arising from insurance contracts and constitutes premium debtors with determinable payments that are not quoted in an active market and the Group has no intention to sell. Trade receivables on insurance contracts are initially recognised at fair value and subsequently measured at amortised cost less impairment. Trade receivables are recognised for insurance cover for which payments have been received indirectly through duly licensed insurance brokers or lead insurers in co-insurance arrangements. Premium collected on behalf of the Group are expected to be received within 30 days from insurance brokers and lead insurers. Trade receivables that are individually identified as impaired are assessed for specific impairment. All other trade receivables are assessed for collective impairment.

3.3. Reinsurance assets and liabilities

Contracts entered into by the Group with reinsurers under which the Group is compensated for losses on one or more contracts issued by the Group that meets the classification requirements for insurance contracts are classified as reinsurance contracts held by the Group. Contracts that do not meet these classification requirements are classified as financial assets.

Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers on settled or outstanding claims are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's obligations according to the reinsurance policies and are in accordance with the related reinsurance contract.

Reinsurance premiums paid and payable on the Group's reinsurance contracts are amortised over the life of the underlying insurance contracts covered by the reinsurance policies. The unexpired portion of the amortised reinsurance premiums are recognised as prepaid reinsurance.

The Group's reinsurance assets are measured at their carrying amount less impairment charges. Amounts recoverable under reinsurance contracts are assessed for impairment at each reporting date. If there is objective evidence of impairment, the Group reduces the carrying amount of its reinsurance assets to its recoverable amount and recognizes the impairment loss in the profit or loss. An objective evidence exists if an event has occurred by which the Group may determine that it may not recover all amounts due and that the event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer.

Reinsurance liabilities are premiums payable for the Group's reinsurance contracts and are recognised as an expense when due.

3.4 Deferred acquisition costs (DAC)

Acquisition costs comprise insurance commissions, brokerage and other related underwriting expenses arising from the generation and underwriting of insurance contracts. Deferred acquisition costs represent a proportion of commission and underwriting expenses which are incurred during a financial period and are deferred to the extent that they are recoverable out of future revenue margins.

The proportion of these acquisition costs that correspond to the unearned premiums are deferred as an asset and amortised over the life of the associated insurance contracts on a basis consistent with the related unearned portion of the premiums.

For non life business and short-duration life insurance contracts, the Group amortises the deferred acquisition costs over the terms of the policies as premium is earned on the underlying insurance contracts by applying to the acquisition expenses the ratio of unearned premium to written premium.

For long-term life insurance contracts no assets are established in respect of deferred acquisition cost. However, an allowance for acquisition cost loading is provided for in the valuation of the insurance contract liabilities using assumptions consistent with those used in calculating future policy benefit liabilities as well as historical and anticipated future experience and is updated at the end of each accounting period.

3.5. Other receivables and prepayments

Other receivables are stated after deductions of amount considered bad or doubtful of recovery. These are loans and receivables other than investment securities, insurance trade receivables and reinsurance assets. When a debt is deemed not collectible, it is written-off against the related provision or directly to profit or loss account to the extent not previously provided for. Any subsequent recovery of written-off debts is credited to profit or loss.

Prepayments represent prepaid expenses and are carried at cost less amortisation expensed in profit or loss.

3.6. Basis of consolidation

(a) Subsidiaries

Investment in subsidiaries are carried in the Company's separate financial statements at cost less allowance for impairment.

Subsidiaries are entities controlled by the Group. The Group controls an entity if it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The consolidated financial statements include the assets, liabilities and results of the Group and subsidiary undertakings. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Investment in subsidiary are carried at cost in the Group's separate financial statements and are reviewed for impairment annually. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for statement of financial position presented are translated at the closing rate at the reporting date;
- income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income and transferred to equity.

On the disposal of a foreign operation, the Group recognises in profit or loss the cumulative amount of exchange differences relating to that foreign operation. When a subsidiary that includes a foreign operation is partially disposed of or sold, the Group re-attributes the proportionate share of the cumulative amount of the exchange differences recognised in other comprehensive income to the non controlling interests in that foreign operation. In the case of any other partial disposal of a foreign operation, the Group reclassifies to profit or loss only the proportionate share of the cumulative amount of exchange differences recognised in other comprehensive income.

(b) Transactions eliminated on consolidation

Intra-Group balances and transactions and any unrealized gains or losses arising from intra-Group transactions are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(c) Associates

Investment in associates are carried in the Company's separate financial statements at cost less allowance for impairment and consolidated in the Group's consolidated financial statements under the equity accounting method.

Associates are entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investment in associates are accounted for using the equity accounting method. Under the equity accounting the method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the post-acquisition profit or loss and other comprehensive income of the investee. The Group's investment in associates includes goodwill identified on acquisition while gains realised on purchase below fair value are recognised in profit or loss.

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of the post-acquisition movement in other comprehensive income is recognised in other comprehensive income with corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associates, including any unsecured receivables, the Group does not recognise further losses, unless it has incurred constructive obligations or made payments on behalf of the associate.

The Group determine at each reporting date whether there is any objective evidence that the investment in the associate is impaired. The amount of impairment is determined as the difference between the recoverable amount of the associate and its carrying value. This amount is recognised against the share of profit or loss of associates in the income statement.

On disposal of ownership interest in an associate which reduces holding but where significant influence is retained, only a proportionate share of the amount previously recognised in other comprehensive income is reclassified to profit or loss where appropriate, where significant influence is lost, the investment is reclassified as equity investment and the amount previously recognised in other comprehensive income is reclassified to profit or loss.

(d) Elimination of upstream and downstream transactions

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associate. Unrealised losses are eliminated unless the transaction present evidence of an impairment of the asset transferred. Accounting policies of the associate are reviewed and aligned to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognised in income statement.

3.7. Investment property

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

Investment property is initially recognized at cost including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes cost of day to day servicing of an investment property. Investment property is subsequently measured at fair value with any change therein recognised in profit or loss. Fair values are determined individually, on a basis appropriate to the purpose for which the property is intended and with regard to recent market transactions for similar properties in the same location.

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

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

Investment properties are disclosed separate from the property and equipment used for the purposes of the business. The Group separately accounts for a dual purpose property as investment property if it occupies only an insignificant portion and the related value can be separately identifiable and measured reliably. Otherwise, the portion occupied by the Group is treated as property and equipment.

3.8. Intangible assets

Software

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

Software acquired is initially measured at cost. The cost of acquired software comprises its purchase price, including any import duties and non-refundable purchase taxes and any directly attributable expenditure on preparing the asset for its intended use. After initial recognition, software acquired is carried at its cost less any accumulated amortisation and any accumulated impairment losses. Maintenance costs are expensed to profit or loss.

Internally developed software is capitalized when the Group has the intention and demonstrates the ability to complete the development, has the technical feasibility of completing the intangible asset so that it will be available for use and it has adequate technical, financial and other resources to complete the development and use of the software in a manner that will generate future economic benefits, and can reliably measure the costs to complete the development. The capitalised costs include all costs directly attributable to the development of the software. Internally developed software is stated at capitalised cost less accumulated amortisation and impairment.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software is five years subject to annual reassessment.

3.9. Property and equipment

Recognition and measurement

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

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

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

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

Subsequent Costs

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

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

Depreciation

Depreciation is calculated on property and equipment on the straight line basis to write down the cost of each asset to its residual value over its estimated useful life. Depreciation methods, useful lives and residual values are reassessed at each reporting date. No depreciation is charged on property and equipment until they are available for use.

Depreciation reduces an asset's carrying value to its residual value at the end of its useful life and is allocated on a straight line basis over the estimated useful lives, as follows:

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

Revaluation of land and building

Land and building is accessed for impairment at each reporting date but valued on an open market basis by qualified property valuers at the reporting date at minimum of once within three financial years.

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

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

Work-in-progress property and equipment

This represent property and equipment under construction and are carried at the cost incurred until completion. Work-in-progress property and equipment are transferred to the appropriate class of property and equipment upon completion when they are ready for use and are depreciated from the date of transfer when they are brought into use.

Derecognition

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

3.10. Leases

Operating leases

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

Finance leases

Leases of equipment where the group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased asset or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant interest rate on the outstanding balance of the liability.

The corresponding lease obligations, net of finance charges, are included in liabilities. The finance cost is charged to profit or loss over the lease period according to the effective interest method. The equipment acquired under the finance lease is depreciated over the shorter of the useful life of the asset and the lease term, if ownership does not pass at the end of the lease term. Leased assets under finance leases where ownership is expected to pass to the Group at the end of the lease term are treated in the same manner as property and equipment.

3.11. Impairment of non-financial assets

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

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

3.12. Deferred tax

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

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

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

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

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

Deferred tax related to fair value re-measurement of available-for-sale investments, which are charged or credited directly in other comprehensive income, is also credited or charged to other comprehensive income and subsequently recognised in the consolidated income statement together with the deferred gain or loss.

3.13. Insurance contract liabilities

The Group issues contracts that transfer insurance risk or financial risk or both. Insurance contracts are when the Group (the insurer) has accepted significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. As a general guideline, the Group defines as significant insurance risk the possibility of having to pay benefits on the occurrence of the insured event that are at least 10% more than the benefit payable if the insured event did not occur.

Non-life insurance contracts are issued to indemnify against property and liability insurance risk and are generally annual in tenor although some contracts can be beyond one year. These are short term insurance risks.

Life insurance contracts are issued to indemnify the insured life, the dependent or other third-party of the insured life in the even of death, permanent disability, loss of job or on survival to maturity of the contract with the sums assured.

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

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expired. Investment contracts can, however, be reclassified as insurance contracts after inception if the terms are amended to include significant insurance risk.

Receipts and payments under investment contracts are not classified as insurance transactions in the income statement, but instead are accounted for in the statement of financial position in accordance with IAS 39. The liability recognised in the statement of financial position represents the expected amounts payable to the holders of the investment contracts inclusive of allocated investment income.

Insurance contract liabilities are determined in line with the provisions of Section 20, 21 and 22 of the Insurance Act of Nigeria to the extent that they do not conflict with the requirements of IFRS as follows:

(a) General insurance contracts: Measurement of insurance contracts liabilities

(i) Reserve for unearned premium and unexpired risk

The reserve for unearned premium is calculated on a time apportionment basis in respect of risk accepted during the year. A provision for additional unexpired risk reserve is recognised for an underwriting year where it is envisaged that the estimated cost of claims and expenses would exceed the unearned premium reserve.

(ii) Reserve for outstanding claims

The reserve for outstanding claims is maintained at the total amount of outstanding claims incurred and reported plus claims incurred but not reported (IBNR) at the reporting date.

Reserving methodology and assumptions

Data segmentation

The data used for reserving is segmented into the 8 classes as per the Insurance Act 2003 of Nigeria:

- Motor vehicle insurance business
- Fire insurance business
- General accident insurance business
- Marine, aviation and transport insurance business
- Oil and gas insurance business
- Engineering
- Bonds, credit and suretyship
- Miscellaneous

Valuation methods and assumptions

The following valuation methods are used as appropriate in calculating the reserves:

(i) The basic chain ladder method

This model assumes that past experience is indicative of future experience, i.e. that claims reported to date will continue to develop in a similar manner in the future. An implicit assumption is that, for an immature accident year, the claims observed thus far tells something about the claims yet to be observed. A further assumption is that it assumes consistent claim processing, a stable mix of types of claims, stable inflation and stable policy limits.

This method is used for cases where there are extremely large losses that have been reported but not paid, and therefore will not influence the development patterns. The IBNR was calculated as follows; The reserving was determined as ultimate claim amount (excluding extreme large losses) minus claims paid to date (excluding extremely large losses) minus claims outstanding (excluding extreme large losses). This method was used for the following classes of business; motor vehicle, fire, general accident, marine, engineering and miscellaneous.

(ii) Loss ratio method, adjusted for assumed experience to date.

This model assumes that the average delay in the payment of claims will continue into the future. If it is expected that these delay assumptions no longer hold, an adjustment needs to be made to allow for this change in payment delay. If the delay period in payment is expected to have increased from previous years, the results shown in this report will be understated. Additionally, an estimate of the average ultimate loss ratio was assumed. The assumption for the ultimate loss ratio was based on estimated average loss ratio on claims experience to date for accident years 2006 to 2015. The Loss ratio method was used for three classes namely oil and gas, bonds and aviation which had very limited data, and where use of the basic chain ladder method was inappropriate. The model allowed for expected experience to date within the assumed delay period and the assumed average ultimate loss ratios in carrying out the calculation. The average delay is the average number of months that it takes for a claim to be paid after the loss incident occurred. The IBNR was calculated as follows; Expected average ultimate loss ratio for the assumed average delay period x Earned premium for the assumed delay period- Current experience to date relating to the accident months that the delay implies.

Discounting

No allowance has been made for discounting as these reserves are for short term contracts, the effect of discounting is not expected to have a significant impact on the reserves.

Sensitivity analysis

Sensitivity analyses are performed to test the variability around the reserves that are calculated at the best estimate level. The sensitivity analysis is done to determine how the IBNR reserve amount would change if a 75th percentile is considered as opposed to the best estimate figures included in reserve reviews as at 31 December 2015. The 75th percentile is a generally accepted level of prudence.

(b) Life insurance contracts: Measurement of insurance contracts liabilities

(i) Life fund

This is made up of net liabilities on policies in force as determined by qualified actuaries at the reporting date. Surplus or deficit arising from the periodic valuation of the life insurance contracts are recognised in the income statement.

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

The reserves include Incurred But Not Reported (IBNR) and Unearned Premium Reserve (UPR).

The Group does not have contracts with discretionary participating features.

Data segmentation

The data used for reserving is segmented into the 2 classes as follows:

- Individual business
- Group business

Methodologies and assumptions

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

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

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

An unexpired premium reserve (UPR) was included for Group life business after allowing for acquisition expenses at a ratio of 20% of premium. The UPR is tested against an Additional Unexpired Risk Reserve (AURR) for adequacy and an AURR may also be held to allow for any inadequacies in the UPR for meeting claims in respect of the unexpired period. The claim rates underlying the AURR were based on pooled historical scheme claims experience. Allowance was made for IBNR (Incurred But Not Reported) claims in Group Life to take care of the delay in reporting claims. This was based on a loss ratio approach, which uses historical claims experience to estimate the expected claims, from which the IBNR portion is determined.

(c) General insurance: Insurance contracts revenue recognition

The recognition and measurement of the insurance contracts in the group's general business are set out as follows:

(i) Premiums income

Gross premium relates to premium written in a year to cover assumed insurance risk. Gross premiums comprise the premiums on insurance contracts entered into during the year, irrespective of whether they relate in whole or in part to a later accounting period.

Premiums on reinsurance inward from facultative reinsurance arrangement are included in gross written premiums and accounted for as if ceded business was direct business, taking into account the product classification of the reinsured business.

Outward reinsurance premiums are accounted for in the same accounting period as the premiums for the related direct insurance or reinsurance business assumed.

The earned portion of premiums written is recognized as revenue. Premiums are earned from the date of attachment of risk, over the indemnity period, based on the pattern of risk underwritten. Outward reinsurance premiums are recognized as an expense in accordance with the pattern of the indemnity.

(ii) Unearned premiums

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

(iii) Reinsurance cost

The Group cedes insurance risks in the normal course of business for the purpose of limiting its potential net loss on policies written. Premium ceded comprise written premiums ceded to reinsurers, adjusted for the reinsurers' share of the movement in the provision for the unearned premiums; the prepaid reinsurance cost. Reinsurance arrangements do not relieve the Group from its direct obligations to its policyholders. Subsequently, premium ceded, claims reimbursed and commission recovered are presented in profit or loss and the statement of financial position separately from the gross amounts. Reinsurance recoverable are recognized when the Group records the liability for the claims and are not netted off claims expense but are presented separately in profit or loss as part of claims expenses recoverable.

(iv) Fees and commission

Fee and commissions are recognized on ceding business to reinsurance. Commissions are amortised and credited to the profit or loss account over the period of the reinsurance contract.

(iv) Claims incurred

Claims incurred consist of claims and claims handling expenses paid during the financial year together with the movement in the provision for outstanding claims and these are recognised in the profit or loss. The provision for outstanding claims represent the Group's estimate of the ultimate cost of settling all claims incurred but unpaid at the reporting date whether reported or not. The provision includes an allowance for claims management and handling expenses.

The provision for outstanding claims is estimated based on current information and the ultimate liability may vary as a result of subsequent information and events and may result in significant adjustments to the amounts provided. Adjustments to the amounts of claims provision for prior years are reflected in the profit or loss in the financial period in which adjustments are made, and disclosed separately if material.

Claims on general insurance contracts are payable on a claims-occurrence basis. The Group recognise liability for all insured events that occurred during the term of the contract. There are several variables that affect the amount and timing of cash flows from these contracts. These mainly relate to the inherent risks of the business activities carried out by individual contract holders and the risk management procedures they adopted.

The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation value and other recoveries. The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established.

The reserves held for these contracts comprises a provision for IBNR, a provision for reported claims not yet paid and a provision for unearned premiums at the end of the reporting period.

(v) *Salvage and Subrogation Reimbursement*

Some insurance contracts permit the Group to sell (usually damaged) property acquired in settling a claim for example and make salvage recovery on them. The Group may also have the right to pursue third parties for payment of some or all costs for example in a subrogation. A subrogation represent the portion of claims incurred expected to be recovered from negligent third-party or the third-party insurance Group.

Salvaged property is recognized in profit or loss when the amount that can reasonably be recovered from the disposal of the property has been established and are included as part of claims recoveries. Subrogation reimbursements are recognized in claim recoveries when the amount to be recovered from the liable third party has been established.

(vi) *Deferred income*

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

(vii) *Deferred acquisition cost*

Acquisition costs comprise all direct and indirect costs arising from the origination of insurance contracts; commission and maintenance expenses. Deferred acquisition costs represent portion of commissions which are incurred during a financial year and are deferred to the extent that they are recoverable out of future revenue margins. It is calculated by applying the ratio of unearned premium to written premium.

(c) *Life insurance: Insurance contracts revenue recognition*

The recognition and measurement of the insurance contracts in the Group's life business are set out as follows:

(i) *Risk premiums on life assurance*

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

(ii) *Claims on life assurance*

Claims recognised include maturities, surrenders, death and disability payments. Claims arising on maturities are recorded as they fall due for payments. Death, disability and surrenders are accounted for on notification. Reinsurance recoveries are accounted for when the Group records the liability for the claims.

(iii) *Insurance contract provisions on life assurance*

Insurance contract provisions are determined using valuation basis adopted in accordance with the generally accepted actuarial practices and methodologies as set out in note 3.16 (b).

The gross insurance contract provisions and related reinsurance recoveries are estimated on the basis of the information currently available to the Group. The ultimate liability may vary as a result of subsequent information and events and may result in significant adjustments to the amount provided.

(d) *Classification of insurance contracts of the Group*

(i) *Short term insurance contracts*

Short term insurance contracts are annual insurance contracts. This comprised mainly of the Group's general insurance business and the life insurance business group life products; for which the gross premium relates to premium written to cover assumed annual insurance risk liability.

For all these contracts, premiums are recognized as revenue proportionally over the period of coverage. The portion of premium received on in-force contracts that relates to unexpired risk at the end of reporting date is reported as the unearned premium liability.

(i) Long term insurance contracts

Long term insurance contracts are insurance contracts which provide insurance cover over a long duration, generally more than one annual insurance period. This comprises mainly of the Group's life insurance business individual life products; for which the gross premium relates to premium written to cover assumed insurance risk liability covering more than one insurance period. These contracts insure events associated with human life (for example, death or survival) over a long duration.

3.14. Liability adequacy test of insurance contracts liabilities and related assets

The liability for insurance contracts is tested for adequacy by discounting current estimates of all future contractual cash flows and comparing this amount to the carrying value of the liability net of deferred acquisition costs. Where a shortfall is identified, an additional provision is made and the Group recognizes the deficiency in the profit or loss. Insurance contract liabilities are subject to liability adequacy testing on an annual basis. The method of valuation and assumptions used, the cashflows considered and the discounting and aggregation practices adopted have been set out as part of note 3.16(a) and 3.16(b).

3.15. Investment contract liabilities

Contracts under which the transfer of insurance risk to the Group from the policy holder is not significant are classified as investment contracts. Such contracts include savings and /or investment contracts sold with insignificant or without life assurance protection. These contracts transfer financial risk but insignificant insurance risk.

Amounts received under investment contracts are recognised directly as investment contract liabilities.

Investment contract liabilities are reported at amortised cost and are assessed for adequacy at each reporting date.

3.16. Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date is less than one year, discounting is omitted as the impact is not expected to be significant.

3.17. Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

3.18. Income tax

Income tax comprises current and deferred tax. Income tax expense or credit is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

3.19. Dividends

Dividend distribution to the Group's shareholders is recognized as a liability in the financial statements in the period in which the dividends are approved by the Group's shareholders. Dividends that are proposed but not yet declared are disclosed in the notes to the financial statements. Dividends on the Group's ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the Group's shareholders.

3.20. Share capital and premium

The Company classifies ordinary shares and share premium as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to issue of shares are recognized as deductions from equity net of any tax effects.

3.21. Share premium

Share premiums are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

3.22. Contingency reserve

The Group maintains contingency reserves in accordance with the provisions of the Insurance Act 2003 to cover fluctuations in securities and variations in statistical estimates. For general business, the reserve is calculated at the rate equal to the higher of 3% of total premium or 20% of net profit until the reserve reaches the greater of minimum paid up capital or 50% of net premium for general business. Contingency reserve for life business is credited with the higher of 1% of gross premiums and 10% of net profit.

3.23. Other reserve

Other reserves are made up of the following:

Revaluation reserve

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

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

Foreign currency translation reserve

The Nigerian Naira is the Group's functional and reporting currency. The assets and liabilities of foreign operations are translated to Naira at spot exchange rates at the reporting date. The income and expenses of foreign operations are translated to Naira at spot exchange rates at the dates of the transactions or at average rates of exchange where these approximate to actual rates. Foreign currency differences on the translation of foreign operations are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity. However, if the foreign operation is not wholly owned the relevant proportion of the translation difference is allocated to non-controlling interests. When a foreign operation is disposed of, such that controls is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is transferred to profit or loss as part of the gain or loss in disposal.

Fair value reserve

The fair value reserve comprises the net cumulative change in the fair value of available-for-sale investments until the investment is derecognised or impaired.

Merger reserve

Merger reserve warehouses the difference between the consideration paid and the capital of the acquiree under a common control transaction using the book value accounting method. This was accounted for by the merger of the Company business with it subsidiary Intercontinental Properties Limited (IPL).

3.24. Retained earnings and Earnings per share

(i) Retained earnings

The net profits or losses from operations in current and prior periods are accumulated in retained earnings less distributions to equity holders.

(ii) Earnings per share

(a) Basic earnings per share

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

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

(b) Diluted earnings per share

The Group presents diluted earnings per share where appropriate. Diluted earnings per share is determined by adjusting the profit or loss that is attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

3.25. Underwriting expenses

Underwriting expenses are made up of acquisition and maintenance expenses comprising commission and policy expenses, other direct costs and insurance supervision levy.

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

3.26. Income recognition

(i) Gross premium income

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

(ii) Fees and commission income

Fees and commission income are recognised on the commission and policy admin fees received in respect of businesses ceded out to reinsurance companies and other insurance companies as set out in note 3.16 (c) (iv), and fees earned from other related financial services during the period.

(iii) Investment income

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

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

Net realised gain/ (loss) from financial assets:

Net realised gain/ (loss) is the gain/(loss) arising from the disposal of financial assets held at fair value through other comprehensive income and are reclassified from other comprehensive income and recognised in the profit or loss.

Net fair value gain/ (loss) from assets at fair value through profit or loss (FVTPL):

Net fair value changes arising from the changes in the fair value of financial assets held at fair value through profit or loss are recognised in the profit or loss. These are mainly fair value changes from financial assets held for trading or designated at fair value through profit or loss and investment properties.

(iv) Other operating income

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

(v) Dividend income

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

3.27. Foreign currency transactions

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

Unrealized exchange differences are recognized in profit or loss for financial asset held for trading or designated at fair value through profit or loss, or directly in equity through other comprehensive income until the asset is sold or becomes impaired for available-for-sale financial assets.

3.28. Employee benefits

Short-term benefits

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

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

Post employment benefits

The Group operates a defined contributory retirement scheme as stipulated in the Pension Reform Act 2004. Under the defined contribution scheme, the Group pays fixed contributions of 10% to a separate entity – Pension Fund Administrators; employees also pay a minimum fixed percentage contribution of 8% to the same entity. Once the contributions have been paid, the Group retains no legal or constructive obligation to pay further contributions if the Fund does not hold enough assets to finance benefits accruing under the retirement benefit plan. The Group's obligations are recognized in the profit or loss.

Termination benefits

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

3.29. Management expenses

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

3.30. Operating segment

An operating segment is a component of the group engaged in business activities, whose operating results are reviewed regularly by management in order to make decisions about resources to be allocated to segments and assessing segment performance. The group's identification of segments and the measurement of segment results is based on the group's internal reporting to management. Transactions between segments are priced at market-related rates.

3.31. Business Combination

Business Combinations are accounted for using the acquisition method as at the acquisition date i.e., when control is transferred to the Group. The Consideration transferred in the acquisition is generally measured at fair value as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred except if they are related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in accordance with the relevant IFRS in profit or loss. Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

3.32. Statutory deposit

These deposits represent balances statutorily required by the insurance regulator of the Group to be held with the Central Bank of Nigeria. These deposits are not available for day to day use and are stated at amortised cost.

3.33. Contingent liabilities and contingent assets

The Group disclose as contingent liabilities possible obligations whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the entity's control; or a present obligation that arises from past events but is not recognised because, it is not probable that an outflow of economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured reliably.

The Group classify as contingent assets, possible assets whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the Group's control. Where the assets are not probable – no asset is recognised or disclosed, where the assets are probable, but not virtually certain – no asset is recognised, but disclosure is included; and where the assets are virtually certain – the asset is recognised in the statement of financial position.

Contingent liabilities and contingent assets are grouped by class with brief description of the nature of the contingency and, where practicable, an estimate of the financial effect, the uncertainties relating to the amount and timing of the probable liabilities and assets. These normally comprise of legal claims under arbitration or court process in respect of which a liability or asset is not likely to crystallise.

4 Critical accounting estimates and judgments

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

Key sources of estimation uncertainty

(i) Determination of fair values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of techniques as described in accounting policy 3.2(d). Further disclosures on the Group's valuation methodology have been made on note 5 (Fair value hierarchy). For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

(ii) Depreciation and carrying value of property and equipment

The estimation of the useful lives of assets is based on management's judgement. Adjustment to the estimated useful lives of items of property and equipment will have an impact on the carrying value of these items. There were no significant sensitivities of the carrying value of property and equipment and the depreciation charge for the year to increase or decrease in the useful life of property and equipment in the books of the Company as at 31 December 2015 (31 December 2014: Nil).

(iii) Actuarial valuation of insurance contracts liabilities

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

(iv) Recoverability of deferred tax assets

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that in management's judgements it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and adjusted to the extent that it is no longer probable that the related tax benefit will be realised.

(v) Impairment of available-for-sale financial assets

At the balance sheet date, the fair values of certain equity securities classified as available-for-sale financial assets with a carrying amount of N 972.2 million have declined below cost by N 264.1 million. The Group has made a judgement that this decline is not significant or prolonged. In making this judgement, the Group has considered, among other factors, the short-term duration of the decline, the small magnitude by which the fair value of the investment is below cost; and the positive financial health and short-term business outlook of the investees.

If the decline in fair value below cost was considered significant or prolonged, the Group would have recognised an additional loss of N264.1 million in its 2015 financial statements.

(vi) Impairment of fair value through profit or loss financial assets

At the balance sheet date, the fair values of certain financial assets classified as at fair value through profit or loss (FVTPL) with a carrying amount of N 398 million have appreciated above cost by N 17.9 million.

If the appreciation in fair value above cost were not considered, the Group would have recognised an additional loss of N17.9 million in its 2015 financial statements.

Wapic Insurance Plc		
Notes to the financial statements		
For the period ended 30th September 2016		
(All amounts in Naira thousands unless otherwise stated)		
	Group	Company
	2016	2016
	30-Sep	30-Sep
	N'000	N'000
1	Net Premium Income	
	Gross Written Premium (Note 1a)	6,405,786
	Unearned Premium (Note 1b)	(880,018)
	Reinsurance Cost (Note 1c)	(2,281,436)
	Net Premium Income	3,244,332
		2,079,451
a	Analysis of Gross Written Premium	
	<i>Motor</i>	1,567,765
	<i>Fire</i>	445,533
	<i>General Accident</i>	1,570,268
	<i>Marine</i>	288,111
	<i>Aviation</i>	200,740
	<i>Engineering</i>	105,044
	<i>Oil & Energy</i>	1,126,764
	<i>Bond</i>	300
	<i>Group Life</i>	1,011,619
	<i>Individual Life</i>	18,772
	<i>Bancassurance Premium</i>	70,869
		6,405,786
		4,191,162
b	Analysis of Unearned Premium	
	<i>Motor</i>	(365,435)
	<i>Fire</i>	(96,295)
	<i>General Accident</i>	(326,427)
	<i>Marine</i>	(8,198)
	<i>Aviation</i>	(57,039)
	<i>Engineering</i>	8,365
	<i>Oil & Energy</i>	187,346
	<i>Bond</i>	-
	<i>Group Life</i>	(239,809)
	<i>Individual Life</i>	17,475
		(880,018)
		(326,985)
c	Analysis of Reinsurance Expenses	
	<i>Motor</i>	(212,735)
	<i>Fire</i>	(318,192)
	<i>General Accident</i>	(499,509)
	<i>Marine</i>	(70,005)
	<i>Aviation</i>	(61,911)
	<i>Engineering</i>	(132,898)
	<i>Oil & Energy</i>	(764,447)
	<i>Bond</i>	-
	<i>Group Life</i>	(30,263)
	<i>Individual Life</i>	(15,892)
	<i>Facultative Outward Group Life</i>	(239,721)
	<i>Co-assurance Premium (Outward)</i>	-
	<i>Movement in Prepaid reinsurance cost - Group life</i>	69,903
	<i>Movement in Prepaid reinsurance cost - Individual life</i>	(5,766)
		(2,281,436)
		(1,784,726)

Wapic Insurance Plc		
Notes to the financial statements		
For the period ended 30th September 2016		
(All amounts in Naira thousands unless otherwise stated)		
2	Claims Expenses Incurred	
	Gross Claims Paid (Note 2a)	(2,064,160) (1,048,270)
	Movement in Outstanding Claim (Note 2b & 2c)	(774,473) (496,258)
	Claims Recoverable (Note 2d & 2e & 2f)	990,880 436,395
	Net Claims Expenses	(1,847,753) (1,108,133)
a	Analysis of Gross Claims Paid	
	<i>Motor</i>	(569,981) (324,729)
	<i>Fire</i>	(390,297) (144,559)
	<i>General Accident</i>	(360,878) (353,336)
	<i>Marine</i>	(82,973) (71,816)
	<i>Aviation</i>	(30,105) (30,105)
	<i>Engineering</i>	(5,905) (5,905)
	<i>Oil & Energy</i>	(117,818) (117,818)
	<i>Bond</i>	- -
	<i>Group Life</i>	(464,364) -
	<i>Individual Life</i>	(41,839) -
		(2,064,160) (1,048,270)
b	Analysis of Movement in Outstanding Claims	
	<i>Motor</i>	63,554 (50,193)
	<i>Fire</i>	(60,835) (3,767)
	<i>General Accident</i>	(135,878) (84,048)
	<i>Marine</i>	(26,576) 7,980
	<i>Aviation</i>	(38,299) (12,162)
	<i>Engineering</i>	(3,978) (3,978)
	<i>Oil & Energy</i>	26,993 26,993
	<i>Bond</i>	- -
	<i>Group Life</i>	(121,158) -
	<i>Individual Life</i>	- -
		(296,177) (119,175)
c	Analysis of Movement in Outstanding Claims IBNR	
	<i>Motor</i>	(88,784) (88,784)
	<i>Fire</i>	(29,062) (29,062)
	<i>General Accident</i>	(61,270) (61,270)
	<i>Marine</i>	(36,958) (36,958)
	<i>Aviation</i>	(12,601) (12,601)
	<i>Engineering</i>	(24,097) (24,097)
	<i>Oil & Energy</i>	(124,312) (124,312)
	<i>Bond</i>	- -
	<i>Group Life</i>	(101,214)
	<i>Individual Life</i>	-
	Total	(478,297) (377,083)

Wapic Insurance Plc		
Notes to the financial statements		
For the period ended 30th September 2016		
(All amounts in Naira thousands unless otherwise stated)		
d	Analysis of Reinsurance Recovery	
	<i>Motor</i>	70,418
	<i>Fire</i>	331,334
	<i>General Accident</i>	584
	<i>Marine</i>	53,794
	<i>Aviation</i>	-
	<i>Engineering</i>	2,361
	<i>Oil & Energy</i>	-
	<i>Bond</i>	-
	<i>Group Life</i>	15,111
	<i>Individual Life</i>	-
		473,603
		250,652
e	Analysis of Movement in Outstanding Claims Recoverables	
	<i>Motor</i>	199,374
	<i>Fire</i>	63,769
	<i>General Accident</i>	101,803
	<i>Marine</i>	20,012
	<i>Aviation</i>	61,998
	<i>Engineering</i>	2,420
	<i>Oil & Energy</i>	(38,343)
	<i>Bond</i>	-
	<i>Group Life</i>	-
	<i>Individual Life</i>	-
	Total	411,033
		104,059
f	Analysis of Movement in Outstanding Claims IBNR Recoverables	
	<i>Motor</i>	10,833
	<i>Fire</i>	9,286
	<i>General Accident</i>	25,607
	<i>Marine</i>	19,303
	<i>Aviation</i>	550
	<i>Engineering</i>	4,058
	<i>Oil & Energy</i>	12,048
	<i>Bond</i>	-
	<i>Group Life</i>	24,560
	<i>Individual Life</i>	-
	Total	106,245
		81,684
3	Fees and Commission Income	
	<i>Motor</i>	70,300
	<i>Fire</i>	91,240
	<i>General Accident</i>	135,805
	<i>Marine</i>	37,907
	<i>Aviation</i>	2,271
	<i>Engineering</i>	44,397
	<i>Oil & Energy</i>	14,676
	<i>Bond</i>	-
	<i>Group Life</i>	37,177
	<i>Individual Life</i>	3,973
	Policy admin fee income	1,411
	Deferred fees and commission cost - Group	(8,930)
	Deferred fees and commission cost - Individual	1,441
		431,668
		294,760

Wapic Insurance Plc		
Notes to the financial statements		
For the period ended 30th September 2016		
(All amounts in Naira thousands unless otherwise stated)		
4	Underwriting Expenses	
	Motor	211,693
	Fire	96,389
	General Accident	322,819
	Marine	62,998
	Aviation	34,253
	Engineering	34,418
	Oil & Energy	325,274
	Bond	45
	Maintenance expenses	14,313
	Bancassurance Commission	12,538
	Group Life	123,017
	Individual Life	420
	Transfer to DA Funds	-
	Guaranteed Interest on DA	-
	Life business deferred acquisition cost	(35,939)
		-
		1,202,236
		942,164
5a	Investment income	
	Investment income	291,888
	Interest income	-
	Dividend income from equity investment	122,922
	Dividend income from Associate	236,062
	Rental income	1,417
	Gain/(loss) on disposal of investment property	(28,642)
	Net FV Gain /Loss on Financial Asset	(0)
		623,646
	Net realised (loss)/gain on financial assets	36,413
		660,059
5b	Fair Value Gain/ Loss through profit or loss	
	Equity	(4)
	Investment Property	-
		(4)
5c	Fair Value Gain/ Loss through other comprehensive income	
	Equity securities	109,728
	Fixed income securities	(31,629)
	Property and equipment revaluation gain/(loss)	-
	Foreign currency translation difference of foreign operations	-
	Deffered tax on revaluation gain/(loss)	-
		78,099
		32,627
5d	Share of Profit of Associate	
	Coronation Merchat Bank	999,386
		999,386
5e	Share of Other Comprehensive income of Associate	
	Coronation Merchat Bank	170,385
		170,385

Wapic Insurance Plc		
Notes to the financial statements		
For the period ended 30th September 2016		
(All amounts in Naira thousands unless otherwise stated)		
6	Other Operating Income	
	Income from property Investment	682 -
	Gain/(loss) on sale of properties and equipments	5,411 5,044
	Technical Fees	- -
	Foreign exchange gain/(loss)	2,132,231 1,964,346
	Management Fees	- -
	Interest on staff loans	263 252
	Disposal of Investment Property	- -
	Rental Income	- -
	Sundry income	281,713 10,335
		2,420,301 1,979,978
7	Operating Expenses	
	Staff Training	91,652 23,294
	Professional Fees	296,241 235,333
	Corporate Strategy	89,257 50,257
	Corporate Branding	38,636 10,043
	Office Expenses	432,185 271,545
	Impairment of property and equipment	- -
	Depreciation	227,435 187,606
	Amortization of Intangible assets	11,388 11,370
	Repairs & Maintenance	28,490 13,271
	Running Cost	96,625 67,021
	Board Expenses	119,301 87,466
	Transport and travels expenses	2,649 -
	Training cost	108,714 68,063
	Other Expenses	772,749 408,952
	Interest on deposit admin funds	73,438 -
		2,388,761 1,434,222
8	Employee Benefit Expense	
	Staff Cost	853,920 514,454
	Employee Benefit - Below Market Staff Loans	- -
	Pension Cost-Define Contribution Plan	- -
	Directors Emoluments	47,855 14,685
		901,775 529,139
9	Cash and Cash equivalents	
	Cash at hand	54,691 -
	Cash Balance with local banks	912,613 (11,152)
	Call Balance with local banks	69,216 69,216
	Money Market Placement	1,639,152 677,941
	Interest Receivable on Fixed Deposit	- -
		2,675,671 736,005
10	Financial Assets	
	Held to Maturity (HTM) (Note 10a)	6,310,991 2,749,242
	Held for Trading (HFT) (Note 10b)	105 7
	Available for Sale (AFS) (Note 10c)	1,869,942 1,381,107
		8,181,038 4,130,355

Wapic Insurance Plc			
Notes to the financial statements			
For the period ended 30th September 2016			
(All amounts in Naira thousands unless otherwise stated)			
a	Analysis of HTM Securities		
	- Treasury Bill	5,180,382	2,060,994
	- Eurobond	862,786	862,786
	- Fixed Deposits with Banks	-	-
	- Government Bonds - State	-	-
	- Government Bonds - Federal	579,816	-
	- Unearned Interest on Treasury Bill	(311,992)	(174,537)
	- Unearned Discount on FGN Bond	-	-
	Interest Receivable on various Bonds	-	-
	Carrying amount at amortised cost	6,310,991	2,749,242
		-	-
b	Analysis of HFT Securities		
	- Treasury Bill	-	-
	- Quoted/ Listed Equities	105	7
	- Impairment Allowance	-	-
	Carrying amount at fair value	105	7
		-	-
c	Analysis of AFS Securities		
	Unquoted/ Unlisted Equities	94,584	35,255
	Quoted Equities	777,947	777,947
	Fixed Income Securities	-	-
	- Government Eurobonds	125,512	125,512
	- Government bonds	643,111	213,605
	- Treasury bills	228,788	228,788
	Impairment Allowance	-	-
	Carrying amount at cost	1,869,942	1,381,107
		-	-
d	Breakdown of AFS Securities		
	- African Reinsurance Corporation		
	- Nigerian Liability Insurance Pool		
	- Associated Discount House Ltd		
	- Access Bank (Ghana) Limited		
	Carrying amount at cost	-	-
11	Trade Receivables		
	Due from Agents	138,896	138,896
	Due from Brokers	777,614	282,802
	Due from Bancassurance	4,067	1,417
	Due from Direct Client	635	635
	Due from Insurance companies	149,986	149,986
		1,071,197	573,736
	Less: Impairment on Trade Receivables	(860,030)	(362,569)
	Reclassification to other payables	-	-
		211,166	211,166
	Movement in Impairment Allowance		
	At start of period	902,402	365,613
	Allowance made during the year	(28,394)	
	Recoveries during the year	0	-
	Exchange difference	(13,977)	(3,044)
	Bad debts/ Write offs	-	-
	At end of period	860,030	362,569
			-

Wapic Insurance Plc		
Notes to the financial statements		
For the period ended 30th September 2016		
(All amounts in Naira thousands unless otherwise stated)		
12	Reinsurance Assets	
	Claim recoverables	10,234
	Reinsurance Recoverables	1,020,982
	Liability Pool Debtors	-
	Other Debtors-Reins Asset	35,231
	Prepaid Reinsurance Asset	1,275,039
		2,341,487
	Less: Impairment allowance	(35,231)
		2,306,255
		10,234
		1,364,800
		424,031
		-
		35,231
		895,304
		2,341,487
		1,364,800
		(35,231)
		2,306,255
		1,329,569
	Provision	
	At start of period	35,231
	Movements during the period	-
	Exchange difference	-
	At end of period	35,231
		35,231
13	Deferred Acquisition Cost	
	Balance brought forward	430,663
	Exchange Difference	-
	Addition during the period	1,230,192
	Amortised during the year	(1,084,190)
	Balance carried forward	576,664
		339,530
		-
		1,000,069
		(942,164)
		397,435
14	Other Receivables and Prepayments	
	Due from Related Parties	-
	Intercompany Current Account	-
	Withholding Tax receivable on dividend from Associate	-
	Other Debtors	2,216,343
	Loan & Receivable	688,972
	Deposit for Shares	8
	Staff Debtors	34,543
	IPL Building- Property Held for Sale	-
	Prepayment	530,119
	Current income tax asset	39,724
		-
		3,509,710
	Impairment Allowance	(1,576,494)
		1,933,216
		3,071,958
		(1,115,770)
		1,956,189
	Provision	
	At start of period	1,424,639
	Reclassification	28,394
	Movements during the period	123,460
	Amount written off during the year	-
	At end of period	1,576,494
		1,115,770
		-
15	Investment in associates	
	Coronation Merchant Bank Limited	
	- Opening balance	5,244,301
	- Additions/(disposals)	695,471
	- Dividend received during the year	(212,455)
	- Withholding Tax receivable on dividend	(23,606)
	- Share of profit during the year	999,386
	- Share of other comprehensive income during the year	170,385
		6,873,482
		4,364,339
		695,471
		(212,455)
		(23,606)
		999,386
		170,385
		6,873,482
		5,059,810

Wapic Insurance Plc		
Notes to the financial statements		
For the period ended 30th September 2016		
(All amounts in Naira thousands unless otherwise stated)		
16	Investment in subsidiaries	
	Wapic Insurance Ghana Limited	1,176,571
	Exchange gain/loss	-
	Wapic Life Assurance Limited	2,700,000
		3,876,571
17	Investment Properties	
	Investment Property (Note 16a)	258,949
	Investment Property W.I.P (Note 16b)	-
		258,949
a	Investment Properties	
	- Hexagon Court	105,499
	- Ocean Garden Lekki Epe	80,250
	- Magodo Estate	55,000
	- Magboro Estate	18,200
	- 274 Alagomeji Street Yaba	-
		258,949
		-
b	Investment Properties under Construction	
	- Victoria Estate Abuja	-
		-
18a	Property, Plant & Equipment	
	Cost	3,907,762
	Accumulated Depreciation	(905,551)
	Net Book Value	3,002,211
		-
17b	Asset Held for Sale	
	274 Alagomeji Street Yaba	-
	IPL Building Abuja	-
		-
19	Intangible Assets	
	Cost	327,928
	Accumulated Depreciation	(143,482)
	Net Book Value	184,446
		-
20	Statutory deposit	
	At start of period	615,224
	Additions during the period	-
	Exchange Difference	-
	At end of period	615,224
		300,000
21	Trade Payables/ Due to Reinsurers	
	Reinsurance Companies	166,400
	Reinsurance Brokers	60,182
		226,582
		101,813

Wapic Insurance Plc		
Notes to the financial statements		
For the period ended 30th September 2016		
(All amounts in Naira thousands unless otherwise stated)		
22	Provisions & Other Payables	
	Premium Deposit	11,595
	Commission payables	6,072
	Reinsurance Commission Received in advance	154,433
	Accrued expenses	665,536
	Withholding Tax Payables	3,994
	I-Val Plus Principal Repayment	-
	Stale Cheque	-
	Inter-Company Balances	-
	PAYE	1,970
	NSITF	1,636
	Provident Fund	942
	Deposit for Housing	-
	Service Charge	42,118
	Sundry Creditors	1,474,555
	Integrity Clearing Account	47,322
	Bank Overdraft	-
		2,410,175
		2,049,734
	**Breakdown of Sundry Creditors	
	Other creditors - Access Bank: ADHL share acquisition cost payable	1,024,069
	Other creditors - Claims pool reserve	24,290
	Other creditors - Withholding tax liability	22,279
	Other creditors - PAYE	47,046
	Other creditors - VAT	57,944
	Other creditors - Fixed assets creditors	145,736
	Other creditors - Expense payable	23,134
	Other creditors - Unclaimed dividend	25,468
	Other creditors - Others	33,168
	Stale cheques	36,110
	Unclaimed bank deposits	35,310
		1,474,555
		1,442,661
		-
		-
23	Deferred Income Tax	
	Deferred Tax Assets (Note 22a)	370,848
	Deferred Tax Liabilities (Note 22b)	-
	Total	370,848
		131,679
a	Deferred Tax Assets	
	At start of period	381,740
	Exchange difference	(10,892)
	Charge for the period	-
	Revaluation of property & equipment	-
	At end of period	370,848
		131,679

Wapic Insurance Plc		
Notes to the financial statements		
For the period ended 30th September 2016		
(All amounts in Naira thousands unless otherwise stated)		
b	Deferred Tax liabilities	
	At start of period	-
	Exchange difference	-
	Charge for the period	-
	Addition through business integration	-
	Revaluation of PPE	-
	At end of period	-
24	Current Income Tax liabilities	
	At start of period	145,268
	Exchange difference	-
	Charge for the period	360,859
	Payments during the period	(209,374)
	Acquisition through business integration	-
	At end of period	296,754
		57,635
	Tax Charge for the Year	
	Company Income Tax Charge	273,534
	Minimum tax	-
	Education tax	-
	Under/(over) provision from prior year	87,325
	Information Technology Development Levy	-
	National fiscal stabilisation levy	-
	Total Charge for the period	360,859
	Deferred tax liability/(assets)charge for the period	-
	Income tax expense	360,859
		302,371
25	Insurance Contract Liabilities	
a	Claims payable	137,681
b	Claims reported and loss adjustment expenses (Note 25a)	1,237,171
c	Outstanding claims IBNR (Note 25b)	1,849,026
d	Unearned Premium (Note 25c)	3,362,452
e	Life Fund (Note 25d)	125,476
		6,711,806
		4,029,211
a	Outstanding claims	
	Motor	464,558
	Fire	81,598
	General accident	332,464
	Marine	33,194
	Aviation	12,282
	Engineering	49,226
	Oil and Energy	38,100
	Bond	14,500
	Life business: - Group Life	211,249
	- Individual Life	(0)
		1,237,171
		438,520

Wapic Insurance Plc		
Notes to the financial statements		
For the period ended 30th September 2016		
(All amounts in Naira thousands unless otherwise stated)		
b	Outstanding claims IBNR	
	<i>Motor</i>	136,910
	<i>Fire</i>	66,606
	<i>General accident</i>	361,336
	<i>Marine</i>	70,262
	<i>Under/(over) provision from prior year</i>	26,622
	<i>Engineering</i>	69,973
	<i>Oil and Energy</i>	523,672
	<i>Bond</i>	-
	<i>Life business: - Group Life:</i>	-
	- Opening	492,432
	- Movement during the year	101,214
		1,849,026
		1,255,380
c	Unearned Premium	
	<i>Motor</i>	928,407
	<i>Fire</i>	286,976
	<i>General Accident</i>	616,017
	<i>Marine</i>	158,849
	<i>Aviation</i>	71,361
	<i>Engineering</i>	173,945
	<i>Oil and Energy</i>	670,030
	<i>Bond</i>	-
	<i>Group Life:</i>	-
	- Opening	217,057
	- Movement during the year	239,809
		3,362,452
		2,197,630
d	Life fund	
	<i>At start of year</i>	142,951
	<i>Transfer from revenue account</i>	(17,475)
	<i>At the end of year</i>	125,476
		-
26	Investment Contract Liabilities	
	<i>At start of period</i>	1,193,651
	<i>Additions</i>	84,048
	<i>Withdrawals</i>	(107,756)
	<i>Guarantee interest</i>	73,438
	<i>Reclassification from Insurance contract Liab</i>	(195,071)
	<i>At end of period</i>	1,048,310
		-
26.1	Group Deposit Administration - Investment Contract	
	<i>At start of period</i>	61,578
	<i>Additions</i>	-
	<i>Withdrawals</i>	(23,643)
	<i>Guarantee interest</i>	14,008
	<i>Opening fund reconciliation adjustment</i>	2,529
	<i>At end of period</i>	51,943
		-

Wapic Insurance Plc		
Notes to the financial statements		
For the period ended 30th September 2016		
(All amounts in Naira thousands unless otherwise stated)		
26.2 Individual Deposit Administration - Investment Contract		
At start of period	1,132,073	
Additions	84,048	
Withdrawals	(84,113)	
Guarantee interest	59,430	
Opening fund reconciliation adjustment	(197,600)	
At end of period	1,191,438	-
27 Share capital		
	Number	Number
Authorised:	17,000,000,000	17,000,000,000
Issued:	13,382,738,230	13,382,738,230
<i>Issued and fully paid:</i>		
At start of the year	6,691,369	6,691,369
Movements	-	-
At end of year	6,691,369	6,691,369
28 Share premium		
At start of the year	6,194,983	6,194,983
Movements	-	-
At end of year	6,194,983	6,194,983
29 Contingency reserve		
At start of period	1,625,511	1,389,162
Appropriation from profit and loss accounts	244,642	200,726
At end of year	1,870,153	1,589,888
30 Other reserves		
At start of period	(325,136)	19,026
Revaluation reserve	32,627	78,099
Translation reserve	544,844	-
Credit reserve	-	-
Revaluation reserve on property	-	-
Deferred tax on revaluation	-	-
Share of Associate other comprehensive income at start of the year	115,525	
Movement in Share of Associate other comprehensive income during the year	170,385	
Transfer to retained earnings	(0)	(0)
At end of year	538,244	97,125
31 Retained earnings		
At start of the year	(104,251)	279,145
Transfer from profit or loss	383,686	701,258
Transfer to contingency reserve	(244,642)	(200,726)
Share of Associate profit at start of year	764,437	
Dividend paid during the year	(401,482)	(401,482)
Movement in Share of Associate profit during the year	763,324	-
Transfer to revaluation Reserve	-	
At end of year	1,161,073	378,195