NORTHLINK INSURANCE BROKERS PLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST DECEMBER, 2017

NORTHLINK INSURANCE BROKERS PLC

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CORPORATE INFORMATION

BOARD OF DIRECTORS

CHAIRMAN

Dr. Evans E. Woherem

DIRECTORS

Alh. Isma'ila Galadanchi	
Alh. Shehu Ahmed	– Effective from 20th October, 2016.
Alh. Murtala L. Batagarawa	- Effective from 23rd February, 2016.
Hajia. Aisha Babangida	
Mr. Patrick I. Nwaogwugwu	- MD/ CEO - Effective from 2nd January, 2017.
Alh. Kabiru Idris Ringim	- COO - Effective from 20th March, 2016.

COMPANY SECRETARY/LEGAL ADVISER

NORLAND NOMINEES LIMITED

REGISTERED OFFICE

15, Jos Street,
Area 3, Garki,
Abuja

BANKERS

Unity Bank Plc
Sterling Bank Plc

AUDITORS

PKF Professional Services
(Accountants & Business Advisers)
18/19 Ahmadu Bello Way,
Kaduna,
Kaduna state.

NORTHLINK INSURANCE BROKERS PLC

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2017

REPORTING ENTITY

Northlink Insurance Brokers Plc commenced business on 23 October, 1989 and registered as an insurance broker with the National Insurance Commission (NAICOM). The company is a member of the Nigerian Council of Registered Insurance Brokers (NCRIB). The Company deals in all classes of general Insurance, Life and Reinsurance. It has developed specialist divisions in all classes of insurance such as oil & gas, marine & aviation, construction & erection, industrial & commercial, reinsurance and multinational.

The company has a paid-up share capital of N76.35Million
It has diligent and professional staff and crop of experienced hands. Branch Offices are located in all regions of Nigeria.

CORPORATE GOVERNANCE REPORT

Board Composition
The company's Board of Directors comprises:
One Executive Director and Five Non-Executive Directors (which includes the Board Chairman)

Board Appointment/Rotation
The membership of the Board of Directors is based on appointment by shareholders.
All board members are up for re-election annually by the shareholders at the immediately succeeding year.
In cases of emergency, the Board of Directors can re-elect a retiring Director, but subject to the ratification by the shareholders at the next Annual General Meeting.

Board Meetings
Board meetings are held quarterly, chaired by the board chairman and documented by the company's secretary, who also ensures that all minutes of the Board of Directors meetings are made available to the directors before the next meeting.
The two-third of the Board of Directors must agree/disagree on an issue by voting for /against it before conclusions are made. All pending matters are adjourned to the next Board meeting

Board Committees
The company has the following Board committees:
Audit & Risk Management Committee, and
Finance, General Purpose and Corporate Governance Committee

Internal Audit
The Company's Internal Audit functions are being administered by the Internal Audit unit, which reports directly to the Managing Director. The department is charged with the following responsibilities:

(a) Ensuring adequate accountability of all financial and operating transactions of each of the company's departments, including activities of regional offices;
(b) Preparation of periodic reports on the review of the company's financial and operational procedures;
(c) Ensuring compliance with applicable laws and regulation as well as with laid down internal rules and procedure;
(d) Liaising with the Financial Controller in ensuring a smooth annual audit and attending to all audit queries and related matters.

External Auditors
The external auditors are appointed by, and they report to, the shareholders.
They are changed every five years.

NORTHLINK INSURANCE BROKERS PLC

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2017

DIRECTORS' REPORT

The Directors present their annual report on the affairs of Northlink Insurance Brokers Plc together with the Financial Statements and auditors' report for the year ended December 31, 2017

A. Results for the year

	2017	2016
	=N=	=N=
Commission and Fee	41,003	42,885
Operating Income	45	58
Direct Commission Expenses	(400)	(18,241)
Investment Income	2,454	3,616
Other Income	35,517	7,023
Management Expenses	(61,286)	(55,633)
Loss Before Tax	(17,333)	(24,455)
Income Tax Expense	(1,192)	(251)
Loss/ Profit for the Year	16,141	(24,706)
Share Capital	76, 350	76,350
Shareholder's Fund	48,348	29,799
Earnings Per Share of N1	(0.30)	(0.32)

B. Legal Form

Northlink Insurance Brokers Plc was incorporated on 23 October, 1989

C. Principal Activities

The company is involved in the business of Insurance brokerage.

D. Property, Plant and Equipment

Movements in Property, Plant and Equipment (PPE) are shown on page 9 on the PPE schedule in the Notes to the financial statements. In the opinion of the Directors, the assets have a market value substantially in excess of their net book.

E. Dividend

The Board of Directors did not propose to the shareholders any dividend in respect of the year ended December 31, 2017.

F. Responsibilities of Directors

The Directors' are responsible for the preparation of the Financial Statements, which give a true and fair view of the state of affairs of the organisation at the end of the financial year and of the financial position of the Company. In doing so they ensure that:

DIRECTORS' REPORT CONT'D

1. Adequate internal control procedures are put in place to safeguard the assets and Proper accounting records are maintained;
2. detect frauds and other irregularities;
3. Applicable accounting standards are followed;
4. Suitable accounting policies are adopted and consistently applied;
5. Judgment and estimates made are reasonable and prudent;
6. The financial statements are prepared on the going concern basis

Directors

The Directors who served during the year are:
Alh. Isma'ila Galadanchi

Alh. Shehu Ahmed – Effective from 20th October, 2017

Alh. Murtala L. Batagarawa - Effective from 23rd February, 2017.

Hajia. Aisha Babangida

Mr. Rasheed O. Balogun- MD/CEO - Effective from 14th September, 2015 up to 20th March, 2017.
Alh. Kabiru Idris Ringim- Ag. MD/ CEO - Effective from 20th March, 2017.

The register of Directors interest in the share capital of the company will be open for inspection at the Annual General Meeting.

Directors' Contracts

None of the Directors has notified the Company for the purpose of section 277 of the Companies and Allied Matters Act 1990 of any declarable interest in the contracts with which the company was involved in 2017.

Employment Policy

The Company keep its employees informed of matters affecting them and of the progress of the Company. This is carried out through regular management and staff meetings.

Disabled Persons

The company does not discriminate against the employment of disabled persons.

DIRECTORS' REPORT CONT'D

Health, Safety & Welfare
Retainership clinics are regularly arranged at closer distances to the residence of staff and their families. Staff safety and welfare in the office place received good attention during the year.

Post-Balance Sheet Events
There were no post balance sheet events which could have any material effect on the state of affairs of the company at December 31st, 2017 and on the profit for the year ended on that which has not been adequately provided for.

Auditors
PKF Professional Services (Chartered Accountants & Business Advisers) have indicated their willingness to continue in office. A resolution will be proposed at the Annual General meeting to authorize the Directors to fix their remuneration.

BY ORDER OF THE BOARD

Norland Nominees Ltd
Company Secretary
........................., 2017

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Companies and Allied Matters Act CAP C20 Laws of the Federation of Nigeria, 2004 and the Banks and other financial Institution Act, 1991 requires the Directors to prepare the financial statements of the Company that give a true and fair view of the state of the financial affairs of the Company at the year end and cash flows for the year. The responsibilities include ensuring that the Company:-

(a) Keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act CAP C20 Laws of the Federation of Nigeria 2004;

(b) Establishes adequate internal controls to safeguard its assets and prevent and detect fraud and other irregularities; and

(c) Prepares its financial statements using accounting policies supported by reasonable and prudent judgments and estimates, and are consistently applied.

The Directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the relevant Accounting Standard and the provisions of the Companies and Allied Matters Act CAP C20 Laws of the Federation of Nigeria, 2004.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate system of internal financial controls.

Nothing has come to the attention of the Directors to indicate that the Company will not remain as a going concern for at least twelve months from the reporting date.

Dr. Evans E. Woherem
Chairman
FRC/2014/ICAN/00000008559

Date

Alh. Ismaila Galadanchi
Director
FRC:

Date

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF NORTHLINK INSURANCE BROKERS PLC

Opinion

We have audited the financial statements of NORTHLINK INSURANCE BROKERS PLC, which comprise the statement of financial position at 31 December 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of NORTHLINK INSURANCE BROKERS PLC at 31 December 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011 and with the requirements of the Companies and Allied Matters Act, CAP C20, LFN 2004.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report, Corporate information and Directors responsibility but does not include our auditors' report thereon.
Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors and Those Charged With Governance for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011 and the requirements of the Companies and Allied Matters Act, CAP C20, LFN 2004, 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.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to

continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditors' report is O.P.S Adaji.

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
A1 375798

O.P.S. Adaji, FCA
FRC/2014/ICAN/00000006846
For: PKF Professional Services
Chartered Accountants
Abuja, Nigeria
Dated: 26th April 2018

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2017
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. GENERAL INFORMATION

Northlink Insurance Brokers PLC is incorporated in Nigeria under the Companies and Allied Matters Act as a private limited liability company, and is domiciled in Nigeria. The address of its registered office is 15, Jos Street, Area 3, Garki, Abuja. The Company is principally engaged in the provision of general insurance, life and reinsurance intermediation, risk management, claims and similar advisory services. The Company's activities are subject to the regulations of National Insurance Commission.

In accordance with the Insurance Acts 2003, the following are the fiduciary duties as an Insurance Broker.

Section 40(1) - Establishment and maintenance at all times of Clients' accounts into which all monies, premiums, claims and recoveries from and on behalf of clients, insurers and reinsurer are paid.

Section 41(1) - Where the premium is paid through the company to underwriters, the company pays the underwriters, not later than 30 days of collecting the premium received.

Section 42(1) – Maintenance of records of all insurance business handled by the company and, for the purposes of this section, separate records are kept with respect to;-

(a) Insurance business entered into with insurers registered under or pursuant to this Act; and

(b) Subject to section 42 subsection 3, Insurance business entered into with persons outside Nigeria.

Section 42(2) – The Company:

I. Keep accounting records which show and explain the business transacted by us and to disclose our true financial position; and
II. Ensure that the accounting records are kept to give a true and fair view at the accounting date.

Section 42(3) –The company will submit an audited financial statement comprising- (a) revenue (b) the Profit or Loss Account (c) Balance Sheet in the prescribed form to the Commission not later than 6 months after the accounting date.

2. Basis of Preparation

(a) *Statement of Compliance*

The financial statements have been prepared in accordance with, and comply with, International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act of Nigeria, the Financial Reporting Council of Nigeria Act, 2011, the Insurance Act of Nigeria and the relevant National Insurance Commission (NAICOM) guidelines and circulars, to the extent that they do not conflict with the requirements of IFRS. These are the Company's first set of financial statements prepared in accordance with IFRS and IFRS 1 First-time Adoption has been applied.

The financial statements were authorized for issue by the Board of Directors on ---------------

(b) Basis of measurement

The financial statements have been prepared under the historical cost basis except for the followings;

i. Financial instruments designated at Fair value Through Profit or Loss are measured at fair value.
ii. Available for sale financial instruments are measured at fair value.
iii. Loans and receivables and Held to maturity are measured at amortised cost.
iv. Investment properties are carried at fair value.

3. Functional and presentation currency

Items included in these financial statements using the currency that reflects the primary economic environment in which the entity operates ('' functional currency''). These financial statements are presented in Nigerian Naira ('' presentation currency''), which is the Company's functional currency. All financial information presented in
Naira has been rounded to the nearest thousands, except when otherwise indicated.

4. Presentation

The financial statements are prepared on the going concern basis of accounting. . The statement of financial position is presented based on liquidity. The income statement is presented on the function of expense method, with sub classification by nature provided in the notes. In the statement of cash flows, the cash flows from operating activities are reported on the indirect method. The financial statements are presented in Nigerian Naira which is the functional currency of the company

5. Transition election

In preparing these financial statements in accordance with IFRS 1, the Company has applied the mandatory exceptions from full retrospective application of IFRS and stated any mandatory exceptions and optional exceptions (if any).

6. Use of judgements and estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.
Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in notes to the financial statements.

7. The Regulatory Requirements

Northlink Insurance Brokers Plc is regulated by the National Insurance Commission, NAICOM, and all regulatory requirements and guidelines of the Commission are operative. These regulatory requirements, is a rigid observance of the 'no premium, no cover' regulations (refer trade and other receivables-above). Additionally, the NAICOM IFRS Harmonization Carve-Outs and Regulatory and Operational Guidelines are relevant in the implementation of the IFRS.

8. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks and other short-term, highly liquid investments with original maturities of three months or less and are subject to an insignificant risk of change in value. Operating bank balances are included in bank and other cash balances.

9. Financial assets

9.1 Classification

The Company recognised a financial asset in the statement of financial position when, and only when, it becomes a party to the contractual provision of the instrument. The Company classifies financial assets into; financial assets at fair value through profit or loss, Loans and receivables, Held-to-maturity financial asset and Available-for-sale financial assets

9.2. Recognition and Measurement

IFRS 13 for financial instruments traded in active markets; the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. This includes listed equity securities and quoted debt instruments on major exchanges (for example, Nigerian Stock Exchange NSE) and broker quotes from the Financial Markets Dealer Association.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available form an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regulatory occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. For example, a market is inactive when there is a wide bid-offer spread or significant increase in the bid -offer spread or there are few recent transactions.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques , using inputs (for example, NIBOR yield curve, FX rates, volatilities and counterparty spreads) existing at the reporting date.

9.2.1 Financial assets at fair value through profit or loss (FVTPL)

Financial assets at fair value through profit or loss include 'financial assets held for trading' or 'assets designated as such on initial recognition'. Financial assets classified as 'held for trading' are acquired principally for the purpose of selling in the short term. Financial assets designated at fair value through profit or loss are investments the Company manages and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy.
Financial assets included in this category are recognised initially at fair value and changes therein, including any interest or dividend income are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

9.2.2 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than: - those that the Company intends to sell immediately or in the short term, which are classified as held for trading, and those that the Company upon initial recognition designates as at fair value through profit or loss; - those that the Company upon initial recognition designates as available for sale; or - those that the holder may not recover substantially all of its initial investment, other than because of credit deterioration. Loans and receivables are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, less any accumulated impairment losses. Loans granted at below market rates are fair valued by reference to expected future cash flows and current market interest rates for instruments in a comparable or similar risk class and the difference between the historical cost and fair value is accounted for in the statement of comprehensive income.

9.2.3 Held-to-maturity financial assets

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity, other than: - those that the Company upon initial recognition designates as at fair value through profit or loss; - those that the Company upon initial recognition designates as available for sale; or - those that meet the definition of loans and receivables.
Interests on held to maturity investments are included in the statement comprehensive income and are reported as investment income. In the case of impairment, the impairment loss is reported as a deduction from the carrying value of the investment and recognised in the statement of comprehensive income as 'Impairment losses on investment securities'.
Held to maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

9.2.4 Available-for-sale financial assets

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

Available for sale financial investments are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on debt instruments are recognised in other comprehensive income and accumulated in the fair value reserve. When these assets are derecognised (as a result of impairment or sale), the gain or loss accumulated in equity is reclassified to profit or loss.

9.2.5 Trade receivables

In accordance with Section 50.1 of the Insurance Act Cap I17 LFN 2004, as reinforced by National Insurance Commission directives, all insurance cover shall be provided on a strict 'no premium no cover basis'. Consequently, only cover for which payment has been received, directly by the underwriter, or indirectly through a duly licensed insurance broker, shall be recognizable as income. Premiums received but not yet remitted are accounted for separately outside the normal operations of the broker. Therefore, trade receivables relates to commission and fee receivables from the under-writer and the co-brokers as at the reporting date.

9.3. Reclassification of financial assets

Financial assets other than loans and receivables are permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near-term. In addition, the Company may choose to reclassify financial assets that would meet the definition of loans and receivables out of held for trading or available for sale categories if the Company has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

9.4. Impairment of financial assets

At the end of each reporting period, the Company assesses whether its financial assets (other than those at FVTPL) are impaired, based on objective evidence that, as a result of one or more events that occurred after the initial recognition, the estimated future cash flows of the (group of) financial asset(s) have been affected. Objective evidence of impairment could include significant financial difficulty of the counterparty, breach of contract, probability that the borrower will enter bankruptcy, disappearance of an active market for that financial asset because of financial difficulties, etc.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying value and the present value of the estimated future cash flows discounted at the original effective interest rate. 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. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under contract. The Company may measure impairment on the basis of an instrument's fair value using an observable market price.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics. Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the issuer's ability to pay all amounts due under the contractual terms of the debt instrument being evaluated.

Available-for-sale financial assets are considered impaired if there is objective evidence of impairment, resulting from one or more loss events that occurred after initial recognition but before the reporting date, that have an impact on the future cash flows of the asset. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is an objective evidence of impairment resulting in the recognition of an impairment loss.

For financial assets measured at amortised cost, if the amount of the impairment loss decreases in a subsequent period and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed (either directly or by adjusting the allowance account for trade receivables) through profit or loss. However, the reversal must not result in a carrying amount that exceeds what the amortised cost of the financial assets would be been had the impairment not been recognised at the date the impairment is reversed.

For available-for -sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss. In respect of available-for-sale equity securities, an increase in fair value subsequent to an impairment loss is recognised in other comprehensive income an accumulated in revaluation reserve; impairment losses are not reversed through profit or loss.

9.5. Offsetting financial instruments

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

9.6. De-recognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

If the Company neither transfer nor retain substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognise a collateralised borrowing for the proceeds received.

10. Other receivables and prepayments

Other receivables and prepayments are carried at amortised cost less any accumulated impairment losses. Prepayments are amortised on a straight line basis to the profit or loss.

10.1. Other Assets

Other Assets represent monetary assets which usually have a short recycle period and as such the fair values of these balances approximate their carrying amount.

11. Investment in associates and joint ventures

Associates are entities, including an unincorporated entity such as partnership, over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have the right to the net assets of the arrangement. Furthermore, a joint control is the contractually agreed sharing control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Associates and joint ventures are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of comprehensive income of the associate. On acquisition of the investment, any difference between the cost of the investment and the investor's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities is accounted for in accordance with IFRS 3 Business Combinations. The goodwill (net of any accumulated impairment loss) relating to an investment in an associate is included within the carrying amount of that investment.

The Company's share of its associates' and joint ventures' post-acquisition profits or losses is recognised in the income statement, and its share of the post-acquisition movements in the other comprehensive income is recognised in the other comprehensive income.

The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

Distributions received from an investee reduce the carrying amount of the investment. If the Company's share of losses of an associate and joint venture equals or exceeds its interest in the associate, the Company does not provide for additional losses, unless it has incurred obligations or made payments on behalf of the associate.

Profits on Company transactions with associates are eliminated to the extent of the Company's interest in the relevant associate and joint venture whereas balances arising from unsettled trading transactions with associates are not eliminated. Other long term interest in associate such as preference share, long term receivables and loans for which settlement is neither planned nor likely in the foreseeable future are included in the Company's net investment in the associate.

12. Leases

12.1 Determining whether an arrangement contains a lease

The determination of whether an arrangement contain a lease, is based on the substance of the arrangement at the inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

12.2 Finance lease

Assets held by the Company under leases which transfer to the Company substantially all of the risks and rewards of ownership are classified as finance leases. On initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Each lease payment is allocated between the liability and finance charges so as to achieve a constant interest rate on the outstanding balance of the liability. The corresponding lease obligations, net of finance charges, are included in liabilities. The finance cost is charged to the income statement over the lease period according to the effective interest method. The leased asset under the finance lease is depreciated over the shorter of the useful life of the asset and the lease term on a straight-line basis over the period of the lease, if ownership does not pass at the end of the lease term.

12.3 Operating lease

Leases where substantially all the risks and rewards incidental to ownership have not been transferred to the company are classified as operating leases. Payments made are charged to the income statement on a straight- line basis over the period of the lease.

13. Non-current asset held for sale

Non-current asset are classified as held for sale if the carrying amount will be recover through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and expected to be completed within one year from classification and the asset is available for immediate sale in its present condition.
Non-current assets classified as held for sale are measured at the lower of carrying value and fair value less cost to sell.

14. Investment properties

Investment property comprises investment in land or buildings held primarily to earn rentals or capital appreciation or both. Investment property is initially recognized at cost including transaction costs .The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes cost of day to day servicing of an investment property. An investment property is subsequently measured in accordance with IAS 16 (Property, Plants and Equipment).

Subsequent expenditure on investment property is capitalized only if future economic benefit will flow to the Company; otherwise they are expensed as incurred. Investment properties are disclosed separate from the property and equipment used for the purposes of the business. The Company separately accounts for a dual purpose property as investment property if it occupies only an insignificant portion, otherwise, the portion occupied by the Company.

15. Property, plant and equipment

15.1 Recognition and measurement

On initial recognition, items of property, plant and equipment are recognised at cost, which includes the purchase price as well as any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Property, plant and equipment under construction are disclosed as capital work-in-progress. The cost of construction recognised includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains or losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized as profit or loss in the statement of comprehensive income.

15.2 Subsequent measurement

After initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the group. Ongoing repairs and maintenance are expensed as incurred.

15.3 Depreciation

Items of property, plant and equipment are depreciated from the date they are available for use or, in respect of capital-work-in-progress, from the date that the asset is completed and ready for use.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using a straight-line basis over their estimated useful lives. Depreciation is generally recognized in profit or loss, unless the amount is included in the carrying amount of another asset.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term in which case the assets are depreciated over the useful life.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

Item of PPE	Depreciation rate
Office Equipment	15%
Office Plant & Machinery	10%
Motor vehicles	20%
Office and household furniture & fittings	20%
Computer Equipment	25%

Capital work in progress is not depreciated. Upon completion it is transferred to the relevant asset category. Depreciation methods, useful lives and residual values are reassessed at each reporting date.

The carrying value of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss (determined by comparing net disposal proceeds with carrying amount) arising on de-recognition of the asset is included in the income statement in the year the item is derecognised.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less cost to sell and value in use. No property, plant and equipment were impaired as at 31 December 2014 (2012: nil), IAS 38:112-113, IAS 36:9, 18, 22, IAS 36:30, 55

16. Intangible assets

Separately acquired intangible assets

On initial recognition, intangible assets acquired separately (e.g. Software) are measured at cost. The cost of a separately acquired intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and any other directly attributable cost of preparing (IAS 38:24,27)

After initial recognition, intangible assets are carried at cost less any accumulated amortisation and impairment losses. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

(IAS 38:74,104) Intangible assets are amortized on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use.
The estimated useful life of computer software for the current and comparative years. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate (IAS 38:118(a)-(b))
An intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss (determined by comparing net disposal proceeds with carrying amount) arising on de-recognition of the asset is included in the income statement in the year the item is derecognised.

17. Impairment of Non-Financial Assets
Impairment of property, plant and equipment and intangible assets
The carrying amounts of such assets are reviewed at 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. Intangible assets that have indefinite useful lives are tested annually for impairment. An impairment loss is recognized if the carrying amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less costs to sell and value in use. Impairment losses are recognized in profit or loss

Value in use is the present value of the estimated future cash flows of that unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the unit whose impairment is being measured.

For the purpose of assessing impairment, assets are grouped at the lowest level for which there have been separately identifiable cash inflows (cash-generating units). The impairment test also can be performed on a single asset when the fair value less cost to sell or the value in use can be determined reliably.

Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

18. Financial liabilities
18.1 Recognition and Measurement
The Company recognised a financial liability in the statement of financial position when, and only when, it becomes a party to the contractual provision of the instrument. On initial recognition, the Company recognises all financial liabilities at fair value. The fair value of a financial liability on initial recognition is normally represented by the transaction price.

The transaction price for financial liabilities other than those classified at fair value through profit or loss includes the transaction costs that are directly attributable to the issue of the financial instrument. Transaction costs incurred on issue of a financial liability classified at fair value through profit or loss are expenses immediately. Subsequent measurement of financial liabilities depends on how they have been categorised on initial recognition.

The Company classifies financial liabilities into: Financial liabilities at fair value through profit or loss and other financial liabilities.

18.1.1 Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include 'financial liabilities held for trading' or 'liabilities designated as such on initial recognition'. Financial liabilities are classified in this category when they are held principally for the purpose of selling or repurchasing in the short term (trading liabilities) or are derivatives (except for a derivative that is a designated and effective hedging instrument) or meet the condition for designation in this category. All changes in fair value relating to financial liabilities at fair value through profit or loss are charged to the income statement as they arise.
The Company did not have any financial liability that meet the classification criteria for held for trading and did not designate any financial liabilities as at fair value through profit or loss.

18.1.2 Other financial liabilities
Financial liabilities that are not classified as fair value through profit or loss fall into this category and are measured cost using the effective interest method.

The Company has the following non-derivative financial liabilities: trade and other payables, bank overdraft, borrowings and debt securities in issue which is the convertible bond. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

Trade and other payables
Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The fair value of a non-interest bearing liability is its discounted repayment amount. Trade and other payables are not usually re-measured, as the obligation is known with a high degree of certainty and settlement is short-term.

Unearned Commission and Fee
Funds received in respect of commission and fee not yet earned is accounted for as 'unearned commission and fee'.

Borrowings

Borrowings are recognised initially at fair value, net of transaction cost incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowing using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction cost of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawn-down occurs.

To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

19. Employee benefits

19.1 Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts in respect of all employee benefits relating to employee service in current and prior periods.

Pension Scheme

In line with the provisions of the Pension Reform Act 2014, the Company has instituted a defined contribution pension scheme for their permanent staff. Staff contributions to the scheme are funded through payroll deductions. Obligations for contributions to the defined contribution plan are recognised as employee benefit expense in profit or loss in the periods which related services rendered by employees. However, the contributions of 10% by the Company and 8% by staff are based on current salaries and designated allowances.

19.2 Defined benefit plan

The Company operates a non-contributory defined benefits service gratuity scheme for its employees. The employees' entitlement to retirement benefits under the service gratuity scheme depends on the individual years of service, terminal salary and condition of service. The liability recognised in the statement of financial position in respect of defined benefit plan is the present value of the defined benefit obligation at the date of the statement of financial position less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using the interest rate of Federal Government Bonds of Nigeria as High Quality Corporate Bonds are not Actuarial gains and losses are recognised in full in other comprehensive income when they occur. Past-service costs are recognised immediate in income.

19.3 Short-term benefits

Wages, salaries, paid annual leave, sick leave, bonuses and non-monetary benefits are recognised as employee benefit expense and accrued when the associated services are rendered by the employees to the Company have not been paid.

19.4 Share based payment

The Company operates a cash-settled share based compensation plan (i.e. share appreciation rights-SARs) for its management personnel.

The management personnel are entitled to the share appreciation rights at a pre-determined price. The fair value of the amount payable to the employees in respect of share appreciation rights, which are settled in cash, is recognised as an expense, with a corresponding increase in liabilities, over the period in which the employees become unconditionally entitled to the payment. The liabilities are re-measured at each reporting date and at settlement date. Any changes in the fair value of the liabilities are recognised as personnel expense.

20. Provisions, contingent liabilities and contingent assets

20.1 Provisions

Provisions are liabilities that are uncertain in amount and timing. A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future pre-tax cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

20.2 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or the Company has an a present obligation as a result of past event. It is not recognised because it is not likely that an outflow of resources will be required to settle the obligation or the amount cannot be reliably estimated. Contingent liabilities normally comprise of legal claims under arbitration or court process in respect of which a liability is not likely to occur. Contingent liabilities are disclosed in the financial statement when they arise. (IFRS 37.30)

20.3 Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised but are disclosed in the financial statement when they arise. (IFRS 37.35)

21. Client's assets and liabilities

The Company receive premiums and commissions (cash flows) from the clients on behalf on the underwriter and other joint brokers respectively and vice-versa. The Company's operation of the clients' account is in accordance with Section 41 of the Insurance Act 2014, item 2.3b (3) of 2011 brokers operational guidelines and item 2.3b (6) of 2011 brokers operational guidelines. The Company recognised these cash flows received at cost and are disclosed in the financial statements as off balance sheet items. The Company is not expected to hold the funds for more than 30 days before remitting it to the relevant parties therefore it is not expected that the holding of the fund would generate any material income or expenses.

22. Equity

22.1 Share Capital and Share Premium

Equity instruments are contracts that give a residual interest in the net assets of the Company. Ordinary shares are classified as equity when there is no obligation to transfer cash and other assets. Equity instruments are recognised at the amount of proceeds received net of incremental costs directly attributable to the transaction. To the extent those proceeds exceed the par value of the shares issued they are credited to a share premium account. (IFRS 7.21)

22.2. Asset Revaluation Reserves

This is a reclassification from our capital reserve account which comprises of value gained which are not distributable as dividend. The account is maintained to forestall possible future pronouncement by regulators as to recapitalization, as this will cushion any adverse effect such promulgation could cause

22.3 Dividends on ordinary shares

Dividends on ordinary shares are recognised as liabilities in the period when they are declared (i.e. the dividends are appropriately authorised and no longer at the discretion of the entity) and approved at the Shareholders' Annual General Meeting. Dividends for the year that are declared after the date of the statement of financial position are disclosed in the subsequent events note. Dividends proposed but not yet approved are disclosed in the financial statements in accordance with the requirements of the Company and Allied Matters Act.

22.4 Treasury shares

The cost of treasure shares purchased is shown as a deduction from equity in the statement of financial position. When treasury shares are sold or reissued they are credited to equity. As a result, no gain or loss on treasure shares is included in the statement of comprehensive income. (IAS 32.33)

22.5 Convertible bonds

When convertible bonds are issued, the proceeds (net of issue costs) are split to separately identify a liability component (equal to the net present value of their scheduled future cash flows applying interest rates at the date of issue of similar bonds that do not have a conversion option).

The remainder of the issue proceeds is deemed to relate to the conversion option and is credited to an equity reserve. The liability component is carried at amortised cost until extinguished on conversion of the option or maturity of the bond. The equity component is not subsequently re-measured. (IAS 32.28-32)

22.6 Retained earnings

The retained earnings comprise of undistributed profit/ (loss) from previous years and current year. Retained earnings are classified as part of equity in the statement of financial position.

23. Revenue

IAS 18.20,35 Revenue comprises the fair value for insurance services rendered. Commission on premium for the placement of insurance policies with underwriters on behalf of clients is earned evenly over the life of the insurance contract. Commission received in respect of future period are accounted for as deferred commission. Other incomes are recognised when earned.

24. Finance Income and finance costs

Finance Income comprises interest income on funds invested and changes in the fair value of financial assets at fair value through profit or loss where the Company holds such financial assets. Interest income is recognized as it accrues in profit or loss, using the effective interest method. Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of financial assets at fair value through profit or loss where the Group holds such financial assets and impairment losses recognized on financial assets (other than trade receivables).

Investment income comprises interest income earned on short-term deposits, rental income and income earned on trading of securities including all realised and unrealized fair value changes, interest, dividends and foreign exchange differences. Investment income is accounted for on an accrual basis.

Borrowing costs are interest and other costs incurred by an entity in connection with the borrowing of funds. Borrowing costs are recognised as an expense in the period in which they are incurred, except to those that are directly attributable to the acquisition, construction or production of a qualifying asset which are capitalised as part of the cost of that asset. (IFRS 7 20.24)

25. Management expenses

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

This include auditors' remuneration, consulting fees, direct property expenses, information technology expenses, marketing costs, indirect taxes and other expenses not separately disclosed.

26. Foreign exchange transactions (IAS 21.21, 23)
Transactions denominated in foreign currencies are translated and recorded in Naira at the actual exchange rates as of the 23(a) date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated at the rates of exchange prevailing at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognized in profit or loss, except for qualifying cash flow hedges, which are recognized in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

27. Income tax IAS 12:58
Income tax expense represents the sum of current tax expense and deferred tax expense. Current tax and deferred tax are recognized in profit and loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

27.1 Current income tax IAS 12:46
Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates statutorily enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The Company is subject to the following types of current income tax;

Company Income Tax- This relates to tax on revenue and profit generated by the Company during the year, to be taxed under the Companies Income Tax Act Cap C21, LFN 2004 as amended to date. Tertiary Education Tax- Tertiary education tax is based on the assessable income of the Company and is governed by the Tertiary Education Trust Fund (Establishment) Act LFN 2011. The Company presents earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

27.2 Deferred income tax IAS 12:22 (c), 39

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for: · temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; temporary differences related to investments in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and taxable temporary differences arising on the initial recognition of goodwill.

IAS 12:71,74 The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

IAS 12:56 A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

27.3 Tax exposures

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

28. Earnings per share IAS 33:9, 30

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held (if any). Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held (if any), for the effects of all dilutive potential ordinary shares.

29. Segment reporting IFRS 8:25
An operating segment is a distinguishable component of the Company that earns revenue and incurs expenditure from providing related products or services (business segment), or providing products or services within a particular economic environment (geographical segment), and which is subject to risks and returns that are different from those of other segments.

Explanatory notes

1. IAS 1.10 IAS 1 Presentation of Financial Statements uses the title 'Statement of financial position'. This title is not mandatory. An entity may use other titles - e.g. 'Balance sheet'- as long as the meaning is clear they are not misleading.
2. 'IAS 1.45 An entity shall retain the presentation and classification of items in the financial statements from one period to the next unless (a) it is apparent, following a significant change in the nature of the entity's operations or a review of its financial statements, that another presentation of classification would be more appropriate having regards to the criteria for the selection and application of accounting policies in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors ; or b) an IFRS requires a change in presentation.
3. IAS 1.60-61 The Company has presented its assets and liabilities based on liquidity as this presentation provides information that is reliable and more relevant... An entity may present its assets and liabilities based as current/non-current. Whichever method of presentation is adopted, an entity shall disclose the amount expected to be recovered or settled after more than twelve months for each asset and liability line item that combines amounts expected to be removed or settled:
   (a) No more than twelve months after the reporting period, and
   (b) More than twelve months after the reporting period.
4. IAS 1.55,58 Additional line items, headings and subtotals in the statement of financial position when such presentation is relevant to an understanding of the entity's financial position. The judgement about whether to present additional items separately on the basis of an assessment of;
   (a) The nature and liquidity of assets;
   (b) The function of assets within the entity; and
   (c) The amounts, nature and timing of liabilities.

   IAS 1.57 IAS 1 does not prescribe the order or format in which an entity presents items. In addition to the list in IAS 1.54, we can have;

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2017
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) line items included when the size, nature or function of an item or aggregation of similar items is such that separate presentation is relevant to an understanding of the entity's financial position; and

(b) the description used and the ordering of items or aggregation of similar items may be amended according to the nature of the entity and its Transactions, to provide information that is relevant to an understanding of the entity's financial position. Additional line items included in this model include 'statutory deposit'.

5. IAS 12.71 An entity shall offset current tax assets and current tax liabilities if, and only if:

(a) The entity has a legally enforceable right to set off recognised amount;

(b) Intends either to settle on a net basis, or to realise the asset and settle the liability.

6. IAS 12.74 An entity shall offset deferred tax assets and deferred tax liabilities if, and only if:

(a) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

(b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

(i) The same taxable entity; or

(ii) Different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amount of deferred tax liabilities or assets are expected to be settled or recovered.

NORTHLINK INSURANCE BROKERS PLC

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER, 2017

	NOTES	31-Dec-17 N'000	31-Dec-16 N'000
ASSET			
Cash and cash Equivalent	1	52,087	55,101
Financial Asset:	2	4,281	4,007
Other receivables & prepayment	4	9,534	9,317
Investment in Associates	5	4,964	4,463
Property, Plant and Equipment	6	4,742	5,638
TOTAL ASSETS		**75,608**	**78,526**
LIABILITIES			
Trade Payables	7	-	429
Current tax liabilities	9	8,384	7,192
Deferred Commission Income	10	-	2,281
Provision & other payables	11	18,876	38,825
TOTAL LIABILITIES		**27,260**	**48,727**
EQUITY			
Share Capital	15	76,350	76,350
Retained earnings	16	(28,002)	(46,551)
TOTAL EQUITY		**48,348**	**29,799**
TOTAL LIABILITIES AND EQUITY		**75,608**	**78,526**
Clients' Assets under custody	17	**10,781**	**11,471**

The financial statements were approved by the Board of Directors on .... and signed on its behalf by:

Dr. Evans E. Woherem
Chairman
FRC/2014/ICAN/00000008559

Alh. Isma'ila Galadanchi
Director
FRC/........................

NORTHLINK INSURANCE BROKERS PLC

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER, 2017

	NOTES	31-Dec-17 N'000	31-Dec-16 N'000
Commission and fee income	13	41,003	42,885
Other Operating Income	14	45	58
Direct Commission Expenses	18	(400)	(18,241)
Other Operating Expenses		-	-
Operating profit		40,648	24,702
Investment Income	19	2,454	3,616
Other Income	20	35,517	7,023
Management expenses	21	(61,286)	(55,633)
Impairment Losses	22	-	(4,163)
Profit Before Tax		17,333	(24,455)
Income tax expenses	9	(1,192)	(251)
Profit for the year		16,141	(24,706)
Other Comprehensive Income			
Items that are or may not be reclassified to Profit or loss			
Net fair value gains/(losses) on available-for-sale financial assets		274	
Foreign currencytranslation difference- foreign operation		41,227	
Foreign currencytranslation difference- investment in Associates			
Items that will never be reclassified to Profit or loss			
Revaluation surplus of properties			
Actuarial gains/(losses) on defined benefit obligation			
Tax on other comprehensive Income			
Other comprehensive income for the year, net of tax			
Total comprehensive income for the year, net of tax			
Earning Per Share			
Basic earnings per share (in the nearest Naira)		0.30	(0.32)

The accounting Policies in page 9 to 31 and the notes on pages 32 to 54 form an integral part of these Financial Statement.

NORTHLINK INSURANCE BROKERS PLC

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER, 2017

	NOTE	Share Capital N'000	Share Premium N'000	Treasury Reserve N'000	Retained Earnings N'000	Other Reserves N'000	Total Equity N'000
Balance as at 1 January, 2016		76,350	-	-	(46,551)	-	32,207
Adjustment Regarding Restatement		-	-	-	-	-	-
Balance as at 1 January, 2017		76,350	-	-	(46,551)	-	29,799
Comprehensive Income for the year:							
Profit/(Loss) for the year		-	-	-	16,141	-	16,141
Other Comprehensive income:							
Revaluation Suplus on properties		-	-	-	-	-	-
Acturial gains/(losses) on defined benefit obligation		-	-	-	-	-	-
Restatement Balance		-	-	-	2,408	-	2,408
Total comprehensive income for the year		-	-	-	18,549	-	18,549
Transaction with owners, recorded directly in Equity							
Issue of ordinary shares		-	-	-	-	-	-
Bonus Capitalisation Reserve		-	-	-	-	-	-
Transfer from deposit for shares		-	-	-	-	-	-
Dividend paid		-	-	-	-	-	-
Transfer to retained earnings		-	-	-	-	-	-
Treasury sharesEquity-settled share-based payment		-	-	-	-	-	-
Share options execised		-	-	-	-	-	-
Total transactions with owners		-	-	-	-	-	-
Balance as at 31 December, 2017		76,350	-	-	(28,002)	-	48,348

NORTHLINK INSURANCE BROKERS PLC

STATEMENT OF CHANGES IN EQUITY(CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2017

	NOTE	Share Capital N'000	Share Premium N'000	Treasury Reserve N'000	Retained Earnings N'000	Other Reserves N'000	Total Equity N'000
Balance as at 1 January, 2015		76,350	-	-	(15,165)	-	61,185
Adjustment Regarding Restatement		-	-	-	(6,680)	-	(6,680)
Balance as at 1 January, 2016		76,350	-	-	(21,845)	-	54,505
Comprehensive Income for the year:							
Profit for the year		-	-	-	(24,706)	-	(24,706)
Other Comprehensive income:		-	-	-	-	-	-
Revaluation Suplus on properties		-	-	-	-	-	-
Acturial gains/(losses) on defined benefit obligation		-	-	-	-	-	-
Net fair value gains/(losses) on available-for-sale financial assets		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	(24,706)	-	(24,706)
Transaction with owners, recorded directly in Equity							
Issue of ordinary shares							
Bonus Capitalisation Reserve		-	-	-	-	-	-
Transfer from deposit for shares		-	-	-	-	-	-
Dividend paid		-	-	-	-	-	-
Transfer to retained earnings		-	-	-	-	-	-
Treasury sharesEquity-settled share-based payment		-	-	-	-	-	-
Share options execised		-	-	-	-	-	-
Total transactions with owners		-	-	-	-	-	-
Balance as at 31 December 2016		**76,350**	**-**	**-**	**(46,551)**	**-**	**29,799**

NORTHLINK INSURANCE BROKERS PLC

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2017

	NOTES	31-Dec-17 N'000	31-Dec-16 N'000
Cash flow from operating activities			
Profit or (loss) after tax		16,141	(24,706)
Adjustment for:			
Income taxes recognised in the profit or loss		-	-
Gains/losses from assets disposal		13,906	13,201
Finance cost recognised in the profit or loss		-	-
Realised gains/(losses) recognised in the profit or loss		-	-
Unrealised gains/(losses) recognised in the profit or loss:			
(i) losses on dimunitive of available-for-sale financial asset		-	-
(ii) over provision on taxation		-	-
Impairment lossses		-	-
Depreciation and Amortisation		897	971
Other payment		543	284
		31,487	(10,250)
Movement in working capital:			
(increase)/decrease in trade receivables		-	(3,914)
(increase)/decrease in prepayment and other receivables		(217)	(301)
Increase/(decrease) in trade payables		(429)	(3,687)
Increase/(decrease) in provision and other payables		(19,949)	34,476
Increase/(decrease) in long term borrowing			
Cash flow from operating activities		**10,892**	**16,324**
Income tax paid		-	-
Net Cash flow from operating activities		**10,892**	**16,324**
Cash flows from investing activities			
Purchase of Property, plant and equipment		-	-
Payment to acquire financial assets		-	-
Proceeds from disposal of Property, plant and equipment		(13,906)	(10,746)
Dividend received		-	-
Statutory deposit received		-	-
Net cash flow (used in)/by investing activities		**(13,906)**	**(10,746)**
Net change cash and cash equivalents		**(3,014)**	**5,578**
Cash and cash equivalent as at 1 January		**55,101**	**49,523**
Cash and cash equivalent as at 31 December		**52,087**	**55,101**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2017

		31-Dec-17 N'000	31-Dec-16 N'000
1	**Cash and Cash Equivalents**		
	Cash and demand deposits with banks	1,785	28,601
	Short-term deposits	50,303	26,500
	Cash and Cash Equivalent as per statement of financial position	**52,087**	**55,101**
	Bank overdraft	-	-
	Cash and Cash Equivalent as per statement of cash flows	**52,087**	**55,101**

		31-Dec-17 N'000	31-Dec-16 N'000
2	**Financial Assets**		
	Available for sale		
1	Equities securities - Quoted	1,281	1,007
2	Equities securities - Unquoted	3,000	3,000
		4,281	**4,007**
i	Equities securities - Quoted		
	Carrying Value at 1 January	1,007	703
	Addition	-	-
	Disposal	-	-
	Accumulated impairment (losses)/Gain	-	-
	Fair value gain/(losses)	274	304
	Bal. as at 31 December	1,281	1,007
ii	Equities securities - Unquoted	3,000	3,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2017

		31-Dec-17 N'000	31-Dec-16 N'000
3	**Trade Receivables**		
	Trade receivables - 3rd parties	-	3,914
	Trade receivables - related parties	-	-
	Trade receivables	-	3,914
	Impairment for trade receivables - 3rd parties	-	(3,914)
	Impairment for trade receivables - related parties	-	-
	Impairment trade receivables	-	-
	Trade receivables net impairment	-	-
	Impairment		
	Gross Amount		
	The aging of trade receivables at the reporting date was:		
	Not past due 0 - 30 days	-	-
	Past due 31 - 180 days	-	-
	Past due 181 - 365 days	-	-
	More than 365 days	-	-
		-	-
	Impairment		
	Not past due 0 - 30 days	-	-
	Past due 31 - 180 days	-	-
	Past due 181 - 365 days	-	-
	More than 365 days	-	-
		-	-
	Carrying Amount		
	Not past due 0 - 30 days	-	-
	Past due 31 - 180 days	-	-
	Past due 181 - 365 days	-	-
	More than 365 days	-	-
		-	-

The management believes that the unimpaired amounts that are past due by more than 30 days are still collectable in full based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customer credit ratings, when available.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2017

		31-Dec-17 N'000	31-Dec-16 N'000
4	**Other Receivables and Prepayment**		
	Prepayment	520	3,848
	Other Receivables	9,014	5,469
		9,534	9,317
	Analysis		
	Current	217	3,500
	Non-current	9,317	5,817
		9,534	9,317
5	**Investment in Associate**		
	Pelican Prints Limited Printing Press Nigeria :- Proportion of voting rights held as at 31st December is 20%		
		4,964	4,463
		4,964	4,463
	Carrying Amount as at the end of the year(s):		
	Opening balance	4,463	4,463
	Adding during the year	501	-
	Disposal during the year	-	-
	Share of profit/(losses)	-	-
	Share of other comprehensive income		
	Dividend earned during the year	-	-
	Impairment losses recognised for the year	-	-
		4,964	4,463

Our company maintained the investment in associate at cost of acquisition because the company Pelican Prints Limited is still on its strategic planning and development. Thus, no stewardship accounts had been prepared to enable us ascertain a share of profit/(losses) in the company nor impairment losses recognised in the relevant years because the company has prospect for development and continuity in future. Hence,proper equity accounting will be adopted to account for the investment in associate as soon as the Pelican Prints Limited commences its operation. Summarily, the records for Assets, Liabilities, Revenue, profit or loss for the year and other comprehensive income are not readily available for now.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2017

6 Property, Plant and Equipment

	Leasehold Property N'000	Plant & Equipment N'000	Motor Vehicles N'000	Computer Equipment N'000	Furniture & Fittings N'000	Total N'000
Balance as at January 1, 2016	**4,264**	**3,155**	**39,540**	**7,339**	**11,432**	**65,730**
Additions during the year	-	-	-	-	-	**-**
Transfer to asset held for sale						**-**
Disposal/write offs		-	(13,906)			**(13,906)**
Balance as at December 31, 2016	**4,264**	**3,155**	**25,634**	**7,339**	**11,432**	**51,824**
Accumulated depreciation and impairment losses						
Balance as at January 1, 2016	4,264	406	36,373	6,571	9,724	**57,338**
Depreciation for the year	-	300	239	138	294	**971**
Impairment loss for the year						**-**
Disposal/write offs			(12,123)			**(12,123)**
Balance as at December 31, 2016	**4,264**	**706**	**24,489**	**6,709**	**10,018**	**46,186**
Carrying Amount						
At January 1, 2016	**-**	**2,749**	**3,167**	**768**	**1,708**	**8,392**
At December 31, 2016	**-**	**2,449**	**1,145**	**630**	**1,414**	**5,638**

6 Property, Plant and Equipment

The movement on these accounts as at 31 December 2017 was as follows:

	Leasehold Property N'000	Plant & Equipment N'000	Motor Vehicles N'000	Computer Equipment N'000	Furniture & Fittings N'000	Total N'000
Balance as at January 1, 2017	4,264	3,155	25,634	7,339	11,432	51,824
Additions during the year						
Balance as at December 31, 2017	**4,264**	**3,155**	**25,634**	**7,339**	**11,432**	**51,824**
Accumulated depreciation and impairment losses						
Balance as at January 1, 2017	4,264	706	24,489	6,709	10,018	46,186
Depreciation for the year	-	316	228	108	245	897
Balance as at December 31, 2017	4,264	1,022	24,717	6,817	10,263	47,082
Carrying Amount						
At January 1, 2017	**0**	**2,449**	**1,145**	**630**	**1,414**	**5,638**
At December 31, 2017	**0**	**2,134**	**917**	**522**	**1,169**	**4,742**

NORTHLINK INSURANCE BROKERS PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2017

7 Trade Payables

	31-Dec-17 N'000	31-Dec-16 N'000
Annual Brokerage 1%	-	429
Balances as at 31 December	-	429

8 Employee Benefit Obligation

Employee/Employer Pension Fund Contribution	-	-
Staff Terminal Benefit Payable	-	-
Balances as at 31 December	-	-

9a The movement on the tax payable account during the year was as follows:

Balance as at 1 January	7,192	6,941
Charged to Profit and Loss:		
Company income tax	1,192	251
Education tax	-	-
	8,384	7,192
Under/(over) provision of tax	-	-
Payment during the year	-	-
Total current tax payable	8,384	7,192

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2017

9 b Income Taxes
Income Tax recognised in the profit or loss

	31-Dec-17 N'000	31-Dec-16 N'000
Company income tax	1,192	
Tertiary education	-	251
Capital gain tax	-	-
Information technology development levies	-	-
	1,192	251
Deferred tax expenses		
Deferred tax	-	-
Tax Expenses	1,192	251

The charge for taxation in these financial statement were based on the provisions of the Companies Income Tax Act, CAP C21, LFN 2004 as amended and the Education Tax Act, CAP E 4, LFN 2004.

10 Deferred Commission Income

Unearned Commission & Fee b/f	(2,281)	1,606
Add: Commission and fee received in the year	-	43,560
Less: Commission and fee Income C/Fwd	2,281	(2,281)
	-	42,885

Commission is earned proportionate to what fall due within the financial year

11 Provision and other payables

Accrued professional fees	2,483	2,483
Other Liabilities	16,393	33,859
	18,876	36,342

Note: Other liabilites are provisions made for litigations and severance pays

NORTHLINK INSURANCE BROKERS PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2017

	31-Dec-17 N'000	31-Dec-16 N'000
11 Other Payables		
Accrued expenses	-	1,471
PAYE	82	995
NHF Payables	18	17
	100	2,483
Total Provision and other payables	18,976	38,825

12 Contigencies and Commitments

The company has no contingent liabilities in respect of legal claims arising in the ordinary course of business. It is therefore not anticipated that any material liabilities will arise from contingent liabilities.

13 Commission and fee

	31-Dec-17 N'000	31-Dec-16 N'000
Commission and fee comprises		
Non-life Business	38,555	42,270
Life Business	2,448	615
Total	41,003	42,885

Commission and fee earned during the year is derived as follows:

	31-Dec-17 N'000	31-Dec-16 N'000
Unearned commission and fee income b/fwd	2,281	1,606
Add:		
Commission and fee received during the year	56,487	43,560
Less:		
Unearned commission and fee income c/fwd	(17,765)	(2,281)
Earned Commission and fee for the year	41,003	42,885

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2017

		31-Dec-17 N'000	31-Dec-16 N'000
14	**Other Operating Income**		
	Interest on Current account	-	18
	Interest on staff loan	45	40
		45	58
15a	**Authorised:**		
	100,000,000 Ordinary shares of N1 each	**100,000**	**100,000**
	Issued and Fully Paid Shares Capital		
	76,350,000 Ordinary Shares @ =N=1 each	**76,350**	**76,350**
16	**Retained Earnings**		
	Opening Balances	(46,551)	(15,165)
	Profit/(loss) for the year	16,141	(24,706)
	Reinstated adjustment	2,408	(6,680)
		(28,002)	(46,551)
17	**Clients' assets and liabilities**		
	Assets:		
	Cash & Bank balances	10,781	11,471
	Premium receivable		
	Total Asset	10,781	11,471
	Liabilities		
	Premium awaiting remittance	10,781	11,471
	Claims awaiting remittance	-	-
	Commission awaiting remittance	-	-
	VAT awaiting remittance	-	-
	Premium payable	-	-
	Commission Payable	-	-
	Total Liabilities	10,781	11,471
	Net balances	**10,781**	**11,471**

Section 40(1) of Insurance Act 2003 requires insurance brokers to establish and maintain at all times a Clients' Accounts into which all monies, premiums, claims and recoveries from and on behalf of the clients shall be paid. The Operational Guidelines for intermediaries requires Brokers to keep records of such that a separate balance sheet can be extracted from Clients Accounts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2017

		31-Dec-17 N'000	31-Dec-16 N'000
17.1	**Premium awaiting remittance**		
	Net Premium to local insures	10,781	11,471
	Net Premium to foreign insurers	-	-
	Return premiums due to clients	-	-
	Reinsurance premiums (local)	-	-
	Reinsurance premiums (foreign)	-	-
		10,781	11,471
	Claims awaiting remittance		
	Individual clients	-	-
	Corporate client	-	-
		-	-
18	**Direct Commission Expenses**		
	Commission expenses	400	18,241
		400	18,241
19	**Investment Income**		
	Interest on term deposit	2,401	2,685
	Interest on treasury bills	-	-
	Dividend income	54	931
		2,454	3,616
20	**Other Income**		
	Profit on disposal of Property, Plant and Equipment	32	2,183
	Severance pay recovered	33,859	-
	Others	1,626	4,286
	Gain on impairment of Investment	-	554
		35,517	7,023

		31-Dec-17	31-Dec-16
21	**Management Expenses**	**N'000**	**N'000**
a	**Staff personnel costs**		
	Training	779	100
	salaries	5,113	4,122
	Allowances	17,384	15,741
	Contract staff	2,057	2,688
	Death/Retirement benefit	2,652	8,367
	Contribution to staff pension scheme	831	1,615
b	**Administrative Expenses**		
	1% Annual Brokerage commission	421	429
	Director sitting allowance	2,556	2,880
	Directors fees	4,345	4,424
	Directors' Training	575	-
	Donation and Subcription	958	431
	Rent and Rates	1,904	2,993
	Water and electricity	267	234
	Utility charges/bills	171	137
	Public relation and entertainment	2,150	799
	Local running expenses	261	19
	Newspaper and periodical	45	37
	Legal/Professional fees	3,448	1,747
	Audit fees	1,100	1,100
	Insurance expenses	496	916
	Fees, taxes and penalties	296	604
	Withholding Tax Expenses	36	427
	NCRIB expenses		-
	1% ITF contribution expenses	315	610
	Bank charges	1,059	305
	Travelling and accomodation	2,138	622
	Office consumables	141	116
	Printing & stationeries	946	625
	Motor running expenses	1,331	942
	Security Expenses	240	300
	Postages & Telephone	503	316
	Fuel & Lubricant on Plant & Machineries	225	416
	Other Operating Expenses	3,670	-
		58,413	**54,062**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2017

		31-Dec-17	31-Dec-16
		N'000	N'000
21	**Management Expenses (Cont'd)**	58,413	54,062
c	**Repairs and maintenance**		
	Computer accessory	96	28
	Office furniture & fittings	62	-
	Office equipment	113	2
	Office building	-	-
	Motor vehicle	944	403
	Motor Cycle	-	75
	Plant & Machinery	139	30
	General Repairs & Maintenance	622	63
d	**Depreciation**		
	Leasehold improvement	-	-
	Plant & equipment	316	300
	Motor car & Cycles	228	238
	Computer equipment	108	138
	Furniture & fittings	245	294
		61,286	**55,633**

21.1 Employees benefit expenses

(i) Employee benefit expenses during the year comprises:

	31-Dec-17	31-Dec-16
Salaries and Wages	5,113	4,122
Terminal benefit	2,652	8,367
Training Cost	779	100
Other allowances	17,384	15,741
Medical costs		
Subcription and periodicals		
Post employment benefits- Define Contribution plan		
Post employment benefits- Define benefit plan		
Bonus and profit sharing		
Others		
	25,927	**28,330**

(ii) Employees of the company, other than Directors, whose duties were wholly or mainly discharged in Nigeria, received remuneration (excluding pension costs and certain benefits) in the following ranges:

		31-Dec-17	31-Dec-16
		N'000	N'000
Less than	N500,000	5	5
N 500,001	N 1,000,000	4	4
N 1,000,001	N 2,000,000	10	10
N 2,000,001	N 3,000,000	3	3
N 3,000,001	N 4,000,000	0	0
N 4,000,001	N 5,000,000	1	1
N 5,000,001	N 6,000,000	0	0
N 6,000,001	N 7,000,000	0	0
N 7,000,001	N 8,000,000	0	0
N 8,000,001	N 9,000,000	0	0
N 9,000,001	N 10,000,000	0	0
N 10,000,001	and above	0	0

(iii) Remuneration (excluding pension contribution) for directors of the company charged to the profit or loss are as follows:

	31-Dec-17 N'000	31-Dec-16 N'000
Fees	4,345	4,424
Remuneration of the Executive	2,556	2,880
	6,901	7,304

The number of directors, excluding the Chairman, whose emoluments fell within the following ranges were:

		31-Dec-17	31-Dec-16
N 1,000,001	N 2,000,000	6	6
N 42,000,001	N 50,000,000	0	0
		6	6

22 **Impairment losses on financial assets**

	31-Dec-17	31-Dec-16
Impairment charge on financial assets:		
Held to maturity (HTM)		
Loan and receivables		
Loss on impairment of Investment	-	4,163
Available for sales		
Trade and receivables		
	-	4,163
Reversal of impairment charge on financial asset:		
Held to maturity (HTM)		
Loans and receivables		
Available for sale		
Trade and receivable		
Total impairment losses/ (reversal)	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2017

23 **Profit Before tax is stated after charging/(crediting)**

	31-Dec-17 N'000	31-Dec-16 N'000
Depreciation	-	970
Auditor's remuneration	1,100	1,100
Directors' Fees	4,345	-
Directors' remuneration	3,131	-
Profit on disposal of PPE	-	3,987

24 **Earning Per Share**

The earnings and weightred average number of ordinary used in the calculation of basic earnings per share are as follows:

Profit/(Loss) for the year attributable to owners of the company	(20,792)	(20,792)
Dividend paid on convertible non-participating preference shares	2	2
	-	-
Earning used in the calculation of basic earning per share	(20,790)	(20,790)
Weighted average number of ordinary shares for the purpose of basi earning per share	76,350	76,350
Earning per share (kobo)	(0.30)	(0.30)

ADDITIONAL DISCLOSURE
IAS 10

Adjustment relating to Deferred Commision Income were not captured in the initial reports submitted certain regulators (such as, the Federal Inland Revenue Service). The amount involved has been assessed to be immaterial. However, efforts have been made to make necessary corrections in this report and affected parties will be communicated accordingly. The amounts have however been assessed as adjusting events in accordance to the requirements of IAS 10 - Events After the Statement of Financial Position Date.

CAPITAL MANAGEMENT POLICY

Northlink Insurance Brokers Plc has over the years been deploying capital from earnings to support growth in our business volumes. The company in order to generate and deploy capital both to grow core businesses and reward shareholders, there is need for the company to execute the rightstrategy, the right growth dynamics, the right cost structure and the right capital management.

Our capital management strategy aim at creation of shareholders' value while equally meeting the objective of providing an appropriate level of capital to protect stakeholders' interest and satisfy regulators pronouncement at any point in time.

Our objectives when managing capital are as follows:

1. To ensure that capital is, an will continue to be, adequate for the safety, soundness and stability of the company
2. To generate sufficient capital to support the company's overall business strategy
3. To ensure that the company hedge against any future pronouncement by the regulatory as regards Minimum Capital Requirement
4. To establish the efficiency of capital utilisation
5. To ensure that the average return on capital overtime is sufficient to satisfy the expectation of the investors

MINIMUM CAPITAL REQUIREMENT

The company complied with NCRIB Act of minimum capital requirement of N5 Million. However, our strategy is to make ou capital adequate to hedge against future pronouncement by NAICOM and other regulators. Hence during the period ended 31st December, 2017, there is no externally imposed capital requirement that required our compliance.

NORTHLINK INSURANCE BROKERS PLC

STATEMENT OF VALUE ADDED
FOR THE YEAR ENDED 31 DECEMBER, 2017

	NOTE	31 -Dec -17		31 -Dec -16	
		=N=		=N=	
Revenue		41,003		42,885	
Other Income		38,016		10,697	
		79,019		**53,582**	
Less: Bought in Material and Services-Local		(31,975)		(44,434)	
Value Added/(Lost)		**47,043**		**9,148**	
Applied as Folllows:					
To Pay Employees' Wages, Salaries and Other Ben		28,814	61%	32,633	357%
To External Provider of Capital as Interest on Loan					
To pay Government as Taxes		1,192	3%	251	3%
To provide for Enhancement of assets and Expansion:					
Deppreciation		897	2%	970	11%
Retained in the Business		16,141	34%	(24,706)	(2.70)
		47,044	**100%**	**9,148**	**100%**

NORTHLINK INSURANCE BROKERS PLC

FIVE YEARS FINANCIAL SUMMARY
FOR THE YEAR ENDED 31 DECEMBER, 2017

ASSETS	**31-Dec-17**	**31-Dec-16**	**31-Dec-15**	**31-Dec-14**	**31-Dec-13**
	=N=	**=N=**	**=N=**	**=N=**	**=N=**
Cash and Cash equivalents	52,087	55,101	49,523	80,355	79,592
Financial Assets:				-	-
Fair value through profit or loss	4,281	4,007	3,703	3,703	3,758
Trade receivables			3,914	3,915	2,128
Trade receivables & prepayment	9,534	9,317	9,016	12,769	13,584
Other Asset	-	-		-	-
Investment in Associates	4,964	4,463	4,463	4,463	4,463
Property,Plant and Equipment	4,742	5,638	8,391	10,979	19,536
TOTAL ASSETS	75,608	78,526	79,010	116,184	123,061
LIABILITIES					
Trade payables	-	429	4,116	1,156	1,594
Employee Benefit Obligation	-	-	814	5,125	222
Current tax liabilities	8,384	7,192	6,941	9,500	24,145
Deferred Commission Income	-	2,281	1,606	5,799	7,253
Provision & other payables	18,876	38,825	4,349	7,222	5,184
TOTAL LIABILITIES	27,260	48,727	17,826	28,802	38,398
EQUITY					
Share capital	76,350	76,350	76,350	25,450	25,450
Retained earnings	(28,002)	(46,551)	(15,165)	61,932	59,213
TOTAL EQUITY	48,348	29,799	61,185	87,382	84,663
TOTAL LIABILITIES AND EQUITY	75,608	78,526	79,011	116,184	123,061
Gross earning	79,019	53,582	80,127	130,967	164,738
Profit or (loss) before tax	17,333	(24,455)	(30,153)	2,919	2,647
Profit or (loss) after tax	16,141	(24,706)	(30,345)	2,719	1,920
EPS	0.21	(0.32)	(0.40)	0.11	0.08