THE NEXT CHAPTER OF GROWTH

2015 ANNUAL REPORT
+ ACCOUNTS

LINKAGE ASSURANCE PLC

RC: 162306

...protection that counts

Overview

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About Us

Who We Are

Linkage assurance PLC was incorporated 26th March, 1991 and was licensed to cover and transact non-life insurance businesses on 7th October, 1993.

As part of the recapitalization and consolidation reforms of Federal Government of Nigeria, the company merged with Central Insurance Company Limited on 27th February, 2007 to form a new and bigger Linkage Assurance PLC to further provide quality service to our clients who form our bedrock of who we are.

We are one of the leading insurance service providers in Nigeria, with a reputation for prompt and accurate service delivery, efficiency and customer satisfaction. For over two decades, we are and have been driven by our tested relationship with various respectable brokers/agents. Through our alliance with reputable financial institutions and our growing investment in human resources & information technology, we maintain the professional mien required of a global reputable insurance company.

Our Investment Portfolio

We have developed high competence in investment management having grown our investment portfolio to N15.5 billion as at 31st December 2015. Our increasingly steady participation in fixed income, equity & debt instruments in both capital and money markets has produced returns resulting in appreciable increase in our investment portfolio.

Linkage Assurance Plc Affirms The Bbb Status

Agusto & Co., a top rating agency has rated Linkage Assurance Plc and affirmed the BBB status on the Insurer.

This rating confirms on the Company, a satisfactory financial condition and adequate capacity to meet claims obligation as well as a Stable Outlook .

Linkage Assurance Plc as a General Business Insurer plays very well also in the Oil & Gas and Motor Insurance market spaces in the Industry.

Brand Platform

Vision

To be a World-class, Mega African Insurance Company by the year 2018

Mission

Linkage Assurance Plc is in business to provide first class insurance and other financial services to the African insurance markets. To achieve this, it has deployed exemplary management, best-in-class information technology infrastructure and a well-trained and motivated workforce as vehicles for achieving the superior returns expected by shareholders.

Our Core Value

Integrity | Customer Focus | Teamwork | Innovation | Professionalism | Merit

We believe in consistently "Walking the Talk" and keeping promises to all stakeholders through emphasis on honesty, transparency and the highest degree of ethical standards.

Our Commitment

We are committed to deliver speedy and accurate services to our customers as and when they want, and not when we think they should have it.

Driven by our tested relationship with respectable brokers/agents, our strategic alliance with reputable financial institutions and our growing investment in human resources and information technology, the quality of our services will continue to be our most reliable means of communicating with the market.

We strive to maintain the professional mien of the global insurance industry and ensure measurable gains for all stakeholders of Linkage Assurance Plc.

Our Objective

To provide first class and innovative insurance services through our fully computerized operations managed by highly qualified and seasoned professionals, to give added value to our brokers and clients.

Service Offerings

We offer a full range of integrated non-life insurance services backed up with commitment to excellence and quality service delivery to the satisfaction of our clients.

Automobile
Private Motor
Commercial Vehicle
Motor Trade
Motor Cycle

Property
Fire and Allied Perils
Theft/Burglary
Householders
Industrial All Risks(Material Damage)

General Accident
Fidelity Guarantee
Money Insurance
Goods In Transit
Group Personal Accident/Personal Accident

Liability Group
Employer's Liability
Personal/Public Liability
General Third Party Liability

Transportation
Goods in transit
Marine Hull
Marine Cargo

Health & Compulsory Insurances
Travel Insurance
Miscellaneous/Compulsory Insurances
Builder's Liability
HealthCare Professional Indemnity

Marine
Marine Cargo
Marine Hull & Liability
Port Operators (Bailee) Liability

Aviation
Aviation Cargo
Aviation Hull & Liability
Aviation Passenger Liability

Bonds
- Advance Payment Bond
- Performance Bond
- Counter Guarantee Bond
- Customs Bond
- Bid Bond /Tender

Oil/Gas & Special Risk
- Energy Risk/Power Plants
- Oil & Gas
- Operators Extra Expenses
- Control of Well
- Gas Plants
- Refineries & Petrochemical Plants

Engineering Insurance
- Erection All Risks
- Construction All Risks
- Plant All Risks
- Boiler& Pressure Vessel
- Machinery Breakdown
- Electronic/Telecommunication Equipment
- Business Interruption (consequent upon
- Machinery. Breakdown)

Notice of Annual General Meeting

Notice of 22nd Annual General Meeting

NOTICE IS HEREBY GIVEN that the 22nd Annual General Meeting of members of LINKAGE ASSURANCE PLC will hold on Tuesday, February 7, 2017 at Agip Hall, Muson Centre, 8/9 Marina, Onikan, Lagos by 10a.m to transact the following business:

Ordinary Business

- To receive and consider the accounts for the year ended 31st December 2015 and the Reports of the Directors and Auditors thereon.
- To elect/re-elect Directors
- To appoint Auditors
- To authorize the Directors to fix the remuneration of the Auditors
- To elect members of the Audit Committee

PROXY

A member of the Company entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of him. A Proxy need not be a member of the Company. All instruments of the proxy must be deposited at the Registered Office, Linkage Plaza, Plot 20, Block 94, Providence Street, Off Adewunmi Adebimpe Lekki Phase 1, Lagos not less than forty-eight hours before the time of the meeting.

NOTES:

(a) CLOSURE OF REGISTER
The Register of members will be closed from January 27, 2017 to February 3, 2017 both days inclusive for the purpose of updating the Register of Members.

(b) AUDIT COMMITTEE
In accordance with Section 359(5) of the Companies and Allied Matters Act 1990, a nomination (in writing) by any member or a Shareholder for appointment to the Audit Committee should reach the Company Secretary at least 21 days before the date of the Annual General Meeting.

(c) WEBSITE
A copy of this Notice and other information relating to the meeting can be found at htpp://www.linkageassurance.com. Responses can also be sent through this email address: info@linkageassurance.com

RIGHTS OF SECURITIES' HOLDERS TO ASK QUESTIONS
Securities' Holders have a right to ask questions not only at the Meeting, but also in writing prior to the Meeting, and such questions must be submitted to the Company on or before Friday 3rd February, 2017.

REGISTERED OFFICE
Linkage Plaza
Plot 20, Block 94,
Providence Street,
Off Adewunmi Adebimpe Lekki
Phase 1, Lagos
P.O. Box 74175
Victoria Island
Lagos

Dated this 9th day of January, 2017

BY ORDER OF THE BOARD

KEHINDE AYODELE (MRS)
Company Secretary
FRC/2013/NBA/00000002935

Corporate Information

Board of Directors	
Chairman	Dr. John Anderson Eseimokumoh
Vice Chairman	Mr. Babatunde R. Fatayi-William
Other Directors	Mr. Inam Udo - Udoma Dr. Bukar Usman Mrs. Pelebo E. Banigo Mr. Taukeme Koroye Mr. Ikobho Anthony Howells Chief Raymond Ihyembe Chief John D. Edozien Mr. Tamunoye Zifere Alazigha
Managing Director	Mr. G.U.S Wiggle
Deputy Managing Director	Dr. Pius Apere
Company Secretary	Mrs. Kehinde Ayodele
Registered Office	Linkage Plaza Plot 20 Block 94 Providence Street Off Adewunmi Adebimpe Street Lekki Phase 1, Lagos
Registrars	Centurion Registrars 33C, Cameron Road, Ikoyi Lagos. www.centurionregistrars.com
Auditors	Akintola Williams Deloitte Civic Towers, Plot GA 1 Ozumba Mbadiwe Road, Victoria Island, Lagos, Nigeria. www.deloitte.com.ng
Reinsurers	African Reinsurance Corporation, Nigeria Swiss Reinsurance Company, Zurich, Switzerland Continental Reinsurance Plc, Lagos, Nigeria WAICA Reinsurance, Sierra Leone Arab Insurance Company, Bahrain Lloyd's Underwriter Syndicates No. 2010 MMX, London Lloyd's Underwriter Syndicates No. 0510 KLN, London Atrium Underwriters Limited @ Lloyd's Underwriter Syndicate, UK Hannover Ruck SE, Hannover, Germany
Principal Bankers	Ecobank Nigeria Plc First Bank of Nigeria Plc Guaranty Trust Bank Plc Keystone Bank Limited Skye Bank Plc Zenith Bank Plc
Actuary	HR Nigeria Ltd
RC No.	162306
FRC Registered No.	FRC/2012/0000000000339

Financial Highlights

Comprehensive Income Statement	2015 N'000	2014 N'000	Growth (%)
Gross premium written	**3,789,170**	3,054,744	24
Gross premium income	**3,681,250**	3,129,064	18
Net premium income	**2,436,231**	1,950,854	25
Investment and other income	**1,501,287**	1,189,034	26
Profit before taxation	**929,109**	580,846	60
Profit after taxation	**512,247**	324,997	58
Statement Of Financial Position			
Total assets	19,492,236	17,976,222	8
Insurance contract liabilities	2,276,752	1,623,963	40

Key Ratios	2015	2014	Growth (%)
Claims ratio	0.39	0.35	(11)
Claims ratio (net)	0.33	0.35	(6)
Underwriting expenses ratio	0.36	0.40	10
Underwriting income ratio	0.0003	0.13	(100)
Management expenses ratio	0.26	0.32	19

Our Performance

In 2015 our gross premium written grew by 24% (2014: 14%) to N3.79billion from N3.05billion. The growth was fueled by the increased contribution of Oil and Gas policies to the gross premium written in 2015. The underwriting profit from operation was deeply eroded by the high provision for outstanding claims experience in 2015 with approximately 80% increase compared to 2014.

Investment and other income grew by 26% to N1.501Billion in 2015 from N1.19billion in 2014 underscoring the successes of our investment management strategies and high returns from existing investments.

Our profit before tax grew by 60% from N448million in 2013 to N929million in 2015. This is on the back of increased earnings from investments and strategic cost reduction strategies accentuated by the 19% reduction in Management expenses year on year, increased reinsurance expenses arising from enhanced risk cession strategies and other operational expenses incurred in the period. These are expected to pay-off in subsequent periods by reduction in future claims expense and enhanced operational efficiencies which will translate to enhanced profitability.

Outlook

Riding on the back of the high claims experience in the reporting period and the need to continue to further enhance the company's market share, the following, in addition to further deepening share of brokered businesses, corporate/financial market, will be utilized in achieving increased shareholder value in 2016 and beyond:

a) Develop Retail distribution channels into Retail insurance

Having birthed the retail marketing team in 2015, we will leverage on the large untapped market space to further enhance our premium generation and expand the company's share of the non-life market.

b) Enhance Product Development

We will consistently explore the company's core value of being an innovative organization by constantly developing customer-friendly insurance product that will set us apart from other insurance companies and also continuously explore the regulation-approved insurance products for enhanced revenue generation.

c) Market visibility

We realize that being an organization licensed by NAICOM to carry out insurance business in 1993, we will require to constantly remind customers (existing and prospective) of our presence in the insurance space, accentuate our past achievements and chronicle our potentials. This soft rebranding strategy will provide the required exposure at minimal cost

d) Strategic Risk Selection and Cession

The risk selection and cession process will be appropriately revamped going forward to protect the company's business from the losses and further enhance the recoverability of such losses in future.

Corporate Information

Dr. John A. Eseimokumoh
Chairman

Chairman's Statement

Introduction

Distinguished Shareholders, fellow Board Members, Ladies and Gentlemen.

I warmly welcome you to the 22nd Annual General Meeting of Linkage Assurance Plc. I am happy to present to you a review of our operating environment and a synopsis of the Company's achievements for the financial year ended December 31, 2015.

Operating Environment
The Global Economy
According to the World Bank, Global economic growth failed to reach expectations in 2015, slowing to 2.4 percent, lower than the projected 2.8 percent and it is expected to recover at a slower pace than previously envisioned. Global growth is expected to pick up to 3.2 percent in 2016-17, broadly in line with previous years forecasts.

Developing economies are facing two transitions. First, the widely experienced tightening of monetary conditions in the United States, along with monetary expansion by other major central banks, has contributed to broad-based appreciation in the U.S. dollar and is exerting downward pressure on capital flows to developing countries. Many developing-country currencies have weakened against the U.S. dollar, particularly those of countries with weak growth prospects or elevated vulnerabilities. In some countries, this trend has raised concerns about balance sheet exposures in the presence of sizeable dollar-denominated liabilities.

Second, despite some improvement in the first quarter of 2015, low oil prices continue having an increasingly pronounced impact. In oil-importing countries, the benefits to activity have so far been limited, although they are helping to reduce vulnerabilities. In oil-exporting countries, lower prices are sharply reducing activity and increasing fiscal, exchange rate, or inflationary pressures. Risks remain tilted to the downside, with some pre-existing risks receding but new ones emerging.

The Domestic Economy
Developing Nations like Nigeria faced two transitions; tightening financial conditions which were associated with moderating capital flows, gradually rising financing costs, and heightened risks of further currency depreciation, and the sudden low oil prices, the effects of which hit Nigeria greatly being an oil based economy. Diverging monetary policy prospects in major economies have caused significant depreciations and, looking ahead, are expected to contribute to moderating capital flows to developing countries and gradually tightening financial conditions.

The Gross Domestic Product (GDP) growth in Nigeria for the year 2015 was a meagre 2.84 percent a far cry from the estimated 6.7 percent in 2014. The International Monetary Fund forecast Nigeria's economic growth rate will drop to 2.3 percent this year as falling crude prices hit the West African country.

The country's consumer inflation has risen significantly in the past year. According to the National Bureau of Statistics, the year 2015 ended at a 9.6 percent inflationary rate. Five (5) months down the line, it currently stands at a staggering 13.7 percent.

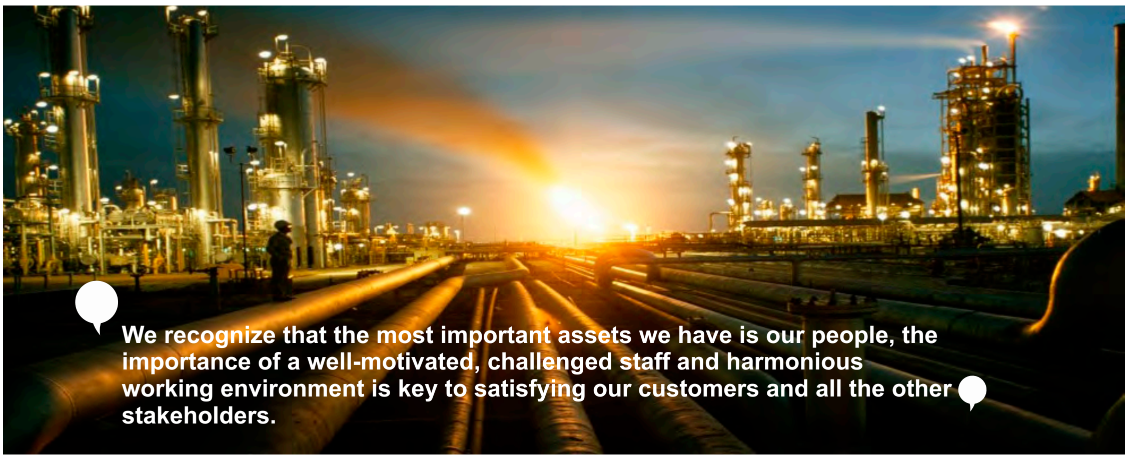
The Nigerian stock market suffered a further plunge by 17. 4% in 2015. The negative performance led to a massive depression in prices of stocks that offer attractive entry opportunity to investors.

Despite the opportunity, many investors shunned the market due to the prevailing economic situation as a result of various political activities that eroded public confidence and patronage of the various sectors of the economy. Consequently, the market depressed further in the first quarter (Q1) of 2016. Specifically, the Nigerian Stock Exchange (NSE) All-Share Index (ASI) fell by 10.9 per cent.

Following the recent signing of the 2016 budget into law, the economic situation in the country is expected to experience some improvement as the President Buhari led Government has pledged full implementation.

The Nigerian Insurance Industry
Our primary regulator, the National Insurance Commission (NAICOM) has continued to work efficiently to enthrone a viable, stable and safer insurance industry. During the year, the National Insurance Commission delisted 108 insurance brokers, out of the list of 421 licensed practitioners operating in the country, for failing to renew their licenses. This action enabled insurance companies to safeguard their transactions with brokers ensuring that the brokers they engaged with had valid and subsisting licenses.

The Insurers' Committee was inaugurated on November 18, 2015. This Committee is similar to the Bankers' Committee and it is expected to offer opportunities to industry players to engage in meaningful discussions on the issues and challenges of the sector while proffering



Chairman's Statement

solutions. The Committee comprises of all Chief Executive Officers of Insurance companies and is chaired by the Commissioner for Insurance, Mr. Mohammed Kari. The Committee meets once every month.

Risk Based Supervision (RBS), a new policy that seeks to bring an end to common capital regime in the insurance industry, is expected to be implemented by NAICOM. When implemented this will strengthen the industry capacity for big ticket risks especially in oil, gas and aviation, according to analysts.

Governance, Ethics & Compliance
At Linkage Assurance Plc. we understand that a strong Corporate Governance framework plays a key role in strengthening our business model. Since inception, the Company has always endorsed sound corporate structures, high standards of business integrity, ethics and professionalism in our operational framework.

As a law abiding corporate citizen, we have always strived to ensure compliance with all regulatory Codes of Corporate Governance as provided by our primary regulator and all other supporting institutions - SEC, NSE etc. We are confident that we have the right people and credible processes in place to support the corporate growth of our Company.

The Company has maintained the enviable rating of Bbb class as rated by the reputable Agusto & Co. Rating Company in 2014. This demonstrates that even in the face of the adverse conditions of the economy, we have continued to create value for all stakeholders, maintain satisfactory financial condition and adequate capacity to meet claim obligations.

Operating Results
Esteemed Shareholders, I am overjoyed to inform you that despite the economic challenges that rocked the nation's economy in the past year our company recorded resilient growth in financial performance. We wrote a gross premium of N3.79b as against N3.05b recorded in 2014, this accounted for a 24% growth. Profit before tax grew to N929m in 2015 from N580m in 2014 representing 60% growth during the period. Investment and other income grew by 26% to N1.50b in 2015 from N1.19b in 2014 underscoring the successes of our investment management strategies and high returns from existing investment. However, underwriting profit from operation was deeply eroded by the high provision for outstanding claims experience in 2015 which grew tremendously during the period under review.

Future Outlook
As we tread cautiously into the year 2016, we are confident that in spite of the uncertainties of changes in the political landscape of Nigeria including the global drop in oil prices and the turmoil of forex, the future is still bright.

In line with our Strategic roadmap we shall continue the repositioning strategy aimed at transforming your company through a set of definitive strategic initiatives as enunciated in our Growth Plan.

Whilst improving our market share in the corporate segment of the insurance market we hope to grow the retail & direct market space. Consequently, we have developed a bouquet of retail products and have also deployed online platform for the sale of various insurance products particularly Motor & Marine. We have also developed the Linkage Assurance mobile app which will enhance the patronage our services and products by the growing mobile customer segment of the Nigeria consumers.

We have also set up a robust Customer Service desk in line with our corporate mission to deliver value beyond the expectations of stakeholders.

We will continue to undertake aggressive business development through product innovation and new/ alternative channels development, whilst maintain world-class underwriting and risk management practices.

It is our belief that these clearly defined strategies will translate to significant shareholder value in due course.

Our People
We recognize that the most important assets we have is our people, the importance of a well-motivated, challenged staff and harmonious working environment is key to satisfying our customers and all the other stakeholders.
This is the reason why we strongly believe it is crucial to assemble excellent team of professionals and talented people to execute our corporate and business strategies.

Conclusion
Distinguished ladies and Gentlemen, On behalf of the Board of Linkage Assurance Plc., I wish to express my appreciation to our esteemed Shareholders for their enduring trust and confidence reposed in us to work efficiently towards building a strong, dynamic and competitive entity.

I also laud my colleagues on the Board, Management and Staff who have worked dedicatedly to ensure the success of the Company.

Finally, to all our Brokers, Agents, numerous customers and dare I say our competitors in the insurance market, we appreciate you all for your continuous support and patronage. Linkage Assurance Plc. remains one of the leading insurance companies in Nigeria today because of you.

We remain confident in our abilities to effectively utilize growth opportunities to enable us create significant value for all Stakeholders.

I thank you all for your kind attention.

Dr. John Anderson Eseimokumoh
Chairman

Report Of The Directors

For the year ended 31 December 2015

It is the pleasure of the Directors to submit their report together with the audited financial statements for the year ended 31 December, 2015.

1. **Legal status**
The Company was incorporated on the 26th of March 1991 as a private limited liability company - Linkage Assurance Company Limited. It was registered by the National Insurance Commission on the 7th of October, 1993 to transact general insurance business and commenced operations in January, 1994. The Company became a Public Limited Liability Company in 2003 and the company's shares, which are quoted on the Nigerian Stock Exchange, were first listed on 18 November, 2003. In compliance with regulatory directives on re-capitalization in the Insurance Industry in 2007, the Company merged with the former Central Insurance Company Limited. The registered office of the Company is Plot 20 Block 94 Providence Street, Off Adewunmi Adebimpe Street, Lekki Phase 1, Lekki, Lagos, Nigeria

2. **Principal activity**
The principal activity of the Company is the transaction of Non-life insurance business.

3. **Operating results**
The following is a summary of the Company's operating results for the year:

	2015 N'000	2014 N'000
Profit before taxation	929,109	580,846
Taxation	(416,862)	(255,849)
Profit after taxation	**512,247**	**324,997**

4. **Directors**
The Directors who served during the year were as follows:

Dr. JohnAnderson Eseimokumoh	Chairman
Mr. Babatunde R. Fatayi-Williams	Vice Chairman
Mr. Ina Udo Udoma	Director
Dr. Bukar Usman	Director
Mrs. Pelebo E. Banigo	Director
Mr. Taukeme Koroye	Director
Mr. Ikobho Anthony Howells	Director
Chief Raymond Ihyembe	Director
Chief John D. Edozien	Director
Mr. Tamunoye Zifere Alazigha	Director
Mr. G.U.S Wiggle	Managing Director
Dr. Pius Apere	Deputy Managing Director

Changes on the Board:
Senator Udoma Udo Udoma resigned as a Director of the Company and Mr. Inam Udo Udoma was appointed to fill the vacancy.

The Board has power under the Articles of Association to appoint a Director to fill a casual vacancy or as an additional Director.

Report Of The Directors

For the year ended 31 December 2015

5. Directors interest in shares

The interests of the Directors in the issued share capital of the Company as recorded in the register of members as at 31 December, 2015 and as notified by them for the purpose of Section 275 of the Companies and Allied Matters Act CAP C20 LFN 2004, are as follows:

	2015 Direct	2015 Indirect	2015 Total	2014 Total
*Dr. John Anderson Eseimokumoh	-	-	-	-
Mr. Babatunde R. Fatayi-Williams	5,204,670	-	5,204,670	5,204,670
Mr. Inam Udo Udoma	-	80,771,282	80,771,282	80,771,282
Mr. G.U.S Wiggle	3,229,652	-	3,229,652	3,229,652
Dr. Bukar Usman	25,000,000		25,000,000	25,000,000
Mrs. Pelebo E. Banigo	11,256,837	-	11,256,837	11,256,837
*Mr. Ikobho Anthony Howells	-	-	-	-
Chief R. Ihyembe	-	72,605,882	72,605,882	72,605,882
Chief J.D. Edozien	72,605,880	-	72,605,880	72,605,880
*Mr. Tamunoye Zifere Alazigha	-	-	-	-
*Mr. Taukeme Koroye	-	-	-	-
*Dr. Pius Apere	-	-	-	-

*Directors representing the interest of Bayelsa State Ministry of Finance Incorporated (BSMFI)

Directors with indirect interest in the issued share capital of the Company as recorded in the Register of members were as follows:

No. of Shares		
1. Chief Raymond Ihyembe	Stonebridge Investment Limited	72,605,882
2. Mr. Inam Udo Udoma	Tierce Investments Limited	80,771,282

6. Contracts

In accordance with Section 277 of the Companies and Allied Matters Act CAP C20 LFN 2004, Chief Raymond Ihyembe and Mrs. Pelebo Banigo declared to the Board their interests in the following Contracts entered into by the Company during the year under review:

a. Chief Ihyembe is also a Director of Gresham Asset Management which managed Linkage's investment portfolio worth N473.5m.

b. Mrs. Pelebo Banigo manages EF Shaw (The Executives) which provided catering services to the staff of Linkage, for which a fee of N46.7m was paid for the year ended 31 December, 2015.

7. Shareholding

The Company's issued share capital of N3, 999,396,076 is made up of 7,998,792,151 ordinary shares of 50k each which are held by Nigerian individuals and institutional investors. According to the register of members, no shareholder other than the following held more than 5% of the issued share capital of the company as at 31 December 2015.

Bayelsa State Ministry of Finance Incorporated (BSMFI)	4,274,735,743	53.43%
Stanbic Nominees Nigeria Limited	955,055,230	11.94%

Report Of The Directors
For the year ended 31 December 2015

b) Analysis of shareholders as at 31 December, 2015

S/N	Range		No of Holders	Percent	Unit	Percent
1	1	10,000	14,033	62.6166	63,779,742	0.7974
2	10,001	50,000	5,520	24.6308	143,657,063	1.7960
3	50,001	100,000	1,450	6.4700	119,087,934	1.4888
4	100,001	500,000	1,068	4.7655	237,293,748	2.9666
5	500,001	1,000,000	163	0.7273	131,294,299	1.6414
6	1,000,001	5,000,000	112	0.4998	231,830,139	2.8983
7	5,000,001	10,000,000	25	0.1116	181,566,059	2.2699
8	10,000,001	50,000,000	26	0.1160	491,075,082	6.1394
9	50,000,001	100,000,000	9	0.0402	632,141,159	7.9030
10	100,000,001	500,000,000	3	0.0134	538,483,796	6.7321
11	500,000,001	1,000,000,000	1	0.0045	955,055,230	11.9400
12	1,000,000,001	5,000,000,000	1	0.0045	4,273,527,900	53.4272
	Grand Total		**22,412**	**100**	**7,998,792,151**	**100**

8 Insider Trading/Dealing in Company's Shares

Linkage Assurance Plc currently does not have an approved Securities Trading Policy in place however, the Code of Business Conduct and Ethics for Directors and Employees of the Company, both of which are internal policies, places stringent restrictions on Directors and Employees as insiders of the Company as it relates to their securities and transactions with the Company.

These internal policies are circulated to all Directors and Employees to ensure they are aware of their obligations and responsibilities.

The Company is now aware that the Securities Trading Policy is a requirement of law as provided in Rule 17.15 Disclosure of Dealings in Issuer's Shares, Rulebook of the Nigerian Stock Exchange, 2015, and is working diligently to secure the approval of a draft Securities Trading Policy. Upon approval, this policy will be made available on the Company's website.

9 Human Resources

i. Employment of disabled persons

As a matter of policy, the Company does not discriminate against disabled persons. Full and fair consideration is given to applications for employment received from disabled persons, with due regard to their particular aptitudes and abilities. In the event of any employee becoming disabled in the course of employment, the Company is in a position to arrange appropriate training to ensure the continuous employment of such a person without subjecting him/her to any disadvantage in his/her career development. As at 31 December 2015, the Company had no disabled persons in its employment.

ii. Employee's development and training

The Company is committed to staff training to keep abreast with new developments in the industry and this cut across all categories of staff. During the year under review, the company utilized the professional training services of several organizations for the benefit of staff.

iii. Health, safety at work and staff welfare

Health, safety and fire drills are regularly organized to keep employees alert at all times. The company engages the services of health care providers towards meeting the medical needs of the employees and their immediate families at its expense.

The Company also provides adequate transportation and housing facilities for all levels of employees.

10 Complaints Management Policy Framework

The Company has developed a Complaints Management Policy Framework in compliance with the Securities & Exchange Commission's ' Rules on Complaints Management Framework of the Nigerian Capital Market' which guides the Company, being a publicly listed Company on the Nigerian Stock Exchange (NSE), on how to handle and resolve complaints arising from issues regarding the Company's operations. The purpose of the policy is to establish an effective and efficient complaints management system that is, responsive, confidential, equitable and transparent. The Policy:

Report Of The Directors
For the year ended 31 December 2015

- provides an avenue for customer complaints and dispute resolution;
- recognizes, promotes and protects the customer's rights, including the right to comment and provide feedback on service;
- provides an efficient, fair and accessible framework for resolving customer complaints and monitoring feedback to improve service delivery;
- informs customers on the customer feedback handling processes; and
- provides staff with information about the customer feedback process.

The framework functions to enable complaints to be fairly investigated and possible conflicts of interest to be identified and mitigated. The Policy is endorsed by the Board of Directors and ensures full implementation and monitors compliance through Senior Management.

The policy is accessible through the Company's website.

11 Property, Plant and Equipment
Changes in Property, plant and equipment during the year under review are shown in note 14 to the financial statements. In the opinion of the directors, the market value of the Company's assets is not lower than the value shown in the financial statements.

12 Acquisition of own shares
The Company did not purchase its own shares during the year under review.

13 Fines and penalties
During the year, the Company paid the following as penalties to regulators:

	N
Late filing of returns to the Nigerian Stock Exchange	900,000
Reinstatement of Financials Statement to NAICOM	100,000
	1,000,000

14 Events after reporting date
There are no significant events after reporting date which could have had a material effect on the financial affairs of the Company as at 31 December, 2015 and on the profit for the year ended on that date, which have not been adequately provided for or disclosed.

15 Audit committee

Mr. Waheed Adegbite	Shareholder/Chairman
Engr. S. A. Orji	Shareholder
Mr. Shamusideen O. Balogun	Shareholder
Chief Raymond Ihyembe	Non-Executive Director
Mr. Tamunoye Alazigha	Non-Executive Director
Mr. Ikobho Anthony Howells	Non-Executive Director

16 Auditors
The Auditor, Messrs Akintola Williams Deloitte, was reappointed as the Company's Independent Auditors at the last General Meeting.

By order of the Board

Company Secretary

Mrs. Kehinde Ayodele
FRC/2013/NBA/00000002935

Corporate Governance

Corporate Governance Report

Linkage Assurance Plc ("Linkage") is committed to implementing the best practice standards of Corporate Governance.

The Board of Linkage is mindful of its obligations under the National Insurance Commission Corporate Governance Code (NAICOM Code), the Securities & Exchange Commission Corporate Governance Code (SEC Code) as well as the Post Listing Rules & Requirements of the Nigerian Stock Exchange.

The Company's high standard in Corporate Policies and Governance are designed to encourage transparency in all its activities as well as ensure the protection of the long term interest of all Stakeholders. The business of the Company is conducted with high level of Integrity.

The Board of Directors of Linkage Assurance Plc. has overall responsibility for ensuring that the highest standards of corporate governance are maintained and adhered to by the Company. In order to promote effective governance of the Company, the following structures have been put in place for the execution of Linkage Assurance Plc's Corporate Governance strategy:

1. Board of Directors;
2. Board Committees; and
3. Executive Management Committees

Corporate Governance Structure

THE BOARD
The Board of Directors of Linkage, comprising of twelve (12) Directors is accountable to the shareholders and also responsible for the control, management and periodical review of the Company's business strategy. The Board of Directors is also committed to ensuring that the company adheres strictly to the regulations guiding the operations of the Insurance Industry and other financial services sector in Nigeria.

The Board of Directors performs its functions either as a full Board or through the under listed established Committees of the Board:

Audit Committee:
The Committee is composed of 6 members as follows:

Name	Status
1. Mr. Waheed Adegbite	Shareholder/Chairman
2. Engr. S.A. Orji	Shareholder
3. Mr. Shamusideen O. Balogun	Shareholder
4. Chief Raymond Ihyembe	Non-Executive Director
5. Mr. Tamunoye Alazigha	Non-Executive Director
6. Mr. Anthony Howells Ikobho	Non-Executive Director

This Committee, which is chaired by a Shareholder, has the responsibility of ensuring that the accounting and reporting policies of the company are in accordance with legal requirements and agreed ethical practices. The Committee reviews the scope & planning of audit requirements and it is also responsible for other matters reserved for the Audit Committee by the Companies and Allied Matters Act (Cap 20) Laws of Federation of Nigeria 1990 and the Company's Articles of

<u>Finance, Investment & Strategy Committee:</u> The Committee is composed of 6 members as follows:

Name	Status
1. Chief Raymond Ihyembe	Chairman
2. Dr. Bukar Usman	Member
3. Mr. Tamunoye Alazigha	Member
4. Mr. Anthony Howells Ikobho	Member
5. Mr. G.U.S Wiggle	Member
6. Dr. Pius Apere	Member

Corporate Governance Report (Contd)

This Committee reviews matters relating to the investment of the Company's funds and management of all other assets and makes recommendations to the Board for approval. It also ensures maximum returns on investments and protection of the Company's assets. The Committee periodically evaluates the Company's risk policies and also provides appropriate advice and recommendations on matters relevant to risk management.

Establishment & Governance Committee: The Committee is composed of 6 members as follows:

Name	Status
1. Mr.Babatunde Fatayi-Williams	Chairman
2. Chief John Edozien	Member
3. Mrs. Pelebo Banigo	Member
4. Mr. Inam Udo Udoma	Member

This Committee reviews and recommends for approval to the Board, matters bordering on Board Appointments, Staff Recruitment, Staff Compensation, Welfare and Promotions. Matters relating to the strategy for growth and advancement of the Company are also the responsibility of this Committee.

Board Audit, Compliance & Risk Management Committee: This Committee is composed of 3 members as follows:

Name	Status
Mr. Taukeme Koroye	Chairman
Dr. Bukar Usman	Member
Chief John Edozien	Member
Chief Raymond Ihyembe	Member
Mr. Ikohbo Anthony Howells	Member
Mr. Inam Udo Udoma	Member

This Committee assists the Board in fulfilling its oversight responsibilities in ensuring the integrity of the Company's financial statements, compliance with legal and regulatory requirements, the performance of the internal audit function, the identification, assessment, management of the Company's risks and adherence to internal risk management policies and procedures.

Executive Management Committees
These are Committees comprising of Senior Management Officers of the Company. They are set to ensure that all risk limits as contained in Board and regulatory policies are complied with at all times. They provide inputs for the respective Board Committees and also ensure that recommendations of the Board Committees are effectively and efficiently implemented. The Committees are risk driven as they are set up to identify, analyse, synthesize and make recommendations on risks arising from within the Company's operating environment. The Committees meet as frequently as risk issues occur to immediately take actions and decisions within the confines of their powers. The Committees include the Executive Management Committee, Management Investment Committee, Business Strategy Committee and the Management Enterprise Risk Committee.

Internal Audit Function
In consonance with the commitment of the Company to be a dynamic world class Company fully accountable to the Board of Directors and shareholders, an Internal Audit Unit has been established at Management level.

The Internal Audit is a Control Unit established within the Management to independently examine and evaluate the activities of the Company. The Company's Internal Audit reports to the Audit Committee with a dotted line reporting to the Managing Director.

Shareholders' Relationship
The Company is accountable and committed to the shareholders and uses various fora to advise shareholders on the performance of the Company. This includes Annual Report and Accounts, Access to the Company Secretary by Shareholders for all enquiries and free interactions with the members of the Board during Annual General Meetings.

Company Secretary
All Stakeholders have access to the services of the Company Secretary. The Company Secretary is responsible for facilitating the induction and professional development of Board Members as well as ensuring information flow within the Board, its Committees and Management of the Company.

Corporate Governance Report (Contd)

Attendance at the Board of Directors meeting held in 2015

S/N	Names of Directors	Mar 5, 2015	Mar 24, 2015	Apr 23, 2015	Aug 13, 2015	Nov 7, 2015
1	Mr. Anderson Eseimokumoh	1	1	1	1	1
2	Mr. Babatunde Fatayi-Williams	1	1	1	1	1
3	Mr. Inam Udo Udoma	1	1	1	1	1
4	Chief John Edozie	1	-	1	1	1
5	Chief Raymond Ihyembe	1	1	1	1	1
6	Mr Taukeme Koroye	1	1	1	1	1
7	Mr. Tamunoye Z. Alazigha	1	-	1	1	1
8	Mrs. Pelebo Banigo	1	1	1	1	-
9	Mr. Ikobho Anthony Howells	1	1	1	1	1
10	Dr. Bukar Usman	1	-	1	1	1
11	Mr. G.U.S Wiggle	1	1	1	1	1
12	Mr. Pius Apere	1	1	1	1	1

Attendance at The Finance, Investment & Strategy Committee Meetings held in 2015

S/N	Names of Directors	Apr 22, 2015	Aug 10, 2015	Nov 4, 2015
1	Chief Raymond Ihyembe	1	1	1
2	Dr. Bukar Usman	1	1	1
3	Mr. Tamunoye Alazigha	1	-	1
4	Mr. Ikobho Anthony Howell	1	1	-
5	Mr. Babatunde Fatayi-Williams*	-	-	1
6	Mrs. Pelebe Banigo*	-	-	1

**Mrs. Pelebo Banigo and Mr. Babatunde Fatayi-Williams became members of the Committee in October, 2015.*

Attendance at the Statutory Audit Committee Meetings held in 2015

S/N	Members	Status	Mar 23, 2015	Aug 12, 2015	Nov 3, 2015
1	Maj. Gen E. O. Usiade	Shareholder/Chairman	1	1	-
2	Mr. G.A. Anono	Shareholder	1	1	-
3	Mr. Waheed Adegbite	Shareholder	1	1	-
4	Mr Ikhobo Anthony Howells	Director	1	1	1
5	Mr Tamunoye Alazigha	Director	-	1	1
6	Chief Raymond Ihyembe	Director	1	1	1
	Mr. Shamusideen Olalekan Balogun*	Shareholder/Acting Chairman	-	-	1
	Engr. S. A. Orji*	Shareholder	-	-	1

** Mr. Shamusideen Balogun and Engr. S.A. Orji were appointed in the place of Major General E.O. Usiade and Mr. Godwin A. Anono respectively in November, 2015*

Attendance at the Establishment & Governance Committee Meetings held in 2015

S/N	Names of Directors	Mar 5, 2015	Apr 23, 2015	Aug 10, 2015	Nov 4, 2015
1	Mr. Babatunde Fatayi Williams	1	1	1	1
2	Chief John Edozien	1	1	1	1
3	Mrs. Pelebo Banigo	1	1	1	1
4	Mr. Taukeme Koroye	1	-	1	1
5	Mr. Inam Udo Udoma	1	1	1	1

Attendance at the Board Audit, Compliance & Risk Management Committee Meetings held in 2015

S/N	Names of Directors	Mar 4, 2015	Mar 23, 2015	Apr 22, 2015	Aug 12, 2015	Nov 3, 2015
1.	Mr. Taukeme Koroye	1	1	1	1	1
2.	Chief Raymond Ihyembe	1		1	1	-
3.	Mr. Ikhobo Anthony Howells	1	1	1	1	1
4.	Chief J. Edozien	1	1	1	1	1
5.	Mr. Inam Udo Udoma	-	-	1	1	1
6.	Dr. Bukar Usman*	-	-	-	-	1

**Dr. Bukar Usman joined the Board Audit, Compliance and Risk Management Committee in November, 2015.*

Report of Audit Committee

In accordance with the Provisions of Section 359(3) to (6) of the Companies and Allied Matters Act CAP C20 LFN 2004, we the members of the Audit Committee hereby report as follows:

1 We confirm that we have seen the audit plan and scope, and the Management Letter on the audit of the accounts of the Company and the responses to the said letter.

2 In our opinion, the plan and scope of the audit for the period ended 31st December, 2015 were adequate. We have reviewed the Auditors' findings and we are satisfied with Management's responses thereon. On a review of related party transactions the Committee was satisfied with their status.

3 We also confirm that the accounting and reporting policies of the company are in accordance with legal requirements; ethical practice and generally accepted accounting principles and the financial statements give a true and fair view of the state of the Company's financial affairs.

The Committee therefore recommends that the audited financial statements for the year ended 31 December 2015 and the Auditors' Report thereon be presented for adoption by the Company at the Annual General Meeting.

Mr. Waheed Adegbite
Chairman, Audit Committee
FRC/2013/ICAN/00000002532
20 July, 2016.

Members of the Committee

Name	**Status**
1. Mr. Waheed Adegbite	Shareholder/Chairman
2. Engr. S. A. Orji	Shareholder
3. Mr. Shamusideen O. Balogun	Shareholder
4. Chief Raymond Ihyembe	Non-Executive Director
5. Mr. Tamunoye Alazigha	Non-Executive Director
6. Mr. Ikobho Anthony Howells	Non-Executive Director

Enterprise Risk Management Declaration Statement

In accordance with the requirements of Section 2.10 of NAICOM's Guidelines for Developing Risk Management Framework of 2012, the Board of Directors of Linkage hereby declares that, to the best of its knowledge and belief, and having made appropriate enquiries:

a) the company has systems in place for the purpose of ensuring compliance with the guideline;

b) the Board is satisfied with the efficacy of the processes and systems surrounding the production of financial information of the company;

c) the company has in place a Risk Management Strategy, developed in accordance with the requirements of this guideline, setting out its approach to risk management; and

d) the systems that are in place for managing and monitoring risks, and the risk management framework, are appropriate to the company, having regard to such factors as the size, business mix and complexity of the company's operations.

Dr. John A. Eseimokumoh
(Chairman)
FRC/2014/ICAN/00000007083

G.U.S Wiggle
(Managing Director/CEO)
FRC/2013/CIIN/00000002944

Statement of Directors' Responsibilities
For the preparation and approval of the Financial Statements

Statement of Directors' Responsibilities for the preparation and approval of the Financial Statements

In accordance with the provisions of sections 334 and 335 of the Companies and Allied Matters Act Cap C20 LFN 2004 (CAMA), the Directors of Linkage Assurance Plc. are responsible for the preparation of the Annual Financial Statements which gives a true and fair view of the state of the financial affairs of the Company as at 31 December, 2015 and the results of its operations, cash flows and changes in equity for the year ended, in compliance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act of Nigeria, the Insurance Act CAP I17 LFN 2004 and the Financial Reporting Council of Nigeria Act, 2011.

In preparing the Financial Statements, the Directors are responsible for:

- properly selecting and applying accounting policies
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understanding information;
- providing additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance; and
- making an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for:

- designing, implementing and maintaining an effective and sound system of internal controls throughout the Company;
- maintaining statutory accounting records in compliance with the legislation of Nigeria and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- preventing and detecting fraud and other irregularities.

Going Concern:

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the Company will not remain a going concern in the year ahead.
The financial statements of the Company for the year ended 31 December, 2015 were approved by the Directors on 21 July, 2016

On behalf of the Directors of the Company

Dr. John Anderson Eseimokumoh (Chairman) FRC/2014/ICAN/00000007083	**G.U.S Wiggle** (Managing Director/CEO) FRC/2013/CIIN/00000002944	**Olawale Bakir** Chief Financial Officer FRC/2013/ICAN/00000002055

Deloitte.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF LINKAGE ASSURANCE PLC

Report on the Financial Statements

We have audited the accompanying financial statements of LINKAGE ASSURANCE PLC which comprise the statement of financial position as at 31 December 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory information.

Director's Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards, the Companies and Allied Matters Act CAP C20 LFN 2004, the Insurance Act CAP I17 LFN 2004, the Financial Reporting Council of Nigeria Act 2011,and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of LINKAGE ASSURANCE PLC as at 31 December 2015 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards, the Companies and Allied Matters Act CAP C20 LFN 2004, the Insurance Act CAP I17 LFN 2004 and the Financial Reporting Council of Nigeria Act, 2011.

Emphasis of matter

We draw attention to note 7.4 in the financial statements which describes the yet-to-be approved financial report of Stanbic IBTC Pension Managers Limited by their Board. This financial report is an input in the valuation of the company's unquoted equity investment of N10.8b. Our opinion is not qualified in respect of this matter.

Other reporting responsibilities

In accordance with the Sixth Schedule of Companies and Allied Matters Act CAP C20 LFN 2004 we expressly state that:

i) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.

ii) The Company has kept proper books of account, so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us

iii) The Company's financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

Contraventions

The Company contravened certain sections of NAICOM circulars and guidelines during the year, the particulars thereof and penalties paid are as disclosed in Note 45 to the financial statements.

David Achugamonu, FCA-FRC/2013/ICAN/00000000840
For: Akintola Williams Deloitte
Chartered Accountants
Lagos, Nigeria
7 October, 2016

Board Of Directors

Dr. John Anderson Eseimokumoh
Chairman

Mr. Babatunde R. Fatayi-Willams
Vice Chairman

Mr. G.U.S Wiggle
Managing Director

Dr. Pius Apere
Deputy Managing Director

Chief John Edozien
Director

Chief Raymond Ihyembe
Director

Board Of Directors



HRM (Mrs.) Pelebo Banigo
Director

Mr Inam Udo Udoma
Director

Mr. Ikobho Anthony Howells
Director



Mr. Tamunoye Zifere Alazigha
Director

Dr. Bukar Usman
Director

Mr. Taukeme Koroye
Director

Management Team

Mr. G.U.S Wiggle
Managing Director

Dr. Pius Apere
Deputy Managing Director

Mr. Foluso Adedeji
Group Head (Marketing)

Mr. Anthony Saiki
Head (Oil & Gas Special Risk)

Mr. Olumuyiwa Anwoju
(Head, Lagos Market)

Mr. Friday Amaechi
(Group Head, Technical)

Mr. Olawale Bakir
(Chief Financial Officer)

Ms. Mayen Umoren
(Head, Reinsurance and Claims)

Management Team

Mrs. Hilda Ozoh
(Chief Compliance Officer)

Mr. Philip Ikhianosime
(Head, Management Services)

Mr. Taoheed Sikiru
(Head, Internal Audit)

Mr. Imo O. Imo
(Head Strategy and Business Development)

Mr. Damilare Ezekiel Adewale
(Ag. Head, Information Technology)

Company information and accounting policies

1 Corporate Information

1.1 Reporting entity

LINKAGE ASSURANCE PLC ("LINKAGE" or "the Company") was incorporated in Nigeria on 26th of March 1991 as a private limited liability company domiciled in Nigeria. It was registered by the National Insurance Commission on the 7th of October 1993 to transact general insurance business and commenced operations in January, 1994. The Company became a public limited liability company in 2003 and the Company's shares, which were quoted on the Nigerian Stock Exchange were first listed on 18 November 2003. The registered office of the Company is Plot 20 Block 94 Lekki Epe Express way, Lekki, Lagos, Nigeria.

Corporate Governance

LINKAGE is committed to implementing the best practice standards of Corporate Governance. The Company is mindful of its obligations under the National Insurance Commission Corporate Governance Code (NAICOM Code), Companies and Allied Matters Act, the Securities and Exchange Commission Corporate Code (SEC Code) as well as the Post Listing Rules and Requirements of the Nigerian Stock Exchange.

The Company's high standard in Corporate Policies and Governance are designed to encourage transparency in all its activities as well as ensure the protection of the long term interest of all Stakeholders. The business of the Company is conducted with high level of integrity.

1.2. Principal activities

The Company was registered to transact all classes of Non-Life insurance business.

2 Basis of Preparation

2.1 Statement of compliance

The financial statements of Linkage Assurance PLC have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the Financial Reporting Council of Nigeria

The financial statements comply with the requirements of the Companies and Allied Matters Acts Cap C20 LFN 2004, Insurance Act, CAP I17 LFN 2004 and the Guidelines issued by the National Insurance Commission to the extent that they are not in conflict with the International Financial Reporting Standards (IFRS).

2.2 Going concern

These financial statements have been prepared on the going concern basis. The company has no intention or need to reduce substantially its business operations. The management believes that the going concern assumption is appropriate for the 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 company is carried out to ensure that there are no going concern threats to the operations of the company.

2.3 Basis of measurement

The financial statements have been prepared under the historical cost basis except for the following:

(i) Financial instruments at fair value through profit or loss are measured at fair value
(ii) Available-for-sale financial assets are measured at fair value.
(iii) Land and buildings are carried at revalued amount.
(iv) Investment properties are measured at fair value.

2.4 Estimates, judgement and uncertainties

The preparation of financial statements in conformity with IFRS requires the Company's Board to exercise its judgment in applying the Company's accounting policies. The areas involving a higher degree of judgments or complexity, or areas where assumptions or estimates are significant to the financial statements are set out in the accounting policies.

2.5 Reporting Currency

The financial statements are presented in Nigeria Naira (=N=) and are rounded to the nearest thousand ('000) unless otherwise stated.

2.6 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The Company is incorporated in Nigeria and has adopted Naira as its functional currency.

3 Application of new and revised International Financial Reporting Standards (IFRS)

3.1 New and revised IFRSs affecting amounts reported and/or disclosures in the financial statements

In the current year, the Company has applied a number of amendments to IFRSs and a new Interpretation issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2015.

3.1.1 Amendments to IAS 19 Defined Benefit Plans: Employee Contributions (Effective for annual periods beginning on or after 1 July 2014)

The amendments to IAS 19 clarify the accounting treatment for contributions from employees or third parties to a defined benefit plan. According to the amendments, discretionary contributions made by employees or third parties reduce service cost upon payment of these contributions to the plan. When the formal terms of the plan specify contributions from employees or third parties, the accounting depends on whether the contributions are

Company information and accounting policies

linked to service, as follows:

- If the contributions are not linked to services (e.g. contributions are required to reduce a deficit arising from losses on plan assets or from actuarial losses), they affect the remeasurement of the net defined benefit liability (asset).

- If contributions are linked to services, they reduce service costs. If the amount of contribution is dependent on the number of years of service, the entity should reduce service cost by attributing it to the contributions to periods of service using the attribution method required by IAS 19 paragraph 70 (for the gross benefits). If the amount of contribution is independent of the number of years of service, the entity is permitted to either reduce service cost in the period in which the related service is rendered, or reduce service cost by attributing the contributions to the employees' periods of service in accordance with IAS 19 paragraph 70.

The amendment requires retrospective application.

Annual Improvements to IFRSs 2010 - 2012 Cycle
(Effective for annual periods beginning on or after 1 July 2014, except as detailed below)
The Annual Improvements include amendments to a number of IFRSs, which have been summarised below.

Standard	Subject of amendment	Details
IFRS 2 *Share-based Payment*	Definition of vesting condition	The amendment is to clarify the definition of vesting condition and market condition to ensure the consistent classification of conditions attached to a share-based payment. It also adds definitions for 'performance condition' and 'service condition' which were previously included as part of the definition of 'vesting condition'. Specifically, • For 'market condition', the amendment indicates that it is a performance condition that relates to the market price or value of the entity's equity instruments or the equity instruments of another entity in the same group. A market condition requires the counterparty to complete a specified period of service. • For 'performance condition', the amendment specifies that the period over which the performance target is achieved should not extend beyond the service period and that it is defined by reference to the entity's own operations or activities of another entity in the same group. The amendment requires prospective application, i.e. entities should apply the amendment prospectively to share-based payment transactions for which the grant date is on or after 1 July 2014.

Company information and accounting policies

Standard	Subject of amendment	Details
IFRS 3 Business Combinations	Accounting for contingent consideration in a business combination	The amendment clarifies that contingent consideration should be measured at fair value at each reporting date, irrespective of whether or not the contingent consideration falls within the scope of IFRS 9 or IAS 39. Changes in fair value (other than measurement period adjustments as defined in IFRS 3) should be recognised in profit and loss. The amendment to IFRS 3 requires prospective application, i.e. entities should apply the amendment prospectively to business combinations for which the acquisition date is on or after 1 July 2014.
IFRS 8 Operating Segments	(I) Disclosure about judgments involved in deciding whether or not to aggregate operating segments (ii) When reconciliation of the total of the reportable segments' assets to the entity's assets is required	The amendment (i) requires an entity to disclose the judgments made by management in applying the aggregation criteria to operating segments, including a brief description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments share similar economic characteristics; and (ii) clarifies that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if information about the amount of the segment assets are regularly provided to the chief operating decision-maker.
IFRS 13 Fair Value Measurement	Short-term receivables and payables	The amendment to the basis for conclusions of IFRS 13 clarifies that the issuance of IFRS 13 and consequential amendments to IAS 39 and IFRS 9 did not remove the ability to measure short- term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial. This amendment does not include any effective date because this is just to clarify the intended meaning in the basis for conclusions.
IAS 16 Property, Plant and Equipment; IAS 38 Intangible Assets	Revaluation method-proportionate restatement of accumulated depreciation (amortisation)	The amendments to IAS 16 and IAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

Company information and accounting policies

Standard	Subject of amendment	Details
IAS 24 *Related Party Disclosures*	Key management personnel	The amendment clarifies that a management entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of compensation to key management personnel that is paid by the management entity to the management entity's employees or directors is not required
IFRS 3 *Business Combinations*	Scope exceptions for joint ventures	The amendment clarifies that IFRS 3 does not apply to the accounting for the formation of joint arrangement in the financial statements of the joint arrangement itself.
IFRS 13 *Fair Value Measurement*	Scope of paragraph 52 (portfolio exception)	The amendment clarifies that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within IAS 33.
IAS 40 *Investment Property*	Clarifying the interrelationship between IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property	The amendment clarifies that IAS 40 and IFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring an investment property must determine whether: (a) the property meets the definition of investment property in accordance with IAS 40; and (b) the transaction meets the definition of a business combination in accordance with IFRS 3. An entity should apply the amendment prospectively for acquisitions of investment property from the beginning of the first period for which it adopts the amendment. Consequently, accounting for acquisitions of investment property in prior periods should not be restated. However, an entity may choose to apply the amendment to individual acquisitions of investment property that occurred prior to the beginning of the first annual period occurring on or after the effective date (i.e. 1 July 2014) if and only if information needed to apply the amendment to earlier transactions is available to the entity.

Company information and accounting policies

As mentioned above, the amendment requires an entity to assess whether the acquisition of an investment property is an asset acquisition or a business combination in accordance with IFRS 3. IFRS 3 defines a business as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors or other owners, members and participants. Specifically, IFRS 3 states that a business consists of inputs and processes that have the ability to create outputs. To qualify for the definition of a business, the integrated set of activities and assets should have two essential elements - inputs and processes; outputs are not necessarily required (although businesses usually have outputs).

In considering whether the acquisition of an investment property is an asset acquisition or a business combination, significant judgement is required taking into account the specific facts and circumstances surrounding each transaction. Below is a summary of key accounting differences between an asset acquisition and a business combination.

	Acquisition of asset(s)	**Business combination**
What is the applicable standard?	Various IFRSs (e.g. IAS 40, IAS 16 Property, Plant and Equipment, IAS 2 Inventories) IFRS 3.2(b) scopes out acquisition of an asset or a group of assets that does not constitute a business from IFRS 3.	IFRS 3
How to account for the consideration for the acquisition?	Consideration paid and payable would be allocated among the assets acquired.	Both consideration paid and payable as well as assets acquired have to be measured at fair value at the date of business combination.
How to account for the transaction costs?	Follow the applicable IFRSs (e.g. IAS 40, IAS 16 and IAS 2). For example, IAS 2, IAS 16 and IAS 40 require properties to be initially measured at cost which generally include directly attributable transaction costs.	IFRS 3 generally requires transaction costs to be expensed in profit or loss immediately.
Would the acquisition give rise to any goodwill/bargain purchase?	No	Any excess of the consideration over the identifiable net assets of the acquiree should be recognised as goodwill. Annual impairment assessment on goodwill is required. Any excess of the identifiable net assets of the acquiree over the consideration should be recognised in profit or loss as a gain on bargain purchase (after reassessment per IFRS 3.36).

Company information and accounting policies

Is there any additional deferred tax to be recognised at the date of the acquisition?	No. IAS 13.15(b) and 24(b) prohibit the recognition of a deferred tax liability (asset) for taxable temporary (deductible) difference respectively if it arises from the initial recognition of an asset in a transaction which is not a business combination and does not affect either accounting profit or taxable profit at the time of the transaction.	Yes, deferred tax assets or liabilities should be recognised at the date of business combination in relation to, for example, fair value adjustments made at the date of business combination

New and revised IFRSs that are not mandatorily effective (but allow early application) for the year ended 31 December 2015
Below is a list of new and revised IFRSs that are not yet mandatorily effective (but allow early application) for the year ending 31 December 2015:

- IFRS 9 Financial Instruments;
- IFRS 14 Regulatory Deferral Accounts;
- IFRS 15 Revenue from Contracts with Customers;
- Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations;
- Amendments to IAS 1 Disclosure Initiative;
- Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation;
- Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants;
- Amendments to IAS 27 Equity Method in Separate Financial Statements;
- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture;
- Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception; and
- Annual Improvements to IFRSs 2012-2014 Cycle

i. IFRS 9 Financial Instruments (as revised in 2014)

(Effective for annual periods beginning on or after 1 January 2018)

In July 2014, the IASB finalised the reform of financial instruments accounting and issued IFRS 9 (as revised in 2014), which contains the requirements for a) the classification and measurement of financial assets and financial liabilities, b) impairment methodology, and c) general hedge accounting. IFRS 9 (as revised in 2014) will supersede IAS 39 *Financial Instruments: Recognition and Measurement* upon its effective date.

Phase 1: Classification and measurement of financial assets and financial liabilities

With respect to the classification and measurement, the number of categories of financial assets under IFRS 9 has been reduced; all recognised financial assets that are currently within the scope of IAS 39 will be subsequently measured at either amortised cost or fair value under IFRS 9. Specifically:

- a debt instrument that (i) is held within a business model whose objective is to collect the contractual cash flows and (ii) has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding must be measured at amortised cost (net of any write down for impairment), unless the asset is designated at fair value through profit or loss (FVTPL) under the fair value option.
- a debt instrument that (i) is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets and (ii) has contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, must be measured at FVTOCI, unless the asset is designated at FVTPL under the fair value option.
- all other debt instruments must be measured at FVTPL.
- all equity investments are to be measured in the statement of financial position at fair value, with gains and losses recognised in profit or loss except that if an equity investment is not held for trading, an irrevocable election can be made at initial recognition to measure the investment at FVTOCI, with dividend income recognised in profit or loss.

IFRS 9 also contains requirements for the classification and measurement of financial liabilities and derecognition requirements. One major change from

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IAS 39 relates to the presentation of changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of that liability. Under IFRS 9, such changes are presented in other comprehensive income, unless the presentation of the effect of the change in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as FVTPL is presented in profit or loss.

Phase 2: Impairment methodology

The impairment model under IFRS 9 reflects expected credit losses, as opposed to incurred credit losses under IAS 39. Under the impairment approach in IFRS 9, it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, an entity always accounts for expected credit losses and changes in those expected credit losses. The amount of expected credit losses should be updated at each reporting date to reflect changes in credit risk since initial recognition.

Phase 3: Hedge accounting

The general hedge accounting requirements of IFRS 9 retain the three types of hedge accounting mechanisms in IAS 39. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify as hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is no longer required. Far more disclosure requirements about an entity's risk management activities have been introduced.

The work on macro hedging by the IASB is still at a preliminary stage - a discussion paper was issued in April 2014 to gather preliminary views and direction from constituents with a comment period which ended on 17 October 2014. The project is under redeliberation at the time of writing.

Transitional provisions

IFRS 9 (as revised in 2014) is effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. If an entity elects to apply IFRS 9 early, it must apply all of the requirements in IFRS 9 at the same time, except for those relating to:

1. the presentation of fair value gains and losses attributable to changes in the credit risk of financial liabilities designated as at FVTPL, the requirements for which an entity may early apply without applying the other requirements in IFRS 9; and
2. hedge accounting, for which an entity may choose to continue to apply the hedge accounting requirements of IAS 39 instead of the requirements of IFRS 9.

   An entity may early apply the earlier versions of IFRS 9 instead of the 2014 version if the entity's date of initial application of IFRS 9 is before 1 February 2015. The date of initial application is the beginning of the reporting period when an entity first applies the requirements of IFRS 9.

IFRS 9 contains specific transitional provisions for i) classification and measurement of financial assets; ii) impairment of financial assets; and iii) hedge accounting. Please see IFRS 9 for details.

ii. IFRS 14 Regulatory Deferral Accounts

(Effective for first annual IFRS financial statements with annual periods beginning on or after 1 January 2016)

IFRS 14 specifies the accounting for regulatory deferral account balances that arise from rate-regulated activities. The Standard is available only to first-time adopters of IFRSs who recognised regulatory deferral account balances under their previous GAAP. IFRS 14 permits eligible first-time adopters of IFRSs to continue their previous GAAP rate-regulated accounting policies, with limited changes, and requires separate presentation of regulatory deferral account balances in the statement of financial position and statement of profit or loss and other comprehensive income.

Disclosures are also required to identify the nature of, and risks associated with, the form of rate regulation that has given rise to the recognition of regulatory deferral account balances.

IFRS 14 is effective for an entity's first annual IFRS financial statements for annual periods beginning on or after 1 January 2016, with earlier application permitted.

iii. IFRS 15 Revenue from Contracts with Customers

(Effective for annual periods beginning on or after 1 January 2018)

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. It will supersede the following revenue Standards and Interpretations upon its effective date:

- IAS 18 *Revenue*;
- IAS 11 *Construction Contracts;*
- IFRIC 13 *Customer Loyalty Programmes*;
- IFRIC 15 *Agreements for the Construction of Real Estate*;
- IFRIC 18 *Transfers of Assets from Customers;* and
- SIC 31 *Revenue-Barter Transactions Involving Advertising Services*.

As suggested by the title of the new revenue Standard, IFRS 15 will only cover revenue arising from contracts

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with customers. Under IFRS 15, a customer of an entity is a party that has contracted with the entity to obtain goods or services that are an output of the entity's ordinary activities in exchange for consideration.

Unlike the scope of IAS 18, the recognition and measurement of interest income and dividend income from debt and equity investments are no longer within the scope of IFRS 15. Instead, they are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* (or IFRS 9 *Financial Instruments*, if IFRS 9 is early adopted).

As mentioned above, the new revenue Standard has a single model to deal with revenue from contracts with customers. Its core principle is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The new revenue Standard introduces a 5-step approach to revenue recognition and measurement:

Step 1: Identify the contract with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Far more prescriptive guidance has been introduced by the new revenue Standard:

- Whether or not a contract (or a combination of contracts) contains more than one promised good or service, and if so, when and how the promised goods or services should be unbundled.

- Whether the transaction price allocated to each performance obligation should be recognised as revenue over time or at a point in time. Under IFRS 15, an entity recognises revenue when a performance obligation is satisfied, which is when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Unlike IAS 18, the new Standard does not include separate guidance for 'sales of goods' and 'provision of services'; rather, the new Standard requires entities to assess whether revenue should be recognised over time or a particular point in time regardless of whether revenue relates to 'sales of goods' or 'provision of services'.

- When the transaction price includes a variable consideration element, how it will affect the amount and timing of revenue to be recognised. The concept of variable consideration is broad; a transaction price is considered variable due to discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, penalties and contingency arrangements. The new Standard introduces a high hurdle for variable consideration to be recognised as revenue – that is, only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

- When costs incurred to obtain a contract and costs to fulfil a contract can be recognised as an asset.

iv. Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations

(Effective for annual periods beginning on or after 1 January 2016)
The amendments to IFRS 11 provide guidance on how to account for the acquisition of an interest in a joint operation in which the activities constitute a business as defined in IFRS 3 *Business Combinations*. Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards (e.g. IAS 12 *Income Taxes* regarding recognition of deferred taxes at the time of acquisition and IAS 36 *Impairment of Assets* regarding impairment testing of a cash-generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by IFRS 3 and other standards for business combinations.

Entities should apply the amendments prospectively to acquisitions of interests in joint operations (in which the activities of the joint operations constitute businesses as defined in IFRS 3) occurring from the beginning of annual periods beginning on or after 1 January 2016. Earlier application is permitted.

v. Amendments to IAS 1 Disclosure Initiative

(Effective for annual periods beginning on or after 1 January 2016)
The amendments were a response to comments that there were difficulties in applying the concept of materiality in practice as the wording of some of the requirements in IAS 1 had in some cases been read to prevent the use of judgment. Certain key highlights in the amendments are as follows:

- An entity should not reduce the understandability of its financial statements by obscuring material

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information with immaterial information or by aggregating material items that have different natures or functions.

- An entity need not provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material.
- In the other comprehensive income section of a statement of profit or loss and other comprehensive income, the amendments require separate disclosures for the following items:
  - the share of other comprehensive income of associates and joint ventures accounted for using the equity method *that will not be reclassified subsequently to profit or loss*; and
  - the share of other comprehensive income of associates and joint ventures accounted for using the equity method *that will be reclassified subsequently to profit or loss*.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2016 with earlier application permitted. Application of the amendments need not be disclosed.

vi. Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

(Effective for annual periods beginning on or after 1 January 2016)

The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

a) when the intangible asset is expressed as a measure of revenue. For example, an entity could acquire a concession to explore and extract gold from a gold mine. The expiry of the contract might be based on a fixed amount of total revenue to be generated from the extraction and not be based on time or on the amount of gold extracted. Provided that the contract specifies a fixed total amount of revenue to be generated on which amortisation is to be determined, the revenue that is to be generated might be an appropriate basis for amortising the intangible asset; or

b) when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016 with earlier application permitted.

vii. Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants

(Effective for annual periods beginning on or after 1 January 2016)

The amendments to IAS 16 *Property, Plant and Equipment* and IAS 41 *Agriculture* define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16, instead of IAS 41.

In terms of the amendments, bearer plants can be measured using either the cost model or the revaluation model set out in IAS 16.

The produce growing on bearer plants continues to be accounted for in accordance with IAS 41.

The amendments apply retrospectively for annual periods beginning on or after 1 January 2016 with earlier application permitted. As a transitional provision, entities need not disclose the quantitative information required by paragraph 28(f) of IAS 8 for the current period. However, quantitative information for each prior period presented is still required. Also, on the initial application of the amendments, entities are permitted to use the fair value of items of bearer plant as their deemed cost as at the beginning of the earliest period presented. Any difference between the previous carrying amount and fair value should be recognised in opening retained earnings at the beginning of the earliest period presented.

viii. Amendments to IAS 27 Equity Method in Separate Financial Statements

(Effective for annual periods beginning on or after 1 January 2016)

The amendments focus on separate financial statements and allow the use of the equity method in such statements. Specifically, the amendments allow an entity to account for investments in subsidiaries, joint ventures and associates in its separate financial statements:

- at cost,
- in accordance with IFRS 9 (or IAS 39 for entities that have not yet adopted IFRS 9), or
- using the equity method as described in IAS 28 *Investments in Associates and Joint Ventures.*

The same accounting must be applied to each category of investments.

The amendments also clarify that when a parent ceases to be an investment entity, or becomes an investment entity, it should account for the change from the date when the change in status occurs.

The amendments apply retrospectively for annual periods beginning on or after 1 January 2016 with earlier application permitted.

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ix. Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

(Effective for annual periods beginning on or after 1 January 2016)
The amendments deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. IAS 28 and IFRS 10 are amended, as follows:

IAS 28 has been amended to reflect the following:

- Gains and losses resulting from transactions involving assets that do not constitute a business between an investor and its associate or joint venture are recognised to the extent of unrelated investors' interests in the associate or joint venture.
- Gains or losses from downstream transactions involving assets that constitute a business between an investor and its associate or joint venture should be recognised in full in the investor's financial statements.

IFRS 10 has been amended to reflect the following:

Gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The amendments apply prospectively to transactions occurring in annual periods beginning on or after 1 January 2016 with earlier application permitted. In the June 2015 IASB meeting, the IASB tentatively decided to defer the mandatory effective date of these amendments. No exposure draft has yet been issued at the time of writing.

Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception

(Effective for annual periods beginning on or after 1 January 2016)
The amendments clarify that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all its subsidiaries at fair value in accordance with IFRS 10. Consequential amendments have also been made to IAS 28 to clarify that the exemption from applying the equity method is also applicable to an investor in an associate or joint venture if that investor is a subsidiary of an investment entity that measures all its subsidiaries at fair value.

The amendments further clarify that the requirement for an investment entity to consolidate a subsidiary providing services related to the former's investment activities applies only to subsidiaries that are not investment entities themselves.

Moreover, the amendments clarify that in applying the equity method of accounting to an associate or a joint venture that is an investment entity, an investor may retain the fair value measurements that the associate or joint venture used for its subsidiaries.

Lastly, clarification is also made that an investment entity that measures all its subsidiaries at fair value should provide the disclosures required by IFRS 12 *Disclosures of Interests in Other Entities.*

The amendments apply retrospectively for annual periods beginning on or after 1 January 2016 with earlier application permitted.

Annual Improvements to IFRSs 2012 - 2014 Cycle

(Effective for annual periods beginning on or after 1 January 2016)
The Annual Improvements include amendments to a number

Standard	Subject of amendment	Details
IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*	Changes in methods of disposal	The amendment introduces specific guidance in IFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa). The amendment clarifies that such a change is considered as a continuation of the original plan of disposal and accordingly an entity should not apply paragraphs 27-29 of IFRS 5 regarding changes to a plan of sale in those situations.

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Standard	Subject of amendment	Details
IFRS 7 *Financial Instruments: Disclosures* (with consequential amendments to IFRS 1)	(I) Servicing contracts (ii) Applicability of the amendments to IFRS 7 on offsetting disclosure to condensed interim financial statements	The amendment provides additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets. Also, the amendment clarifies that the offsetting disclosures are not specifically required for all interim periods. However, the disclosures may need to be included in the condensed interim financial statements to satisfy the requirements in IAS 34 Interim Financial Reporting.
IAS 19 *Employee Benefits*	Discount rate: regional market issue	The amendment clarifies that the rate used to discount post-employment benefit obligations should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The basis for conclusions to the amendment also clarifies that the depth of the market for high quality corporate bonds should be assessed at a currency level which is consistent with the currency in which the benefits are to be paid. For currencies for which there is no deep market in such high quality bonds, the market yields (at the end of the reporting period) on government bonds denominated in that currency should be used.
IAS 34 Interim Financial Reporting	Disclosure of information included 'elsewhere in the interim financial report'	The amendment clarifies the requirements relating to information required by paragraph 16A of IAS 34 that is presented elsewhere within the interim financial report but outside the interim financial statements. The amendment requires that such information to be included either in the interim financial statements or incorporated by way of a cross-reference from the interim financial statements to the other part of the interim financial report that is available to users on the same terms and at the same time as the interim financial statements.

The directors of the company do not anticipate that the application of these amendments will have a material effect on the financial statements.

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4. Significant accounting policies

Accounting policies are the specific principles, bases, conventions, rules and practices applied by an entity in preparing and presenting financial statements.

The accounting policies set out below have been consistently applied to all periods presented in these financial statements.

4.1 Cash and cash equivalents

Cash and cash equivalents include cash in hand and bank, unrestricted balances held with Central Bank, call deposits and short term highly liquid financial assets (including money market funds) with original maturities of three months or less from the acquisition date, which are subject to insignificant risk of changes in their value and used by the Company in the management of its short-term commitments.

For the purpose of the statement of cash flow, cash and cash equivalents consist of cash and cash equivalents.

4.2 Financial instruments

A financial asset or liability is recognised when the Company becomes a party to the contractual provisions of the instrument.

4.2.1 Classification of financial assets

The Company classifies its financial assets into the following categories:

- Financial assets at fair value through profit or loss
- Held-to-maturity investments
- Loans and receivables
- Available-for-sale financial assets

Management determines the appropriate classification of its investments at initial recognition and the classification depends on the purpose for which the investments were acquired or originated. The Company's financial assets include cash and short-term deposits, trade and other receivables, quoted and unquoted financial instruments.

Financial assets at fair value through profit or loss

Financial assets are classified as “fair value through profit or loss” where the Company's documented investment strategy is to manage financial investments on a fair value basis; and treat related liabilities on the same basis. This category has two sub-categories:

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

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Investments typically bought with the intention to sell in the near term are classified as held for trading. Near term is defined by management as 365 days.

Held to maturity

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has the positive intention and ability to hold to maturity. Where a sale occurs, other than an insignificant amount of held-to-maturity assets, the entire category would be tainted and classified as available-for-sale.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivable.

Available-for-sale financial assets (AFS)

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss. Available-for-sale financial instruments are securities that are intended to be held for an indefinite period of time and which may be sold in response to liquidity needs or in response to changes in market conditions.

4.2.2 Initial recognition and measurement

Financial assets are initially recognised at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

4.2.3 Subsequent measurement

Fair values of quoted investments in active markets are based on quoted bid prices. Equity securities for which fair values cannot be measured reliably are measured at cost less impairment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are re-measured subsequent to initial recognition at fair value.

Changes in the carrying amount are recognised in profit or loss. The net gain/loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Net fair value gains/(losses) on financial assets at fair value through profit or loss' line item in the Income Statement.

Financial assets at amortised cost

Loans and receivables as well as Held-to-maturity investments that are recoverable above one year, after initial measurement are measured at amortised cost, using the effective interest rate method (EIR) less impairment.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs

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that are an integral part of the EIR. Gains and losses from the EIR amortisation are included in 'investment income and other income' in the income statement.

Available-for-sale financial assets
Available-for-sale financial assets are re-measured subsequent to initial recognition at fair value. Changes in the carrying amount of available for sale financial assets are recognised in other comprehensive income and accumulated under the heading of fair value reserve.

Equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are stated at cost less any identified impairment losses at the end of each reporting period.

4.2.4 Impairment of financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset is impaired. Objective evidence of impairment is established as a result of one or more events that occurred after initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

Objective evidence that a financial asset is impaired includes observable data that comes to the attention of the Company about the following events:

- significant financial difficulty of the issuer or debtor;
- a breach of contract, such as a default or delinquency in payments;
- it becoming probable that the issuer or debtor will enter bankruptcy or other financial re-organisation;
- the disappearance of an active market for that financial asset because of financial difficulties.

Financial assets carried at amortised cost
An impairment loss in respect of a financial assets measured at amortised cost is calculated as the difference between its carrying value and the present value of the estimated future cash flows (excluding future credit losses that have not been incurred) discounted at financial asset's original effective interest rate. If a financial asset measured at amortised cost has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Individually significant financial assets are tested for impairment on an individual basis.

For the purpose of a collective evaluation of impairment, financial assets are assessed on the basis of the Company's internal credit grading system, which considers credit risk characteristics such as asset type, industry, geographical location, past-due status and other relevant factors.

Future cash flows of a Company of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the Company. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently. Estimates of changes in future cash flows reflect, and are directionally consistent with, changes in related observable data from year to year (payment status, or other factors that are indicative of incurred losses in the Company and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of investment & other income in the income statement. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company.

If in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to other operating and administrative expenses in the income statement.

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 end of reporting period, that have an impact on the future cash flows of the asset.

An available-for-sale equity instrument is generally considered impaired if a significant or prolonged decline in the fair value of the instrument below its cost has occurred. 'Significant' is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been

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below its original cost. In this respect, a decline of 30% or more is regarded as significant, and a period of 24 months or longer is considered to be prolonged. If any such quantitative evidence exists for available-for-sale financial assets, the asset is considered for impairment, taking qualitative evidence into account.

Where there is objective evidence that an available-for-sale financial asset is impaired, the cumulative loss that had been recognised in other comprehensive income is reclassified from equity to income statement as a reclassification adjustment even though the financial asset has not been derecognised. The amount of the loss recognised in the income statement is the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any previously recognised impairment loss.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the income statement, the impairment loss is reversed through the income statement.

Financial assets carried at cost
For financial assets carried at cost, if there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

4.2.5 De-recognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are Transferred, or has assumed 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 Company is recognised as a separate asset or liability.

4.2.6 Financial Liabilities

Financial liabilities are classified as either financial liabilities at Fair Value through Profit or loss (at FVTPL) or 'other financial liabilities'. Financial liabilities are recognised initially at fair value and in the case of loans and borrowings, less directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, insurance payables and investment contracts.

Financial liabilities at FVTPL
The Company does not have financial liabilities classified as at FVTPL.

Other financial liabilities
Other financial liabilities which includes creditors arising out of reinsurance arrangements and direct insurance arrangement and other payable, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

De-recognition
The Company de-recognises financial liabilities when, and only when, the obligations are discharged, cancelled or they expire. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

4.2.7 Offsetting financial instruments

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

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4.3 Recognition and measurement of investment contracts

Receipt and payments under investment contracts are not classified as insurance contracts in the Statement of comprehensive income but are deposit accounted for in the Statement of financial position in line with the accounting policies for financial instruments. The deposit liability recognized in the Statement of financial position represents the amounts payable to the holders of the investment contracts inclusive of allocated investment income.

4.4 Financial guarantee contracts

Financial guarantee contracts are contracts that require the Company to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee liabilities are initially recognised at fair value, which is the premium received, and then amortised over the life of the financial guarantee. Subsequent to initial recognition, the financial guarantee liability is measured at the higher of the present value of any expected payment and the unamortised premium when a payment under the guarantee has become probable. Financial guarantees are included within other liabilities.

4.5 Trade Receivables and Payables

Receivables and Payables are recognised when due. These include amounts due to and from agents, brokers and insurance contract holders.

The Company assesses at each reporting date whether there is objective evidence that an insurance receivable is impaired. If there is objective evidence that the insurance receivable is impaired, the carrying amount of the insurance receivable is reduced accordingly through an allowance account and recognised as impairment loss in profit or loss.

4.6 Reinsurance

The Company cedes business to reinsurers in the normal course of business for the purpose of limiting its net loss potential through the transfer of risks. Premium ceded comprise gross written premiums. Reinsurance arrangements do not relieve the Company from its direct obligations to its policyholders.

4.7 Deferred acquisition costs

The incremental costs directly attributable to the acquisition of new business are deferred by recognising an asset. For other insurance contracts, acquisition costs including both incremental acquisition costs and other indirect costs of acquiring and processing new business are deferred (deferred acquisition costs).

Where such business is reinsured the reinsurers' share is carried forward as deferred income.

Deferred acquisition costs and deferred origination costs are amortized systematically over the life of the contracts and tested for impairment at each reporting date. Any amount not recoverable is expensed. They are derecognized when the related contracts are settled or disposed of.

Deferred expenses - Reinsurance commissions
The Company recognises commissions receivable on outwards reinsurance contracts as a deferred expense and amortised over the average term of the expected premiums payable.

4.8 Investment properties

Investment properties are measured initially 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 the cost of the day-to-day servicing of an investment property.

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date.

Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the year in which they arise.

Investment properties are de-recognised either when they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the year of retirement or disposal.

Transfers are made to or from investment properties only when there is a change in use evidenced by the end of owner-occupation, commencement of an operating lease to another party or completion of construction or development. Transfer between investment property and owner-occupied property does not change the cost of that property for measurement or disclosure purposes.

4.9 Intangible Assets

The company recognises intangible assets if and only if

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the company
- it is feasible to complete the asset so that it becomes available for sale
- there is ability to use or sell the asset; and
- the cost of the asset can be measured reliably

Company information and accounting policies

4.10 Computer software

The Company recognises computer software acquired as intangible asset.

Software acquired by the company is stated at cost less accumulated amortisation and accumulated impairment losses (where this exists). Acquired intangible assets are recognised at cost on acquisitions date. Subsequent to initial recognition, these assets are carried as cost less accumulated amortisation and impairment losses in value, where appropriate.

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 the income statement on a straight-line basis over the estimated useful life of the software from the date that it is available for use since this most closely reflects the expected pattern of consumption of the economic benefits embodied in the asset. The assets are usually amortised over their useful life most which do not exceed 4 years. Amortisation methods are reviewed at each financial year-end and adjusted if appropriate.

Intangible assets are derecognised at disposal date or at the date when it is permanently withdrawn from use without the ability to be disposed of. The differences between the carrying amounts at the date of derecognition and any disposal proceeds as applicable, is recognised in the statement of comprehensive income.

Expenditure on internally developed software is recognised as an asset when the Company is able to demonstrate its intention and ability 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 cost of internally developed software include all cost directly attributable to developing the software and capitalised borrowing cost, and are amortised over its useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and impairment.

There was no internally developed software at the date of reporting.

4.11 Property, plant and equipment

Land and buildings comprise offices occupied by the company.

Recognition and measurement

All categories of property, plant and equipment are initially recorded at cost.

Land and buildings are subsequently stated at revalued amount less depreciation and impairment losses. All other property and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Land and buildings are revalued every three (3) years. Increases in the carrying amount of land and buildings arising from revaluation are credited to revaluation reserve in other comprehensive income.

Decreases that offset previous increases in land and buildings arising from revaluation are charged against the revaluation reserve while other decreases, if any, are charged to profit or loss.

Subsequent costs

The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be reliably measured. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is provided on a straight line basis so as to allocate the cost/re-valued amounts less their residual values over the estimated useful lives of the following classes of assets. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations.*

The estimated useful lives for the current and comparative periods are as follows:

Leasehold improvements	over the unexpired lease period
Leasehold buildings	50 years
Computer hardware and software	4 years
Furniture and office equipment	4 years
Motor vehicles	4 years

The assets' residual values, useful lives and method of depreciation are reviewed, and adjusted if appropriate, at the end of the reporting period.

De-recognition

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement of the year the asset is de-recognised.

Company information and accounting policies

4.12 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets other than goodwill and deferred tax assets are assessed at the end of each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset Company that generates cash flows that are largely independent from other assets and Company's. Impairment losses are recognised in profit or loss.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any asset allocated to the units and then to reduce the carrying amount of the other assets in the unit (Company of units) on a *pro rata* basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses on non-revalued assets are recognised in the income statement as an expense, while reversals of impairment losses are also stated in the income statement. Impairment losses on revalued assets are recognised in other comprehensive income to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset.

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. An impairment loss is reversed only to the extent that the asset's carrying amount does 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.

4.13 Statutory Deposit

The Company maintains a statutory deposit with the Central Bank of Nigeria (CBN) which represents 10% of the minimum capitalisation in compliance with the Insurance Act. This balance is not available for the day-to-day operations of the Company. Statutory deposit is measured at cost.

4.14 Insurance Contract Liabilities – General Business

Estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for expected ultimate cost of claims incurred but not yet reported (IBNR) at the reporting date.

It can take a significant period of time before the ultimate claims cost can be established with certainty and for the same type of policies.

The ultimate cost of outstanding claims is estimated by using one of the ranges of standard actuarial claims projection techniques – Discounted Inflation Adjusted Chain Ladder method.

The main assumption underlying this technique is that a company's past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, this method extrapolates the development of paid and incurred losses, average costs per claim and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years, but can also be further analysed by geographical area, as well as by significant business lines and claim types.

Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based.

Additional qualitative judgment is used to assess the extent to which past trends may not apply in future, (for example to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the likely outcome from the range of possible outcomes, taking account of all the uncertainties involved.

Similar judgments, estimates and assumptions are employed in the assessment of adequacy of provisions for unearned premium. Judgment is also required in determining whether the pattern of insurance service provided by a contract requires amortization of unearned premium on a basis other than time apportionment.

4.15 Provisions

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

Company information and accounting policies

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligation as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

4.16 Other liabilities

Other financial liabilities and accruals are recognised initially as fair value and subsequently measured at amortised cost using the effective interest rate method. The fair value of a non-interest-bearing liability is its discounted repayment amount. If the due date of the li ability is less than one year discounting is omitted.

4.17 Employee benefits

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash, bonus or profit-sharing plans if the Company 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

Defined contribution plans

The Company operates a defined contribution plan in accordance with the provisions of the Pension Reform Act. The contribution of the employee and employer is 7.5% and 15% of the qualifying monthly emoluments (i.e. basic, housing and transport) of employees respectively. The company's obligations for contributions to the plan are recognised as an expense in profit or loss when they are due.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Staff Severance scheme

The Company commenced the operation of a Staff Sinking Fund Scheme upon obtaining Board of directors' approval in May 2014. This Sinking Fund is non-contributory defined employee exit benefit plan under which the company alone makes fixed contributions into a separate entity and the fund can only be accessed by staff members at the point they are exiting the company for reasons other than dismissal.

The amount payable to exiting staff is dependent on years of service and compensation as at date of exit. This value of this benefit is actuarially determined at each reporting date by an independent actuary.

4.18 Taxation

Company Income Tax

Income tax expense comprises current Company Income tax, Education tax, Information Technology Levy and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred Income Tax

Deferred income tax is provided, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted at the reporting period date and are expected to apply when the related deferred income tax liability is settled.

Deferred income tax assets are recognised for all deductible temporary differences and unused tax credits and losses, only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

4.19 Share capital and reserves

Share capital

The issued ordinary shares of the company are classified as equity instruments. Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

Dividend

Dividend on ordinary shares are recognised and deducted from equity when they are approved by the Company's shareholders, while interim dividends are deducted from equity when they are paid. Dividends for

Company information and accounting policies

the year that are approved after the reporting date are disclosed as an event after reporting date and as note within the financial statements.

Contingency Reserves
Contingency reserve is calculated at the higher of 3% of gross premium and 20% of net profits. This amount is expected to be accumulated until it amounts to the higher of minimum paid-up capital for a non-life (general) insurance company or 50% of gross premium in accordance with section 21(2) of the Insurance Act LFN 2004.

4.20 Valuation of available-for-sale unquoted equity

The Company fair values its unquoted investment in Stanbic IBTC Pension Ltd, which is classified as available for sale.

4.21 Contingent liabilities and assets

Possible obligations of the Company, the existence of which will only be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the control of the company and present obligations of the Company where it is not probable that an outflow of economic benefits will be required to settle the obligation or where the amount of the obligation cannot be measured reliably, are not recognised in the Company statement of financial position but are disclosed in the notes to the financial statement.

Possible assets of the Company, the existence of which will only be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the control of the company, are not recognised in the Company statement of financial position but are disclosed in the notes to the financial statement where an inflow of economic benefits is probable.

4.22 Foreign Currency Translation

Functional and Presentation Currency
Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates (the functional currency).

The financial statements are presented in Nigerian naira (₦), which is the presentation currency, and rounded to the nearest thousand (₦000) unless otherwise indicated.

Transactions and Balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statements.

Foreign exchange gains and losses that relate to cash and cash equivalents are presented in the Income Statement within 'investment income & other income'. All other foreign exchange gains and losses are presented in the income statement within 'investment and other income' or 'other operating and administrative expenses'.

Reinsurance assets are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

Premiums, losses and other amounts relating to reinsurance treaties are measured over the period from inception of a treaty to expiration of the related business. The actual profit or loss on reinsurance business is therefore not recognised at the inception but as such profit or loss emerges. In particular, any initial reinsurance commissions are recognised on the same basis as the acquisition costs incurred.

Premiums ceded, claims recovered and commission received are presented in the Statement of comprehensive income and Statement of financial position separately from the gross amounts.

Amounts recoverable under reinsurance contracts are assessed for impairment at each reporting date. Such assets are deemed impaired if there is objective evidence, as a result of an event that occurred after its initial recognition, that the Company may not recover all amounts due under the contract terms and that the event has a reliably measurable impact on the amounts the Company will receive from the reinsurer.

4.23 Insurance contracts

.1 Classification

IFRS 4 requires contracts written by insurers to be classified as either 'insurance contracts' or 'investment contracts' depending on the level of insurance risk transferred.

The company only issues contracts that transfer insurance risks.
Insurance contracts are those contracts where a party (the policy holder) transfers significant insurance risk to another party (insurer) and the latter agrees to compensate the policyholder or other beneficiary if a specified uncertain future event (the insured event) adversely affects the policyholder, or other beneficiary.

General Insurance Business means insurance business of any class or classes not being long term insurance business. Classes of General Insurance include:

- Fire insurance business
- General accident insurance business;
- Motor vehicle insurance business;
- Engineering insurance business;
- Marine insurance business;
- Oil and gas insurance business;
- Bonds credit guarantee insurance business; and
- Miscellaneous insurance business

Company information and accounting policies

For all these contracts, premiums are recognised 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.

.2 Recognition and measurement of insurance contracts

Premium income is recognised on assumption of risks.

Premiums
Premiums comprise gross written 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 are shown before deductions of commissions and are gross of any taxes or duties levied on premiums.

Unearned premium provision
The provision for unearned premiums (unexpired risk) represents the proportion of premiums written in the periods up to the accounting date that relates to the unexpired terms of policies in force at the end of reporting date. This is estimated to be earned in subsequent financial periods, computed separately for each insurance contract using a time proportionate basis.
Gross premium earned

Gross premium earned includes estimates of premiums due but not yet received, less unearned premium.

Claims payable
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 incurred but not yet reported (IBNR).

Claims paid represent all payments made during the year, whether arising from events during that or earlier years. Restitution.

Claims and loss adjustment expenses are charged to income as incurred based on the estimated liability for compensation owed to contract holders or third parties damaged by the contract holders.

Outstanding claims represent the estimated ultimate cost of settling all claims arising from incidents occurring prior to the end of reporting date, but not settled at that date. Outstanding claims computed are subject to liability adequacy tests to ensure that material and reasonably foreseeable losses arising from existing contractual obligations are recognised.

Commissions and Deferred Acquisition Costs

Commissions earned and payable are recognised in the period in which relevant premiums are written. A proportion of commission payable is deferred and amortised over the period in which the related premium is earned. Deferred Acquisition Costs represent the proportion of acquisition costs which corresponds to the unearned premium and are deferred as an asset and recognised in the subsequent period.

Liability Adequacy Test
At the end of reporting date, Liability Adequacy Tests are performed to ensure that material and reasonably foreseeable losses arising from existing contractual obligations are recognised. In performing these tests, current best estimates of future contractual cash flows and claims handling and administration expenses, investment income backing such liabilities are considered. Any deficiency is charged to Statement of comprehensive income by increasing the carrying amount of the related insurance liabilities.

Salvage and Subrogation Reimbursement
Some insurance contracts permit the company to sell (usually damaged) property acquired in settling a claim (for example salvage). The company may also have the right to pursue third parties for payment of some or all costs (for example subrogation).

Salvaged property is recognized in other assets when the amount that can reasonably be recovered from the disposal of the property has been established and salvage recoveries 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.

4.24 Revenue recognition

Insurance Premium Revenue
The revenue recognition policy relating to insurance contracts is set out under 4.23.2

Commission Earned
The revenue recognition policy on commission is disclosed in 4.23.2

Interest
Interest income for interest bearing financial instruments, are recognised within 'investment & other income' in the income statement using the effective interest rate method. The effective interest rate is the rate that exactly discount the estimated future cash payments and receipts through the expected life of the financial asset (or, where appropriate, a shorter period) to the net carrying amount of the financial asset. The effective interest rate is calculated on initial recognition of the financial asset and is not revised subsequently.

Dividend Income
Dividend income is recognised in profit or loss when the company's right to receive payment is established.

Company information and accounting policies

4.25 Claims

Claims and loss adjustment expenses are charged to income as incurred based on the estimated liability for compensation owed to policyholders and/or beneficiaries. They included direct and indirect claims settlement costs and arise from events that have occurred up to the end of the reporting period even if they have not been reported to the company.

The company does not discount its liabilities for unpaid claims. Liabilities for unpaid claims are estimated using the input of assessments for individual cases reported to the Company and statistical analyses for the claims incurred but not reported, and to estimate the expected ultimate cost of more complex claims that may be affected by external factors. No provision has been made for possible claims under contracts that are not in existence at the end of the reporting period.

4.26 Underwriting expenses

Underwriting expenses comprise acquisition costs and other underwriting expenses. Acquisition cost comprise all direct and indirect costs arising from the writing of insurance contracts. Examples include, but are not limited to, commission expense, superintending fees and other technical expenses. Other underwriting expenses are those incurred in servicing existing policies/contracts. These are charged in the income statements.

4.27 Expense recognition

Interest

Interest paid is recognised in the income statement as it accrues and is calculated by using the effective interest rate method. Accrued interest is included within the carrying value of the interest bearing financial liability.

Management expenses

Management expenses are expenses other than claims, investments and underwriting expenses. They include employee benefits, depreciation charges and other operating expenses. Management expenses are charged to profit or loss when the goods are received or services rendered.

4.28 Operating segment

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

The Company's reportable segments under IFRS 8 are therefore identified as follows: fire, accident, motor vehicle, engineering, oil and gas and others. The other segment relates to marine and aviation business class revenue of which does not meet the quantitative threshold. (Refer to note 5).

The accounting policies of the reportable segments are the same as the Company's accounting policies. Segment result represents the result of each segment without allocation of certain expenses, finance costs and income tax. This is the measure reported to the Company's Chief Executive for the purpose of resource allocation and assessment of segment performance.

4.29 Earnings per Share

The Company presents earnings per share for its ordinary shares. The basic earnings per share (EPS) are calculated by dividing the net profit attributable to shareholders' by the weighted average number of ordinary shares in issue during the year. The adjusted EPS is calculated using the number of shares in issue as at balance sheet date. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

4.30 Comparatives

Except where a standard or an interpretation permits or requires otherwise, all accounts are reported or disclosed with comparative information. Where IAS 8 applies, comparative figures have been adjusted to conform to changes in presentation in the current year.

Financial Statements

Statement of Financial Position
As at 31 December 2015

	NOTES	2015 =N='000	2014 =N='000
Assets			
Cash and cash equivalents	6	2,414,144	2,239,372
Financial assets	7	14,806,482	13,521,354
Trade receivables	8	18,432	3,895
Reinsurance assets	9	281,926	398,213
Deferred acquisition cost	10	188,128	119,415
Deferred tax assets	22.2	-	197,167
Other receivables and prepayments	11	164,633	83,546
Investment properties	12	97,000	71,700
Intangible assets	13	26,069	34,765
Property, plant and equipment	14	1,195,422	1,006,795
Statutory deposit	15	300,000	300,000
Total assets		**19,492,236**	**17,976,222**
Liabilities			
Insurance contract liabilities	16	2,276,752	1,623,963
Trade payables	18	229,316	244,617
Provision and other payables	19	327,273	249,361
Defined benefit obligations	20	84,225	128,279
Income tax liabilities	21	147,355	142,313
Deferred tax liabilities	22.2	117,921	-
Total liabilities		**3,182,842**	**2,388,533**
Equity			
Share capital	23	3,999,396	3,999,396
Share premium	24	729,044	729,044
Contingency reserve	25	917,387	803,712
Retained earnings	26	(650,482)	(1,049,054)
Assets revaluation reserve	27	733,656	567,004
Fair value reserves	28	10,580,393	10,537,587
Total equity		**16,309,394**	**15,587,689**
Total liabilities and equity		**19,492,236**	**17,976,222**

The Financial Statements were approved on 21 July, 2016.and signed on behalf of the Board of Directors by:

Dr. John Anderson Eseimokumoh (Chairman)
FRC/2014/ICAN/00000007083

G.U.S Wiggle (Managing Director)
FRC/2013/CIIN/00000002944

Olawale Bakir (Chief Finance Officer)
FRC/2013/ICAN/00000002055

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2015

	Note	2015 =N='000	2014 =N='000
Gross premium written	29	**3,789,170**	**3,054,744**
Gross premium income	30	3,681,250	3,129,064
Reinsurance expenses	32	(1,245,019)	(1,178,210)
Net premium income		**2,436,231**	**1,950,854**
Fees and commission income	33	136,296	223,986
Net underwriting income		**2,572,527**	**2,174,840**
Net claims expenses	34	(1,221,900)	(552,964)
Underwriting expenses	35	(1,349,360)	(1,219,378)
Underwriting profit		**1,267**	**402,498**
Investment income	36	1,271,098	1,011,788
		1,272,365	**1,414,286**
Net fair value gains/(losses) on financial assets at fair value through profit or loss	37	349,065	(5,196)
Other operating income	38	230,189	177,246
Fair value changes on investment property	12	25,129	-
Management expenses	39	(947,639)	(1,005,490)
Profit before taxation	Note	**929,109**	**580,846**
Income taxes	21.1	(416,862)	(255,849)
Profit after taxation		**512,247**	**324,997**
Other comprehensive income net of tax			
Items that will be reclassified subsequently to profit or loss:			
Net gain on revaluation reserve during the year	27	-	28,317
Net fair value loss/(gain) on available-for-sale financial assets	40	29,259	(133,583)
Total other comprehensive income, net of tax		29,259	(105,266)
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation	28	13,547	-
Gain on revaluation of property	27	166,652	-
Other comprehensive income/(loss), net of taxes		209,458	(105,266)
Total comprehensive income for the year		**721,705**	**219,731**
Basic earnings per share attributable to equity shareholders for the year (kobo)	41	**6.4**	**4.1**

Statement of changes in equity

For the year ended 31 December 2015

	Share capital N'000	Share premium N'000	Contingency Reserve N'000	Asset revaluation reserve N'000	Fair value reserve N'000	Retained earnings N'000	Total N'000
At 1 January 2015	3,999,396	729,044	803,712	567,004	10,537,587	(1,049,054)	15,587,689
Profit for the year	-	-	-	-	-	512,247	512,247
Other comprehensive income for the year net of tax	-	-	-	-	29,259	-	29,259
Realised gain on the valuation on property, plant and	-	-	-	166,652	-	-	166,652
Remeasurement of defined benefit obligation	-	-	-	-	13,547	-	-
Total comprehensive income for the year	3,999,396	729,044	803,712	733,656	10, 580,393	(536,807)	16, 309,394
Transfer to contingency reserve	-	-	113,675	-	-	(113,675)	-
At 31 December 2015	**3,999,396**	**729,044**	**917,387**	**733,656**	**10,580,393**	**(650,482)**	**16,309,394**

Statement of changes in equity for the year ended 31 December 2014

	Share capital N'000	Share premium N'000	Contingency Reserve N'000	Asset revaluation reserve N'000	Fair value reserve N'000	Retained earnings N'000	Total N'000
At 1 January 2014	3,999,396	729,044	712,070	541,987	10,671,170	(1,285,709)	15,367,958
Profit for the year	-	-	-	-	-	324,997	324,997
Realised gain on the valuation on property, plant and equipment				(3,300)	-	3,300	-
Revaluation surplus on conversion of owner - occupied property to rental property (note 7)	-	-	-	28,317	-	-	28,317
Net fair value changes on AFS financial assets transferred from other comprehensive income	-	-	-	-	(133,583)	-	(133,583)
Total comprehensive income for the year	3,999,396	729,044	712,070	567,004	10,537,587	(957,412)	15,587,689
Transfer to contingency reserve	-	-	91,642	-	-	(91,642)	-
At 31 December 2014	**3,999,396**	**729,044**	**803,712**	**567,004**	**10,537,587**	**(1,049,054)**	**15,587,689**

Statement of Cash Flows
For the year ended 31 December 2015

	Note	2015 =N='000	2014 =N='000
Cash flows from operating activities			
Premiums received from policy holders		3,774,633	3,054,343
Reinsurance payments		(1,245,873)	(1,178,210)
Claims paid		(897,835)	(1,093,393)
Reinsurance claim recoveries		254,825	524,097
Commission paid		(736,650)	(583,802)
Commission received		171,619	223,986
Cash payment to and on behalf of employees		714,289	884,030
Other operating cash payments to suppliers		(2,029,841)	(2,265,235)
Corporate tax paid	21	(96,732)	(97,975)
VAT paid		(21,736)	(16,156)
Net cash used in operating activities		(113,301)	(548,315)
Cash flows from Investing activities			
Purchase of properties, plant and equipment	14	(118,933)	(108,696)
Purchase of intangible assets	13	(1,071)	(38,808)
Purchase of investment property		(171)	-
Proceeds from sale of properties, plant and equipment		-	2,755
Purchase of investment securities		(862,850)	(32,489)
Proceeds from sale of investment property		-	47,900
Proceeds from sale of investment securities		-	74,974
Dividend received	36	971,228	756,877
Interest received	36	299,870	189,420
Net cash from investing activities		288,073	891,933
Financing activities			
Proceeds from issue of shares		-	-
		-	-
Net increase in cash and cash equivalents		174,772	343,618
Cash and cash equivalents at 1 January		2,239,372	1,895,754
Cash and cash equivalents at 31 December	6	**2,414,144**	**2,239,372**

Notes to the financial statements
For the year ended 31 December 2015

5. Segment reporting

Operating segments
IFRS 8 requires operating segments to be identified on the basis of internal reports of reportable segments that are regularly reviewed by the Chief Executive to allocate resources to the segments and to assess their performance. The Company's reportable segments under IFRS 8 are therefore identified as follows:

- Motor
- Fire
- General accident
- Engineering
- Oil & gas

The following is an analysis of the Company's revenue and result by reportable segment in 2015.

Income:	**Motor N'000**	**Fire N'000**	**General Accident N'000**	**Engineering N'000**	**Oil & Gas N'000**	**Others N'000**	**2015 N'000**	**2014 N'000**
Gross Premium Written	780,457	455,466	427,460	330,375	1,488,101	307,311	3,789,170	3,054,744
Net change in unearned premium	17,608	(8,676)	20,627	(25,081)	(77,723)	(34,675)	(107,920)	74,320
	798,065	**446,790**	**448,087**	**305,294**	**1,410,378**	**272,636**	**3,681,250**	3,129,064
Re-insurance cost	(20,586)	(172,897)	(222,315)	(86,887)	(553,950)	(188,382)	(1,245,017)	(1,178,210)
Net premium income	777,479	273,893	225,772	218,407	856,428	84,254	2,436,233	1,950,854
Commission Received	441	57,716	45,953	12,489	-	19,695	136,294	223,986
Net underwriting Income	777,920	331,609	271,725	230,896	856,428	103,949	2,572,527	2,174,840
Expenses:								
Acquisition cost	101,629	94,414	99,551	43,795	227,102	110,175	676,666	652,546
Net claims incurred	329,604	506,582	138,301	158,211	46,499	42,703	1,221,900	552,964
Maintenance expenses	138,513	80,859	75,929	58,652	264,183	54,558	672,694	566,832
	569,746	681,855	313,781	260,658	537,784	207,436	2,571,260	1,772,342
Segment underwriting profit	**208,174**	**(350,246)**	**(42,054)**	**(29,764)**	**318,644**	**(103,487)**	**1,267**	**402,498**

Notes to the financial statements

For the year ended 31 December 2015

The accounting policies of the reportable segments are the same as the Company's accounting policies.
Segment result represents the result of each segment without allocation of certain expenses, finance costs and income tax. This is the measure reported to the Company's Chief Executive for the purpose of resource allocation and assessment of segment performance. The revenue of marine & aviation segment does not meet the quantitative thresholds and therefore does not qualified as a reporting segment. The segments is accordingly reported as 'Others'.

2014
Income:

	Motor	**Fire**	**General Accident**	**Engineering**	**Oil & Gas**	**Others**	**2014**
Gross Premium Written							
Net change in unearned premium	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
	689,132	478,718	488,404	259,243	694,261	444,986	**3,054,744**
Re-insurance cost	(51,411)	(29,735)	(20,853)	(17,118)	243,528	(50,091)	**74,320**
Net premium income	**637,721**	**448,983**	**467,551**	**242,125**	**937,789**	**394,895**	**3,129,064**
Commission Received	(68,654)	(215,436)	(124,419)	(126,059)	(436,338)	(207,304)	(1,178,210)
Net underwriting Income	569,067	233,547	343,132	116,066	501,451	187,591	1,950,854
	6,930	62,500	54,649	41,243	74	58,590	3,901,708
	575,997	296,047	397,781	157,309	501,525	246,181	2,174,840
Expenses:							
Acquisition cost	95,366	130,181	108,779	43,311	161,113	113,796	652,546
Net claims incurred	186,469	95,986	77,432	(26,971)	245,227	(25,179)	552,964
Maintenance expenses	127,748	87,787	94,008	47,621	127,331	82,337	566,832
	409,583	313,954	280,219	63,961	533,671	170,954	1,772,342
							-
Segment underwriting profit	**166,414**	**(17,907)**	**117,562**	**93,348**	**(32,146)**	**75,227**	**402,498**

Notes to the financial statements
For the year ended 31 December 2015

6 Cash and cash equivalents

Cash and cash equivalents comprise:

	2015 =N='000	2014 =N='000
Cash in hand	809	313
Balances with banks & other financial institutions	2,465,658	2,281,372
	2,466,467	2,281,685
Allowance for impairment (See note 6.1)	(52,323)	(42,313)
	2,414,144	**2,239,372**

6.1 Allowance for impairment

	2015 =N='000	2014 =N='000
At 1 January	42,313	42,225
Addition	10,010	88
At 31 December	**52,323**	**42,313**

These are cash balances and short-term placements with banks and other financial institutions with tenor of 90 days or less. Cash & cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and have a maturity of three months or less from the date of acquisition.
Additional impairment were recognized on cash equivalent balances. Amount impaired represent funds placed with financial institutions that are no longer operational. The impairment losses have been included in profit or loss in the management expenses line item

7 Financial assets

The Company's investment securities comprise trading securities, fair value through profit or loss financial assets, available-for-sale financial assets, Loans and receivables and unquoted equity at cost.

	2015 =N='000	2014 =N='000
Fair value through profit or loss (note 7.1)	3,675,921	2,496,892
Available-for-sale (note 7.2)	10,979,557	10,913,583
Loans and receivables (note 7.6)	120,302	80,177
Held to maturity (note 7.7)	30,702	30,702
	14,806,482	**13,521,354**

Notes to the financial statements
For the year ended 31 December 2015

Financial Instrument Classification

	2015				
	Fair Value through Profit or Loss ₦'000	**Available for Sale ₦'000**	**Loans and Receivables ₦'000**	**Held to Maturity ₦'000**	**Total ₦'000**
- Listed	3,675,921	27,353	-	-	3,703,274
- Unlisted	-	10,952,204	-	-	10,952,204
- Other financial assets	-	-	120,302	30,702	151,004
	3,675,921	10,979,557	120,302	30,702	14,806,482
Within one Year	3,675,921	-	120,302	-	3,796,223
More than one year	-	10,979,557	-	30,702	11,010,259
	3,675,921	10,979,557	120,302	30,702	14,806,482

Financial Instrument Classification

	2014				
	Fair Value through Profit or Loss ₦'000	**Available for Sale ₦'000**	**Loans and Receivables ₦'000**	**Held to Maturity ₦'000**	**Total ₦'000**
- Listed	2,496,892	33,094	-	-	2,529,986
- Unlisted	-	10,880,489	-	-	10,880,489
- Others	-	-	80,177	30,702	110,879
	2,496,892	10,913,583	80,177	30,702	13,521,354
Within one Year	2,496,892	-	80,177	-	2,577,069
More than one year	-	10,913,583		30,702	10,944,285
	2,496,892	10,913,583	80,177	30,702	13,521,354

7.1 Fair value through profit or loss

Fair value through profit or loss assets comprises:	2015 =N='000	2014 =N='000
Quoted equity instruments		
At 1 January	2,496,892	2,500,562
Addition	829,964	-
	3,326,856	2,500,562
Fair value changes	349,065	(3,670)
At 31 December	**3,675,921**	**2,496,892**

Notes to the financial statements
For the year ended 31 December 2015

7.2 Available for sale

Available for sale financial assets comprise:

	2015 =N='000	2014 =N='000
Quoted equities and unit trust schemes (note 7.3)	27,353	33,094
Un-quoted equities - at fair value (note 7.4)	10,883,000	10,848,000
Un-quoted equities - at cost (note 7.5)	69,204	32,489
	10,979,557	**10,913,583**

7.3 The fair value of Available for sale quoted equities and unit trust schemes was derived as follows:

Investment in Quoted unit trust schemes		
At 1 January	33,094	34,619
Fair value changes	(5,741)	(1,525)
At 31 December	**27,353**	**33,094**

7.4 The fair value of Available for sale unquoted equities was derived as follows:

Investment in unquoted equities		
At 1 January	10,848,000	10,974,000
Fair value change	35,000	(126,000)
At 31 December	**10,883,000**	**10,848,000**

The unquoted equity carried at fair value above represent the 117,647,058 ordinary shares of N1 each of Stanbic IBTC Pension Managers Limited held by Linkage Assurance Plc. The financial reports of Stanbic IBTC Pension Limited (wherein inputs was obtained for the purpose of our valuation) is yet to be approved for issue by the directors. However, upon approval of the financial statements, we do not envisage any material changes in the fair value of Linkage Assurance's investment in Stanbic IBTC Pension Limited.

The fair value was determined using the Discounted Cash Flow (DCF) method, Level 3 input of IFRS 13 fair value hierarchy.

The fair value at 31 December 2015 was N10.883 billion (2014 - N10.848 billion). Fair value was determined using the Discounted Cash Flow (DCF) method, Level 3 input of the International Financial Reporting Standards (IFRS) 13 fair value hierarchy.

7.5(a) The fair value of these financial instruments that are not measured at fair value but for which fair value disclosures are required are:

Loans and Receivables	120,302	80,177
Held to maturity	30,702	30,703

The carrying amount of the financial assets and financial liabilities recognised in the financial statements approximate their fair values

Notes to the financial statements
For the year ended 31 December 2015

Below is a summary of the significant assumptions used in arriving at the fair value.

	2015	2014
Growth in Gross Income(GI) %	10,7.5,7.5,7.5,7.5	20,15,15,15,15
Opex/GI (%)	34	37
Dep & Amort/GI (%)	1	2
Effective tax rate: Tax/PBT (%)	32	31
Capex/GI (%)	4	4
Perpetual Growth Rate	5	11.5
Expected Market Rate of Return %	19	24.10
Risk free rate	11	15.10
Market Risk Premium	8	8
Beta	1	1
WACC	19.04	24.10
Value of Linkage's Equity Stake	₦10.883 billion	₦10.848 billion

Cash flow projections were based on five year historical figures. Cash flow projections were made for five years and subsequently terminal growth rate of free cash flows. An illiquidity discount of 20% was applied to the equity value to arrive at the value of the stake of Linkage Assurance in the investee entity. Management is aware that existing shareholders are willing to increase their stake in the company, such that any available shares will be immediately taken up. In addition, there are other willing buyers.

Sensitivity Analysis

		Equity Value (N million)								
		Terminal growth rate of FCF								
		2.90%	3.40%	3.90%	4.40%	4.90%	5.40%	5.90%	6.40%	6.90%
	17.04%	120,413	122,679	125,119	127,751	130,600	133,694	137,066	140,754	144,806
	17.54%	117,116	119,197	121,430	123,833	126,426	129,233	132,281	135,603	139,237
	18.04%	114,038	115,952	118,002	120,203	122,570	125,125	127,891	130,894	134,167
W	18.54%	111,158	112,923	114,810	116,829	118,997	121,330	123,848	126,573	129,532
A	19.04%	108,456	110,088	111,828	113,687	115,677	117,814	120,112	122,593	125,278
C	19.54%	105,918	107,430	109,038	110,753	112,584	114,546	116,651	118,916	121,361
C	20.04%	103,529	104,932	106,421	108,006	109,696	111,501	113,434	115,509	117,741
	20.54%	101,275	102,580	103,962	105,430	106,992	108,658	110,437	112,342	114,386
	21.04%	99,147	100,361	101,647	103,010	104,457	105,996	107,638	109,391	111,269

		Cummulative Present Value of FCF								
		Terminal growth rate of FCF								
		2.90%	3.40%	3.90%	4.40%	4.90%	5.40%	5.90%	6.40%	6.90%
	17.04%	45,712	45,712	45,712	45,712	45,712	45,712	45,712	45,712	45,712
	17.54%	45,269	45,269	45,269	45,269	45,269	45,269	45,269	45,269	45,269
	18.04%	44,835	44,835	44,835	44,835	44,835	44,835	44,835	44,835	44,835
W	18.54%	44,408	44,408	44,408	44,408	44,408	44,408	44,408	44,408	44,408
A	19.04%	43,988	43,988	43,988	43,988	43,988	43,988	43,988	43,988	43,988
C	19.54%	43,576	43,576	43,576	43,576	43,576	43,576	43,576	43,576	43,576
C	20.04%	43,170	43,170	43,170	43,170	43,170	43,170	43,170	43,170	43,170
	20.54%	42,772	42,772	42,772	42,772	42,772	42,772	42,772	42,772	42,772
	21.04%	42,380	42,380	42,380	42,380	42,380	42,380	42,380	42,380	42,380

Notes to the financial statements
For the year ended 31 December 2015

7.5(b) The carrying amount of Available for sale unquoted equities measured at cost is as follows:

	2015 =N='000	2014 =N='000
Unquoted equity at cost		
At 1 January	185,274	175,368
Addition	32,887	32,489
Disposal	-	(7,583)
Foreign exchange gain	3,828	-
Write off	-	(15,000)
	221,989	185,274
Impairment allowance	(152,785)	(152,785)
At 31 December	**69,204**	**32,489**
Impairment allowance		
At 1 January	152,785	167,785
Write off	-	(15,000)
At 31 December	**152,785**	**152,785**

The unquoted equities are carried at cost less impairment charges. This is because the fair values cannot be reliably determined.

7.6 Loans and receivables

	2015 =N='000	2014 =N='000
Amortized cost		
Loan to financial institutions	152,895	114,398
Loan to staff	28,121	26,721
Loan to p olicy holders	13,655	13,655
	194,671	154,774
Allowance for impairment	(74,369)	(74,597)
	120,302	**80,177**
Impairment allowance		
At 1 January	74,597	69,933
Addition	-	4,664
Write back	(228)	-
At 31 December	**74,369**	**74,597**

Loans and receivables are measured at amortised cost using the effective interest rate. The effective interest rate for the purpose of staff loan valuation is the applicable market lending rates at the time of availment.

Notes to the financial statements
For the year ended 31 December 2015

7.7 Held to maturity	2015 =N='000	2014 =N='000
At 1 January	40,549	40,549
Interest receivable	1,345	1,345
	41,894	**41,894**
Allowance for impairment	(11,192)	(11,192)
	30,702	**30,702**

This represents amortised cost of the Company's investment in the Nigerian Aviation Handling Company's (NAHCO) 7- year bond. Interest on the instrument is payable half-yearly at 15.25%.

8 Trade receivables	2015 =N='000	2014 =N='000
Due from broker	449,363	434,826
Due from agents	267,622	267,622
	716,985	702,448
Allowance for impairment (note 8.1)	(698,553)	(698,553)
	18,432	**3,895**

8.1 Movement in allowance for impairment during the year was as follows:

	2015	2014
At 1 January	698,553	727,855
Provision no longer required	-	(29,302)
At 31 December	**698,553**	**698,553**

Net balance reported as due from brokers and agents at year end has been fully received subsequently

8.2 Analysis of debtors in days	2015 =N='000	2014 =N='000
0 - 90 days	18,432	3,895
91 - 180 days	-	-
181 - 270 days	-	-
271 - 365 days	-	-
Over 365 days	698,553	698,553
	716,985	**702,448**

Notes to the financial statements
For the year ended 31 December 2015

		2015 =N='000	2014 =N='000
9	**Reinsurance assets**		
	Prepaid reinsurance (note 9.1)	126,936	208,698
	Reinsurance projection on UPR (note 9.3)	(1,415)	(909)
	Total prepaid reinsurance	125,521	207,789
	Reinsurance recoverable (note 9.4)	107,799	143,706
	Reinsurance projection on IBNR (note 16)	48,606	46,718
		281,926	**398,213**

Reinsurance assets are valued after an allowance for recoverability has been assessed. No impairment allowance was charged in the current period .

		2015 =N='000	2014 =N='000
9.1	**Breakdown of prepaid reinsurance is as follows:**		
	Motor	5,032	10,645
	Fire	58,633	64,355
	General accident	25,138	28,483
	Engineering	24,728	50,418
	Marine	13,405	54,797
	Oil & Gas	-	-
		126,936	208,698
	Reinsurance projection on UPR	(1,415)	(909)
		125,521	**207,789**
9.2	**Mov ement in Prepaid insurance**		
	At 1 January	207,789	127,225
	Reinsurance cost during the year	1,162,751	1,258,774
	Reinsurance expenses/amortisation	(1,245,019)	(1,178,210)
	At 31 December	**125,521**	**207,789**
9.3	**Movement in Reinsurance projection on UPR**		
	At 1 January	(909)	20,583
	Reinsurance cost during the year	(1415)	(909)
	Reinsurance expenses/amortisation	909	(20,583)
	At 31 December	**(1,415)**	**(909)**

Notes to the financial statements
For the year ended 31 December 2015

9.4 Movement in Reinsurance share of outstanding claims recoverable

	2015 =N='000	2014 =N='000
At 1 January	143,706	134.249
Changes during the year	(35,907)	9,457
At 31 December	**107,799**	**143,706**

9.5 Movement in Reinsurance IBNR

	2015 =N='000	2014 =N='000
At 1 January	46,718	25,069
Changes during the year	1,888	21,649
At 31 December	**48,606**	**46,718**

10 Deferred acquisition cost

10.1 Deferred acquisition costs represent commissions on unearned premium relating to the unexpired period of risks and comprise:

	2015 =N='000	2014 =N='000
Motor	32,798	29,993
Fire	25,796	27,621
Accident	21,609	17,190
Engineering	10,664	14,273
Marine	16,793	22,942
Oil & Gas	80,468	7,396
	188,128	**119,415**

10.2 The movement in the deferred acquisition costs during the year is as shown below:

	2015	2014
At 1 January	119,415	188,159
Acquisition cost during the year	745,379	583,802
Amortised acquisition expenses during the year	(676,666)	(652,546)
At 31 December	**188,128**	**119,415**

11 Other receivables and Prepayments

	2015	2014
Prepayments	91,081	51,321
Sundry receivables	78,383	32,225
	169,464	83,546
Allowance for impairment	(4,831)	-
	164,633	**83,546**

Notes to the financial statements
For the year ended 31 December 2015

	2015 =N='000	2014 =N='000
11.1 Prepayments		
Deposit with stock brokers	2,602	2,602
Prepayments	54,710	48,719
Treaty surplus due	33,769	-
	91,081	51,321
Other receivables		
Withholding tax recoverable	40,157	-
Ex-staff loan	5,413	4,756
Cash Advances	4,499	11,182
Sundry receivables	28,314	16,287
	169,464	83,546
Allowance for impairment	(4,831)	-
	164,633	**83,546**

12 Investment Properties		
At 1 January	71,700	57,382
Addition during the year	171	-
Reclassification of owner-occupied property	-	43,384
Disposal	-	(57,383)
Fair value gain	25,129	28,317
At 31 December	**97,000**	**71,700**

The Company's investment property located at 11A Coker Road Ilupeju Lagos was revalued as at 31 December 2015 by Jide Taiwo and Co., a firm of Estate Surveyors and Valuers with FRC registration number FRC/2012/0000000000254. Investment properties are stated at fair value. This 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. The cost of the investment property is N48.4m.

	2015 =N='000	2014 =N='000
13 Intangible assets		
Cost		
At 1 January	38,808	-
Addition during the year	1,071	38,808
At 31 December	**39,879**	**38,808**
Accumulated Amortisation		
At 1 January	4,043	-
Charge for the year	9,767	4,043
At 31 December	13,810	4,043
Net Book Value		
At 31 December	**26,069**	**34,765**

Acquisition relates to additional cost incurred in the purchase and implementation costs of IES-Online, a new software application acquired in 2014.

Notes to the financial statements
For the year ended 31 December 2015

14 Property, plant and equipment

Cost/valuation	Land ₦'000	Buildings ₦'000	Motor Vehicles ₦'000	Office furniture & fittings ₦'000	Office Machinery & Equipment ₦'000	Building (W.I.P) ₦'000	Total ₦'000
At 1 January 2015	462,336	162,350	378,025	106,590	236,762	237,353	1,583,416
Additions	-	-	94,590	7,095	17,248	-	118,933
Revaluation surplus	111,000	55,652	-	-	-	-	166,652
Written off	-	-	(40,428)	-	(33,092)	-	(73,520)
At 31 December 2015	573,336	218,002	432,187	113,685	220,918	237,353	**1,795,481**
Accumulated depreciation							
At 1 January 2015	-	44,062	233,214	93,105	206,240	-	576,621
Charge for the year	-	3,941	72,292	6,162	14,563	-	96,958
Written off	-	-	(40,428)	-	(33,092)	-	(73,520)
At 31 December 2015	-	48,003	265,078	99,267	187,711	-	**600,059**
Net book value							
At 31 December 2015	**573,336**	**169,999**	**167,109**	**14,418**	**33,207**	**237,353**	**1,195,422**
At 31 December 2014	**462,336**	**118,288**	**144,811**	**13,485**	**30,522**	**237,353**	**1,006,795**

Property, plant and equipment

Cost/valuation	Land ₦'000	Buildings ₦'000	Motor Vehicles ₦'000	Office furniture & fittings ₦'000	Office Machinery & Equipment ₦'000	Building (W.I.P) ₦'000	Total ₦'000
At 1 January 2014	462,336	209,335	325,630	103,237	220,204	237,353	1,558,095
Additions	-	1,350	87,435	3,353	16,558	-	108,696
Disposals	-	-	(35,040)	-	-	-	(35,040)
Reclassification	-	(48,335)	-	-	-	-	(48,335)
At 31 December 2014	462,336	162,350	378,025	106,590	236,762	237,353	**1,583,416**
Accumulated depreciation							
At 1 January 2014	-	44,695	213,982	88,449	194,974	-	542,100
Charge for the year	-	4,318	52,768	4,656	11,266	-	73,008
Reclassification	-	(4,951)	-	-	-	-	(4,951)
Disposals	-	-	(33,536)	-	-	-	(33,536)
At 31 December 2014	-	44,062	233,214	93,105	206,240	-	**576,621**
Net book value							
At 31 December 2014	462,336	118,288	144,811	13,485	30,522	237,353	**1,006,795**

In December 2015 Andy Bassey & Associate Estate Surveyors & Valuers with FRC number FRC/2012/0000000000438 was engaged to revalue the Land and building this gave rise to revaluation surplus of N111 million and N55.7 million respectively. Reclassification was due to change in use of the Company's property located at 11A Coker Road Ilupeju Lagos from owner-occupied building to rental property.

Notes to the financial statements
For the year ended 31 December 2015

15 Statistical deposit

This represents the Company's deposit with the Central Bank of Nigeria in compliance with the Insurance Act, CAP I17 LFN 2004. The amount is not available for the day-to-day funding operations of the company. It is therefore regarded as restricted cash.

16 Insurance contract liabilities

	2015 =N='000	2014 =N='000
Provision for claims reported by policyholders (note 16.1)	856,867	384,236
Provision for IBNR	319,823	249,471
Additional IBNR required	48,606	46,718
Outstanding claims provision	1,225,296	680,425
Provision for unearned premium (note 16.2)	1,051,456	943,538
Total insurance contract liabilities	**2,276,752**	**1,623,963**

16.1 Movement table for components of Insurance contract liabilities

	2015				2014			
	Provision for Claims Reported by Policyholders	Provision for IBNR	Additional IBNR	Provision for Unearned Premium	Provision for Claims Reported by Policyholders	Provision for IBNR	Additional IBNR	Provision for Unearned Premium
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
1 Jan	384,236	249,471	46,718	943,538	556,039	95,622	25,069	1,017,857
Increase/(Decrease) during the year	472,631	70,352	1,888	107,918	(171,803)	153,849	21,649	(74,319)
31 Dec	**856,867**	**319,823**	**48,606**	**1,051,456**	**384,236**	**249,471**	**46,718**	**943,538**

16.2 Total outstanding claims per class of business:

	Gross Outstanding claims 2015 ₦'000	Reinsurance recoveries 2015 ₦'000	Net 2015 ₦'000	Gross Outstanding claims 2014 ₦'000	Reinsurance recoveries 2014 ₦'000	Net 2014 ₦'000
Motor	115,488	9,977	105,511	78,042	2,971	75,071
Fire	493,010	18,088	474,922	116,413	6,175	110,238
General accident	208,759	9,567	199,192	128,672	30,593	98,079
Engineering	129,368	8,785	120,583	30,477	(6,110)	36,587
Marine	67,211	2,189	65,022	70,712	4,603	66,109
Oil & Gas	211,460	-	211,460	256,109	8,486	247,623
	1,225,296	48,606	1,176,690	680,425	46,718	633,707

Notes to the financial statements
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		Gross Outstanding claims 2015 ₦'000	Reinsurance recoveries 2015 ₦'000	Net 2015 ₦'000	Gross Outstanding claims 2014 ₦'000	Reinsurance recoveries 2014 ₦'000	Net 2014 ₦'000
16.3	Reported claims	856,867	-	856,867	384,236	-	384,236
	IBNR	368,429	48,606	319,823	296,189	46,718	249,471
		1,225,296	48,606	1,176,690	680,425	46,718	633,707

The Liability Adequacy Test (LAT) was carried out by HR Nigeria Limited, a firm of certified actuaries with FRC number FRC/NAS/00000000738. The claims reserve was calculated using the Discounted Inflation Adjusted Basic Chain Ladder method. Assumptions used in the valuation are as follows:

	2015	2014
Projected Inflation Rate (assume rate will remain unchanged into the future)	10%	10%
Current Short-term Yield	13%	13%
Discount rate	10%	10%

* Run off period of five years.
* Future claims follow a trend pattern from the historical data, thus payment pattern will be broadly similar in each accident year.
* Past official inflation rates used and assumes a 11% rate for future which is expected to remain unchanged.

16.4 Breakdown of unearned premium per class of business:

	Unearned premium 2015 ₦'000	Unearned premium 2014 ₦'000
Motor	262,090	244,674
Fire	133,506	142,085
General accident	108,597	88,207
Engineering	54,793	79,594
Marine	90,411	123,129
Oil & Gas	402,059	265,849
	1,051,456	**943,538**

16.5 Age Analysis of Outstanding Claims at the end of the year is shown below:

Days		
0 - 90 days	457,252	162,262
91 - 180 days	61,250	41,001
181 - 270 days	132,840	47,301
271 - 365 days	25,528	18,868
Over 365 days	179,997	114,854
	856,867	**384,286**

Notes to the financial statements
For the year ended 31 December 2015

		Unearned premium 2015 =N='000	Unearned premium 2014 =N='000
17	**Hypothecation of investment**		
	Investments relating to insurance funds (note 17.1)	4,408,506	2,767,181
	Investments relating to shareholders funds (note 17.2)	12,537,306	13,246,221
		16,945,812	**16,013,402**

		2015 =N='000	2014 =N='000
17.1	**Investments relating to insurance funds are as follows:**		
	Balance with financial institutions	2,171,266	2,106,866
	Fair value through profit or loss quoted equities	2,140,240	588,615
	Investment property (note 12)	97,000	71,700
		4,408,506	**2,767,181**
17.2	**Investments relating to shareholders funds are as follows:**		
	Balance with financial institutions	-	313,482
	Available - for - sale (unquoted equities)	10,881,094	10,913,584
	Fair value through profit or loss (quoted equities)	1,535,681	1,908,276
	Loans and receivables	89,829	80,177
	Held to maturity	30,702	30,702
		12,537,306	**13,246,221**
18	**Trade payables**		
	Insurance payables (note 18.1)	213,177	213,341
	Reinsurance payables (note 18.2)	16,139	31,276
		229,316	**244,617**
18.1	**Insurance payables**		
	Commission payables to agents	-	73,092
	Commission payables to brokers	179,662	97,841
	Other payables to agents and brokers (note 18.1.1)	33,515	42,408
		213,177	**213,341**
18.1.1	**Other payables to agents and brokers**		
	Due to a gents	16,960	18,028
	Due to brokers	15,555	14,094
	Due to insurance companies - claims overpayment	-	9,286
	Due to Bayelsa state government.	1,000	1,000
		33,515	**42,408**
18.2	**Reinsurance payables**		
	Due to reinsurers	**16,139**	**31,276**

Notes to the financial statements
For the year ended 31 December 2015

		2015 =N='000	2014 =N='000
19	**Provision and Other payables**		
	Due to Auditors	22,000	22,000
	Naicom levy	21,000	40,174
	Expenses payable (Note 19.1)	163,736	156,311
	Investment suspense	42,039	-
	Deferred commission revenue	35,323	-
	Other payables (Note 19.2)	43,175	30,876
		327,273	**249,361**

The sum of N42m in investment suspense reported represents Bank placement balance to be reconciled and a corresponding liability created.

		2015 =N='000	2014 =N='000
19.1	**Expenses payable**		
	IES online insurance software installation & Implementation	5,251	14,000
	Premium without debit notes	120,296	74,326
	Treaty premium payable for 3rd quarter 2014	-	67,985
	Expenses accrued	38,189	-
		163,736	**156,311**
19.2	**Other payables**		
	National Social Trust Fund (NSITF)	2,690	2,690
	Travel insurance	25,183	10,430
	Staff fleet premium advance	2,159	-
	National Housing Fund (NHF)	1,025	1,025
	Pension for Life agents	603	603
	Stale cheques	10,910	15,626
	Sundry payables	605	502
		43,175	**30,876**
20	**Defined benefit obligations**		
	At 1 January	128,279	-
	Benefit Expense recognised in P&L in the financial year (income)/expense	(27,515)	128,279
	Benefits paid by the employer	(2,992)	-
	Actuarial (gain)/loss on liability during the year due to assumptions	6,456	-
	Actuarial (gain)/loss on liability during the year due to experience	(20,003)	-
	At 31 December	**84,225**	**128,279**

The company operates an unfunded defined benefit plans for qualifying employees on services rendered. With effect from 1 January 2014, employees who have served at least 5 years are entitled to a Gratuity on a defined benefit scale which is graduated. A plan amendment occurred during the year 2015. The benefit formula was changed leading to a past service credit of N 84.23 million. The new benefit formula applies to benefit accruing from services rendered in the prior and future years.

Actuarial valuation of the defined benefit obligation was carried out by HR Nigeria Limited with FRC number FRC/2012/0000000000339.

Notes to the financial statements
For the year ended 31 December 2015

The principal assumptions used for the purpose of the actuarial valuations were as follows.

	2015 =N='000	2014 =N='000
	%	%
Long term discount rate (p.a.)	12%	15%
Average pay increase (p.a.)	11%	13%
Average rate of inflation (p.a.)	9%	9%

Amounts recognised in profit or loss in respect of these defined benefit plans are as follows.

	2015 =N='000	2014 =N='000
Current service cost	37,837	42,048
Past service cost	(84,225)	48,394
Interest cost	18,873	37,837
	(27,515)	**128,279**

The amount included in the statement of financial position in respect of its defined benefit plans is as follows.

Defined benefit o bligation at 1 January	128,279	-
Current service cost	37,837	42,048
Past service cost	(84,225)	48,394
Interest c ost	18,873	37,837
Actuarial losses/(gains)	(13,547)	-
Benefits paid	(2,992)	-
Defined benefit at 31 December	**84,225**	**128,279**

21	**Income tax liabilities**		
	At 1 January	142,313	149,679
	Payment during the year	(96,732)	(97,975)
	Charge for the year (note 21.1)	101,774	90,609
	At 31 December	**147,355**	**142,313**
21.1	**Taxation Charge**		
	Income tax	86,358	81,989
	Education tax	6,376	2,812
	NITD Levy	9,040	5,808
		101,774	90,609
	Deferred tax (note 22)	315,088	165,240
		416,862	**255,849**

Notes to the financial statements
For the year ended 31 December 2015

21.2 Reconciliation of tax Charge

The income tax expense for the year can be reconciled to the accounting profit as follows;

		2015 =N='000	2014 =N='000
	Profit before tax	1,053,350	580,846
	Capital gain (loss)	-	-
	Total pretax income (loss)/profit		
	Expected income tax expense (benefit) at 30% statutory rate	316,005	174,254
	Information technology levy	9,040	5,808
	Education tax	6,376	2,812
	Disallowable expenses	769,025	128,395
	Other untaxed income	(903,980)	(260,464)
	Balancing charge	-	542
	Effect of unused tax losses and tax offsets not recognized as deferred tax assets	-	(2,537)
	Effect of capital allowance	79,446	(28,124)
	Effect of minimum tax	86,357	69,923
	Effect of timing difference in operating assets and investment property	54,593	165,240
		416,862	**255,849**
	Income taxes incurred	101,774	90,609
	Change in deferred income tax	315,088	165,240
	Total income tax reported	**416,862**	**255,849**
22	**Deferred tax liabilities**		
	At 1 January	269,766	104,526
	Transfer from deferred tax asset	(466,933)	-
	Charge to statement of comprehensive income for the year	315,088	165,240
	At 31 December	**117,921**	**269,766**
22.1	**Deferred tax assets**		
	At 1 January	466,933	466,933
	Transfer to deferred tax liabilities	(466,933)	-
	At 31 December	**-**	**466,933**
22.2	The net movement in the deferred tax account is as follows:		
	At 1 January	197,167	362,407
	Credit to statement of comprehensive income for the year	(315,088)	(165,240)
	At 31 December	**(117,921)**	**197,167**
22.3	**Property, Plant and Equipment**		
	-Financial Asset Fair value Through Profit or Loss	138,665	59,667
	-Property, Plant and Equipment	(23,257)	2,501
	-Investment Property	2,513	(286,900)
		117,921	**(224,731)**

Notes to the financial statements
For the year ended 31 December 2015

		2015 =N='000	2014 =N='000
23	**Share capital**		
	Authorised - ordinary shares of 50k each (8,000,000,000 units)	**4,000,000**	**4,000,000**
	Issued and Fully Paid		
	Ordinary Shares of 50k each (7,998,792,151 units) at 31 December	**3,999,396**	**3,999,396**
24	**Share premium**		
	At 31 December	**729,044**	**729,044**
25	**Contingency reserve**		
	At 1 January	803,712	712,070
	Transfer from profit or loss account	113,675	91,642
	At 31 December	**917,387**	**803,712**

Contingency reserve for general insurance business is calculated in accordance with section 21(2) and 22(1)(b) of the Insurance Act CAP I17 LFN 2004, as the higher of 3% of gross premiums and 20% of net profit for the year.

		2015 =N='000	2014 =N='000
26	**Retained earnings**		
	At 1 January	(1,049,054)	(1,285,709)
	Profit for the year	512,247	324,997
	Transfer to contingency reserve	(113,675)	(91,642)
	Surplus realised on owner-occupied building converted to rental property	-	3,300
	At 31 December	**(650,482)**	**(1,049,054)**
27	**Assets revaluation reserve**		
	At 1 January	567,004	541,987
	Revaluation surplus on conversion of owner-	-	28,317
	Revaluation surplus on property	166,652	-
	Surplus realised on owner-occupied building converted to rental property	-	(3,300)
	At 31 December	**733,656**	**567,004**
28	**Fair value reserves**		
	Movement during the year:		
	At 1 January	10,537,587	10,671,170
	Actuarial Gain	13,547	-
	Net Fair Value Gain on Available for Sale Financial Assets (note 40)	29,259	(133,583)
	At 31 December	**10,580,393**	**10,537,587**

Notes to the financial statements
For the year ended 31 December 2015

		2015 =N='000	2014 =N='000
29	**Gross premium written**		
	Direct premium (note 29.1)	3,719,481	2,849,725
	Inward premium (note 29.1)	69,689	205,019
		3,789,170	3,054,744

29.1 Breakdown of gross premium written per business class is as follows:

	2015			2014		
	Direct premium	Inward premium	Total	Direct premium	Inward premium	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Fire	443,015	12,451	455,466	393,273	85,445	478,718
Accident	419,470	7,990	427,460	433,292	55,111	488,403
Motor	769,706	10,751	780,457	681,546	7,586	689,132
Marine	297,600	9,711	307,311	404,886	40,100	444,986
Engineering	326,121	4,254	330,375	247,805	11,439	259,244
Oil & Gas	1,463,569	24,532	1,488,101	688,923	5,338	694,261
	3,719,481	**69,689**	**3,789,170**	**2,849,725**	**205,019**	**3,054,744**

		2015 =N='000	2014 =N='000
30	**Net premium income**		
	Gross premium written (note 29)	3,789,170	3,054,744
	Changes in reserve for unexpired risks (note 31)	(107,920)	74,320
		3,681,250	**3,129,064**
31	**Reserve for unexpired risks**		
	At 1 January	943,536	1,017,856
	Increases/(d ecrease)	107,920	(74,320)
	At 31 December	**1,051,456**	**943,536**
32	**Reinsurance expenses**	**1,245,019**	**1,178,210**
32.1	**Premium ceded to reinsurance:**		
	Reinsurance premium paid	1,060,456	1,063,217
	Facultative outwards	102,295	195,556
	Decrease in prepaid reinsurance	82,268	(80,563)
		1,245,019	**1,178,210**

Notes to the financial statements
For the year ended 31 December 2015

		2015 =N='000	2014 =N='000
32.2	**Breakdown of premium ceded to reinsurer per business class is as follows:**		
	Fire	172,897	215,436
	Accident	222,314	124,419
	Motor	20,586	68,654
	Marine	188,381	207,304
	Engineering	86,888	126,059
	Oil & Gas	553,953	436,338
		1,245,019	**1,178,210**
33	**Fees and commission income**	136,296	**223,986**
33.1	**Breakdown of fees and commission income per business class is as follows:**		
	Fire	57,716	62,500
	Accident	45,953	54,649
	Motor	441	6,930
	Marine	19,695	58,590
	Engineering	12,491	41,242
	Oil & Gas	-	75
		136,296	223,986
33.2	**Breakdown of fees and commission income line is as follows:**		
	Lead Underwriting Commission	8,484	-
	Reinsurance Commission	163,135	223,986
	Changes in deferred commission revenue	(35,323)	-
		136,296	**223,986**
34	**Net claims expenses**		
	Gross claims paid	897,835	1,093,393
	Salvage recovery	(19,535)	(10,899)
		878,300	1,082,494
	Change in reserve for outstanding claims	544,871	3,695
	Gross claims incurred	**1,423,171**	1,086,189
	Claims and benefits recoverable from reinsurers	(201,271)	(533,225)
		1,221,900	**552,964**
34.1	**Movement in claims recoverable from reinsurers**		
	At 1 January	-	-
	Reinsurance recoveries from claims paid	(166,927)	(452,128)
	Receipt from reinsurance during the year	(32,344)	(81,097)
	At 31 December	**(201,271)**	**(533,325)**

Notes to the financial statements
For the year ended 31 December 2015

		2015 =N='000	2014 =N='000
35	**Underwriting expenses**		
	Acquisition expenses (note 35.1)	676,666	652,546
	Maintenance expenses (note 35.2)	672,694	566,832
		1,349,360	**1,219,378**
35.1	**Analysis of acquisition expenses**		
	Commission expense	726,760	495,597
	Business acquisition cost	18,619	88,205
	(Decrease)/increase in deferred acquisition cost	(68,713)	68,744
		676,666	**652,546**
35.2	**Analysis of maintenance expenses**		
	Staff costs	248,507	210,048
	Directors' remuneration	37,534	36,116
	Retirement benefit cost	16,709	77,587
	Other operating expenses (note 39.1)	369,944	243,081
		672,694	**566,832**

The above expenses represent part of the entity's operating expenses that were allocated to operations. Non-specific operating expense of the entity are allocated between operational and administrative expenses in the ratio 40:60 respectively.

35.3	The average number of persons employed by the Company during the year was as follows:	Number	Number
	Managing Director	1	1
	Executive Directors	1	1
	Management	12	12
	Non-Management	185	174
		199	**188**

The number of employees of the Company, other than directors, who received emoluments in the following ranges (excluding pension contributions) were:

	2015 Number	**2014** Number
N300,001 - N2,000,000	107	101
N2,000,001 - N2,800,000	40	35
N2,800,000 - N3,500,000	14	14
N3,500,001 - N4,000,000	14	14
N4,000,001 - N5,500,000	10	10
N5,500,001 - N6,500,000	5	5
N6,500,001 - N7,800,000	-	-
N7,800,001 - N9,000,000	2	2
N9,000,001 and above	7	7
	199	**188**

Notes to the financial statements
For the year ended 31 December 2015

		2015 =N='000	2014 =N='000
35.4	**Directors' Emoluments**		
	Directors:		
	Non -executives	55,741	52,196
	Executives	38,094	38,094
		93,835	**90,290**

Amount disclosed for non -executives above includes amount paid to chairman as follows; 2015: N2.4million; 2014: N2.4million.

Highest paid directors	**19,445**	**19,445**

The fees and other emoluments (excluding pension contributions) fell within the following ranges:

	Number	**Number**
Less than N5,000,000	-	-
N5,000,001 - N25,000,000	11	11
Above N25,000,000	2	2
	13	**13**

		₦'000	**₦'000**
35.5	**Employee benefits expenses**		
	Short -term benefits	621,267	525,119
	Post -employment benefits	41,772	230,632
	Termination benefits	-	-
		663,039	**755,751**

Short-term benefits include salaries and wages, medical expenses and others.
Post-employment benefits include pension contributions on behalf of employees to the Pension Funds Administrators and gratuity paid.

36	**Investment income**		
	Dividend income	971,228	756,877
	Interest income	299,870	189,420
	Profit on disposal of unquoted stock	-	74,974
	Loss on disposal of investment properties	-	(9,483)
		1,271,098	**1,011,788**
36.1	**Hypothecation of investment income**		
	Investment income that relate to policyholders (note 36.2)	324,999	175,810
	Investment income that relate to shareholders (note 36.3)	1,320,293	835,978
		1,645,292	**1,011,788**

Notes to the financial statements
AS AT 31 DECEMBER

		2015 =N='000	2014 =N='000
36.2	**Investment income that relate to policy holders**		
	Income from money market	299,870	181,357
	Dividend income	-	3,936
	Loss on disposal of investment properties	-	(9,483)
	Revaluation gain on investment properties	25,129	-
		324,999	**175,810**
36.3	**Investment income that relate to shareholders**		
	Income from lease finance	-	8,063
	Dividend income	971,228	752,941
	Profit from disposal of un-quoted stock	-	74,974
	Fair value change on FVTPL securities	349,065	-
		1,320,293	**835,978**
37	**Net fair value gains/(loss) on financial assets at fair value through profit or loss**		
	Appreciation in value of short-term investments - quoted securities	**349,065**	**(5,196)**
38	**Other operating income**		
	Sundry income	93,344	126,742
	Profit on sale of PPE	-	1,251
	Exchange gains	136,845	9,951
	Rental income	-	10,000
	Write back of impairment on trade receivables	-	29,302
		230,189	**177,246**
39	**Management expenses**		
	Audit fee	22,000	22,000
	Impairment losses	18,125	13,470
	Other operating expenses	907,514	970,020
		947,639	**1,005,490**

Notes to the financial statements
AS AT 31 DECEMBER

39.1	2015 Maintenance Expenses =N='000	2015 Management Expenses =N='000	2014 Maintenance Expenses =N='000	2014 Management Expenses =N='000
Staff cost	248,507	372,760	210,048	315,071
Director emolument	37,534	56,301	36,116	54,174
Pension Contribution	15,837	23,756	13,801	20,702
Retirement benefits	872	1,307	63,785	95,680
Advertising & public relation	7,048	10,571	25,817	38,726
AGM Expenses	3,781	5,672	7,696	11,544
Bank charges	6,587	9,881	4,713	7,069
Computer consumables	3,450	5,175	5,570	8,355
Contract staff cost	5,184	7,776	6,078	9,118
Depreciation & Armotisation	4,151	103,451	-	77,063
Diesel and fuel	13,414	20,121	13,028	19,541
Entertainment	1,915	2,874	3,234	4,851
Fines & Penalties	400	600	2,332	3,498
Impairment charges on staff loans	-	-	-	4,664
Industrial Training Fund	-	-	4,616	6,924
Insurance	7,784	11,677	7,271	10,907
Insurance supervision fee	-	21,042	-	24,002
Legal and secretarial expenses	-	14,856	-	14,045
Lighting & heating	2,490	3,735	1,807	2,710
Maintenance expense	13,825	20,738	11,196	16,793
Marketing expenses	18,931	13,583	11,750	17,625
Medical	6,210	9,316	8,691	13,036
Newspapers & periodicals	563	844	612	917
Postage and Telephone	4,974	6,675	4,717	7,075
Professional fees	31,119	43,986	29,379	44,068
Rent & Rate	13,510	19,736	18,918	28,377
Stationeries	2,818	4,227	2,755	4,133
Subscriptions & Donations	4,703	7,052	6,056	9,085
Transport and business travels	11,844	17,766	4,799	7,199
Fund Managers Fees	15,308	22,962	-	-
Withholding tax & VAT	9,468	1,441	42,628	63,941
Corporate Expense	156,432	-	-	-
Others	24,035	67,633	19,418	29,128
	672,694	907,514	566,831	970,021
Impairment losses	-	18,125	-	13,470
Audit fee	-	22,000	-	22,000
Total	**672,694**	**947,639**	**566,831**	**1,005,491**

40	Net fair value gain on available-for-sale financial assets	2015 =N='000	2014 =N='000
	Fair value changes in available-for-sale investments -quoted equities	(5,741)	-
	Disposal	-	(7,583)
	Fair value changes in available-for-sale investments -unquoted equities	35,000	(126,000)
		29,259	**(133,583)**

Notes to the financial statements
AS AT 31 DECEMBER

41 Earnings per Share

Basic earnings per share amounts is calculated by dividing the net profit/(loss) for the year attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding at the reporting date.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

Profit attributable to ordinary shareholders (N'000)	**512,247**	**324,997**
Weighted average number of ordinary shares for basic earnings per share	**7,998,792**	**7,998,792**
Basic earnings per share attributable to equity shareholders for the year (Kobo)	**6.4**	4.1

42 Cash and cash equivalents

	2015 =N='000	2014 =N='000
Cash in hand and at bank	809	313
Balances with banks & other financial institutions	2,413,335	2,239,059
	2,414,144	**2,239,372**

43 Related party disclosures

Transactions are entered into by the company during the year with related parties. Unless specifically disclosed, these transactions occurred under terms that are no less favourable than those with third parties. Details of transactions between Linkage Assurance Plc and related parties are disclosed below:

44 Compensation of key management personnel

Key management personnel refers to those persons having authority and responsibility for planning,directing and controlling the activities of Linkage Assurance Plc. It comprises both executive and non-executive directors. The remuneration of directors and other members of key management personnel during the year was as follows:

	2015 =N='000	2014 =N='000
Short-term benefits	93,835	90,290
Post-employment benefits	2,552	2,552
Other long-term benefits	-	-
Termination benefits	-	-
	96,387	**92,842**

Company information and Accounting Policies
AS AT 31 DECEMBER

44.1 Sale of Insurance Contracts

During the year, the Entity entered into the following contracts with related parties:

	2015 =N='000	2014 =N='000
Sale of Insurance contract to key management personnel	1,491	1,426

45 Contravention

	2015 =N='000	2014 =N='000
Late filing of returns to the Nigerian Stock Exchange	900	4,800
Late filing of 2012 tax returns - FIRS	-	30
Penalty for dealing with unregistered brokers to NAICOM	-	750
Late submission of evidence of premium remittance for 3rd qtr., 2013 and 2014 M&D premium to NAICOM	-	250
For reinstatement of Financials Statement to NAICOM	100	-
	1,000	5,830

46 Other Related Party Transactions

46.1 E F Shaw (The Executives), an entity controlled by a member of the key management personnel, provided catering services to the company staff for a fee of N46.7m (2014:N30.3m) which was paid during the year.

46.2 Linkage Assurance Plc is represented on the Board of Stanbic IBTC Pension Managers Limited by a member of the key management personnel. IBTC Pension Managers is one of the Pension Funds Administrators (PFAs) to some of the Company's staff.

46.3 Linkage Assurance Plc has a common directorship with Gresham Asset Management which managed the entity's investment portfolio worth of N473.5m.

47 Events after the reporting period

Following the NAICOM directive on the tenure of Directors, four Directors resigned from the Board of Linkage Assurance Plc. in April 2016 therefore, the number of Directors on the Board currently stands at eight (8).

48 Contingencies

48.1 Contingent liabilities

The Company is involved in pending litigations with claim of N150.38 million. Based on legal advice, the directors are of the opinion that no liability will eventuate therefrom.

48.2 Contingent assets

The Federal High Court, Abuja on 3 December, 2013 gave judgement in favour of Linkage in a matter instituted against the Nigerian Deposit Insurance Corporation (NDIC) for the recovery of the sum of N893, 135,471 being balance of proceeds for shares subscription from the company's 2005 Public Offer for which shares have been allotted as approved by the Securities and Exchange Commission in March 2006.

However, in January 2014, the NDIC served the Company with Notice of Appeal on the suit. The defendant (NDIC) filed a Notice of Appeal challenging the decision of the court entering judgment in favour of the plaintiff, Linkage Assurance Plc. A date is yet to be fixed for the hearing.

There is an ongoing litigation against the Inspector General of Police at the Federal High Court, Lagos Division, NEM & Others V. IG & Others, the Plaintiffs are suing for the sum of N221M being the balance due on the premium of a Group Personal Accident Scheme known as the Nigerian Police Welfare Insurance Scheme. The amount due to Linkage Assurance Plc under the claim is N11.8m.

The Company is also involved in other pending litigation with contingent assets of N50.11m receivable if court rules in their favour.

49 Commitments

The company had no capital commitments at the balance sheet date.

50 Comparatives

Where necessary, prior year figures have been adjusted to conform to changes in the current year. There are no changes in the accounting policies that affect operating profit.


Enterprise Risk
Management Disclosure

Enterprise Risk Management Disclosure
AS AT 31 DECEMBER

A) Approach to Risk

Linkage Assurance Plc. (Linkage) recognizes that risk is an inherent part of its operations and as such has designed a risk management framework as an integral part of its governance and decision-making framework in order to achieve financial soundness and maximize values to all stakeholders.

Our approach is aimed at constantly and actively identifying, assessing, measuring, managing, monitoring and reporting on significant risks, both internal and external, that are capable of leading to sub-optimality and threats to stakeholders' value. Consequently. Linkage develops a formal risk management policies and business standards which set out the risk strategy, framework and minimum requirements for the company's operations. The framework is designed to manage rather than eliminate the risk of failure to achieve the company's strategic objectives, and to provide reasonable assurance against material misstatement or loss.

The Board of Directors recognizes the importance of having an effective risk management systems in place and therefore acknowledges that they are responsible for the company's framework of internal control and of reviewing its effectiveness.

Overall, Linkage views risk not only as a threat or uncertainty but also as a potential opportunity to explore in order to grow and develop business operations within set risk appetite.

B) Risk Philosophy and Culture

Our risk philosophy is to take a moderate and guarded risk attitude that guarantee sustainable growth in our reputation and shareholders' values.

In addition, we belief that embedding risk management practices in accordance with international standards into our operations will provide us with the superior capabilities to identify and assess the full spectrum of risks and to enable staff at all levels to better understand and manage risks. This will provide us with:

- responsible acceptance of risk;
- adequate risk management support from the Board of Directors and Executive Management;
- improved outcomes - productivity, returns on investment, etc., and
- accountability and stewardship.

The principles underlying our risk philosophy are that Management and staff shall:

- consider all forms of risk in decision-making;
- create and evaluate business-unit level and company-level risk profile in decision-making;
- support Executive Management's creation of a company-level portfolio view of risk;
- retain ownership and accountability for risk and its management at the business unit or other point of influence level;
- strive to achieve best practices in enterprise risk management;
- monitor compliance with policies and procedures and state of enterprise risk management;
- lever existing risk management practices, wherever they exist within the company;
- document and report all significant risks and enterprise risk management deficiencies; and
- accept that enterprise risk management is mandatory and not optional.

C) Risk Management Objectives

The primary purpose of our enterprise-wide risk management policy is to promote an integrated, holistic approach to strategic risk management and to ensure that all risks that could affect the achievement of our objectives are identified, assessed and treated to an acceptable level.

Other objectives are to ensure that:

- existing and potential material risks that could impact on the achievement of strategic objectives are identified, managed or mitigated in a planned and coordinated manner with minimum disruption and cost;
- techniques to manage risks are applied appropriately;
- appropriate resources are allocated to controllable, acceptable risk areas in order to maximize earnings potentials and protect all stakeholders;
- appropriate controls are in place for controllable, acceptable risk areas;
- non-controllable risks are identified, monitored, understood and mitigated where possible;
- responsibility for the implementation of the enterprise risk management is allocated to the Board, its Committees and Executive Management;
- there is protection of unforeseen losses and stability of earnings;
- a risk culture that encourages all staff to identify risks and associated opportunities and to respond to them with cost effective actions.

D) Risk Appetite and Oversight

Our risk appetite articulates the allocation of risk capacity within which the company and its respective business unit must operate, including policies, concentration limits and business mix.

The risk appetite is defined in terms of volatility of earnings and maintenance of regulatory capital under different stress scenarios. In other words, it expresses how much variability of return Linkage is prepared to

Enterprise Risk Management Disclosure
AS AT 31 DECEMBER

accept in order to achieve desired level of result, having considered the empirical relationship between risk and return.

Our risk appetite is measured in both quantitative and qualitative terms. The quantitative metrics include earnings-at-risk, risk limits, key ratios, mandates, targets and guidelines. We adopt a "bottom-up" analytical approach to assess our risk profile covering all major businesses, geographical locations and products.

The risk appetite is approved by the Board, implemented by the Executive Management, and forms the basis for establishing the risk parameters within which the business must operate, including policies, concentration limits and business mix.

E) Risk Categorization

The scope of risks that we directly managed are as follows:

These risks as well as the respective framework for their management are detailed in our Enterprise Risk Management Framework as approved by the Board. For effective coordination and management of risks, we further categorized these risks into three main categories as follows:

• Underwriting Risk • Reserving Risk • Provisioning Risk • Claims Risk • Reinsurance Risk • Reputational Risk • Operational Risk • Compliance Risk	• Market Risk • Liquidity Risk • Credit Risk • Equity Risk • Currency risk • Property Risk • Business Risk • Strategic Risk • Legal Risk • Regulatory Risk

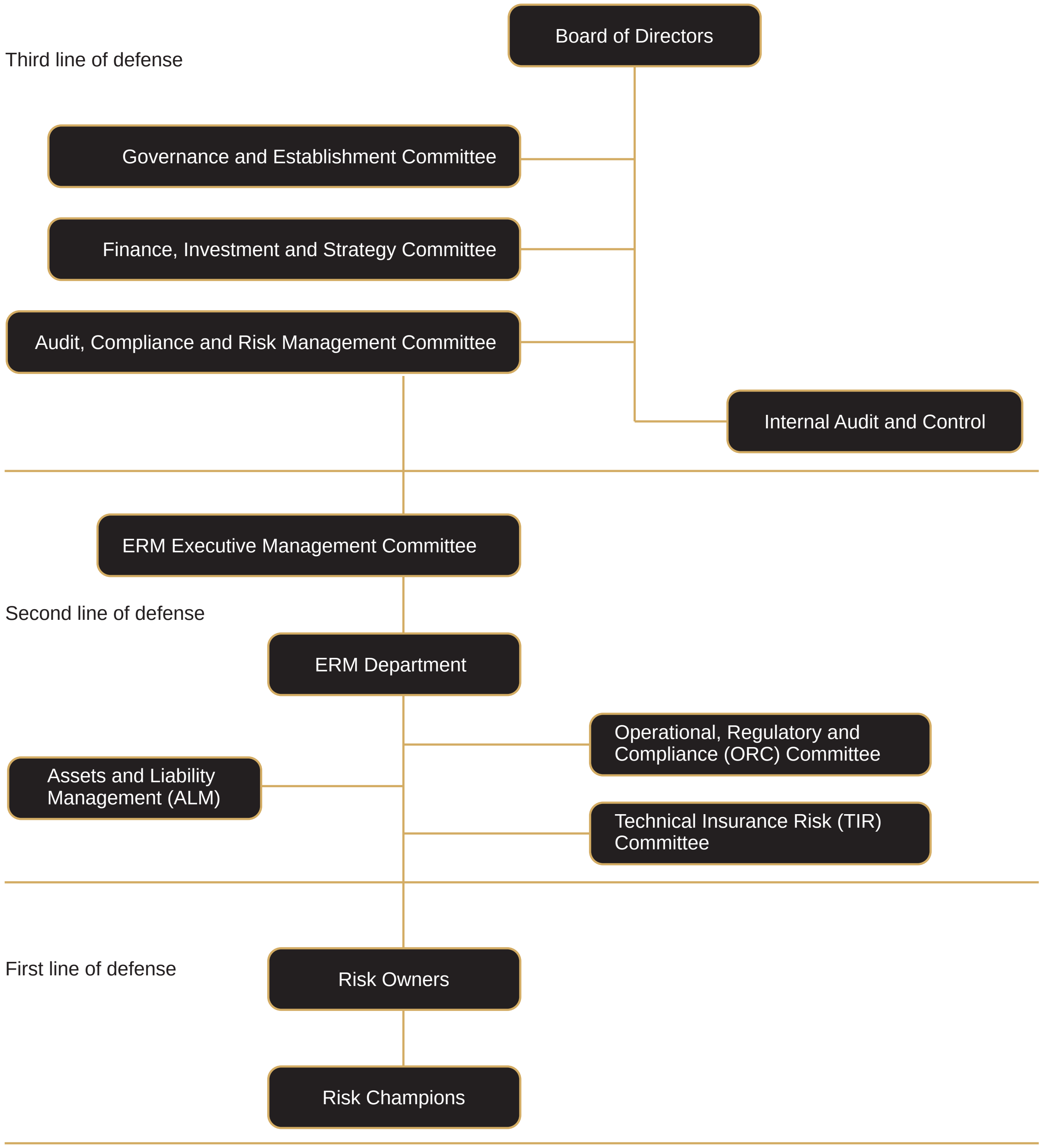
S/N	Risk Category	Risk Type
1	Insurance Operations Risk	Underwriting risk, reserving risk, provisioning risk, reinsurance risk and claims management risk.
2	Financial Risks	Market/Investment risk, credit risk, liquidity risk, equity risk, currency risk, property risk, strategic and business risk.
3	Operational and Compliance Risk	Legal risk, compliance risk, operational risk, reputation risk, conduct risk, regulatory risk, and emerging risks.

Enterprise Risk Management Disclosure

AS AT 31 DECEMBER

F) Risk Governance Structure

We adopt the three lines of defense model for the governance of risks in our operations. This is depicted below.



Enterprise Risk Management Disclosure

AS AT 31 DECEMBER

G) Capital Management - Objectives, Policies and Approaches.

The objective of our capital management is to ensure that the company is adequately capitalized at all times, even after experiencing significant adverse events. In addition, we seek to optimize the structure and sources of our capital to ensure that it consistently delivers maximum returns to our shareholders and guarantees adequate protection of our policyholders.

Our capital management policy is to hold sufficient capital to meet regulatory capital requirements (RCR) and also to sufficiently accommodate our risk exposures as determined by our risk appetite. Other objectives include to:

- maintain the required level of capital that guarantee security to our policyholders;
- maintain financial strength that would support business growth in line with strategy;
- maintain strong credit ratings and healthy capital ratios to support business objectives;
- retain financial flexibility by maintaining strong liquidity and consistent positive equity returns;
- allocate capital efficiently to ensure that returns on capital employed meet the requirements of capital providers and shareholders.

Our approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital levels on a regular basis and taking appropriate actions to influence our capital position in the light of changes in economic and market conditions, and risk characteristics.

The primary source of capital used is equity shareholders' funds. In addition, we utilize adequate and efficient reinsurance arrangements to protect shareholders' funds by reducing the need for further funding following unfavorable events such as catastrophes or just large random single claims.

The company has had no significant changes in its policies and processes to its capital structure during the past year.

Available Capital Resources as at 31st December

	2015 =N='000	2014 =N='000
Total Shareholders' Funds Available:		
Total Assets	19,492,236	17,976,222
Less: Total Liabilities	(3,182,842)	(2,388,533)
Available Funds as per Financial Statements	**16,309,394**	**15,587,689**
Adjustment for Non-cash Capital items	(214,197)	(375,693)
Available Capital Resources	**16,095,197**	**15,211,996**
Increase/(decrease) in Available Capital	***6%***	***3%***

Our Available Capital is based on the shareholders' equity/fund as adjusted to reflect the full economic capital base available to absorb any unexpected volatility in results of operations. Thus, available capital resources, after adjusting for non-cash assets, is N16, 095,197 (2014: N15, 211,996) amounting to 6% increase (decrease) over corresponding period.

The Minimum Capital Requirement

The statutory minimum capital requirement for Non-life business is N3billion.

The Solvency Margin Requirement

Insurance industry regulator measures the financial strength of non-life insurers using a solvency margin model, NAICOM generally expect non-life insurers to comply with this capital adequacy requirement. This test compares insurers' capital against its risk profile. Section 24 (1) of the Insurance Act, 2003 requires that an insurer shall in respect of its business other than its life insurance business, maintain at all times a margin of solvency being the excess of the value of its admissible assets in Nigeria over its liabilities in Nigeria. The solvency margin shall not be less than 15 percent of the gross premium income less reinsurance premiums paid out during the year under review or the minimum paid-up capital whichever is greater.

During the year, the Company has complied with this capital requirement. The regulator has the authority to request more extensive reporting and can place restrictions on the Company's operations if the Company falls below this requirement as deemed necessary.

Enterprise Risk Management Disclosure
AS AT 31 DECEMBER

The company's solvency margin as at 31 December 2015 is as follows:

TEST OF SOLVENCY as at 31st December

Admissible Assets:		**2015 =N='000**	**2014 =N='000**
Cash and cash equivalent		2,414,144	2,239,372
Financial assets		4,041,129	2,724,480
Deferred acquisition cost		188,128	119,415
Trade receivables		18,432	3,895
Other receivables and prepayments		-	-
Reinsurance assets		281,926	398,213
Investment properties		97,000	71,700
Intangible assets		-	-
Property, plant and equipment		1,195,422	1,006,795
Deferred tax assets		-	-
Statutory deposit		300,000	300,000
Total Admissible Assets		**8,536,181**	**6,863,870**
Less: Admissible Liabilities			
Trade payables		229,316	244,617
Provision and other payables		327,273	249,361
Insurance contract liabilities		2,276,752	1,623,963
Income tax payable		147,355	142,313
Retirement benefit obligations		84,225	128,279
Total Admissible Liabilities		**3,064,921**	**2,388,533**
Excess of admissible assets over liabilities:		**5,471,260**	**4,475,337**
TEST I	Gross premium	3,681,250	3,129,064
	Less Reinsurance	(1,245,019)	(1,178,210)
	Net Premium	**2,436,231**	**1,950,854**
	15% thereof	365,435	292,628
TEST II	Minimum paid up capital	3,000,000	3,000,000
	The higher thereof:	3,000,000	3,000,000
	SURPLUS OF SOLVENCY	2,471,260	1,603,616
	Solvency ratio	182%	149%

Enterprise Risk Management Disclosure
AS AT 31 DECEMBER

H) Insurance Risk

The company issues contracts that transfer insurance risk. This section summarizes this risk and the way it is being managed.

(a) Types of Insurance Risk Contracts

The company principally issues the following types of general insurance contracts: Motor, Fire, General Accidents, Aviation, Marine, Engineering, Bond and Oil & Gas. The risks under this policies usually cover twelve months duration. The most significant risks in this policies arise from climate changes, natural disasters and terrorist activities. For longer tail claims that take some years to settle, there is also inflation risk.

These risks however do not vary significantly with the risk location, type of insured and industry.

(b) Management of Insurance Risk

The risks facing us in any insurance contract arise from fluctuations in the timing, frequency and severity of claims and claims settlements relative to expectations; unexpected claims arising from a single source or cause; inaccurate pricing of risks or inappropriate underwriting of risks when underwritten; and inadequate reinsurance protection or other risk transfer techniques.

The principal risk that the company faces under its insurance contracts is that the actual claims and benefits payments, or its timing thereof, exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random, and the actual number and amount of claims and benefits will vary from year to year from the level established using statistical techniques. The objective of the company is to ensure that sufficient reserves are available to cover these liabilities. In addition, the company manages this risk through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling and investigations.

Our insurance underwriting strategy has been developed in such a way that the types of insurance risks accepted are diversified to achieve a sufficiently large population of risks to reduce the variability of the expected outcome. Insurance risk is increased by the lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the company has the right not to renew certain policies, it can impose excess or deductibles and has the right to reject the payment of a fraudulent claim. Insurance contracts also entitle the company to pursue third parties for payment of some or all of claims costs.

The company purchases reinsurance as part of its insurance risk mitigation programme. The reinsurance arrangements include excess and proportional coverage. The effect of such reinsurance arrangements is that the company should not suffer total net insurance losses in any one year. Amount recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts.

The company has a specialized claims unit that ensures mitigation of the risks surrounding all known claims. This unit investigates and adjusts all claims in conjunction with appointed loss adjusters. The company actively manages and pursues early settlements of claims to reduce its exposure to unpredictable developments. Risk concentration is assessed per class of business. The concentration of insurance risk before and after reinsurance by class in relation to the type of insurance risk accepted is summarized below, with reference to the carrying amount of the insurance liabilities (gross and net of reinsurance) arising from all non-life insurances.

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Insurance Risk Concentration per Contract Type

Line of Business	2015 Before Reinsurance	2015 After Reinsurance	2014 Before Reinsurance	2014 After Reinsurance
Motor	780,457	759,871	689,132	620,478
Fire	455,466	282,569	478,718	263,282
General Accident	427,460	205,146	488,403	363,984
Marine	307,311	118,930	444,986	237,682
Engineering	330,375	243,487	259,244	133,185
Oil & Gas	1,488,101	934,148	694,261	257,923
Total	3,789,170	2,544,151	3,054,744	1,876,534

Insurance Risk Concentration per Contract Type

Line of Business	2015 Gross Outstanding Claims	2015 Reinsurance Recoveries	2015 Net Liabilities	2014 Gross Outstanding Claims	2014 Reinsurance Recoveries	2014 Net Liabilities
Motor	115,488	9,977	105,511	78,042	2,971	75,071
Fire	493,010	18,088	474,922	116,413	6,175	110,238
General Accident	208,759	9,567	199,192	128,672	30,593	98,079
Marine	67,211	2,189	65,022	70,712	4,603	66,109
Engineering	129,368	8,785	120,583	30,477	(6,110)	36,587
Oil & Gas	211,460	-	211,460	256,109	8,486	247,623
Total	**1,225,296**	**48,606**	**1,176,690**	**680,425**	**46,718**	**633,707**

Key Assumptions
The principal assumption underlying the liability estimates is that the company's future claims development will follow a similar pattern to past claims development experience. This includes assumptions in respect of average claims costs, claim handling costs, claim inflation factors and claims numbers for each accident year. Additional qualitative judgements are used to assess the extent to which past trends may not apply in the future, for example: once-off occurrence; changes in market factors such as public attitude to claiming; economic conditions as well as internal factors such as portfolio mix, policy conditions and claims handling procedures. Judgement is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.

Other key circumstances affecting the reliability of assumptions include variation in interest rates, delays in settlement and changes in foreign currency rates.

Sensitivity Analysis
The insurance claims liabilities above are sensitive to the key assumptions that follow. However, it has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process.

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross and net liabilities, profit before tax and equity fund. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that the movements in these assumptions are not linear.

Enterprise Risk Management Disclosure
AS AT 31 DECEMBER

Insurance Risk Sensitivity Analysis

As at 31st December 2015

Criteria	Changes in Assumption	Impact on Gross Liabilities =N='000	Impact on Net Liabilities =N='000	Impact on Profit before tax =N='000	Impact on Equity Fund =N='000
Average Claims Cost	10%	57,837	43,377	(72,296)	(46,992)
Number of Claims	10%	18,818	14,113	(23,522)	(15,289)
Average Claims Settlement Period	Reduction by 3 months	(32,450)	(24,338)	40,563	26,366

As at 31st December 2014

Criteria	Changes in Assumption	Impact on Gross Liabilities =N='000	Impact on Net Liabilities =N='000	Impact on Profit before tax =N='000	Impact on Equity Fund =N='000
Average Claims Cost	10%	68,043	61,239	(109,340)	(82,006)
Number of Claims	10%	21,506	16,450	(21,408)	(16,056)
Average Claims Settlement Period	Reduction by 3 months	(25,400)	(16,420)	5,218	3,653

Claims Development Table
The company has reported and disclosed its claims reserves based on the requirements of IFRS 4 - Insurance Contracts. We however shown below our claims development information over the period 2007 - 2015 as follows:

Claims Development Table (for all Class of Business)

Accident year	1	2	3	4	5	6	7	8	9
2007	152,755	134,625	41,902	10,416	2,964	1,834	1,080	5	470
2008	271,568	285,238	51,796	8,056	3,139	334	345	162	
2009	175,944	225,974	93,072	64,576	31,461	1,507	606		
2010	280,328	257,899	117,497	136,000	16,732	1,406			
2011	188,021	209,088	119,363	172,367	2,056				
2012	206,910	264,899	85,262	83,530					
2013	184,702	380,558	36,518						
2014	390,700	282,279							
2015	490,091	-							

Enterprise Risk Management Disclosure

AS AT 31 DECEMBER

H) Financial Risk

The company is exposed to a range of financial risks through its financial instruments and reinsurance assets.

The key financial risk is that in the long term its investments proceeds are not sufficient to meet the obligations arising from its insurance contracts. The most important components of the financial risks are:

- Credit risks
- Liquidity risks
- Market risks
- Property risks.

(a) Credit Risks

Credit risk is the risk of default and change in credit quality of issuers of securities, counter-parties and untimely or non-payment of premiums by policyholders as at when due.

The categories of credit risk exposed to by the company are:

- Direct default risk: which is the risk of non-receipt of cash flows or assets due to the company because brokers, policyholders and other debtors default on their obligations.

- Concentration risk: which is the exposure of losses due to excessive concentration of business activities to individual counterparties, groups of individuals or related entities, counterparties in specific geographical locations, industry sector, specific products, etc.

- Counterparty risk: this is the risk that a counterparty is not able or willing to meet its financial obligations as they fall due.

In managing credit exposures to counterparties, the company had instituted the following policies and procedures:

- A credit risk management policy, which sets out the assessment and determination of credit risk components. In addition, it sets out the net exposure limits for each counterparty, based on geographical and industry segmentation. The policy is regularly reviewed for pertinence and for changes in the risk environment.

- Reinsurance arrangement is entered with counterparties that have a good credit rating. Concentration risk is avoided by following policy guidelines on counterparties' limits that are set each year by the board of directors and reviewed regularly. At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance purchase strategy, ascertaining suitable allowance for impairment, if need be.

- The credit risk in respect of customer balances incurred on non-payment of premiums will only persist during the grace period specified in Section 50 of the Insurance Act.

- The company sets the maximum amounts and limits that may be advanced to corporate counterparties by reference to their long-term credit ratings.

Credit Exposure

The company's maximum credit risk exposure as per its statement of financial position as at 31st December, 2015 and 2014 is the carrying amounts of each component. The maximum risk exposure presented below does not include the exposure that arises in the future as a result of the changes in values.

The maximum exposure is shown gross, before the effect of mitigation through the use of netting and collateral agreements, below.

Enterprise Risk Management Disclosure
AS AT 31 DECEMBER

	2015 =N='000	2014 =N='000
Credit Exposure as at 31st December		
Cash and cash equivalent	2,414,144	2,239,372
Financial Assets:		
- At Fair value through profit or loss	3,675,921	2,496,893
- Available-for-sale	10,979,557	10,913,583
- Held-to-maturity	120,302	30,702
- Loans and receivables	30,702	80,177
Reinsurance assets (less unearned premium)	281,926	398,213
Trade receivables	18,432	3,895
Other receivables	164,633	83,546
Statutory deposit	300,000	300,000
GROSS CREDIT RISK EXPOSURE	**17,985,617**	**16,546,381**

Credit risk concentration
Credit risk is spread across many industries, firms and individuals. The company monitors concentration of credit risk by sector as shown below. In summary, our credit exposure is highly concentrated in the financial institutions sector - commercial banks, insurance companies, finance houses, etc.

Enterprise Risk Management Disclosure
AS AT 31 DECEMBER

Sectorial Analysis of Credit Risk Exposure As at 31st December 2015	Financial Institutions =N=000	Public Sector =N=000	Manufac-turing =N=000	Others =N=000	Total =N=000
Cash and cash equivalent	671,439	1,742,705	-	-	**2,414,144**
Financial Assets:					
- At Fair value through profit or loss	3,675,921	-	-	-	**3,675,921**
- Available-for-sale	10,939,697	-	-	39,860	**10,979,557**
- Held-to-maturity	-	-	30,702	-	**30,702**
- Loans and receivables	74,982	-	-	45,320	**120,302**
Reinsurance assets (less unearned premium)	281,926	-	-	-	**281,926**
Trade receivables	18,432	-	-	-	**18,432**
Other receivables	-	-	-	164,633	**164,633**
Statutory deposit	300,000	-	-	-	**300,000**
GROSS CREDIT EXPOSURE	**15,962,398**	**1,742,705**	**30,702**	**249,812**	**17,985,617**
As at 31st December 2014	**Financial Institutions =N=000**	**Public Sector =N=000**	**Manufac turing =N=000**	**Others =N=000**	**Total =N=000**
Cash and cash equivalent	2,239,372	-	-	-	**2,239,372**
Financial Assets:					
- At Fair value through profit or loss	1,672,918	74,907	749,068	-	**2,496,893**
- Available-for-sale	10,913,583	-	-	-	**10,913,583**
- Held-to-maturity	30,702	-	-	-	**30,702**
- Loans and receivables	39,801	-	-	40,376	**80,177**
Reinsurance assets (less unearned premium)	398,213	-	-	-	**398,213**
Trade receivables	3,895	-	-	-	**3,895**
Other receivables	-	-	-	83,546	**83,546**
Statutory deposit	300,000	-	-	-	**300,000**
GROSS CREDIT EXPOSURE	**15,598,484**	**74,907**	**749,068**	**123,922**	**16,546,381**

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Credit Risk Quality
One of the principal criteria used to judge the risk of default (or quality) of our credit risk exposure is credit quality of the counterparty we are exposed to. This we determine by using our internal credit rating criteria, which is benchmarked against Global Credit Rating Co.'s rating criteria as comparatively shown below:

Credit Quality	GRC Rating Scale	Linkage Rating Scale	Definition of Criteria
LOW	AAA	AAA	Highest Credit Quality: The risk factors are megligible, being only slightly more than risk-free government instruments.
	AA+ - AA-		
	A+ - A-	AA	Very High Credit Quality: Protection factors are very strong. Adverse chnages in business, economic or financial conditions would increase investment risk, although not significant.
MEDIUM	BBB+ - BBB-	BBB	Adequate protection factors and considered sufficient for prudent investment. However, there is considerable variability in risk during economic cycles.
	BB+ - BB-		Below investment grade but capacity for timely repayment exists. Present or prospective financial protection factors fluctuate according to industry's conditions or company's fortunes. Overall, quality may move up or down frequently within this categories.
	B+ - B-	BB	Below investment grade and possessing risk that obligations will not be met when due. Financial protection factors will fluctuate widely according to economic cycles, industry conditions and/or company fortunes.
HIGH	CCC	NOT RATED	Well below investment grade securities. Considerable uncertainty exists as to timely payment of principal or interest. Protection factors are narrow and risk can be substantial with unfavourable economic/industry conditions, and/or with unfavourable company development.
	DD		Defaulted debt obligations. Issuer failed to meet scheduled principals and/or interest payments. Company has been, or is likely to be, placed under the order of the court.

Enterprise Risk Management Disclosure

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Using the above rating table, the position of the company's credit quality as at 31st December, 2015 is as shown below. Overall, our credit risk exposure has maintained a low risk profile. This is because our exposure to high risk counterparties has been low in order to protect policyholder funds and secure the liquidity of operating funds.

It is the company's policy to maintain accurate and consistent risk ratings across its credit portfolio. This enables management to focus on the applicable risks and the comparison of credit exposures across all lines of business, geography and products. The rating system is supported by a variety of financial analytics combined with processed market information to provide the main inputs for the measurement of counterparty risk. All internal ratings are tailored to the various categories and are derived in accordance with the company's rating policy. The attributable risk ratings are assessed and updated regularly. During the year, no credit exposure limit was exceeded.

We provide a further analysis of our credit risk exposure in terms of counterparty's financial instruments as investment grades or non-investment grades, as well as Neither Past Due or Past Due but Not Impaired. All our financial assets during the period are either past due or past due but not impaired with the exception of trade receivables as shown below.

Analysis of Counterparties Credit Ratings.

As at 31st December, 2015

	Niether Past Due nor Impaired			Past Due but not Impaired	Total
	Investment Grades	Non-Investment Grades			
		Satisfactory	Unsatisfactory		
	=N='000	=N='000	=N='000	=N='000	=N='000
Cash and cash equivalent	2,414,144	-	-	-	**2,414,144**
Financial assets:					
- FVTPL	3,675,921	-	-	-	**3,675,921**
- Available-for-sale	10,979,557	-	-	-	**10,979,557**
- Held-to-maturity	30,702	-	-	-	**30,702**
- Loans and receivables	74,982	45,320	-	-	**120,302**
Reinsurance assets	-	281,926	-	-	**281,926**
Trade receivables	-	18,432	-	-	**18,432**
Other receivables	-	164,633	-	-	**164,633**
Statutory deposit	300,000	-	-	-	**300,000**
TOTAL CREDIT EXPOSURE	17,475,306	510,311	-	-	**17,985,617**

As at 31st December, 2014

	Niether Past Due nor Impaired			Past Due but not Impaired	Total
	Investment Grades	Non-Investment Grades			
		Satisfactory	Unsatisfactory		
	=N='000	=N='000	=N='000	=N='000	=N='000
Cash and cash equivalent	2,239,372	-	-	-	**2,239,372**
Financial assets:					
- FVTPL	2,496,892	-	-	-	**2,496,892**
- Available-for-sale	10,913,583	-	-	-	**10,913,583**
- Held-to-maturity	30,702	-	-	-	**30,702**
- Loans and receivables	39,801	40,376	-	-	**80,177**
Reinsurance assets	-	398,213	-	-	**398,213**
Trade receivables	-	3,895	-	-	**3,895**
Other receivables	-	83,547	-	-	**83,547**
Statutory deposit	300,000	-	-	-	**300,000**
TOTAL CREDIT EXPOSURE	**16,020,350**	**526,031**	**-**	**-**	**16,546,381**

Enterprise Risk Management Disclosure
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The age analysis of financial assets past due but not impaired during the period is depicted in the table below.

Impaired Financial Assets
As at 31st December, 2015, there are no impaired reinsurance assets (2014: N Nil) and impaired loans and receivables of N74, 369 (2014: N75, 597).

For assets to be classified "past-due and impaired" contractual payments must be in arrears for than 90days. No collateral is held as security for any past due or impaired assets.

The company records impairment allowances for loans and receivables in a separate impairment allowance account. A reconciliation of the allowance for impairment losses for loans and receivables is, as follows:

Age Analysis of Past Due but not Impaired Financial Assets

As at 31st December, 2015

	< 30 days =N='000	31- 60 days =N='000	61 - 90 days =N='000	Above 90 days =N='000	Total Past Due but not Impaired =N='000
Cash and cash equivalent	-	-	-	-	**-**
Financial assets:					
- FVTPL	-	-	-	-	**-**
- Available-for-sa;e	-	-	-	-	**-**
- Held-to-maturity	-	-	-	-	**-**
- Loans and receivables	-	-	-	-	**-**
Reinsurance assets	-	-	-	-	**-**
Trade receivables	-	-	-	-	**-**
Other receivables	-	-	-	-	**-**
Statutory deposit	-	-	-	-	**-**
TOTAL CREDIT RISK EXPOSURE	**-**	**-**	**-**	**-**	**-**

As at 31st December, 2014

	< 30 days =N='000	31- 60 days =N='000	61 - 90 days =N='000	Above 90 days =N='000	Total Past Due but not Impaired =N='000
Cash and cash equivalent	-	-	-	-	**-**
Financial assets:					
- FVTPL	-	-	-	-	**-**
- Available-for-sa;e	-	-	-	-	**-**
- Held-to-maturity	-	-	-	-	**-**
- Loans and receivables	-	-	-	-	**-**
Reinsurance assets	-	-	-	-	**-**
Trade receivables	-	-	-	-	**-**
Other receivables	-	-	-	-	**-**
Statutory deposit	-	-	-	-	**-**
TOTAL CREDIT RISK EXPOSURE	**-**	**-**	**-**	**-**	**-**

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Credit Collateral
The amount and type of collateral required depends on an assessment of credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and the valuation parameters.

Collateral is mainly obtained for securities lending and for cash purposes. Credit risk is also mitigated by entering into collateral agreements.

Management monitors the market value of the collateral, requests additional collateral when needed and performs an impairment valuation when applicable. The collateral can be sold or replaced by the company, where necessary and is repayable if the contract terminates or the contract's fair value decreases. No collateral received from the counterparty has been sold or repledged this year.

(b) Liquidity Risk
Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost. The characteristic nature of our business requires the availability of adequate cash flow to meet our contractual obligations to policyholders (and other third parties) in the event of claim settlement.

This is the risk of loss arising due to insufficient liquid assets to meet cash flow requirements or to fulfil financial obligation once claims crystallize. In the case of catastrophic events there is also a liquidity risk associated with the timing differences between gross cash outflows and expected reinsurance recoveries.

Our exposure to liquidity risk comprises of:

1) Funding (Cash-flow) Liquidity Risk: is the risk of not meeting current and future cash flow and collateral needs, both expected and unexpected, without materially affecting daily operations or overall financial condition of the company.
2) Market (Asset) Liquidity Risk: risk of loss which is occasioned by the incapacity to sell assets at or near their carrying value at the time needed.

The company mitigates its exposure to liquidity risk through the following mechanisms:

- Liquidity Policy, which sets out the assessment and determination of what constitutes the company's liquidity risk. Compliance with the policy is monitored and exposures and breaches are reported to the Assets and Liability Management Committee. The policy is regularly reviewed for pertinence ad for changes in the risk environment.
- Guidelines are set for asset allocations, portfolio limit structures and maturity profiles of assets, in order to ensure sufficient funding available to meet insurance contracts obligations.
- Contingency funding plans are in place, which specify minimum proportions of funds to meet emergency calls as well as specifying events that would trigger such plans.
- Our catastrophe excess-of-loss reinsurance contracts contain clauses permitting the immediate draw down of funds to meet claim payments should claim events exceed a certain size. Below is a maturity profile summary of the company's undiscounted contractual obligations cash flows of financial assets matched with financial liabilities. For insurance contract liabilities and reinsurance assets, maturity profile estimates are based on timing of net cash flows from the recognized insurance liabilities.

Unearned premiums and the reinsurers' share of unearned premiums have been excluded from the analysis as they are not contractual obligations.

In addition, the company maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseen interruption of cash flow.

Enterprise Risk Management Disclosure

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Maturity Analysis (Undiscounted Cashflow Basis)

As at 31st December 2015

	Carrying Amount =N='000	Gross Amount =N='000	(74,369) 1 - 3 months =N='000	3 - 6 months =N='000	6 - 12 months =N='000	6 - 12 months =N='000	1 - 5 years =N='000	> 5 years =N='000
Cash and cash equivalent	**2,414,144**	2,414,181	1,086,402	482,829	120,707	-	724,243	-
Financial assets:								
- FVTPL	**3,675,921**	3,675,921	2,573,145	1,102,776	-	-	-	-
- Available-for-sale	**10,979,558**	10,979,557	-	27,354	-	-	10,883,000	69,203
- Held-to-maturity	**30,702**	30,702	-	-	-	-	30,702	-
- Loans and receivable	**120,302**	194,671	152,895	41,776	-	-	-	-
Reinsurance assets	**281,926**	281,926	281,926	-	-	-	-	-
Trade receivables	**18,432**	716,985	18,432	-	-	-	698,553	-
Other receivables	**164,633**	164,633	72,739	-	91,894	-	-	-
Total Undiscounted Liquid Assets	**17,685,618**	**18,458,576**	**4,185,539**	**1,654,735**	**212,601**	**-**	**12,336,498**	**69,203**
Insurance contract liabilities	**1,225,296**	1,225,296	918,972	159,288	147,036	-	-	-
Trade payables	**229,316**	229,316	229,316	-	-	-	-	-
Provisions and other payables	**327,273**	327,273	327,273	-	-	-	-	-
Retirement benefits obligations	**84,225**	84,225	84,225	-	-	-	-	-
Income tax liabilities	**265,276**	265,276	265,276	-	-	-	-	-
Total Undiscounted Liabilities	**2,131,386**	**2,131,386**	**1,825,062**	**159,288**	**147,036**	**-**	**-**	**-**
TOTAL LIQUDITY GAP	**15,554,232**	**16,327,190**	**2,360,477**	**1,495,447**	**65,565**	**-**	**12,336,498**	**69,203**

As at 31st December 2014

	Carrying Amount =N='000	Gross Amount =N='000	1 - 3 months =N='000	3 - 6 months =N='000	6 - 12 months =N='000	6 - 12 months =N='000	1 - 5 years =N='000	> 5 years =N='000
Cash and cash equivalent	**2,239,372**	2,281,685	2,239,372	-	-	-	-	-
Financial assets:								
- FVTPL	**2,496,892**	2,500,562	-	2,496,892	-	-	-	-
- Available-for-sale	**10,913,583**	10,913,583	65,583	-	-	-	10,848,000	-
- Held-to-maturity	**30,702**	-	-	-	-	-	30,702	
- Loans and receivable	**80,177**	154,774	-	80,177	-	-	-	-
Reinsurance assets	**398,213**	398,213	-	-	398,213	-	-	-
Trade receivables	**3,895**	3,895	3,895	-	-	-	-	-
Other receivables	**83,546**	83,546	32,225	51,321	-	-	-	-
Total Undiscounted Liquid Assets	**16,246,380**	**16,336,258**	**2,341,075**	**2,628,390**	**398,213**	**-**	**10,878,702**	**-**
Insurance contract liabilities	**680,425**	680,425	476,298	170,106	34,021	-	-	-
Trade payables	**244,617**	244,617	31,276	213,341	-	-	-	-
Provisions and other payables	**249,361**	249,361	62,174	187,187	-	-	-	-
Retirement benefits obligations	**128,279**	128,279	-	128,279	-	-	-	-
Income tax liabilities	**142,313**	142,313	92,503	49,810	-	-	-	-
Total Undiscounted Liabilities	**1,444,995**	**1,444,995**	**662,251**	**748,723**	**34,021**	**-**	**-**	**-**
TOTAL LIQUDITY GAP	**14,801,385**	**14,891,263**	**1,678,824**	**1,879,667**	**364,192**	**-**	**10,878,702**	**-**

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The table below summarizes the expected utilization or settlement of assets and liabilities:

Maturity Analysis (on Expected Maturity Basis)

As at 31st December, 2015

	Current (< 12 months) =N='000	Non-Current (> 12 months) =N='000	Total =N='000
Cash and cash equivalent	2,414,144	-	2,414,144
Financial Assets	3,854,279	10,952,203	14,806,482
Trade receivables	18,432	-	18,432
Reinsurance assets	281,926	-	281,926
Deferred acquisition cost	188,128	-	188,128
Deferred tax assets	-	-	-
Other receivables & prepayments	164,633	-	164,633
Investment property	97,000	-	97,000
Intangible assets	26,069	-	26,069
Property, plants & equipment	1,195,422	-	1,195,422
Statutory deposit	300,000	-	300,000
Total Assets	**8,540,033**	**10,952,203**	**19,492,236**
Insurance Liabilities	2,276,752	-	2,276,752
Trade payables	229,316	-	229,316
Provisions and other payables	327,273	-	327,273
Retirement benefit obligations	84,225	-	84,225
Income tax liabilities	147,355	-	147,355
Deferred tax liabilities	117,921	-	117,921
Total Liabilities	**3,182,842**	**-**	**3,182,842**

As at 31st December, 2014

	Current (< 12 months) =N='000	Non-Current (> 12 months) =N='000	Total =N='000
Cash and cash equivalent	2,239,372	-	2,239,372
Financial Assets	2,577,069	10,944,285	13,521,354
Trade receivables	3,895	-	3,895
Reinsurance assets	398,213	-	398,213
Deferred acquisition cost	119,415	-	119,415
Deferred tax assets	197,167	-	197,167
Other receivables & prepayments	83,546	-	83,546
Investment property	71,700	-	71,700
Intangible assets	34,765	-	34,765
Property, plants & equipment	1,006,795	-	1,006,795
Statutory deposit	300,000	-	300,000
Total Assets	**7,031,937**	**10,944,285**	**17,976,222**
Insurance Liabilities	1,623,963	-	1,623,963
Trade payables	244,617	-	244,617
Provisions and other payables	249,361	-	249,361
Retirement benefit obligations	128,279	-	128,279
Income tax liabilities	142,313	-	142,313
Deferred tax liabilities	-	-	-
Total Liabilities	**2,388,533**	**-**	**2,388,533**

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(C) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The identification, management, control, measurement and reporting of market risk are aligned towards the sub-risk categories namely:

- Equity price risk
- Foreign exchange risk
- Interest-rate risk

The Company's market risk policy sets out the assessment and determination of what constitutes market risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company's Asset Liability Management Committee and Board through its Audit, Compliance and Risk Management Committee. The policy is reviewed regularly for pertinence and for changes in the risk environment.

- Guidelines are set for asset allocation and portfolio limit structure, to ensure that assets back specific policyholders' liabilities and those assets are held to deliver income and gains for policyholders which are in line with expectations of the policyholders.

- The Company stipulates diversification benchmarks by type of instrument and geographical area based on exposure to variations in interest rates, equity prices and foreign exchange.

- There is strict control over hedging activities.

(i) Currency (Foreign Exchange) Risk

Currency risk is the potential risk of loss from fluctuating foreign exchange rates as a result of the company's exposure to foreign currency denominated transactions. It is also the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company's principal transactions are carried out in Naira and its exposure to foreign exchange risk arises primarily with respect to transactions denominated in foreign currencies. The Company's financial assets are primarily denominated in local currency as its insurance contract liabilities and investment. This mitigates the foreign currency exchange rate risk for its operations. Thus, the main foreign exchange risk arises from translation of recognized assets and liabilities denominated in currencies other than those in which insurance and investment contract liabilities are expected to be settled.

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The table below summarizes the Company's assets and liabilities by major currencies:

Assets and Liability by Major Currencies
As at 31st December, 2015

	Naira =N='000	Euro =N='000	Pound Sterling =N='000	US Dollars =N='000	Total =N='000
Cash and cash equivalent	2,319,078	12,983	293	81,791	**2,414,144**
Financial assets	14,806,482	-	-	-	**14,806,482**
Trade receivables	18,432	-	-	-	**18,432**
Reinsurance assets	281,926	-	-	-	**281,926**
Deferred acquisition cost	188,128	-	-	-	**188,128**
Deferred tax assets	-	-	-	-	**-**
Other receivables & prepayments	164,633	-	-	-	**164,633**
Investment property	97,000	-	-	-	**97,000**
Intangible assets	26,069	-	-	-	**26,069**
Property, plant & equipment	1,195,422	-	-	-	**1,195,422**
Statutory deposit	300,000	-	-	-	**300,000**
TOTAL ASSETS	**19,397,170**	**12,983**	**293**	**81,791**	**19,492,236**
Insurance contract liabilities	2,276,752	-	-	-	**2,276,752**
Trade payables	229,316	-	-	-	**229,316**
Provisions and other payables	327,273	-	-	-	**327,273**
Retirement benefits obligation	84,225	-	-	-	**84,225**
Income tax liabilities	147,355	-	-	-	**147,355**
Deferred tax liabilities	117,921	-	-	-	**117,921**
TOTAL LIABILITIES	**3,182,842**	**-**	**-**	**-**	**3,182,842**

As at 31st December, 2014

	Naira =N='000	Euro =N='000	Pound Sterling =N='000	US Dollars =N='000	Total =N='000
Cash and cash equivalent	2,172,556	8,735	510	57,571	**2,239,372**
Financial assets	13,521,354	-	-	-	**13,521,354**
Trade receivables	3,895	-	-	-	**3,895**
Reinsurance assets	398,213	-	-	-	**398,213**
Deferred acquisition cost	119,415	-	-	-	**119,415**
Deferred tax assets	197,167	-	-	-	**197,167**
Other receivables & prepayments	83,546	-	-	-	**83,546**
Investment property	71,700	-	-	-	**71,700**
Intangible assets	34,765	-	-	-	**34,765**
Property, plant & equipment	1,006,795	-	-	-	**1,006,795**
Statutory deposit	300,000	-	-	-	**300,000**
TOTAL ASSETS	**17,909,406**	**8,735**	**510**	**57,571**	**17,976,222**
Insurance contract liabilities	1,623,963	-	-	-	**1,623,963**
Trade payables	244,617	-	-	-	**244,617**
Provisions and other payables	249,361	-	-	-	**249,361**
Retirement benefits obligation	128,279	-	-	-	**128,279**
Income tax liabilities	142,313	-	-	-	**142,313**
Deferred tax liabilities	-	-	-	-	**-**
TOTAL LIABILITIES	**2,388,533**	**-**	**-**	**-**	**2,388,533**

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AS AT 31 DECEMBER

The company has no significant concentration of foreign currency risk.

Sensitivity Analysis

The analysis that follows is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before tax and equity due to changes in the fair value of currency sensitive monetary assets and liabilities including insurance contract claim liabilities. The correlation of variables will have a significant effect in determining the ultimate impact on market risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. The movements in these variables are non-linear.

The method used for deriving sensitivity information and significant variables did not change from the previous period

Sensitivity Analysis of Currency Risk

As at 31st December

	Changes in Variables	2015 Impact on Profit before tax	Impact on Equity*	Changes in Variables	2014 Impact on Profit before tax	Impact on Equity*
EURO	+10%	29	19	+10%	714	518
GBP	+10%	1,298	844	+10%	62	45
USD	+10%	8,221	5,344	+10%	89,746	65,066
EURO	-10%	(29)	(19)	-10%	(714)	(518)
GBP	-10%	(1,298)	(844)	-10%	(62)	(45)
USD	-10%	(8,221)	(5,344)	-10%	(89,746)	(65,066)

Note * = impact on equity reflects adjustments for tax, where possible.

(ii) Interest Rate Risk

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

Investment in fixed interest rate instruments exposes the company to cash flow interest risk and fair value interest risk. This is because the company's investment approach is conservative with high investment in Fixed Income instruments. The company does not have interest-rate based liabilities. However, the company's investment income moves with interest rate over the time creating unrealized gains or losses.

The company's interest risk policy requires it to manage interest rate risk by maintaining an appropriate mix of fixed rate instruments. The policy also requires it to manage the maturities of interest bearing financial assets and interest bearing financial liabilities. Any gap between fixed and variable rate instruments and their maturities are effectively managed by the company through derivative financial instruments. Interest on fixed interest rate instruments is priced at inception of the financial instrument and is fixed until maturity or terminated.
The company has no significant concentration of interest rate risk.

Sensitivity Analysis

The table below details analysis of the impact of interest rate changes on reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before tax (due to changes in fair value of floating rate financial assets and liabilities, including the effect of fair value hedges) and equity (that reflects adjustments to profit before tax). The correlation of variables will have a significant effect in determining the ultimate impact on interest rate risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. It should be noted that movements in these variables are non-linear.
The method used for deriving sensitivity information and significant variables did not change from the previous period.

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Sensitivity Analysis - Interest Rate Risk

As at 31st December, 2015

Interest Earning Assets	Changes in Variables	Impact on Profit before tax =N='000	Up to 1 Year =N='000	1 -3 Years =N='000	3 - 5 Years =N='000	Over 5 years =N='000	Total =N='000
Short term deposit	+100 basis point	247	257	210	-	-	714
Tresury Bill	+100 basis point	324	384	158	-	-	866
Bonds	+100 basis point	298	254	145	325	158	1,180
Short term deposit	-100 basis point	(247)	(257)	(210)	-	-	(714)
Tresury Bill	-100 basis point	(324)	(384)	(158)	-	-	(866)
Bonds	-100 basis point	(298)	(254)	(145)	(325)	(158)	(1,180)

As at 31st December, 2014

Interest Earning Assets	Changes in Variables	Impact on Profit before tax =N='000	Up to 1 Year =N='000	1 -3 Years =N='000	3 - 5 Years =N='000	Over 5 years =N='000	Total =N='000
Short term deposit	+100 basis point	365	254	102	95	64	880
Tresury Bill	+100 basis point	284	354	215	541	231	1,625
Bonds	+100 basis point	214	264	325	387	425	1,615
Short term deposit	-100 basis point	(365)	(254)	(102)	(95)	(64)	(880)
Tresury Bill	-100 basis point	(284)	(354)	(215)	(541)	(231)	(1,625)
Bonds	-100 basis point	(214)	(264)	(325)	(387)	(425)	(1,615)

(iii) Equity Risk

Equity price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The company's equity price risk exposure relates to financial assets whose values will fluctuate as a result of changes in market prices, principally quoted stocks and shares securities.

The company's price risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investments, diversification plans, limits on investments in each country, sector and market and careful and planned use of derivative financial instruments.

The company has no significant concentration of price risk.

Sensitivity Analysis

The following table contains the fair value and related equity price risk sensitivity of the company's listed and non-listed equity securities. The equity price risk sensitivity has been calculated based on what the company views to be reasonably possible changes in the equity prices for the coming year. For listed equities a 20% change in the equity price has been used in the calculation of the sensitivity for 2015. For non-listed securities a 40% change in the equity prices has been used in the calculation of the sensitivity.

Enterprise Risk Management Disclosure

AS AT 31 DECEMBER

Sensitivity Analysis - Equity Price Risk							
As at 31st December							
			2015			2014	
Market Indicies	Changes in variables	Fair Value =N='000	Impact on Profit before tax =N='000	Impact on Equity =N='000	Fair Value =N='000	Impact on Profit before tax =N='000	Impact on Equity =N='000
Fair Value Through Profit or Loss	+20%	3,675,921	735,184	514,629	2,496,892	499,378	362,049
Available-for-Sale - Quoted	+20%	56,698	11,340	7,938	33,094	6,619	4,799
Available-for-Sale - Unquoted	+40%	10,922,860	2,184,572	1,529,200	10,880,489	4,352,196	3,155,342
Fair Value Through Profit or Loss	-20%	(3,675,921)	(735,184)	(514,629)	(2,496,892)	(499,378)	(362,049)
Available-for-Sale - Quoted	-20%	(56,698)	(11,340)	(7,938)	(33,094)	(6,619)	(4,799)
Available-for-Sale - Unquoted	-40%	(10,922,860)	(2,184,572)	(1,529,200)	(10,880,489)	(4,352,196)	(3,155,342)

(D) Operational Risk

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The company cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the company is able to manage the risks. Controls include effective segregation of duties, access controls, authorization and reconciliation procedures, staff education and assessment processes, including the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the company's strategic planning and budgeting process.

(E) Valuation Bases

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market condition (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

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

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

The table below shows financial assets carried at fair value.

Enterprise Risk Management Disclosure

AS AT 31 DECEMBER

	2015		
	Level 1	**Level 2**	**Level 3**
Quoted Equity Instrument	3,675,921	-	-
Investment in Unit Trust Scheme	27,353	-	
Unquoted equities - at fair value	-	-	10,883,000
	3,703,274	**-**	**10,883,000**

	2014		
	Level 1	**Level 2**	**Level 3**
Quoted Equity Instrument	2,496,892	-	-
Investment in Unit Trust Scheme	33,094	-	
Unquoted equities - at fair value	-	-	10,848,000
	2,529,986	**-**	**10,848,000**

Fair value measurements recognized in the consolidated statement of financial position. The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, Company into Levels 1 to 3 based on the degree to which the fair value is observable.

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

Statement of Value Added
AS AT 31 DECEMBER

	2015 =N='000	%	2014 =N='000	%
Net premium	2,436,231	144	1,950,854	138
Investment income	1,271,098	75	1,011,788	72
Other income	366,485	22	401,232	28
Claims incurred, commissions paid and operating expenses (local)	(2,384,708)	(141)	(1,954,269)	(139)
Value added	**1,689,106**	**100**	**1,409,605**	**100**
Distribution:				
Employees and directors (staff cost)	663,039	39	755,751	54
Government (taxes)	416,862	25	255,849	18
Asset replacement (depreciation)	96,958	6	73,008	5
Contingency reserve	113,675	7	91,642	7
Expansion (retained on the business)	398,572	24	233,355	17
	1,689,106	**100**	**1,409,605**	**100**

Financial Summary

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

Assets	2015 =N='000	2014 =N='000	2013 =N='000	2012 =N='000	2011 =N='000
Cash and cash equivalents	2,414,144	2,239,372	1,895,754	2,816,193	1,353,086
Financial assets	14,806,482	13,521,354	13,660,786	12,078,065	7,181,049
Trade receivables	18,432	3,895	3,494	10,397	422,718
Reinsurance assets	281,926	398,213	136,513	129,173	291,141
Deferred acquisition cost	188,128	119,415	188,159	60,804	78,295
Deferred tax assets	-	197,167	362,407	421,692	-
Other receivables and prepayments	164,633	83,546	118,010	68,892	66,925
Investment property	97,000	71,700	57,382	83,650	140,476
Intangible assets	26,069	34,765	-	-	-
Property, plant and equipment	1,195,422	1,006,795	1,015,995	854,993	681,329
Statutory deposit	300,000	300,000	300,000	300,000	300,000
Total assets	**19,492,236**	**17,976,222**	**17,738,500**	**16,823,859**	**10,515,019**
Liabilities					
Insurance contract liabilities	2,276,752	1,623,963	1,694,587	1,057,163	1,070,270
Other financial liabilities	-	-	-	421,442	516,944
Trade payables	229,316	244,617	441,950	447,125	477,473
Provision and Other payables	327,273	249,361	84,326	94,233	139,878
Retirement benefit obligations	84,225	128,279	-	-	47,205
Income tax liabilities	147,355	142,313	149,679	80,147	31,057
Deferred tax liabilities	117,921	-	-		45,241
Total liabilities	**3,182,842**	**2,388,533**	**2,370,542**	**2,100,110**	**2,328,068**
Capital and reserves					
Issued and Paid share capital	3,999,396	3,999,396	3,999,396	3,999,396	2,551,396
Share premium	729,044	729,044	729,044	729,044	729,044
Contingency reserve	917,387	803,712	712,070	629,213	565,083
Retained earnings	(650,482)	(1,049,054)	(1,285,709)	(1,617,134)	(1,600,324)
Assets revaluation reserve	733,656	567,004	541,987	508,643	298,634
Fair value reserves	10,580,393	10,537,587	10,671,170	10,474,587	5,643,118
Total equity	**16,309,394**	**15,587,689**	**15,367,958**	**14,723,749**	**8,186,951**
Total liabilities and equity	**19,492,236**	**17,976,222**	**17,738,500**	**16,823,859**	**10,515,019**

Financial Summary
Statement of profit or loss
For the year 31 December

	2015 =N='000	2014 =N='000	2013 =N='000	2012 =N='000	2011 =N='000
Net premium income	2,436,231	1,950,854	1,585,706	1,353,047	1,680,782
Underwriting results	1,267	402,498	183,021	(47,216)	480,525
Profit/(loss) before taxation	929,109	580,846	563,062	(345,319)	288,400
Taxation	(416,862)	(255,849)	(148,780)	392,639	(67,709)
Profit/(loss) after taxation	512,247	324,997	414,282	47,320	220,691
Transfer to contingency reserve	113,675	91,642	82,857	64,130	68,648
Dividend	-	-	-	-	-
Transfer to revenue reserve	398,572	233,355	331,425	(16,810)	152,043
Basic earnings per share (kobo)	6.4	4.1	5.2	0.9	4.3

E-Dividend Mandate Form

In view of the robust developments in the financial sector, Linkage Assurance Plc. is pleased to introduce our e-dividend module to you. This is to facilitate the payment of your dividend through direct credit to your bank account irrespective of the type of account, current / saving. It makes dividend payment faster and safer. We advise that you take advantage of this service by supplying the information as required below and return same to us accordingly.

Please ensure you state the actual name used in purchasing the shares and the signature(s) you signed at that time and fill in BOLD prints.

Thank you.

Basil Aharanwa
Registar
Centurion Registrars
33C Cameron Road,
Ikoyi
Lagos.

Please, take this as authority to credit my/our under-mentioned account with any dividend payment(s) due on my/our shareholding particulars of which are stated below from the date hereof:
Shareholders' name

Shareholders` name…………………………………………………………………………………………………

(Surname) (Other names)

Shareholders account no(s)………………………………………………………………………………………

CSCS investor account no…………………………………………………………………………………………

CSCS clearing house no……………………………………………………………………………………………

Name of stock brokers……………………………………………………………………………………………

Mobile phone no(s)…………………………………………………………………………………………………

Fax number…………………………………………………………………….E-mail address……………………………

Bank name………………………………………………………………………………….Branch……………………………

Bank account number…………………………………………………………….Type of account……………………

Dated this………

Day of…………………….20…………….

....	....	....
Authorized signatory/ bank stamp	Authorized signatory /bank stamp	Shareholder signature(s)

Your completed forms should be returned to Centurion Registrars Limited or any of the Linkage Assurance Plc. branches nearest to you. Please note that it is very important that you clearly state your bank name, bank account number, E-mail address and mobile phone numbers to ensure proper processing of your mandate.
For more information, contact Ifeyinwa (+234 704 535 5922) or E-mail: info@linkageassurance.com
Centurion Registrars Limited 33C Cameron Road, Ikoyi, Lagos.

Proxy Form

NOTICE IS HEREBY GIVEN that the 22nd Annual General Meeting of members of LINKAGE ASSURANCE PLC which will be held at Agip Hall, Muson Centre, 8/9 Marina, Onikan, Lagos on Tuesday 7th February 2017 by 10 am to transact the following business:

I/We………………………………………………………………………………………
………………………………………………………………………………………………

…………………….. being a member/members of the above named Company Hereby appoint* ………………………………………………………………………… or failing him the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Tuesday 7th February, 2017.

Dated this ……………………………..day of …………………………2017

Signature of Shareholder………………………………………………………………………………

Name of Shareholder………………………………………………………………………………

Please sign the Proxy in the Proxy Form and post it so as to reach the address shown overleaf not later than 11:00am on Friday, February 3, 2017.The Proxy form should NOT be completed and sent to the address if the member will be attending the meeting.

THIS CARD IS TO BE SIGNED AT THE

NUMBER OF SHARES		
RESOLUTIONS	**FOR**	**AGAINST**
1. To receive the Report and Financial Statements		
2. To elect/re-elect the Directors		
3. To appoint Auditors		
4. To authorize the Directors to fix the remuneration of Auditors		
5. To elect / re-elect members of the Audit Committee		

Please indicate with "X" in the appropriate box how you wish your vote to be cast on the resolutions set out above. Unless otherwise instructed, the Proxy will vote or abstain from voting at his/her discretion

1. A member who is to attend an Annual General Meeting is allowed to vote by Proxy. The above form has been prepared to enable you to exercise your right to vote in case you cannot personally attend the meeting.
2. Provision has been made on this form for the Chairman to act as your proxy, but if you wish, you may insert in the blank space on the form (marked **) the name of any person whether a member of the company or not who will attend the meeting on your behalf instead of the Chairman of the meeting.
3. If the Proxy Form is executed by a corporate body, it should be sealed with its common seal.
4. The admission form beside must be produced by the Shareholder or his Proxy in order to obtain an entrance to the Annual General Meeting.

ADMISSION FORM

Before posting the above form, tear off this part and retain it.

Please admit ……………………………………………………………………….to the Annual General Meeting of

Linkage Assurance Plc. to be held...

Name of Shareholder ……………………………………………………………………………………………..

Signature of Person attending …………………………………………………………………………...…………

Signature of Shareholder …………………………………………………………………………………………

Corporate Directory

HEAD OFFICE
Linkage Plaza
Plot 94, Block 20 Providence Street,
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Lekki Phase 1, Lekki, Lagos
Tel: **01-8511193-7, 8510568, 8510569,8510590**
Email: **info@linkageassurance.com**

ABA
Address: **62, Aba Owerri Road, Abia State**
Contact Person: **GODSGIFT IGBO**
Tel: **07054492383**
Email: **aba@linkageassurance.com**

AKURE
Address: **5th Floor, Right wing, Bank of Industry (BOI) House Opposite First Bank, Alagbaka, Akure, Ondo State. Tel: 08112524488**
Contact Person: **Olugbenga Babalola**
Email: **akure@linkageassurance.com**

BENIN
Address: **56B, Sokponba Road off Ring Road, Benin City Edo State**
Contact Person: **Datimi Ojokojo**
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CALABAR
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Contact Person: **Victoria Efoli**
Tel: **07054492386, 08055299945**
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ENUGU
Address: **Suite C8 Bethel Plaza, Garden Avenue, Enugu State**
Contact Person: **Ngozi Obioha-Nkemdirim**
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Email: **enugu@linkageassurance.com**

FCT (ABUJA)
Address: **No 24 Ouagadougou Street, Off Mambolo Street, Wuse Zone 2, Abuja.**
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Email: **abuja@linkageassurance.com**

IBADAN
Address: **Horizon House 2nd Floor, Vitas Bus stop, Ring Road, Ibadan, Oyo State**
Contact Person: **Charles Amolegbe**
Tel/Fax: **07054492388, 07086586796.**
Email: **ibadan@linkageassurance.com**

KADUNA
Address: **Hafsat Plaza, Plot 4, Constitution Road, Kaduna State**
Contact Person: **Isibor Fidelis**
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Email: **kaduna@linkageassurance.com**

KANO
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Contact Person: **Aminu Isiya - Gaya**
Tel: **07054492927,064-890710, 08055300607**
Email: **kano@linkageassurance.com**

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Contact Person:
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PORT HARCOURT
Address: **57, Aba Road, By CFC Bus Stop, Ecobank Building, Port Harcourt, Rivers State.**
Contact Person: **Damian Umekwe**
Tel/Fax: **07054492928, 084-237632, 084-750265, 08057097663**
Email: **portharcourt@linkageassurance.com**

UYO
Address: **22 Wellington Bassey Way, Grandberg Pharmacy, Uyo, Akwa Ibom State**
Contact Person: **Bassey Asuquo**
Tel/Fax: **07054492950,085-203529, 07028054733, 08055299973**
Email: **uyo@linkageassurance.com**

WARRI
Address:**110, Effurun/Sapele Road, Warri**
Contact Person: **Amechi Ozulu**
Tel/Fax: **07054492951,053-816612, 08053183952**
Email: **warri@linkageassurance.com**

YENAGOA
Address: **1st Floor, Ibiye Plaza, No. 66, Okaka Road, Opposite Abuchi Beauty Shop, Okaka Epie Yenagoa, Bayelsa State**
Contact Person: **Deborah Ogoegbulam (Mrs)**
Tel: **07054492952,089-490137,0805309990**
Email: **yenagoa@linkageassurance.com**

Notes