

**LINKAGE ASSURANCE PLC**  
**UNAUDITED FINANCIAL STATEMENTS**  
**AS AT 31ST MARCH 2018.**


**Certification Pursuant to Section 60(2) of Investment and Securities Act No. 29 of 2007**

We the undersigned, hereby certify the following with regards to our unaudited financial statements for the Quarter ended 31 March 2018 that:

- (i) We have reviewed the report and to the best of our knowledge, the report does not contain:
- Any untrue statement of a material fact, or
  - Omission to state a material fact, which would make the financial statements misleading in the light of circumstances under which such statements were made;
  - To the best of our knowledge, the financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operation of the Company as of, and for the periods presented in the report.
- (ii) We,
- are responsible for establishing and maintaining internal controls.
  - have designed such internal controls to ensure that material information relating to the Company is made known to such officers by others within those entities particularly during the period in which the periodic reports are being prepared;
  - have evaluated the effectiveness of the Company's internal controls as of date within 90 days prior to the report;
  - have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;
- (iii) We have disclosed to the auditors of the Company and audit committee:
- All significant deficiencies in the design or operation of internal controls which would adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the Company's auditors any material weakness in internal controls, and
  - Any fraud, whether or not material, that involves management or other employees who have significant role in the Company's internal controls;

We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

  
**Harris Oshojah**  
Acting Chief Finance Officer  
FRC/2013/ICAN/0000001815

  
**Mr. Daniel Braie**  
Acting Managing Director  
FRC/2018/CIIN/00000018082

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**Major Statement of Financial Position Items**

	<b>March 2018 N'000</b>	<b>December 2017 N'000</b>
Total assets	24,200,705	23,308,158
Financial assets	19,116,401	18,659,073
Total equity	20,330,221	19,952,832

**Major Statement of Profit or Loss And Other Comprehensive Income Items**

	<b>March 2018 N'000</b>	<b>March 2017 N'000</b>
Gross Premium Income	2,171,960	1,759,891
Net Premium	941,990	968,748
Investment and other income	432,154	1,632,337



**Harris Oshojah**  
 Acting Chief Finance Officer  
 FRC/2013/ICAN/00000001815



**Mr. Daniel Braie**  
 Acting Managing Director  
 FRC/2018/CIIN/00000018082

## Statement of 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.

### Basis of preparation

#### 1 Going concern

These financial statements have being prepared on the going concern basis. The company has no intension 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 by the company to ensure that there are no going concerns threats to the operation of the company.

#### 2 Statement of compliance

The interim financial statements of Linkage Assurance PLC have been prepared in accordance with IAS 34 issued by the International Accounting Standards Board (IASB).

#### 3 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).

##### *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'.

#### 4 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.

#### 5 Financial instruments

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

##### 5.1 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

## 6 Impairment of financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets 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 or group of financial assets that can be reliably estimated.

Objective evidence that a financial asset or group of assets 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.

### *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 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.

### *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.

### *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.

## 7 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.

## 8 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.

### *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

## 9 Taxation

Income tax expense comprises current 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.

## 10 Insurance contracts

### *10.1 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

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.

### *10.2 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.

#### *Reinsurance*

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.

#### *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.

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.

## **11 Revenue Recognition**

### *Insurance Premium Revenue*

The revenue recognition policy relating to insurance contracts

### *Commission Earned*

The revenue recognition policy on commission

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.

## **12 Expense recognition**

### *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.



### 13 IFRS 9 Financial Instruments

IFRS 9, issued in November 2009, introduced new requirements for the classification and measurement of financial assets. IFRS 9 was amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition.

#### *Key requirements of IFRS 9:*

All recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes 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 fair value through profit or loss is presented in profit or loss.

The Directors of the Company anticipate that the application of IFRS 9 in the future may have a significant impact on amounts reported in respect of the Company's financial assets and financial liabilities.

### 14 Basis of measurement

The financial statements are prepared on the historical cost basis except for the following which are measured at fair value:

- Financial instruments at fair value through profit or loss
- Available-for-sale financial assets
- Investment properties

#### *14.1 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 at the reporting date (IBNR). 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.

**Statement of financial position as at 31st March 2018**

	Notes	March 2018 N'000	March 2017 N'000	December 2017 N'000
<b>Assets</b>				
Cash and cash equivalents	3	1,977,828	3,095,790	1,843,757
Financial assets	4	19,116,401	16,395,269	18,659,073
Trade receivables	5	225,560	132,360	13,740
Reinsurance assets	6	458,390	470,760	558,813
Deferred acquisition cost	7	314,651	256,224	176,274
Deferred tax asset	8	-	-	-
Other receivables and Prepayments	9	322,223	827,267	238,777
Investment Property	10	135,000	252,000	135,000
Intangible assets	11	22,277	37,856	26,445
Property, plant and equipment	12	1,328,373	1,371,329	1,356,280
Statutory deposit	13	300,000	300,000	300,000
<b>Total assets</b>		<b>24,200,705</b>	<b>23,138,855</b>	<b>23,308,158</b>
<b>Liabilities:</b>				
Insurance contract liabilities				
Investment contract liabilities	14	2,827,650	2,525,255	2,443,857
Trade payables	15	-	-	-
Provision and Other payables	16	332,817	67,298	250,183
Finance lease obligations	17	158,005	641,838	164,712
Income tax liabilities		80,220	-	88,222
Employee benefits liability	18	170,857	720,341	177,941
Deferred tax liabilities		100,993	62,385	30,471
Proposed dividend	19	199,942	117,922	199,942
<b>Total liabilities</b>		<b>3,870,484</b>	<b>4,135,037</b>	<b>3,355,328</b>
<b>Equity</b>				
Issued and Paid share capital	20	4,000,000	4,000,000	4,000,000
Share premium	21	729,044	729,044	729,044
Contingency reserve	22	1,691,675	1,457,027	1,616,604
Retained earnings	23	2,382,586	1,503,842	2,082,304
Assets revaluation reserve	24	752,084	733,656	752,083
Re-measurement reserve		4,484	-	4,484
Fair value reserves	25	10,770,349	10,580,250	10,768,313
<b>Total equity</b>		<b>20,330,221</b>	<b>19,003,818</b>	<b>19,952,832</b>
<b>Total liabilities and equity</b>		<b>24,200,705</b>	<b>23,138,855</b>	<b>23,308,159</b>



Chief Joshua Bernard Fumudoh  
(Chairman)  
FRC/2018/IODN/00000017911



Mr. Daniel Braie  
Acting Managing Director  
FRC/2018/CIIN/00000018082



Harris Oshojah  
Acting Chief Finance Officer  
FRC/2013/ICAN/00000001815

**Statement of Profit or Loss and Other Comprehensive Income  
 for the period ended 31st March 2018**

	Note	March 2018 N'000	March 2017 N'000
Gross premium income		2,171,960	1,759,891
Movement in unexpired risk reserve	15	(624,235)	(346,360)
Gross premium earned		<b>1,547,725</b>	<b>1,413,531</b>
Reinsurance expenses	28	(605,734)	(444,782)
<b>Net premium income</b>		<b>941,990</b>	<b>968,748</b>
Fees and Commission income		85,163	43,504
<b>Net underwriting income</b>		<b>1,027,153</b>	<b>1,012,253</b>
Claims expenses	29	25,145	(106,721)
Underwriting expenses	27,29 & 32	(551,044)	(474,170)
<b>Underwriting profit/(loss)</b>		<b>501,254</b>	<b>431,361</b>
Investment income	1	260,286	1,366,958
Net fair value gains/(loss) on financial assets at fair value through profit or loss	1a	154,887	208,221
Other Operating income		16,981	57,185
Fair value change on investment property		-	-
Management expenses		(464,216)	(285,332)
<b>Profit (loss) before taxation</b>		<b>469,193</b>	<b>1,778,392</b>
Income taxes		(93,839)	(355,678)
<b>Profit (loss) after taxation</b>		<b>375,354</b>	<b>1,422,714</b>
Proposed dividend		-	-
Contingency reserve		(75,071)	(284,543)
<b>Retained profit for the period</b>		<b>300,284</b>	<b>1,138,171</b>
<b>Other comprehensive income</b>			
Net balance of revaluation reserve during the year		-	-
Net fair value gain on available-for-sale financial assets		-	-
Total other comprehensive income		-	-
Items that will be reclassified subsequently to profit or loss:			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Remeasurement of defined benefit obligation			-
Gain on revaluation of property			-
<b>Other comprehensive (loss)/income, net of taxes</b>			-
<b>Total other comprehensive income/ (loss) for the period</b>		<b>300,284</b>	<b>1,138,171</b>
Basic earnings per share attributable to equity shareholders for the year		0.04	0.14

## Statement of Changes in equity for the period 31st March 2018

	Share Capital N'000	Capital Reserve N'000	Contingency Reserve N'000	Retained Earnings N'000	PPE Revalue ment Surplus N'000	Remeasure ment Reserve N'000	Fair Value Reserve N'000	Total N'000	Non- Controlling Interest N'000	Total Equity N'000
Balance as at Beginning of the Prior Year	3,999,999	729,044	1,038,349	(230,708)	733,656	42,368	10,220,584	16,533,292	-	16,533,292
Changes in Accounting Policy	-	-	-	-	-	-	-	-	-	-
Restated Balance	-	-	-	-	-	-	-	-	-	-
<b>Changes in Equity for the Prior Year:</b>										
Issued Share Capital	-	-	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	-	18,427	(37,884)	547,729.00	528,272	-	528,272
Profit for the year	-	-	-	2,891,268	-	-	-	2,891,268	-	2,891,268
Transfer to Contingency Reserve	-	-	578,254.00	(578,254)	-	-	-	-	-	-
Balance as at End of the Prior Year	<b>3,999,999</b>	<b>729,044</b>	<b>1,616,603</b>	<b>2,082,306</b>	<b>752,083</b>	<b>4,484</b>	<b>10,768,313</b>	<b>19,952,832</b>	-	<b>19,952,832</b>
<b>Changes in Equity Current year:</b>										
Issued Share Capital	-	-	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	-	-	-	-	-	-	-
Transfer to Contingency Reserve	-	-	75,071.00	(75,071)	-	-	-	-	-	-
Profit for the year	-	-	-	375,354	-	-	-	375,354	-	375,354
Balance as at End of the Current Year	<b>3,999,999</b>	<b>729,044</b>	<b>1,691,674</b>	<b>2,382,589</b>	<b>752,083</b>	<b>4,484</b>	<b>10,768,313</b>	<b>20,328,186</b>	-	<b>20,328,186</b>

**Statement of cash flows for the year ended 31 March 2018**

	Mar-18 N'000	Dec-17 N'000
Premium received from policyholders	1,961,918.56	4,108,927
Re-insurance receipt in respect of claims	81,353.19	380,706
Cash paid to and on behalf of employees	(160,526.04)	(1,023,308)
Re-insurance premium paid	(300,016.12)	(1,341,884)
Commission received	102,144.09	197,258
Claims paid	(253,796.96)	(1,552,177)
Other operating cash payments	(201,592.17)	(1,037,325)
Salvage recovery	2,724.50	21,687
Commission paid	(454,141.88)	(738,567)
Tax paid	(100,922.70)	(256,914)
<b>Net cash from operating activities</b>	<b>677,144</b>	<b>(1,241,598)</b>
<b>Cash flows from investing activities:</b>		
Purchase of investment securities	(1,034,848.73)	(3,023,351)
Proceeds from sale of investment securities	188,996.33	534,746
Interest received on investment	260,265.52	548,657
Acquisition of property and equipment	(2,826.33)	(73,385)
Proceed from sale of property and equipment	1,979.17	23,526
Purchase of intangible assets	-	(18,013)
Purchase of investment property	-	(160,000)
Rental Income	-	2,500
Dividend received	20.79	2,514,083
Loan repayments	51,342.74	9,571
<b>Net cash from/ (used) in investing activities</b>	<b>(535,071)</b>	<b>358,334</b>
<b>Cash flows from financing activities:</b>		
Payment of finance lease liabilities	(8,002.24)	(88,742)
<b>Net cash used in financing activities</b>	<b>(8,002)</b>	<b>(88,742)</b>
Net increase in cash and cash equivalents	134,071.69	(972,005)
Cash and cash equivalents at beginning of year	1,843,756.69	2,843,284
<b>Cash and cash equivalents at end of year</b>	<b>1,977,828</b>	<b>1,871,279</b>



**Oshojah Harris**  
 Ag. Chief Finance Officer



**Mr. Daniel Braie**  
 Acting Managing Director

## Segment Reporting

The following is an analysis of the Company's revenue and result by reportable segment in March 2018.

							March 2018	March 2017
	Fire N'000	Accident N'000	Motor N'000	Marine & Aviation N'000	Engineering N'000	Oil & Gas N'000	Total N'000	Total N'000
<b>Direct received premium</b>	<b>220,596</b>	<b>220,419</b>	<b>335,422</b>	<b>115,414</b>	<b>56,131</b>	<b>1,153,847</b>	<b>2,101,829</b>	<b>1,740,495</b>
Inward premium	13,037	2,344	18,082	11,334	1,680	23,654	70,131	19,397
<b>Gross premium written</b>	<b>233,633</b>	<b>222,763</b>	<b>353,504</b>	<b>126,749</b>	<b>57,811</b>	<b>1,177,500</b>	<b>2,171,960</b>	<b>1,759,891</b>
Changes in reserve for unexpired risks	(6,794)	(32,155)	72,866	43,817	6,062	(708,032)	(624,235)	(346,360)
Gross premium earned	226,839	190,608	426,370	170,566	63,873	469,468	1,547,725	1,413,531
Reinsurance expenses (Note 28)	(300,016)	7,599	(4,574)	(15,866)	5,631	(298,508)	(605,734)	(444,782)
<b>Net earned premium</b>	<b>(73,177)</b>	<b>198,207</b>	<b>421,796</b>	<b>154,700</b>	<b>69,504</b>	<b>170,960</b>	<b>941,990</b>	<b>968,748</b>
Commissions received	85,163	-	-	-	-	-	85,163	43,504
<b>Total underwriting income</b>	<b>11,985</b>	<b>198,207</b>	<b>421,796</b>	<b>154,700</b>	<b>69,504</b>	<b>170,960</b>	<b>1,027,153</b>	<b>1,012,253</b>
Underwriting expenses								
Claims expenses (Note 29)	25,082	(2,317)	(5,270)	(14,912)	(28,065)	50,627	25,145	(106,721)
Maintenance expenses	(26,588)	(25,397)	(40,184)	(14,424)	(6,579)	(134,004)	(247,177)	(211,999)
Acquisition expenses (Note 27)	(45,512)	(32,342)	(52,786)	(45,924)	(20,005)	(107,299)	(303,867)	(262,171)
<b>Underwriting profit transferred to profit and loss account</b>	<b>(35,033)</b>	<b>138,151</b>	<b>323,556</b>	<b>79,440</b>	<b>14,855</b>	<b>(19,716)</b>	<b>501,254</b>	<b>431,362</b>

**NOTES TO THE ACCOUNT AS AT 31ST MARCH 2018**

	<b>March 2018 N'000</b>	<b>March 2017 N'000</b>		
<b>1 Investment income</b>				
Interest income	260,266	190,485		
Profit on disposal unquoted securities	-	-		
Loss on disposal quoted securities	-	-		
Loss on Disposal Of Investment Properties	-	-		
Dividend income	21	1,176,473		
	<u>260,286</u>	<u>1,366,958</u>		
<b>1a Other investment income</b>				
Net fair value gains/(losses) on financial assets at fair value through profit or loss	<u>154,887</u>	<u>208,221</u>		
<b>2 Income from other sources</b>	<b>N'000</b>	<b>N'000</b>		
Profit on sale of Property Plant & Equipment	-	-		
Real Property Income	5,000	-		
Prov. no longer required	7,114	-		
Sundry income	4,868	57,185		
	<u>16,981</u>	<u>57,185</u>		
<b>3 Cash and cash equivalents</b>	<b>March 2018 N'000</b>	<b>March 2018 N'000</b>	<b>March 2017 N'000</b>	<b>March 2017 N'000</b>
Cash and Bank balances		574,791		364,710
Bank (Fixed) Deposit	1,530,459		2,786,006	
Prov. For Doubful investments	(127,421)	1,403,038	(54,925)	2,731,081
		<u>1,977,828</u>		<u>3,095,791</u>
<b>4 Financial assets</b>	<b>March 2018 N'000</b>	<b>March 2018 N'000</b>	<b>March 2017 N'000</b>	<b>March 2017 N'000</b>
Loans and receivables	170,780		1,232,566	
Allowance for impairment	(74,369)	96,411	(68,770)	1,163,796
Fair value through profit or loss				
Fair value through profit or loss assets comprises:				
Funds with funds Managers	4,283,252		4,213,718	
Fair value changes	269,463	4,552,714	16,951	4,230,668
Available for sale				
Available for sale financial assets comprise:				
Investment in Quoted equities	-		-	
Investment in Quoted unit trust schemes	39,028		56,554	
Fair value changes	39,028		56,554	
Fair value changes	-	39,028	-	56,554
Fair value of Available for sale unquoted equities				
Investment in Unquoted equities	117,647		117,647	
Fair value changes	10,909,189	11,026,836	10,761,597	10,879,244
Un-quoted equities - at cost	251,818		185,730	
Allowance for impairment	(143,623)	108,195	(142,114)	43,616
Held To Maturity Assets	3,304,409		32,582	
Allowance for impairment	(11,192)	3,293,217	(11,192)	21,391
		<u>19,116,401</u>		<u>16,395,269</u>

	March 2018 N'000	March 2018 N'000	March 2017 N'000	March 2017 N'000
5 Trade receivables				
At the beginning of the period	-		132,359	
Addition during the year	225,560		132,359	
	<u>225,560</u>		<u>132,359</u>	
Allowance for impairment				
At the end of the period	-	<u>225,560</u>	-	<u>132,359</u>
6 Reinsurance assets				
Prepaid reinsurance	159,601		185,131	
Prepaid reinsurance projection (UPR)	-		-	
Reinsurance treaty premium surplus	(137,398)		-	
Reinsurance recoverables	309,446		237,024	
Reinsurance projection on IBNR	126,742		48,606	
Adjustment for reinsurance recoverables	-		-	
	<u>458,390</u>		<u>470,760</u>	
Allowance for impairment	-	<u>458,390</u>	-	<u>470,760</u>
7 Deferred acquisition cost				
At the beging of the period		176,274		466,933
		-		-
Increase/(decrease) in deferred acquisition cost		138,377		-
At the end of the period		<u>314,651</u>		<u>466,933</u>
8 Deferred tax assets				
At the beging of the period	466,933		466,933	
Increase/(decrease) in deferred tax assets	-		56,197	
	<u>466,933</u>		<u>523,130</u>	
Deferred tax liabilities	(466,933)		(523,130)	
	<u>-</u>		<u>-</u>	
9 Other receivables and Prepayments				
Sundry receivables	132,345		346,879	
Investment receivables	-		40,854	
Investment payables-money market	-		-	
Deposits with stock brokers	2,602		2,602	
O/S Treaty Premium Surplus	-		245,805	
Debtors for motor vehcile repairs	325		325	
Withholding Tax	-		-	
Pension for company	-		-	
Prepayments	50,638		61,961	
Loans and Advances	138,915		128,840	
	<u>324,825</u>		<u>827,267</u>	
Allowance for impairment	(2,602)	<u>322,223</u>	-	<u>827,267</u>
10 Investment Property				
Balance at start of period	67,000		92,000	
Addition during the year	160,000		160,000	
Fair value addition	-		-	
Disposal/Reclassification	(92,000)		-	
Balance at end of period		<u>135,000</u>		<u>252,000</u>
11 Intangible assets		<b>Computer software</b>		<b>TOTAL</b>
<b>Cost:</b>		<b>N'000</b>		<b>N'000</b>
At 1/1/2018		<b>=N=</b>		<b>=N=</b>
At 1/1/2018		66,689		66,689
<b>Additions for the year</b>		-		-
At 31/03/2018		66,689		66,689
<b>Amortisation</b>				
At 1/1/2018		40,243		40,243
Charge for the year		4,168		4,168
At 31/03/2018		44,411		44,411
<b>Net Book Value:</b>				
At 31/03/2018		<u>22,277</u>		<u>22,277</u>
At 31/03/2017		<u>37,856</u>		<u>37,856</u>



## 12 Property, Plants and Equipment

	Motor Vehicles N'000	Office Furniture & Fittings N'000	Office Equipment N'000	LAND N'000	BUILDING N'000	B/W.I.P N'000	TOTAL N'000
<b>Cost:</b>							
At 1/1/2018	553,362	136,764	273,447	462,336	579,333	105,137	2,110,378
Additions for the year	-	-	2,826	-	-	-	2,826
Revaluation surplus/(deficit)	-	-	-	-	-	-	-
Disposal/Reclassification/written off	(5,000)	-	-	-	-	-	(5,000)
At 31/03/2018	548,362	136,764	276,273	462,336	579,333	105,137	2,108,205
<b>Depreciation:</b>							
At 1/1/2018	348,948	116,641	221,642	-	66,869	-	754,100
Charge for the year	19,253	2,109	5,520	-	1,870	-	28,752
Disposal	(3,021)	-	-	-	-	-	(3,021)
Disposal/Reclassification/written off	-	-	-	-	-	-	-
At 31/03/2018	365,180	118,750	227,162	-	68,739	-	779,831
<b>Net Book Value:</b>							
At 31/03/2018	183,182	18,014	49,112	462,336	510,594	105,137	1,328,373
At 31/12/2017	328,102	18,514	50,370	462,336	274,655	237,353	1,371,329

	<b>March 2018 N'000</b>	<b>March 2018 N'000</b>	<b>March 2017 N'000</b>	<b>March 2017 N'000</b>
<b>13 Statutory deposit</b>				
Balance at start of period		300,000		300,000
Addition during the year		-		-
Balance at end of period		<u>300,000</u>		<u>300,000</u>
<b>14 Insurance contract liabilities</b>				
Provision for unearned premium :				
Reserve-Unexp.Risks		1,663,491		1,360,274
Reserve for Outstanding claims provision	1,014,159		1,104,981	
Reserve for IBNR Outstanding claims provision (LAT)	<u>150,000</u>		<u>60,000</u>	
	1,164,159		1,164,981	
Re-insurance IBNR	-	1,164,159	-	1,164,981
		<u><b>2,827,650</b></u>		<u><b>2,525,255</b></u>
<b>15 Reserve-Unexp.Risks</b>				
At start of period		1,360,274		1,013,913
Movement		<u>624,235</u>		<u>346,360</u>
At end of period		<u><b>1,984,509</b></u>		<u><b>1,360,274</b></u>
<b>16 Trade payables</b>				
Due to Reinsurance		122,091		41,510
Commission payable		93,880		25,788
Deferred Commission Revenue		53,627		-
Cheques Without Details		61,411		-
Premium received in advance		<u>1,808</u>		<u>-</u>
		<u><b>332,817</b></u>		<u><b>67,298</b></u>
<b>17 Provision and Other payables</b>				
Provision for audit Fees		13,750		19,900
NSITF		239		239
NHF		1,025		1,023
PAYE		23		-
Other Payable (see Note 26)		99,330		587,242
NAICOM LEVY		43,026		32,831
Pension for Staff & Company		8		-
Pension for life agents		<u>603</u>		<u>603</u>
		<u>158,005</u>		<u>641,838</u>
<b>18 Income tax liabilities</b>				
Balance Brought Forward		177,942		364,662
Payment during the year		(100,923)		-
Re-measurement tax		-		-
Current Provision		93,839		355,678
Deferred Tax				-
		<u>170,857</u>		<u>720,341</u>
<b>19 Deferred tax liabilities</b>				
Balance at start of period		666,876		584,855
Addition during the year		<u>-</u>		<u>-</u>
		666,876		584,855
Deferred tax assets (Note 8a)		<u>-</u>		<u>(466,933)</u>
Balance at end of period		<u>666,876</u>		<u>117,922</u>

	<b>March 2018 N'000</b>	<b>March 2018 N'000</b>	<b>March 2017 N'000</b>	<b>March 2017 N'000</b>
<b>20 Issued and Paid share capital</b>				
Balance at start of period		4,000,000		4,000,000
Adjustment during the year		-		-
Balance at end of period		<u>4,000,000</u>		<u>4,000,000</u>
<b>21 Share premium</b>				
Balance at start of period		729,044		729,044
Addition during the year		-		-
Balance at end of period		<u>729,044</u>		<u>729,044</u>
<b>22 Contingency reserve</b>				
Balance at start of period		1,616,604		1,172,485
Addition during the year		75,071		284,543
Balance at end of period		<u>1,691,675</u>	159,577	<u>1,457,027</u>
<b>23 Retained earnings</b>				
Balance at start of period		2,082,302		365,671
Addition during the year		300,284		1,138,171
Prior year adjustment		-		-
Balance at end of period		<u>2,382,586</u>		<u>1,503,842</u>
<b>24 Assets revaluation reserve</b>				
Balance at start of period		752,084		733,656
Addition during the year		-		-
Balance at end of period		<u>752,084</u>		<u>733,656</u>
	<b>March 2018 N'000</b>	<b>March 2018 N'000</b>	<b>March 2017 N'000</b>	<b>March 2017 N'000</b>
<b>25 Fair value reserves</b>				
Balance at start of period		10,770,349		10,580,250
Exchange gains				
Fair value gain/loss on Investment Property		-		-
Net fair value gain on available for sale financial assets (as at Half)		-		-
Balance at end of period		<u>10,770,349</u>		<u>10,580,250</u>
<b>26 Other Payable</b>				
Vat Payable		-		-
Other Expenses Payable		2,971		38,618
Cooperative		383		-
Travel Ins.		7,716		24,285
Expenses Payable Accrued		68,671		-
Withholding Tax		2,174		-
Due to co-Insurers		17,415		-
		<u>99,330</u>		<u>62,904</u>

**27 Acquisition expenses**

							2018	2017
	Fire N'000	Accident N'000	Motor N'000	Marine & Aviation N'000	Engineering N'000	Oil & Gas N'000	Total N'000	Total N'000
Gross Commission	48,133	45,805	44,776	25,482	11,768	254,383	430,347	331,638
Business Acquisition Cost	-	-	-	11,898	-	-	11,898	4,170
Movement in Acquisition cost deferred acquisition cost	(2,621)	(13,463)	8,010	8,544	8,237	(147,084)	(138,377)	(73,636)
	<u>45,512</u>	<u>32,342</u>	<u>52,786</u>	<u>45,924</u>	<u>20,005</u>	<u>107,299</u>	<u>303,867</u>	<u>262,171</u>

**28 Reinsurance expense**

							2018 Total	2017 Total
	Fire	Accident	Motor	Marine	Engineering	Oil & Gas		
Reinsurance premium paid	272,106	-	-	30,156	-	298,508	600,770	476,098
Facultative outwards	41,252	-	-	-	-	-	41,252	2,540
Less	-	-	-	-	-	-	-	-
Prepaid reinsurance premium	(13,341)	(7,599)	4,574	(14,290)	(5,631)	-	(36,287)	(33,855)
	<u>300,016</u>	<u>(7,599)</u>	<u>4,574</u>	<u>15,866</u>	<u>(5,631)</u>	<u>298,508</u>	<u>605,734</u>	<u>444,782</u>

**29 Claims expenses**

							2018 Total	2017 Total
	Fire	Accident	Motor	Marine	Engineering	OIL & GAS		
Gross claims paid	45,492	41,709	66,138	21,693	37,220	41,545	253,797	346,759
Salvage recovery	(2,725)	-	-	-	-	-	(2,725)	(2,244)
	42,768	41,709	66,138	21,693	37,220	41,545	251,072	344,515
Changes in reserve for outstanding claims	(48,547)	(29,958)	(60,868)	(6,781)	(2,117)	(92,172)	(240,442)	(382,553)
<b>Gross Claims Incurred</b>	(5,779)	11,751	5,270	14,912	35,103	(50,627)	10,630	(18,038)
Reinsurance claims recovered/recoverable	(19,303)	(9,435)	-	-	(7,038)	-	(35,776)	124,760
	<u>(25,082)</u>	<u>2,317</u>	<u>5,270</u>	<u>14,912</u>	<u>28,065</u>	<u>(50,627)</u>	<u>(25,145)</u>	<u>106,721</u>

**30 Investment income**

	2018 N'000	2017 N'000
Investment income attributable to Policyholders funds	104,115	546,783
Investment income attributable to shareholders' funds	156,172	820,175
	<u>260,286</u>	<u>1,366,958</u>

**FINANCIAL SUMMARY**
**Statement of Financial Position**

	March 2018 N'000	March 2017 N'000
<b>Assets</b>		
Cash and cash equivalents	1,977,828	3,095,790
Financial assets	19,116,401	16,395,269
Trade receivables	225,560	132,360
Reinsurance assets	458,390	470,760
Deferred acquisition cost	314,651	256,224
Deferred tax asset	-	-
Other receivables and Prepayments	322,223	827,267
Investment Property	135,000	252,000
Intangible assets	22,277	37,856
Property, plant and equipment	1,328,373	1,371,329
Statutory deposit	300,000	300,000
<b>Total assets</b>	<b>24,200,705</b>	<b>23,138,855</b>
<b>Liabilities</b>		
Insurance contract liabilities	2,827,650	2,525,255
Investment contract liabilities	-	-
Trade payables	332,817	67,298
Provision and Other payables	158,005	641,838
Finance lease obligations	80,220	-
Income tax liabilities	170,857	720,341
Employee benefits liability	100,993	62,385
Deferred tax liabilities	199,942	117,922
Proposed dividend	-	-
<b>Total liabilities</b>	<b>3,870,484</b>	<b>4,135,037</b>
<b>Capital and reserve</b>		
Issued and Paid share capital	4,000,000	4,000,000
Share premium	729,044	729,044
Contingency reserve	1,691,675	1,457,027
Retained earnings	2,382,586	1,503,842
Assets revaluation reserve	752,084	733,656
Re-measurement reserve	4,484	-
Fair value reserves	10,770,349	10,580,250
<b>Total equity</b>	<b>20,330,221</b>	<b>19,003,818</b>
<b>Total liabilities and reserves</b>	<b>24,200,705</b>	<b>23,138,855</b>



**Oshojah Harris**  
 Ag. Chief Finance Officer



**Mr. Daniel Braie**  
 Acting Managing Director