FINANCIAL STATEMENTS

CONTENTS

NOTICE IS HEREBY GIVEN that the **41st Annual General Meeting ("AGM")** of Veritas Kapital Assurance Plc ("the Company") will hold on **Tuesday, 25th September, 2018** at the **Ajuji Greenwhich Hotel, Plot 1083, Joseph Gomwalk Street, Off Abdulsalami Abubakar Road, Gudu District, Abuja** at **11.00 am** to transact the following:

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the year ended December 31, 2017 together with the Reports of the Directors, Auditors and Audit Committee.
2. To authorize the Directors to fix remuneration of the Auditors.
3. To re-elect and approve the appointment of Directors.
4. To elect members of the Audit Committee.

SPECIAL BUSINESS

To consider and if thought fit, pass the following resolution as Special Resolutions:

1. To approve the remuneration of Directors.
2. To authorize the Directors to take all necessary steps including initiating and negotiating mergers and/or acquisition or any other form of business combination or arrangement with any company/companies or institution(s) whether foreign or local for the purpose of shoving up the Company's capital.
3. To authorize the Directors to raise additional capital through any of the following; debt in all forms, equity in all forms; by way of offer in all forms, whether local or foreign to the general public or otherwise, or by rights issue, special placing or by a combination of any of the aforementioned methods at the discretion of the Directors at an appropriate price, terms and at a time to be determined by the Directors.
4. In the event of over-subscription of the Offer, to authorize the Directors to capitalize the excess monies and allot additional securities to the extent that can be accommodated by the Company's un-issued share capital and that the proceeds should be used for the same purpose as the Offer subject to the approval of the Regulatory authorities.

NOTES

1. PROXY

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not also be a member. A proxy form is at the end of the Financial Statements. For the appointment to be valid, all valid instruments of proxy should be completed, duly stamped at the Stamp Duties Office and deposited at the office of the Registrars, Unity Registrars Limited No. 25, Ogunlana Drive Surulere, Lagos not more than 48 hours prior to the time of the meeting.

2. AUDIT COMMITTEE

In accordance with Section 359(5) of the Companies and Allied Matters Act Cap C20 Laws of the Federation of Nigeria 2004, any shareholder may nominate another shareholder for appointment to the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least twenty one (21) days before the date of the Annual General Meeting.

3. CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from 20th September, 2018 to 24th September, 2018 (both days inclusive).

4. UNCLAIMED DIVIDEND

Some Dividend Warrants and Share Certificates have remained unclaimed or are yet to be presented for payment or returned to the Registrars for revalidation. Affected Shareholders are advised to contact the Registrars, Unity Registrars Limited, No. 25 Ogunlana Drive, Surulere, Lagos.

5. ELECTION OF DIRECTORS

I. Mr. Olalekan Abraham Oyinlade has been appointed as Executive Director (Operations) to fill an existing vacancy.

II. Mrs. Priya Heal is being proposed for election as Non-Executive Director to fill existing vacancy.

6. QUESTIONS FROM SHAREHOLDERS

Any member entitled to attend the meeting reserves the right to ask questions not only at the meeting but also in writing prior to the meeting. Any questions, observations or comments should be forwarded to the Company Secretariat, Veritas Kapital Assurance Plc, Plot 497, Abogo Largema Street, Off Constitution Avenue, CBD, Abuja, not later than 48 hours before the time fixed for the meeting. A copy of this notice and other information relating to the meeting can be found at www.veritaskapital.com

7. E-DIVIDEND MANDATE

Shareholders are advised to complete the e-dividend Mandate Form in this Annual Report and submit to the Registrars, Unity Registrars Limited, No. 25 Ogunlana Drive, Surulere, Lagos.The Forms can also be downloaded from the Company's website at www.veritaskapital.com.

BY THE ORDER OF THE BOARD
Dated this day 3rd September, 2018

SARATU UMAR GARBA
Company Secretary/Legal Adviser

HEAD OFFICE ADDRESS
Plot 497, Abogo Largema Street, Off Constitution Avenue, Central Business District,
P.M.B 13233 Wuse, Abuja, FCT Nigeria 900211. Phone: 234 (09) 461 9900, Fax: +234(09) 461 9901
Email: info@veritaskapital.com; Website: www.veritaskapital.com

Membership of the Board of Directors during the year ended 31 December 2017.

DIRECTORS

Thomas Etuh	Non-Executive Director	Chairman	Appointed 5th May, 2017
Aminu Babangida	Non-Executive Director		Appointed 5th May, 2017
Oluwafunsho Abiodun Obasanjo	Non-Executive Director		Appointed 5th May, 2017
Abe Nahim Ibraheem	Non-Executive Director		Appointed 5th May, 2017
Hajiya Yabawa Lawan Wabi	Non-Executive Director		Appointed 5th May, 2017
Mrs. Priya Heal	Non-Executive Director		
Alh. Ibrahim M Kashim	Non-Executive Director		
Sen. Maj. Gen. M. Magoro	Non-Executive Director		
Mr. Polycarp O. Didam	MD/CEO		Appointed 8th May, 2017
Mr. Olalekan A. Oyinlade	Executive Director (Operations)		Appointed 28th September, 2017
Mrs. Abraham Aisha Azumi	Non-Executive Director	Chairman	Retired 1st June, 2017
Mr. Bonaventure Okhaimo	Non-Executive Director		Retired 1st June, 2017
Yola Farouk Lawal	Non-Executive Director		Retired 1st June, 2017
Mr. Oluyemi Patrick Olatunji	Executive Director		Retired 23rd March, 2017
Mr. Babatunde O. Oshadiya	Executive Director (Operations)		Retired 13th September, 2017

Ag. COMPANY SECRETARY

Folaranmi O. David
FRC/2018/NBA/0000000018112

REGISTERED OFFICE

Plot 497, Abogo Largema Street,Off Constitution Avenue,
Central Business District Abuja.
www.veritaskapital.com Tel: +234 9 461 9900

REGISTRARS

Unity Registrars Limited
25 Ogunlana Drive, Surulere, Lagos.

AUDITORS

Deloitte & Touche (Chartered Accountants)
Civic Center Towers, Ozumba Mbadiwe Avenue, Victoria Island, Lagos.

ACTUARIES

O & A Hedge Actuarial Consulting
FRC/2016/NAS/00000015764
(Consulting Actuaries & Chartered Insurers)
Suite 28, Motorways Centre, (Opposite 7UP Bottling Plant),
1 Motorways Avenue, Alausa Ikeja - Lagos, Nigeria

RE-INSURERS

African Reinsurance Corporation
Continental Reinsurance Corporation
WAICA Reinsurance Corporation
Nigerian Reinsurance Corporation
Alwen Hough Johnson (AHJ) Limited
CK Reinsurance Limited

BANKERS

Unity Bank Plc
Guaranty Trust Bank Plc.
First Bank of Nigeria Limited
Fidelity Bank Plc
EcoBank Nigeria Limited
Keystone Bank Limited
Sterling Bank
Access Bank Plc

REGULATORY AUTHORITY

National Insurance Commission

RC NO:

11785

Following the successful divestment of Unity Bank Plc shares to Veritas Kapital Limited, Mrs. Aisha A. Abraham, Mr. Bonaventure E. Okhaimo and Alh. Farouk L. Yola resigned effective 1st June, 2017 and were replaced by Mr. Thomas A Etuh, Mr. Aminu Babangida, Dr. Oluwafunsho A. Obasanjo, Hajiya Yabawa L. Wabi, Mr. Abe Ibraheem and Mrs Priya Heal.

BRIEF HISTORY

Unity Kapital Assurance PLC was incorporated in 1973 as a private limited liability company, under the name Kano State Insurance Company Limited with registration number RC: 11785. It started business in 1974 at its head office in Kano. The name was changed to Kapital Insurance Company Limited in 1981.

Following the insurance regulation of September 2005, which requires Insurance companies to recapitalize to the level of N3 billion for non-life companies and N2 billion for life companies. Three insurance companies which had over the years shared similar vision and mission met and decide to merge and consolidate. The companies were Kapital Insurance Company Limited, Intercontinental Assurance Company Limited and the Global Commerce & General Assurance Company Limited.

In 2007, the scheme of the merger was implemented and the Company moved its head office to plot 497 Abogo Largema Street, Central Business District Abuja and changed its name to Unity Kapital Assurance PLC on August 4, 2008.

FCT Head Office,
Plot 497, Abogo Largema Street,
Off Constitution Avenue, Central
Business District, P.M.B 13233 Wuse, Abuja,
FCT. 900211.
Tel.: +234 9 461 9900.

Anambra State,
52A, New Market Road, Onitsha,
Tel.: +234 8166070830

Bauchi State,
1st Floor Badala Plaza,
Plot C4 Adamu Jumba Road,
OPP Jifatu stores Bauchi
Tel.: +234 709 820 4482.

Edo State.
Benin Branch Office, No. 82, 1st East
Circular Road, Benin City, Edo State,
Benin City, Edo State.
Tel.: +234 709 820 4481.

Jigawa State,
Dutse Branch Office. Investment House,
Opposite Central Motor Park,
Sani Abacha Way, Dutse.

Kaduna State,
Nut Endwell House, B8 Mogadishu City Centre,
Off Intercity Bank Road, Kaduna,
Tel.: +234 709 820 4476.

Kano State,
Veritas Kapital House,
No. 116, Hadejiya Road, Kano,
Tel.: +234 709 820 4470.

Head Office Annex,
Gbagada Branch Office,
Plot 173 Gbagada/Oshodi Expressway,
Opposite UPS Express Office, Lagos.
Tel.: +234 7066365912.

Niger State,
Minna Branch Office,
2, Airport Road, Minna.
Tel.: +234 709 820 0772.

Oyo State,
Ibadan Branch Office.
14, Sanusi Akere Street.
Off Oluyole Police Station. Oluyole-Ibadan,
Tel.: +234 709 820 4472.

Rivers State,
Port-harcourt Branch Office,
Unity Bank PLC Premises,
198A, Aba Road Opp Presidential Hotel,
Port-Harcourt.

Sokoto State,
Sokoto Branch Office,
11, Maiduguri Road, Sokoto State.

Warri,
69 Effurun Sapele Road,
Effurun Delta State.
Tel.+234 806 853 4573, +234 818 638 4805.

MISSION
To help our Stakeholders have peace of mind

VISION
To be one of the top Insurance Companies of choice in Africa

PRINCIPLES

Integrity
We will act with openness, fairness, integrity and diligence. We will always adhere to the applicable laws, regulations and standards of doing business.

Performance
We will promote a positive and challenging high performance culture. We will do this by encouraging personal accountability, development and measuring, reward and recognizing success.

Responsibility
We will act responsibly as individuals and as a Company. This applies to the management of our business, our approach to corporate interaction with key external stakeholders.

VALUES
- Working in Teams
- Servicing our Customers
- Respecting each other
- Being proactive
- Growing our People
- Delivering to our Shareholders
- Guarding against arrogance
- Upholding the highest levels of integrity

	Group 2017 N'000	Group 2016 N'000	Company 2017 N'000	Company 2016 N'000
Gross Premium Written	2,411,075	2,110,768	2,320,768	2,042,788
Net Premium Income	1,792,041	1,628,426	1,702,612	1,560,446
Net Claim incurred	(1,194,927)	(710,696)	(1,130,874)	(664,438)
Underwriting Profit	102,113	473,460	76,783	451,738
Management Expenses	(2,074,134)	(1,500,075)	(1,167,141)	(973,986)
(Loss)/Profit before Taxation	(558,605)	408,911	(744,269)	85,175
Taxation	(142,037)	(123,225)	(117,834)	(54,283)
(Loss)\Profit after taxation	**(700,642)**	**285,686**	**(862,102)**	**30,892**

CHAIRMAN’S STATEMENT

MR. THOMAS ETUH
Chairman

A NEW DAWN
Distinguished Shareholders, Members of the Board of Directors, Representatives of Regulatory Agencies, Invited Guests, Gentlemen of the Press, Staff of our Company, Distinguished Ladies and Gentlemen, welcome to the 41st Annual General Meeting of our company.

In line with the mandate given to the Board of Directors, I will like to give an overview of the macroeconomic environment in which we operated, outline our performance for the financial year 2017 and conclude with our outlook for 2018.

In the history of our company, FY 2017 represents a significant period which highlights our commitment to build a resilient brand amidst challenging economic and operational environment. Whilst we are mindful of shareholders' appetite for immediate return on investment, we are equally committed to investing in the future of this company, to achieve our collective goal of building not just a "good company" but a "great insurance institution, with continental competitiveness".

Macroeconomic Review
The improved global business environment which engender consumer confidence as well as rise in yields on investment portfolios around the world enhanced the world economy rally, post 2008-2010 financial crisis.

In spite of this upturn, uncertainties lingered amongst leading economies as Britain struggles with post- BREXIT commercial incertitude while the United States' protectionist foreign policy strains relationship with key trade allies; Canada & China.

The sustained recovery of commodity prices spurred growth in most African countries, given the significance of commodity exports on the continent. On the back of higher commodity exports at improved prices, most African countries had stronger foreign currency earnings and broader fiscal revenues.

On the domestic front, the Nigerian economy consolidated the exit from recession in 2017 recording 2.11% growth in the fourth quarter and 0.82% for the year. External reserves climbed to a 3-year high; inflation slowed for the tenth consecutive month while oil prices advanced to levels not seen since mid-2015. The year recorded a sustained bull run in the equities market as we saw the largest capital inflow since 2014 attributable to the greater confidence in the health of Nigerian foreign exchange market.
In April, the CBN introduced the Importers & Exporters window otherwise known as NAFEX. The commencement of the NAFEX market coupled with high yield on treasury bills attracted foreign portfolio investors resulting in further improvement in FX liquidity. Hence, headline inflation further moderated to 15.37% from 18.55% it closed in the previous year as exchange rates at the parallel market and the NAFEX market effectively converged at N365/$.

Industry Highlight
Notwithstanding the robust headline growth in insurance premiums in Nigeria, the recent performance when considered in real terms lags other sectors as inflation levels offset nominal premium growth. While expense overhead of operators aligned with inflationary trend, revenues remained sub-optimal. However, regulatory initiatives & policies were introduced to stimulate growth within the sector.

Operating Result
Distinguished Shareholders, 2017 financial year turned out to be a challenging year for the Institution as the prevailing macroeconomic and other business exigencies took its toll on the bottom-line with a negative post-tax returns of -N700 million.

However, there exist positives on key operating indices. Gross premium generated grew by 14% to N2.411 billion (2016: N2.110 billion) while net premium income grew by 10% to N1.792 billion. This attests to ongoing effort to reposition the brand for accelerated growth.

Investment income grew by 22% reflecting portfolio efficiency and high yield environment. On the backdrop of ongoing investment in technology infrastructure, operating expense increased by 38%.

During the financial year, we were able to fulfill our claims payment obligation with settled claims of N1.194 billion as and when due. The steep rise in claims expense was as a result of exposure in oil and gas sector, the effect of this was moderated by existing re-insurance treaties which remain robust.
Total asset inched up slightly to close at N11.334 billion, our highest balance sheet position ever. Retained earnings and equity were depressed however due to restating of prior year financials.

Board Development
In the course of the year, Mrs Priya Heal joined the Board as a Non-Executive Director. Priya brings on board a wealth of experience that spans across several sectors & functions which includes investment banking, asset management, mergers and acquisition and healthcare. She is a goal-oriented achiever whose work goes beyond geographical boundaries. She has worked remarkably in multi-cultural environments like Dubai, Germany, London, South Africa and Holland.

Also, one of our most important decisions in 2017 was the appointment of Mr. Polycarp Didam as Managing Director and CEO of our company and Mr. Olalekan Oyinlade as Executive Director in charge of technical and operations. With their appointments, we gained an executive team with extensive insurance industry experience, a proven track record of delivering impressive financial performance and growth and a roadmap to improving our performance and growing market share. Since their arrival, they have outlined a clear strategy for the company focused on pursuing long-term profitable growth, attracting new leaders to complement and strengthen the management team and improving core insurance operations.

Looking into the future

Domestically, Nigeria's economy has already taken off to a great start in 2018. Oil price increased to about USD80 per barrel (highest since2015), foreign reserves increased to USD47bnas at July, 2018 (highest since 2014) and inflation rate dropped to 14.3% (lowest since July 2016). It is pertinent to note that the hitherto high level of insecurity and insurgency that predominated previous years has partially eased. In summary, the outlook for the operating environment remains positive though guided; as 2018 is a pre- election year with associated political risks.

Notwithstanding, the capacity of the company to continue to do business on a long-term basis remains solid. We are very much aware of the task ahead of us and prepare to become more productive, smarter and more rigorous in dealing with necessary changes.

Our strategic focus continues to lean on sustainable growth while we improve on our delivery channels through digital adoption. Learning from the past, we have taken deliberate steps to improve risk management framework and corporate governance. We are now in the right position to deliver comparable performance for 2018 and beyond.

Appreciation

On behalf of the Board, I would like to express our sincere gratitude to our esteemed customers, Insurance Brokers and Agents who have been a force behind our existence. Sincere appreciation also goes to our shareholders; be rest assured of our promise to deliver optimal returns.

To the Management and Staff, The Board and I say a big thank you for your diligence and commitment to achieving our collective goal.

Distinguished Ladies and Gentlemen, I thank you for listening.

MR. THOMAS ETUH
Chairman
Veritas Kapital Assurance PLC

THOMAS ETUH
Chairman

Thomas Akoh Etuh has over the years acquired rich executive management experience spanning banking, corporate management, corporate leadership, and business administration. He served as the Chairman of the Board of Directors of Unity Bank Plc, and has served as the pioneer Vice Chairman of the Board of the Bank. A successful and serial entrepreneur/investor, Thomas is the Founder/Chairman of the TAK group of companies, and holds similar business interests covering a wide range of industries both locally and internationally that include TAK Continental Limited, TAK Aviation, Thomasses and Associates Limited (UK) and Cape Cross Salt (PTY) of Namibia to name a few.
Thomas has attended various courses and trainings both home and abroad such as the Chief Executive Programme at the Lagos Business School, an MBA programme at the Business School of Netherlands, and Advanced Management Programme at the University of Navarra, Barcelona and a Leadership Programme at the London Business School.
An accomplished and methodical individual, Thomas Akoh Etuh possesses vast experience in the private sector sustaining a long track record of successful corporate management and first class communication and administration skills.

HAJIYA YABAWA LAWAN WABI
Non-Executive Director

Hajiya Wabi is an accomplished and versatile individual with deep knowledge and experience in the Nigerian Public Sector. She has held various senior positions in different Nigerian Ministries and Parastatals and has served with distinction as Minister of Finance from 2010 – 2011.
She has demonstrated her sterling leadership attributes while serving as Permanent Secretary at the Ministry of Local Government & Chieftaincy Affairs Borno State, (2009 – 2010); Permanent Secretary, Ministry of Health, Borno State, (2007 – 2008); The Accountant General of Borno State (2003 – 2007), Director of Finance and Accounts at the Ministry of Works & Housing, Borno State, (2002 – 2003) just to name a few.
Hajiya Wabi is a Member of the Infrastructure Concession Regulatory Commission, and a Non- Executive Director at Unity Bank Plc.
She is a Member of the Institute of Certified Public Accountants of Nigeria, The National Institute, and the Chartered Institute of Taxation of Nigeria, the Institute of Directors, and a Fellow of the Association of National Accountants of Nigeria.

SEN. MAJ. GEN. MOHAMMED MAGORO (RTD) OFR, PSC, FSS, USAWC
Non-Executive Director

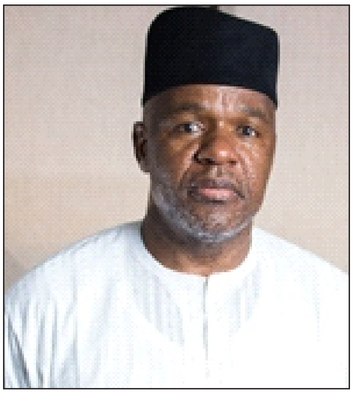
A 1982 Graduate of the prestigious United States Army War College; Senator Major-General Mohammed Magoro (rtd) was the immediate past Senator representing Kebbi-South Senatorial District in the Federal Republic of Nigeria.
He has served with distinction as Federal Commissioner for Transport (1976-1978), Minister of Internal Affairs (1984-1985), and Chairman National Maritime Authority (1987-1991), and is a member of several Senate Committees, amongst which he serves as Chairman, Senate Committee on National Security and Intelligence.
The Distinguished Senator is extensively travelled and has held various Military Commands and appointments; Commandant, Nigerian Army School of Infantry (1982-1983), and Commander Brigade of Guards (1979-1981) and has been honoured with numerous National Awards and Medals such as Officer of the Order of the Federal Republic (OFR), Royalty, Courage and Discipline Medal, and the National Service Medal to name a few.

MRS. PRIYA HEAL
Non-Executive Director

Priya is a target oriented individual whose range of experience over the years has seen her covering various sectors in the business/financial world, establishing a presence in Europe, The Middle East and Africa.
She is co-founder and Managing Director of CHRONOS Asset Management, an Op-Co with expertise in advising, structuring, financing, managing and executing large scale projects. The Company has been tasked with a mandate to manage 5,000 properties within Germany.
Priya has served as Managing Director at FiLTERINVEST, Holland; Restructuring Consultant, Competition Authority (OFT), London, UK; she was a Member of the legal team at GEC Marconi, Surrey, UK; and has also established a local representative office for a Pipeline Integration Company in Johannesburg, South Africa. With a primarily legal educational background and a skill set squarely in execution, Priya attended Yale University, USA; Call To Bar, Lincolns Inn, UK; Inns of Court School of Law, UK; Kings College, UK, LLB Law with German; and The University of Passau, Germany.
Mrs. Priya Heal is a member of the World Economic Forum.

DR. OLUWAFUNSHO A. OBASANJO
Non -Executive Director

Dr. Funsho is a member of the Institute of Director (IoD); the Chartered Institute of Banking; the Royal Society of Chemistry, and the American Chemical Society.
Dr. Funsho was awarded a PhD in Bio-organic Chemistry from the School of Chemistry, University of East Anglia in 2012, and an MSc in Medicinal Chemistry from University College, London (2007). She also attended St. Edmunds College, Ware, and Hertfordshire, UK. She possesses astute research, supervisory and technical experience in Bioinformatics, Chemistry, Analytical techniques and Molecular Biology/Biochemistry. Dr. Funsho has attended a wide spectrum of regional and international trainings and workshops such as a Credit Approval Procedure organized by the Jafa Group in Ghana, a Business Strategy Retreat organized by Nextzon Business Services, an International Program on Effective Enterprise Risk Management Oversight organized by EuroMoney in London, UK, and many others.



ALHAJI IBRAHIM MUHAMMAD KASHIM
Non –Executive Director

Alhaji Ibrahim Muhammad Kashim holds a Master's in Business Administration from the Abubakar Tafawa Balewa University, Bauchi, and is a 1983 graduate of Law from the University of Sokoto.
He started holding high capacity positions early enough in his eminent career following his stint as Company Secretary and Legal Adviser at the Bauchi Printing and Publishing Co. Ltd (BPPC) where he served with distinction. This position sharpened his intellect and deepened his overall knowledge that led him to an illustrious career at the Bureau of Public Enterprises where he served as Director (Post Privatization Monitoring Department) from 2012 to 2015.
Alhaji Ibrahim Muhammad Kashim has attended many local and international courses and workshops; among these were the Business Planning and Growth Strategies for World Class Leaders, London Management Centre, London, Logistics and Supply Chain Management at the prestigious Lagos Business School, and the Nigeria Development Forum (Bilateral International Retreat), Paris, France.

MR. AMINU BABANGIDA
Non -Executive Director

Aminu is the Co-founder and Chief Executive Officer of Phoenix Energy; an energy distribution company that pioneered diesel home delivery services in the North. He is a member of both the Institute of Directors (IoD) and the Bank Directors Association of Nigeria (BDAN).
Aminu serves as Chairman at Unity Bank Plc, and has also served in various capacities on a number of committees at the bank such as Chairman, Board Credit Committee; Chairman, Board Governance and Nominations Committee; Member, Board Audit Committee; Member, Board Finance and General Purpose Committee to name a few.
He holds an MA from the Westminster Business School, London, and a BA from Regents Business School, London. He also attended the College Du Leman and the Gstaad International School both in Switzerland, and the College of Petroleum and Energy Studies, Oxford, UK.
Aminu has attended many local and international trainings and workshops such as a Directors Training on Anti-Money Laundering & Combating of Financing of Terrorism – AML/CFT, facilitated by the CBN, an International Program on effective Enterprise Risk Management Oversight held in London, a workshop on capacity building programme on the Nigerian Sustainable banking principles facilitated by UNEP-FI to name a few.

MR. ABE IBRAHEEM
Non -Executive Director

Abe is a graduate of the prestigious University of Lagos, and is a member of the Petroleum Equipment Supplier of America (PESA), Lagos Polo Club and the USA Honour Society.
A consummate businessman and serial investor with deep experience in the private sector, Abe has served at various senior capacities in a wide range of industries such as Country Adviser, Africa Merchant Bank (Fortis Bank), Paris France; Executive Director, EURONET Nigeria Ltd; Chairman, SDEM Erectors Nigeria Ltd; Executive Director/Country Rep, VPEOPLE Energy Nig Ltd – the largest ship management company in the world. He has proven his integrity and business acumen having served as the mandated representative of Banque Belgolaise/Fortis Bank, Brussels, Belgium, and Societe Generale Bank, Cedex, France.

POLYCARP O. DIDAM
Executive Director/MD/CEO

Polycarp brings to bear over two decades of exemplary leadership and insurance experience garnered mainly from insurance broking and underwriting. He has worked in key/leading companies and Broking firms in the Insurance Industry such as Industrial and General Insurance PLC (IGI) as Regional Director (Marketing) also at AXA Mansard Assurance as Head of branch Operations, Regional Operations and Group Lead. He worked at Fin Insurance Company Limited and Guinea Insurance Plc, where he served with distinction as MD/CEO.

Polycarp possesses enviable competencies and has become a subject matter expert in Public sector Marketing, Life and General Business marketing, Insurance Broking Services and Risk and Advisory Services.
He is an Associate of the Chartered Insurance Institute of Nigeria (ACII); a member of the Nigerian Institute of Management, (MNIM); the National Institute of Marketing of Nigeria (MNIMN); and the Institute of Directors (IOD). He is an alumnus of the prestigious Lagos Business School. He is also an Alumnus of ATBU Bauchi and the University of Lagos where he obtained his masters degree.

OLALEKAN OYINLADE
Executive Director (Operations)

Olalekan is a strategic Business Executive, an experienced underwriting leader, Reinsurance and Risk Management professional who has developed various new products and implemented new processes in the Nigerian insurance Industry.

With over twenty years cognate experience in various insurance roles including Chief Underwriter, Reinsurance Manager, etc. Olalekan specializes in direct and treaty Reinsurance, Underwriting, Commercial claims handling, extensive Client and Broker relations and solving complex situations and problems.

He is a graduate of the University of Lagos. He is also an Associate of the Chartered Insurance Institute of Nigeria (ACIIN); the Corporation of Registered Insurance Brokers (ACIB); and a Member of the Chartered Insurance Institute, London (CII). He is an alumnus of the prestigious Lagos Business School and IMD Swizerland.

The Directors have the pleasure in presenting their report on the affairs of the Veritas Kapital Assurance Plc together with the audited financial statements and auditors' report for the year ended 31 December, 2017.

1 Legal Form

The company was incorporated in Nigeria under the Companies and Allied Matters Act, Cap C20, Laws of the Federation of Nigerian (LFN) 2004 as private limited liability company in 1973. It started business in 1974 as Kano State Insurance Company Limited. The name was changed to Kapital Insurance Company Limited in 1981. In 2005, it merged with Global Commerce and General Assurance Company Limited and Inter-Continental Assurance Company Limited. In 2008, the name on the company was changed to UnityKapital Assurance Plc and subsequently to Veritas Kapital Assurance Plc in March 2018. The company became quoted on the Nigerian Stock Exchange (NSE) ON 17 December 2009. Veritas Kapital Assurance Plc, as at the reporting date, has two subsidiaries namely FUG Pensions Limited (70%) and Health Care Securities Limited (94%) in addition to a 44.65% stake in Goldlink Insurance Plc.

2 Principal Activities and Business Review

The principal activity of the company is to transact general (Non-Life) insurance business. The company ceased transacting life business in 2007. As reported in the past, the net balance on the life funds which is awaiting transfer to a life company is N131.46 million and is included in liabilities in these financial statements. The process of transfer of this fund to a life insurance company is still ongoing.

3 Operating results

The company earned Gross premium of N2.321 billion in 2017 and N2.043 billion in 2016. Loss after tax was N862 million in 2017as against profit of N31 million in 2016. Highlights of the operating results for the year under review are as follows:

	GROUP			COMPANY		
	2017	**2016**	**YOY Growth**	**2017**	**2016**	**YOY Growth**
	N'000	**N'000**	**%**	**N'000**	**N'000**	**%**
Gross Premium Written	2,411,075	2,110,768	14	2,320,768	2,042,788	14
Net Premium Income	1,792,041	1,628,426	10	1,702,612	1,560,446	9
Net Claim incurred	(1,194,927)	(710,696)	68	(1,130,874)	(664,438)	70
Underwriting Profit	102,113	473,460	(78)	76,783	451,738	(83)
Management Expenses	(2,074,134)	(1,500,075)	38	(1,167,141)	(973,986)	20
(Loss)/Profit before Taxation	(558,605)	408,911	(237)	(744,269)	85,175	(974)
Taxation	(142,037)	(123,225)	15	(117,834)	(54,283)	117
(Loss)\Profit after taxation	**(700,642)**	**285,686**	**(345)**	**(862,102)**	**30,892**	**(2,891)**

4 Directors and their interest

The direct and indirect interests of the Directors in the issued share capital of the company as recorded in the Register of Directors' shareholding and/or as notified by the Directors for the purpose of section 275 and 276 of the Companies and Allied Matters Act and the listing requirements of the Nigerian Stock Exchange as at 31 December, 2017 are as follows:

Names	Direct Shareholding	Indirect Shareholding	%	Interest Represented
Sen. Maj. Gen. Mohammed Magoro (RTD)	105,952,347		0.76	
Mal. Ibrahim Kashim	2,225,077		0.02	
Mr. Thomas Etuh	112,280,700	7,668,676,709	56.11	Veritas Capital Limited
		219,801,879	1.59	Tak Asset Management Limited.

5 Changes on the Board

Since the last AGM, there were changes made to the composition of the Board. Mr. Babatunde Oshadiya exited the company on 18th September, 2017 as Executive Director Operations following the expiration of his contract with the company and Mr. Olalekan Abraham Oyinlade was appointed as Executive Director Operations. Mrs. Priya Heal was also appointed on the Board to fill an existing vacancy.

6 Directors Interest in Contracts

None of the Directors has notified the Company for the purpose of Section 277 of the Companies and Allied Matters Act, CAP C20 LFN 2004 of any declarable interest in contracts in which the Company was involved during the year ended 31 December, 2017.

7 Acquisition of Own Shares

The company did not acquire any of its own shares during the year ended 31st December, 2017.

8 Property, Plant and Equipment

Information relating to changes in Property, Plant and Equipment is given in note 14. The Directors are of the opinion that the market value of the Company's assets is not lower than the value shown in the financial statements.

9 Donations and Charitable Gifts

The Company identifies with the aspirations of the community as well as the environment within which it operates and made charitable donations of N100,000 (One Hundred Thousand) to National Association of School of psychology. (NASP) in Abuja.

10 Security Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in issuers' Share, Rulebook of the Exchange, 2015 (Issuers' Rule), the Company that set up a Security Trading Policy that applies to all Employees and Directors. The Policy processes includes the need to enforce confidentiality against external advisers.

11 Complaints Management Policy

In compliance with the Securities and Exchange Commission which became effective in February 2015, the company has in place an investor complaints desk at the Head Office to resolve complaints arising from issues covered under the Investment and Securities Act (ISA) 2007.

12 Agent and Brokers

The Company maintains a network of licensed agents and renders services to its customers through Insurance Licensed Brokers and Registered Agents.

13 Human Resources

i. Training and Development

It is our policy to equip all employees with the skills and knowledge required for successful performance of their jobs. This entails identifying the training needs of our employees and prioritizing implementation of plans to address such needs consistent with the requirements of the business today and in the future. In line with this, in the year under review, the Learning and Development interventions focused on both Functional and Leadership skills of Employees and Directors.

ii. Dissemination of Information

In order to maintain a shared perception of our goals, we are committed to communicating information to employees in a fast and effective manner as possible.

We consider this critical to the maintenance of team spirit and high employee morale. Circulars and newsletters are published in respect of relevant corporate issues. A good communication link with the workforce is also maintained through regular meetings between the Management and Staff. Engagement is viewed as an important driver of employee performance.

iii. Employment of Physically Challenged Persons

VeritasKapital Assurance Plc is an equal opportunity employer and does not discriminate on any ground. Thus, we provide employment opportunities to physically challenged persons. However, this actually goes beyond the need to ensure that there is no discrimination against such persons, but driven by a deep conviction that even in disability, there could be immense ability.

iv. **Employment Equity, Gender, Policies & Practices**
Our resourcing and promotion policy ensures equity and is free from discriminatory bias of gender, ethnic, origin, age, marital status, sexual orientation, disability, religion and other diversity issues. This is role modelled throughout our end to end employee life cycle process.

v. **Staff Diversity, Employee, Development & Training Initiatives**
In the year under review we had staff strength of 112 (75 Males and 37 Females). We have on boarded our new joiners through the corporate induction programme and built people manager capability using the various in-house trainings. We also sent members of the staff to external trainings across the country to build professional and leadership capacity. A further reflection of our people development is the promotion of several staff across levels and functions in the year under review.

vi. **Combating the global challenge on HIV/AIDS, Malaria and other health challenges**
VeritasKapital Assurance Plc has a robust plan to address HIV/AIDS, Malaria and other health challenges that might affect the company's employees and their families. The members of staff enjoy free and comprehensive medical services which are extended to members of their families through the payment of reasonable medical allowances.

vii. **Health and Safety**
The Health and Safety management has been instituted to provide and maintain safe healthy working conditions, work equipment and system for all staff. This responsibility also extends to visitors, contractors and others who may potentially be affected by its activities. The Health and Safety Policy framework underpins the policy statements, roles and responsibilities of the HSE Officer, First Aid Services, fire marshals and emergency procedures etc.

14 Share Capital Information

a. Share Range Analysis	Holdings	Units	%	=N=
1-500000	472	26,925,903	0.19	13,462,952
500001-1000000	51	32,412,215	0.23	16,206,108
1000001-5000000	236	1,695,097,208	12.22	847,548,604
50000001-10000000	15	1,083,097,208	7.82	541,984,337
100000001-500000000	14	2,229,532,677	16.08	1,114,766,339
500000001-1000000000	1	535,758,596	3.86	267,879,298
1000000001-50000000000	2	8,262,971,394	59.59	4,131,485,697

b. Substantial Interest in Shares

Shareholders, who held more than 5% of the issues share capital of the company as at 31st December, 2017 were as follows:

	Share units	%
Dr.Emmanuel I.U Ojei	1,287,628,018	9.2
Veritas	7,668,676,709	56.11

15 Post Balance Sheet Events

In March 2018, The Company changed its name from UnityKapital Assurance Plc to Veritas Kapital Assurance Plc. There are no other significant post balance events which have not been provided for in these financial statements.

16 Auditors

The Auditor, Messer Deloitte & Touche (Chartered Accountants), appointed during the year 2017, have indicated their willingness to continue in the office in accordance with section 357(2) of the Companies and Allied Matters Act, CAP C20, LFN 2004.

A resolution will be proposed at the Annual General Meeting to authorize the Directors to determine their remuneration.

BY THE ORDER OF THE BOARD

FOLARANMI O. DAVID
Ag. COMPANY SECRETARY
FRC/2018/NBA/00000018112

19th July 2018

ABUJA NIGERIA

CORPORATE GOVERNANCE REPORT

Introduction

In Veritas Kapital Assurance Plc, our actions and interactions with our consumers, employees, government officials, shareholders and other stakeholders reflects our values, beliefs and principles. We are committed to conducting our business in line with best practice, in accordance with applicable laws and regulations in Nigeria and as well as in compliance with the Code of Corporate Governance in Nigeria.

As a publicly quoted company, the Company carries out its business operations on the principle of integrity and professionalism while enhancing shareholders value through transparent conduct at all times with the adoption and application of local regulatory standards as well as international best practice in corporate governance, service delivery and value creation for all.
In order to ensure consistency in its practice of good corporate governance, the Company continuously reviews its practice to align with the various applicable Codes of Corporate Governance such as the Securities and Exchange Commission (SEC) Code and the National Insurance Commission (NAICOM) Code with particular reference to compliance, disclosures and structure.

The Board

The governance of the company resides with the Board of Directors which is accountable to shareholders for creating and delivering sustainable value through the management of the company's business. The Board of Directors are responsible for the efficient operation of the company and to ensure the company fully discharges its legal, financial and regulatory responsibilities. The Board also reviews corporate performance, monitors the implementation of corporate strategy and sets the company's performance objectives. The Board monitors the effectiveness of its governance practices, manages potential conflict and provides general direction to management. These oversight functions of the Board of Directors are exercised through its various Committees.

In the course of the year under review the Board has four (4) Committees to ensure the proper management and direction of the company. The Board meets quarterly and additional meetings are convened as at when required. Material discussions may be taken between meetings by way of written resolutions as provided in the Articles of Association of the company.

Composition of the Board of Directors

S/N	NAMES OF DIRECTORS	DESIGNATION	STATUS
1	Mrs Aisha A. Abraham	Chairman	Retired
2	Mr. Oluyemi Olatunji	Managing Director	Retired
3	Mr. Babatunde Oshadiya	Executive Director Operations/Ag. Managing Director	Retired
4	Alh. Farouk L. Yola	Non-Executive Director	Retired
5	Mr. Bonaventure Okhaimo	Non-Executive Director	Retired
6	Mr. Thomas Etuh	Chairman	Present
7	Mr. Polycarp Didam	Managing Director	Present
8	Mr. Olalekan Oyinlade	Executive Director, Operations	Present
9	Sen. Maj. Gen. M. Magoro (OFR)	Non-Executive Director	Present
10	Mal. Ibrahim M. Kashim	Independent Director	Present
11	Sen. Maj. Gen. M. Magoro (Rtd) (OFR)	Non-Executive Director	Present
12	Mr. Nahim Abe Ibraheem	Non-Executive Director	Present
13	Dr. Oluwafunsho A. Obasanjo	Non-Executive Director	Present
14	Hajiya Yabawa L. Wabi	Non-Executive Director	Present
15	Mrs. Priya Heal	Non-Executive Director	Present

The Board is composed of a mix of Executive and Non-Executive Directors, members have the overall responsibility for the governance of the Company. The Board of Directors is accountable to the shareholders and is also responsible for managing relationships with stakeholders including regulators.

The Independent Director does not have significant shareholding interest or special business relationship with the company. The Non-executive Directors are independent of the management and are free from any constraints which may materially affect the exercise of their judgment as Directors of the Company. The effectiveness of the Board derives from the appropriate balance and mix of skills and experience of directors both executive and non-executive.
The company's Board is made up of seasoned professionals who have excelled in their various professions and possess the requisite integrity, skills and experience to bring to bear, independent judgement on the deliberations of the Board.

Appointments and Retirements
Since the last AGM, there were changes made to the composition of the Board. Mr. Babatunde Oshadiya exited the company on 18th September, 2017 as Executive Director Operations following the expiration of his contract with the company and Mr. Olalekan Abraham Oyinlade was appointed as Executive Director Operations. Mrs. Priya Heal was also appointed on the Board to fill an existing vacancy.

Separation of the Positions of Chairman and Managing Director
The positions of the Managing Director and that of the Chairman of the Board are occupied by different persons and the Managing Director is responsible for the implementation of the Company's business strategy and the day-to-day management of the business.

Responsibilities of the Board
The Board determines the strategic objectives of the company in delivering long-term growth and short-term goals. In fulfilling its primary responsibilities, the Board is aware of the importance of achieving a balance between conformance to governance principles and economic importance.

The power reserved for the Board includes the following:

a) Determination of Board structure, size and composition, including appointment and removal of Directors, succession planning for the Board, Senior Management and Board Committee members.
b) Approval of mergers and acquisition, branch expansion/reduction, establishment of subsidiaries, approval of remuneration policy and packages of the Board members.
c) Approval of policy documents on significant issues including Enterprise-wide Risk Management, Human Resources, Corporate Governance and Anti-money laundering.
d) Approval of resources and corresponding documentation for shareholders in general meeting(s), shareholders circulars, prospectus and principal regulatory filings with regulators.
e) Approval of major change to the company's corporate structure, and changes relating to the company's capital structure or its status as a public liability company.
f) Approval of quarterly, half-yearly, and full year financial statements (whether audited or unaudited) and any significant change in accounting policies and/or practices.
g) Approval of the company's strategy, medium and short-term plans and its annual operating and capital expenditure budget.
h) Recommendation to shareholders of the appointment or removal of auditors and the remuneration of auditors.

Induction and Training
The Company has in place a formal induction programme for newly appointed Directors. As part of this induction, each new Director is provided with core materials and requested to complete a series of introductory meetings to become knowledgeable

on the Company's business and familiar with the senior management team.

The Company Secretary is in charge of evolving a continuing education programme to ensure existing Directors stay current with the Company's business and objectives as well as relevant industry information and other external factors such as corporate governance requirements and best practices. As part of the programme, Directors are encouraged to periodically attend appropriate continuing education seminars or programmes which would be beneficial to the Company and the Directors' service on the Board.

Non-Executive Director's (NED) Remuneration

The company's policy on remuneration of Non-Executive Directors is guided by the provision of National Insurance Commission and Securities Exchange Commission Codes which stipulates that the Non-Executive Directors' remuneration shall be limited to Directors' fees and reimbursable travel and hotel expenses. Directors' fees and sitting allowance was paid to only Non-Executive Directors as recommended by the Board Establishment and Governance Committee.

Attendance at Board Meetings

The Board held 6 meetings during the 2017 financial year. The following table shows membership and the attendance of Directors at the Board meetings in the 2017 financial year.

S/N	NAME	23/03/2017	04/05/2017	03/06/2017	19/07/2017	14/09/2017	14/12/2017
1	Mrs Aisha .A. Abraham	P	P	P	LTB	LTB	LTB
2	Alh. Farouk .L. Yola	P	P	AWA	LTB	LTB	LTB
3	Mr. Bonaventure .E. Okhaimo	P	P	P	LTB	LTB	LTB
4	Sen. Maj. Gen. M. Magoro	P	P	P	P	P	P
5	Mr. Oba Olufemi (NAICOM)	P	P	P	LTB	LTB	LTB
6	Mal. Ibrahim M. Kashim	P	P	P	P	P	P
7	Mr. Olatunji Oluyemi	P	LTB	LTB	LTB	LTB	LTB
8	Mr. Babatunde Oshadiya	P	P	P	P	AWA	LTB
9	Mr. Thomas .A. Etuh	NYA	NYA	NYA	P	P	P
10	Mr. Babangida .A. Aminu	NYA	NYA	NYA	P	AWA	P
11	Dr. Obasanjo .A. Oluwafunsho	NYA	NYA	NYA	P	P	P
12	Mr. Abe .N. Ibraheem	NYA	NYA	NYA	P	P	P
13	Hajiya Wabi .Y. Lawan	NYA	NYA	NYA	P	P	P
14	Mr. Polycarp .O. Didam	NYA	NYA	NYA	NYA	P	P

- P – Present
- AWA – Absent With Apology
- LTB – Left The Board
- NYA – Not Yet Appointed

BOARD COMMITTEES

The Board carries out its responsibilities through its committees, namely; Audit and Compliance Committee, Establishment and Governance Committee, Finance, Investment and General Purpose Committee and Enterprise Risk Management Committee.

Through these Committees, the Board is able to more effectively deal with complex and specialized issues and to fully utilize its expertise to formulate strategies for the company. The Committees make recommendations to the Board which retains responsibility for final decision making.

All Committees in the exercise of their powers as delegated conform to the regulations laid down by the Board, with well-defined terms of reference contained in the charter of each committee. The Committees render reports to the Board at the Board quarterly meeting.

Below is the Committees' composition and meetings that took place during the year:

a. **Establishment and Governance Committee:**

The Establishment and Governance Committee is charged with instituting a transparent procedure for the appointment of new Directors to the Board and making recommendations to the Board regarding the tenures and the re-appointment of Non-Executive Directors on the Board and also review and submit to the Board for approval, staff qualified for Senior Management positions, bi-annually reviews the description of the Executive Directors and establish objectives to assess performance etc.

The Committee comprised of the following members during the financial year:

S/N	NAME	23/03/2017	12/09/2017	12/12/2017
1	Alh. Farouk L. Yola	P	LTB	LTB
2	Mr. Bonaventure .E. Okhaimo	AWA	LTB	LTB
3	Mal. Ibrahim Muhammad Kashim	P	P	P
4	Sen. Maj. Gen. Mohammed Magoro	P	P	P
5	Mr. Olatunji Oluyemi	P	LTB	LTB
6	Mr. Babatunde Oshadiya	P	P	LTB
7	Mr. Aminu Babangida	NYA	AWA	P
8	Mr. Abe Ibraheem	NYA	P	P
9	Mr. Polycarp O. Didam	NYA	P	P

- P– Present
- AWA – Absent With Apology
- LTB – Left The Board
- NYA – Not Yet Appointed

b. **Finance, Investment and General Purpose Committee:**

The Finance, Investment and General Purpose Committee is responsible for monitoring the integrity of the financial statements of the Company and reviewing the effectiveness of the Company's internal control and risk management system, among others. The Committee comprises four Non-Executive Directors selected to provide a wide range of financial, commercial and international experience.

Composition of the Committee and schedule of attendance during the financial year are as follows:

S/N	NAME	22/03/2017	18/07/2017	11/09/2017	11/12/2017
1	Sen. Maj. Gen. Mohammed Magoro	P	P	LTC	LTC
2	Mal. Ibrahim Muhammad Kashim	P	P	LTC	LTC
3	Alh. Farouk l. Yola	P	LTB	LTB	LTB
4	Mr. Bonaventure Okhaimo	P	LTB	LTB	LTB
5	Mr. Olatunji Oluyemi	P	LTB	LTB	LTB
6	Mr. Babatunde Oshadiya	P	P	P	LTB
7	Mr. Abe Ibraheem	NYA	P	P	P
8	Hajiya Yabawa Wabi	NYA	P	P	P
9	Dr. Funsho Obasanjo	NYA	P	P	P
10	Mr. Polycarp O. Didam	NYA	P	P	P

- P– Present
- AWA – Absent With Apology
- LBT – Left The Board
- NYA – Not Yet Appointed
- LTC - Left The Committee

c. **Statutory Audit and Compliance Committee:**

The Company has an Audit Committee set up in accordance with the provisions of the Companies and Allied Matters Act. It comprises of a mixture of Non-Executive Directors and shareholders elected at the Annual General Meeting. It evaluates annually, the independence and performance of external auditors, receives the interim and final audit presentation from the external auditors and also reviews with management and the external auditors, the annual audited financial statements before its submission to the Board. During the year, the Committee approved the audit plan and scope of the external auditors' work for the financial year and reviewed quarterly and half yearly financial results before they were presented to the Board. The Committee also received reports from management on the accounting system and internal controls framework of the Company.

The composition of the Committee and schedule of attendance during the financial year are as follows:

S/N	NAME	23/03/2017	03/05/2017	18/07/2017	11/09/2017	11/12/2017
1	Mal. Ibrahim Muhammad. Kashim	P	p	P	P	P
2	Mr. Bonaventure .E. Okhaimo	P	AWA	LTB	LTB	LTB
3	Alh. Usman Abaji	P	P	P	P	P
4	Alh. Muhammed B. Alhassan	P	P	P	P	P
5	Mr. Ayuba M. Lolo	P	D	D	D	D
6	Mr. Babatunde Oshadiya	P	P	P	P	LTB
7	Hajiya Yabawa L. Wabi	NYA	NYA	NYA	P	P
8	Mr. Abe Ibraheem	NYA	NYA	NYA	P	P
9	Mr. Akintunde O. James	NYA	NYA	NYA	NYA	P

- P - Present
- AWA - Absent With Apology
- LBT - Left The Board
- NYA - Not Yet Appointed
- Deceased

d. Enterprise Risk Management Committee:

The primary purpose of the Enterprise Risk Management Committee is to assist the Board and the Audit Committee in supervising, reviewing and assessing the overall adequacy and integrity of the risk management framework of the company.

The composition of the Committee and schedule of attendance during the financial year are as follows:

S/N	NAME	23/03/2017	12/09/2017	12/12/2017
1	Mal. Ibrahim M. Kashim	P	P	P
2	Sen. Maj. Gen Mohammed Magoro	P	P	P
3	Mr. Bonaventure Okhaimo	P	LTB	LTB
4	Alh. Farouk l. Yola	P	LTB	LTB
5	Mr. Olatunji Oluyemi	P	LTB	LTB
6	Mr. Babatunde Oshadiya	P	P	LTB
7	Mr. Aminu Babangida	NYA	AWA	P
8	Dr. Funsho Obasanjo	NYA	P	P
9	Mr. Polycarp O. Didam	NYA	P	P

- P - Present
- AWA - Absent With Apology
- LBT - Left The Board
- NYA - Not Yet Appointed

Code of Business Ethics and Code of Governance for Directors

The Company has a Code of Business Conduct which is based on our purpose and values as an organization. The Code sets out collective and individual commitments to ethical business practices in line with the company's global Policies, relevant laws, regulations and industry standards. The Code is applicable to all employees, Directors and business partners of the Company and employees are trained and annually certified on the salient provisions of the Code.

In addition to the Code of Business Ethics, we have policies which inspire and guide how we work every day and everywhere. These key policies govern our conduct in all facets of the Company's operations and include policies on Anti-Corruption, Anti-Money Laundering etc. We apply the principles of fairness, integrity and transparency in all our business dealings as entrenched in our Code of Business Ethics and in line with international best practices. Training, communication programmes and compliance monitoring mechanisms are in place to ensure that all relevant stakeholders remain aware of and comply with the provisions of the Code and policies.

Insider Trading and Price Sensitive Information

Directors, insiders and other related persons with non-public, confidential and price-sensitive information are prohibited from dealing in the equities of the Company where this will amount to insider trading. Directors, insiders and related parties are prohibited from disposing, selling and buying or transferring their shares in the company for a period commencing from the date of receipt of such insider information until such a period when the information is released to the public or any other period as defined by the company from time to time.

Monitoring Compliance with Corporate Governance

a. The Chief Compliance Officer monitors compliance with money laundering requirements and implementation of Code of Corporate Governance of the company. The Chief Compliance Officer together with the Chief Executive Officer certifies each year to National Insurance Commission (NAICOM) and Securities Exchange Commission (SEC) that they are not aware of any other violation of the corporate governance code other than as disclosed during the year.

b. Whistle Blowing Procedures: In line with the Groups commitment to instil the best corporate governance practice, a whistle blowing procedure was established that ensures anonymity on any reported incidence(s). The Company has a dedicated e-mail address for whistle blowing procedures.

Complaint Management Policy

In accordance with the rules and regulations of Securities Exchange Commission, the Company adopted and implemented a complaint management policy which is a platform that addresses complaints arising out of issues that are covered under the Investment and Securities Act, 2007 (ISA) by the company's shareholders.

The Complaint Management Policy was designed to handle and resolve complaints from all Shareholders of the company.

A copy of the Complaint Management Policy shall be made available for inspection to shareholders of the company at the Annual General Meeting of the company. The Policy can be found on the company's website: www.veritaskapital.com.

Unclaimed Dividends

The list of unclaimed dividend has been provided by the Registrars in a separate document.

Shareholders

The Shareholders have an opportunity to express their concerns (if any) and opinions on the company's financial results and all other issues at the Annual General Meeting of the company. The meetings are conducted in a fair and transparent manner where regulators such as National Insurance Commission, Securities Exchange Commission, Nigerian Stock Exchange, Corporate Affairs Commission, the Auditors as well as other Shareholders Associations are in attendance.

To ensure timely and effective communication with Shareholders on all matters of the company, the Secretariat deals with all enquiries from Shareholders and it is communicated to Management and the Board.
The company also dispatches its annual reports, providing highlight of all the company's activities to its Shareholders.

Protection of Shareholders Right
The Board ensures the protection of statutory and general rights of shareholders at all times, particularly their right to attend and vote at general meetings. All Shareholders are equally treated regardless of volume of Shareholding of social status.

Corporate Social Responsibility
The Board and Management recognize the role of the Company as a corporate entity and have long supported communities and charitable projects.
The Board continues to ensure that the Company's corporate social responsibility activities are on-going and that the Company takes advantage of the many opportunities that the corporate social responsibility brings to the business, society and its stakeholders.

Compliance with Regulatory Requirements
The Company continued to maintain its commitment to achieving 100% compliance with Statutory and other Regulatory requirements. It complied substantially with the Codes of Corporate Governance of the National Insurance Commission (NAICOM), Securities and Exchange Commission (SEC) as well as post listing requirements of the Nigerian Stock Exchange (NSE). In order to ensure the effectiveness of the Company's compliance system, the level of compliance is monitored regularly by the Internal Audit on a weekly basis and by the Audit Committee and the Board through quarterly compliance reports detailing the Company's level of compliance and sanctions imposed (if any) prepared by the Chief Compliance Officer.

Management Committees
For a smooth and effective running of the Company, the following Management Committees exist. These Committees give support to the Managing Director in running the Company and also make recommendations to the Board and the relevant Board Committees.

- **Executive Committee**
- **Information Technology Steering Committee**
- **Claims Committee**
- **Salvage Committee**
- **Asset Disposal Committee**
- **Product Development Committee**
- **Cost Optimization Committee**
- **Management Committee**

Customers
A satisfied and loyal customer base is core to our business.
We are committed to:

- Delivering the consistent and reliable levels of customer service.
- Acting with integrity, due care and diligence.
- Communicating openly, honestly and with sensitivity and understanding.
- Listening to our customers.
- Handling complaints fairly and promptly.
- Respecting our customers' rights to privacy and confidentiality.
- Protecting our customers and our business from fraud.

Business Partners
We demand high standards from the companies we work with and believe that they should expect the same from us.

We are committed to:

- Carrying out our business with fairness and integrity.
- Being reliable and quick to respond.
- Awarding contracts and selecting business partners solely on the basis of fair and objective business criteria and having regards to high ethical standards.
- Respecting all obligations and confidentiality.
- Protecting our customers and our business from fraud.

Employees
Motivated and skilled employees are critical to our success.

We are committed to:

- Fostering a positive and challenging high performance culture.
- Rewarding superior performance.
- Encouraging personal development.
- Encouraging a culture of frank and honest communication.
- Encouraging teamwork and strong leadership.
- Providing a safe and secure working environment.
- Encouraging diversity and equal opportunities.
- Ensuring that grievances and unethical behaviour can be raised without fear of discrimination.

In return we expect our employees to:

- Act with integrity.
- Take responsibility and accountability for their own actions.
- Show support and commitment for change.
- Focus their energy in getting the best from themselves and others.
- Have the confidence and courage to act with conviction.
- Show understanding for and meet external and internal customers' needs.
- Show a relentless desire for success.
- Create positive and effective working relationships.

Regulators
We have an open, cooperative and transparent relationship with our regulators.
We are committed to:

- Dealing with our regulators in an open, cooperative and transparent manner.
- Managing our business with appropriate standards of risk management and controls.
- Preventing and reporting any instances of significant financial crime.
- Preventing breaches of relevant regulatory requirements.
- Complying with all set standards.

Community & Environment
We believe in continuous improvement of our environmental performance and in taking action around emerging environmental issues. Whenever we operate, we will seek positive engagement with local communities we are committed to:

As a business, we have a responsibility to manage our impacts on the environment through appropriate use of resources such as energy, paper and water and the investment of our assets.

We also have a responsibility to take proactive active on environmental issues that are likely to affect our business and community at large.

In each of these areas, we will look to make continuous improvement and actively monitor our performance.

Shareholders
We are committed to fulfilling the aspirations of our shareholders through a commitment to business performance, and high standards of transparency, communication and corporate governance.

We are committed to:

- A culture of business performance, focused on delivering returns to shareholders.
- Comprehensive and transparent disclosure.
- Aiding Shareholder's understanding through the disclosure of relevant financial and non-financial information.
- Listening to the views of our shareholders.
- Managing our business with appropriate standards of risk and control.
- Ensuring due care in the selection of our third party advisers, including our auditors.
- Preventing and reporting any market abuse.
- Acting with due sense of responsibility on confidence entrusted to us.

Operating Environment
The Nigerian economy in 2017 was heralded with an aura of uncertainty, given the tailwinds of the prior year. Key macroeconomic indices experienced some steady recovery, though, slow.

The recessionary trend in Gross Domestic Product (GDP) growth recorded prior year received a recovery boost from its first quarter posture of -0.9% to 0.72% in the second quarter and 1.4% in the third respectively. Crude oil prices also gathered momentum, over the months, beating the consensus predictions for the year.

Meanwhile, with the mild recovery across key macroeconomic fundamentals, trails of high cost of business operations still prevailed within the economic spectrum. The relative stability in the interest and foreign exchange rates environment as well as the inherent drive to propel the non-oil sector and expand growth, inspired some confidence in the economy at the close of 2017.

Headline inflation maintained steady declining trends over the horizon, closing at 15.9% in December 2017, from 18.72% recorded at the commencement of the financial year.

Within the same span, the slight rebound in the external sector provided an impetus for the Federal Government of Nigeria (FGN) to roll out policy interventions such as Economic Recovery and Growth Plan (ERGP) among other key policies, to set the tone for the long-awaited fiscal intervention. More so, the passage of the 2018 budget, although, with slow implementation, remained a recurring decimal within the socioeconomic space.

Nature of Business
We are a Financial Service Company; a non-life insurer, supported by a team of experienced professionals and risk management specialists who design bespoke solutions that cater for the versatility of our client individual needs. Our services include:

- Motor Insurance
- Marine Insurance
- Fire
- General Accident
- Oil and Gas
- Bond
- Engineering
- Aviation

The Insurance Industry
The trends in the Nigerian Insurance industry remained stable, having witnessed some uptake during the review period. The regulatory environment, in the same vein, was relatively steady, inducing further interests among foreign players through various mergers and acquisition (M&A).

New regulatory guidelines were introduced while the proposed Risk based supervision is gaining thrust among players.
Growing interests of foreign investors in the insurance industry further kept the stimulations within the competitive landscape increasingly potent. More so, the increasing effects of technology as a critical game-changer in product distribution, process efficiency and cost optimization significantly stirred stiffer competition among industry players. These developments are expected to linger in the mid-term given the massive opportunities within the space.

In the near term, retail remains a massive market to be explored, given the potentials of the economy and inherent value-add to business outcomes.

Business Overview
At the close of 2017 financial year, the Company achieved a gross premium written of NGN 2.32 billion while it recorded a growth of 14% from the corresponding performance attained in 2016(FY2016: NGN 2.042 billion).

The significant upswings in the top-line and bottom-line performances can largely be ascribed to sustained market penetration efforts across key customer segments, improved risk selection and underwriting practices as well as enhanced claims and reinsurance management processes.

The Company is well-capitalized with robust liquidity and solvency margin above the required benchmark. The total assets recorded a slight decline of 0.098% at year-end from NGN10.3bn achieved in 2016 to NGN10.2bn in 2017. The investment portfolio was well-balanced during the year with more focus on government securities whose maturity profiles were matched to those of insurance contract liabilities.

Outlook

The key components of the Company's strategy within the planning horizon are hinged on increased leverage of technology to drive product distribution while guaranteeing sustained process improvement and optimization.

More so, the Company is committed to innovation towards delivering prime customer value, and best-in-class brand experience across all its touch-points.

We are committed to serving our customers well in order to build a stronger, sustainable business, which makes a positive contribution to the society, and for which our people are proud to work. We have made concerted effort to put the customer first in everything we do. We will continue to deepen our understanding of our customer's need and accordingly improve the product offering, the customer experience and the channels through which they are served.

To ensure that we provide value to shareholders and customers, we will continue to drive high performance in our businesses by delivering profitable growth and operational efficiency, and by optimising risk and return.

The Company has a robust enterprise risk management framework which has been designed along the requirements of NAICOM and the Committee of Sponsoring Organisation of the Tread way Commission (COSO). Effective risk management remains fundamental to the business activities of the Company and there is a framework that supports a culture where risk management is everyone's responsibility from the levels of the Board and Executive committees down to risk owners and respective risk units.

The Company's Enterprise Risk Management framework clearly identifies, assesses, monitors, evaluates and manages the principal risks it assumes in conducting its activities. These risks include credit, market and operational risks, as well as legal, compliance, reputational information security risk and underwriting risks. The risk structure includes management's approach to risks inherent in the business and its appetite for these risk exposures. Under this approach, the Company continuously assesses its top risks and monitors the risk profile against approved limits. The main strategies for managing and mitigating risks include policies and tools that target specific broad risk categories.

Enterprise Risk Management Philosophy

The Company's risk management principles and strategies are hinged on maximising value creation and returns on investments. The risk management strategy is such that will assist the Company in achieving its vision and delivery of business objectives. As part of the risk strategy, the Company's Enterprise Risk Management framework will ensure identification, quantification and treatment of all the foreseeable key risks. Our basis include that the risk management process will;

i) Uphold the Company's integrity and value system;
ii) Add sustainable value to all the activities of the organisation;
iii) Aid the understanding of the potential upside and downside of key risks;
iv) Support compliance to regulatory requirements;
v) Increase probability of success;
vi) Reduce the uncertainty of achieving the organisation's overall objectives;
vii) Support the culture that “managing risk is everybody's responsibilities”

Our risk management context is entrenched in our mission statement of wealth protection through a team of risk and investment managers that provides our customers and other stakeholders with effective, creative solutions, assuring their financial security with our superior strength and capacity in the Nigerian market space.

Our Risk Culture

a) The Board and Senior Management consciously promote a responsible approach to risk management and ensure that the sustainability and reputation of the Company are not jeopardised while expanding its market share.
b) The responsibility for risk management in the Company is fully vested in the Board which in turn delegates such to senior management.
c) The Company pays adequate attention to both quantifiable and unquantifiable risks.
d) The Company management creates awareness of risk and risk management across board.
e) The Company continually subject its products, distribution channels and businesses to effective risk assessment process and it will not engage in any business until it has objectively assessed and managed the associated risk.

Risk Management Framework

Our risk management framework was designed and embedded in our operating culture and processes. There are clear levels of responsibilities (from the Board of Directors to the Staff Unit) assigned for effective management of our business risks.

We operate and maintain three levels of risk governance structure for the oversight and management of risk. These are:

1st line: Management

The Board includes the Board of Directors and the Board Audit and Compliance Committee and are charged with the responsibility for oversight of the Enterprise Risk Management process, proposing and approving the Risk Appetite level for the business and delegating responsibility of detailed oversight to Risk Committee.

2nd line: Risk oversight

This consists of the Risk Management Committees and the Chief Risk Officer of the Company.

The Management evaluates the risks inherent within the business and ensures that they are captured appropriately within the business Risk Profile. The Chief Risk Officer facilitates an improved understanding of Risk Management process throughout the organisation in order to embed and improve continuously a risk awareness culture and to work with business management to review and update the Risk and control log.

The Chief Risk Officer (CRO) is responsible for setting policies and procedures necessary for the implementation of the risk framework. The role of the Chief Risk officer includes communicating the Company's risk profile to the Board and Management Committee and also communicates the decisions of the Board and Risk Management Committee to the other members of the Company.

3rd line: Independent assurance
This is the last line or level of defence within our risk management structure and comprises the internal audit and external auditors' function that provides independent and objective assurance of the effectiveness and adequacy of risk management control and governance process.

Risk Appetite
The Company is committed to driving its business initiatives without loss of value or unmitigated exposures to related risks. In order to improve the value of shareholders' wealth and remain profitable, the Company designed its appetite for risk exposures at any given situation. The risk appetite represents the amount of risk exposure or potential adverse impact from an event that the Company is willing to accept/retain. The risk appetite of the Company is set by the Board of Directors annually, and it is aimed at minimising erosion of earnings or capital due to avoidable losses in the trading, investment and underwriting books, or from frauds or operational inefficiencies. The Company's Risk Appetite objectives include:

i) Optimisation of capital employed through enhanced returns on equity.

ii) Consistently strive to minimise overall cost of risk exposure and its management through effective risk mitigation practices.

iii) Losses due to frauds and operational lapses should be a maximum of a specified percentage of gross earnings and in any case be lower than the industry average.

Risk Management Policies and Procedures
The Enterprise-wide Risk Management policies and procedures which have been instituted strategically are aimed at managing potential, inherent and residual risk categories in our operations.

The Board recognizes that the practice of risk management is critical to the achievement of corporate objectives and has actively encouraged a risk culture that embraces innovation and opportunity, primed risk-taking and acceptance of risk which is inherent in all our activities, whilst reducing barriers to successful implementation.

Risk Classification
The Company is exposed to different kinds of risk while conducting its business. Some of these include:

Market Risk/Investment Risk
This is the risk to a Company's financial condition resulting from adverse movements in the level or volatility of market prices. The Company has a structured process and basis for measuring and calculating the probability of loss and possible impact on the Company's capital resources caused by adverse changes in the price of stock and shares, property, exchange rates and other market conditions that are relevant. The Companies have established investment limits in its operational guidelines and policy of assets diversification in line with NAICOM regulations to prevent over concentration and over exposure to any particular market.

Credit Risk
This is the risk that counterparty will default on payment or fail to perform an obligation to the Company. The Company has a system for conducting due diligence on the credit worthiness of any party to which it has credit exposure. The Company does not ordinarily grant credit facilities to third parties in the course of its business but could have credit risk associated with Insurance Brokers consequent upon the “No Premium No Cover” enforcement by NAICOM.

Operational Risk
This is the risk of loss from inadequate or failed internal processes, people and systems or from external events which arises from the potential that inadequate information systems, operational problems, breaches in internal controls, fraud, or unforeseen catastrophes will result in unexpected losses. The Company has policies that cover risk that may arise from people, systems and internal process failures. The policies include staff recruitment, training, retention plans, succession plans, remuneration and welfare benefits, designing standard operating procedure and policies, driving compliance culture, process automation, Information Technology support systems, data integrity, IT systems access, etc.

Liquidity Risk
Liquidity risk exist when there is insufficient cash flow to meet the Company's operational and financial obligations and is usually associated with inability to liquidate assets or obtain funding from external sources to pay claims and other liabilities when due. The Company manages its liquidity risk through appropriate assets and liability management strategies through the Investment Management Committee. Monthly reports and review of liquidity gaps is conducted to assess the level of liquidity risk.

Reinsurance Risk
This is the risk of inadequate reinsurance cover to mitigate underwriting risk. It usually occurs when there is insolvency of a reinsurer, discovery of exposures without current reinsurance coverage, or exhaustion of reinsurance covers through multiple losses. The Company has documented reinsurance policies for adequate reinsurance arrangements and treaties for all categories of insurance business transacted. The policies include the process for Reinsurer selection, monitoring, claims recovery, etc.

Underwriting Risk
Underwriting is the process by which an insurer determines the conditions necessary and suitable to accept insurance risk. The risk crystallises when there are severe and frequent claims against the Company's projected capacity. The Company has embedded internal control processes to guide its insurance business and guide against the risk of unexpected losses and capital erosion. There is a well-documented underwriting policies and procedure and are enforced throughout the organisation.

Business Risk
The Company's business risk is associated with gaining market shares and remains profitable. This risk is considered through documented process for product development and launch, business segment profitability analysis, stakeholder's engagement as well as being embedded in our brand promise.

Reputational Risk
This is the risk of events that could cause public distrust and damages to the Company's integrity, reputation and goodwill especially in the eyes of the customers, regulators, competitors, and the general public. We manage reputational risk through a structured approach for defining and implementing core values and acceptable standard of behaviour which the staff are expected to follow while conducting the day to day business of the Company. The Company risk assessment and monitoring process has embedded controls for testing reputational risk and e menthe outcome of such exercise is communicated to the Board Risk Committee on a quarterly basis.

Legal/Compliance Risk Management
The Company has procedures to ensure that all statutory regulations are completely adhered to by the business unit at all times. These regulations include those set by NAICOM and other relevant agencies of government. There are internal control processes that identify potential breaches to the regulations and are promptly mitigated. Some of the control processes include:

a) Know -your-customer (KYC) procedure
b) Anti-money laundering/combating the financing of terrorism (AML/CFT)
c) Anti-bribery and corruption measures
d) Guidelines for adherence to Corporate Governance principles
e) Gift policies
f) Whistle blowing policies

Risk Report and Risk Map
Issues arising from risk assessment process are collated and presented in a report called the Risk Report which forms the basis of constructing the risk map. The risk map draws senior management's attention to the critical risk factors as well as the adequacy of existing controls to mitigate the risk. The risk map provides a snapshot summary of the significant risk and the ratings and probability of occurrence within a specific period. This forms the basis for estimating the potential operational loss.

Risk Control Self-assessment (RCSA)
The Company has a mechanism for risk assessment on periodic basis and this is known as Risk control self-assessment (RCSA) principle. It involves the tests and procedures or assessments that need to be performed periodically to assure that key controls are in place and are working effectively as designed. The control requirements are proactively assessed through Process risk analysis and review of policy requirements, loss events, and audit findings. The Company then set controls required to comply with policy requirements and test these processes for adequacy and risk mitigation capability. Risk Champions are engaged in each business or risk unit and facilitates the process of risk control self-assessment in the Company.

Key Risk Indicators
The key risk indicator (KRI) provides trend analysis of risk exposures or deviation from standard processes. This helps the Risk Officers and Risk owners to promptly identify increasing threat to business activities and escalate to the appropriate senior levels for control and to probably review the risk appetite. The trend analysis is one of the sources of data for the risk report and risk map documented by the Company.

Loss Events Reporting
The Company has a Loss Event Register that captures all actual loss sustained during operational processes.

Health and Safety Management

The Health and Safety Management has been instituted to provide and maintain safe healthy working conditions, work equipment and systems for all staff. This responsibility also extends to visitors, contractors and others who may potentially be affected by our activities. The Health and Safety Policy framework underpins the policy statements, roles and responsibilities of the HSE officer.

Business Continuity Plan (BCP)

The Business Continuity Plan (BCP) has been designed to promote resilience against operational threats especially with regards to continuity of critical operations, in the event of a disaster or disruption to critical operations. The BCP framework also addresses adherence to contingency planning procedures, in the event of emergencies. We aim to continually improve on inherent gaps identified during each simulation exercise.

TO THE MEMBERS OF VERITAS KAPITAL ASSURANCE PLC

In accordance with the provision of Section 359 (6) of the Companies and Allied Matters Act CAP C20 Laws of the Federation of Nigeria 2004, we confirm that we have seen the Audit Plan and Scope and the Management Letter on the audit of the books of the Company and the response.

In our opinion, the plan and scope of the audit for the year ended 31 December, 2017 were adequate.

We have reviewed the Auditor's findings and we are satisfied with the management response thereon.

We also confirm that the accounting and reporting policies of the company are in accordance with legal requirements and ethical practices.

Ibrahim M. Kashim
FRC/2017/NBA/00000016458
Chairman, Audit Committee

Members of the Audit Committee are:

Ibrahim M Kashim	- Independent Director
Avuba M. Lolo	- Shareholders' representative
Usman Abaii	- Shareholders' representative
Muhammed B. Aihassan	- Shareholders' representative
Bonaventure E. Okhaimo	- Non-Executive Director

The Directors of Veritas Kapital Assurance Plc are responsible for the preparation of the financial statements that give a true and fair view of the financial position of the company as at 31 December 2017, and the results of its operations, cash flows and changes in equity for the year ended, in compliance with International Financial Reporting Standards ("IFRS"), and in the manner required by the Companies and Allied Matters Act of Nigeria, the Insurance Act, CAP I17 LFN 2004, relevant guidelines and circulars issued by the National Insurance Commission (NAICOM) and Financial Reporting Council Act 2011.

In preparing the financial statements, the Directors are responsible for:

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

The Directors are responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls throughout the Company;
- Maintaining adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Company, and which enable them to ensure that the financial statements of the company comply with IFRS;
- Maintaining statutory accounting records in compliance with the legislation of Nigeria and IFRS;
- Taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- Preventing and detecting fraud and other irregularities.

Going Concern
The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the company will not remain a going concern in the year ahead.

The financial statements of the company for the year ended 31 December 2017 were approved by the Board of Directors on 19th July, 2018.

By order of the Board

Thomas A. Etuh	**Polycarp Didam**
Chairman	*Managing Director*
FRC/2016/CIBN/00000014341	FRC/2013/CIIN/00000005294

1. **Preamble:**
This Complaint Management framework ('Policy"] has been prepared pursuant to the requirements of the Securities & Exchange Commission's Rules Relating to the Complaints Management Framework. Further, this framework has been prepared in recognition to the importance of effective engagement in promoting shareholder/investor confidence in the company.

This Policy Sets out the board framework by which Veritas Kapital Assurance Plc. ("VKA PLC or "the Company") and its Registrar will provide assistance regarding the shareholder issues and concerns. It also provides the opportunity for VKA PLC's shareholders to provide feedback to the Company on matters that affect shareholders.

This Policy only relates to the Company's Shareholders and does not extend to its customers, or other stakeholders.

2. **Objective:**
This Policy is designed to ensure that complaints and enquires from the Company's shareholders are managed in a fair, impartial, efficient and timely manner.

3. **VKA PLC's Commitment:**
This Policy is committed to providing high standards of service for shareholders including:
- Providing a platform for efficient handling of shareholder complaints and enquires;
- Enabling shareholders to have shareholder related matters acknowledged and addressed;
- Providing sufficient resources to ensure that shareholders complaints and enquires are dealt with adequately, and in an efficient timely manner; and
- Facilitating efficient and easy access to shareholder information.

4. **Procedure for Shareholder Complaints/Enquires:**
Shareholders can make complaints/enquiries and access relevant information about their shareholdings in the following manner:

a) Contact the Registrar: Shareholders who wish to make a complaint/enquiry shall in the first instance contact the Registrar (see contact details set out in section 8 of this Policy). The Registrar manages all the registered information relating to all the shareholdings, including shareholders names, addresses and dividend payment instructions amongst others. Upon receipt of a complaint or an enquiry, the Registrar shall immediately provide the relevant details of such complaints or enquiry to VKA PLC for monitoring, record keeping and reporting purposes.
In resolving complaints or enquiries, the Registrar shall be guided by the timelines stipulated in clause 5 (c-f) of this Policy.

b) Contact VKA PLC's Company Secretary: if the Registrar is unable to satisfactorily address shareholders' enquiries and resolve their complaints then the shareholders should contact the office of the Company Secretary (see the contact details set out in section 9 of this policy).

5. **Complaints/Enquires received directly by VKA PLC:**
Where a complaint or an enquiry is sent to VKA PLC directly, the Company upon receipt of the complaint or enquiry shall use its best endeavors to ensure that;
a) Relevant details of the complaint or enquiry are immediately recorded.
b) A response is provided by the Company or the Registrar within the time frame set out in sub-clauses c-f below.
c) Complaints or enquiries received by email are acknowledged within two (2) working days of the receipt.
d) Complaints or enquiries received by post are responded to within five (5) working days of receipt.
e) Complaints or enquires are resolved within ten (10) working days of receipt.
f) Where a complaint/enquiry cannot be resolved within stipulated time frame set out above, the shareholder shall be notified that the matter is being investigated. Delays may be experienced in some situations, including where documents need to be retrieved from storage.
g) The same or similar medium that was used for the initial enquiry is used in providing a response (whether by email, phone, post or fax), unless otherwise notified or agreed with the shareholder.

6. **Electronic Complaints Register and Quarterly Reporting Obligations:**
VKA PLC shall maintain an electronic complaints register. The electronic complaints register shall include the following information:
- The date that the enquiry or complaints was received.
- Complainant's information (Including name, address, telephone number, e-mail address).
- Nature and Details of the enquiry or complaint.
- Action Taken /Status

7. **Date of the Resolution of the complaint.**
VKA PLC shall also provide information on the details and status of the complaints to the Nigerian Stock Exchange on a quarterly basis.

Liaison with the Registrar:
During the course of investigating a shareholder's enquiry, complaint or feedback, VKA PLC may liaise with the Registrar.
VKA PLC's engagement with the Registrar will include:

- Determining the facts;
- Determining what action has been undertaken by the Registrar (if any); and
- Coordinating a response with the assistance of the Registrar.

8. **Contact Details of the Registrar:**
The Registrar may be contacted as follows:
Unity Registrars Limited
25 Ogunlana Drive Surulere, Lagos.
Telephone: 08033006038
Email:info@Unityregistrarsng.com
unityregistrars@yahoo.com

9. **Contact Details of VKA PLC's Company Secretary:**
Shareholders seeking to escalate unresolved complaints are invited to contact the Company Secretary as follows:
Office of the Company Secretary
Veritas Kapital Assurance Plc.
Plot 497, Abogo Largema Street
Off Constitution Avenue
Central Business District, Abuja.
Telephone: 09-4619900 EXT 1124
Website: www.veritaskapital.com
E-mail: info@veritaskapital.com or
sh.enquiries@veritaskapital.com
sgarba@veritaskapital.com

10. **Shareholder Access to this Policy:**
Shareholders will have access to this policy through the following avenues:
- The Policy shall be available on the website (www.veritaskapital.com).
- A copy of the policy may be requested by contacting the Office of the Company Secretary/Legal Adviser.
- The Policy shall be made available at general meetings of the Company.

11. **Fees and Charges:**
Wherever possible and subject to statutory requirements, VKA PLC will not charge shareholders for making enquiries, giving feedback, providing a response or for any aspect in the course of resolving a shareholder matter.
Shareholders are informed that in some circumstances the Registrar may charge shareholders a fee (for example, to resend previous dividend statements upon request by the shareholder).

12. **Amendment/ Review of this Policy:**
VKA PLC may from time to time review this Policy and the procedures concerning shareholder enquiries, complaints and feedback.
Any changes or subsequent versions of this policy will be published on the website www.veritaskapital.com).

Approved by:

Ag. Company Secretary/Legal Adviser

Polycarp Didam
Managing Director/CEOZ

In my capacity as Company Secretary, I hereby certify, in terms of the Companies and Allied Matters Act, that for the year ended 31 December 2017, the company has lodged all such returns as are required of a company in terms of this Act, and that all such returns are, to the best of my knowledge and belief, true, correct and up to date.

Ag. COMPANY SECRETARY

Folaranmi O. David
FRC/2018/NBA/0000000018112
Abuja, Nigeria
19th July, 2018

The Board Governance, Establishment, and Enterprise Risk Committee of Veritas Kapital Assurance Plc hereby declares as follows:

a) The company has systems in place for the purpose of ensuring compliance with NAICOM guidelines;

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

c) The company has in place a Risk Management Strategy, developed in accordance with the requirements of NAICOM's guideline on Enterprise Risk Management (ERM), setting out its approach to risk management; and

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

Thomas A. Etuh
Chairman
FRC/2016/CIBN/00000014341

Polycarp Didam
Managing Director/ CEO
FRC/2013/CIIN/00000005294

To the Shareholders of Veritas Kapital (formerly UnityKapital) Assurance Plc

Report on the Audit of the Consolidated and Separate financial statements

Opinion
We have audited the accompanying consolidated and separate financial statements of **Veritas Kapital (formerly UnityKapital) Assurance Plc** (the company) and its subsidiaries (together the group) which comprise the Consolidated and separate statement of financial position as at 31 December 2017, the Consolidated and separate statement of profit or loss and other comprehensive income, statement of changes in equity, Consolidated and separate statement of cash flow for the year then ended, and the notes to the Consolidated and separate financial statements including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the Consolidated and Separate financial position of **Veritas Kapital (formerly UnityKapital) Assurance Plc** as at 31 December, 2017 and the financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards, the Companies and Allied Matters Act Cap C20 LFN 2004, Insurance Act I17 LFN 2004, circulars and guidelines issued by the National Insurance Commission (NAICOM) and the Financial Reporting Council of Nigeria Act, 2011.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Institute of Chartered Accountants of Nigeria (ICAN) Professional Code of Conduct and Guide for Accountants and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the ICAN Code and in accordance with other ethical requirements applicable to performing audits in Nigeria. The ICAN Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter
We draw attention to Note 47 in the financial statements regarding restatement of certain balances. Our opinion is not qualified in respect of this matter.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the matter was addressed in the audit
Valuation of Insurance Contracts Loss Reserve	
Under IFRS 4, the Company is required to perform liability adequacy test on its insurance contract liabilities to ensure the carrying value of the liabilities is adequate. As disclosed in **note 16** to the financial statements, the insurance contract liabilities of the Company amounted to N1.69 billion [2016: N1.01Billion]. This represents about 73% of the Company total liabilities as at 31 December 2017. Our procedures included the following among others: We assessed and tested the design and operating effectiveness of selected key controls over actuarial methodology, integrity of data used in the actuarial valuation, and the assumptions setting and governance processes used by management related to the valuation of general insurance reserves.	Reserves for losses and loss adjustment expenses represent estimates of future payments of reported and unreported claims for losses and related expenses as at 31 December 2017. This involves exercise of significant judgement and use of key inputs and assumptions such as inflation, claims development patterns and regulatory changes. Specifically, long-tail lines of business, which often have low frequency, high severity claims settlements, are generally more difficult to project and subject to greater uncertainties than short-tail, high frequency claims. Further, not all catastrophic events can be modelled using actuarial methodologies, which increases the degree of judgment needed in estimating general insurance loss reserves.

Key Audit Matter	How the matter was addressed in the audit

Valuation of Insurance Contracts Loss Reserve

At the end of each financial year, management employ the services of an external actuary in the determination of its insurance liability after considering the accuracy and integrity of data used in the valuation. Necessary adjustments are made in the financial statements to reflect the liabilities determined by the actuary.

In relation to the particular matters set out above, our substantive testing procedures included the following:

- ➢ Tested the completeness and accuracy of underlying claims data utilized by the company's actuaries in estimating general insurance loss reserves.
- ➢ Utilized information technology audit techniques to analyse claims through claims data plausibility checks and recalculation of claims development patterns.
- ➢ Involved Deloitte's actuarial specialists to independently test management's general insurance loss reserve studies and evaluate the reasonableness of the methodology and assumptions used against recognized actuarial practices and industry standards.
- ➢ Performed independent re-projections on selected product lines, particularly focusing on the largest and most uncertain general insurance reserves. For these product lines our actuarial specialists compared their re-projected reserves to those recorded by the company, and sought to understand any significant differences.
- ➢ Performed sensitivity testing and evaluated the appropriateness of any significant adjustments made to management's general insurance reserve estimates.

Based on the work performed we determined the methodology and assumptions used by management in the valuation of insurance contract liabilities reserves are reasonable and in line with financial reporting requirements and industry accepted practice.

Key Audit Matter	How the matter was addressed in the audit

Valuation of Goodwill

Goodwill carrying value was N386 million on the group's statement of financial position as at 31 December 2017. This asset has been recognised in the consolidated statement of financial position.
In line with the requirements of the applicable accounting standard, IAS 36, Impairment of Assets, management conducts annual impairment tests to assess the recoverability of the carrying value of goodwill. This is performed using discounted cash flow models. As disclosed in note 12, there are a number of key sensitive judgements adopted by management in determining the inputs into these models which include:

(i) Revenue growth
(ii) Operating margins
(iii) Exchange rate fluctuations and
(iv) The discount rates applied to the projected future cash flows.

Accordingly, the impairment test of this asset is considered to be a key audit matter.
The Management have developed a valuation model to enable a fair determination of the discounted cash flows for the significant Cash Generating Units (CGUs) to which the goodwill relates.

We focused our testing of the impairment of goodwill on the key assumptions made by management.
Our audit procedures included the following:

- We tested all relevant controls over the generation of the key inputs, e.g. financial forecasts, discount rate, revenue growth rate, etc. that go into the valuation calculation.
- Engaging our internal specialists to assist with:
  - Critically evaluating whether the model used by

Key Audit Matter	How the matter was addressed in the audit
Valuation of Goodwill	
management to calculate the value in use of the individual Cash Generating Units complies with the requirements of IAS 36, Impairment of Assets. – Validating the assumptions used to calculate the discount rates, projected cash flows and recalculating these rates. • Analyzing the future projected cash flows used in the models to determine whether they are reasonable and supportable given the current macroeconomic climate and expected future performance of the Cash Generating Unit. • Subjecting the key assumptions to sensitivity analyses. • Comparing the projected cash flows, including the assumptions relating to revenue growth rates and operating margins, against historical performance to test the accuracy of management's projections. • Checking mathematical accuracy of the calculations.	We found that the assumptions used by management were comparable with historical performance and the expected future outlook and the discount rates used were appropriate in the circumstances. We consider the disclosure of the goodwill to be relevant and useful.

Other matter

The consolidated and separate financial statements of Vertitas Kapital Assurance Plc and its subsidiaries for the year ended 31 December 2016 were audited by another auditor who expressed an unmodified opinion on those financial statements on 24 March 2017.

Other Information

The Directors are responsible for the other information. The other information comprises the Corporate Governance Report, Management Commentary, Enterprise Risk Management Report, Directors' Report, Chairman's Statement, Result at a glance and MD/CEO's review, which we obtained prior to the date of this auditor's report. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the Consolidated and Separate 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 Consolidated and Separate Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
If, based on the work we have performed on the other information that we obtained prior to the date of this Auditor's report, 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 for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation and fair presentation of the Consolidated and Separate Financial Statements in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act CAP C20 LFN 2004, Insurance Act I17 LFN 2004, circulars and guidelines issued by the National Insurance Commission (NAICOM), Financial Reporting Council Act, 2011 and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated and Separate Financial Statements, the Directors are responsible for assessing the Group'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 Group and the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated and Separate Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate 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 Group and 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 relating to events or conditions that may cast significant doubt on the Group and 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 auditor's 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 auditor's report. However, future events or conditions may cause the Group to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated and Separate Financial Statements, including the disclosures, and whether the Group and company's financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated and Separate Financial Statements. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee and the Directors 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.

We also provide the Audit Committee and Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee and the Directors, we determined those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the benefits derivable from such communication.

Report on Other Legal and Regulatory Requirements

- In accordance with the Sixth Schedule of the Companies and Allied Matters Act CAP C20 LFN 2004 and Section 28 (2) of the Insurance Act I17 LFN 2004, we expressly state that:

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

ii) The Group has kept proper books of account, so far as appears from our examination of those books.

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

Contraventions
The Company contravened certain sections of the Insurance Act; NAICOM Circulars and Guidelines during the year. The particulars thereof and penalties paid are as disclosed in Note 41 to the financial statements.

For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
26th July, 2018

Engagement partner: Joshua Ojo
FRC/2013/ICAN/00000000849

ACCOUNTING POLICIES

1.1 Reporting Entity

Veritas Kapital (formerly UnityKapital) Assurance Plc ("the company") was initially incorporated under the name of Kapital Insurance Company Limited as a private limited liability company on the 8 August, 1973. On 14 March 2007, it acquired and merged with two other insurance companies and became a public limited liability company. Its shares are quoted on the Nigerian Stock Exchange.

Its Head Office is located at 497 Abogo Largema Street, Off constitution Avenue, Central Business District, Abuja Nigeria.

The Company has 91.46% equity interest in Health Care Security Limited and 70% interest in Future Unity Glanvills Pensions Limited and 44.65% equity interest in Goldlink Insurance Plc. The group comprises of two subsidiaries, an associate and the parent company.

1.2 Principal Activities

The principal business of the company is underwriting of non-life insurance risks.

The subsidiaries activities are:
Future Unity Glanvills Pensions Limited, the administration and management of pension fund assets.

Health Care Security Limited provision of health insurance.

The principal business of the associate company is underwriting of non-life insurance risks.

1.3 Components of Financial Statements

The Financial statements comprise the Statements of Comprehensive income, statements of Financial Position, Statement of Changes in Equity, Statements of Cash Flows, and the accompanying Notes.

Income and expenses (excluding the components of other comprehensive income) are recognised in the profit or loss segment of comprehensive income to arrive at the profit for the year.

Other comprehensive income is recognised in the other comprehensive segment of the statement of other comprehensive income and comprises items of income and expenses that are not recognised in the statement of profit or loss as required or permitted by IFRS.

The addition of the profit for the year and the other comprehensive income gives the total comprehensive income for the year.

Reclassification adjustments are amounts reclassified to statement of comprehensive income in the current period that were recognised in other comprehensive income in the current or previous periods. Transactions with the owners of the Group in their capacity as owners are recognised in the statement of changes in equity.

1.4 Basis of preparation and measurement

The financial statements are prepared in compliance with International Financial Reporting Standards (IFRS) and the requirements of the Companies and Allied Matters Act, Insurance Act CAP I17 LFN 2004 and regulatory guidelines as pronounced from time to time by National Insurance Commission (NAICOM) and Financial Reporting Council Act 2011. Historical cost basis was used in preparation of the financial statements as modified by the certain items of:

- Property plant and equipment at valuation
- Investment property at fair value
- Investment at fair value
- Impaired assets at their recoverable amounts

1.5 Compliance with IFRS

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRIC) Interpretations applicable to companies reporting under IFRS as issued by the International Accounting Standards Board (IASB). Additional information required by national regulations have been included where appropriate

1.6 Going Concern status

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

1.7 Significant judgements and key sources of estimation uncertainty

In the process of applying the accounting policies adopted by the Group, the Directors make certain judgements and estimates that may affect the carrying values of assets and liabilities in the next financial period. Such judgements and estimates are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances. The directors evaluate these at each financial reporting date to ensure that they are still reasonable under the prevailing circumstances based on the information available.

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

These factors should include:

The judgements made by the Directors in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements include:

- **Claims arising from insurance contracts**

  Liabilities for unpaid claims are estimated on a case by case basis. The liabilities recognised for claims fluctuate based on the nature and severity of the claim reported. Claims incurred but not reported are determined using statistical analyses and the Group deems liabilities reported as adequate.

- **Fair value of unquoted equity financial instruments**

  The fair value of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. In these cases, the fair values are estimated from observable data using valuation models.

- **Property, Plant and equipment**

  Property, Plant and equipment represent one of the most significant proportion of the asset base of the Group, accounting for about 26% of the Group's total assets. Therefore, the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Group's financial position and performance.

  The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in the reduced depreciation charge in the statement of comprehensive income.

  The useful lives and residual values of the property, plant and equipment are determined by management based on historical experience as well as anticipation of future events and circumstances which may impact their useful lives.

- **Taxation**

  Whether it is probable that future taxable profits will be available against which temporary differences can be utilized; and

- **Fair value of HTM financial instruments**

  Whether the Group has the ability to hold 'held-to maturity' investments until they mature. If the Group were to sell other than an insignificant amount of such investments before maturity, it would be required to classify the entire class as 'available for-sale' and measure them at fair value.

1.8 Functional and Presentation Currency

The financial statements are presented in Nigerian Naira (Naira), rounded to the nearest thousand, this is also the functional currency of the Group.

1.9 Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial period.
(iv) Amendments to IAS 16 'Property, plant and equipment, and IAS 38, ' Intangible assets'

(a) New and amended standards and interpretations not yet adopted by the Company

A number of new standards, interpretations and amendments are effective for annual period beginning after 1 January 2017 and earlier application is permitted; however, the Company has not early adopted the following new or amended standards in preparing these financial statements:

The following standards are expected to have a material impact on the Company's financial statements in the period of initial application

Estimated impact of the adoption of IFRS 9 and IFRS 15

The Company is required to adopt IFRS 9 Financial instruments and IFRS 15 Revenue from contracts from customers from 1 January 2018.

The Company does not expect a significant impact on its balance sheet or equity on applying the classification and measurement requirements of IFRS 9. Detailed below are management's assertions with respect to its financial assets:

The actual impact of adopting the standards as at 1 January 2018 may be changed because the new accounting standards are subject to change until the Company presents its first financial statements that include the date of initial application.

IFRS 9 financial instruments

IFRS 9 financial instruments sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial instruments: Recognition and Measurement.

i ***Classification- Financial assets***

IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics. IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, FVOCI and FVTPL. The standard eliminates the existing IAS 39 categories of held for trading, held to maturity, loans and receivables and available for sale.

Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never bifurcated. Instead, the hybrid financial instrument as a whole is assessed for classification.

- It expects to continue measuring at fair value all financial assets currently held at fair value. This comprises of investment in listed equities.
- Unquoted equities currently held as available-for-sale (AFS) will continue to be measured at fair value through OCI. Unquoted equity shares currently held as AFS and carried at cost will now be carried at fair value in line with the requirement of IFRS 9. Federal government bonds, treasury bills and commercial papers currently carried as available-for-sale (AFS) will also be subsequently measured at fair value through other comprehensive income (FVOCI).

ii ***Impairment- Financial assets and contract assets***

IFRS 9 replaces the "incurred loss" model in IAS 39 with a forward looking "expected credit loss" (ECL) model. This will require considerable judgement about how changes in economic factors affect ECLs which will be determined on a probability-weighted basis.

The new impairment model will apply to financial assets measured at amortised cost or FVOCI, except for investments in equity instruments, and to contract assets

Under IFRS 9, loss allowances will be measured on either of the following bases:

- 12 month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date

Life time ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition and 12-month ECL measurement applies if it has not. An entity may determine that a financial asset's credit risk has not increased significantly if the asset has low credit risk at the reporting date. However, Lifetime ECL always applies for trade receivables and contract assets without a significant financing component; the Company has chosen to apply this policy also for trade receivables and contract assets with a significant financing component.

The Company believes that impairment losses are likely to increase and become more volatile for assets in the scope of IFRS 9 impairment model. However, the Company is yet to finalise on the impact of the IFRS 9 impairment requirements.

iii **Classification- Financial liabilities**

IFRS 9 largely retains the existing requirements in IAS 39 for the classification of financial liabilities. However, under IAS 39, all fair value changes of liabilities designated at FVTPL are recognised in profit or loss, whereas under IFRS 9, these fair value changes are generally presented as follows:

- The amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI

- The remaining amount of change in the fair value is presented in profit or loss

The Company has not designated any financial liabilities at FVTPL and it has no current intention to do so. The Company's assessment did not indicate any material impact regarding the classification of financial liabilities at 1 January 2018.

iv ***Hedge accounting***

The Company does not have hedge instruments and as such this aspect of the IFRS 9 does not apply.

v ***Disclosures***

IFRS 9 will require extensive new disclosures, in particular about hedge accounting, credit risk and ECLs. The Company's assessment included an analysis to identify data gaps against current processes and the Company is in the process of implementing the system and controls changes that it believes will be necessary to capture the required data.

vi ***Transition***

Changes in accounting policies resulting from the adoption of IFRS 9 will generally be applied retrospectively, except as described below:

The Company will take advantage of the exemption allowing it not restate comparative information for prior periods with respect to classification and measurement (including impairment) changes. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 will generally be recognised in retained earnings and reserves as at 1 January 2018.

The following assessments have to be made on the basis of the facts and circumstances that exist at the date of the initial application:

- The determination of the business model within which a financial asset is held
- The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at FVTPL
- The designation of certain investments in equity instruments not held for trading as at FVOCI

IFRS 15 Revenue from contracts from customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction contracts and IFRIC 13 Customer Loyalty Programmes.

Based on its assessment, the Company does not expect the application of IFRS 15 to result in significant impact on its financial statements.

Transition

The Company plans to adopt IFRS 15 using the cumulative effect method with the effect of initially applying this standard recognised at the date of initial application (1 January 2018). As a result, the Company will not apply the requirements of IFRS 15 to the comparative period presented.

IFRS 16 Leases

IFRS 16 replaces existing leases guidance, including IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease, SIC- 15 Operating leases- Incentives and SIC -27 Evaluating the substance of Transactions involving the legal form of a lease.

The standard is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted for entities that apply IFRS 15 at or before the date of initial application of IFRS 16.

IFRS 16 introduces a single, on balance sheet accounting model for leases. A lease recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short term leases and leases of low value items. Lessor accounting remains similar to the current standard, i.e., lessors continue to classify leases as finance or operating leases.

The Company has completed an initial assessment of the potential impact on its financial statements but has not yet completed its detailed assessment. The actual impact of applying IFRS 16 on the financial statements in the period of initial application will depend on future economic conditions.

No significant impact is expected for the Company's finance leases as the Company has a few offices under operating leases.

The following amended standards and interpretations are not expected to have a significant impact on the Company's financial statements.

New or amended standards and effective date	Summary of the requirements	Possible impact on financial statements
IAS 7 Statement of Cash flows	IAS 7 has been amended to include additional disclosures on changes in liabilities arising from financing activities. This amendment is for annual periods beginning on or after 1 January 2017.	As the Company does not have any financing obligation, the new amendment does not have any impact on this financial statements.

Amendments to IAS 12 Recognition of Deferred Tax Assets for unrealised losses	The amendments to IAS 12 Income Taxes issued by the IASB on 19 January bring some clarity to this issue, which emerged during the financial crisis. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. Therefore, assuming that the tax base remains at the original cost of the debt instrument, there is a temporary difference. The amendments are effective for annual periods beginning on or after 1 January 2017.	The impact of this amendment has been considered in the financial statements.
Annual improvements to IFRSs 2014-2016 Cycle (Amendments to IFRS 12)	IFRS 1 First - time Adoption of IFRS: Outdated exemptions for first -time adopters of IFRS are removed. This amendment is for annual periods beginning on or after 1 January 2018. IFRS 12 Disclosure of Interest s in Other Entities: The disclosure requirements for interests in other entities also apply to interests that are classified as held for sale or distribution. This amendment is retrospectively for annual periods beginning on or after 1 January 2017. IAS 28 Investments in Associates and Joint Ventures: (1) A venture capital organisation, or other qualifying entity, may elect to measure its investments in an associate or joint venture at fair value through profit or loss. This election can be made on an investment -by- investment basis. (2) A non -investment entity investor may elect to retain the fair value accounting applied by an investment entity associate or investment entity joint venture to its subsidiaries. This election can be made separately for each investment entity associate or joint venture. These amendments are retrospectively for annual periods beginning on or after 1 January 2018; early application is permitted.	These new amendments do not apply to the Company

1.9 Presentation of Financial Statements

The Group presents its statements of financial position broadly in order of liquidity. An analysis regarding recovery or settlement within twelve months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in the Notes.

2 Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2.1 Foreign currencies

On initial recognition, all transactions are recorded in the functional currency (the currency of the primary economic environment in which the Group operates or transact business), which is Nigerian Naira. Transactions in foreign currencies during the year are converted into the functional currency using the exchange rate prevailing at the transaction date.

Monetary assets and liabilities at the statement of financial position date denominated in foreign currencies are translated into the functional currency using the exchange rate prevailing as at that date. The resulting foreign exchange gains and losses from the settlement of such transactions and from year-end translation are recognised on a net basis in the income statements in the year in which they arise, except for difference arising on translation of non-monetary available-for-sale financial assets, which are recognised in other comprehensive income.

2.2 Segment reporting

A segment is a distinguishable component of the company that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.
An operating segment is a component of an entity:

- That engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity).
- Whose operating results are regularly reviewed by the entity's chief operating decision maker to make decision about resources to be allocated to the segment and assess its performance of the same entity.
- For which discrete financial information is available.

An operating segment may engage in business activities for which it has yet to earn revenues for example start-up operations may be operating segments before earning revenues.

The Company currently operates a single line of business and entirely within a geographical region.

2.3 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Cash equivalents have a maturity period of less than or equal to three months.

2.4 Financial instruments

Financial instruments are recognised when the Group becomes a party to the contractual provision of the instrument. Financial assets are recognised and derecognised on the basis of trade date (the date at which the agreement has been entered) accounting.

2.4.1 Recognition of financial assets

Financial instruments are recognised initially at fair value. The Group classifies its financial instruments in the following categories:

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

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates such designation at every reporting date.

2.4.1a Financial Assets at fair value through profit or loss

Financial assets at fair value through profit and loss include financial assets held for trading and those designated at fair value through profit or loss at inception. Investments typically bought with the intention to sell in the near future are classified as held for trading. For investments designated as at fair value through profit or loss, the following criteria must be met:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on a different basis, or
- The assets and liabilities are part of a portfolio of financial assets, financial liabilities or both which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy and information regarding these instruments are reported to the key management personnel on a fair value basis.
- These investments are initially recorded at fair value. Subsequent to initial recognition, these investments are re-measured at fair value. Fair value adjustments and realised gain and loss are recognised in the statement of profit or loss.

Financial assets at fair value through profit or loss comprise of:

Quoted shares,
Government securities, Bonds and Treasury Bills
Commercial paper and corporate bonds.

2.4.1b Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determined payments that are not quoted in an active market. Loans and receivables are disclosed on the face of the statements. Loans and receivables are initially recognised at fair value which is the cash consideration to originate or purchase the loan including any transaction costs and subsequently, measured at amortised cost using the effective interest method, less any impairment loss, interest on loans is included in the income statement and is reported as interest income. When the asset is impaired, they are carried on the statement of financial position as a deduction from the carrying amount of the loan and receivable and recognised in profit or loss as impairment losses.

2.4.1c Held-to-Maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group has the positive intention and ability to hold to maturity. Held-to-maturity investments are initially recognised at fair plus transaction costs for all financial assets not carried at fair value through profit or loss. Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method. Gains and losses on held to maturity assets are recognised on impairment, de-recognition and through the amortization process.

2.4.1d Available-for-sale investments

Available-for-sale financial assets are non-derivative financial assets that are designed as available for-sale or are not classified in any of the three preceding categories. They include investment in non-quoted shares. These investments are initially recorded at fair value. Where equity instruments do not have a quoted market price in an active market and whose fair value cannot be reliably measured the instruments have been measured at cost. After initial measurement, available-for-sale financial assets are measured at fair value. Fair value gains and losses are reported as a separate component in other comprehensive income until the investment is derecognised or the investment is determined to be impaired.

On derecognition or impairment, the cumulative fair value gains and losses previously reported in equity are transferred to the statement of profit or loss.

2.4.2 Derecognition of financial assets

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired
- The Group retains the right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement, and either:
- The Group has transferred substantially all the risks and rewards of the asset; or
- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from an asset or has entered into a pass through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset.

2.4.3 Amortised cost

Amortised cost is computed using the effective interest method less any allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

2.4.4 Fair value

The fair value of quoted investments is based on current market prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include:

- The use of recent arm's length transactions,
- reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models refined to reflect the issuer's specific circumstances

2.4.5 Impairment of financial assets

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal repayment and amortization and its current fair value, less any impairment loss previously recognised in other comprehensive income, is transferred from equity to the income statement.

Reversals in respect of equity instruments classified as available-for-sale are not recognised in the income statement. Reversals of impairment losses on debt instruments classified at available-for-sale are reversed through the income statement if the increase in the fair value of the instruments can be objectively related to an event occurring after the impairment losses were recognised in the income statement.

2.5. Trade/Pension receivables

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

If there is objective evidence that the insurance receivable is impaired, the Group reduces the carrying amount of the insurance receivable accordingly and recognises that impairment loss in the income statement. The Group gathers the objective evidence that an insurance receivables impaired using the same methodology adopted for financial assets held at amortised cost. The impairment loss is calculated under the same method used for these financial assets.

2.6 Reinsurance

The Group cedes insurance risk in the normal course of business for all of its businesses.

2.6.1 Reinsurance Assets

Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims or insurance contract liabilities associated with the reinsurers' policies and are in accordance with the related reinsurance contract. Reinsurance assets are reviewed for impairment at each reporting date or more frequently when an indication of impairment arises during the reporting year. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Group may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer. The impairment loss recorded in the statement of profit or loss and other comprehensive income.

Gains or losses on buying reassurance are recognised in the income statement immediately at the date of purchase and are not amortised. Ceded reinsurance arrangements do not relieve the Group from its obligation to policy holders.

2.6.2 Reinsurance Liabilities

Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due. The Group has the right to set-off re-insurance payables against amount due from re-insurance and brokers in line with the agreed arrangement between both parties.

2.7 Deferred Policy Acquisition Costs (DAC)

Acquisition cost comprise all direct and indirect costs arising from the writing of non-life insurance contracts. Deferred acquisition costs represent a proportion of commission which are incurred during a financial year and are deferred to the extent that they are recoverable out of future revenue margins. it is calculated by applying to the acquisition expenses that ratio of unearned premium to written premium.

2.8 Prepayment

Prepayments are carried at cost less accumulated impairment losses.

2.9 Consolidation

2.9.1 Subsidiaries

The financial statements of subsidiaries are consolidated from the date the Group acquires control, up to the date that such effective control ceases. For the purpose of these financial statements, subsidiaries are entities over which the Group, directly or indirectly, has the power to govern the financial and operating policies so as to obtain benefits from their activities.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (transactions with owners). Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the Group.

Inter-Group transactions, balances and unrealised gains on transactions between companies within the Group are eliminated on consolidation. Unrealised losses are also eliminated in the same manner as unrealised gains, but only to the extent that there is no evidence of impairment.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Investment in subsidiaries in the separate financial statements of the parent entity is measured at cost.

Acquisition-related costs are expensed as incurred

If the business combination is achieved in stages, fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through profit or loss.

2.9. 1a Disposal of Subsidiaries

On loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any controlling interest and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, that retained interest is accounted for as equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

2.9.2 Investment in Associates

As associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 - Noncurrent Asset Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate is initially recognised in the consolidated and separate statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. when the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interest that, in substance, form part of the Groups net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

The requirements of IAS 39 are applied to determine whether it is necessary to recognize any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

2.10 Investment Properties

Investment property is property held on earn rentals or for capital appreciation or both. Investment property, including interest in leasehold land, is initially recognised at cost including the transaction costs. Subsequently, investment property is carried at fair value representing the open market value at the statement of financial position date determined by annual valuation carried out by external registered valuers. Gains or losses arising from changes in the fair value are included in determining the profit or loss for the year to which they relate.

Investment properties are derecognized when either they have been disposed or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is charged or credited to profit or loss.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of the change in use.

When the Group completes the construction or development of a self-constructed investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the income statement.

2.11 Intangible Assets

Software license costs and computer software that is not an integral part of the related hardware are initially

recognised at cost, and subsequently carried at cost less accumulated amortization and accumulated impairment losses. Costs that are directly attributable to the production of identifiable computer software products controlled by the Group are recognised as intangible assets.
Amortization is calculated using the straight line method to write down the cost of each license or item of software to its residual value over its estimated useful life.
Amortization begins when the asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management, even when idle. Amortization ceases at the earlier date that the asset is classified as held for sale and the date that the asset is derecognized and ceases temporarily, while the residual value exceeds or is equal to the carrying value.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset it derecognized.
Intangibles recognised as assets are amortized over their useful lives, which does not exceed five years.

2.12 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see 4.9 above) less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated (statement of comprehensive income/income statement). An impairment loss recognised for goodwill is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate is described at 2.9.2 above.

2.13 Property, Plant and Equipment

All categories of property and equipment are initially recognised at cost. Cost includes expenditure directly attributable to the acquisition of the assets. Computer software, including the operating system that is an integral part of the related hardware is capitalized as part of the computer equipment.

Work in progress owner-occupied property that are included in property, plant and equipment are stated at cost to date and are not yet de-componentised as the asset has not been put into use.

Subsequent cost is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance expenses are charged to the income statement in the year in which they are incurred.

Increases in the carrying amount arising on revaluation are recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. Decreases that offset previous increases of the same asset are recognised in other comprehensive income. All other decreases are charged to the statement of profit or loss.

Freehold land is not depreciated. Depreciation is calculated using the straight line method to write down the cost or the revalued amount of each asset to its residual value over its estimated useful life using the following annual rates:

Leasehold land	0%
Buildings	2%
Furniture & Fittings	20%
Office Equipment	20%
Computer Equipment	20%
Motor Vehicles	25%

Depreciation on an item of property, plant and equipment commences when it is available for use and continues to depreciate until it is derecognized, even if during that period the item is idle. Depreciation of an item ceases when the item is retired from active use and is being held for disposal

Where no parts of items of property, plant and equipment have a cost that is significant in relation to the total cost of the item, the same rate of depreciation is applied to the whole item.

The assets' residual values, depreciation method and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal.

Gains and losses on disposal of property and equipment are determined by reference to their carrying amounts and are taken into account in determining operating profit.

2.14 Statutory Deposits

Statutory Deposit represents 10% of the paid up capital of the Company deposited with the Central Bank of Nigeria (CBN) pursuant to Section 10(3) of the Insurance Act CAP I17 LFN 2004.

Statutory deposit is measured at cost.

2.15 Insurance Contract Liabilities

Contract that are classified as insurance contracts are those under which the Group underwrites significant insurance risk from another party (the broker or insured) by agreeing to compensate the insured or other beneficiary if a fortuitous random event (the insured event) adversely affects the policyholder or other beneficiary.

2.15.1 Types of Insurance Contracts

Insurance contract may be Non-life or Life. The group issues only ono-life insurance contracts. Non-life insurance contracts are accident, casualty and property insurance contracts.

Accident and casualty insurance contracts protect the Group's customers against the risk of causing harm to third parties as result of their legitimate activities. Damages covered include both contractual and non-contractual events. The typical protection offered is designed for employers who become legally liable to pay compensation to injured employees (employers' liability) and for individual and business customers who become liable to pay compensation to a third party for bodily harm or property damage (public liability).

Property insurance contracts mainly compensate the Group's customers for damage suffered to their properties or for the value of property lost. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities (business interruption cover).

Non-life insurance contracts protect the Group's customers from the consequences of events (such as death or disability) that would affect the ability of the customer or his/her dependants to maintain their current level of income. Guaranteed benefits paid on occurrence of the specified insurance event are either fixed or linked to the extent of the economic loss suffered by the policy holder. There are no maturity or surrender benefits.

2.15.2 Recognition and measurement of Non-life insurance contracts

a. For all Non-life insurance contracts, premiums are recognised as revenue (earned premiums) proportionally over the period of coverage. The portion of premium received on in-force contracts that relates to unexpired risks at the balance sheet date is reported as the unearned premium liability. Premiums are shown before deduction of commission.

Claims and loss adjustment expenses are charged to income as incurred based on the estimated liability for

compensation owed to contract holders or third parties damaged by the contract holders. They include direct and indirect claims settlement costs and arise from events that have occurred up to the end of the reporting period even if they have not yet been reported to the Group. The Group does not discount its liabilities for unpaid claims.
Liabilities for unpaid claims are estimated using the input of assessments for individual cases reported to the Group and statistical analyses for the claims incurred but not reported, and to estimate the expected ultimate cost of more complex claims that may be affected by external factors (such as court decisions).

b. Salvages
Some non-life insurance contracts permit the Group to sell (usually damaged) property acquired in the process of settling a claim. The Group may also have the right to pursue third parties for payment of some or all costs of damages to its client's property (i.e. subrogation right).

Salvage recoveries are used to reduce the claim expense when the claim is settled.

c. Subrogation
Subrogation is the right for an insurer to pursue a third party that caused an insurance loss to the insured. This is done as a means of recovering the amount of the claim paid to the insured for the loss. A receivable for subrogation is recognized in other assets when the liability is settled and the Group has the right to receive future cash flow from the third party.

d. Deferred Income
Deferred Income represents a proportion of commission received on reinsurance contracts which are booked during a financially year and are deferred to the extent that they are recoverable out of future revenue margins. It is calculated by applying to the reinsurance commission income the ratio of prepaid reinsurance to reinsurance cost.

e. Reinsurance Contracts held
Contracts entered into by the Group with reinsurers under which the Group is compensated for losses on one or more contracts issued by the Group and that meet the classification requirements for insurance contracts are classified as reinsurance contracts held. Contracts that do not meet these classification requirements are classified as financial assets. Insurance contracts entered into by the Group under which the contract holder is another insurer (inwards reinsurance) are included with insurance contracts.

f. Technical Reserves
These are computed in accordance with the provisions of section 22 of the insurance Act 2003 as follows:

* Reserve for unearned premium: In compliance with Section 20(a) of Insurance Act 2003, the reserve for unearned premium is calculated on a time apportionment basis in respect of the risks accepted during the year.
* Reserve for outstanding claims: The reserve for outstanding claims is maintained ta the total amount of outstanding claims incurred and reported plus claims insured but not reported ("IBNR") as at the balance sheet date.

The IBNR is based on the liability adequacy test.

g. Liability Adequacy Test
At each end of the reporting period, liability adequacy tests are performed by an Actuary to ensure the adequacy of the contract liabilities net of related DAC assets. In performing these tests, current best estimates of future contractual cash flows and claims handling and administration expenses, as well as investment income from the assets backing such liabilities, are used. Any deficiency is immediately charged to profit or loss initially by writing off Deferred Acquisition Cost and by subsequently establishing a provision for losses arising from liability adequacy tests "the unexpired risk provision".

The provisions of the Insurance Act CAP I17 LFN 2004 require an actuarial valuation for life insurance reserves only. However, IFRS 4 requires a liability adequacy test for both life and non-life insurance reserves. The provision of section 59 of the Financial Reporting Council Act 2011 gives superiority to the provision of IFRS and since it results in a more conservative reserving than the provision of the Insurance Act CAP I17 LFN 2004, it serves the company's prudential concerns well.

2.16 Trade and other Payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortized cost using the effective interest method. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one-year discounting is omitted.

2.17 Retirement Benefit Obligations

Pension Cost

The Group operates a defined contributory retirement benefit scheme as stipulated in the Pension Reform Act 2014. Under the defined contribution scheme, the Group pays fixed contributions of 10% of emoluments as defined by the Act to Pension Fund Administrators; employees also pay a fixed percentage of 8% to the same entity. Once the contributions have been paid, the Group retains no legal or constructive obligation to pay further contribution if the fund does not hold sufficient assets to finance benefits accruing under the retirement benefit plan.

2.18 Provisions

General Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.19 Current Income Tax

Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the Nigeria Income Tax Act. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at the reporting date.

2.19.1 Deferred Income Tax

Deferred income tax is provided in full on all temporary differences except those arising on the initial recognition of an asset or liability.

Deferred income tax is determined using the liability method on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes, using tax rates and laws enacted or substantively enacted at the statement of financial position date and expected to apply when the related deferred income tax asset is realized or the deferred tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off such:

* Current tax assets against current income tax liabilities and
* The deferred taxes relate to the same taxable entity and
* The same taxation authority

2.20 Share Capital and Share Premium

Ordinary shares are recognized at par value and classified as 'share capital' inequity. Any amounts received over and above the par value of the shares issued are classified as 'share premium' in equity.

2.21 Statutory Contingency Reserve

The Group maintains contingency reserves in accordance with the provisions of Insurance Act 2003 to cover fluctuations in securities and variations in statistical estimates at the rate equal to the higher of 3% of total premium or 20% of the net profit.

2.22 Retained Earnings

The retained earnings represent the amount available for dividend distribution to the equity shareholders of the company. See statement of changes in equities for movement in retained earnings.

2.23 Assets Revaluation Reserve

This represents the Group's revaluation reserve emanating from revaluation of certain assets

2.24 Income Recognition

2.24.1 Gross Premiums

Gross premiums on insurance contract are recognized as revenue when payable by the policy holder.

For single premium business revenue is recognised on the date on which the policy is effect.

Gross insurance written premiums comprise the total premiums receivable for the whole period of cover provided by contracts entered into during the accounting period and are recognised on the date on which the policy incepts. Premiums include any adjustments arising in the accounting period for premiums receivable in respect of business written in prior accounting periods.

Premiums collected by intermediaries, but not yet received, are assessed based on estimates from underwriting or past experience and are included in premiums written.

Unearned premiums are those proportions of premiums written in a year that relate to periods of risk after the statement of financial position date. Unearned premiums are calculated on a daily pro rata basis. The proportion attributable to subsequent periods is deferred as a provision for unearned premiums.

2.24.2 Reinsurance Premiums

Gross reinsurance premium on insurance contracts are recognized as an expense when payable or on the date on which the policy is effective. Gross reinsurance premiums written comprise the total premiums payable for the whole cover provided by contracts entered into the period and are recognised on the date on which the policy incepts. Premiums include any adjustments arising in the accounting period in respect of reinsurance contracts incepting in prior accounting periods.

Unearned reinsurance premiums are those proportions of premiums written in a year that relate to periods of risk after the statement of financial position date. Unearned premiums are deferred over the term of the underlying direct insurance policies for risks attaching contracts and over the term of the reinsurance contract for losses-occurring contracts.

2.24.3 Commission income

Commission are recognized on ceding business to the reinsurers and are credited to the income statements.

2.24.2 Investment Income

Interest income is recognised in the income statement as it accrues and is calculated by using the effective interest rate method. Fees and commissions that are an integral part of the effective yield of the financial asset or liability are recognised as an adjustment to the effective interest rate of the instrument.

Investment income also includes dividend income which is recognised when the right to receive the payment is established.

Rental income arising from operating leases on investment properties is accounted for on a straight line basis over the lease terms.

2.24.5 Management and Administrative Fees

Management Fee
Management fee, an asset based fee is charged as a percentage of the opening net assets value of the pension fund investments at the beginning of the year of charge for the Retirement Savings Account (RSA). It is accrued daily upon portfolio valuation while the actual charge is effected against the Fund within five working days of the month end. Fee for the Retiree Account is computed based on 5% of income earned on the fund.

Administrative Fee
Administrative fee is calculated as a flat charge payable monthly from contributions received. It is deducted before converting contributions into accounting units of pension fund assets.

2.24.6 Realized/Unrealized Gains and Losses
Realized or unrealized gains and losses recorded in the income statement on investments include gains and losses on financial assets and investment properties. Gains and losses on the sale of investments are calculated as the difference between net sales of investments are calculated as the difference between net sales proceeds and the original carrying or amortized cost and are recorded on occurrence of the sale transaction.

2.25 Claims and Expenses Recognition

2.25.1 Gross Benefits and Claims
Claims incurred in respect of Insurance contracts include the cost of all claims arising during the year including internal and external claims handling costs that are directly related to the processing and settlement of claims as well as changes in the gross valuation of insurance and investment contract liabilities. All claims paid and incurred are charged against revenue as expenses when incurred.

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

2.26 Interest Income and Expense
Interest income and expense are recognized in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash (or, where appropriate, the next re-pricing date) to the carrying amount of the financial asset or liability. When calculating the effective interest rate, the entity estimates future cash flows considering all contractual terms of the financial instruments but not future credit losses.

The calculation of the effective interest rate includes contractual fees and points paid or received transaction costs and discounts or premium that are integral part of the effective interest rate.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

Interest income and expense presented in the financial statement include:

* Interest on financial assets and liabilities measured at amortized cost calculated on an effective interest basis
* Interest on financial assets measured at fair value through profit or loss calculated on an effective interest rate basis.

2.27 Expenses
Expenses are recognised in the income statement when a decrease in future economic benefit related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably. This means, in effect, that recognition of expenses occurs simultaneously with the recognition of an increase in liabilities or a decrease in assets (for example, the accrual of employee entitlements or the depreciation of equipment)
When economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined, expenses are recognised in the income statement on the basis of systematic and rational allocation procedures.

This is often necessary in recognizing the equipment associated with the using up of assets such as property, plant and equipment in such cases the expense is referred to as a deprecation or amortization. These allocation procedures are intended to recognise expenses in the accounting periods in which the economic benefits associated with these items are consumed or expire. An expense is recognised immediately in the income statement when expenditure produces no future economic benefits or when, and to the extent that future economic benefits do not qualify, or cease to qualify, for recognition in the statement of financial position as an asset.

2.27.1 Underwriting Expenses

Underwriting expenses comprise acquisition costs and other underwriting expenses. Acquisition costs comprise all direct and indirect costs arising from writing insurance contracts. These cost are charged in the income statement in the period they are incurred.

2.28 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. In assessing value in use, he estimated future cash flows are discounted to their present value using a pre-discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

Impairment losses of continuing operations are recognised in the income statement in those expenses categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to comprehensive income. In this case the impairment is also recognised in comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount. A previous impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount.

The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

2.29 Earnings Per Share

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

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

2.30 Dividends

Dividends on ordinary shares are recognised as a liability in the year in which they are approved by the company's shareholders. Proposed dividends are not recognised in equity until they have been declared at a general meeting. Dividends for the year that are approved after the statement of financial position date are dealt with as a non-adjusting event after the statement of financial position date.

2.31 Comparatives

Where necessary, comparative have been adjusted to conform to changes in presentation in the current year. Where changes are made and affect the statement of financial position, a third statement of financial position at the beginning of the earliest period presented is presented together with the corresponding notes.

2.32 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 Group or the Group has a present obligation as a result of past events which is not recognised because it is not probable 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 crystallise.

2.32 Contingent Assets

Contingent assets are not recognised in the financial statements but are disclosed when, as a result of the past events, it is highly likely that economic benefits will flow to the Group, but this will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events which are not wholly writing the group's control.

Consolidated Statement of Financial Position
As at 31December, 2017

	Note	31-Dec-2017 Group N'000	*Restated 31-Dec-2016 Group N'000	*Restated 1-Jan-2016 Group N'000
ASSETS				
Cash and cash equivalents	3	4,602,898	4,691,391	5,393,268
Financial assets	4	931,286	1,084,689	431,448
Trade receivable	5	6,678	-	1,723
Reinsurance assets	6	216,302	144,579	193,019
Deferred acquisition cost	7	98,318	90,191	137,687
Other receivables and prepayments	8	539,675	494,120	336,713
Investment in subsidiaries	9	-	-	-
Investment in Associates	10	-	-	-
Investment properties	11	880,201	676,201	576,609
Goodwill	12	386,444	386,444	386,444
Intangible assets - Software	13	90,582	93,675	88,558
Property, plant and equipment	14	3,183,537	3,183,747	2,390,589
Statutory deposits	15	355,000	355,000	355,000
Deferred tax asset	21.1	43,721	46,403	85,369
Total Assets		**11,334,642**	**11,246,440**	**10,376,427**
Liabilities:				
Insurance contract liabilities	16	1,687,994	1,007,068	983,522
Trade payables	17	43,520	9,024	1,933
Employees retirement benefit obligations	18	7,272	-	78,581
Provision and other payables	19	363,639	279,401	245,159
Income tax liabilities	20	82,442	68,452	97,785
Deferred Tax Liabilities	21.2	299,016	262,624	181,321
Total Liabilities		**2,483,883**	**1,626,569**	**1,588,301**
EQUITY				
Share capital & reserves:				
Issued and paid up share capital	22	6,933,333	6,933,333	6,933,333
Share premium	23	663,600	663,600	663,600
Statutory Contingency reserves	24	754,172	684,549	623,267
Retained earnings	25	(1,620,172)	(732,208)	(671,813)
Asset revaluation reserve	26a	1,559,768	1,559,768	837,605
Fair value reserve	26b	34,923	33,725	-
Non-Controlling interest(NCI)	38a	525,135	477,104	402,134
Total Equity		**8,850,759**	**9,619,871**	**8,788,126**
Total Equity & Liabilities		**11,334,642**	**11,246,440**	**10,376,427**

The financial statements were approved by the Board of Directors on 19 July 2018 and signed on its behalf by:

Polycarp Didam **Managing Director** **FRC/2013/CIIN/00000005294**	**Awolola Rotimi** **Finance Controller** **FRC/2013/ICAN/00000002881**	**Thomas Etuh** **Chairman** **FRC/2016/CIBN/00000014341**

Separate Statement of Financial Position
As at 31 December, 2017

	Note	31-Dec-2017 Company N'000	*Restated 31-Dec-2016 Company N'000	*Restated 1-Jan-2016 Company N'000
ASSETS				
Cash and cash equivalents	3	3,756,993	4,037,438	4,365,288
Financial assets	4	92,230	162,666	133,223
Trade receivable	5	6,678	-	1,723
Reinsurance assets	6	216,302	144,579	193,019
Deferred acquisition cost	7	98,318	90,191	137,687
Other receivables and prepayments	8	335,483	331,801	226,120
Investment in subsidiaries	9	1,576,300	1,576,300	1,576,300
Investment in Associates	10	-	-	-
Investment properties	11	880,201	676,201	576,609
Goodwill	12	-	-	-
Intangible assets - Software	13	68,378	86,725	75,489
Property, plant and equipment	14	2,849,945	2,875,075	2,077,110
Statutory deposits	15	355,000	355,000	355,000
Total Assets		**10,235,828**	**10,335,976**	**9,717,568**
Liabilities:				
Insurance contract liabilities	16	1,687,090	1,007,068	983,522
Trade payables	17	43,520	9,024	1,933
Employees retirement benefit obligations	18	-	-	78,581
Provision and other payables	19	276,806	218,677	164,829
Income tax liabilities	20	42,600	19,883	65,359
Deferred Tax Liabilities	21.2	292,730	258,004	177,764
Total Liabilities		**2,342,746**	**1,512,656**	**1,471,988**
EQUITY				
Share capital & reserves:				
Issued and paid up share capital	22	6,933,333	6,933,333	6,933,333
Share premium	23	663,600	663,600	663,600
Statutory Contingency reserves	24	754,172	684,549	623,267
Retained earnings	25	(2,052,714)	(1,051,655)	(812,225)
Asset revaluation reserve	26a	1,559,768	1,559,768	837,605
Fair value reserve	26b	34,923	33,725	-
Total Equity		**7,893,082**	**8,823,320**	**8,245,580**
Total Equity & Liabilities		**10,235,828**	**10,335,976**	**9,717,568**

The financial statements were approved by the Board of Directors on 19 July 2018 and signed on its behalf by:

Polycarp Didam	**Awolola Rotimi**	**Thomas Etuh**
Managing Director	**Finance Controller**	**Chairman**
FRC/2013/CIIN/00000005294	**FRC/2013/ICAN/00000002881**	**FRC/2016/CIBN/00000014341**

	Note	2017 Group N'000	2016 Group N'000	2017 Company N'000	2016 Company N'000
Gross Premium written	28	2,411,075	2,110,768	2,320,768	2,042,788
Gross Premium Income	28	2,383,069	2,263,817	2,293,666	2,195,837
Reinsurance Expenses	29	(591,055)	(635,391)	(591,054)	(635,391)
Net premium income		1,792,014	1,628,426	1,702,612	1,560,446
Fees and commission income	30	48,187	36,352	48,187	36,352
Net underwriting income		**1,840,201**	**1,644,778**	**1,750,799**	**1,596,798**
Insurance claims and benefits paid- Gross (including loss adjustment expenses)	31	(1,194,927)	(710,696)	(1,130,874)	(664,438)
Underwriting expenses	32	(543,141)	(480,622)	(543,141)	(480,622)
Underwriting result		102,133	473,460	76,784	451,738
Investment income	34	1,473,526	1,207,705	515,504	476,392
Fair value changes in financial assets-FVTPL	4a&b	(5,464)	(4,282)	(5,464)	(4,282)
Fair value changes in investment property	11	(18,500)	64,592	(18,500)	64,592
Other operating income	35	178,544	167,511	66,792	70,721
Impairment of financial assets	33	(214,710)	-	(212,244)	-
Management expenses	36	(2,074,134)	(1,500,075)	(1,167,141)	(973,986)
(Loss)\profit before tax		**(558,605)**	**408,911**	**(744,269)**	**85,175**
Income tax expense	37	(142,037)	(123,225)	(117,834)	(54,283)
(Loss)\profit for the year from continuing operations		**(700,642)**	**285,686**	**(862,103)**	**30,892**
Other Comprehensive Income net of tax					
Items that may be reclassified subsequently to profit or loss:					
Fair value adjustment on available for sales equities	26b	1,198	33,725	1,198	33,725
		1,198	33,725	1,198	33,725
Items that will not reclassified subsequently to profit or loss:					
Gain on revaluation of properties, plant -		-	722,162	-	722,162
and equipment after deferred tax	26a	-			
		-	722,162	-	722,162
Other Comprehensive Income, net of taxes		1,198	755,887	1,198	755,887
Total Comprehensive Income for the year		**(699,444)**	**1,041,573**	**(860,905)**	**786,779**
Profit for the year, attributable to:					
* Non-controlling interests		48,366	75,759		
* Owners' of the Parent		(749,008)	209,927		
		(700,642)	**285,686**		
Total Comprehensive Income, attributable to:					
* Non-controlling interests		48,366	75,759		
* Owners' of the Parent		(747,810)	965,814		
		(699,444)	**1,041,573**		
Earnings per Share	27	(0.10)	0.04	(0.12)	0.03

The notes on pages 77 to 134 form part of these financial statements.

Group-2017

	Share Capital N'000	Share Premium N'000	Asset revaluation reserve N'000	Fair value reserve N'000	Contingency Reserve N'000	Retained Earnings N'000	Total N'000	Non-controlling interest N'000	Total N'000
As at 1 January 2017 (Restated)	6,933,333	663,600	1,559,768	33,725	684,549	(732,208)	9,139,767	477,104	9,616,871
Transferred from statement of Profit or loss for the year	-	-			-	(749,008)	(749,008)	48,366	(700,642)
Other Comprehensive Income:				1,198			1,198		1,198
Changes in fair value of AFS Investments	-	-			-	-	-		-
							-		-
Total Comprehensive Income	**-**	**-**		**1,198**	**-**	**(749,008)**	**(747,810)**	**48,366**	**(699,444)**
Transfer to Contingency Reserve					69,623	(69,623)	-		-
							-		-
Transactions with owners of equity							-		-
Dividends to equity holders						(69,333)	(69,333)	(335)	(69,668)
As at December 31 2017	**6,933,333**	**663,600**	**1,559,768**	**34,923**	**754,172**	**(1,620,172)**	**8,325,624**	**525,135**	**8,850,759**

	Share Capital N'000	Share Premium N'000	Asset revaluation reserve N'000	Fair value reserve N'000	Contingency Reserve N'000	Retained Earnings N'000	Total N'000	Non-controlling interest N'000	Total N'000
As at 1 January 2016 (Restated)	6,933,333	663,600	837,605	-	623,267	(671,813)	8,385,992	402,134	8,788,126
Transferred from statement of Profit or loss for the year	-	-		-	-	209,927	209,927	75,759	285,686
Other Comprehensive Income:	-	-					-		-
Changes in fair value of AFS Investments	-	-		33,725	-		33,725		33,725
Gain on revaluation of properties, plant	-	-	722,163				722,162		722,162
Total Comprehensive Income	**-**	**-**	**722,163**	**33,725**	**-**	**209,927**	**965,814**	**75,759**	**1,041,573**
Transfer to Contingency Reserve	-	-			61,282	(61,282)	-		-
	-	-					-		-
Transactions with owners of equity	-	-					-		-
Dividends to equity holders	-	-	-	-	-	(209,040)	(209,040)	(789)	(209,829)
As at December 31 2016	**6,933,333**	**663,600**	**1,559,768**	**33,725**	**684,549**	**(732,208)**	**9,139,767**	**477,104**	**9,616,871**

Company-2017

	Share Capital N'000	Share Premium N'000	Asset revaluation reserve N'000	Fair value reserve N'000	Contingency Reserve N'000	Retained Earnings N'000	Total N'000
As at 1 January 2017	**6,933,333**	**663,600**	**1,559,768**	**33,725**	**684,549**	**(1,051,655)**	**8,823,319**
Transferred from statement of Profit or loss for the year	-	-	-	-	-	(862,103)	(862,103)
Other Comprehensive Income:	-	-	-	-	-		
Changes in fair value of AFS Investments	-	-	-	1,198	-	-	1,198
	-	-	-	-	-	-	
Total Comprehensive Income	**6,933,333**	**663,600**	**1,559,768**	**34,923**	**684,549**	**(1,913,758)**	**7,962,414**
Transfer to Contingency Reserve					69,623	(69,623)	-
Transactions with owners of equity							
Dividends to equity holders						(69,333)	
As at December 31 2017	**6,933,333**	**663,600**	**1,559,768**	**34,923**	**754,172**	**(2,052,714)**	**7,893,082**

	Share Capital N'000	Share Premium N'000	Asset revaluation reserve N'000	Fair value reserve N'000	Contingency Reserve N'000	Retained Earnings N'000	Total N'000
As at 1 January 2016	**6,933,333**	**663,600**	**837,605**	**-**	**623,267**	**(812,225)**	**8,245,580**
Transferred from statement of Profit or loss for the year	-	-				30,892	30,892
Other Comprehensive Income:							-
Changes in fair value of AFS Investments	-	-	-	33,725	-	-	33,725
Gain on revaluation of properties, plant	-	-	722,162	-	-	-	722,162
Transfer to Contingency Reserve					61,282	(61,282)	-
Total Comprehensive income	**6,933,333**	**663,600**	**1,559,768**	**33,725**	**684,549**	**(842,615)**	**9,032,359**
Transactions with owners of equity							
Dividends to equity holders						(209,040)	(209,040)
As at December 31 2016	**6,933,333**	**663,600**	**1,559,768**	**33,725**	**684,549**	**(1,051,655)**	**8,823,319**

Cashflows from operating activities	Note	2017 Group N'000	2016 Group N'000	2017 Parent N'000	2016 Parent N'000
Premium received	28	2,386,795	2,112,491	2,296,489	2,044,511
Commission received	30	48,187	36,352	48,187	36,352
Reinsurance receipts in respect of claims	31(i)	-	95,027	-	95,027
Other operating income	35	174,996	153,958	65,067	57,377
Cash paid to and on behalf of employees	36	(890,452)	(801,058)	(465,935)	(476,800)
Reinsurance premium paid	29	(606,729)	(540,681)	(606,729)	(540,681)
Insurance benefits and claims paid	31	(604,453)	(669,904)	(540,400)	(623,646)
Underwriting expenses	32	(503,143)	(431,530)	(503,143)	(431,530)
Cash paid to/received from intermediaries and other suppliers		(1,168,214)	(785,475)	(729,596)	(544,069)
Company income tax paid	20	(88,972)	(112,529)	(60,389)	(99,758)
Net cash used in/from operating activities		**(1,251,985)**	**(943,349)**	**(496,449)**	**(483,217)**
Cashflow from Investing Activities					
Purchase of property and equipment	14	(102,317)	(77,091)	(30,155)	(50,818)
Purchase of intangible assets	13b	(50,112)	(27,578)	(28,314)	(29,510)
Proceed from sale of property and equipment		2,806	6,942	1,856	3,222
Proceed from sales of equity investment		24,290	-	24,290	-
Dividend income	34	2,203	6,924	7,016	18,273
Interest received	34	1,359,672	1,134,328	508,644	458,240
Purchase of held to maturity	4(a)	(693,663)	(589,509)		
Redemption/repayment of HTM		888,281	32,285		
Purchase of investment property	11	(198,000)	(35,000)	(198,000)	(35,000)
Net cash provided by investing activities		**1,233,160**	**451,301**	**285,337**	**364,407**
Cashflow from Financing Activities					
Dividend paid	25	(69,668)	(209,829)	(69,333)	(209,040)
Net cash provided by financing activities		**(69,668)**	**(209,829)**	**(69,333)**	**(209,040)**
Net increase/(decrease) in cash and cash equivalent		(88,493)	(701,877)	(280,445)	(327,850)
Cash and cash equivalent at the beginning		4,691,391	5,393,268	4,037,438	4,365,288
Cash and cash equivalent at the end of the year	3	4,602,898	4,691,391	3,756,993	4,037,438

1. General information

Veritas Kapital Assurance plc ('the company') was initially incorporated under the name of Kapital Insurance Company Limited as a private Limited liability company on the 8 August, 1973. On 14 March 2007, it acquired and merged with two other insurance companies and became a public liability company. Its shares are quoted on the Nigeria Stock Exchange.

Its Head office is located at 497 Abogo Largema Street, off constitution Avenue, Central Business District, Abuja. Nigeria.

The principal business of the company is underwriting of non-life insurance risks.

The Group consist of the company, two subsidiaries and an associate. The Company has 93.46% equity interest in Health Care Security Limited, 70% equity interest in Future Unity Glanvills Pensions Limited, and 44.65% equity interest in Goldlink Insurance Plc.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are disclosed under General information on the Reporting Entity and Summary of Significant Accounting Policies. These policies have been consistently applied to all the years presented unless otherwise stated.

		Group	Group	Parent	Parent
		31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16
3	**Cash and cash equivalents**	N'000	N'000	N'000	N'000
	This comprises of :				
	Cash at hand	9,360	41,064	2,898	215
	Cash at Bank	474,397	493,489	469,813	486,822
	Short term deposit/ bank placements (3a)	4,119,141	4,156,838	3,284,282	3,550,401
	Total	**4,602,898**	**4,691,391**	**3,756,993**	**4,037,438**

(a) In compliance with section 19(3) of Insurance Act CAP I17 LFN 2004, the short term deposit is financed as follows:

	Group	Group	Parent	Parent
	31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16
	N'000	N'000	N'000	N'000
Financed by Insurance fund	1,687,090	685,612	1,687,090	1,007,068
Financed by other funds	2,432,051	3,471,226	1,597,192	2,543,333
Total short term deposit	**4,119,141**	**4,156,838**	**3,284,282**	**3,550,401**

Short term deposits consist of placements with commercial banks with a maturity date of less than 3 months

		Group	Group	Parent	Parent
		31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16
4	**Financial Assets**	N'000	N'000	N'000	N'000
	This comprises of:				
	Fair value through profit or loss-quoted equities (See note 4(a)below)	55,037	84,136	55,037	84,136
	Held to maturity (See note 4(b)below)	839,056	922,023	-	-
	Available for sales (See note 4(c)below)	37,193	78,530	37,193	78,530
		931,286	**1,084,689**	**92,230**	**162,666**
	Current	894,093	1,006,159	55,037	84,136
	Non-current	37,193	78,530	37,193	78,530
		931,286	**1,084,689**	**92,230**	**162,666**

(a) Fair value through profit or loss

These are quoted equities on the Nigerian Stock Exchange. The fair value is determined by reference to the quoted closing bid price at the end of the reporting year and is derived as follows:

	Group	Group	Parent	Parent
	31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16
Cost	N'000	N'000	N'000	N'000
Balance at 1 January	84,136	88,418	84,136	88,418
Additions during the year	-	-	-	-
Disposal during the year	(23,635)	-	(23,635)	-
Fair value loss	(5,464)	(4,282)	(5,464)	(4,282)
Balance, at 31 December	55,037	84,136	55,037	84,136

(b) Held-to-maturity

Held-to-maturity investments are measured at amortised cost using the effective interest method and assessed for impairment for uncollectibility at the end of each reporting period.

	Group 31-Dec-17 N'000	Group 31-Dec-16 N'000	Parent 31-Dec-17 N'000	Parent 31-Dec-16 N'000
FGN treasury bills (see note (i) below)	309,070	612,451	-	-
State/FGN government bonds (see note (ii)below)	479,986	259,572	-	-
Corporate bond (see note (iii)below)	50,000		-	
	839,056	**922,023**	-	-
Balance at 1 January	922,023	298,225	-	-
Movement during the year	(82,967)	623,798	-	-
Balance at 31 December	**839,056**	**922,023**	-	-

	Group 31-Dec-17 N'000	Group 31-Dec-16 N'000	Company 31-Dec-17 N'000	Company 31-Dec-16 N'000
(i) **FGN Treasury Bills**				
Balance at 1 January	612,451	35,618	-	-
Additions	467,458	537,509	-	-
Redemption/Repayment during the year	(882,224)	(27,000)	-	-
Accrued Interest	111,385	66,324	-	-
Balance at 31 December	**309,070**	**612,451**	-	-
(ii) **FGN Bonds &State Bonds**				
Balance at 1 January	259,572	262,607	-	-
Additions	226,205	2,000	-	-
Redemption/Repayment during the year	(6,057)	(5,285)	-	-
Accrued Interest	266	250	-	-
Balance at 31 December	**479,986**	**259,572**	-	-
(iii) **Corporate Bonds**				
Balance at 1 January	50,000	-	-	-
Additions	-	50,000	-	-
Redemption/Repayment during the year	-	-	-	-
Accrued Interest	-	-	-	-
Balance at 31 December	**50,000**	**50,000**	-	-

(c) Available for sale

The fair value of some of the unlisted equity investments could not be reliably determined at the end of the reporting period. As such, those unlisted equity investments have been accounted for at cost less impairment. Management believes that the recoverable amount of these unlisted investments is not significantly different from the carrying amount.

	Group 31-Dec-17 N'000	Group 31-Dec-16 N'000	Parent 31-Dec-17 N'000	Parent 31-Dec-16 N'000
Balance at 1 January	84,545	51,129	84,854	51,129
Reclassification to other receivables (c(i))	(6,825)	-	(6,825)	-
Fair Value Gain/(loss)	1,198	33,725	1,198	33,725
	79,227	84,854	79,227	84,854
Impairment charge	(42,034)	(6,324)	(42,034)	(6,324)
Balance at 31 December	**37,193**	**78,530**	**37,193**	**78,530**

i. Reclassification from Available for sale represents investment in Nigeria Liability Insurance Pool (NLIP) which has been dissolved.

Movement in Available for sale is shown in the table below:

Entity	number of units	Cost	Share price as at 31.12.2017 (FMDQ)	Calculated Value as at 31.12.2017	Impairment	Fv gain/ (loss)	Reclassification	Value as at 31.12.2017
		N'000		N'000	N'000	N'000	N'000	N'000
CSCS 150,0000 UNIT OF SHARES	150,000	525	7.15	1,073	-	548		1,073
JAIZ INTERNATIONAL BANK	1,000,000	1,000	1.65	1,650	-	650		1,650
NIG. LIABILITY POOL ACCOUNT		437	N/A	437.35	(437)	-		-
NIG.OIL&ENERGY INS.POOL		6,825	N/A	6,825.00	-	-	(6,825)	-
INDEMNITY FINANCE LTD.	6,441,435	6,324	N/A	6,324.06	(6,324)	-		-
INTEGRATED FINANCIAL SERVICES LTD		161	N/A	160.72	(161)	-		-
UNITY KAPITAL LIFE INSURANCE ACCOUNT		35,111	N/A	35,110.90	(35,111)	-		-
WEST AFRICAN INSURANCE COMPANIES ASSOCIATION (WAICA)	78,715	34,471	N/A	34,471.40	-			34,471
Total		84,854		86,052	(42,033)	1,198	(6,825)	37,194

Movement in Impairment loss

	Group	Group	Parent	Parent
	31-Dec-17	**31-Dec-16**	**31-Dec-17**	**31-Dec-16**
	N'000	**N'000**	**N'000**	**N'000**
Balance at 1 January	(6,324)	-	(6,324)	-
Impairment charge during the year	(35,709)	(6,324)	(35,709)	(6,324)
Balance at 31 December	**(42,033)**	**(6,324)**	**(42,034)**	**(6,324)**

5 Trade receivables

(a) a. This comprises of:

	Group 31-Dec-17	Group 31-Dec-16	Parent 31-Dec-17	Parent 31-Dec-16
Premium receivable from insurance brokers	560,199	545,262	560,199	545,262
Premium receivable from insurance agents	6,004	6,728	6,004	6,728
Premium receivable from policy holders	2,183	55,610	2,183	55,610
Premium receivable from insurance companies	182,436	136,544	182,436	136,544
	750,822	744,144	750,822	744,144
Less:				
Impairment of premium receivables	(744,144)	(744,144)	(744,144)	(744,144)
	6,678	**-**	**6,678**	**-**

	Group 31-Dec-17 N'000	Group 31-Dec-16 N'000	Parent 31-Dec-17 N'000	Parent 31-Dec-16 N'000
Age analysis of premium receivables are as follows				
(b)				
0-30 days	6,678	-	6,678	-
Above 30 days	-	-	-	-
	6,678	**-**	**6,678**	**-**

(c) Analysis of movement in impairment allowance;

Group

	Balance at 1 January N'000	Addition N'000	Provision no longer required N'000	Balance at 31 December N'000
Premium receivable from insurance brokers	545,262	-	-	545,262
Premium receivable from insurance agents	6,728	-	-	6,728
Premium receivable from policy holders	55,610	-	-	55,610
Premium receivable from insurance companies	136,544	-	-	136,544
	744,144	**-**	**-**	**744,144**

Company

	Balance at 1 January N'000	Addition N'000	Provision no longer required N'000	Balance at 31 December N'000
Premium receivable from insurance brokers	545,262	-	-	545,262
Premium receivable from insurance agents	6,728	-	-	6,728
Premium receivable from policy holders	55,610	-	-	55,610
Premium receivable from insurance companies	136,544	-	-	136,544
	744,144	**-**	**-**	**744,144**

	Group 31-Dec-17 N'000	Group 31-Dec-16 N'000	Parent 31-Dec-17 N'000	Parent 31-Dec-16 N'000
6 Reinsurance assets				
This is analysed as follows:				
Prepaid reinsurance(see note 6(a) below)	78,867	69,590	78,867	69,590
Reinsurer' share of outstanding claims (see note 6(b)below)	109,434	74,989	109,434	74,989
Reinsurers share of claims paid (see note 6(c)below)	28,001	-	28,001	-
	216,302	**144,579**	**216,302**	**144,579**
A Movement in prepaid reinsurance is as follows:				
Balance 1 January	69,590	158,805	69,590	158,805
Additions during the year	600,331	546,176	600,331	546,176
Amortized in the year - reinsurance expenses (note 29)	(591,054)	(635,391)	(591,054)	(635,391)
Balance 31 December	**78,867**	**69,590**	**78,867**	**69,590**
B Movement in reinsurer' share of outstanding claims				
Balance at 1 January	74,989	34,214	74,989	34,214
Movement in Reinsurers/co-assurers' share of outstanding claims reported during the year	34,445	40,775	34,445	40,775
Balance at 31 December	**109,434**	**74,989**	**109,434**	**74,989**

c	Movement in reinsurer' share of claims paid				
	Balance at 1 January	-	-	-	-
	Movement in Reinsurers/co-assurers' share of outstanding claims reported during the year	28,001	-	28,001	-
	Balance at 31 December	**28,001**	**-**	**28,001**	**-**
	Current	216,302	144,579	216,302	144,579
	Non-current	-	-	-	-
		216,302	**144,579**	**216,302**	**144,579**

		Group 31-Dec-17 N'000	Group 31-Dec-16 N'000	Parent 31-Dec-17 N'000	Parent 31-Dec-16 N'000
7	**Deferred acquisition cost**				
A	Deferred acquisition cost by class of business				
	Motor	16,993	12,917	16,993	12,917
	Fire	11,910	10,102	11,910	10,102
	General Accident	7,873	11,227	7,873	11,227
	Marine	3,880	2,060	3,880	2,060
	Aviation	1,426	1,223	1,426	1,223
	Engineering	27,366	14,583	27,366	14,583
	Oil and Gas	27,245	38,065	27,245	38,065
	Bond	1,625	14	1,625	14
	Total	**98,318**	**90,191**	**98,318**	**90,191**
b	The movement in deferred acquisition cost is as follow:				
	Acquisition Cost brought forward	90,191	137,687	90,191	137,687
	Acquisition costs paid during the period (note 32)	467,981	312,971	467,981	312,971
	Total	558,172	450,658	558,172	450,658
	Amortised during the year (see note 32.)	(459,854)	(360,467)	(459,854)	(360,467)
	Acquisition costs carried forward	**98,318**	**90,191**	**98,318**	**90,191**
	Current	98,318	90,191	98,318	90,191
	Non-current	-	-	-	-
		98,318	**90,191**	**98,318**	**90,191**

		Group 31-Dec-17 N'000	Group 31-Dec-16 N'000	Parent 31-Dec-17 N'000	Parent 31-Dec-16 N'000
8	**Other receivables and prepayments**				
	The balance is analysed as follow:				
	Receivables from staff(See Note (a)below)	46,900	40,713	38,252	34,418
	Deposit for investment (See Note (b)below)	121,457	117,611	121,457	117,611
	Commercial papers (See Note (c)below)	261,872	271,871	261,872	271,871
	Prepayment	66,845	147,294	49,283	128,935
	Inventory	7,556	22,746	7,556	22,746
	Fees receivables and Other receivables	214,039	137,665	33,591	-
	ASO saving and loans(See Note (e) below)	219,361	-	219,361	-
	Receivables from bank (See note (f) below)	17,601		17,601	
	Reclassification from available for sales (See note (g) below)	6,825	-	6,825	-
		962,456	737,900	755,798	575,581
	Impairment of other receivables and prepayment(See Note (h)below)	(422,781)	(243,780)	(420,315)	(243,780)
		539,675	**494,120**	**335,483**	**331,801**
	Current	539,675	494,120	335,480	331,801
	Non-current	-	-	-	-
		539,675	**494,120**	**335,480**	**331,801**

(a) Receivables from staff consist of amount due from staff in respect of advances and upfront allowances. The analysis is shown below.

	Group 31-Dec-17 N'000	Group 31-Dec-16 N'000	Parent 31-Dec-17 N'000	Parent 31-Dec-16 N'000
Balance at 1 January	40,713	29,908	34,418	25,434
Addition	70,920	67,420	56,920	54,420
Interest on loans	874	121	156	121
Impairment charge during the year**	(18,845)	(8,750)	(18,845)	(8,750)
Loan Repayment during the year	(46,762)	(47,986)	(34,397)	(36,807)
Balance at 31 December	**46,900**	**40,713**	**38,252**	**34,418**

** The impaired staff loan of N18.845m represents a legacy balance of loans to staff of the defunct Intercontinental Assurance.

(b) Deposit for investment represents net balances with Lighthouse stockbrokers for purchase of quoted equities on the Nigeria Stock exchange. An impairment charge has been recognised in the financial statements with respect to this.

(c) Commercial papers represents receivables from the following entities

	Group 31-Dec-17 N'000	Group 31-Dec-16 N'000	Parent 31-Dec-17 N'000	Parent 31-Dec-16 N'000
a) Back-up Network Ltd	44,412	44,412	44,412	44,412
b) TKM Mestro Nigeria Ltd	131,649	131,649	131,649	131,649
C) Off-shore integrated Concession Ltd	39,712	49,711	39,712	49,711
d) Kruger Brent Global Services Ltd	46,099	46,099	46,099	46,099
	261,872	**271,871**	**261,872**	**271,871**

These commercial papers have been impaired by the company as they are in doubt of recovery.

(d) Fee receivables includes fees and commission receivable on RSA assets and administrative fee as at year end, the sum of N6.8 million reclassified from financial assets and other receivables.

(e) This represents amount receivable from Aso Savings and loans on the fund placed with the entity. As at the reporting date, the placement has matured but the fund is yet to be returned to the entity.

(f) Receivables from bank represent trade receivables held in intermediary bank accounts as at 31 December 2017.

(g) Reclassification from Available for sale represents investment in Nigeria Liability Insurance Pool (NLIP) which has been dissolved

(h) The movement in impairment charge is as follows:

Company

	Balance at 1 January 2017	Additions	Provision no longer required	Balance at 31 December 2017
Receivables from staff	8,750	10,095	-	18,845
Deposit for investment	117,611	-	(24,500)	93,111
Commercial papers	117,419	154,453	(10,000)	261,872
Prepayment	-	46,487	-	46,487
Balance at 31 December	**243,780**	**211,035**	**(34,500)**	**420,315**

Group

	Balance at 1 January 2017	Additions	Provision no longer required	Balance at 31 December 2017
Receivables from staff	8,750	10,095	-	18,845
Deposit for investment(see note h(i)below	117,611	-	(24,500)	93,111
Commercial papers	117,419	154,453	(10,000)	261,872
Prepayment	-	46,487	-	46,487
Fees Receivables	-	2,466	-	2,466
Balance at 31 December	**243,780**	**213,501**	**(34,500)**	**422,781**

h(i)This relates to real estate swap from Lighthouse Registrar as part of deposit for investment previously impaired. The perfection of title document is still ongoing.

9 Investment in Subsidiaries

UnityKapital has 2 subsidiaries as at 31 December 2017. The details of the subsidiaries and principal activities are detailed below:

	31-Dec-2017 N'000	31-Dec-2016 N'000
Future Unity Glanvills(FUG) Pension Limited at cost(See Note (a)below)	1,160,000	1,160,000
Health care Security Limited at cost (See Note (b)below)	416,300	416,300
	1,576,300	**1,576,300**

(a) Future Unity Glanvills (FUG) Pension Limited has issued share ordinary share capital of 1.5 billion units of N1 each. UnityKapital holds 1.05 billion (70%): The Company was incorporated on 20 April 2005, and licenced by National Pension Commission to carry on business of a Pension Fund Administrator on 19 June 2007. Its principal place of business is Lagos.

(b) Health Care Security Limited has issued ordinary share capital of 429,075,000 units of N1 each UnityKapital holds 401,000,000 units (93.5%): The Company carries on the business of a health maintenance organisation, and its principal place of business is Abuja.

Summarised financial information in respect of each of the Group's subsidiaries is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	FUG Pension		Healthcare Securities	
	31-Dec-17 N'000	31-Dec-16 N'000	31-Dec-17 N'000	31-Dec-16 N'000
Total revenue	966,780	744,927	198,112	162,505
Profit before tax	175,050	233,530	17,065	27,015
Total assets	1,722,400	1,487,942	566,167	545,950
Total liabilities	81,727	84,661	59,488	40,456
Shareholders fund	1,640,673	1,480,827	506,679	505,494

		Group 31-Dec-17 N'000	Group 31-Dec-16 N'000	Parent 31-Dec-17 N'000	Parent 31-Dec-16 N'000
10	**Investment in Associates**	1,010,650	1,010,650	1,010,650	1,010,650
	Share of associate loss (see note(a)below)	(1,010,65)	(1,010,65)	(1,010,65)	(1,010,65)
		-	-	-	-

GOLDLINK Insurance Plc
Veritas Kapital holds 1,268,314,351 ordinary shares representing 44.65% holdings in Goldlink Insurance Plc as at 31/12/2017.

Goldlink Insurance Plc became associate company of Veritas Kapital in 2011 but was taken over by the regulatory Authority-National Insurance Commission for infraction of insurance regulations and its Board of Directors was dissolved.

(a) The investment in Goldlink Insurance Plc. has been accounted for using equity method at both the company and group level. The shareholders fund for Goldlink Insurance Plc as at 31 December 2015 was in deficit of N4.245 billion. Veritas Kapital's shares of the shareholder's fund of Goldlink Insurance Plc. as at that date was N1.89 billion. However, IAS 28:38-39 states that, the investor ceases to recognise its share of the investee's losses once it has reduced its investment to zero. Hence the share of loss recognised is limited to N1.01 billion.
Sequel to the year end, Goldlink Insurance Plc became a subsidiary of Veritas Kapital Assurance Plc. The Board of Veritas Kapital Assurance Plc has put in place appropriate measures to revamp the operations of Goldlink. These among others include the following:

- Injection of additional capital.
- Appointment of new management team.

11 Investment properties

	Group 31-Dec-17 N'000	Group 31-Dec-16 N'000	Parent 31-Dec-17 N'000	Parent 31-Dec-16 N'000
A unit of 5 bedroom Terrace House known as blk B, Ajiran Mews, Ikate Lagos	45,000	45,000	45,000	45,000
No 5 Atakpema Street, Off AdetokumboAdemola Street, Wuse II, Abuja.	200,000	200,000	200,000	200,000
No 35 Kafur Street, Off Isa Kaita Road, Kaduna.	55,494	55,494	55,494	55,494
No AC-7 A&B, Prof. Jerry GanaStreet, DanladiNasidi Housing Estate	6,084	6,084	6,084	6,084
No AC-8 A&B Prof. Jerry Gana Street, DanladiNasidi Housing Estate	6,084	6,084	6,084	6,084
No AC-9 A&B Prof. Jerry Gana Street, DanladiNasidi Housing Estate	6,084	6,084	6,084	6,084
No 10- A&B Prof. Jerry Gana Street, DanladiNasidi Housing Estate	6,084	6,084	6,084	6,084
No 11-A&B Prof. Jerry Gana Street, DanladiNasidi Housing Estate	6,084	6,084	6,084	6,084
No 893/894 Jolly Nyame Street, Bosso LGA, Kano.	11,344	11,344	11,344	11,344
Plot No 37, City Centre, Kano.	70,000	70,000	70,000	70,000
No 68 Planner Lane, NNDC Quarters, Off BUK Rd. Sharadda, Kano	72,000	72,000	72,000	72,000
No 91 Planner Lane, NNDC Quarters, Off BUK Rd. Sharadda, Kano	63,000	63,000	63,000	63,000
No 103 A&B Lafiya Rd, Nasarawa GRA, Kano.	108,000	108,000	108,000	108,000
Plot 277, Giwa Road, Gyadi-Gyadi, Kano.	20,943	20,943	20,943	20,943
6 units of 3 bedroom flat known as blk A flt 7&8, blk B flt 7 and blk D flt 4,5&6 at Evergreen Estate, Durumi, Abuja.	180,000	-	180,000	-
Block D flat 5 Hillview Estate GaduwaDist, Abuja	24,000	-	24,000	-
Balance at 31 December	**880,201**	**676,201**	**880,201**	**676,201**

The movement in the fair value of investment properties as at 31 December 2017 is as follows:

	Status of Title Documents	Balance at 1Jan, 2017	Addition	Disposals	Transfer	Revaluation Gain/(loss)	Balance at 31Dec, 2017
A unit of 5 bedroom Terrace House known as blk B, Ajiran Mews, Ikate Lagos	Deed of Legal Mortgage registered as No.22, vol. 2048, lagos Land Registry.	45,000	-	-	-	-	45,000
No 5 Atakpema Street, Off Adetokumbo Ademola Street, Wuse II, Abuja.	Certificate of Occupancy No.1932w-12d43-697br-bfb8u-10	200,000	-	-	-	-	200,000
No 35 Kafur Street, Off Isa Kaita Road, Kaduna.	Certificate of Occupancy No.027560	55,494	-	-	-	-	55,494
No AC-7 A&B, Prof. Jerry GanaStreet, DanladiNasidi Housing Estate	KSHC/EST/DNHE/AC-7A	6,084	-	-	-	-	6,084
No AC-8 A&B Prof. Jerry Gana Street, DanladiNasidi Housing Estate	KSHC/EST/DNHE/AC-8A	6,084	-	-	-	-	6,084
No AC-9 A&B Prof. Jerry Gana Street, DanladiNasidi Housing Estate	KSHC/EST/DNHE/AC-9	6,084	-	-	-	-	6,084
No 10- A&B Prof. Jerry Gana Street, DanladiNasidi Housing Estate	KSHC/EST/AC-10A	6,083	-	-	-	-	6,083
No 11-A&B Prof. Jerry Gana Street, DanladiNasidi Housing Estate	KSHC/EST/AC-11A	6,084	-	-	-	-	6,084
No 893/894 Jolly Nyame Street, Bosso LGA, Kano.	KSHC/EST/DNHE/BE-27	11,344	-	-	-	-	11,344
Plot No 37, City Centre, Kano.	Right of Occupancy No. COM/93/58	70,000	-	-	-	-	70,000
No 68 Planner Lane, NNDC Quarters, Off BUK Rd. Sharadda, Kano	Certificate of Occupancy No.LKN/RES/85/1508	72,000	-	-	-	-	72,000
No 91 Planner Lane, NNDC Quarters, Off BUK Rd. Sharadda, Kano	Certificate of Occupancy No.LKN/RES/85/1507	63,000	-	-	-	-	63,000
No 103 A&B Lafiya Rd, Nasarawa GRA, Kano.	Certificate of Occupancy No.LKN/RES/RC/1336	108,000	-	-	-	-	108,000
Plot 277, Giwa Road, Gyadi-Gyadi, Kano.	Certificate of Occupancy No.LKN/RES/RC/82/282	20,944	-	-	-	-	20,944
6 units of 3 bedroom flat known as blk A flt 7&8, blk B flt 7 and blk D flt 4,5&6 at Evergreen Estate, Durumi, Abuja.	Certificate of Occupancy No.FCT/ABU/MCSC/11092	-	198,000		-	(18,000)	180,000
Block D flat 5 Hillview Estate GaduwaDist, Abuja.	Certificate of Occupancy No.1932w-10645-65f7r-bbb2u-10	-	24,500	-	-	(500)	24,000
Total		**676,201**	**222,500**	**-**	**-**	**(18,500)**	**880,201**

The movement in the fair value of investment properties as at 31 December 2016 is as follows:

	Status of Title Documents	Balance at 1 January, 2016	Addition	Disposals	Transfer	Revaluation Gain/ (loss)	Balance at 31 December, 2016
A unit of 5 bedroom Terrace House known as blk B, Ajiran Mews, Ikate Lagos	Deed of Legal Mortgage registered as No.22, vol. 2048, lagos Land Registry.		35,000	-	-	10,000	45,000
No 5 Atakpema Street, Off AdetokumboAdemola Street, Wuse II, Abuja.	Certificate of Occupancy No.1932w-12d43-697br-bfb8u-10	177,233	-	-	-	22,767	200,000
No 35 Kafur Street, Off Isa Kaita Road, Kaduna.	Certificate of Occupancy No.027560	41,364	-	-	-	14,130	55,494
No AC-7 A&B, Prof. Jerry GanaStreet, DanladiNasidi Housing Estate	KSHC/EST/DNHE/AC-7A	3,341	-	-	-	2,743	6,084
No AC-8 A&B Prof. Jerry Gana Street, DanladiNasidi Housing Estate	KSHC/EST/DNHE/AC-8A	3,395	-	-	-	2,689	6,084
No AC-9 A&B Prof. Jerry Gana Street, DanladiNasidi Housing Estate	KSHC/EST/DNHE/AC-9	3,501	-	-	-	2,583	6,084
No 10- A&B Prof. Jerry Gana Street, DanladiNasidi Housing Estate	KSHC/EST/AC-10A	3,300	-	-	-	2,783	6,083
No 11-A&B Prof. Jerry Gana Street, DanladiNasidi Housing Estate	KSHC/EST/AC-11A	3,450	-	-	-	2,634	6,084
No 893/894 Jolly Nyame Street, Bosso LGA, Kano.	KSHC/EST/DNHE/BE-27	7,719	-	-	-	3,625	11,344
Plot No 37, City Centre, Kano.	Right of Occupancy No. COM/93/58	94,022	-	-	-	(24,022)	70,000
No 68 Planner Lane, NNDC Quarters, Off BUK Rd. Sharadda, Kano	Certificate of Occupancy No.LKN/RES/85/1508	45,172	-	-	-	26,828	72,000
No 91 Planner Lane, NNDC Quarters, Off BUK Rd. Sharadda, Kano	Certificate of Occupancy No.LKN/RES/85/1507	53,663	-	-	-	9,337	63,000
No 103 A&B Lafiya Rd, Nasarawa GRA, Kano.	Certificate of Occupancy No.LKN/RES/RC/1336	120,400	-	-	-	(12,400)	108,000
Plot 277, Giwa Road, Gyadi-Gyadi, Kano.	Certificate of Occupancy No.LKN/RES/RC/82/282	20,049	-	-	-	895	20,944
Total		**576,609**	**35,000**	**-**	**-**	**64,592**	**676,201**

Investment property comprises of landed properties and buildings held for the purpose of capital appreciation and rental income and are carried at fair value. The fair value of the Investment properties has been determined by external, independent professional valuers, Messrs. OSAS & OSAS and Partners (FRC/2013/NIESV/00000001140) as at 31 December 2017, having appropriate recognised professional qualifications and recent experience in the locations and categories of the Investment properties being valued. The properties have been valued using the depreciated replacement cost and market value approaches. Valuations are performed on an annual basis and the fair value gains and losses are recognised in the profit or loss account. The valuations were based on market data such as discount rates, rental risk and reversionary rates.

Measurement of fair value

(a) Fair value hierarchy.

The fair value measurement for the investment properties of N880,201 (2016:N676,201) has been categorised as a level 3 fair value based on the inputs into the valuation technique used.

(b) Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

Valuation technique	**Significant unobservable inputs**	**between key unobservable inputs and fair value**
The fair values are determined by applying the direct market evidence comparative method of valuation to derive the open market value. This valuation model reflects the current price on actual transaction for similar properties in the neighbourhood in recent time. References were made to prices of land and comparable properties in the neighbourhood. The data obtained were analysed and adjustments was made to reflect differences in site area and the actual location ,quality of construction and off-site facilities.	- Price per square meter - rate of development in the area - Quality of the building - Influx of people and/or businesses to the area	The estimated fair value would increase(decrease) if the rate of development in the area increases(decreases), quality of the building increases (decreases), influx of people and/or business to the area increases(decreases)

(c) Analysed below is the list of investment properties whose titles are yet to be perfected as at the reporting date.

INVESTMENT PROPERTIES NOT IN THE NAME OF UNITY KAPITAL
AS AT YEAR END DECEMBER, 2017

TITLE OF DOCUMENTS	DATE OF ACQUISITION	TIITLE DOCUMENT NO	LOCATION	CARRYING AMOUNT (N)	STEPS TAKEN FOR PERFECTION
ASO SAVINGS	25/11/2016	Deed of Legal Mortgage registered as No.22, vol. 2048, lagos Land Registry.	A unit of 5 bedroom Terrace House known as blk B, Ajiran Mews, Ikate Lagos	45,000,000.00	Swap for debt
Kapital Insurance Company limited	12/5/1996	Certificate of Occupancy No.1932w-12d43-697br-bfb8u-10	No 5 Atakpema Street, Off Adetokumbo Ademola Street, Wuse II, Abuja.	200,000,000.00	Completed
Mohammed Lawal Umar	1998	Certificate of Occupancy No.027560	No 35 Kafur Street, Off Isa Kaita Road, Kaduna.	55,494,000.00	Perfection is ongoing
Kapital Insurance Company limited			No 12 Farm Centre Market, Taradani LGA Kano	70,000,000.00	Perfection is ongoing
Kapital Insurance Company limited	8/3/1997	Certificate of Occupancy No.LKN/RES/85/1508	No 68 Planner Lane, NNDC Quarters, Off BUK Rd. Sharadda, Kano	72,000,000.00	Completed
Kapital Insurance Company limited	6/10/1994	Certificate of Occupancy No.LKN/RES/85/1507	No 91 Planner Lane, NNDC Quarters, Off BUK Rd. Sharadda, Kano	63,000,000.00	Completed
North Breverly Limited	3/8/1993	Certificate of Occupancy No.LKN/RES/RC/1336	No 103 A&B Lafiya Rd, Nasarawa GRA, Kano.	108,000,000.00	Perfection is ongoing
Aliyu Mohammed Saidu	21/2/2000	Certificate of Occupancy No.LKN/RES/RC/82/282	Plot 277, Giwa Road, Gyadi-Gyadi, Kano.	20,945,600.00	Perfection is ongoing
UACN Property Development Co. Plc	26/1/2017	Certificate of Occupancy No.1932w-10645-65f7r-bbb2u-10	Block D flat 5 Hillview Estate Gaduwa District, Abuja.	24,000,000.00	Perfection is ongoing

		31-Dec-17 N'000	31-Dec-16 N'000
12	**Goodwill**		
	The goodwill is arising on acquisitions in the following subsidiaries:		
	FUG Pension	316,884	316,884
	Healthcare Securities	69,560	69,560
		386,444	**386,444**

Key assumptions in assessing impairment on goodwill

- The cashflows were projected based on the company's approved budget. The cashflows were based on past experiences and were adjusted to reflect expected future performances of the company.
- A terminal growth rate averaging 2.8% was applied in determining the terminal cashflows.
- Discount rates of averaging 21.88%, representing pre-tax weighted average cost of capital (WACC), was applied in determining the value in use. An additional 6.34% was incorporated into WACC as an adjustment factor for country risk to ensure compliance with the standard. The growth rate used to extrapolate terminal cashflows for goodwill impairment testing is consistent with long term average growth rate for the respective industries.
- The key assumptions described above may change as economic and market conditions change. The Group estimates that reasonably possible changes in these assumptions would not cause the recoverable amount of either CGU to decline below the carrying amount.

Assessment of impairment on goodwill was developed by the management of the company with the use of a valuation specialist from Deloitte with FRC registration number FRC/2013/ICAN/00000001336.

13 Intangible assets - Software

This comprises of acquired computer software which does not form part of a related hardware.

	Group 31-Dec-17 N'000	Group 31-Dec-16 N'000	Parent 31-Dec-17 N'000	Parent 31-Dec-16 N'000
	90,582	93,675	68,378	86,726
Computer software				
Cost				
Balance, at 1 January	296,341	268,763	247,183	217,673
Additions	50,112	27,578	28,314	29,510
Balance, 31 December	346,453	296,341	275,497	247,183
Accumulated amortisation				
Balance, at 1 January	202,666	180,216	160,458	142,184
Amortisation expense	53,205	22,450	46,661	18,274
Balance, 31 December	255,871	202,666	207,119	160,458
Carrying amount 31 December	**90,582**	**93,675**	**68,378**	**86,725**

14 GROUP

Property, plant and equipment

Cost/Valuation	**Leasehold land N'000**	**Buildings N'000**	**Office computer equipment N'000**	**Motor vehicles N'000**	**Office furniture and fittings N'000**	**Total N'000**
	1,067,272	1,938,665	388,481	418,565	139,211	3,952,194
At 1 January						-
Additions		2,078	29,525	65,696	5,018	102,317
Disposals				(36,020)		(36,020)
As at 31 December	1,067,272	1,940,743	418,006	448,241	144,229	4,018,491
Accumulated depreciation						-
At 1 January	-	20,587	297,956	322,822	127,082	768,447
Depreciation expense		4,273	32,069	55,815	9,585	101,742
Disposals				(35,235)		(35,235)
As at 31 December	-	24,860	330,025	343,402	136,667	834,954
Carrying amount as at 31 December, 2017	**1,067,272**	**1,915,883**	**87,982**	**104,839**	**7,562**	**3,183,537**
Carrying amount as at 31 December, 2016	**1,067,272**	**1,918,078**	**90,525**	**95,473**	**12,129**	**3,183,747**

Parent

	Leasehold land N'000	**Buildings N'000**	**Office computer equipment N'000**	**Motor vehicles N'000**	**Office furniture and fittings N'000**	**Total N'000**
Cost/Valuation						
At 1 January	1,047,272	1,719,169	242,072	258,627	112,929	3,380,069
Additions	-	378	7,622	18,750	3,405	30,155
Disposals				(26,485)		(26,485)
As at 31 December	1,047,272	1,719,547	249,694	250,892	116,334	3,383,739
Accumulated depreciation						
At 1 January	-	-	172,605	222,795	109,593	504,993
Depreciation expenses	-		21,878	25,891	6,731	54,500
Disposals	-	-		(25,699)		(25,699)
As at 31 December	-	-	194,483	222,987	116,324	533,794
Carrying amount as at 31 December, 2017	**1,047,272**	**1,719,547**	**55,211**	**27,905**	**10**	**2,849,945**
Carrying amount as at 31 December, 2016	**1,047,272**	**1,719,168**	**69,467**	**35,832**	**3,336**	**2,875,075**

a) Land and Building was independently valued by Osas&Osas and Partners, Estate surveyors &Valuers(FRC/2012/0000000000522) in 2017 to ascertain the open market value of land and building . The open market value of land and building as at 31 December 2017 was N2,766,818,000 (2016:2,766,441,000).

14(b) GROUP

Property, plant and equipment

	Leasehold land	Buildings	Office computer equipment	Motor vehicles	Office furniture and fittings	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Cost/Valuation						
At I January 2016	1,116,609	1,091,084	342,221	492,390	156,336	3,198,640
Reclassification/reversals	(17,691)	-	-	-	-	(17,691)
Revaluation gain	(31,646)	834,048	-	-	-	802,402
Additions	-	13,533	46260	13159	4,139	77,091
Disposals		-	-	(86,984)	(21,264)	(108,248)
As at 31 December, 2016	**1,067,272**	**1,938,665**	**388,481**	**418,565**	**139,211**	**3,952,194**
						-
Accumulated depreciation						-
At 1 January 2016	-	16,393	272,886	378,632	140,140	808,051
Depreciation expenses		4,194	25,070	27,674	8,206	65,144
Disposals	-	-	-	(83,484)	(21,264)	(104,748)
As at 31 December, 2016	-	20,587	297,956	322,822	127,082	768,447
Carrying amount as at 31 December, 2016	**1,067,272**	**1,918,078**	**90,525**	**95,743**	**12,129**	**3,183,747**
Carrying amount as at 31 December, 2015	**1,116,609**	**1,074,691**	**69,335**	**113,758**	**16,196**	**2,390,589**

Parent

	Leasehold land	Buildings	Office computer equipment	Motor vehicles	Office furniture and fittings	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Cost/Valuation						
At 1 January	1,096,609	875,128	203,807	339,121	131,633	2,646,298
Reclassification/reversals (1)	(17,691)	-	-	-	-	(17,691)
Revaluation gain	(31,646)	834,048	-	-	-	802,402
Additions	-	9,993	38,265	-	2,560	50,818
Disposals	-			(80,494)	(21,264)	(101,758)
As at 31 December	1,047,272	1,719,169	242,072	258,627	112,929	3,380,069
Accumulated depreciation						
At 1 January	-	-	155,769	288,019	125,400	569,188
Depreciation expenses	-	-	16,836	15,270	5,457	37,563
Disposals	-	-		(80,493)	(21,264)	(101,757)
As at 31 December	-	-	172,605	222,796	109,593	504,994
Carrying amount as at 31 December, 2016	**1,047,272**	**1,719,169**	**69,467**	**35,832**	**3,336**	**2,875,075**
Carrying amount as at 31 December, 2015	**1,096,609**	**875,128**	**48,038**	**51,102**	**6,233**	**2,077,110**

a) Land and Building was independently valued by Osas&Osas and Partners, Estate surveyors &Valuers(FRC/2012/0000000000522) in 2017 to ascertain the open market value of land and building. The open market value of land and building as at 31 December 2016 was N2,766,441,000(2015:1,971,737).

14c. Leasehold Land and Building Comprises:

Group	**31 December 2017**			**31 December 2016**		
	Leasehold Land	**Building**	**Total**	**Leasehold Land**	**Building**	**Total**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Plot 1698 C & D Oyin Jolayemi St. V.I. Lagos	256,000	39,000	295,000	256,000	39,000	295,000
Plot 497 Abogo Largema St. Off Contst. Ave. CBD	600,000	1,471,818	2,071,818	600,000	1,471,440	2,071,440
Plot 173 Oshodi-Gbagada express way, opp. UPS, Gbagada, Lagos.	132,057	67,943	200,000	132,057	67,943	200,000
Plot 116 Hadejia Road, Yankaba, Kano.	59,215	140,785	200,000	59,215	140,785	200,000
26,Commercial Avenue, Sabo, Yaba, Lagos	20,000	196,337	216,337	20,000	198,910	218,910
	1,067,272	**1,915,883**	**2,983,155**	**1,067,272**	**1,918,078**	**2,985,350**

Parent	**31 December 2017**			**31 December 2016**		
	Leasehold Land	**Building**	**Total**	**Leasehold Land**	**Building**	**Total**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Plot 1698 C & DOyinJolayemi St. V.I. Lagos	256,000	39,000	295,000	256,000	39,000	295,000
Plot 497 Abogo Largema St. Off Contst. Ave. CBD	600,000	1,471,819	2,071,819	600,000	1,471,441	2,071,441
Plot 173 Oshodi-Gbagada express way, opp. UPS, Gbagada, Lagos.	132,057	67,943	200,000	132,057	67,943	200,000
Plot 116 Hadejia Road, Yankaba, Kano.	59,215	140,785	200,000	59,215	140,785	200,000
	1,047,272	**1,719,547**	**2,766,819**	**1,047,272**	**1,719,168**	**2,766,440**

14d. Movement in leasehold land and building is as follows:

Group- 2017

	Status of Title Documents	**Balance as at Jan,1 2017**	**Addition**	**Disposals**	**Transfer**	**Depreciation**	**Revaluation Gain/(loss)**	**Balance as at 31Dec, 2017**
Plot 1698 C & DOyinJolayemi St. V.I. Lagos	Certificate of Occupancy No.53/53/187A	295,000	-	-	-	-	-	295,000
Plot 497 AbogoLargema St. Off Contst. Ave. CBD	Certificate of Occupancy No.FCT/ABU/MISC/5687			-	-	-	-	
		2,071,440	378	-	-	-	-	2,071,818
Plot 173 Oshodi-Gbagada express way, opp. UPS, Gbagada, Lagos.	Deed of Lease No.1124/SD/4	200,000	-	-	-	-	-	200,000
Plot 116 Hadejia Road, Yankaba, Kano.	Certificate of Occupancy No.LKN/RES/RC/96/64		-	-	-	-	-	
		200,000						200,000
26,Commercial Avenue, Sabo, Yaba, Lagos	Governor Consent (Deed of Assignment)	218,909	1,700			(4,273)		216,336
		2,985,349	2,078	-	-	(4,273)	-	2,983,154

Group- 2016 913,785.65

	Status of Title Documents	**Balance as at 1Jan, 2016**	**Addition**	**Disposals**	**Transfer**	**Depreciation**	**Revaluation Gain/(loss)**	**Balance as at 31Dec, 2017**
Plot 1698 C & DOyinJolayemi St. V.I. Lagos	Certificate of Occupancy No.53/53/187A	377,500	-	-	-	-	(82,500)	295,000
Plot 497 AbogoLargema St. Off Contst. Ave. CBD	Certificate of Occupancy No.FCT/ABU/MISC/5687							
		1,217,909	9,993	(17,691)	-	-	861,229	2,071,440
Plot 173 Oshodi-Gbagada express way, opp. UPS, Gbagada, Lagos.	Deed of Lease No.1124/SD/4	225,045	-	-	-	-	(25,045)	200,000
Plot 116 Hadejia Road, Yankaba, Kano.	Certificate of Occupancy No.LKN/RES/RC/96/64							
		151,283	-	-	-	-	48,717	200,000
26,Commercial Avenue, Sabo, Yaba, Lagos	Governor Consent (Deed of Assignment)	219,563.00	3,540			(4,194)		218,909
		2,191,300	**13,533**	**(17,691)**	**-**	**(4,194)**	**802,401**	**2,985,349**

Company 2017

	Status of Title Documents	Balance as at 1Jan, 2017	Addition	Disposals	Transfer	Depreciation	Revaluation Gain/(loss)	Balance as at 31Dec, 2017
Plot 1698 C & Doyin Jolayemi St. V.I. Lagos	Certificate of Occupancy	295,000	-	-	-	-	-	295,000
Plot 497 Abogo Largema St. Off Contst. Ave. CBD	Certificate of Occupancy No.FCT/ABU/MISC/5687	2,071,440	378	-	-	-	-	2,071,818
Plot 173 Oshodi-Gbagada express way, opp. UPS, Gbagada, Lagos	Deed of Lease No.1124/SD/4	200,000	-	-	-	-	-	200,000
Plot 116 Hadejia Road, Yankaba, Kano.	Certificate of Occupancy	200,000	-	-	-	-	-	200,000
		2,766,440	378	-	-	-	-	2,766,818

Company 2016

	Status of Title Documents	Balance as at 1 Jan, 2016	Addition	Disposals	Transfer	Depreciation	Revaluation Gain/(loss)	Balance as at 31 Dec, 2017
Plot 1698 C & Doyin Jolayemi St. V.I. Lagos	Certificate of Occupancy No.53/53/187A	377,500	-	-	-	-	294,623	295,000
Plot 497 Abogo Largema St. Off Contst. Ave. CBD	Certificate of Occupancy No.FCT/ABU/MISC/5687	1,217,909	9,993	(17,691)	-	-	861,229	2,071,440
Plot 173 Oshodi-Gbagada express way, opp. UPS, Gbagada, Lagos.	Deed of Lease No.1124/SD/4	225,045	-	-	-	-	199,775	200,000
Plot 116 Hadejia Road, Yankaba, Kano.	Certificate of Occupancy No.LKN/RES/RC/96/64	151,283	-	-	-	-	199,849	200,000
		1,971,737	**9,993**	**(17,691)**	**-**	**-**	**1,555,476**	**2,766,440**

		Group 31-Dec-17 N'000	Group 31-Dec-16 N'000	Parent 31-Dec-17 N'000	Parent 31-Dec-16 N'000
15	**Statutory deposit**	**355,000**	**355,000**	**355,000**	**355,000**

This represent amount deposited with the Central bank of Nigeria (CBN) as at December, 2017 in pursuant to section 9(1) and section 10(3) of insurance Act 2003. Interest income earned on this deposit is included in investment income.

		Group 31-Dec-17 N'000	Group 31-Dec-16 N'000	Parent 31-Dec-17 N'000	Parent 31-Dec-16 N'000
16	**Insurance contract liabilities**				
	Outstanding claims(see Note(a) below)				
	Unearned Premium including AURR (see note (a) below)	546,237	518,231	545,333	518,231
	Claims incurred but not reported (see note (b) below)	182,279	87,037	182,279	87,037
	Outstanding claims reported(see note (c) below)	959,478	401,800	959,478	401,800
		1,687,994	**1,007,068**	**1,687,090**	**1,007,068**
a(i)	**Reserve for unearned premium**				
	Motor insurance	159,051	142,430	159,051	142,430
	Fire insurance	67,372	49,211	67,372	49,211
	General accident insurance	36,007	55,735	36,007	55,735
	Marine insurance	19,270	10,537	19,270	10,537
	Engineering	134,711	8,473	134,711	8,473
	Aviation	7,111	166,725	7,111	166,725
	Oil and gas	106,394	286	106,394	286
	Bond	2,293	72,738	2,293	72,738
	1% PHI PREMIUM	904	-	-	-
		533,113	506,135	532,209	506,135
	General accident insurance (AURR)	13,124	12,096	13,124	12,096
		546,237	**518,231**	**545,333**	**518,231**
a(ii)	Movement in unearned premium can be analysed as follows:				
	Balance, beginning of the year	518,231	671,280	518,231	671,280
	Increase/(Decrease) in unearned premium(see note 28)	28,006	(153,049)	27,102	(153,049)
		546,237	**518,231**	**545,333**	**518,231**
B	movement in IBNR is analysed as follows:				
	Balance, beginning of the year	87,037	33,514	87,037	33,514
	Increase/(Decrease) in IBNR (see note 28)	95,242	53,523	95,242	53,523
		182,279	**87,037**	**182,279**	**87,037**
c(i)	**Provision for outstanding claims**				
	Motor insurance	6,697	18,398	6,697	15,707
	Fire insurance	9,550	32,914	9,550	13,721
	General accident insurance	267,109	166,081	267,109	226,132
	Marine insurance	8,910	10,193	8,910	8.910
	Engineering	45,458	31,627	45,458	17,142
	Aviation	21,665	25,526	21,665	9,133
	Oil and gas	600,089	117,061	600,089	111,055
	Bond	-	-	-	-
		959,478	**401,800**	**959,478**	**401,800**
c(ii)	Movement in outstanding claims:				
	Balance, beginning of the year	401,800	278,729	401,800	278,729
	Increase/(Decrease) in IBNR (see note 28)	557,678	123,071	557,678	123,071
		959,478	**401,800**	**959,478**	**401,800**

c(iii) Age analysis of outstanding claims is analysed below:

	2017		2016	
NO. of Days	number of claimants	Outstanding claims (N'000)	number of claimants	Outstanding claims (N'000)
0-90	42	464,469	18	194,506
91-180	61	24,370	26	10,205
181-270	21	81,687	9	34,208
271-365	19	9,230	8	3,865
Above 365	183	379,722	77	159,016
Total	**326**	**959,478**	**137**	**401,800**

All claims are recorded as outstanding claims upon receipt of notification from the broker/ beneficiary. Claims are settled within the stipulated timelines in accordance with Section 70 of the Insurance Act, 2003 upon receipt of signed discharged voucher from the beneficiary. As at 31 December 2017, the balance of outstanding claims above 90 days represents claims for which appropriate complete documentations are yet to be received.

c The investment in respect of this insurance funds is as stated in Note 3b.
Estimates of incurred but not reported (IBNR) claims liability and calculation of unearned premium was developed by the management of the company with the use of a professional actuary (O and A Hedge Actuarial Consulting) with FRC registration number FRC/2016/NAS/00000015764.

17 Trade payables

Trade payables represent amounts payable to reinsurance, co-insurers, agents and brokers at year end. The carrying amounts disclosed below approximate the fair values at the reporting date.

	Group 31-Dec-17 N'000	Group 31-Dec-16 N'000	Parent 31-Dec-17 N'000	Parent 31-Dec-16 N'000
This is analysed as follows:				
Co-insurance premium	-	5,495	-	5,495
Commission payable	43,520	3,529	43,520	3,529
	43,520	**9,024**	**43,520**	**9,024**

18 Retirement benefit obligation

Gratuity Scheme				
Balance at 1 January	-	78,581	-	78,581
Contributions in the year	7,272	-	-	-
Payments in the year	-	(21,127)	-	(21,127)
Reclassified to payable(see note(a) below)	-	(57,454)	-	(57,454)
Balance at 31 December	**7,272**	**-**	**-**	**-**

The company operates a funded defined contribution gratuity scheme for its qualified employees based on the employees' years of service. The scheme is self-administered and the fund is deposited in a term deposit bank account which is included in Cash and cash equivalent in Note 3. The scheme is non-contributory but the company's annual contribution of 5% of the relevant emoluments (as defined in the scheme terms and conditions of qualifying employees' is charged to the profit and loss account. Qualified retiring employees are only entitled to lump sum payment of the accumulated contribution in their favour without interest.

a. However, In July 2016, the gratuity scheme was terminated and the Board approved that the outstanding amount contributed to be paid to the respective beneficiaries of the scheme. Hence, the balance outstanding in the book was reclassified to other payables as due to employees (note 19).

Pension scheme
In addition to the gratuity scheme, the employees of the Company are members of a state arranged Pension scheme (Pension Reform Act, 2004) which is managed by several Pension Funds Administrators. The only obligation of the Company with respect to this pension plan is to make the specified contributions.

		Group 31-Dec-17 N'000	Group 31-Dec-16 N'000	Parent 31-Dec-17 N'000	Parent 31-Dec-16 N'000
19	**Provision and other payables**				
	This is analysed as follows:				
	Life insurance fund (see note (a) below)	131,417	131,417	131,417	131,417
	PAYE tax, VAT, NHF and other remitable deductions	23,881	22,555	874	2,589
	Staff accounts (see note (b) below)	5,723	1,650	3,142	1,650
	Accrued professional fees (see note (c) below)	60,114	37,804	21,040	7,500
	Accrued NAICOM Levy	20,000	-	20,000	
	Accrued penalty charge	30,000	-	30,000	
	Other accruals and payables	15,732	28,521	7,743	18,067
	Unclaimed Dividend	24,248	-	24,248	
	Due to employees (note 18a)	38,342	57,454	38,342	57,454
	Pension Protection fund (see note (d) below)	14,182	-	-	-
		363,639	**279,401**	**276,806**	**218,677**

a. Life insurance fund arose from the business of the defunct Kapital Insurance Company Limited that ceased life business in 2007 because the emerged Unity Kapital is not licensed to carry on life business. The fund was kept in abeyance pending transfer to a life assurance company. The asset cover for the life fund is contained in investment properties included in shareholders and other funds.

b. Staff Account balance is in respect of unremitted amount on behalf of staff to National Housing Fund (NHF) and deductions from staff salary to be remitted to their cooperative scheme administrator.

c. Accrued Professional fees include accrual for audit fees, tax review and annual dues to the financial reporting council (FRC).

d. Pension Protection Fund represents Pension Protection fund maintained by the Pension Fund Administrators as a cushion to Pensioner whose Pension balance is not enough to guarantee at least 2/3 of the Federal Government minimum wage bill on retirement based on section 82 of the PenCom Reformed Act, 2014.

Current	193,880	110,123	107,047	29,806
Non-current	169,759	169,278	169,759	188,871
	363,639	**279,401**	**276,806**	**218,677**

		Group 31-Dec-17 N'000	Group 31-Dec-16 N'000	Parent 31-Dec-17 N'000	Parent 31-Dec-16 N'000
20	**Income tax liabilities**				
	Company income tax	60,132	73,740	42,600	49,527
	Education tax	2,324	9,456	-	4,755
	Under provision in prior years	40,506	-	40,506	-
	Per income statement	102,962	83,196	83,106	54,282
	Balance at beginning of the year	68,452	97,785	19,883	65,359
	Payments	(88,972)	(112,529)	(60,389)	(99,758)
	Per statement of financial position	**82,442**	**68,452**	**42,600**	**19,883**
21.1	**Deferred tax asset**				
	At 1 January	46,403	85,369	-	-
	Charge to income statement	(2,682)	(38,966)	-	-
	At 31 December	**43,721**	**46,403**	-	-

The movement in deferred tax asset is analysed below:

	Property, plant and equipment N'000	Others N'000	Total N'000
At 1 January 2016	49,732	35,637	85,369
Charge to the statement of profit or loss	(22,680)	(16,286)	(38,966)
At 31 December 2016	**27,052**	**19,351**	**46,403**
At 1 January 2017	27,052	19,351	46,403
Charge to the statement of profit or loss	(1,561)	(1,121)	(2,682)
At 31 December 2017	**25,491**	**18,230**	**43,721**

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future profits is probable.

		Group 31-Dec-17 N'000	Group 31-Dec-16 N'000	Parent 31-Dec-17 N'000	Parent 31-Dec-16 N'000
21.2	**Deferred tax liability**				
	At 1 January	262,624	181,321	258,004	177,764
	Charge for the year on building revaluation	-	80,240	-	80,240
	Other Charges for the year	36,392	1,063	34,726	-
				-	
	At 31 December	**299,016**	**262,624**	**292,730**	**258,004**

				31-Dec-17 N'000	31-Dec-16 N'000
22	**Issued and paid up share capital**				
A	**Authorised**				
	14 billion ordinary shares of 50 kobo each	7,000,000	7,000,000	7,000,000	7,000,000
B	**Issued and fully paid**				
	Balance, at 1 January	6,933,333	6,933,333	6,933,333	6,933,333
	Bonus shares issued from share premium	-	-	-	-
	Balance, at 31 December	**6,933,333**	**6,933,333**	**6,933,333**	**6,933,333**

All shares rank equally with regard to the Company's residual assets.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at the meetings of the Company.

23 Share premium

Share premium comprises additional paid-in capital in excess of their par value.

	Group 31-Dec-17 N'000	Group 31-Dec-16 N'000	Parent 31-Dec-17 N'000	Parent 31-Dec-16 N'000
Balance, at 31 December	663,600	663,600	663,600	663,600

24 Statutory contingency reserve

In compliance with Section 21 (1) of Insurance Act 2003, the contingency reserve for non-life insurance business is credited with the greater of 3% of total premiums, or 20% of the net profits and the amount shall accumulate until it reaches the amount of greater of minimum paid-up capital or 50 percent of net premium. The movement in the account is as follows:-

	Group 31-Dec-17 N'000	Group 31-Dec-16 N'000	Parent 31-Dec-17 N'000	Parent 31-Dec-16 N'000
Balance, at 1 January	684,549	623,267	684,549	623,267
Transfer from retained earnings	69,623	61,282	69,623	61,282
Balance, at 31 December	**754,172**	**684,549**	**754,172**	**684,549**

25 Retained earnings

The retained earnings are carried forward recognised income net of expenses plus current period profit attributable to shareholders.

	Group 31-Dec-17 N'000	Group 31-Dec-16 N'000	Parent 31-Dec-17 N'000	Parent 31-Dec-16 N'000
Balance, at 1 January	(732,208)	(671,813)	(1,051,655)	(812,225)
Transferred from statement of Profit or loss for the year	(749,008)	209,927	(862,103)	30,892
Transfer to Contingency Reserve	(69,623)	(61,282)	(69,623)	(61,282)
Dividend paid(see note 25.1 below)	(69,333)	(209,040)	(69,333)	(209,040)
Balance, at 31 December	**(1,620,172)**	**(732,208)**	**(2,052,714)**	**(1,051,655)**

25.1 This relates to dividend paid during the year as approved during the last Annual General Meeting. 2017:0.005k DPS (2016:0.01k).

26a Assets revaluation reserve

Assets revaluation reserve represents the net accumulated change in the fair value of land and buildings until the asset is derecognized or impaired.

	Group	Group	Parent	Parent
	31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16
Land	N'000	N'000	N'000	N'000
Balance, beginning of year	636,068	664,548	636,068	664,548
Revaluation deficit	-	(28,480)	-	(28,480)
Balance, end of year	**636,068**	**636,068**	**636,068**	**636,068**
Building				
Balance, beginning of year	923,700	173,057	923,700	173,057
Revaluation surplus	-	750,643		750,643
Balance, end of year	**923,700**	**923,700**	**923,700**	**923,700**
Carrying amount	**1,559,768**	**1,559,768**	**1,559,768**	**1,559,768**

26b Available for sale reserve

Balance, beginning of year	33,725	33,725	33,725	33,725
Movement during the year	1,198	-	1,198	-
	34,923	**33,725**	**34,923**	**33,725**

27 (Loss)/Earnings per share

Basic (Loss)/earnings per share (kobo)

The calculation of basic earnings per share was based on the profit after tax attributable to ordinary shareholders, and a weighted average number of ordinary shares outstanding on that date calculated as follow:

	Group	Group	Parent	Parent
	31-Dec-17	31-Dec-16	31-Dec-17	31-Oct-16
	N'000	N'000	N'000	N'000
(Loss)/Profit after tax attributable to equity holders	(696,695)	285,686	(858,156)	180,945
Weighted average number of ordinary shares at end of year	6,933,333	6,933,333	6,933,333	6,933,333
Basic (Loss)/earnings per share (kobo)	(0.10)	0.04	(0.12)	0.03

The Company does not have any instrument with a dilutive effect on its capital, hence, the basic earnings per share is same as diluted earnings per share.

		Group 31-Dec-17 N'000	Group 31-Dec-16 N'000	Parent 31-Dec-17 N'000	Parent 31-Oct-16 N'000
28	**Gross premium**				
	Gross premium written (see note (a)below)	2,388,507	2,073,346	2,298,200	2,005,366
	Inward reinsurance premium (see note (b)below)	22,568	37,422	22,568	37,422
	Gross written premium	2,411,075	2,110,768	2,320,768	2,042,788
	Changes in unearned premium (see note 16 a(ii))	(28,006)	153,049	(27,102)	153,049
		2,383,069	**2,263,817**	**2,293,666**	**2,195,837**
a	**Group premium earned is further analysed as follows:**				
	Fire	141,898	189,684	141,898	189,684
	General accident	195,623	229,789	195,623	229,789
	Marine	38,942	43,403	38,942	43,403
	Motor	425,763	357,439	425,763	357,439
	Oil and gas	1,108,902	919,529	1,108,902	919,529
	Aviation	30,645	31,998	30,645	31,998
	Engineering	349,907	233,034	349,907	233,034
	Bond	6,520	490	6,520	490
	PHI Premium	90,307	67,980	-	-
		2,388,507	**2,073,346**	**2,298,200**	**2,005,366**
b	**Inward reinsurance premium**				
	Fire	6,309	8,408	6,309	8,408
	Motor	867	403	867	403
	General accident	5,665	9,070	5,665	9,070
	Aviation	353	644	353	644
	Engineering	5,258	5,417	5,258	5,417
	Marine	2,972	9,061	2,972	9,061
	Oil and gas	1,144	-	1,144	-
	Bond	-	4,419	-	4,419
		22,568	**37,422**	**22,568**	**37,422**
29	**Reinsurance Expenses**				
	Reinsurance cost	600,331	546,176	600,331	546,176
	Movement in prepaid reinsurance	(9,277)	89,215	(9,277)	89,215
	Reinsurance expenses (note 6a)	**591,054**	**635,391**	**591,054**	**635,391**
30	**Fees and commission income**	**48,187**	**36,352**	**48,187**	**36,352**
31	**Insurance claims and benefits**				
	Direct claims paid	540,400	528,619	540,400	528,619
	Changes in outstanding claims	557,677	123,071	557,677	123,071
	Actuarial losses in outstanding claims	95,243	53,523	95,243	53,523
	PHI claims	64,053	46,258	-	-
	Gross claims incurred	1,257,373	751,471	1,193,320	706,733
	Reinsurance recovery(see note 31(a)below	(62,446)	(40,775)	(62,446)	(40,775)
		1,194,927	**710,696**	**1,130,874**	**664,438**
31a	**Analysis of reinsurance recoverable**				
	Reinsurance recovery on paid claims	28,001	135,802	28,001	135,802
	Changes in reinsurance recoverable on outstanding claims& IBNR	34,445	-	34,445	-
	Total reinsurance recoverable	**62,446**	**135,802**	**62,446**	**135,802**

		Group 31-Dec-17 N'000	Group 31-Dec-16 N'000	Parent 31-Dec-17 N'000	Parent 31-Oct-16 N'000
32	**Underwriting expenses**				
	Acquisition cost paid during the year	467,981	312,971	467,981	312,965
	Movement in deferred acquisition	(8,127)	47,496	(8,127)	47,496
	Cost during the year(See note 7)	459,854	360,467	459,854	360,461
	Maintenance cost during the year	83,287	120,155	83,287	120,161
	Total underwriting expenses	**543,141**	**480,622**	**543,141**	**480,622**
33	**Impairment Loss**				
	Impairment charge (other receivables and Prepayments)	213,501	-	211,035	-
	Impairment provision no longer required	(34,500)		(34,500)	
	Impairment charge on unquoted equities	35,709	-	35,709	-
		214,710	-	**212,244**	-
34	**Investment income**				
	*Dividends from equity investments at FVTPL	2,203	6,924	7,016	18,273
	Interest received from:				
	Short term deposits	606,564	542,055	457,201	423,402
	FGN treasury bills(accrued interest)	111,385	66,324	-	-
	FGN bond & state bond	266	250	-	-
	RSA asset based fee	701,820	557,435	-	-
	Statutory deposit	51,288	34,717	51,287	34,717
		1,473,526	**1,207,705**	**515,504**	**476,392**
	Further analysed as follows:				
	Attributable to policy holders fund	108,256	98,685	108,256	98,685
	Attributable to shareholders' funds.	1,365,270	1,109,020	407,248	377,707
		1,473,526	**1,207,705**	**515,504**	**476,392**

*N4.8million represents dividend received from the subsidiary (FUG Pension) which was eliminated on consolidation.

		Group 31-Dec-17 N'000	Group 31-Dec-16 N'000	Parent 31-Dec-17 N'000	Parent 31-Oct-16 N'000
35	**Other operating income**				
	Rental and other incomes	15,530	14,930	15,530	6,317
	Bad debt write-off recovered	-	10,000	-	10,000
	Profit on sale of investment	655	-	655	-
	Profit on disposal of PPE	2,020	3,442	1,070	3,222
	Fee income	82,466	67,986	-	-
	Exchange gain (Domiciliary Accounts)	30,833	-	30,833	-
	Admin charges- Formal sector	19,338	19,575		
	Staff loan-interest	874	121	156	121
	*Sundry income	26,828	51,457	18,548	51,061
		178,544	**167,511**	**66,792**	**70,721**

*This amount represents recovery on judgment debt (N18.5m) and service fee (N8.3m).

		Group 31-Dec-17 N'000	Group 31-Dec-16 N'000	Company 31-Dec-17 N'000	Company 31-Dec-16 N'000
36	**Management expenses**				
	Staff costs	889,595	790,668	448,315	458,423
	Directors' allowances and expenses	226,839	102,035	124,314	69,942
	Depreciation and amortisation	154,947	101,321	101,161	55,838
	Professional fees	44,918	73,035	20,000	52,430
	Audit fees	15,980	12,180	10,500	7,500
	Marketing and advertisement	125,356	115,309	73,335	74,908
	Administrative expenses	227,639	50,886	127,596	49,362
	NITDA information technology levy	1,733	4,697	-	2,385
	Repairs and maintenance	49,822	48,368	24,047	30,178
	Travel costs and allowances	83,313	75,657	54,633	55,806
	NAICOM Levy	20,000	18,979	20,000	18,979
	Donation	12,739	-	250	-
	Electricity and power	49,572	30,300	48,002	30,300
	Penalty charge for contravention (see note 41)	31,250		31,250	
	Subscription	40,690	42,722	35,282	34,017
	Printing and Stationeries	23,316	15,007	29,631	15,007
	Information Technology expenses	62,241	18,911	18,825	18,911
	Pension Protection Fund Levy	14,184	-	-	-
		2,074,134	**1,500,075**	**1,167,141**	**973,986**

		Group 31-Dec-17 N'000	Group 31-Dec-16 N'000	Parent 31-Dec-17 N'000	Parent 31-Oct-16 N'000
37a	**Income tax expense**				
	Education tax	2,324	9,456	-	4,756
	Company income tax	60,132	73,740	42,601	49,527
	Under provision in prior years	40,507	-	40,507	-
	Deferred tax expense	39,074	40,029	34,726	-
		142,037	**123,225**	**117,834**	**54,283**
37b	**Reconciliation of effective tax rate**				
	(loss)\Profit for the year after income tax	(700,641)	285,686	(862,102)	30,892
	Total tax expense;				
	Income	60,132	73,740	42,601	49,527
	Education	2,324	9,456	-	4,756
	Deferred	39,074	40,029	34,726	-
	Under provision in prior years	40,507	-	40,507	-
	(Loss)/Profit for the year before tax	(558,604)	408,911	(744,268)	85,175

38a. Non-Controlling interest

The movement in non-controlling interest during the year is shown below:

Balance, beginning of year	477,104	402,134
Share of profit for the period	48,366	75,759
Dividend Paid	(335)	(789)
	525,135	**477,104**

38b. Proposed Dividend

There was no propose dividend during the year (2016: N.0050)

40 Contingent liabilities

There were claims and litigations against the company as at 31 December, 2017, amounting to N10,684,715(2016: N623,751,536.00). No provision is made in respect of this as management is of the opinion that it is not certain an outflow of economic resources will be required to settle this amount in the future.

41 Contraventions

	Fines and Penalties	
	2017	2016
NATURE OF CONTRAVENTIONS	**N,000**	**N,000**
Late submission of aviation treaty for 2017	250	-
Penalty for late submission of 2017 AML/CFT training plan to NAICOM	1,000	-
Type 2 non-compliance imposed by Financial Reporting Council of Nigeria	30,000	-
	31,250	**-**

42 Related Parties Transactions

(a) Transactions between the company, and the subsidiaries also meet the definition of related party transactions where these are eliminated on consolidation, they are not disclosed in the consolidated financial statements. Details of transactions between the group and other related parties are disclosed below:

The Company enters into transactions with its subsidiaries, Major shareholders and its key management personnel in the normal course of business of providing insurance cover on Motor, Fire, and General accidents. The transactions with related parties are made at normal market prices and conducted at arm's length.

	Relationship	Premium written	Claims paid
		N'000	N'000
Unity Bank Plc	Major Shareholder	118,411	270
FUG Pensions Limited	Subsidiary	7,739	532
Healthcare Security Ltd	Subsidiary	803	147

(b) Compensation of key management personnel
Key management personnel of the group include all directors, executive and non-executive, senior management.

The summary of compensation of key management personnel for the year is as follows:

	N'000	N'000
Salaries	97,818	47,761
Fees	124,313	102,035
Total compensation to key management personnel	222,131	149,796
Directors cost	124,313	69,942
Salaries and wages	24,279	32,171
Pension cost	2,400	3,171
Total Directors cost	150,992	105,284
Remuneration of highest paid Director/Chairman		
Remuneration of highest paid Director	28,819	18,812

43 Information regarding employees

The table below shows the number of staff whose emoluments during the year excluding pension contributions were within the ranges stated:

			2017 Number	2016 Number	2017 Number	2016 Number
Below	-	500,000	58	58	38	-
500,001	-	1,500,000	136	48	106	-
1,500,001	-	2,500,000	40	60	5	47
2,500,001	-	3,500,000	44	30	35	40
3,500,001	-	4,500,000	10	31	5	17
4,500,001	-	5,500,000	4	5	2	-
5,500,001	-	6,500,000	2	0	2	4
6,500,001	-	7,500,000	2	4	2	-
7,500,001	-	8,500,000	2	-	2	-
8,500,001	-	9,500,000	-	-	-	-
9,500,001	-	10,500,000	-	-	-	-
10,500,001	-	and above	6	6	5	2
			304	**242**	**202**	**110**

44 Hypothecation

The Company is exposed to a range of financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilities. In particular, the key financial risk is that in the long term its investment proceeds will not be sufficient to fund the obligations arising from its insurance and investment contracts. in response to the risk, the Company's assets and liabilities at 31 December 2017 / 12/2017 were allocated as follows:

	Policy Holders N'000	Shareholders' Funds N'000	Total N'000
Cash and cash equivalents	1,216,253	2,540,740	3,756,993
Financial assets	-	92,230	92,230
Trade receivables	24,279	-	24,279
Reinsurance assets	216,302	-	216,302
Deferred acquisition cost	98,318	-	98,318
Other receivables and prepayments	-	317,882	317,882
investment in subsidiaries	-	1,576,300	1,576,300
Investment in associates	-	-	-
Investment properties	240,000	640,201	880,201
Goodwill and other intangible asset	-	68,378	68,378
Property, Plant and Equipment	-	2,849,945	2,849,945
Statutory Deposits	-	355,000	355,000
Total assets	**1,795,152**	**8,440,676**	**10,235,828**
Insurance contract liabilities	1,687,090	-	1,687,090
Shareholders and other funds	-	8,548,738	8,548,738
Gap (surplus)	**108,062**	**(108,062)**	**-**

45. SEGMENT REPORTING

Identification of reportable segments
The business activities of UnityKapital Plc Group are first organized by product and type of service: insurance activities, asset management activities and Health Management activities.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (or loss) before income taxes, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within this industry. Inter-segment pricing is determined on an arm's length basis.

Information reported to the chief operating decision maker (the CEO) for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Company's reportable segments under IFRS 8 are therefore as follows:
- Non-life business

- Pension Administration

- Health Care

Non-Life Business
The non -life reportable segment offers a wide variety of insurance products for both personal and corporate customers. The products offer range from engineering, aviation, marine liability, motor liability, oil and energy, bond, fire and property. The main source of income in this segment is the premium received from the insured on risk covered by the entity and the investment income earned on placements and deposit with financial institutions.

Pension Administration
These reportable segments include the administration and management of the retirement benefits of members. The administration includes making investment decisions, collection of contribution and making payment to retirees in-line with provisions of Pension Reform Act 2014. The revenue earned includes administration and management fees received and receivable on members' contributions and the Net Asset value of Funds under Management respectively.

Health Care
This reportable segment is a National Health Maintenance Organization (HMO) duly licensed and accredited by the National Health Insurance Scheme which provides Health Insurance Services to individuals and organizations in both the private sector and the formal sector under the National Health Insurance Scheme (NHIS).

Business Segment Information- Consolidated statement of financial position

	Non-life		Pension administrator		Healthcare		Elimination		Group	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Assets:	=N=	=N=	=N=	=N=	=N=	=N=	=N=	=N=	=N=	=N=
Cash and Cash Equivalents	3,756,993	4,037,438	310,845	147,246	535,060	506,707			4,602,898	4,691,391
Financial Assets	92,230	162,666	839,056	922,023		-			931,286	1,084,689
Trade receivables	24,279	-							24,279	-
Reinsurance Assets	216,302	144,579		-		-			216,302	144,579
Deferred Acquisition Cost	98,318	90,191		-		-			98,318	90,191
Other receivables and prepayment	317,882	331,801	193,285	151,040	10,907	11,279			522,074	494,120
Investment in subsidiaries	1,576,300	1,576,300					(1,576,300)	(1,576,300)	-	-
Investment in Associate	-	-						-	-	-
Investment Properties	880,201	676,201							880,201	676,201
Goodwill	-						386,444	386,444	386,444	386,444
Intangible Assets	68,378	86,726	22,204	6,949		-			90,582	93,675
Property, Plant and Equipment	2,849,945	2,875,075	313,290	280,708	20,302	27,964			3,183,537	3,183,747
Statutory Deposit	355,000	355,000							355,000	355,000
Deferred Tax Asset	-	-	43,721	46,403					43,721	46,403
Total Assets	10,235,828	10,335,977	1,722,401	1,554,367	566,269	545950	(1,189,856)	(1,189,856)	11,334,642	11,246,440
Liabilities:										
Insurance contract liabilities	1,687,091	1,007,068		-	903	-	-	-	1,687,994	1,007,068
Trade payables	43,520	9,024		-		-	-	-	43,520	9,024
Employees retirement benefit obligations	-	-		-	7,272	-	-	-	7,272	-
Provision and other payables	276,806	218,677	69,006	51,275	17,827	9,449	-	-	363,639	279,401
Income tax liabilities	42,600	19,883	12,721	22,182	27,121	26,387	-	-	82,442	68,452
Deferred Tax Liabilities	292,730	258,004		-	6,286	4,620	-	-	299,016	262,624
Other Liabilities							-	-	-	-
Issued and paid up share capital	6,933,333	6,933,333	1,500,000	1,500,000	429,075	429,075	(1,929,075)	(1,929,075)	6,933,333	6,933,333
Share premium	663,600	663,600	-	-	8,946	8,946	(8,946)	(8,946)	663,600	663,600
Statutory Contingency reserves	754,172	684,549							754,172	684,549
Retained earnings	(2,052,714)	(1,051,654)	140,673	(19,090)	68,658	67,473	223,030	271,060	(1,620,353)	(732,294)
Other Component of Equity	-	-							-	-
Asset revaluation reserve	1,559,768	1,559,769							1,559,768	1,559,769
Fair value reserve	34,923	33,725							34,923	33,725
Non Controlling interest(NCI)							525,135	477,105	525,135	477,105
	10,235,829	10,335,978	1,722,400	1,554,367	566,269	545,950	(1,189,856)	(1,189,856)	11,334,642	11,246,440

Business Segment Information- Consolidated statement of Comprehensive Income

	Non-life		Pension administrator		Healthcare		Consolidation Adjustments		Group	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	=N=	=N=	=N=	=N=	=N=	=N=	=N=	=N=	=N=	=N=
Net Underwriting Income	1,750,799	1,750,799	-	-	90,307	67,980	-		1,840,201	1,666,298
(Loss)\profit before tax	(744,269)	85,175	175,050	310,351	17,065	27,015	(6,451)	(13,630)	(558,605)	408,911
(Loss)\profit after tax	(862,103)	30,892	159,846	247,880	6,333	18,263	(4,718)	(11,349)	(700,642)	285,686

For the purposes of monitoring segment performance and allocating resources between segments, the Group's Chief Executive monitors the tangible, intangible and financial assets and liabilities attributable to each segment. All assets and liabilities are allocated to reportable segments.

46 Risk management framework

(a) Capital management objectives, policies and approach

The Company has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:

(i) To maintain the required level of stability of the Company thereby providing a degree of security to policyholders.

(ii) To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and of its shareholders.

(iii) To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets.

(iv) To align the profile of assets and liabilities taking account of risks inherent in the business.

(v) To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders.

(vi) To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders value.

In reporting financial strength, capital and solvency are measured using the rules prescribed by the National Insurance Commission (NAICOM). These regulatory capital tests are based upon required levels of solvency, capital and a series of prudent assumptions in respect of the type of business written. The Company's capital management policy for its insurance and non-insurance business is to hold sufficient capital to cover the statutory requirements based on the NAICOM directives, including any additional amounts required by the regulator.

(b) Approach to capital management

The Company seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to the shareholders and policyholders. The Company's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital levels on a regular basis and taking appropriate actions to influence the capital position of the Group in the light of changes in economic conditions and risk characteristics.

The primary source of capital used by the Company is equity shareholders' funds.
The Group has had no significant changes in its policies and processes to its capital structure during the past year from previous years.

The table below shows the available capital resources as at 31 December:

	2017	2016
Total shareholders' funds	7,893,082	8,823,320
Regulatory required capital	3,000,000	3,000,000
Excess capital reserve	4,893,082	5,823,320

(c) Regulatory framework

The insurance industry regulator measures the financial strength of Non-Life Insurers using a Solvency Margin model. NAICOM generally expects non-life insurers to comply with this capital adequacy requirement. Section 24 of the Insurance Act 2003 defines the solvency margin of a non-life insurer as the difference between the admissible assets and liabilities, and this shall not be less than 15% of the net premium income (gross income less reinsurance premium paid), or the minimum capital base (N3billion) whichever is higher.

The solvency margin for the company as at 31 December 2017 is as follows:

	Total Assets	Inadmissible Assets	Admissible Assets
	N'000	N'000	N'000
Cash and cash equivalents	3,756,993	2,532,750	1,224,243
Financial assets	92,230		92,230
Excess fund place in a single bank			
Investment in ordinary and preference shares			
Trade receivables	6,678		6,678
Reinsurance Assets	216,302		216,302
Deferred acquisition cost	98,318		98,318
Other receivables and prepayments	335,483	272,806	62,677
Investment in subsidiaries	1,576,300		1,576,300
Investment in Associate	-	-	
Investment property	880,201	634,440	245,761
Intangible assets	68,378		68,378
Property, Plant and Equipment	2,849,945		2,849,945
Statutory deposits	355,000		355,000
Total Admissible Assets	**10,235,828**	3,439,997	**6,795,831**
Insurance contact liabilities	1,687,090		1,687,090
Trade payables	43,520		43,520
Retirement Benefit Obligations	-		-
Provision and other payables	276,806		276,806
Tax payables	42,600		42,600
Deferred tax	292,730	292,730	-
Total Admissible liabilities	**2,342,746**	**292,730**	**2,050,016**
Solvency Margin			4,721,816
The higher of 15% of Net premium or			
Minimum capital base	3,000,000.00		3,000,000.00
Solvency ratio			158%

46 Financial instruments - Fair values and risk management

(a) Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.
It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 December 2017		Carrying amount						Fair value			
In thousands of naira	Note	Designated at fair value	Held-to-maturity	Loans and receivable	Available-for- sale	Other Financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value			N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Available-for-sale financial assets		-	-	-	84,854	-	84,854	84,854	-	-	84,854
		-	-	-	**84,854**	-	**917,223**				
Financial assets not measured at fair value											
Cash and cash equivalents		-	-	4,602,898	-	-	4,602,898				
Reinsurance assets*^		-	-	109,434	-	-	109,434				
Held-to maturity		-	839,056	-	-	-	839,056				
Statutory deposit		-	355,000	-	-	-	355,000				
		-	1,194,056	4,712,332	-	-	5,906,388				
Financial liabilities not measured at fair value											
Other payables*		-	-	-	-	(363,638)	(363,638)				
Trade payables*		-	-	-	-	(43,520)	(43,520)				
		-	**-**	**-**	**-**	**(407,158)**	**(407,158)**				

The Company has disclosed the fair value of each class of financial assets and liabilities in a way that permits the information to be compared with the carrying amounts. In addition, it has reconciled the assets and liabilities to the different categories of financial instruments as defined in IAS 39 Financial instruments: Recognition and Measurement.

* The Company has not disclosed the fair values for financial instruments such as receivables, payables and reinsurance assets because their carrying amounts are a reasonable approximation of fair value.
^ Reinsurance assets excludes prepaid reinsurance, which is not a financial asset (N144.5 million)
^^ Available for sale financial assets not measured at fair value comprise of unquoted equities carried at cost as their fair value was not readily available.

31 December 2016

Fair value

In thousands of naira	Note	Designated at fair value	Held-to-maturity	Loans and receivable	Available-for-sale	Other Financial liabilities	Total	Level 1	Level 2	Level 3	Total
		Carrying amount									
Financial assets measured at fair value			**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Available-for-sale financial assets		-	-	-	51,129	-	51,129	51,129	_		51,129
		-	-	-	**51,129**	-	**51,129**				
Financial assets not measured at fair value											
Cash and cash equivalents		-	-	4,691,391	-	-	4,691,391				
Reinsurance assets*^		-	-	78,530	-	-	78,530				
Held-to maturity		-	-	-	941,616	-	941,616				
Statutory deposit		-	355,000	-	-	-	355,000				
		-	**333,824**	**1,614,616**	**32,731**	-	**1,981,171**				
Financial liabilities not measured at fair value											
Other payables*		-	-	-	-	(363,638)	(363,638)				
Trade payables*		-	-	-	-	(43,520)	(43,520)				
		-	-	-	-	**(407,158)**	**(407,158)**				

The Company has disclosed the fair value of each class of financial assets and liabilities in a way that permits the information to be compared with the carrying amounts. In addition, it has reconciled the assets and liabilities to the different categories of financial instruments as defined in IAS 39 Financial instruments: Recognition and Measurement.

* The Company has not disclosed the fair values for financial instruments such as receivables, payables and reinsurance assets because their carrying amounts are a reasonable approximation of fair value.

^ Reinsurance assets excludes prepaid reinsurance, which is not a financial asset (#69.6 million)

^^ Available for sale financial assets not measured at fair value comprise of unquoted equities carried at cost as their fair value was not readily available.

(b) Financial risk management

The Company has exposure to the following risks arising from financial instruments
Credit risk
Liquidity risk
Market risk

(b)(i) Risk management framework

The company has an Enterprise -wide Risk Management (ERM)Frame work that is responsible for identifying and managing the inherent and residual risks facing the Company. The Company's board of directors has the overall responsibility for the establishment of oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors for on its activities.

The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Company activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company audit committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the result of which are reported to the audit committee.

(b)(ii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arisies principally from the Company's receivables from customers and investment in debt securities.
The carrying amount of financial assets represents the maximum credit exposure.
In addition to credit risks arising out of investments and transactions with clients, UnityKapital Assurance actively assumes Credit Risk through the writing of insurance business. Credit Risk can arise when a client defaults on settlement of premium payments and can also arise when its own repayment capability decreases (as reflected in a rating downgrade).

UnityKapital Assurance's strategy as Insurance Company does not entail the elimination of Credit Risk but rather to take on Credit Risk in a well-controlled, planned and targeted manner pursuant to its business objectives. Its approach to measuring Credit Risk is therefore designed to ensure that it is assessed accurately in all its forms, and that relevant, timely and accurate Credit Risk information is available to the relevant decision makers at an operational and strategic level at all times.

At a strategic level, UnityKapital Assurance manages its credit risk profile within the constraints of its overall Risk Appetite and structured its portfolio so that it provides optimal returns for the level of risk taken. Operationally, the Insurance Company Credit Risk Management is governed by the overall risk appetite framework and aims to ensure that the risk inherent to individual exposures or certain business portfolios are appropriately managed through the economic cycle.

The organization is committed to:

a) Create, monitor and manage credit risk in a manner that complies with all applicable laws and regulations.
b) Identify Credit Risk in each investment, loan or other activity of the Insurance Company.
c) Utilize appropriate, accurate and timely tools to measure credit risk.
d) Set acceptable risk parameters.
e) Maintain acceptable levels of credit risk for existing individual credit exposures.
f) Maintain acceptable levels of overall credit risk for UnityKapital Assurance's Portfolio; and
g) Coordinate Credit Risk Management with the management of other risks inherent in UnityKapital Assurance's business activities.

Unsecured exposures to high risk obligors, transactions with speculative cashflows, loans in which the insurance Company will hold an inferior or subordinate position are some of the credit exposures that are considered undesirable by the organization.

The Company's credit risk can be analysed as follows:

	2017	2016
	N'000	**N'000**
Reinsurance receivables (see note (a) below)	216,302	144,579
Cash and cash equivalents (see note (b) below)	4,602,898	4,691,391
Held-to maturity (see note (c) below)	839,056	941,616
Statutory deposit	355,000	355,000
	6,013,256	6,132,586

a Reinsurance receivables

The Company insures its liabilities with reputable reinsurance companies with which it has a right of set-off. None of its receivables from reinsurance companies was impaired as at 31 December 2017(2016: NIL)

b Cash and cash equivalents

The Company's cash and cash equivalents are held with reputable banks and financial institutions.

c **Held-to maturity**

The Company's HTM investments are in treasury bills with Government and reputable financial institutions. None of its investment was impaired as at 31 December 2017 (2016: NIL).

The Company did not have any debt securities that were past due but not impaired as at 31 December 2017 (2016: nil).

(c)(iii) **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company uses activity-based costing to cost its products and services, which assists it in monitoring cashflow requirements and optimising its cash return on investments.

The Company aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities over the next 60 days.

The Company also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date.
The amounts are gross and undiscounted, include contractual interest payments and exclude the impact of netting agreements.

31 December 2017	Contractual cashflows						
	Carrying amount	Total	3 month or less	3 - 12 months	1-2 years	2-5 years	More than 5 years
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Trade payables	43,520	43,520	28,520	15,000	-	-	
Other payables	363,638	363,638	118,235	23,126	-	-	131,417
	407,158	407,158	146,755	38,126			_

31 December 2016	Contractual cashflows						
	Carrying amount	Total	3 month or less	3 - 12 months	1-2 years	2-5 years	More than 5 years
Trade payables	9,024	9,024	9,024	-	-	-	-
Provisions and other payables	0	0	0	-	-	-	-
	9,024	9,024	9,024	-	-	-	-

Maturity analysis

The table below summarises the expected utilisation or settlement of assets and liabilities as at 31 December:

	2017			2016		
	Current	Non-current	Total	Current	Non-current	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Financial assets:	-	4,602,898	4,602,898	-	4,691,391	4,691,391
Reinsurance assets	216,302	-	216,302	144,579	-	144,579
Trade debtors	6,678	-	24,279	-	-	-
Deferred acquisition cost	98,318	-	98,318	90,191	-	90,191
Other receivables and prepayments	539,675	-	522,074	494,120	-	494,120
Statutory deposit	-	355,000	355,000		355,000	355,000
	860,973	**4,957,898**	**5,818,871**	**728,890**	**5,046,391**	**5,775,281**
Insurance contract liabilities	1,687,994	-	1,687,994	1,007,068	-	1,007,068
Trade payables	43,520	-	43,520	9,024	-	9,024
Other payables and accruals	363,638	-	363,638	279,401	-	279,401
Current tax payable	82,442	-	82,442	68,452	-	68,452
Deferred Tax		299,016	299,016	-	262,624	262,624
Retirement benefit obligation	-	7,272	7,272	-	-	-
Total liabilities	**2,177,594**	**306,288**	**2,483,882**	**1,363,945**	**262,624**	**1,626,569**

(c)(iv) Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the returns.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which premium and claims are denominated and the respective functional currencies of the Company. The functional currency of the Company is the Nigerian naira.

The currencies in which these transactions are primarily denominated are the Nigerian naira.
However, the Company receives some premium in foreign currencies and also pays some claims in foreign currencies. The foreign currencies the Company transacts in include euro, British pounds and united states dollars.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

	31 December 2017			31 December 2016		
In Thousands of	**Carrying**	**USD**	**NGN**	**Carrying value**	**USD**	**NGN**
Cash and cash equivalent	4,602,898	12,813	4,590,085	4,691,391	15,344	4,676,047
Financial assets	931,286	2,592	928,694	1,084,689	3,548	1,081,141
Net statements of financial **position exposure**	5,534,184	15,406	5,518,778	5,776,080	18,892	5,757,188

The following significant exchange rates have been applied.

	Year- end spot rate	
Year-end spot rate	**2017**	**2016**
Naira		
USD 1	359.23	305.75

Sensitivity analysis

A reasonably possible strengthening (weakening) of the US dollar against all other currencies at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts show below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or Loss		Equity, net of tax	
Effects in thousands of naira	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
31 December 2017				
USD (10% movement)	1,541	(1,541)	1,541	(1,541)
31 December 2016				
USD (10% movement)	1,896	(1,896)	1,896	(1,896)

(c)(v) Interest rate risk

The Company adopts a policy of ensuring that all its interest rate risk exposure is at a fixed rate.
This eliminates the variability the variability in the risks and returns on the Company's interest bearing assets and liabilities.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

In Thousands of naira	31-Dec-17	31-Dec-16
Fixed-rate instruments		
Cash deposit	483,757	534,553
Money market placement	4,119,141	4,156,838
Held-to maturity	839,056	922,023
	5,441,954	5,613,414

Cashflow sensitivity analysis for fixed-rate instruments

	Profit or	loss	Equity,	net of tax
Effect in thousands of naira	100bp increase	100bp decrease	100bp increase	100bp decrease
31 December 2017				
Financial instruments	544,195	(544,195)	369,475	(369,475)
	544,195	(544,195)	369,475	(369,475)
31 December 2016				
Financial instruments	563,301	(563,301)	404,095	(404,095)
	563,301	(563,301)	404,095	(404,095)

The analysis assumes that all other variables, in particular, foreign currency exchange rates remain constant.

Fair value sensitivity analysis for fixed-rate instruments
The Company does not account for any fixed-rate financial assets and financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Other market price risk
The Company is exposed to equity price risk, which arises from available-for-sale equity securities held for partially meeting the claims and benefits obligations.
The management of the Company monitors the proportion of equity securities in its investment portfolio based on market indices.

Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Risk Management Committee.

The primary goal of the Company's investment strategy is to maximise investment returns, both to partially meet the Company's claims and benefits obligations and to improve its returns in general.

Sensitivity analysis - Equity price risk
The Company's has equity investments some of which are listed on the Nigeria Stock Exchange and are classified as available for sale. A 2% increase in the share price of those equities at the reporting date would have increased equity by N1.188 million after tax (2016: N.715million). An equal change in the opposite direction would have reduced equity by N1.188million after tax (2016: N.715million).

(c)(vi) Insurance Risk

The principal risk the company faces under insurance contracts is that the actual claims and benefits payments exceed the carrying amount of insurance liabilities. This occur because the frequency of severity of claims and benefit are greater than estimated. Insurance events are random, and the actual number and amount of claims and benefit will vary from year to year from the level established using statistical techniques.

The Company purchases reinsurance as part of its risks mitigation programme. Reinsurance ceded is placed on both proportional and non-proportional basis. The majority of proportional reinsurance is quota-share insurance which is taken out to reduce the overall exposure of the Company to certain classes of business. Non-proportional reinsurance is primarily excess-of-loss reinsurance designed to mitigate the Company's net exposure to catastrophe losses. Retention limits for the excess-of-loss reinsurance vary by product line and territory.

Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Although the Company has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements. The Company's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Company substantially dependent upon any single insurance contract.

The Company principally issues the following types of general insurance contracts: fire, motor, bond, personal accident, aviation, marine and oil and gas. Risks under non-life insurance policies usually cover twelve months' duration. For general insurance contracts, the most significant risks arise from climate changes, natural disasters and terrorist activities. For longer tail claims that take some years to settle, there is also inflation risk. The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is improved by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geography.

Furthermore, strict claim review policies and procedures exist to assess all new and on-going claims, regular detailed review of claims handling procedure sand frequent investigation of possible fraudulent claims are all policies and procedures put in place to reduce the risk exposure of the Company. The Company further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities.

The Company has also limited its exposure by imposing maximum claim amounts on certain contracts as well as the use of reinsurance arrangements in order to limit exposure to catastrophic events (e.g. Hurricanes, earthquakes and flood damage).

The purpose of these underwriting and reinsurance strategies is to limit exposure to catastrophes based on the Company's risk appetite as decided by management. The overall aim is currently to restrict the impact of a single catastrophic even to approximately 50% of shareholders 'equity on a gross basis and 10% on a net basis. In the event of such a catastrophe, counterparty exposure to a single reinsurer is estimated not to exceed2% of shareholders 'equity. The Board may decide to increase or decrease the maximum tolerances based on market conditions and other factors.

Key assumptions

The principal assumption underlying the liability estimates is that the Company's future claims development will follow a similar pattern to past claims development experience. This includes assumptions in respect of average claim costs, claim handling costs, claim inflation factors and claim numbers for each accident year.

We have adopted actuarial methods and assumptions that are consistent with those used in prior years. The level of reserve was determined after data cleansing by using our internationally accepted actuarial models

The calculation of the reserves was conducted on both deterministic (assuming average historic experience would be reflected in the future experience without attaching probability or level of uncertainty of variations around such experience) and stochastic(allowing for likely future variation around the average expected experience) and stochastic approach uses Bootstrap-Mark method
Chain Ladder Method (CL)

We have used the Chain Ladder method which is the most widely used method in loss reserving, and it is the starting point of the other reserving methods described in this report. The Chain Ladder also called Loss development triangle method uses statistical projection technique that relies on the setting of past known claim payments by year of origin (accident year) and year of payment (development year). Using historical claims paid for each class, we grouped the claims into 10 years cohorts, considering the age-age-claim amounts paid. These cohorts are called loss development triangles. Each left - right diagonal represents the total loss amounts paid in that year for losses reported in each accident year. The age-to-age claim amounts are then accumulated from the origin year to the valuation date. The cumulated incremental paid claims (2008-2017) to the valuation date are then projected to their expected ultimate claim estimate, using factors called link ratios or development factors. The gross claim reserves are then derived from the difference between the cumulated actual paid claims and the estimated ultimate claim. Variants of the chain ladder method were exploited to reflect adequately the key characteristics of the risks being reserved for by the company.

The IACL is a variant of the chain ladder method and it could be used with allowance for time value of money (discounting or no discounting). Under this method, the historical age -to- age paid claims are increased in line with relevant inflation index from their accident year of or payment to the valuation year before being cumulated. The cumulated payments in money terms of the valuation year are projected into the future. The decumulated payments are then projected forward to their expected year of payment and ultimate claim estimate, allowing for future inflation. Published year - to - year inflation factors used in our projection is as stated in the assumptions section of this report. We have calculated for two types of this

Expected Loss Ratio Method

We estimated the ultimate loss ratio from historical data for each class of business and multiplied this by the earned premium for that class in each accident year to obtain the ultimate claim for each accident year. In arriving at the historical loss ratio, we considered the underwriter's views. We then deducted the actual paid claim amount to date to give the required outstanding claim reserve. This approach is considered appropriate for as it is not affected by distortions in data and although it is simplistic but gives an approximate estimate. We applied this method for classes where there is no sufficient mass of data to generate credible results using other more sophisticated methods.

Claims development table

The following tables show the estimates of cumulative incurred claims, including both claims notified and IBNR for each successive accident year at each reporting date, together with cumulative payments to date. The estimated technical reserves are derived statically through analysing the company's non-life policy data for policies underwritten and emerging claims over each of the past 6 (six) underwriting years.

In general, the uncertainty associated with the ultimate claims experience in an accident year is greatest when the accident year is at an early stage of development and the margin necessary to provide the necessary confidence in the provisions adequacy is relatively at its highest. As claims develop, and the ultimate cost of claims becomes more certain, the relative level of margin maintained should decrease. However, due to the uncertainty inherited in the estimation process, the actual overall claim provision may not always be in surplus.

Inflation Adjusted Cumulative Chain Ladder Paid Claims Triangle - Motor Class

Key Valuation Results for Motor Claims

CL / Paid triangle		Results						
		12/2012	12/2013	12/2014	12/2015	12/2016	12/2017	Total
Paid		177,495	175,055	253,862	162,918	119,228	37,072	925,630
Ultimate projected		177,495	175,055	253,862	162,918	121,800	56,667	947,797
Total reserves		-	-	-	-	2,572	19,595	22,167
Ultimate loss ratio		29.10%	26.70%	34.70%	30.30%	32.50%	13.90%	28.50%
Discounted future flows		-	-	-	-	2,246	16,986	19,232
Duration		-	-	-	-	1.00	1.05	1.05

Inflation Adjusted Cumulative Chain Ladder Paid Claims Triangle - fire Class

Key Valuation Results for Fire Claims

		12/2012	12/2013	12/2014	12/2015	12/2016	12/2017	Total
Paid		119,808	127,967	95,274	56,632	105,703	7,826	513,210
Ultimate projected		119,808	127,967	95,274	67,242	128,675	15,048	554,014
Total reserves		-	-	-	10,610	22,972	7,222	40,804
Ultimate loss ratio		33%	37%	24%	25%	69%	12%	33%
Discounted future flows		-	-	-	9,266	17,945	5,795	33,006
Duration		-	-	-	1.00	1.81	1.57	1.54

Illustration of calculation for Large Losses from General Accident Class

Accident		12/2012	12/2013	12/2014	12/2015	12/2016	12/2017	Total
		(NGN'000)	(NGN'000)	(NGN'000)	(NGN'000)	(NGN'000)	(NGN'000)	(NGN'000)
Paid		637,425	353,514	983,844	137,537	90,104	16,629	2,219,053
Ultimate projected		637,425	376,121	1,193,210	1,772	135406	75,803	2,284,331
Ultimate selected LDFs 12/2017		3,371,716	1,058,963	1,509,408	212,407	150,939	37,414	6,340,847
Total reserves		-	22,607	209,366	39,630	45,302	59,174	376,079
Ultimate loss ratio		163%	174%	292%	58%	58%	34%	146%
Discounted future flows		0	19,744	178,766	30,687	33,286	45,957.00	308,442
Duration		-	1.00	1.16	1.86	2.21	1.76	1.42

Results of Inflation Adjusted Chain Ladder and Large losses estimate: Marine Claims (NGN'000)

		Results: Marine Claims						
		12/2012	12/2013	12/2014	12/2015	12/2016	12/2017	Total
Paid	230		106,781	30,627	35,481	5,758	7,549	186,426
Ultimate projected	230		106,781	30,627	35,481	6,377	35,225	214,722
Total reserves	-		-	-	-	619	27,676	28,296
Ultimate loss ratio	0%		61%	22%	33%	11%	106%	27%
Discounted future flows	-		-	-	-	541	23,793	24,333
Duration	-		-	-	-	1.00	1.11	1.11

Results of Inflation Adjusted Chain Ladder: Engineering Claims								
		12/2012	12/201	12/201	12/201	12/201	12/201	Total
			3	4	5	6	7	
Paid		527,672	31,155	54,589	140,322	28,993	39,630	822,361
Ultimate projected		527,672	31,155	62,929	161,937	38,350	79,213	901,256
Total reserves	-	-	-	8,340	21,615	9,357	39,583	78,896
Ultimate loss ratio		4.30	0.10	0.20	0.60	0.20	0.30	0.60
Discounted future flows	-	-	-	7,794	17,766	7,611	32,675	65,845
Duration	-	-	-	1.5	1.4	1.5	1.3	1.3

Expected Loss Ratio - Oil and Gas Class Expected Loss Ratio Method: Illustration of Gross Claim Reserving - Oil and Gas								
	Gross	Claims	Total O/s					
	Earned	Paid till	as at 31	Current	Current	Ultimate	Ultimate	O/s Claim
Accident	Premium	date	Dec 2017	Incurred	Loss	Loss	Losses	Reserves
Year	(NGN'000)	(NGN'000)	(NGN'000)	(NGN'000)	Ratio	Ratio	(NGN'000)	(NGN'000)
2012	593,488	621		621	0%	0%	621	-
2013	740,564	115,536		115,536	16%	16%	115,536	-
2014	1,027,446	109,469		109,469	11%	11%	109,469	-
2015	1,134,888	2,090	10,778	12,868	1.10%	1.10%	12,868	10,778
2016	1,044,042	213,918	100,278	314,196	30%	30%	314,196	100,278
2017	1,170,381	6,141	489,034	495,175	42%	49%	577,101	570,960
Total			600,089	1,047,864				682,016
							Discounted	637,717

Illustration of Loss Ratio Method - Aviation Class								
	Gross		Total					O/S
	Earned		O/S as	Current		Ultimate		Claim
	Premium	Claims Paid	at 31	Incurred	Current		Ultimate	Reserves
Accident Year	(NGN'000	till date	Dec		Loss	Losses	Losses	(NGN'000
	(NGN'000)	(NGN'000)	2017	(NGN'000)	Ratio	Ratio	(NGN'000)	(NGN'000)
2012	88,979	3,498	0	3,498	5%	5%	4,088	590
2013	90,686	10,885	0	10,885	12%	12%	10,897	12
2014	69,950	8,198	3373	11,571	35%	35%	24,568	16,370
2015	57,601	8,286	5236	13,522	29%	29%	16,842	8,556
2016	63,768	20,647	8467	29,114	33%	33%	21,301	654
2017	32,360	4,955	4589	9,545	92%	92%	29,650	24,695
Total				78,135				50,877
							Discounted	43,568

Illustration of Loss Ratio Method - Bond Class								
			Total O/s					
		Claims	as at 31			Ultimate		
Accident Year	Gross Earned	Paid till	Dec 2017	current	current	Loss	Ultimate	O/s Claim
	Premium(NGN)	date(NGN	(NGN)	Incurred(NGN)	loss ratio	Ratio	Losses(NGN)	Reserves(NGN)
2012	0	0	0	-	0%	0%	-	-
2013	0	0	0	-	0%	0%	-	-
2014	0	0	0	-	0%	0%	-	-
2015	0	0	0	-	0%	0%	-	-
2016	0	0	0	-	0%	0%	-	-
2017	4,511,301	0	0	-	0%	20%	902,260	902,260
Total		0	0	-			902,260	902,260
				-			Discounted	736,417

47 Prior year restatement

With respect to the financial statement prepared for the year ended 31 December 2017, the Directors considered and corrected the treatment of certain transactions both in the consolidated financial statement and separate financial statement of the entity for prior years previously reported. The errors which were discovered during the current financial year has been appropriately corrected in-line with the requirements of IAS 8.
The nature of errors corrected are detailed below in the notes to restatement.

31 December 2016

	Reference to financial statement notes	Reference to reconciliation notes	Previously Reported	Effect of restatement	Reclassification	Restated
			Group	Group		Group
			N'000	N'000		N'000
ASSETS						
Cash and cash equivalents	3		4,691,391			4,691,391
Financial assets	4	a	1,190,206	(105,517)		1,084,689
Reinsurance assets	6		144,579			144,579
Deferred acquisition cost	7		90,191			90,191
Other receivables and prepayments	8	b	487,548	6,572		494,120
Investment in subsidiaries	9		-			-
Investment in Associates	10	c	1,010,650	(1,010,650)		-
Investment properties	11		676,201			676,201
Goodwill	*12*		386,444			386,444
Intangible assets - Software	13		93,675			93,675
Property, plant and equipment	14	d	3,293,545	(109,798)		3,183,747
Statutory deposits	15		355,000			355,000
Deferred tax asset	21.1	e	-	46,403		46,403
						-
Total Assets			**12,419,430**	**(1,172,990)**		**11,246,440**
Liabilities:						
Insurance contract liabilities	16	f	729,386	277,682		1,007,068
Trade payables	17		9,024			9,024
Employees retirement benefit obligations	18	g	57,454	-	(57,454)	-
Provision and other payables	19	h	300,398	(78,451)	57,454	279,401
Income tax liabilities	20	i1	77,273	(8,821)		68,452
Deferred Tax Liabilities	21.2	i2	343,442	(80,818)		262,624
Total Liabilities			**1,516,977**	**109,592**	-	**1,626,569**
EQUITY & LIABILITIES						
Share capital & reserves:						
Issued and paid up share capital	22		6,933,333			6,933,333
Share premium	23		663,600			663,600
Statutory Contingency reserves	24		684,549			684,549
Retained earnings	25	j	438,401	(1,170,609)		(732,208)
Other Component of Equity:						-
Asset revaluation reserve	26a		1,559,768			1,559,768
Fair value reserve	26b		33,725			33,725
Non-Controlling interest(NCI)	38	k	589,077	(111,973)		477,104
Total Equity			**10,902,453**	**(1,282,582)**		**9,619,871**
Total Equity & Liabilities			**12,419,430**	**(1,172,990)**		**11,246,440**

Reconciliation of Comprehensive income 2016

	Reference to financial statement notes	Reference to reconcilia tion notes	Previously Reported	Remeasurement	Reclassification	Restated
				Effect of restatement		
			Group	Group		Group
			N'000	N'000		N'000
Gross Premium written	28	l	2,042,788	-	67,980	2,110,768
Gross Premium Income	29		2,197,357	-	67,980	2,265,337
Reinsurance Expenses			(635,391)	-		(635,391)
Net premium income		l	**1,561,966**	**-**	**67,980**	**1,629,946**
Fees and commission income	30		36,352	-		36,352
Net underwriting income		l	1,598,318	-	67,980	1,666,298
Insurance claims and benefits paid- Gross (including loss adjustment expenses)	31	m	(515,906)	(150,025)	(46,285)	(712,216)
Underwriting expenses	32		(480,622)			(480,622)
Underwriting result			**601,790**	**(150,025)**	**21,695**	**473,460**
						-
Investment income	34	n	476,513	583,995	147,197	1,207,705
Net fair value gains / (loss) on financial assets at FVTPL			(4,282)			(4,282)
Fair value gains on investment properties	11		64,592			64,592
Impairment charges on other receivables			-			-
Other Operating income	35	l,n,o	382,688	-	(215,177)	167,511
Management expenses	36.1	M,p	(1,255,867)	(290,493)	46,285	(1,500,075)
						-
Profit before tax			**265,434**	**143,477**	**-**	**408,911**
						-
Income tax expense	34	q	(73,285)	(49,940)		(123,225)
						-
Profit for the year from continuing operations			**192,149**	**93,537**		**285,686**
						-
Other comprehensive income						-
Gain on revaluation of properties, plant and equipment after deferred tax	26a		722,162	-		722,162
Fair value gain on financial asset available for sale	26b		33,725	-		33,725
other comprehensive income for the year			755,887	-		755,887
Total comprehensive income for the year			948,036	93,537		1,041,573
						-
Profit attributable to:						-
Owners of the parent			182,401	27,526		209,927
Attributable to non-controlling interest			9,748	66,011		75,759
			192,149	**93,537**		**285,686**
Basic earnings per share (kobo)						

31 December 2015	Reference to financial statement notes	Reference to reconciliation notes	Previously Reported Group N'000	Effect of restatement Group N'000	Restated Group N'000
ASSETS					
Cash and cash equivalents	3		5,393,268	-	5,393,268
Financial assets	4		431,448	-	431,448
Trade receivable	5		1,723	-	1,723
Reinsurance assets	6		193,019	-	193,019
Deferred acquisition cost	7		137,687		137,687
Other receivables and prepayments	8	b	335,669	1,044	336,713
Investment in subsidiaries	9		-		-
Investment in Associates	10	c	1,010,650	(1,010,650)	-
Investment properties	11		576,609		576,609
Goodwill	*12*		386,444		386,444
Intangible assets - Software	13		88,558		88,558
Property, plant and equipment	14	d	2,518,219	(127,630)	2,390,589
Statutory deposits	15		355,000		355,000
Deferred tax asset	21.1	e	-	85,369	85,369
					-
Total Assets			**11,428,294**	**(1,051,867)**	**10,376,427**
Liabilities:					
Insurance contract liabilities	16	f	855,892	127,630	983,522
Trade payables	17		1,933	-	1,933
	18				
Employees retirement benefit obligations			78,581	-	78,581
Provision and other payables	19	h	326,639	(81,480)	245,159
Income tax liabilities	20	i1	101,701	(3,916)	97,785
Deferred Tax Liabilities	21.2	i1	312,076	(130,755)	181,321
Total Liabilities			**1,676,822**	**(88,521)**	**1,588,301**
EQUITY & LIABILITIES					
Share capital & reserves:					
Issued and paid up share capital	22		6,933,333		6,933,333
Share premium	23		663,600		663,600
Statutory Contingency reserves	24		623,267		623,267
Retained earnings	25	j	307,533	(979,346)	(671,813)
Other Component of Equity:					-
Asset revaluation reserve	26a		837,605		837,605
Fair value reserve	26b				-
Non-Controlling interest(NCI)	38	k	386,134	16,000	402,134
Total Equity			**9,751,472**	**(963,346)**	**8,788,126**
Total Equity & Liabilities			**11,428,294**	**(1,051,867)**	**10,376,427**

31 December 2016	Reference to financial statement notes	Reference to reconciliation notes	Previously Reported Company N'000	Effect of restatement Company N'000	Reclassification	Restated Company N'000
ASSETS						
Cash and cash equivalents	3		4,037,438			4,037,438
Financial assets	4		162,666			162,666
Reinsurance assets	6		144,579			144,579
Deferred acquisition cost	7		90,191			90,191
Other receivables and prepayments	8		331,801			331,801
Investment in subsidiaries	9		1,576,300			1,576,300
Investment in Associates	10	c	1,010,650	(1,010,650)		-
Investment properties	11		676,201			676,201
Goodwill	*12*					-
Intangible assets - Software	13		86,725			86,725
Property, plant and equipment	14		2,875,075			2,875,075
Statutory deposits	15		355,000			355,000
Deferred tax asset	21.1		-			-
						-
Total Assets			**11,346,626**	**(1,010,650)**		**10,335,976**
Liabilities:						
Insurance contract liabilities	16	f	729,386	277,682		1,007,068
Trade payables	17		9,024			9,024
Employees retirement benefit obligations	18	g	57,454		(57,454)	-
Provision and other payables	19	h	161,223		57,454	218,677
Income tax liabilities	20		19,883			19,883
Deferred Tax Liabilities	21.2		258,004			258,004
Total Liabilities			**1,234,974**	**277,682**		**1,512,656**
EQUITY & LIABILITIES						
Share capital & reserves:						
Issued and paid up share capital	22		6,933,333			6,933,333
Share premium	23		663,600			663,600
Statutory Contingency reserves	24		684,549			684,549
Retained earnings	25	j	236,676	(1,288,332)		(1,051,656)
Other Component of Equity			-			-
Asset revaluation reserve	26a		1,559,769			1,559,769
Fair value reserve	26b		33,725			33,725
Total Equity	38		**10,111,652**	**(1,288,332)**		**8,823,320**
Total Equity & Liabilities			**11,346,626**	**(1,010,650)**		**10,335,976**

Reconciliation of Comprehensive income 2016

	Reference to financial statement notes	Reference to reconciliation notes	Previously Reported	Effect of restatement	Restated
			Company	Company	Company
			N'000	N'000	N'000
Gross Premium written	28		2,042,788	-	2,042,788
Gross Premium Income	29		2,197,357	-	2,197,357
Reinsurance Expenses			(635,391)	-	(635,391)
Net premium income			1,561,966	-	1,561,966
Fees and commission income	30		36,352	-	36,352
Net underwriting income e			1,598,318	-	1,598,318
	31				
Insurance claims and benefits paid- Gross (including loss adjustment expenses)		m	(515,906)	(150,052)	(665,958)
Underwriting expenses	32		(480,622)		(480,622)
Underwriting result			**601,790**	**(150,052)**	**451,738**
					-
Investment income	34		476,513		476,513
Net fair value gains / (loss) on financial assets at FVTPL			(4,282)		(4,282)
Fair value gains on investment properties	11		64,592		64,592
Impairment charges on other receivables			-		-
Other Operating income	35		70,600		70,600
Management expenses	36.1		(973,986)		(973,986)
					-
Profit before tax			**235,227**	**(150,052)**	**85,175**
					-
Income tax expense	34		(54,283)		(54,283)
					-
Profit for the year from continuing operations			**180,944**	**(150,052)**	**30,892**
					-
Other comprehensive income					-
	26a				
Gain on revaluation of properties, plant and equipment after deferred tax			722,162		722,162
Fair value gain on financial asset available for sale	26b		33,725		33,725
other comprehensive income for the year			755,887	-	755,887
Total comprehensive income for the year			**936,831**	**(150,052)**	**786,779**
					-
Basic earnings per share (kobo)			0.03		

31 December 2015	Reference to financial statement notes	Reference to reconciliation notes	Previously Reported Company N'000	Effect of restatement Company N'000	Restated Company N'000
ASSETS					
Cash and cash equivalents	3		4,365,288		4,365,288
Financial assets	4		133,223		133,223
Trade receivable	5		1,723		1,723
Reinsurance assets	6		193,019		193,019
Deferred acquisition cost	7		137,687		137,687
Other receivables and prepayments	8		226,120		226,120
Investment in subsidiaries	9		1,576,300		1,576,300
Investment in Associates	10	c	1,010,650	(1,010,650)	-
Investment properties	11		576,609		576,609
Goodwill	*12*		-		-
Intangible assets - Software	13		75,489		75,489
Property, plant and equipment	14		2,077,110		2,077,110
Statutory deposits	15		355,000		355,000
Deferred tax asset	21.1		-		-
Total Assets			10,728,218	(1,010,650)	9,717,568
Liabilities:					
Insurance contract liabilities	16	f	855,892	127,630	983,522
Trade payables	17		1,933	-	1,933
	18				
Employees retirement benefit obligations			78,581	-	78,581
Provision and other payables	19		164,829	-	164,829
Income tax liabilities	20		65,359	-	65,359
Deferred Tax Liabilities	21.2		177,764	-	177,764
Total Liabilities			1,344,358	127,630	1,471,988
EQUITY & LIABILITIES					
Share capital & reserves:					
Issued and paid up share capital	22		6,933,333		6,933,333
Share premium	23		663,600		663,600
Statutory Contingency reserves	24		623,267		623,267
Retained earnings	25	j	326,055	(1,138,280)	(812,225)
Other Component of Equity:					-
Asset revaluation reserve	26a		837,605		837,605
Fair value reserve	26b				-
Total Equity	38		9,383,860	(1,138,280)	8,245,580
Total Equity & Liabilities			**10,728,218**	**(1,010,650)**	**9,717,568**

Notes to restatement

A Financial Assets

A difference of N105.5 million was noted between the amount reported as financial asset in prior year and the audited financial statements of the entities consolidated. This was adjusted against the income statement for the year ended 31/12/2016.

	31-Dec-16	1-Jan-16	31-Dec-16	1-Jan-16
	N'000	N'000	N'000	N'000
Balance as per NAICOM approved accounts	1,190,206	431,448	162,666	133,223
Correction of error	(105,517)	-	-	-
Balance (Restated)	**1,084,689**	**431,448**	**162,666**	**133,223**

b Other receivables and Prepayments

The N6.5 million adjustments in other receivables and prepayments relates to a restated receivable balance in the financial statement of a subsidiary Healthcare Security Limited. This net impact was adjusted against the income statement for the year ended 31/12/2016.

	31-Dec-16	1-Jan-16	31-Dec-16	1-Jan-16
	N'000	N'000	N'000	N'000
Balance as per NAICOM approved accounts	487,548	335,669	331,801	226,120
Correction of error	6,572	1,044	-	-
Balance (Restated)	**494,120**	**336,713**	**331,801**	**226,120**

c Investment in Associate

The investment in Goldlink Insurance Plc. was previously carried at cost which is not in compliance with the requirement of IAS 28, which requires investment in associate to be carried using the equity method of accounting. In 2017, the Directors assessed the impact of carrying the investment in the associate using equity method this resulted in restating the prior years' balances for investment in Goldlink Insurance Plc. with 1 January 2016 being the earliest year of restatement.

The shareholders fund for Goldlink Insurance Plc as at 31 December 2015 was in deficit of N4.245 billion. VeritasKapital' s shares of shareholder's fund as at that date was N1.89 billion. However, IAS 28:38-39 states that, the investor ceases to recognise its share of the investee's losses once it has reduced its investment to zero. Hence the share of loss recognised is limited to its investment in the related company N1.01 billion.

	31-Dec-16	1-Jan-16	31-Dec-16	1-Jan-16
	N'000	N'000	N'000	N'000
Balance as per NAICOM approved accounts	1,010,650	1,010,650	1,010,650	1,010,650
Correction of error	(1,010,650)	(1,010,650)	(1,010,650)	(1,010,650)
Balance (Restated)	-	-	-	-

d Property, Plant and Equipment

A difference of N109.7 million (2015: N127.630 million) was noted between the amount reported as property, plant and equipment in 2016 and 2015 respectively and the audited financial statements of the entities consolidated. The adjustment of N127.630 was adjusted against the opening retained earnings (1 January 2016). While the net adjustment of N38.9 million represents the net impact to the income statement for year ended 31 December 2016.

	31-Dec-16	1-Jan-16	31-Dec-16	1-Jan-16
	N'000	N'000	N'000	N'000
Balance as per NAICOM approved accounts	3,293,545	2,518,219	2,875,075	2,077,110
Correction of error	(109,798)	(127,630)	-	-
Balance (Restated)	**3,183,747**	**2,390,589**	**2,875,075**	**2,077,110**

e Deferred tax asset

The deferred tax asset of N46.4 million (2015: N85.4 million) relating to one of the subsidiaries consolidated FUG Pensions was not properly presented and shown in the consolidated Financial Statement. This has been appropriately recorded and adjustment passed against the retained earnings for opening balances, while the sum of N39 million represents the net impact to the income statement for year ended 31 December 2016.

	31-Dec-16	1-Jan-16	31-Dec-16	1-Jan-16
	N'000	N'000	N'000	N'000
Balance as per NAICOM approved accounts	-	-	-	-
Correction of error	46,472	85,438	-	-
Balance (Restated)	**46,472**	**85,438**	-	-

f **Insurance contract liabilities**

Insurance contract liabilities was restated based on information that became available during the course of the year. The net impact of the adjustment as at 31 December 2016 was N277.6 million, which is made up of adjustments relating to earlier period corrected (adjusted against opening retained earnings- N127.6 and N150.5 million adjusted against the 2016 income statement).

	31-Dec-16	1-Jan-16	31-Dec-16	1-Jan-16
	N'000	N'000	N'000	N'000
Balance as per NAICOM approved accounts	729,386	855,892	729,386	855,892
Correction of error	277,682	127,630	277,682	127,630
Balance (Restated)	**1,007,068**	**983,522**	**1,007,068**	**983,522**

g **Employees retirement benefit obligation**

In July 2016, the gratuity scheme was terminated and the Board approved that the outstanding amount contributed as at date be paid to the respective beneficiaries of the scheme. Hence, the balance outstanding in the book was reclassified to Other Payables.

	31-Dec-16	1-Jan-16	31-Dec-16	1-Jan-16
	N'000	N'000	N'000	N'000
Balance as per NAICOM approved accounts	57,454	78,581	57,454	78,581
Reclassified to payables(g)	(57,454)	-	-	-
Balance (Restated)	**-**	**78,581**	**57,454**	**78,581**

h **Provision and other payables**

The net adjustment of N6.25m consists of N78.4mnoted between other payables reported in prior year and the sum of N84.7m notedasthe excess between the amount reported as other payables in the consolidated financial statements for the year ended 31 December 2016 against the audited financial statements of the entities consolidated.

The balances have been properly restated to reflect the liabilities in the financial statement of the entities consolidated.

	31-Dec-16	1-Jan-16	31-Dec-16	1-Jan-16
	N'000	N'000	N'000	N'000
Balance as per NAICOM approved accounts	300,398	326,640	161,223	164,829
Reclassified from Retirement Benefit Obligation (g)	57,454	-	-	-
Correction of error	(78,451)	(84,703)	-	-
Balance (Restated)	**279,401**	**241,937**	**161,223**	**164,829**

i A difference of N8.8 million (2015: N3.9 million) and N80 million (2015: N130.8 million) were noted in income tax liabilities and deferred tax liabilities respectively in comparison to the amount reported by each entity consolidated. The gap was adjusted in the opening retained earnings for 2015 and the net adjustment for 2016 was adjusted against the income statement.

i1 **Income tax liabilities**

	31-Dec-16	1-Jan-16	31-Dec-16	1-Jan-16
	N'000	N'000	N'000	N'000
Balance as per NAICOM approved accounts	77,273	101,701	19,883	65,359
Correction of error	(8,821)	(3,916)	-	-
Balance (Restated)	**68,452**	**97,785**	**19,883**	**65,359**

i2 **Deferred tax liabilities**

	31-Dec-16	1-Jan-16	31-Dec-16	1-Jan-16
	N'000	N'000	N'000	N'000
Balance as per NAICOM approved accounts	343,442	312,076	258,004	177,764
Correction of error	(80,818)	(130,755)	-	-
Balance (Restated)	**262,624**	**181,321**	**258,004**	**177,764**

j **Retained earnings**

The impact of restatement on the retained earnings for all the periods affected are analysed below:

	Group	Group	Parent	Parent
	31-Dec-16	1-Jan-16	31-Dec-16	1-Jan-16
	N'000	N'000	N'000	N'000
Previously reported retained earnings	438,401	307,533	236,678	326,055
Share of loss in associate	(1,010,650)	(1,010,650)	(1,010,650)	(1,010,650)
Reversal of non-existing fixed assets	(109,798)	(127,630)	-	-
Adjustment on receivables	6,572	1,044	-	-
Recognition of subsidiary deferred tax asset	46,403	85,438	-	-
Adjustment of insurance contract liabilities	(277,682)	(127,630)	(277,682)	(127,630)
Reversal of non-existing payables	78,451	81,411	-	-
Adjustment of income tax liabilities	8,821	3,916	-	-
Adjustment of deferred tax liabilities	80,818	130,755	-	-
Reversal of non-existing financial assets	(105,517)	-	-	-
Restatement of non-controlling interest	111,973	(16,000)	-	-
	(732,208)	**(671,813)**	**(1,051,654)**	**(812,225)**

k **Non-Controlling interest**

The non- controlling interest consists of minority shareholders' interest in FUG Pension (30%) and Healthcare Securities (6.5%). The shareholders fund of FUG Pension and Healthcare Securities as at the reporting date was 2016: N1.48 billion (2015: N1.2 billion) and 2016: N505 million (2015: N499 million) respectively. The share of minority interest was appropriately corrected and the adjustment effected against the retained earnings. See analysis below:

	FUG Securities		Healthcare Securities	
	31-Dec-16	1-Jan-16	31-Dec-16	1-Jan-16
	N'000	N'000	N'000	N'000
Shareholder's fund (see note 9)	1,480,827	1,232,251	505,494	499,369
% minority holding in subsidiary	30%	30%	6.5%	6.5%
NCI in subsidiary	**444,248**	**369,675**	**32,857**	**32,459**

	31-Dec-16	1-Jan-16
Impact assessment(subsidiaries):		
NCI share in FUG SECURITIES	444,248	369,675
NCI share in Healthcare Securities	32,857	32,459
Total	477,105	402,134
Previously reported NCI in financial statement	589,078	386,134
Adjustment on NCI	**(111,973)**	**16,000**

l **Gross premium written**

Premium income of N67.98 million and insurance claims paid of N48 million relating to Healthcare Securities were reclassified from other income and management expenses respectively to Gross premium income and Insurance claims and benefits paid to enhance disclosures.

	31-Dec-16	1-Jan-16	31-Dec-16	1-Jan-16
	N'000	N'000	N'000	N'000
Amount as per NAICOM approved accounts	2,042,788	-	2,042,788	-
Reclassification	67,980	-	-	-
Balance (Restated)	**2,110,768**	**-**	**2,042,788**	**-**

m **Insurance claims and benefits paid**

Effect of restatement on insurance claims and benefits is analysed below:

	31-Dec-16	1-Jan-16	31-Dec-16	1-Jan-16
	N'000	N'000	N'000	N'000
Amount as per NAICOM approved accounts	515,906	428,896	515,906	428,896
Correction of error	150,025	127,630	150,052	127,630
Reclassification	46,285	-	-	-
Balance (Restated)	**712,216**	**556,526**	**665,958**	**556,526**

n **Investment income**

Analysed below is details of adjustments impacting investment income:

	31-Dec-16
Amount as per NAICOM approved accounts	476,513
Investment income reclassified from other income	147,197
Effect of remeasurement of financial asset	(105,517)
RSA asset based fee and other income relating to FUG pension not consolidated	689,512
	1,207,705
Net Effect of income statement adjustment/error	**689,512**

Analysis of investment income:	Parent	FUG Pension	Healthcare Securities	Total
	N'000	N'000	N'000	N'000
Per audited financial statement of entities	476,392	676,941	65,721	**1,219,054**
Less: dividend paid by subsidiary(Healthcare)				**(11,349)**
Net investment income				**1,207,705**
Investment income previously reported				(476,513)
Adjustment to Investment income				**731,192**

o **Other Operating Income**

Analysed below is details of adjustments impacting other income:

	Group 31-Dec-16	Company 31-Dec-16
Amount as per NAICOM approved accounts	382,688	-
Reclassification to premium income	(67,980)	-
Reclassification to Investment income	(147,197)	-
	167,511	**-**

Analysis of other income:	Parent	FUG Pension	Healthcare Securities	Total
	N'000	N'000	N'000	N'000
Per audited financial statement of entities	70,721	67,986	28,804	**167,511**
Other income previously reported				(382,688)
Reclassification from other income				**(215,177)**

p **Management expenses**

Management expenses increased by N244.2 million. This is to ensure that errors noted in consolidation of the entities within the group are appropriately corrected and aligns with the amount in the audited financial statements of the entities consolidated. See analysis below:

	Group 31-Dec-16	Company 31-Dec-16
Amount as per NAICOM approved accounts	1,255,867	-
Impact of remeasurement of receivables (note b)	(5,528)	-
Impact of remeasurement of Property, Plant and Equipment (note d)	(17,832)	-
Impact of remeasurement of Payables (note h)	3,029	-
Reclassification to claims and benefit	(46,285)	-
Correction of error (expenses of subsidiary not consolidated)	310,824	-
	1,500,075	**-**
Net Effect of income statement adjustment/error	**310,824**	

Analysis of management expenses:	Parent	FUG Pension	Healthcare Securities	Total
	N'000	N'000	N'000	N'000
Per audited financial statement of entities	973,986	433,851	92,238	**1,500,075**
Management expenses previously reported				1,255,867
Adjustment on management expenses				**244,208**

q **Income tax expense**

The net adjustment of N 49.7 million relates to income tax Income and deferred tax from subsidiaries: emanating from the subsidiaries consolidated which was not previously reported in the consolidated financial statement.

	Group 31-Dec-16	Company 31-Dec-16
Amount as per NAICOM approved accounts	73,285	-
Impact of remeasurement of deferred tax asset (note e)	38,966	-
Impact of remeasurement of deferred tax liabilities (note i2)	49,937	-
Impact of remeasurement of Income tax liabilities (note i1)	(4,905)	-
Correction of error (expenses of subsidiary not consolidated)	34,058	-
	123,225	**-**
Net Effect of income statement adjustment/error	**34,058**	**-**

r **Analysis of net effect on income statement**

	Group 31-Dec-16	Company 31-Dec-16
Investment Income	689,512	-
Management expenses	(310,824)	-
Income tax expenses	34,058	-
Residual errors	27	-
	412,773	**-**
Reversal of profit transferred to NCI per 2016 FS (see note(i) below)	(202,943)	
Dividend paid to equity holders omitted from group	(209,040)	
Net Effect of income statement adjustment/error	**-**	**-**

(i) The Directors carried out an extensive review of the prior year consolidated financial statement and noted some discrepancies around amount recognised as group net profit, profit transferred to NCI which was not flowing from the income statement and omission of dividend paid to equity holders in the Group statement of changes in equity. These errors were corrected by restating the income statement to reflect the actual profit of the group and also reflecting the dividend paid to equity holders in the statement of changes in equity.

s The profit attributable to the non-controlling interest for the year ended 31 December 2016 was restated to align with the result of the subsidiaries. See analysis below:

Profit Attributable to subsidiaries

Subsidiary	Profit per subsidiary financial statement	NCI % holding subsidiary	Profit attributable to NCI
	N'000		N'000
FUG SECURITIES	248,574	30%	74,572
Healthcare Securities	18,263	6%	1,187
	266,837		
Profit attributable to NCI as calculated above			**75,759**
Profit attributable to NCI Previously reported			9,748
Adjustment on profit attributable to NCI			**66,011**

t. The net adjustment of N93.5million in the comprehensive income statement consist of net income of N411.9 million emanating from the subsidiaries which was not reported in the group financial statement and N319.2 million which is net impact of adjustments emanating from the statement of financial position. The analysis of the impact emanating from the statement of financial position is analysed below:

	Group 31-Dec-16 N'000	**Group 1-Jan-16 N'000**	**Income statement Impact 31-Dec-16 N'000**
Share of loss in associate (see note (c))	(1,010,650)	(1,010,650)	-
Reversal of non-existing fixed assets (see note (d))	(109,798)	(127,630)	17,832
Adjustment on receivables (see note (b))	6,572	1,044	5,528
Recognition of subsidiary deferred tax asset (see note (e))	46,403	85,438	(39,035)
Adjustment of insurance contract liabilities (see note (p))	(277,682)	(127,630)	(150,052)
Reversal of non-existing payables (see note (g))	78,451	81,411	(2,960)
Adjustment of income tax liabilities(see note (h))	8,821	3,916	4,905
Adjustment of deferred tax liabilities (see note (h))	80,818	130,755	(49,937)
Reversal of non-existing financial assets (see note (a))	(105,517)	-	(105,517)
			(319,236)

Impact on the company's income statement is analysed below:

	Company 31-Dec-16 N'000	**Company 1-Jan-16** N'000	**Income statement Impact**
Share of loss in associate	(1,010,650)	(1,010,650)	-
Adjustment of insurance contract liabilities	(277,682)	(127,630)	(150,052)
			(150,052)

PARENT UNDERWRITING REVENUE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2017

	FIRE	G/ACCIDENT	MARINE	MOTOR	OIL & GAS	AVIATION	ENGINEERING	BOND	2017	2016
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
INCOME										
Direct premium	141,898	195,623	38,942	425,763	1,108,902	30,645	349,907	6,521	**2,298,200**	2,005,366
Inward premium	6,309	5,665	2,972	867	1,144	353	5,258	-	**22,568**	37,422
Gross premium written	**148,207**	**201,288**	**41,913**	**426,630**	**1,110,046**	**30,999**	**355,165**	**6,521**	**2,320,768**	**2,042,788**
(Increase)/Decrease in provision for unexpired risks	18,161	(19,729)	8,734	17,648	(60,331)	(1,362)	61,972	2,009	**27,103**	153,049
Gross premium earned	**130,046**	**221,017**	**33,180**	**408,982**	**1,170,377**	**32,360**	**293,193**	**4,511**	**2,293,666**	**2,195,837**
Outward premium	(39,311)	(43,041)	(12,324)	-	(427,618)	(11,462)	(45,572)	(2,448)	**(581,776)**	(635,390)
Prepaid reinsurance	(2,816)	6,192	(4,241)	-	(1,059)	(5,503)	(473)	(1,376)	**(9,277)**	
Net Premium earned	**87,919**	**184,167**	**16,615**	**408,982**	**741,700**	**15,395**	**247,147**	**687**	**1,702,612**	**1,560,447**
Commission Received	10,853	13,828	4,084			2,109	16,886	427	**48,187**	36,352
TOTAL OPERATING INCOME	**98,772**	**197,995**	**20,699**	**408,982**	**741,699**	**17,503**	**264,033**	**1,112**	**1,750,799**	**1,596,799**
Claims Expenses										
Gross claims paid	(118,227)	(34,258)	(12,308)	(73,778)	(227,755)	(5,231)	(67,842)		**(539,400)**	(528,619)
Increase/(Decrease) in provision for outstanding claims	(11,063)	(82,372)	(18,529)	(3,524)	(473,755)	(42,575)	(21,392)	(736)	**(653,920)**	(176,594)
Gross claims incurred	**(129,290)**	**(116,630)**	**(30,837)**	**(77,302)**	**(701,510)**	**(47,807)**	**(89,234)**	**(736)**	**(1,193,320)**	**(705,213)**
Reinsurance claims recoveries	7,615	15,961	2,292	3,480	18,464	2,602	11,885	147	**62,446**	40,775
Net claims incurred	**(121,675)**	**(100,669)**	**(28,545)**	**(73,821)**	**(683,047)**	**(45,205)**	**(77,349)**	**(589)**	**(1,130,874)**	**(664,438)**
Underwriting Expenses										
Acquisition & maintenance costs less deferred cost	(25,438)	(40,520)	(8,895)	(51,767)	(336,500)	(6,819)	(72,730)	(472)	**(543,141)**	(480,622)
Acquisition cost	(8,903)	(12,156)	(2,402)	(17,083)	(90,855)	(1,841)	(19,637)	(128)	**(153,005)**	(129,768)
Maintenance cost	(16,535)	(28,364)	(6,493)	(34,684)	(245,645)	(4,978)	(53,093)	(345)	**(390,136)**	(350,854)
	(25,438)	(40,520)	(8,895)	(51,767)	(336,500)	(6,819)	(72,730)	(472)	**(543,141)**	(480,622)
TOTAL DIRECT EXPENSES	**(147,113)**	**(141,190)**	**(37,440)**	**(125,588)**	**(1,019,547)**	**(52,024)**	**(150,079)**	**(1,062)**	**(1,674,015)**	**(1,145,060)**
UNDERWRITING PROFIT:	**(48,340.88)**	**56,804.93**	**(16,741)**	**283,394**	**(277,848)**	**(34,521)**	**113,954**	**51**	**76,784.00**	**451,738**

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

OTHER NATIONAL DISCLOSURES

Value added statement

	Group 2017 N'000	%	Group 2016 N'000	%	Parent 2017 N'000	%	Parent 2016 N'000	%
Gross premium income	2,384,096		2,263,817		2,294,693		2,195,837	
Investment Income	1,473,525		1,207,705		515,661		476,392	
Other income	202,767		264,173		90,859		167,383	
Reinsurance claims, commission and operating expenses	(3,574,47)		(2,434,79)		(3,096,031)		(2,240,17)	
Value added	485,913	100	1,300,900	100	(194,818)	100	599,436	100
Applied to pay								
Staff cost	889,595	182	790,668	61	448,315	(230)	458,423	76
Government as tax	142,037	29	123,225	9	117,834	(62)	54,283	9
To provider finance								
Shareholders as dividend								
Retained in the business								
Depreciation and amortisation	154,922	32	101,321	8	101,136	(52)	55,838	9
(Loss) / profit for the year	(700,641)	(14)	285,686	22	(862,103)	450	30,892	5
	485,913	**100**	**1,300,900**	**100**	**(194,818)**	**100**	**599,436**	**100**

STATEMENT OF FINANCIAL POSITION - COMPANY

	2017 N'000	2016 N'000	2015 N'000	2014 N'000	2013 N'000
ASSETS					
Cash and cash equivalents	3,756,993	4,037,438	4,365,288	3,748,359	3,626,346
Financial assets	92,230	162,666	133,223	293,947	389,118
Trade receivables	6,678	-	1,723	8,138	-
Reinsurance assets	216,302	144,579	193,019	372,041	300,508
Deferred acquisition cost	98,318	90,191	137,687	116,152	137,236
Other receivables and prepayments	335,483	331,801	226,120	162,264	153,645
Investment in subsidiaries	1,576,300	1,576,300	1,576,300	1,576,300	1,576,300
Investment in associates	-	-	-	1,010,650	1,010,650
Investment properties	880,201	676,201	576,609	529,400	514,500
		-	-		
Intangible asset	68,378	86,725	75,489	94,663	114,276
Property, plant and equipment	2,849,945	2,875,075	2,077,110	2,279,207	2,307,303
Statutory deposits	355,000	355,000	355,000	355,000	355,000
Total assets	**10,235,828**	**10,335,977**	**9,717,568**	**10,546,121**	**10,484,882**
LIABILITIES					
Insurance contract liabilities	1,677,734	1,007,068	983,522	827,805	906,326
Trade payables	43,520	9,024	1,933	20,486	20,162
Employees retirement benefit obligations	-	-	78,581	70,941	51,572
Provision and other payables	276,807	218,677	164,829	190,648	197,013
Income tax liabilities	42,600	19,883	65,359	47,012	48,527
Deferred tax liabilities	292,730	258,004	177,764	194,576	253,104
Total liabilities	**2,342,746**	**1,512,656**	**1,471,988**	**1,351,468**	**1,476,704**
EQUITY					
Issued and paid up share capital	6,933,333	6,933,333	6,933,333	6,933,333	6,933,333
Share premium	663,600	663,600	663,600	663,600	**663,600**
Statutory contingency reserves	754,172	684,549	623,267	543,715	**453,037**
Retained earnings	(2,052,714)	(1,051,655)	(812,225)	65,103	14,305
Asset revaluation reserve	1,559,768	1,559,769	837,605	988,902	943,903
Fair value reserve	34,923	33,725			
Shareholders fund	**7,893,082**	**8,823,321**	**8,245,580**	**9,194,653**	**9,008,178**
TOTAL LIABILITIES AND EQUITY	**10,235,828**	**10,335,977**	**9,717,568**	**10,546,121**	**10,484,882**

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

	2017	2016	2015	2014	2013
Gross premium written	2,320,768	2,042,788	2,651,717	3,032,045	2,901,845
Underwriting Profit	76,784	451,738	1,043,957	1,385,837	800,474
(Loss)/Profit before taxation .	(744,269)	85,175	411,081	175,023	222,470
Taxation	(117,834)	(54,283)	(70,578)	(33,547)	41,550
(Loss)/Profit after taxation	**(862,103)**	**30,892**	**340,503**	**141,476**	**264,020**

STATEMENT OF FINANCIAL POSITION - GROUP

	2017 N'000	*Restated 2016 N'000	*Restated 2015 N'000	2014 N'000	2013 N'000
ASSETS					
Cash and cash equivalents	4,602,898	4,691,391	5,393,268	4,520,160	4,240,601
Financial assets	931,286	1,084,689	431,448	677,150	1,017,705
Trade receivables	6,678	-	1,723	8,138	-
Reinsurance assets	216,302	144,579	193,019	372,041	300,508
Deferred acquisition cost	98,318	90,191	137,687	116,152	137,236
Other receivables and prepayments	539,675	494,120	336,713	115,428	228,707
Investment in subsidiaries	-	-	-	-	-
Investment in associates	-	-	-	1,010,650	1,010,650
Investment properties	880,201	676,201	576,609	529,400	514,500
Goodwill	386,444	386,444	386,444	499,680	504,370
Intangible assets- Software	90,582	93,675	88,558		
Property, plant and equipment	3,183,537	3,183,747	2,390,589	2,667,085	2,533,396
Statutory deposits	355,000	355,000	355,000	355,000	355,000
Deferred tax asset	43,721	46,403	85,369		
Total assets	**11,334,642**	**11,246,440**	**10,376,426**	**10,870,884**	**10,842,673**
LIABILITIES					
Insurance contract liabilities	1,687,994	1,007,068	983,522	827,805	906,326
Trade payables	43,520	9,024	1,933	20,486	20,162
Employees retirement benefit obligations	7,272	-	78,581	70,941	51,572
Provision and other payables	363,639	279,401	245,159	256,241	279,322
Income tax liabilities	82,442	68,452	97,785	71,423	74,497
Deferred tax liabilities	299,016	262,624	181,321	15,149	136,844
Total liabilities	**2,483,883**	**1,626,569**	**1,588,301**	**1,262,045**	**1,468,723**
EQUITY					
Issued and paid up share capital	6,933,333	6,933,333	6,933,333	6,933,333	6,933,333
Share premium	663,600	663,600	663,600	**663,600**	**663,600**
Statutory contingency reserves	754,172	684,549	623,267	**543,715**	**468,436**
Retained earnings	(1,620,172)	(732,208)	(671,813)	119,701	20,707
Asset revaluation reserve	1,559,768	1,559,768	837,605	988,902	943,903
Fair value reserve	34,923	33,725	-	-	-
Non-Controlling interest(NCI)	525,135	477,104	402,134	359,590	343,971
Shareholders fund	**8,850,759**	**9,619,871**	**8,788,126**	**9,608,841**	**9,373,950**
TOTAL LIABILITIES AND EQUITY	**11,334,642**	**11,246,440**	**10,376,427**	**10,870,886**	**10,842,673**

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

	2017	2016	2015	2014	2013
Gross premium written	2,411,075	2,110,768	2,651,717	3,032,045	2,901,845
Underwriting Profit	102,133	473,460	1,043,957	1831517	800,474
(loss)\profit before taxation .	(558,605)	408,911	441617	158,665	282,611
Taxation	(142,037)	(123,225)	(119,636)	(59,672)	25,872
Profit after taxation	(700,642)	285,686	321,981	98,993	308,483

REGISTRATION / ADMISSION FORMS

Proxy Form

Being member/members of Veritas Kapital Assurance Plc hereby appoint………………………………………………………………
or failing him MR THOMAS ETUH or failing him MR POLYCARP DIDAM as my/our proxy to act and vote for me/us on my/our behalf at the 41st Annual General Meeting of the Company to be held on 25th September, 2018 at 11:00am and at any adjournment thereof

As witness my/our hand…………………………………..day of ……………………………………….2018

Signed……………………………………….

NOTES:

1. A member to attend and vote at the General Meeting is entitled to appoint a proxy in his stead. A proxy need not be a member of the company.
2. All proxies should be deposited at the office of the Registrar, Unity Registrars Limited, 25, Ogunlana Drive, Surulere, Lagos, not less than 48 hours before the time for holding meeting.
3. In the case of joint shareholder, any one of such may complete the form but the name of all joint Shareholders must be stated.
4. It is required by law under the Stamp Duties Act Cap 41 Laws of the Federation of Nigeria 1990, that any adjustment of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of shareholder must bear stamp duty at the appropriate rate, not adhesive postage stamps.
5. If the shareholder is a corporation, this form must be under its common seal or under the hand of some offices or attorney duly authorized in that behalf.
6. This proxy will be used only in the event of poll being directed or demanded.

		ORDINARY BUSINESS	FOR	AGAINST
I/We desire this proxy to be used in favour of/or against the resolution as indicated alongside (Strike out whichever is desired)	1	To receive the Audited Financial Statement for the year ended December 31, 2017 and the reports of Directors, Auditors and Audit Committee		
	2	To approve the remuneration of Directors		
	3	To re-elect and approve the appointment of Directors.		
	4	To elect members of the Audit Committee		
		SPECIAL BUSINESS		
		To consider and if thought fit, pass the following resolution as Special Resolutions:		
	1	To approve remuneration of Directors.		
	2	To authorize the Directors to take all necessary steps including initiating and negotiating mergers and/or acquisition or any other form of business combination or arrangement with any company/companies or institution(s) whether foreign or local for the purpose of shoving up the Company's capital		
	3	To authorize the Directors to raise additional capital through any of the following; debt in all forms, equity in all forms, whether local or foreign to the general public or otherwise, or by rights issue, special placing or by a combination of any of the aforementioned methods at the discretion of the Directors at an appropriate price, terms and at a time to be determined by the Directors.		
	4	In the event of over-subscription of the Offer, to authorize the directors to capitalize the excess monies and allot additional securities to the extent that can be accommodated by the Company's un-issued share capital and that the proceeds should be used for the same purpose as the Offer subject to the approval of the Regulatory authorities.		

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

ADMISSION CARD

41st VERITAS KAPITAL ASSURANCE PLC

ANNUAL GENERAL MEETING

☐ Shareholder
☐ Proxy

PLEASE ADMIT ONLY THE SHAREHOLDERS NAMED ON THIS CARD OR HIS DULY APPOINTED PROXY TO THE FORTY FIRST ANNUAL GENERAL MEETING BEING HELD AT AJUJI GREENWICH HOTEL, PLOT 1083, JOSEPH GOMWALK STREET, OFF ABDULSALAMI ABUBAKAR ROAD, GUDU DISTRICT, ABUJA ON TUESDAY 25TH SEPTEMBER, 2018.

NAME OF SHAREHOLDERS/PROXY……………………………………………………………………………………………

SIGNATURE……

ADDRESS………

THIS CARD IS TO BE SIGNED AT THE VENUE IN THE PRESENCE OF THE REGISTRAR

Affix
Current
Passport
(To be stamped by Bankers)
Write your name at the back of your passport photograph

Unity Registrars Ltd.
RC. 346100

Only Clearing Banks are acceptable

Instruction
Please complete all section of this form to make it eligible for processing and return to the address below

The Registrar,
Unity Registrars Limited
25 Ogunlana Drive,
Surulere,Lagos
Lagos State.

I\We hereby request that henceforth, all my\our Dividend Payment(s) due to me\us from my\our holdings in all the companies ticked at the right hand column be credited directly to my \ our bank detailed below:

Bank Verification Number

Bank Name

Bank Account Number

Account Opening Date

Shareholder Account Information

Surname / Company's Name | First Name | Other Names

Address:

City | State | Country

Previous Address (If any)

CHN (If any)

Mobile Telephone 1 | Mobile Telephone 2

Email Address

Signature(s)

Company Seal (If applicable)

Joint\Company's Signatories

TICK	NAME OF COMPANY	REGISTRARS ACCOUNT NO
	AFROIL PLC	
	BGL PLC	
	CARANDA MANAGEMENT SERV. LTD	
	DVCF OIL & GAS FUND	
	DVCF OIL & GAS PLC	
	LOTUS CAPITAL HALAL FUND	
	NORTHLINK BROKERS PLC	
	PELICAN PRINTS LIMITED	
	ROKANA PLC	
	UNITY BANK PLC	
	UNITY REGISTRARS LTD	
	VERITAS KAPITAL ASSURANCE PLC	

UNITY REGISTRARS LIMITED
Website: **www.unityregistrarsng.com** Email: **info@unityregistrarsng.com** Tel: **08085009235**